

# *MO HealthNet Pharmacy Program Overview*

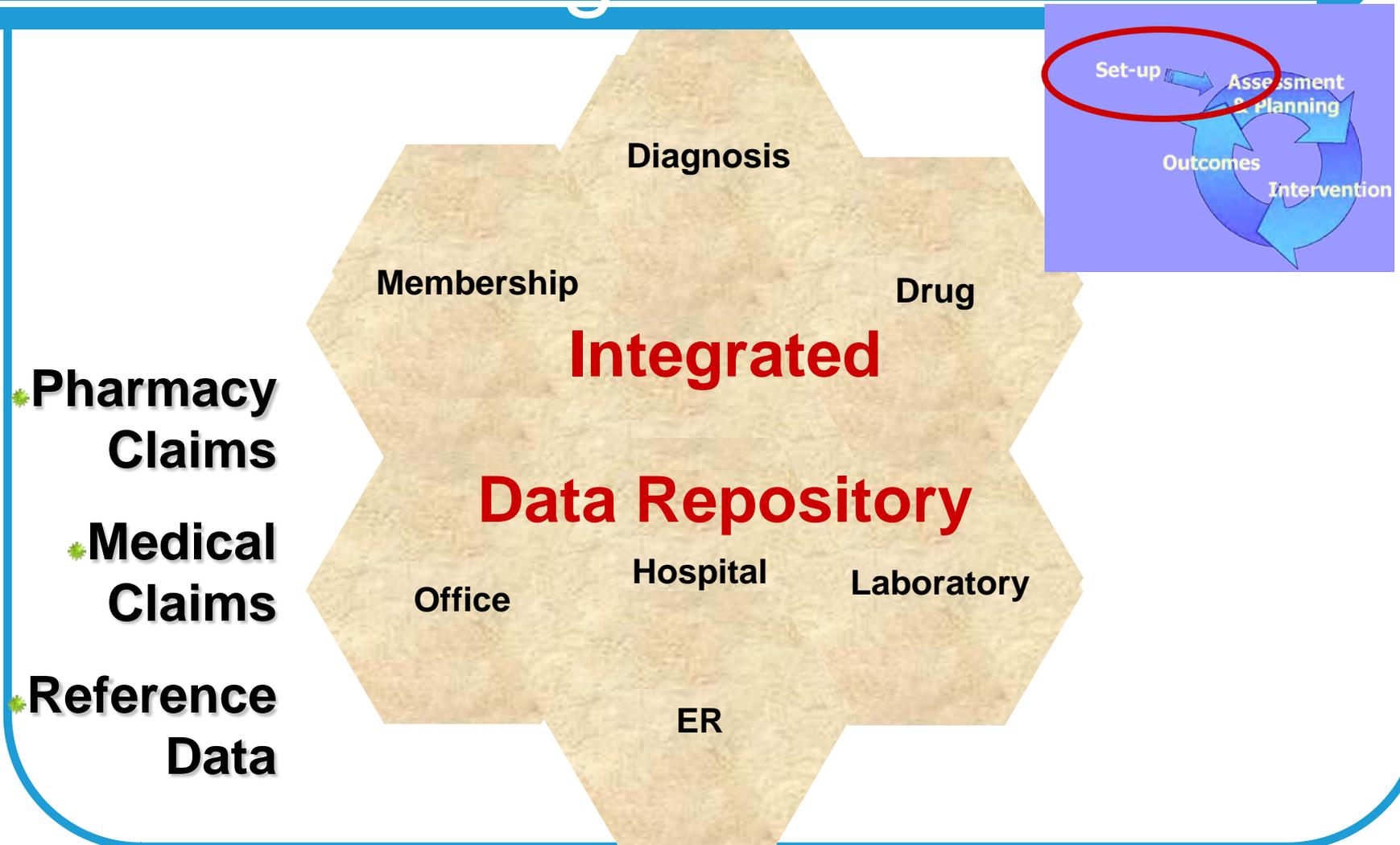
MO HealthNet Oversight Committee  
April 9, 2013



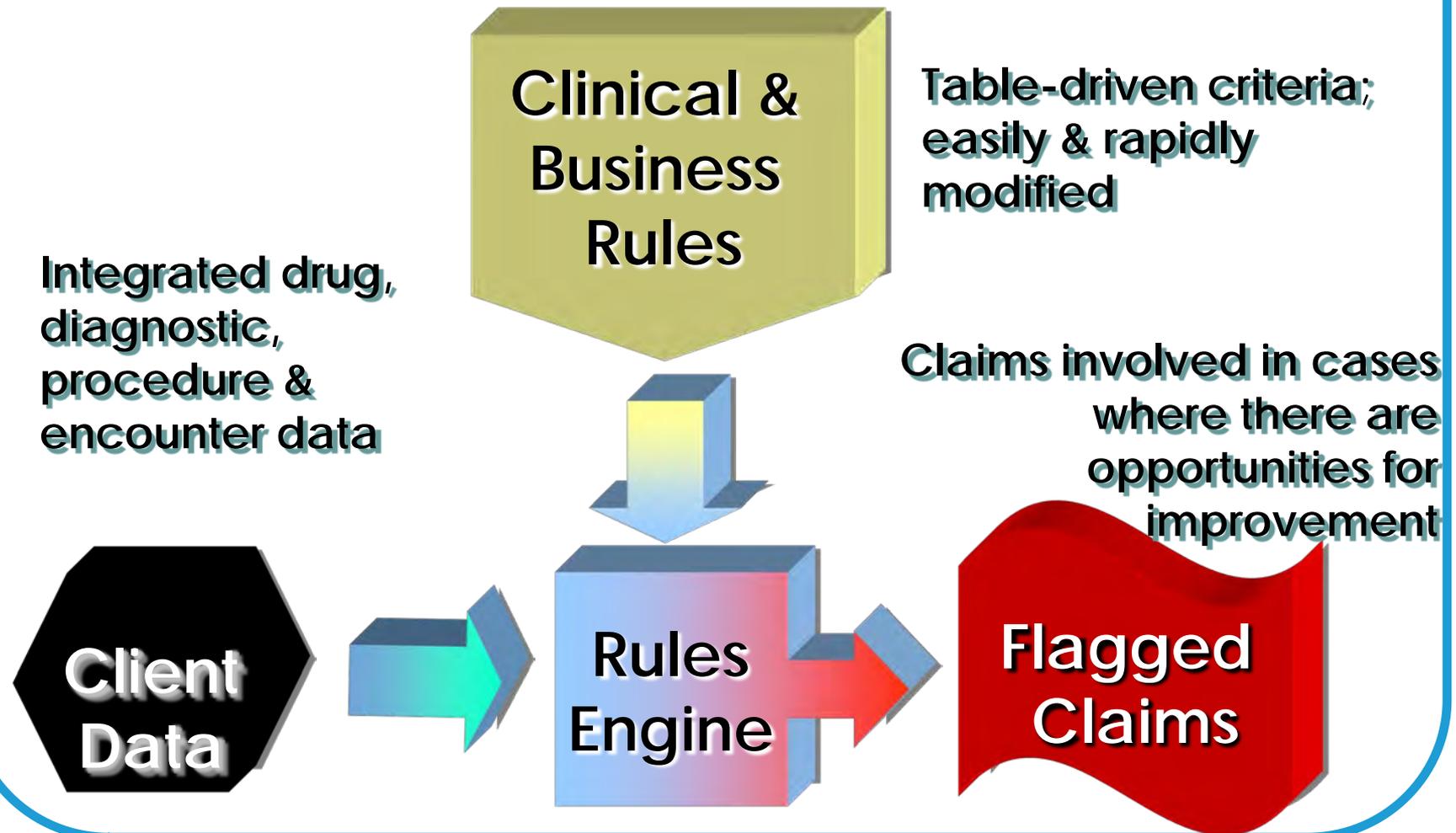
# The Tenets of Clinical Program

- Make decisions on medical evidence and best practices not intuition or expenditures
- Provide management that is as transparent to patients and providers as possible
- Produce outcomes reports for all programs
- Review and insure quality assurance for program policy
- Don't punish the many for the sins of a few

# Mapping & Data Integration

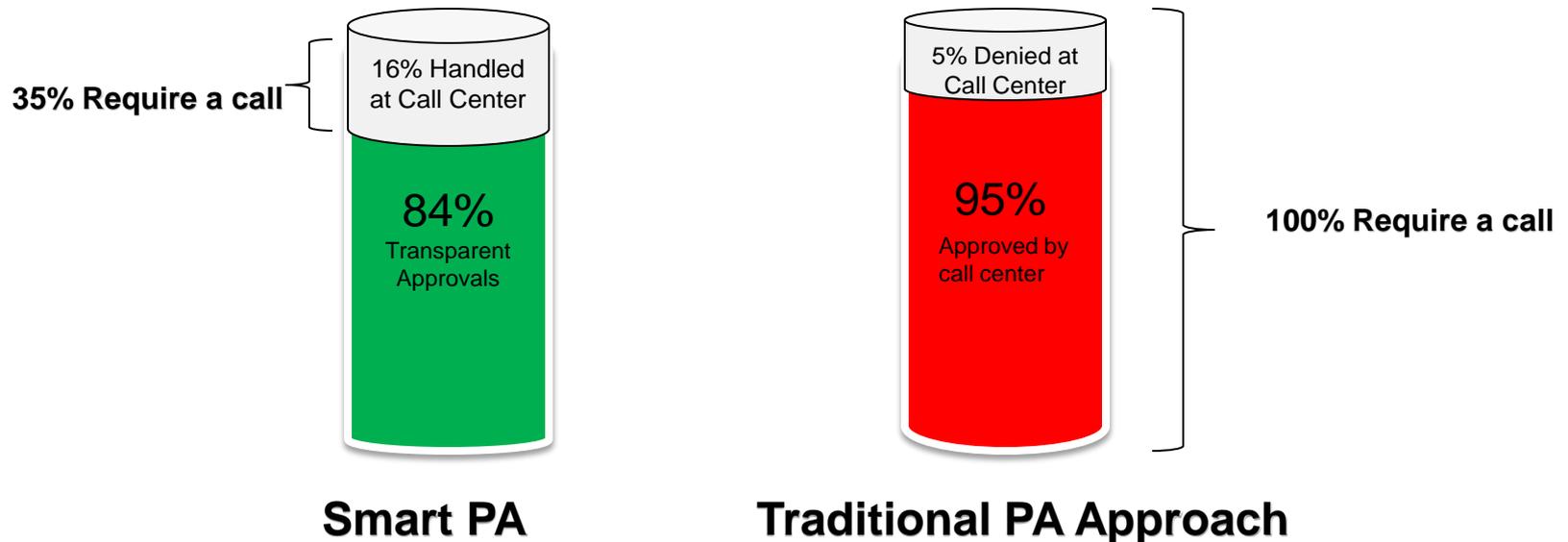


# Clinical Rules System



# System Transparency

## The SmartPA Way



# Preferred Drug List

- Preferred Drug List (PDL) allows state Medicaid programs to receive supplemental rebate from manufacturers
- MO PDL began 2004
- Division makes recommendations to Advisory Groups for preferred and non-preferred drugs quarterly
- PDL garners ~\$20m annually in supplemental rebates

# Clinical Edits

- Clinical Edits enhance care and safety by encouraging therapeutically prudent use of medications
- Designed to ensure effective and appropriate drug utilization
- Evidence-based medicine principles are developed into clinical criteria

# PDL and Clinical Edits

- Clinical criteria are built into real-time automated edits using Smart PA rules engine
- 80 PDL Edits
- 50 Clinical Edits
- All Edits are reviewed and ratified by both
  - Drug PA Committee AND
  - DUR Board

# Advisory Groups

- Federal and State regulation establish the Pharmacy Program's Advisory Groups
- Groups primary function is review and ratification of recommended program edits
- Drug PA Committee
- Drug Use Review (DUR) Board
- Pharmacy Advisory Group

# Advisory Groups

- Program review for clinical initiatives for the Pharmacy Program
- Ratify the evidence-based clinical information and quality measures put forth from the Agency – roll call votes
- Public Hearing for each product/therapeutic class
  - 15 minutes per product
  - PhRMA (drug manufacturers)
  - Providers/Interested Parties

# Advisory Groups – Drug PA Committee

- Members appointed by Director of Dept of Social Services
- Members must hold active professional license in MO
- 3 physicians, 3 pharmacists, 1 registered nurse
- Meets quarterly
- Functions like traditional P & T Committee

# Advisory Groups – DUR Board

- Members Appointed by the Governor
- Members must hold active professional license in MO
- 4 physicians, 4 pharmacists, 1 psychiatrist, 1 PhRMA rep, 1 registered nurse
- Meet quarterly
- Review and ratify recommendations from Drug PA Committee

# Advisory Groups – Pharmacy Advisory Group

- Members Appointed by Division Director/Director of Pharmacy
- Pharmacy Program initiatives are vetted for direct feedback
- 13 members
- Members represent all types of pharmacy
  - Chain
  - Independent
  - Long-Term Care
  - Pharmacy Association

# Pharmacy Program – Drug Reimbursement

- Maximum Allowable Cost (MAC)
  - Traditional and Specialty
  - Traditional Program began in 2001
  - Allows the ability to maximize savings from generics
  - FY12 savings \$39.6m
  - Mercer analyzes and sets MAC limits - both
- Federal Upper Limit
- Drug Pricing File updated weekly

# Pharmacy Program

- Program staff respond to provider's inquiries
  - Real-Time Claims Adjudication Assistance
  - Legislative Inquiries
  - Pends – Ask Clinical Services
  - Provider Education
- Pre and Post-payment reviews
- Diabetic Testing Supplies and Syringes PDL Program

# Generic Utilization

TypeDrug	Claims	NetPayment	Pct Claims	Pct Spend
Brand	3,301,141	\$ 834,079,844	24.94%	76.16%
Generic	9,937,065	\$ 261,092,470	75.06%	23.84%

Totals                      13,238,206    \$1,095,172,315

10/2011-09/2012

# Short Acting Narcotics Single Agent and Combination Utilization Over Maximum Dosage per Day

- Implementation of Single Agent on 1/30/2012
- Implementation of Combination Products 2/8/2012
- Pre-implementation period is 11/1/2009 – Edit Implementation
- Post-implementation period is Edit Implementation – 7/30/2012

GenericName	Pre Edit Implementation	Post Edit Implementation – 2/28/2013
Fioricet	34.84%	7.26%
Fiorinal with Codeine	20.57%	4.56%
Codeine	7.39%	0.39%
Tylenol w/ Codeine	6.64%	0.90%
Vicodin/Norco	10.69%	1.47%
Vicoprofen	33.40%	7.68%
Dilaudid	8.09%	2.51%
Demerol	7.56%	1.06%
Methadone	1.74%	1.41%
Morphine IR	13.94%	3.99%
Oxycodone IR	4.11%	1.46%
Percocet	7.93%	1.07%

Josh  
Can you remove Levorphanol from that first slide

# Acetaminophen Average Dosage per Day For Acetaminophen Containing Combination Narcotic Products

- Implementation of Combination Products 2/8/2012
- Pre-implementation period is 11/1/2009 – 2/7/2012

	Pre Edit Implementation	Post Edit Implementation 2/8/2012 – 2/28/2013
APAP Daily Dose	2305 mg/Day	1947 mg/Day

# Medicaid Drug Rebate Program

- Established in 1990 – Omnibus Budget Reconciliation Act (OBRA)
- Drug manufacturers sign rebate agreements with CMS and establish quarterly rates
- Rebate program invoices quarterly
- Federal Rebate Program is for outpatient drugs only, and excludes
  - Nutritional Supplements
  - DME
  - DESI (less than effective) products

# Medicaid Drug Rebate Program

- Rebate Programs
  - Federal Rebate
  - PDL Supplemental Rebate
  - Diabetic Testing Supplies and Syringes
  - MORx Rebate
- Rebate collects over \$120m annually

# Pharmacy Program Overview

- Requires Working Closely With
  - Providers and Provider Advisory Groups
  - Agency Clinical Staff and Consultants
  - Sister State Agencies
  - Other MHD staff and units
  - Contractors

# Discussion

- Questions?

Thank you!

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