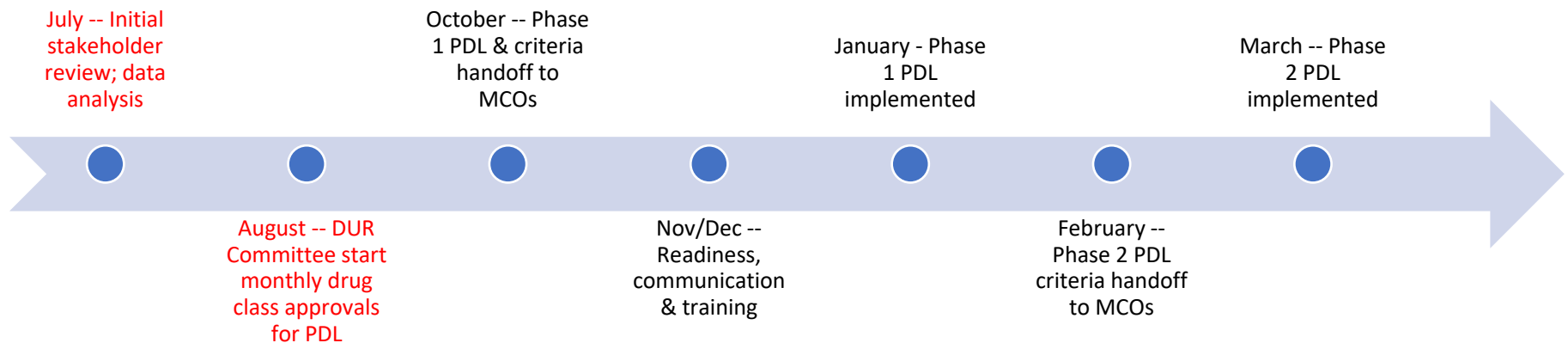


## August 2017 Monthly Report Single Preferred Drug List for Apple Health (Medicaid)

### Background and Purpose

The 2017-19 state operating budget directs HCA to implement a single, standard Medicaid-preferred drug list (PDL) to be used on behalf of all Apple Health clients on or before January 1, 2018. The budget proviso states that “the preferred drug list shall be developed in consultation with all contracted managed health care systems and the state Pharmacy and Therapeutics (P&T) Committee or Drug Utilization Review Board (DUR). The list shall be designed to maximize federal rebates and supplemental rebates and ensure access to clinically effective and appropriate drug therapies under each class.”

### Milestones



### Accomplishments – August

- DUR Board approved 18 drug classes for the PDL, including high-cost drugs
- HCA systems solutions for PDL look-up tool and criteria conceptualized for Phases 1 & 2

- HCA began drug coverage criteria review process with managed care organizations (MCOs) to assure consistency
- Agreement with MCOs for drug cost reimbursement in 2018 via Administrative Services Only (ASO) agreement
- Project governance established; project management support added

### September Priorities

- Finalize contract with rebate processing vendor
- DUR Board review of additional drug classes (meeting on September 20)
- Continue drug coverage criteria review with MCOs
- Develop HCA's plan for automation of Single PDL for Phase 2 in March 2018
- Finalize file transfer specifications and plan with MCOs
- Develop implementation and testing plan with MCOs

### Project Risks

1. **Risk:** Stakeholders have concerns with new Single PDL.  
**Mitigation:** Proactive presentations and meetings with stakeholders; clear, frequent, and transparent communication. Decisions are made in open public meetings.
2. **Risk:** Some Apple Health clients may need to change their medications causing possible disruption in treatment.  
**Mitigation:** Allow members to continue medication when clinically appropriate as determined by the DUR Board; allow continuation of care for certain high volume medications to reduce administrative burden on providers and health plans; provide multiple opportunities for prescribers and pharmacists to become familiar with new Single PDL before January 1; and, facilitate proactive outreach to patients directly impacted by the changes.
3. **Risk:** Estimated savings for Single PDL is not achieved.  
**Mitigation:** Clear, consistent communication around realistic savings and reasons savings may not be achieved.
4. **Risk:** HCA's automated solution for PDL may not be available by March 2018 and Phase 2.  
**Mitigation:** Develop alternative solutions.

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