

March 2018 Monthly Report Preferred Drug List for Apple Health (Medicaid)

Background and purpose

The 2017-19 state operating budget directs HCA to implement a single, standard preferred drug list (PDL) for all Apple Health (Medicaid) clients on or before January 1, 2018.

HCA implemented the first phase of the Apple Health PDL (13 drug classes) on January 1, 2018. Phase 2 will go live July 1, 2018, and any remaining drug classes will be implemented later in 2018. All contracted Medicaid managed care organizations (MCOs) and the fee-for-service (FFS) program will use the Apple Health PDL.

The link to the Apple Health PDL is on [HCA's Apple Health PDL webpage](#).

March highlights

- The Drug Utilization Review (DUR) Board met on March 21, 2018. The DUR Board reviewed and approved the four remaining drug classes and three clinical policies to be added to the Apple Health PDL on July 1. HCA also presented the final preferred status for 55 of the 230 classes that will be implemented on July 1.
- HCA successfully produced and delivered to the MCOs on March 22, 2018, a fully automated Apple Health PDL data file to communicate PDL updates to the MCOs.
- HCA completed the internal review of the July 1 drug classes with the MCOs' pharmacy directors to finalize which drug classes need a clinical policy and which drugs require grandfathering.
- HCA successfully reimbursed the MCOs for February drug costs associated with the PDL's first 13 drug classes.

Upcoming work – April

- Share the drugs and drug classes for July implementation with the MCOs so they can begin to plan and program their systems.
- Finalize all remaining clinical policies that will be implemented on July 1. The final clinical policies will be provided in May.
- Begin programming the FFS point of sale system to correctly adjudicate claims for PDL drug classes that go live July 1. Programming and testing will be completed in May.
- Continue working on a communication strategy to support internal and external stakeholder engagement for the rest of the project.

- Establish feedback mechanisms to assess satisfaction with the Apple Health PDL, beginning with a baseline survey measurement in late April or early May.
- Plan for the redesign of the pharmacy services webpage for clients to include information about the PDL.
- Monitor the MCOs' progress on updating reject messages to pharmacies.

Benefits of a single preferred drug list

When fully implemented, the expected benefits of the Apple Health PDL include:

1. **Administrative ease.** A single PDL simplifies formulary selection and prior authorization requirements for prescribing providers and pharmacies.
2. **Consistent access.** All Medicaid clients will have access to the same set of medications and coverage rules.
3. **Maximized rebates.** A single PDL steers members to highly effective drugs that have the lowest cost or maximum rebate potential, resulting in an overall reduction in prescription drug costs.
4. **Price transparency.** Improved price transparency will allow for more accurate rate setting and better cost management.
5. **Minimize disruptions.** Some members enrolled in MCO coverage switch plans to access certain prescription medications. While the number of members who switch plans is small, such disruptions would not occur with a single statewide PDL.

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