

## June 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. Given the workload involved, full implementation of the comprehensive Apple Health PDL will occur in three phases, set to conclude July 1, 2019.

HCA implemented Phase 1 (27 drug classes\*) on January 1, 2018. Phase 2 implementation occurs July 1, 2018 and will implement 57 unique drug classes. Phase 3 will include all remaining drug classes (approximately 350), which will be implemented quarterly until complete. Dates for each Phase 3 release are as follows:

- Phase 3A – 10/1/18
- Phase 3B – 1/1/19
- Phase 3C – 4/1/19
- Phase 3D – 7/1/19

All the Apple Health (Medicaid) managed care organizations (MCOs) under contract with HCA and the Apple Health Fee-for-service program will use the Apple Health PDL.

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

*\*Note: HCA originally communicated the number of drug classes implemented in Phase 1 as 13. A recent adjustment in the way HCA defines a drug "class" amends this number to 27.*

### June highlights

- Finalized a decision to utilize an annual survey of all clients receiving medical assistance services from HCA – developed and conducted by the Washington Department of Social and Health Services (DSHS) Division of Research and Data Analysis (RDA) – to assess the impact of and satisfaction with Apple Health PDL-related changes
- Finalized the Phase 2 Apple Health PDL file specifications for all Phase 2 drug classes and worked with MCOs to ensure successful completion of file testing
  - MCOs completed testing with no issues reported
- Completed Point of Sale (POS) system configuration required for Phase 2 and Phase 3A implementation, which will allow the system to correctly adjudicate claims for PDL drug classes going live in each phase

- Implemented Phase 2 drug criteria and policies with MCOs and FFS organizations ahead of implementation
- Finalized a survey for both pharmacy and provider communities to 1) assess HCA communication regarding the Apple Health PDL, and 2) assess the impact of AHPDL on reducing administrative burden
  - Survey is scheduled for go-live on August 1, 2018
- Executed planned communications ahead of Phase 2 implementation
  - Posted to Apple Health PDL web page FAQs for clients, providers, and drug manufacturers
  - Posted to Apple Health PDL web page a list of drug classes, drugs, and their preferred and prior authorization status
  - Posted to Apple Health PDL client web page updated PDL information, including how to access and navigate benefits, find if a drug is preferred, and request approval
  - Emailed to MCOs, Medical Assistance Customer Service Center (MACSC), and Prior Authorization stakeholders key messaging regarding the Phase 2 implementation
  - Emailed to drug manufacturers, pharmacies, prescribers, clients, plans, and HCA staff a Phase 2 Apple Health PDL program update

### Upcoming work – July

- Go-live with Apple Health PDL Phase 2 drug classes by initiating automated Phase 2 PDL file transmission to MCOs
- Finalize the Phase 3A Apple Health PDL file specifications for all Phase 3A drug classes and work with MCOs to ensure successful completion of file testing
- Finalize the overall Phase 3 timeline and workplan, to include all Phase 3 sub phases
- Executed planned communications following Phase 2 implementation

### 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. **Rebate transparency.** Improved rebate transparency to HCA 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.

**Project Contact**

Donna Sullivan, Chief Pharmacy Officer  
Clinical Quality and Care Transformation

[Donna.sullivan@hca.wa.gov](mailto:Donna.sullivan@hca.wa.gov)

360-725-1564