

July 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 (26 drug classes) on January 1, 2018. Phase 2 implementation occurred July 1, 2018 and included 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 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](#).

July highlights

- Go-live with Apple Health PDL Phase 2 drug classes by initiating automated Phase 2 PDL file transmission to MCOs
- Prepared mailing and email notification for the 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 went live on August 1, 2018
- Received fully executed contracts back from both First Data Bank (FDB) and MediSpan
- Held Phase 3 communications and planning session
- Finalized the overall Phase 3 timeline and workplan, to include all Phase 3 sub phases
- Finalize the Phase 3B Apple Health PDL file specifications for all Phase 3B drug classes and work with MCOs to ensure successful completion of file testing

Upcoming work – August

- Create tickets for Phase 3B (January 2019) POS system configuration and configure system
- Analyze feedback from MCO plans and make appropriate changes to POS configuration
- Send updated October file to MCO plans
- Execute planned communications for Phase 3 communication including updated key messages, FAQs, a survey for prescriber and pharmacy communities, and a blog post.
- Collect supplemental rebate dollars
- Receive full supplemental rebate file from Magellan and invoice

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
360-725-1564