

Facts for drug manufacturers

Apple Health (Medicaid) Preferred Drug List (PDL)

The Health Care Authority (HCA) has created a preferred drug list (PDL) for Apple Health in partnership with Apple Health managed care plans. Below are answers to questions HCA has received about the Apple Health PDL.

Implementation

What has changed?

On January 1, 2018, HCA implemented the Apple Health PDL. HCA added more drug classes on July 1, 2018. Drug classes will continue to be added quarterly through July 1, 2019.

The Apple Health PDL can be viewed at: www.hca.wa.gov/apple-health-pdl

How do managed care plans cover drugs that are not included in the Apple Health PDL?

Managed care plans will continue to use their own clinical criteria and policies for drugs that are not part of the Apple Health PDL. Each plan will continue to use established communication channels to notify patients and providers.

Will HCA have more Pharmacy and Therapeutic Committee meetings?

Yes. HCA will have periodic Pharmacy and Therapeutic (P&T) Committee/Drug Utilization Review (DUR) Board meetings through 2018.

All meetings are open to the public. For scheduled meetings and materials visit:

www.hca.wa.gov/about-hca/prescription-drug-program/meetings-and-materials.

Will medical benefit drugs be included in the Apple Health PDL?

The primary focus will be drugs that are covered in outpatient settings. HCA expects to include drugs traditionally covered in the medical benefit. The timeframe for including medical benefit drugs hasn't been set.

If a drug becomes non-preferred, will it be grandfathered?

The DUR Board determines which drugs will be grandfathered. For grandfathered drugs, prescribers will not need to obtain prior authorization (PA) for patients to continue the medication.

Who is developing prior authorization criteria?

HCA clinical staff in collaboration with the pharmacy directors from the Apple Health managed care plans develop PA criteria. The criteria is then reviewed by the Drug Utilization Review (DUR) Board.

Do you expect to achieve the financial savings assumed in the 2017-19 state operating budget?

We support the concept of the Apple Health PDL as one tool for curbing rising drug costs. Without additional study, we do not know whether the PDL will achieve the assumed savings. During the 2017 legislative session, HCA went on record to say that the assumed savings from a single PDL were not realistic.



How the PDL affects Apple Health managed care plans

Can plans add drugs to the PDL?

No. Plans may not add drugs to classes within the Apple Health PDL. Plans may follow their own PDL for drugs or drug classes that are not part of the Apple Health PDL.

Can plans negotiate their own rebates?

Plans are prohibited from negotiating rebates for any drugs within a class on the Apple Health PDL whether they are preferred or non-preferred.

Plans may negotiate rebates on drugs outside of the Apple Health PDL.

Do managed care plans use their own prior authorization criteria?

The goal is that all plans use the same prior authorization criteria, step therapy edits, and quantity limits developed by HCA. Beginning January 1, 2018, plans are using the same preferred status for drugs listed on the Apple Health PDL; however, plans will continue to use their own quantity limits.

Does the Therapeutic Interchange program apply to the Apple Health PDL?

The Therapeutic Interchange program only applies to some drug classes for the Medicaid Fee-for-Service program. Apple Health managed care plans do not participate.

Will the number of Apple Health managed care plans expand?

No, the managed care plans will remain the same.

Supplemental rebates

Have changes been made to the supplemental rebate contracting process?

Yes. HCA joined The Optimal PDL Solution (TOP\$) supplemental rebate pool administered by Provider Synergies, a subsidiary of Magellan Medicaid Administration, LLC, effective January 1, 2018.

What is the process for submitting rebates? If we don't have a contract with the vendor, can we get one?

The process for submitting rebates through TOP\$ is explained at:

www.providersynergies.com/services/medicaid/default.asp?content=TOPS

Were rebate contracts with the Apple Health Fee-for-Service program cancelled?

Yes, these rebate agreements were cancelled and transitioned to TOP\$ supplemental rebate contracts on January 1, 2018. This change affected both rebate contracts for the Medicaid FFS program and the supplemental rebate contracts for managed care organizations.



Operating the Apple Health PDL

What is the general process for the PDL?

Clinical: Magellan will review each drug and drug class on its clinical merits relative to other medications in the same drug class.

Published, peer-reviewed clinical trials are the primary source of information Magellan uses for this review. Data regarding efficacy, effectiveness, adverse effects, and tolerability will be analyzed and compared to other drugs within the therapeutic class.

DUR Board Meetings: Magellan will present the drug class review and analysis to the DUR Board. From this analysis, the board determines an agent's superiority, equivalency, or inferiority relative to the alternatives within the class.

Financial: In addition, Magellan will perform a financial analysis of the drug class. This analysis incorporates Medicaid utilization data from Washington State as well as net drug costs after considering all rebates from manufacturers. Magellan will make recommendations to HCA on which drugs to select as preferred.

After considering both DUR Board recommendations and the financial analysis from Magellan, HCA will make the final selection of preferred drugs for the PDL.

How often will drug classes be reviewed and changes made to the PDL?

Drug classes will be reviewed at least once a year.

Who makes the final decision as to which drugs become part of the PDL?

Washington State's Medicaid Director, who is a deputy director within HCA, or her designee, has the final authority for PDL decisions.

What will be the path for a newly approved product to be considered for the Apple Health PDL?

If a drug class has been reviewed by the DUR Board and the Medicaid Director has approved the recommended drugs in that category, new chemical entities listed in Medispan will be non-preferred and available via the PA process until the next scheduled review of that drug class.

If a new medication is considered unique and a priority drug, HCA may indicate that the drug is preferred until the DUR Board reviews the drug at their next scheduled meeting.

This process does not always apply to line item extensions, such as new strengths or dosage forms of previously available medications, combination drugs whose primary ingredients have already been reviewed by the DUR Board, or generics of currently available medications.

How will HCA communicate updates to the PDL to companies and the public?

All updates and a variety of related data, reports, drug information, and prior authorization forms and criteria will be posted and maintained on the HCA website at www.hca.wa.gov/apple-health-pdl.



Does the Apple Health PDL affect the Uniform Medical Plan offered through HCA's Public Employees Benefits Board (PEBB) Program?

No. The Legislature directed HCA to develop a preferred drug list only for Apple Health.

How is the Apple Health PDL different from the Washington PDL?

State agencies with programs that purchase health care services use the Washington PDL. They include the Uniform Medical Plan for public employees (HCA), Apple Health Fee-for-Service program (HCA), and the workers' compensation system (Labor & Industries). The Washington PDL includes the Therapeutic Interchange program (TIP) and dispense-as-written on certain non-preferred products for endorsing practitioners.

The Apple Health PDL will include the drug classes that are also on the Washington PDL. However, HCA will use a different analysis to select preferred drugs for the Apple Health PDL. This means the preferred products on the Apple Health PDL may differ for these drug classes. Therapeutic interchange will only apply to the Apple Health Fee-for-Service program for those drug classes on both the Washington PDL and the Apple Health PDL.

Apple Health managed care plans will not implement therapeutic interchange.