

DRAFT Minutes—Indiana Medicaid DUR Board
Meeting of June 19, 2009—Meeting No. 150

In attendance:

Brian Musial, R.Ph. - Chair
John Wernert, M.D. - Vice-Chair
Philip N. Eskew, Jr., M.D.
Patricia Treadwell, M.D.
Kent Summers, R.Ph., Ph.D.
Terry Lindstrom, Ph.D.

Also present:

Michael Sharp, R.Ph. - OMPP
Marc Shirley, R.Ph. - OMPP
Emily Hancock, PharmD, MPA - OMPP
Jeannine M. Murray, R.Ph. - Anthem
Chris Johnson, R.Ph. - MDwise
Katasha Butler, PharmD - Managed Health Services
Randall Renshaw, PharmD, BCPS - ACS
James V. Berger, R.Ph. - EDS

MEETING CALLED TO ORDER: Mr. Brian Musial, Board chairman, called the meeting of the Indiana Medicaid DUR Board to order.

APPROVAL OF MINUTES: The request for approval of the draft minutes from the May meeting was moved, seconded, and carried with a unanimous vote.

REMARKS FROM THE CHAIR: Because testing is occurring in the next room, Mr. Musial asked if excess noise could be kept to a minimum. Due to technical difficulties with stenographic equipment, Mr. Musial pointed out that a tape recorder had been placed at the podium.

OPENING COMMENTS: Mr. Marc Shirley apologized for the high humidity in the conference room and informed attendees that the conference center staff have been notified about this issue. Mr. Shirley announced that all banner pages, newsletters, and remittance advices will be sent electronically instead of being sent by mail. He added that the effective date for this transition is September 1, 2009. Mr. Shirley encouraged everyone to sign up for electronic notification so that enrolled individuals can be alerted to new postings for the aforementioned documents.

PREFERRED DRUG LIST (PDL) STUDY REPORT #10: Dr. Randall Renshaw indicated that the evaluation period for PDL Study Report #10 was from April 1, 2008 through September 30, 2008. Dr. Renshaw added that some of the tables that were once in the body of the report could now be found in the appendix. Covering key points since the PDL program inception, he stated that the estimated savings after federal rebates are considered, and before administrative expenditures are deducted, are \$31.6 million. Dr. Renshaw also stated that supplemental rebates totaled \$37.99 million. He pointed out that the total program savings is \$69.05 million and that administrative expenditures totaled \$7.43 million. Dr. Renshaw summarized by saying the net savings for the PDL program for the six-year evaluation period is \$61.62 million. Dr. John Wernert asked if the administrative expenditures included fees from ACS and EDS. Dr. Renshaw responded by saying the administrative expenditures included fees from ACS and EDS. Dr. Wernert also asked how supplemental rebates are calculated. Dr. Renshaw responded that the supplemental rebate value is the total amount of rebates collected for the specified time period. Dr. Renshaw pointed out several observations that were true of the current evaluation period as well as the total program evaluation period including: 1) Once a Medicaid recipient has been switched to a preferred medication, the vast majority did not switch back to a non-preferred medication, 2) No negative impact has been shown upon the ability of Medicaid recipients to obtain prescription medications, 3) Medical expenditures have had no statistically significant differences between the group that was switched to a preferred medication and the group that remained on a non-preferred medication. Covering key points for the current

reporting period, he stated that the estimated savings after federal rebates are considered, and before administrative expenditures are deducted, are \$0.62 million. Dr. Renshaw also stated that supplemental rebates collected for this time period totaled \$2.38 million. He pointed out that the total savings is \$3.0 million and that administrative expenditures totaled \$675,000. Dr. Renshaw summarized by saying the net savings for this evaluation period is \$2.33 million. He also noted that the preferred market share has remained at approximately 94.9% since year two of the program. Dr. Renshaw illustrated aspects of the partition of drug expenditures including the following: 1) Drug classes that are not subject to the PDL represent 29.6%, 2) The behavioral health medications, considered as preferred by statute, represent 43.7%, 3) The 68 classes that are subject to the PDL represent 26.7%. He also covered the following PDL report recommendations including: 1) Continue to review prior authorization recommendations for clinical appropriateness and financial feasibility, 2) Continue to monitor for new medications and new therapeutic classes for inclusion into the PDL process, 3) Continue to use quantity limits to ensure optimal drug use, 4) Employ Smart PA, an automated prior authorization tool, where possible to decrease administrative costs and improve provider relations. Dr. Kent Summers asked if the methodology for the inclusion or exclusion criteria has been changed for this report over the years. Dr. Renshaw responded by saying the methodology for this report had not changed over the years. Dr. Terry Lindstrom noted that the supplemental savings was the overall driver of savings for the program. Dr. Lindstrom also noted that savings amount for the PDL program has been decreasing over the years. Dr. Renshaw agreed and stated these tendencies usually occur with a mature PDL program such as this one. Dr. Lindstrom asked what future PDL classes we might see on the PDL. Dr. Renshaw responded by saying that ACS conducts analyses quarterly and shares this information with the Office of Medicaid Policy and Planning (OMPP) quarterly to assess the feasibility of including new therapeutic classes and drugs to the PDL process. Dr. Wernert asked if it would be possible to collect supplemental rebates without a formulary thus saving on the expenditures to administer the formulary. Mr. Musial responded by saying having a formulary is an integral part of being able to collect rebates. Mr. Musial added that Smart PA should decrease administrative expenditures. Dr. Wernert asked if feedback on this report was ever provided from the legislature. Mr. Shirley indicated that he was not aware of any feedback on this report but he would create a cover letter to the legislature requesting feedback on this report. He went on to say that any feedback would be shared with the DUR Board. Dr. Summers asked if the quarterly evaluation of the PDL will occur on an on-going basis. Dr. Renshaw responded affirmatively adding that the quarterly evaluation of the PDL is contractual. Dr. Lindstrom asked if it was possible to proactively evaluate medications before these agents come to market. Dr. Renshaw replied by saying drugs are only evaluated once these agents have been launched. Dr. Lindstrom asked if there is anything we can do with the category of classes that are not subject to the PDL. Dr. Renshaw responded by saying, with the advent of Smart PA, we can now address classes with lower utilization because the administrative expenditures for Smart PA is reduced. The motion to approve the PDL Study #10 was seconded and passed unanimously.

ACS UPDATE: Dr. Randall Renshaw indicated that there were 3,797 prior authorizations for the month of May. Dr. Summers pointed out that there were many early refill approvals and few early refill denials. Mr. Musial expressed concern that removing this edit would increase expenditures to the program.

DUR BOARD NEWSLETTER – OFFICE-BASED TREATMENT OF OPIOID DEPENDENCE: Dr. Renshaw asked if there were any questions relating to the DUR Board newsletter. Several board members were complementary of this newsletter. Dr. Summers asked if the newsletter was actionable. Dr. Emily Hancock with OMPP responded by saying future newsletters will be tied to specific retro-DUR interventions. Dr. Summers expressed concern that some prescribing providers may not receive newsletters if they are in an electronic format, only. Dr. Hancock indicated that DUR Board newsletters would be included for targeted prescribing providers involved in a specific retro-DUR intervention. Dr. Summers added that retro-DUR activities would be reported back to the Board. Mr. Musial asked if a provider could request a mailed copy of a newsletter. Mr. James V. Berger, with EDS, stated that a provider can request a mailed copy of a newsletter if they state that they do not have internet access. Dr. Wernert suggested that the information relating to the certification process be highlighted in the conclusion. Dr. Treadwell pointed out that information on the first page could be repeated in the conclusion. The motion to approve the proposed newsletter was seconded and passed unanimously with the stipulation of adding information about the certification process to the conclusion.

MANAGED CARE ORGANIZATION UPDATE:

- Proposed PDL Changes—MHS: Dr. Katasha Butler presented material previously sent to the Board members. It was moved and seconded that the PDL changes be approved. The motion passed unanimously.
- Proposed PDL Changes—MDwise: Mr. Chris Johnson presented material previously sent to the Board members. It was moved and seconded that the PDL changes be approved. The motion passed with five in favor and one abstention.
- Proposed PDL Changes—Anthem: Ms. Jeannine Murray presented material previously sent to the Board members. It was moved and seconded that the PDL changes be approved. The motion passed with five in favor and one abstention.

NEW DRUGS: None.

LIAISONS WITH OTHER BOARDS: None.

PUBLIC COMMENT: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

MEETING ADJOURNED.