



Department of Health and Human Services Managed Care Common Formulary

July 20, 2016
Debera H. Eggleston, MD
Chief Medical Director
Office of Medical Affairs.

MCO Common Formulary

- A formulary that is common across all health plans for the next Comprehensive Health Plan.
- Required under [Section 1806 of Public Act 84 of 2015](#).
- The Common Formulary will only apply to pharmacy claims paid by Medicaid Managed Care Organizations - *it will not apply to Fee-for-Service paid claims.*

Purpose of Common Formulary

- Promote continuity of care
- Reduce interruptions in a beneficiary's drug therapy due to a change in health plan
- Streamline drug coverage policies and reduce administrative burden for providers
- Facilitate collaboration among health plans

MCO Common Formulary Project

- MDHHS convened a MCO Common Formulary Workgroup of representatives from current contractors.
- The Workgroup has made its recommendations to MDHHS on drugs to include in the MCO Common Formulary along with related Utilization Management.
- MDHHS has final approval authority.

MCO Common Formulary Workgroup

The contracted Health Plan's Medical Directors and Pharmacy Directors were invited to participate in the Workgroup

Organization	Pharmacy Director	Medical Director
Aetna/Coventry Cares	Michael Hammoud, Pharm D	Joseph Blount, MD
Blue Cross Complete	Christopher Meny, RPh	Don Beam, MD
HAP/Midwest	Brain Peltz, RPh	Mark Tucker, MD
Harbor Health Plan	Vikki Columbus, RPh	Gregory Berger, MD
McLaren	Teresa DuFresne, RPh	Kathleen Kudray, MD
Meridian	Rene Acker, RPh	Steven Hadesman, MD

Organization	Pharmacy Director	Medical Director
Molina	Jennifer Walters, PharmD	James Forshee, MD
Priority	Kathleen Kaddis, PharmD	Jay LaBine, MD
Total Health Care	Tim Crum, PharmD	R.J. Arrington, Jr., MD
United HealthCare	Jeanne Cavanaugh, PharmD	Brian Kennedy, MD
UPHP	Sheryl Waudby, RPh	Michael M. Mlsna, MD

MDHHS Team

❖ **Bureau of Medicaid Care Management and Quality Assurance**

- Kathleen Stiffler, Bureau Director
- Trish O'keefe, RN, Pharmacy Division Director
- Rita Subhedar, Pharmacy Policy Specialist
- Linda Van Camp, CPhT, Pharmacy Formulary Analyst

❖ **Office of Medical Affairs**

- Debera Eggleston, MD, Chief Medical Director

Important Dates

- **January 1, 2016:** Final version of MCO Common Formulary posted on the Department's website
- **January 1, 2016-March 31, 2016:** Contracted health plans code and tested common formulary in their claims systems
- **April 1, 2016:** Health plans began to transition members to the common formulary
- **September 30, 2016:** All members are transitioned to the common formulary

Implementation

- Process began April 1, 2016 with majority implementing June or July 1, 2016
- Full implementation : September 30, 2016
- Web sit: www.michigan.gov/MCOpharmacy
- PA Criteria and Step Therapy

Drugs That Are Carved Out of MCO

Carve-Out drugs currently billed as a Fee-for-Service point-of-sale pharmacy benefit will remain unchanged, including but not limited to:

- HIV antivirals
- Behavioral Health/Psychotropics
- Select substance abuse treatments
- Hemophilia Clotting Factor
- Treatments for rare metabolic diseases

Products Covered As A Medical Benefit

- The Common Formulary includes drugs that are covered as an outpatient point-of-sale pharmacy benefit.
- Examples of products that are not identified on the Common Formulary because health plans continue to cover as a medical benefit including, but not limited to:
 - Physician-administered injectable drugs
 - Vaccines
 - Intrauterine Devices

Michigan Pharmaceutical Product List (MPPL)

- The Medicaid Health Plans are contractually required to have a process to approve physician's requests to prescribe **any medically appropriate drug that is covered under the Michigan Pharmaceutical Product List (MPPL)**.
- Exception: Those products on the MPPL that are carved-out and billed at point-of-sale as a Fee-For-Service pharmacy benefit

Coverage Requirements

Contracted Health plans **may be less restrictive**, but not more restrictive, than the coverage parameters of the MCO Common Formulary.

- Health plans may cover additional drugs than those identified on the MCO Common Formulary
- Health plans may have utilization management tools that are less stringent than those on the MCO Common Formulary
- Health plans still required to have a mechanism to cover medically necessary products on the MPPL

Changes to Common Formulary

- The initial version of the Common Formulary was posted for a 30-day Public Comment period beginning August 8th.
- Several changes have been made to the Common Formulary based on comments received:
 - Added additional insulin products and diabetes medications
 - Added more angiotensin receptor blockers (ARBs)
 - Added additional bronchodilators
 - Added an additional disease-modifying medication for treatment of Multiple Sclerosis

Changes to Common Formulary (cont.)

- More oral Chemotherapy agents were added and coverage expected to be follow evidenced based medicine standards of care (e.g. NCCN)
- Oral Contraceptives: 3-Month supply per fill
- Coverage to be reviewed to ensure barriers have been minimized and appropriate access to Tobacco Cessation products available
- Vitamin coverage reviewed to ensure sufficient to comply with ACA provisions and sufficient coverage for the Department's Title V program needs.

Transition to Common Formulary

- **April 2016 thru September 2016:** Members will be transitioned to the Common Formulary
- **Protected Classes:** grandfathered x 12months
- **Maintenance Drugs:** 90-day transition supply
- **CSHCS Beneficiaries:** 90-day transition supply
- *For additional safety and continuity of care reasons, Health Plans can continue to allow additional transition time based on their clinical judgement related to member utilization and any prescriber impact analyses.*

Transition to Common Formulary: Protected Classes

- Drugs in the following 'protected' classes will receive grandfather status:
 - **Antineoplastics**
 - **Immunosuppressants**
 - **Disease-Modifying Medications for Multiple Sclerosis**
- Note: Carved-Out/ Billed FFS:*
- *Anticonvulsants, Antiretrovirals, Antipsychotics, and Antidepressants*
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- Health plans must allow beneficiaries to remain on drugs in these protected classes for 12 months regardless of whether the drug is non-covered or covered with prior authorization on the MCO Common Formulary.
 - After **12 months** the health plan may require prior authorization for the beneficiary to continue coverage of grandfathered drugs
 - *The health plan carve-outs/billed as a FFS pharmacy benefit are not impacted by the MCO Common Formulary Transition*

Website/References

- MDHHS Website:

- Managed Care Pharmacy Benefit:

https://www.michigan.gov/documents/mdhhs/Managed_Care_Common_Formulary_Listing_506275_7.pdf

- MCO Common Formulary Stakeholder Meetings:

http://www.michigan.gov/mdhhs/0,5885,7-339-71551_73978-360121-,00.html

Next Steps:

- Implementation Completed
- Ongoing quarterly meetings of the workgroup
- Next stakeholders' meeting : October 24, 2016.

Questions?

