
Update on Iowa Medicaid's Preferred Drug List

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Overview

- In an effort to curb exponentially rising drug costs, Medicaid is moving to a “Preferred Drug List” (PDL)
 - Scheduled to go into effect January 2005
- Thus far, the enabling legislation **EXCLUDES** Mental Health Drugs, but this exclusion may not last
 - Recommended Drug List (RDL) as interim measure

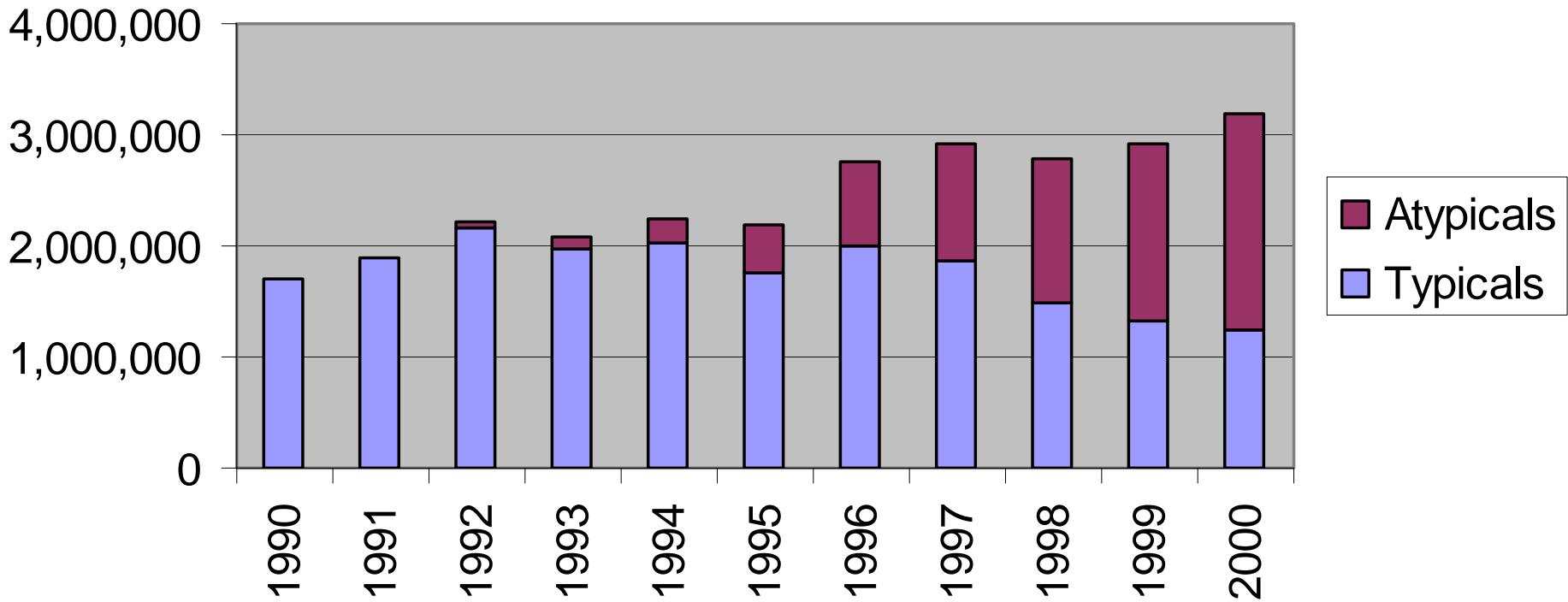
Topics

- **Clarification of terms**
 - PDL, RDL, etc
- **Current status for MH drugs**
- **Advocacy issues**

Why is a PDL Needed?

- **To Reduce Costs**
- **Medicaid drug costs increasing exponentially**
 - **MH drugs increasing faster**
- **Drug costs across all systems have been increasing exponentially**

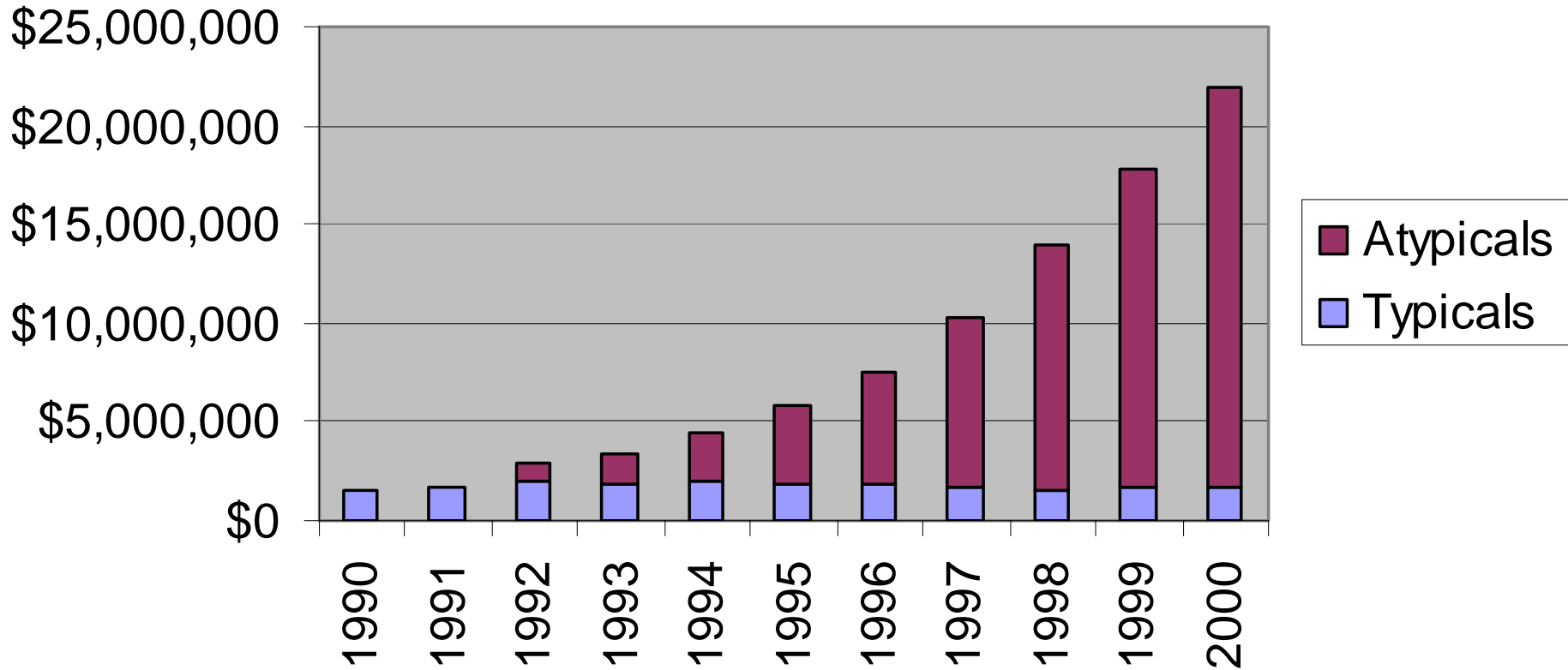
Antipsychotic Utilization by Category Iowa Medicaid Data 1990-2000



**Utilization of all antipsychotics increased
approximately 1.9-fold**

Antipsychotic Costs by Category

Iowa Medicaid Data 1990-2000



**Costs of all antipsychotics increased approximately
15-fold**

Clarification of Terms

- **Restricted Formulary**
- **Preferred Drug List (PDL)**
- **Prior Authorization (PA)**
- **Recommended Drug List (RDL)**
- **Grandfathering**

Restricted Formulary

- **Not all medications are available**
- **Patients in the program have access to only those on the approved formulary**
 - **i.e., if Zyprexa is not on formulary, the patient can not get it through this payer source**
- **Example: Medicare**

Preferred Drug List (PDL)

- All medications are potentially available – no hard exclusions
- Medications are either “preferred” or “non-preferred”;
- Access to preferred meds are hassle-free – no hoops to jump through
- Non-preferred meds involve jumping through some kind of hoop

Prior Authorization

- The most common “hoop”
- Process by which rationale is presented for using a non-preferred vs. preferred drug, e.g.
 - Patient has had a prior trial of non-preferred, and had problematic side effects
 - Patient has responded well to non-preferred well in the past
 - Patient is already on a non-preferred drug, and is doing well – doesn’t want to change

Prior Authorization (cont.)

- **Clinical decision**
- **Information presented by clinician**
- **Information received by clinician who works for PDL contractor**
- **Decision made by PDL contractor**

PA is intended to change utilization and prescribing patterns

- **Process issues**
 - **Who delivers the info?**
 - ◆ Prescriber, office staff, dispenser?
 - **How is information conveyed?**
 - ◆ Phone, fax, e-mail, snail mail
- **Disincentive is key**

“Grandfathering”

- **Allowing an exception to those already on a drug to stay on it without PA even if it is non-preferred**
- **This is critical for MH drugs**

Current Status of Mental Health Drugs in PDL

House File 619

80th Congress (2003 Session)

- “With the exception of drugs prescribed for the treatment of HIV / AIDS, transplantation, or cancer and **drugs prescribed for mental illness with the exception of drugs and drug compounds that do not have a significant variation in a therapeutic profile or side effect profile within a therapeutic class,** prescribing and dispensing of prescription drugs not included on the preferred drug list shall be subject to prior authorization.”

RDL Recommended Drug List

- Analogous to PDL
- Has no teeth
- Set up for transfer to PDL

Current Draft of RDL Atypical Antipsychotics

Preferred

- RISPERDAL
- GEODON
- SEROQUEL
- CLOZAPINE
(Generic)

Non-Preferred

- ZYPREXA
- ABILIFY
- CLOZARIL (Brand)

Current Draft of RDL

Atypical Antipsychotics - long acting or dissolvable formulations

Preferred

Non-Preferred

- RISPERDAL CONSTA
- RISPERDAL M-TAB
- ZYPREXA - ZYDIS

Antidepressants

Preferred	Non-Preferred
FLUOXETINE HCL Generic	PROZAC Brand
CELEXA Brand	PROZAC Weekly
LEXAPRO Brand	EFFEXOR Brand
ZOLOFT Brand	EFFEXOR XR Brand
WELLBUTRIN XL Brand BUPROPION HCL Generic	WELLBUTRIN SR Brand
PAROXETINE HCL PAXIL CR Brand	PAXIL Brand
FLUVOXAMINE Generic	
MIRTAZAPINE Generic	REMERON Brand
TRAZODONE HCL Generic	DESYREL Brand
NEFAZODONE HCL Generic	

The Process

P & T Committee

- **The Governor appointed Pharmacy and Therapeutics (P&T) Committee will recommend a PDL to the DHS in an effort to select both clinically sound and cost effective medications for use by Medicaid recipients.**

Contractor Recommendations

- **Review of Evidence-base**
 - Comparative (similar) efficacy
 - Comparable side effect profile
- **Utilization patterns**
- **Cost**
 - Price of drug
 - Supplemental Rebates

Review of Evidence-Base: Efficacy

- In most cases, with more than one drug in a class, the available evidence for efficacy is limited to a demonstration of:
 - Superiority to placebo (no treatment)
 - Equivalence to comparators

Timeline

- **Public Comment – Sep 04**
- **P & T committee recommends PDL – Oct -04**
- **P & T committee recommends RDL – Dec 3-4, '04**
- **Implementation Jan 2005**

Fears

- **The PDL process may provide further disincentive for providers to “deal with” Medicaid clients**
- **Could result in decreased access to care**

Concern on the Horizon

- **“Dual Eligibles”**
 - **Those eligible for both Medicaid and Medicare**
 - **Many with serious mental illness**
- **Currently Medicaid is primary payer for medications**
- **This is set to change with new Medicare legislation set to take effect in 2006**
 - **Medicare becomes primary payer**
- **Medicare likely to have restricted formulary!**

Recommendations for Advocacy

- **No restricted formularies**
 - **Change Medicare legislation for 2006**
- **No PDL**
- **“Grandfathering” must be allowed for MH drugs if there must be a PDL**
- **Off-label prescribing should be allowed**

Where can you get information?

Websites

- Iowa Medicaid PDL
www.iowamedicaidpdl.com
- Iowa Consortium for Mental Health
www.icmentalhealth.org

Information and Advocacy Input E-mail

- **info@iowamedicaidpdl.com**
- **sparker2@dhs.state.ia.us**

Information and Input

“Snail Mail”

**IME Medical Pharmacy Services
c/o Iowa Foundation for Medical Care
6000 Westown Parkway
West Des Moines, Iowa 50266
Attention: Sandy Pranger**