

Report to the Office of the Legislative Fiscal Analyst

Utah Medicaid Generic Medication Three Month Supply Program

Prepared by the Division of Medicaid and Health Financing

October 1, 2018



EXECUTIVE SUMMARY

This report is submitted in response to the following intent language included in House Bill 7 from the 2018 General Session:

“The Legislature intends that the Department of Health report to the Office of the Legislative Fiscal Analyst by October 1, 2018 on the utilization and cost impact of allowing a three month supply of some Medicaid medications.”

On July 1, 2016, Utah Medicaid implemented a program that allows Traditional and Non-Traditional Medicaid recipients the ability to fill select medications for up to a three month supply per dispensing. Since that time, steps have been taken to increase provider awareness of the program and the list of medicines available for up to a three month supply has been expanded. Utah Medicaid has included 387 low cost maintenance medications (127 unique medications with different strengths) for inclusion in this program. In this report, the Department is providing data on the claims experience in the past year.

From FY 2017 to FY 2018, the total number of prescriptions filled for 61-90 days rose by 73%. These longer term fills also increased from 2.6% to 3.4% of all prescriptions eligible for the three month supply. Net savings from the program were \$278,544 in total funds.

Introduction

Utah Medicaid previously paid for no more than a one month supply of covered outpatient prescription drugs per dispensing. The policy was structured to align the outpatient pharmacy benefit with the monthly issuance of Medicaid eligibility.

At the direction of the legislature, the Department developed and implemented a program to allow Traditional and Nontraditional Medicaid recipients the ability to fill select generic medications for up to a three month (90-day) supply per dispensing. This program went live on July 1, 2016, with 191 low cost maintenance medication (77 different medications with multiple strengths).

Data and Analysis

In Fiscal Year 2017, a total of 287,640 eligible pharmacy claims were filled for medications that could be potentially eligible for a 90-day fill.

| FY 2017 | 30 day supply or less | 31 to 60 day supply | 61 to 90 day supply |
|-----------------------|------------------------------|----------------------------|----------------------------|
| Total Pharmacy Claims | 287,640 | 4,519 | 7,809 |
| Percentages | 95.9% | 1.5% | 2.6% |

In Fiscal Year 2018, steps were taken to promote the utilization of the 90-day generic program.

- A notation to the Preferred Drug List showing which generics are eligible for the 90-day supply program was added on April 1, 2018.
- A targeted notification fax-blast to pharmacies describing the 90-day supply program for Medicaid recipients with an accompanying drug list was distributed on February 1, 2018.
- Information on this program was added to the quarterly Medicaid Information Bulletins.
- The 90-day generic medication list was enhanced to include more drugs. Presently, there are 387 maintenance medications (127 unique medications with different strengths) available for a 90-day supply.

In Fiscal Year 2018, a total of 399,218 eligible pharmacy claims were filled for medications that could be potentially eligible for a 90-day fill.

| FY 2018 | 30 day supply or less | 31 to 60 day supply | 61 to 90 day supply |
|-----------------------|------------------------------|----------------------------|----------------------------|
| Total Pharmacy Claims | 377,208 | 4,494 | 13,516 |
| Percentages | 95.4% | 1.1% | 3.4% |

From FY 2017 to FY 2018, the total number of prescriptions filled for 61-90 days rose by 73% (from 7,809 to 13,516). Not only did the count of prescriptions filled 61-90 days rise but the longer term fills also increased as a percentage of all prescriptions (from 2.6% to 3.4%).

To date the 90-day fills have avoided dispensing fees of \$282,802 in total funds. However, the program provided 90-day fills to some members who lost eligibility before the 90-days were up resulting in program losses of \$4,258 in total funds. The net savings from the 90-day fill program has been \$278,544 in total funds.

Next Steps

Utilization of the 90-day generic program remains modest despite increased efforts to promote awareness and expansion of the available list. Other State Medicaid programs report savings after instituting mandatory 90-day prescription programs on maintenance medications. Next steps being considered include:

- Evaluate other states availability and requirements for a 90-day prescription program.
- Evaluate the ability of the Utah Medicaid's point-of-sale vendor to institute an edit to mandate the 90-day supply.