

Report to the
Health and Human Services
Interim Committee
and the
Social Services Appropriations
Subcommittee

Medicaid Preferred Drug List
Psychotropic Drugs

Prepared by the Division of Medicaid and Health Financing

November 30, 2017



EXECUTIVE SUMMARY

House Bill 437 from the 2016 General Session authorized the creation of a health coverage improvement program. The bill also included changes to Utah Medicaid's preferred drug list (PDL). Specifically, the bill authorized a PDL for psychotropic drugs with a dispense as written override and established targets for savings from the PDL.

This report is submitted in response to the following language from House Bill 437:

(e) The department shall report to the Health and Human Services Interim Committee and the Social Services Appropriations Subcommittee before November 30, 2016, and before each November 30 thereafter regarding compliance with and savings from implementation of this Subsection (3).

Implementation of a Psychotropic PDL

House Bill 437 define psychotropic medications as:

- i. Atypical Anti-psychotics;
- ii. Anti-depressants;
- iii. Anti-convulsant/mood stabilizers;
- iv. Anti-anxiety agents; and
- v. Attention deficit hyperactivity disorder stimulants

The Department's Pharmacy and Therapeutics Committee has reviewed these drug classes for inclusion on the PDL. The committee was established by UAC R414-60B-5 as a professional and technical advisory board to the Department in the formulation of a PDL. The committee is composed of physicians and pharmacists who meet at regularly to consider PDL implementation.

On July 1, 2016, the Department placed attention deficit hyperactivity disorder stimulants on the PDL. On July 1, 2016, the Department placed ADHD stimulants on the PDL. On October 1, 2016, the Department added atypical anti-psychotics, anti-depressants (several categories) and anti-convulsants/mood stabilizers (several categories) to the PDL. On January 1, 2017, the Department added the remaining anti-depressants, anti-consulants/mood stabilizers, and anti-anxiety agents to the PDL.

Savings for Fiscal Year Ended June 30, 2017

The Department achieves PDL savings by shifting utilization to less expensive drugs that are equally safe and efficacious, as well as from secondary rebates from drug manufacturers. The

Department also incurs additional administrative expenses by implementing and managing the PDL which are subtracted from the PDL savings figure.

PDL savings from all psychotropic drug classes for the state fiscal year ending June 30, 2017 are \$1,849,658 in General Fund.

Provider Compliance with the PDL:

House Bill 437 also requires the Department to:

- (ii) Determine whether care provider compliance with the preferred drug list is at least:
 - A. 55% of prescriptions by July 1, 2017;
 - B. 65% of prescriptions by July 1, 2018; and
 - C. 75% of prescriptions by July 1, 2019.

Compliance with the PDL at the completion of fiscal year 2017 ending June 30, 2017 is 80%.