

# Report to the Social Services Appropriations Subcommittee

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## Utah Medicaid Generic Medication Three Month Supply Program – Claims Information Report

Prepared by the Division of Medicaid and Health Financing

September, 30, 2017



## **EXECUTIVE SUMMARY**

This report is submitted in response to the following intent language included in House Bill 7 from the 2016 General Session:

The Legislature intends that the Department of Health report to the Office of the Legislative Fiscal Analyst by April 1, 2016 on the following regarding its plan to allow a three month supply of some Medicaid medications: (1) the Department's proposed plan, (2) proposed timeline of important action items, (3) how the agency will measure the financial impact to the State from making this change, and (4) a specific date for when the Department of Health could report on the financial impact and other impacts of this policy change.

The division had identified 191 low cost maintenance medications (77 different medications with multiple strengths) for inclusion in this program. The current policy allows Traditional and Non-Traditional Medicaid recipients to fill up to a three (3) month supply of the medications. In this report, the division is providing data on the claims experience following implementation of this program.

**Introduction**

Utah Medicaid previously paid for no more than a one (1) 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 (3) month supply per dispensing.

The program was successfully implemented on July 1, 2016 with 191 low cost maintenance medications (77 different medications with multiple strengths). As part of the department effort to inform Medicaid providers regarding this change, the following information was included in the July 2016 Medicaid Information Bulletin:

**Three Month Supply of Select Generic Medications**

“Effective July 1, 2016, Utah Medicaid clients enrolled in Traditional or Non-Traditional Medicaid will be allowed to receive up to a three month (90 day) supply of select generic medications per dispensing, if ordered by the prescriber. A listing of the medications included in this change is available in the Attachments section of the Pharmacy Provider Manual.”

The information below provides the data on the number of claims submitted for more than a one (1) month supply in state fiscal year 2017:

A total of 299,968 pharmacy claims were filled under this program during Fiscal Year 2017.

	<b>30 day supply or less</b>	<b>31 to 60 day supply</b>	<b>61 to 90 day supply</b>
Total Number of Pharmacy Claims	287,640	4,519	7,809
Percentages	95.9%	1.5%	2.6%

\*Some Medicaid Members may have received claims in all three groupings.

**Analysis**

To date, there has not been significant utilization of the 90-day generic program. The agency will take the following approach to encourage utilization of this 90-day supply program:

- Add a notation to the Preferred Drug List as to which generics are eligible for the 90-day supply program.
- Consider a targeted notification fax-blast to pharmacies that may not be aware of the 90-day supply program.

- Add information on this program in the quarterly Medicaid Information Bulletins.
- Enhancing the 90-day generic medication list as appropriate.