

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

11/25/2016



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 an override for dispense as written 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 defined 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 all of the drug classes for inclusion on the PDL. The committee is established by Rule R414-60B-5 of Utah Administrative Code 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 least quarterly to consider PDL implementation.

On July 1, 2016, the Department placed attention deficit hyperactivity disorder stimulants on the PDL. This is the only drug class for which cost savings data and compliance can be measured at this time.

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 will add the remaining anti-depressants, anti-convulsants/mood stabilizers, and anti-anxiety agents to the PDL.

Savings for Quarter Ended September 30, 2016:

PDL savings from the attention deficit hyperactivity disorder stimulants for the quarter ended September 30, 2016, are \$41,151 in General Fund. The Department is not able to estimate the secondary rebate savings at this time because the invoices for secondary rebates are not generated until the end of November (60 days from the end of the quarter) as required by

federal regulation¹. There is not sufficient time to generate secondary rebate invoices and report on invoiced amounts prior to preparing and submitting this report by the due date mandated by the statute.

Provider Compliance with the PDL:

House Bill 437 also requires the Department to:

(ii) determine whether health 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.

Information on provider compliance with the PDL will be included in the Department's November 2017 implementation report and in subsequent year's implementation reports.

¹ 42 CFR 447.511