



STATE MEDICAID DUR BOARD MEETING
 THURSDAY, January 10, 2013
 7:00 a.m. to 8:30 a.m.
 Cannon Health Building
 Room 125



MINUTES

Board Members Present:

Neal Catalano, PharmD.
 Mark Balk, PharmD.
 Cris Cowley, M.D.
 Tony Dalpiaz, PharmD.
 Kathy Goodfellow, R.Ph.

Brad Hare, M.D.
 Joseph Miner, M.D.
 Mr. Kumar Shah
 Jay Aldous, DDS
 George Hamblin, R.Ph.

Board Members Excused:

None

Dept. of Health/Div. of Health Care Financing Staff Present:

Tim Morley, R.Ph.
 Lisa V Hunt, R.Ph.
 Richard Sorenson, R.N.
 Marisha Kissell, R.N.

Robyn Seely, PharmD.
 Bobbi Hansen C.Ph.T.
 Heather Santacruz, R.N.
 Merelynn Berrett, R.N.

Other Individuals Present:

Joanita Lake, UofU
 Kim Eggert, Gilead
 Charissa Anne, J&J
 Alan Bailey, Pfizer
 Scott Clegg, Lilly
 Don McCaffrey, Vertex

Gary Oderda, UofU
 Lori Howarth, Bayer
 Scott Larson, BMS
 Lori Blackner, Pfizer
 Efrain Alton, Merck

Meeting conducted by: Neal Catalano, PharmD

1. Welcome - Neal Catalano opened the meeting.
2. Housekeeping – Robyn Seely directed guests and board members to sign in and invited everyone to indulge in some treats. November minutes were not included in meeting packet and will be approved during next meeting.
3. P&T Committee report – Lisa Hunt addressed the board. She reported that the P&T committee will not be meeting in January. In February they will be reviewing oral sulfonylureas and anti-diabetic medications. 2013 supplemental rebate contracts are being signed off. In November and December 2012 the P&T committee reviewed the accountable

care organizations (ACO) PDLs. They discussed items such as drug coverage, grandfathering (patients are able to stay on a current medication for at least 30 days before the plan can require them to switch to their preferred product) and turnaround time on prior authorization request. The P&T committee made a formal recommendation to the State to approve each plans PDL and move forward with the ACO implementation.

4. Accountable Care Organizations (ACOs) – Robyn Seely presented a summary of the ACO project to the board.

Why did Utah Medicaid form ACOs? Senate Bill 180 (included in meeting packet) from the 2011 General Legislative session mandated that Utah Medicaid pharmacy benefits change from fee-for-service to risk-based health benefits in certain geographic areas (Weber, Davis, Salt Lake and Utah counties). The risk-based benefits are called ACOs, they are similar to the HMOs or MCOs of the past. Risk-based means the plans are given a certain amount of money, if they spend more than the allotted amount they must absorb the cost, if they spend less then they get to keep difference.

On January 1, 2013, when the ACO implementation took place, it affected clients enrolled in Traditional and Non-Traditional Medicaid along the Wasatch Front (Weber, Davis, Salt Lake and Utah counties). PCN clients and those living outside of the four specified counties were not affected by this change. Many of Utah Medicaid's clients were already enrolled in medical managed care (or accountable care), and they may reside anywhere within the state. The clients already enrolled in a medical ACO were automatically added to the corresponding pharmacy ACO.

The four available ACO plans are Health Choice, Healthy U, Molina and Select Health. Each plans PDL was included in the meeting packets for review by the board members.

How do the ACOs affect the DUR board and their actions? It was delegated to the P&T committee to review and approve each ACO's PDL. The P&T committee looks at creating, evaluation and revising Utah Medicaid's PDL to ensure drug affordability and access. In November the P&T committee reviewed Healthy U and Molina, in December they reviewed Health Choice and Select Health. Utah and all four of the ACOs current PDLs are similar, most of the differences are rebate driven. Utah Medicaid receives rebates on both brand and generic products, this makes instances where Utah may prefer a brand product over the generic. ACOs almost always prefer the generic product. Utah Medicaid tends to shy away from combination products, often times it is cost advantageous (when rebates are calculated in) to cover each product separately. ACOs do not receive the same rebates and therefore it may be to their advantage to cover the combination products.

Joseph Miner asked if each of the ACOs can do their own bidding for rebates. Robyn Seely answered that yes they can. Tim Morley clarified that Utah Medicaid will continue to collect on primary rebates off of each plans utilization, while each plan can go after their own supplemental rebates.

Joseph Miner asked if Medicaid enrollees outside of the four Wasatch Front counties can enroll with an ACO. Tim Morley answer that if a client is already enrolled in an ACO (for medical) they can stay with that ACO for pharmacy, regardless of where they reside. For the

most part clients outside the Wasatch Front will remain fee-for-service. Robyn Seely added that the fee-for-service clients are the ones that will still be affected by this DUR board.

Robyn Seely stated that each ACO is free to develop its own PDL, enforce different prior authorization criteria, approve/deny prior authorization request for their enrollees. Each ACO is required to honor currently approved Utah Medicaid prior authorizations for at least 30 days, some plans have chosen to honor existing prior authorizations for up to six months. Each ACO has its own appeal process to carry out. Eventually, if it escalates, the appeal would come back to Utah Medicaid, as the State does oversee the plans. The plans report to and are accountable to Medicaid. Utah Medicaid can initiate audits and other actions when it is felt that is necessary.

Every year Robyn puts together an annual report for both the state and CMS, she will be gathering information from each ACO to assist in filling in these reports. If upon receipt of the information needed for these reports anything looks out of the ordinary it can be brought up with each of the ACOs. She will be looking for compliance with state and federal laws, details of each ACOs DUR board activity (each ACO has its own DUR board and/or P&T committees), generic drug utilization and cost savings, and detection/prevention of fraud, waste and abuse.

Important exceptions to be aware of, the ACOs are taking over the pharmacy benefits of most of the lives covered by Utah Medicaid (approximately 2/3). However, there are still some classes of drugs that even for those clients enrolled in an ACO will be covered by Utah Medicaid. These carve-out drugs include: a medication taken to prevent tissue rejection following organ transplantation, Hemophilia treatment drugs, a medication to treat a substance abuse disorder, or any medication taken for psychosis treatment. A detailed list of the carved-out medications as well as contact information for ACO was included in the meeting packet.

As previously reported the Utah Medicaid P&T committee approved each ACOs PDL as presented (each PDL was included in the meeting packet). Robyn Seely asked the board if they would like to accept the P&T committees' recommendation to approve each ACOs PDL as presented.

Joseph Miner asked if while the P&T committee reviewed each ACOs PDL if it sparked conversation and if recommendation for changes were made. Lisa Hunt reported that it did generate discussion (however currently minutes were not available at the time of this meeting). She also responded that no changes were recommended by the P&T committee. Robyn Seely added that each of the ACOs coverage is vastly similar to or more open Utah Medicaid. Cris Cowly asked if it was a requirement that each of the plans not be more restrictive than Utah Medicaid. Lisa Hunt responded that the plans can only be more restrictive in that they can require a prior authorization where Utah Medicaid does not.

Lisa Hunt reported that since January 1, when the ACOs took over their clients pharmacy benefits, the biggest confusion has been what drugs are carved-in and which are carved-out (who pays for what). This raised the question as whether or not benzodiazepines are carved-out, Robyn Seely answered that anti-anxiety benzodiazepines are carved-out while sedative hypnotic benzodiazepines are carve-in. Tim Morley added on a regular basis (negotiating

weekly, currently set up for monthly) Utah Medicaid is providing a list, by NDC, what is covered by the State and what is covered by the ACOs. Once each ACO receives the NDC list from Utah Medicaid they are free to operate within those parameters.

Mark Balk asked if logistically, for a carve-out drug, when the client comes into the pharmacy do they have two different cards or does the pharmacy need to know to bill two different entities. Tim Morley answered that the clients will still only have one card and that it will list the ACO billing information on it. Mark Balk asked if in the scenario that a client comes in with a carve-out medication prescription how does the pharmacy know who to bill. Bobbi Hansen answered that the pharmacy would potentially be billing to two different BIN and PCNs for one client. If the prescription is for a carve-out medication it is billed to the normal Utah Medicaid BIN, if it is for a carve-in medication it is then billed to the BIN/PCN provided on the clients card. Kathy Goodfellow added that if the pharmacy does bill the incorrect entity the denial that comes back is specific in indicating who to bill as well as provides the applicable BIN and PCN.

Lisa Hunt asked if the pharmacist present received the fax-blast notifications sent out by Medicaid prior to the ACO switch. Both George Hamblin and Kathy Goodfellow indicated that they did received the fax several times.

Neal Catalano asked if there was further discussion necessary regarding the P&T committees review of each ACOs PDL, and added that if none is needed the next move would be to accept their recommendation. Tim Morley asked the DUR board members if there was additional information pertaining the ACO coverage that they would like to get prior to making any decisions.

Kumar Shah asked how often are drugs added or taken off of the four different PDL lists. Tim Morley answered by explaining the process, manufacturers are constantly updating prices and releasing new products. The data companies, such as First Data Bank and Medispan, that compile all the drug information and sell it to agencies (like Medicaid), are releasing the new data at varying paces (currently Utah Medicaid receives updates weekly). As Utah Medicaid receives new prices and drug information it is applied and updated in the system, additionally Utah Medicaid shares the updated information with the ACOs on a regular basis (although they are purchasing the information for themselves too). There are instances where the ACOs are aware of new drug products before Utah Medicaid shares their coverage details with the plans. When this happens there is some debate as to who may be responsible for payment, this is a work in progress with details being worked out daily.

Brad Hare added, that from a clinician or physician point of view, some prior authorization processes can be cumbersome. He asked if there will be a way for the States DUR board to monitor denied prior authorization requests from the ACOs. He added that some private insurance companies have such weighty prior authorization process that his office has chosen to no longer work with those companies. He asked if one or all of the ACOs are outright rejecting all prior authorization requests upon receipt, and what are their rejection criteria, and can the State DUR board monitor this.

Joseph Miner additionally asked what will happen with clients that have existing prior authorization with Utah Medicaid. Tim Morley referred to information shared earlier in the meeting indicating that existing prior authorizations will be “grand-fathered” in for at least 30 days. Lisa Hunt explained that each of the ACOs are required to adhere to the same policy as Utah Medicaid, they will have to respond to all request within 24 hours (during working hours). Tim Morley added that Utah Medicaid holds weekly meetings with the ACOs, and that during the next meeting he will pose the question to each of the plans as to how can prior authorization approvals and denials be monitored.

Kumar Shah suggested that prior authorizations can be monitored through auditing processes. Lisa Hunt added that Utah Medicaid regularly receives encounter claims data and this will provide much insight into the ACOs claims processing.

Joseph Miner asked if long term care patients are enrolled in ACOs. Lisa Hunt responded that they can be for up to 30 days. Additionally, long term care coverage is completely carved-out once the 30 days or more stay in a facility has been established.

Mark Balk asked how often clients can move between ACOs. Tim Morley explained that for the initial switch there will be a 90 day grace period for clients to move around, beyond that clients will only be able to switch plans during open enrollment periods.

Neal Catalano asked if there were further questions as well as asked for input from the Utah Medicaid prior authorization staff. Richard Sorenson responded that the prior authorization staff is currently sending responses back to the providers notifying them when a client is enrolled in an ACO when the request has ended up with the State. He added that approximately 50% of the requests coming in are being returned as ACO eligible clients.

Cris Cowly asked what percent of current Utah Medicaid enrollees are in the four affected counties. Tim Morley responded that roughly 70% reside in Weber, Davis, Salt Lake and Utah counties.

Neal Catalano asked if clients will have the option of opt out of being a part of any of the ACOs and remain under fee-for-service Medicaid. Tim Morley answered that clients along the Wasatch Front will be required to be enrolled in one of the four plans.

Neal Catalano asked for any public input. Lori Blackner, retail pharmacist, stated that she has seen copays posting to clients that in the past did not have copays (children, pregnant women, etc.). Tim Morley acknowledged that there are some copay issues being ironed out.

A member of the public asked if the individual ACOs PDL are posted on the Utah Medicaid Pharmacy website. Robyn Seely responded that each plan will maintain their own PDL on their own website. Bobbi Hansen added that there are links on the Utah Medicaid Pharmacy site to link providers directly to each ACOs website.

Joseph Miner made a motion to accept the P&T committee recommendation to approve each ACOs PDL. Brad Hare seconded the motion. The motion was approved unanimously.

Joseph Miner asked if much of the States workload is being transferred over to the ACOS. Tim Morley answered that Utah Medicaid is still maintaining fee-for-service coverage for all clients not within that Wasatch Front as well as all carve-out coverage for the entire state.

Mark Balk asked if the State has looked at how much of the claims volume is switching to the ACOs. Tim Morley responded that at this time there was not enough claims data to make any large determinations as to claims volume affected.

Tim Morley reported that new enrollees have up to 60 days to select an ACO, in the mean time they are covered by fee-for-service Medicaid.

Mark Balk asked if there is any way to track patient satisfaction. Tim Morley stated that so far, based off phone calls received, the response does not seem to be negative.

Neal Catalano asked, with each plan having their own P&T committee and DUR board, will the boards be made up of the same diversity or have the same requirements as the current Utah Medicaid boards. Robyn Seely answered that most of the ACOs do not required to seat a public consumer member, and they tend to be heavier on the prescriber side and less weighty on the pharmacy side. They are not required (like the State) to have an academic pharmacist, a practicing pharmacist, an academic physician, or a practicing physician. The Utah Medicaid DUR board has requirements that each member fulfills.

5. The next DUR Board meeting is scheduled for Thursday, February 14, 2013.

Minutes prepared by Bobbi Hansen.

Amended by Bobbi Hansen 02/14/13.

There were no petitions to review in January.