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Medicaid Pharmacy Update

Vendor Drug Program

Presenter

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Agenda

- Specialty Drug List
- Usual and Customary Reporting
- State Plan Amendment updates:
 - New pharmacy benefit services
 - Value-Based rebate agreements
- Rider 23 Update
- Options on how to better engage on a regular basis to discuss specific areas of concern



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Specialty Drug List

HHSC defines a specialty drug as one meeting all four of the criteria of the Specialty Drug rule (1 TAC Section 354.1853):

#1) The drug is used to treat and is prescribed for a person with a complex, chronic, or rare medical condition that is progressive, can be debilitating or fatal if left untreated or undertreated, or for which there is no known cure



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Specialty Drug List

#2) The drug is not routinely stocked at a majority of community retail pharmacies

#3) The drug has special handling, storage, inventory, or distribution requirements

#4) Patients receiving the drug require complex education and treatment maintenance, such as complex dosing, intensive monitoring, or clinical oversight



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Specialty Drug List

- Each quarter HHSC staff pharmacists review drugs meeting rule criteria
 - Resulting list published on website as **draft SDL**
- HHSC welcomes comments public input regarding draft SDL
- Stakeholders have 10 business days from the publication of the draft to propose additions to or removals from the draft using the Specialty Drug Submission Spreadsheet
- A **final SDL**, incorporating approved public comment, is published quarterly



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Specialty Drug List

Quarterly schedule

CY Quarter	HHSC Work Begins	Draft Published	Final Published
Q1 (Jan-Mar)	Jan.	Feb.	March
Q2 (Apr-Jun)	April	May	June
Q3 (Jul-Sept)	July	Aug.	Sept.
Q4 (Oct-Dec)	Oct.	Nov.	Dec.



Usual & Customary

- “Usual and Customary” price is defined by 1 T.A.C. §355.8544
- Guidance has been requested regarding the determination of U&C price reporting, including inclusion of discount cards
- VDP developing guidance with HHSC Legal and Office of Attorney General



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Pharmacist Reimbursable Services

- Provide reimbursement for administration in a pharmacy setting of:
 - Certain long-acting injectable (LAI) antipsychotics
 - Vivitrol
 - Flu vaccines
- Only applies to Medicaid and CHIP
- Goal to increase patient access to care



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Pharmacist Reimbursable Services

- SPA in progress
- Effective approximately 90 days after CMS approval
- Reimbursement through pharmacy benefit
 - Ingredient cost, dispensing fee, and administration fee:
 - LAIs and Vivitrol
 - Ingredient cost and administration fee:
 - Flu vaccine



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Value-Based Purchasing

- Allows HHSC to enter into value-based rebate agreement with drug manufacturers based on outcomes or other metrics
- Present:
 - HHSC collects drug rebates solely based on drug utilization for all Texas rebate programs



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Value-Based Purchasing

- Proposed:
 - HHSC and each manufacturer jointly agree on benchmarks based on health outcomes and the specific populations for which these outcomes-based benchmarks are measured and evaluated



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- The report will provide findings and recommendations on strategies to achieve cost savings for Medicaid prescription drugs, including direct dispensing by physicians
- Due to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, the Governor, and permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services by Sept. 1, 2020



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- Recommendations from National Association of Chain Drug Stores:
 - Seeking CMS approval to implement mandatory co-payments
 - State option to provide health homes for Medicaid enrollees with chronic conditions
 - Prescription drug cost avoidance
 - Value-based payment models:
 - Community pharmacy



Engaging with VDP

- Schedule regular in-person or conference call meetings in addition to the Quarterly Pharmacy Stakeholder meetings
- Schedule ad-hoc meetings as issues arise
- Contact vdp-operations@hhsc.state.tx.us



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Questions



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Thank you

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