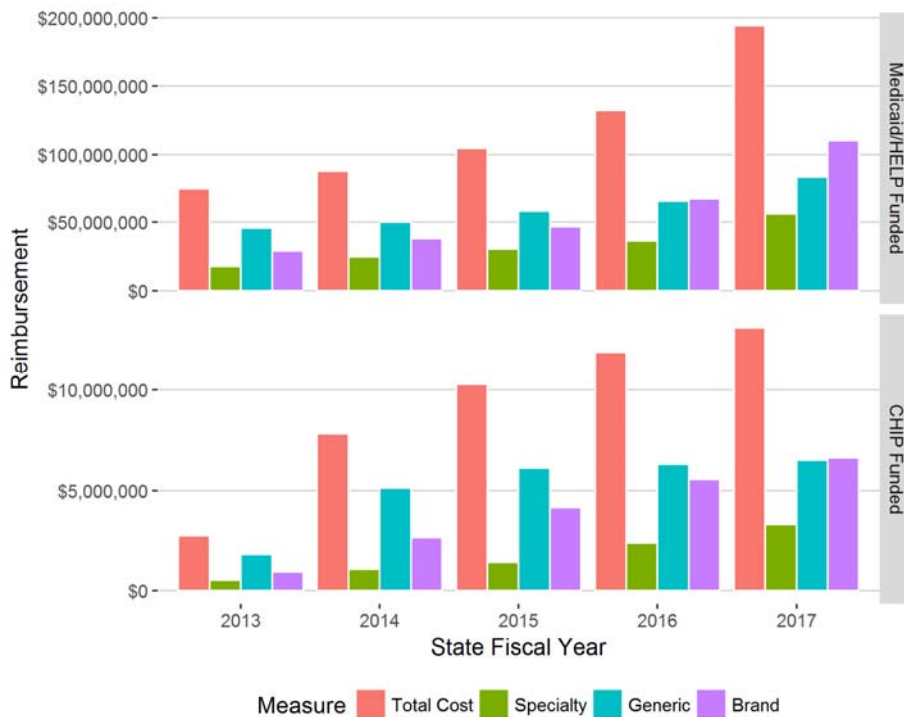
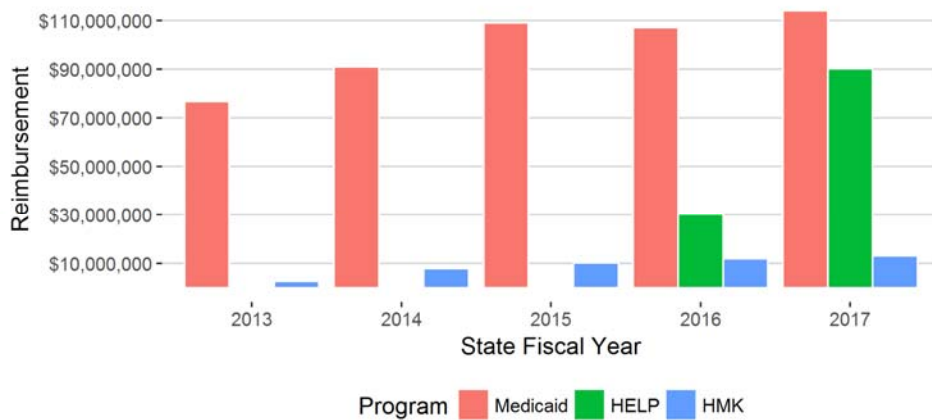


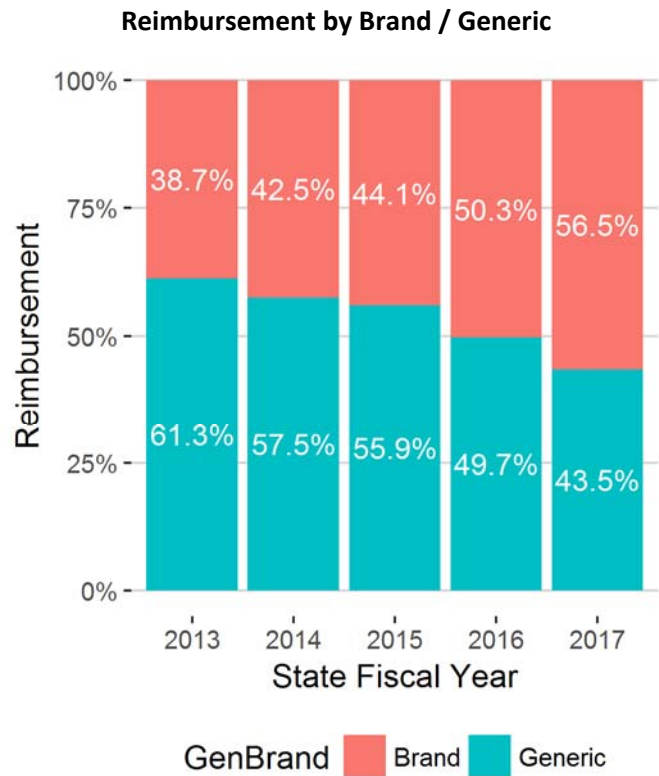
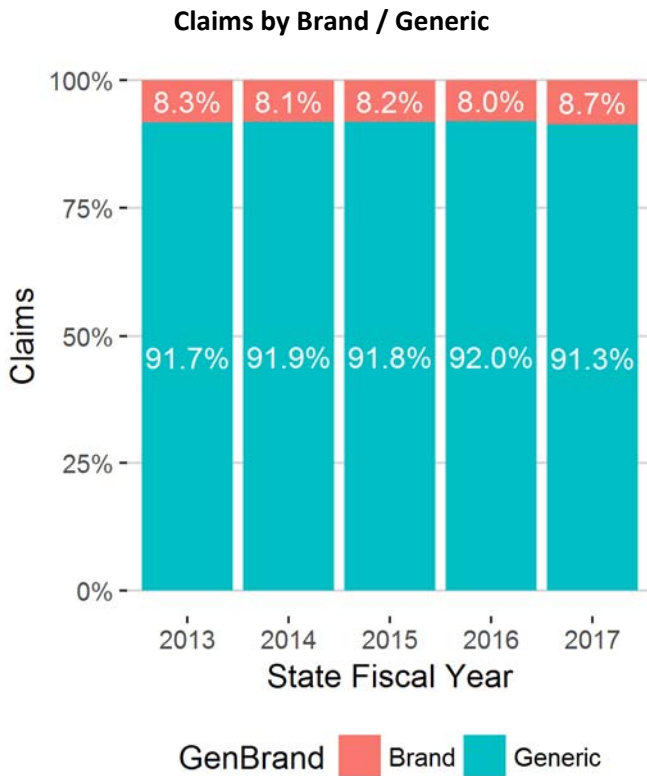
CHILD AND FAMILY SERVICES SUBCOMMITTEE - SEPTEMBER 11, 2017 MONTANA HEALTHCARE PROGRAMS

- As of April 1, 2017, there were 251,855 enrolled members are covered under Montana Medicaid, HELP and HMK.
- All Montana Healthcare Program members are eligible to receive pharmacy benefits.
- In State Fiscal Year (SFY) 2017, 24.8% of enrolled members receive pharmacy services in any given month, which accounts for approximately 195,014 prescriptions each month.
- Over the past 5 years, Medicaid realized an annual average increase of 12.5% in total pharmacy costs, with 11.0% for traditional RX and 18.0% for specialty. By State Fiscal Year 2017 specialty drugs accounted for only 0.8% of the claims, but 28.1% of total costs.
- The amounts below are pre-rebate.



Duane Preshinger, Health Resources Division Administrator

CHILD AND FAMILY SERVICES SUBCOMMITTEE - SEPTEMBER 11, 2017
MONTANA HEALTHCARE PROGRAMS



DPHHS Medicaid Pharmacy Management

Average Acquisition Cost (AAC): Reimbursement for pharmaceuticals at pharmacy's acquisition cost of drugs as determined by surveying in-state pharmacies, with 96% of medications reimbursed at AAC.

Clinical Pharmacist Program: Clinical Pharmacist Practitioner (implemented July 1, 2017) provides for individual clinical pharmacists with a collaborative agreement to practice with a medical provider practice in a physician clinic, FQHC, RHC to manage pharmaceuticals including changing doses for those with a least one chronic illness. This program promises to enhance care of those member who visit a Clinical Pharmacist Practitioner within their Medical Care Team.

Pharmacy Case Management: Pharmacy Case managers utilizes claims history, the Prescription Drug Registry and our "Drug Not Covered" program to work with medical practitioners to ensure members are taking appropriate medications and preventing doctor shopping. Pharmacy case management categories include Hepatitis C, opioids, Suboxone, high utilization, polypharmacy, medications used in pregnancy in addition to several others. From January 1st through June 30 2017, the Pharmacy Case Management program helped the Department cost avoid \$1,037,182 in pharmaceutical costs.

- Effective July 2012, pharmacists manage Foster Children by coordinating with prescribers who have members taking Atypical Antipsychotics to make sure the member is compliant with the medication and Medical Providers complete appropriate laboratory tests to prevent diabetes, hypertension, and side effects of medications.

CHILD AND FAMILY SERVICES SUBCOMMITTEE - SEPTEMBER 11, 2017 MONTANA HEALTHCARE PROGRAMS

Team Care: Limiting members to one prescriber and one pharmacy for better patient management while improving the member's continuity of care.

Drug Use Review (DUR) Program: The DUR Program consists of prospective drug use review, retrospective drug use review and educational interventions. The goals of the DUR program is to ensure that the medications prescribed are appropriate, medically necessary, cost effective, and unlikely to result in adverse side effects. It also aims to educate doctors and pharmacists to identify and reduce fraud, abuse, and inappropriate care associated with prescription drugs. The DUR Board consists of 5 pharmacists, 4 physicians, 1 advanced nurse practitioner, and 1 citizen advocate, which is coordinated by a registered Montana pharmacist and meets quarterly

Preferred Drug List (PDL): Montana participates in the National Medicaid Pooling Initiative (NMPI) with eleven other states. By joining the NMPI, Montana receives increased supplemental rebate negotiating power by increasing our covered lives from 250,000 to over 5.7 million lives covered lives.

- The PDL addresses certain classes of medications and provides selection of preferred therapeutically effective products for which are allowed without restrictions.
- Drug selection is based on clinical efficacy and safety, at the best available price.
- The PDL is updated annually and periodically as new drugs and information become available.
- Non-preferred products require prior authorization.
- The PDL allows for extra negotiated supplemental rebates for Montana beyond the base federal rebate.

Drug Prior Authorization (Drug PA): The Drug PA program allows Medicaid to restrict medications to those members who meet the specific FDA labeled uses, while preventing inappropriate use of the medication. From January 1st through June 30 2017 the Drug PA program helped the Department cost avoid \$1,248,937 in pharmaceutical costs.

Smart PA: An integral part of our recently CMS Certified Flexible Rx pharmacy claims processing system, Smart PA provides a method to electronically approve or deny a prior authorization request for a medication without prescriber intervention if the right diagnosis, other drug or procedure was used prior to the new drug. Smart PA provides a prescriber friendly method to restrict medications to those members who meet the specific FDA labeled uses, while preventing inappropriate use of the medication.

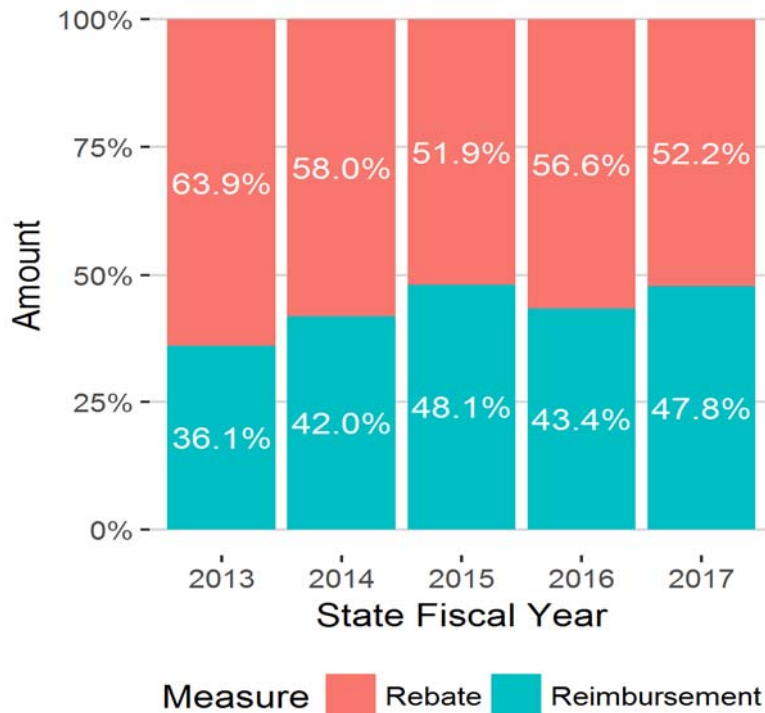
DPHHS is monitoring the pharmacy program closely and implementing national best practices to control costs. If you have any further questions or need additional information, please contact me at dpreshinger@mt.gov or (406) 444-4458.

Duane Preshinger, Health Resources Division Administrator

CHILD AND FAMILY SERVICES SUBCOMMITTEE - SEPTEMBER 11, 2017

MONTANA HEALTHCARE PROGRAMS

Drug Rebate Program: The drug rebate program significantly decreases the overall Medicaid drug spend. Rebates have increased in recent years to an average of 56% of total reimbursement. The increase is impacted by several factors, mostly the Affordable Care Act (ACA). ACA increased covered lives due to Medicaid expansion which increased the number of covered lives under the NMPI. The increase in lives caused manufacturers to increase their rebate due to ensure having priority coverage under the PDL in the states. Second, a component of ACA required pharmaceutical manufacturers were required to provide higher rebates on brand name and generics.



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**CHILD AND FAMILY SERVICES SUBCOMMITTEE - SEPTEMBER 11, 2017
MONTANA HEALTHCARE PROGRAMS**

Top Ten Drugs by Total Cost SFY 17 - Second Half (Jan-Jun)

| DRUG BRAND NAME | Possible Uses | Reimbursement | Members | Claims |
|------------------------------|------------------------|----------------------|----------------|---------------|
| HUMIRA 40 MG/0.8 ML PEN | Rheumatoid Arthritis | \$ 3,646,573.68 | 195 | 748 |
| EPCLUSA 400 MG-100 MG TABLET | Hepatitis C | 2,093,909.35 | 37 | 84 |
| ABILIFY 5 MG TABLET | Mental Health | 2,072,274.36 | 937 | 2,670 |
| ADVATE 3,601-4,800 UNITS VI | Hemophilia | 1,879,136.34 | 1 | 10 |
| SUBOXONE 8 MG-2 MG SL FILM | Substance Use Disorder | 1,843,990.39 | 1,243 | 13,383 |
| ENBREL 50 MG/ML SURECLICK S | Rheumatoid Arthritis | 1,831,135.17 | 113 | 417 |
| PROAIR HFA 90 MCG INHALER | Asthma, COPD | 1,767,595.01 | 13,991 | 26,746 |
| LANTUS 100 UNIT/ML VIAL | Diabetes | 1,637,195.24 | 1,119 | 4,433 |
| NOVOLOG 100 UNITS/ML FLEXPE | Diabetes | 1,536,292.15 | 982 | 2,949 |
| COPAXONE 20 MG/ML SYRINGE | Multiple Sclerosis | 1,477,050.20 | 58 | 219 |

Top Ten Drugs by Script Count SFY 17 - Second Half (Jan-Jun)

| DRUG GENERIC NAME | Possible Uses | Claims | Reimbursement | Members |
|---------------------------|--|---------------|----------------------|----------------|
| HYDROCODONE/ACETAMINOPHEN | Pain | 40,373 | \$ 769,460.83 | 18,676 |
| ALBUTEROL SULFATE | Asthma | 37,406 | 2,333,679.36 | 18,620 |
| GABAPENTIN | Neuropathic Pain | 29,644 | 542,913.75 | 7,808 |
| OMEPRAZOLE | Ulcers, Gastro Esophageal Reflux Disease | 28,014 | 366,037.58 | 8,421 |
| LEVOTHYROXINE SODIUM | Thyroid Deficiency | 25,113 | 507,458.45 | 5,701 |
| AMOXICILLIN | Antibiotic | 24,670 | 303,951.43 | 21,419 |
| LISINOPRIL | Hypertension | 24,550 | 264,207.45 | 6,538 |
| SERTRALINE HCL | Anti-depressant | 20,694 | 246,795.51 | 5,919 |
| FLUOXETINE HCL | Anti-depressant | 20,415 | 310,694.17 | 5,410 |

Duane Preshinger, Health Resources Division Administrator

**CHILD AND FAMILY SERVICES SUBCOMMITTEE - SEPTEMBER 11, 2017
MONTANA HEALTHCARE PROGRAMS**

Examples Specialty Drug Cost Drivers

Hepatitis C Meds for most common genotype

| Drug Name | Date of Introduction | Length of Treatment | Treatment Cost | Our Management Strategies |
|------------------|-----------------------------|----------------------------|-----------------------|----------------------------------|
| Sovaldi | 12/13/2014 | 12 weeks | \$84,000 | PA, Case Manage, PDL |
| Harvoni | 10/18/2014 | 12 weeks | \$94,500 | PA, Case Manage, PDL |
| Viekira Pak | 12/27/2014 | 12 weeks | \$83,318 | PA, Case Manage, PDL |
| Epclusa | 7/2/2016 | 12 weeks | \$71,225 | PA, Case Manage, PDL |
| Mavyret | 8/12/2017 | 12 weeks | \$52,799 | PA, Case Manage, PDL |

Anti-inflammatory drugs used for Rheumatoid Arthritis, Crohn's, Psoriasis, Psoriatic Arthritis

| Drug Name | Date of Introduction | Length of Treatment | Treatment Cost | Our Management Strategies |
|------------------|-----------------------------|----------------------------|-----------------------|----------------------------------|
| Humira | 1/6/2003 | Chronic (annual) | \$53,292 | PA and PDL |
| Enbrel | 7/21/2003 | Chronic (annual) | \$51,552 | PA and PDL |