Update on Iowa Medicaid’s Preferred Drug List

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Presented at Iowa Mental Health Conference
Ames, Iowa
October 11, 2004
In an effort to curb exponentially rising drug costs, Medicaid is moving to a “Preferred Drug List” (PDL)

- Scheduled to go into effect January 2005

Thus far, the enabling legislation EXCLUDES Mental Health Drugs, but this exclusion may not last

- Recommended Drug List (RDL) as interim measure
Topics

- Clarification of terms
  - PDL, RDL, etc
- Current status for MH drugs
- Advocacy issues
Why is a PDL Needed?

- To Reduce Costs
- Medicaid drug costs increasing exponentially
  - MH drugs increasing faster
- Drug costs across all systems have been increasing exponentially
Utilization of all antipsychotics increased approximately 1.9-fold
Antipsychotic Costs by Category
Iowa Medicaid Data 1990-2000

Costs of all antipsychotics increased approximately 15-fold
Clarification of Terms

- Restricted Formulary
- Preferred Drug List (PDL)
- Prior Authorization (PA)
- Recommended Drug List (RDL)
- Grandfathering
Restricted Formulary

- Not all medications are available
- Patients in the program have access to only those on the approved formulary
  - i.e., if Zyprexa is not on formulary, the patient cannot get it through this payer source
- Example: Medicare
Preferred Drug List (PDL)

- All medications are potentially available – no hard exclusions
- Medications are either “preferred” or “non-preferred”;
- Access to preferred meds are hassle-free – no hoops to jump through
- Non-preferred meds involve jumping through some kind of hoop
Prior Authorization

- The most common “hoop”
- Process by which rationale is presented for using a non-preferred vs. preferred drug, e.g.
  - Patient has had a prior trial of non-preferred, and had problematic side effects
  - Patient has responded well to non-preferred well in the past
  - Patient is already on a non-preferred drug, and is doing well – doesn’t want to change
Prior Authorization (cont.)

- Clinical decision
- Information presented by clinician
- Information received by clinician who works for PDL contractor
- Decision made by PDL contractor
PA is intended to change utilization and prescribing patterns

- **Process issues**
  - Who delivers the info?
    - Prescriber, office staff, dispenser?
  - How is information conveyed?
    - Phone, fax, e-mail, snail mail

- **Disincentive is key**
“Grandfathering”

- Allowing an exception to those already on a drug to stay on it without PA even if it is non-preferred

- This is critical for MH drugs
Current Status of Mental Health
Drugs in PDL
“With the exception of drugs prescribed for the treatment of HIV / AIDS, transplantation, or cancer and drugs prescribed for mental illness with the exception of drugs and drug compounds that do not have a significant variation in a therapeutic profile or side effect profile within a therapeutic class, prescribing and dispensing of prescription drugs not included on the preferred drug list shall be subject to prior authorization.”
RDL Recommended Drug List

- Analogous to PDL
- Has no teeth
- Set up for transfer to PDL
## Current Draft of RDL
### Atypical Antipsychotics

<table>
<thead>
<tr>
<th>Preferred</th>
<th>Non-Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>RISPERDAL</td>
<td>ZYPREXA</td>
</tr>
<tr>
<td>GEODON</td>
<td>ABILIFY</td>
</tr>
<tr>
<td>SEROQUEL</td>
<td>CLOZARIL (Brand)</td>
</tr>
<tr>
<td>CLOZAPINE</td>
<td></td>
</tr>
<tr>
<td>(Generic)</td>
<td></td>
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</table>


### Current Draft of RDL

**Atypical Antipsychotics - long acting or dissolvable formulations**

<table>
<thead>
<tr>
<th>Preferred</th>
<th>Non-Preferred</th>
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</thead>
<tbody>
<tr>
<td></td>
<td><strong>Risperdal CONSTA</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Risperdal M-TAB</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Zyprexa - Zydis</strong></td>
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</tbody>
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- long acting or dissolvable formulations
## Antidepressants

<table>
<thead>
<tr>
<th>Preferred</th>
<th>Non-Preferred</th>
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</thead>
<tbody>
<tr>
<td>FLUOXETINE HCL Generic</td>
<td>PROZAC Brand</td>
</tr>
<tr>
<td>CELEXA Brand</td>
<td>PROZAC Weekly</td>
</tr>
<tr>
<td>LEXAPRO Brand</td>
<td>EFFEXOR Brand</td>
</tr>
<tr>
<td>ZOLOFT Brand</td>
<td>EFFEXOR XR Brand</td>
</tr>
<tr>
<td>WELLBUTRIN XL Brand</td>
<td>WELLBUTRIN SR Brand</td>
</tr>
<tr>
<td>BUPROPION HCL Generic</td>
<td></td>
</tr>
<tr>
<td>PAROXETINE HCL</td>
<td>PAXIL Brand</td>
</tr>
<tr>
<td>PAXIL CR Brand</td>
<td></td>
</tr>
<tr>
<td>FLUVOXAMINE Generic</td>
<td></td>
</tr>
<tr>
<td>MIRTAZAPINE Generic</td>
<td>REMERON Brand</td>
</tr>
<tr>
<td>TRAZODONE HCL Generic</td>
<td>DESYREL Brand</td>
</tr>
<tr>
<td>NEFAZODONE HCL Generic</td>
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The Process
P & T Committee

- The Governor appointed Pharmacy and Therapeutics (P&T) Committee will recommend a PDL to the DHS in an effort to select both clinically sound and cost effective medications for use by Medicaid recipients.
Contractor Recommendations

- Review of Evidence-base
  - Comparative (similar) efficacy
  - Comparable side effect profile
- Utilization patterns
- Cost
  - Price of drug
  - Supplemental Rebates
Review of Evidence-Base: Efficacy

- In most cases, with more than one drug in a class, the available evidence for efficacy is limited to a demonstration of:
  - Superiority to placebo (no treatment)
  - Equivalence to comparators
Timeline

- Public Comment – Sep 04
- P & T committee recommends PDL – Oct -04
- P & T committee recommends RDL – Dec 3-4, ’04
- Implementation Jan 2005
Fears

- The PDL process may provide further disincentive for providers to "deal with" Medicaid clients
- Could result in decreased access to care
Concern on the Horizon

- “Dual Eligibles”
  - Those eligible for both Medicaid and Medicare
  - Many with serious mental illness
- Currently Medicaid is primary payer for medications
- This is set to change with new Medicare legislation set to take effect in 2006
  - Medicare becomes primary payer
- Medicare likely to have restricted formulary!
Recommendations for Advocacy

- No restricted formularies
  - Change Medicare legislation for 2006

- No PDL

- “Grandfathering” must be allowed for MH drugs if there must be a PDL

- Off-label prescribing should be allowed
Where can you get information?

Websites

- Iowa Medicaid PDL
  www.iowamedicaidpdl.com

- Iowa Consortium for Mental Health
  www.icmentalhealth.org
Information and Advocacy Input
E-mail

- info@iowamedicaidpdl.com
- sparker2@dhs.state.ia.us
Information and Input
“Snail Mail”

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West Des Moines, Iowa  50266
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