MassHealth Pharmacy Program Status

Medicaid Prescription Drug Quality and Cost Management

November 13, 2009

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MassHealth Overview (FY10)

**Members**
- 1.23M Members (↑3.4%> FY09)
  - Contracted MCO - 430,500 members (35%)
  - MassHealth Managed - 799,500 members (65%)
    - 26% Primary Clinician Care Plan ("In-house" managed care)
      - Behavioral health, carved out
    - 39% Fee-for-Service (Most have other insurance)
      - Approximately 225,000 Medicare Dual Eligibles (Federal Rx Benefits – Part D)

**Dollars**
- State Budget - $27.05B ($28.17B, FY09)
- EOHHS Budget - $13.68B
- MassHealth Budget - $8.93B
- Pharmacy Budget - $536M (Medicare D “Clawback” – $268.6M)
  - 6% of the MassHealth Budget (9% with Clawback)
Quality of Care – Drug Therapy

“The degree to which drug therapy for individuals and populations increases the likelihood of desired health outcomes and is consistent with current professional knowledge”.

Institute of Medicine
(paraphrase)
Drug Use Review (DUR)
CFR 42 § 1396r-8

- Ensure prescriptions are:
  - appropriate
  - medically necessary
  - not likely to result in adverse medical results

- Identify and reduce frequency of patterns of:
  - fraud, abuse, gross overuse, inappropriate or medically unnecessary care
  - potential and actual adverse reactions to drugs
Medical Necessity
130 CMR 450.204(B)

- Reasonably calculated to prevent... alleviate... suffering and pain... illness or infirmity
- No other medical service, comparable in effect, available and suitable for the member, that is more conservative or less costly to the Commonwealth
- Must be of a quality that meets professionally recognized standards and must be substantiated by records including evidence of such medical necessity and quality
MassHealth Pharmacy Organizational Chart

Governor

Secretary, Health and Human Services

Director, Office of Medicaid

UMass Medical School

Commonwealth Medicine

Office of Clinical Affairs

Pharmacy Program (Director)

Claims Processing and Rebate Management Contractor

ACS State Healthcare

Clinical Support and DUR Program Contractor

UMMS

Program Policy & Regulations

POPS Operations

Drug Utilization Review (UMMS)

Program Quality Initiatives

Professional and Public Relations

MassHealth

Medicaid Prescription Drug Quality and Cost Management
MASSHEALTH DRUG REVIEW PROCESS

THERAPEUTIC CLASS REVIEW

NEW PRODUCT INTRODUCTION

Utilization Review
- Prospective (Point of Sale)
- Retrospective (Data Analysis)

Quality Review
- Claims Integrity
- Prior Authorization

Pharmacy Policy
Committee
Rx Director
Rx Staff

Monograph Prepared:
- Literature Evaluation
- Data Analysis
- Financial Modeling

Internal Review

Validate Decision

Open Access
Prior Authorization:
- Formal Request (Fax/Mail)
- Automated (Smart PA)
- Step Edit (Fail First)
Quantity Limits

External Stakeholders:
- Members
- Providers
- PhRMA

Affiliated Agencies:
- Dept Mental Health
- Dept Public Health

Drug Use
Review Board
- Associate Medical Directors

Pharmacy
Policy
Committee
Rx Director
Rx Staff

UMass Medical School, Clinical Pharmacy Services

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Medicaid Prescription Drug Quality and Cost Management
Current and Planned Activities

- Expanded use of Smart PA
  - 130 rules active Fall 2009
    - Incorporate prescriber databases
- Interactive website (in development)
- Improve information technology
  - Next generation claims processing (in development)
    - Electronic prescribing (in development)
    - Incorporate laboratory results and behavioral health into Smart PA (planned)
Current and Planned Activities

- Improved outcomes
  - Robust quality studies (in development)
  - Integrate pharmacy data into emerging care management strategy (planned)
  - Address underutilization, adherence (planned)