Florida Medicaid
Prescribed Drug Service
Spending Control Initiatives

For the Quarter
July 1, 2015 through
September 30, 2015

Report to the Florida Legislature
December 2016
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Purpose of Report

Per section 409.912, Florida Statutes (F.S.), the Agency for Health Care Administration (Agency) shall submit quarterly reports to the Governor, the President of the Senate, and the Speaker of the House of Representatives which must include, but need not be limited to, the progress made in implementing this subsection and its effect on Florida Medicaid prescribed drug expenditures. This report includes data for the first quarter of state fiscal year (SFY) 2015-2016, July 1, 2015 through September 30, 2015.
Executive Summary

Medicaid Fee-for-Service Pharmacy

Since August 2014, the majority of Florida Medicaid recipients are enrolled in Medicaid Managed Medical Assistance (MMA) health care plans which are responsible for all facets of recipient care including reimbursement for the Medicaid pharmacy benefit. This report includes data and information pertaining to the Florida Medicaid fee-for-service (FFS) population and does not include any information on the pharmacy benefit related to Medicaid MMA plans.

Most of the Florida Medicaid recipients in fee-for-service (FFS) are dually eligible for Medicaid and Medicare so Medicare pays the pharmacy benefits, are enrolled in waivers, or are enrolled for special services and are receiving services and benefits that are specific to their unique needs. These benefits can often include specific or unique drug requirements. The nature of the Medicaid FFS pharmacy population means that the costs and utilization patterns seen in FFS pharmacy will be different from Medicaid MMA enrollees and Medicaid recipients as a whole.

FFS Caseload and Retail Prescription Costs

During the first quarter of SFY 2015-2016, 774,853 FFS pharmacy claims were reimbursed totaling $131.8 million (prior to manufacturer rebates). The number of users averaged 76,743 per month, but decreased each month during the quarter. Total claims averaged 258,284 per month and the amount paid averaged just over $43.9 million per month during the quarter. The average number of claims per user was 3.4 claims per user, per month. During the first quarter, 11.9 percent of eligible recipients used the pharmacy benefit in a given month. Finally, during the quarter 19.9 percent of claims reimbursed were for brand drug products, which accounted for 86.5 percent of total expenditures before rebates.

FFS Pharmacy Cost Controls

Florida has several pharmacy cost control measures in place for the Medicaid FFS population which have proven effective at controlling costs. Specific spending control measures in place for the FFS population include:

- **Pharmacy Rebates** – Pharmaceutical manufacturer rebate revenue paid to the state is a significant offset to the retail cost of prescription reimbursement. The program continues to negotiate agreements for manufacturers to provide supplemental rebates, in addition to federally required rebates, for their brand drug products. These rebates reduce the total retail cost of reimbursement to community pharmacy providers and allow prescribers more choices of preferred products within therapeutic classes on the PDL. During the first quarter of SFY 2015-2016, the average retail price for a prescription reimbursed under FFS was $170.04. After accounting for rebates received from manufacturers based on their federal rebate agreements, the average amount reimbursed per prescription was $77.50. The average amount reimbursed during the quarter after taking into account both federal rebates and state supplemental rebates was $71.36.

- **Medicaid Pharmaceutical and Therapeutics (P&T) Committee** – Created by section 409.91195, F.S., the P&T Committee makes recommendations to the Agency for the purpose of developing and maintaining the Florida Medicaid PDL. The committee reviews all drug classes included on the PDL every 12 months, and may recommend additions to and deletions from the PDL, so that the PDL provides for medically appropriate drug therapies for Medicaid patients which achieve cost savings. The committee may also recommend prior authorization protocols for any Medicaid-covered prescribed drugs to ensure compliance with clinical guidelines, for indications not approved in labeling, and for prevention of potential overuse, misuse, or abuse.
• **Prior Authorization** – Authorization prior to reimbursement for certain drugs in specific circumstances continues. Age related prior authorization has been established for certain drugs to ensure safe and appropriate prescribing. During the first quarter of SFY 2015-2016, the Agency’s contracted FFS prescription benefit manager vendor, Magellan Medicaid Administration (Magellan), processed 11,859 prior authorization claims, or almost 129 prior authorization claims per day.

• **University of Florida Medication Therapy Management Communication and Care Center (MTMCCC)** – Through a contract with MTMCCC, trained pharmacists conduct comprehensive prescribed drug case management, which involves direct patient contact if the patient chooses to participate. This statewide Medication Therapy Management program can help resolve medication-related and health-related problems, optimize medication use for improved patient outcomes, and promote patient self-management of medication and disease states. This, in turn, helps reduce clinical risk and lowers prescribed drug costs to the Florida Medicaid program including reducing the rate of inappropriate spending on Medicaid prescription drugs.

• **Behavior Health Prescribing Best Practice Guidelines** – As part of the requirements of section 409.912, F.S., Medicaid contracts with the Florida Mental Health Institute (FMHI) at the University of South Florida to develop and disseminate best practice guidelines for behavioral health drug therapy. FMHI recommendations relate to the specific needs of adults and children, coordination of care for behavioral health drug therapy management, improved patient and provider education, compliance with drug therapies, and improved outcomes.
Medicaid Fee-for-Service Pharmacy

This report details expenditures and prescribing patterns for the Florida Medicaid Prescribed Drug Service for Florida’s fee-for-service (FFS) Medicaid population. The report also provides detail on several spending control initiatives in Medicaid FFS Pharmacy.

In Florida Medicaid, most recipients have been enrolled in health plans since 2014. The plans have responsibility for virtually all of the medical care needs of their enrollees, including the Medicaid pharmacy benefit. Pharmacy claims reimbursed by health plans are not included in this report.

The following populations are excluded from enrollment in an Medicaid health plans and will continue to receive pharmacy benefits under FFS:

- Family Planning Waiver
- Emergency Services for Aliens
- Women eligible for Medicaid because they have Breast or Cervical Cancer
- Medically Needy

In addition, the following populations have the option of enrolling in health plan but may choose to remain in FFS:

- Medicaid recipients who have other creditable health care coverage, excluding Medicare
- Persons eligible for refugee assistance
- Medicaid recipients who are residents of a developmental disability center
- Medicaid recipients enrolled in the developmental disabilities home and community-based services waiver or Medicaid recipients waiting for waiver services
- Children receiving services in a prescribed pediatric extended care center
- Medicaid recipients residing in a group home facility licensed under chapter 393.

Florida Medicaid FFS Pharmacy Caseload and Expenditures

Table 1 shows the SFY 2015-16 appropriations for FFS pharmacy services along with the caseload and expenditure estimates from the previous SFY.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Caseload</td>
<td>512,796</td>
<td>426,225</td>
<td>-16.88%</td>
</tr>
<tr>
<td>Medicaid Prescriptions Per Month</td>
<td>516,751</td>
<td>397,023</td>
<td>-23.17%</td>
</tr>
<tr>
<td>Medicaid Unit Cost</td>
<td>$92.01</td>
<td>$95.65</td>
<td>3.96%</td>
</tr>
<tr>
<td>Medicaid Total Annual Cost</td>
<td>$570,571,200</td>
<td>$455,690,758</td>
<td>-20.13%</td>
</tr>
</tbody>
</table>

Source: *SFY2014-15 Estimates reflects amended expenditure and caseload estimates from the March 2015 Social Services Estimating Conference (SSEC). Initial appropriation estimates were calculated without accounting for Statewide Medicaid Managed Care (SMMC) and the revised estimates more accurately reflect expected expenditures and utilization after SMMC was approved by the Florida legislature during the 2014 legislative session. SFY 2015-2016 Appropriation data are from the 2015 SSEC General Appropriations Act estimates.

Overall, it is anticipated that Florida Medicaid FFS pharmacy caseload will fall almost 17 percent while the average number of prescriptions per month is expected to drop by more than 23 percent. The average price per prescription is expected to rise by almost 4 percent, but with the significant drop in caseload and number of prescriptions, the total cost of FFS pharmacy claims is expected to fall by more than 20 percent during the year. Table 2 compares the first quarter performance with the fiscal year appropriations.
Table 2 – FFS Pharmacy Services Expenditures and Utilization Estimates vs. Actual First Quarter, SFY 2015-2016

<table>
<thead>
<tr>
<th>Prescribed Medicine</th>
<th>SFY 2015-2016 Appropriations</th>
<th>Q1 SFY 2015-16 Actual</th>
<th>% Difference Estimates vs. Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Caseload (Member Months)</td>
<td>426,225</td>
<td>645,747</td>
<td>51.50%</td>
</tr>
<tr>
<td>Average Prescriptions Per Month</td>
<td>397,023</td>
<td>258,284</td>
<td>-34.94%</td>
</tr>
<tr>
<td>Average Paid/Claim</td>
<td>$95.65</td>
<td>$170.05</td>
<td>77.78%</td>
</tr>
<tr>
<td>Average Total Cost Per Month</td>
<td>$37,974,230</td>
<td>$43,920,463</td>
<td>15.66%</td>
</tr>
</tbody>
</table>


During the first quarter of SFY 2015-2016, the average caseload was 51.5 percent higher than appropriation estimates. The average number of prescriptions per month was almost 35 percent below estimates, average amount paid per claim (prior to rebates) was almost 78 percent higher, and the average total cost per month was almost 16 percent higher than estimated. Figure 1 shows the actual FFS pharmacy expenditures for the first quarter of SFY 2015-2016 compared to the appropriation estimates.

Figure 1 – Florida Medicaid FFS Pharmacy Expenditures Appropriations vs. Actual Spending First Quarter, SFY 2015-2016

Source: Average expected expenditures are calculated from the 2015 SSEC Appropriation estimates. Actual expenditures are reported in the Florida Pharmacy Report Card, Magellan Health Services, Inc., January 2016

Claims Details

FFS Caseload and Retail Prescription Costs

Table 3 shows the monthly totals for Medicaid FFS caseload, total pharmacy benefit users, total claims, and cost of claims for the first quarter of SFY 2015-2016. During the quarter, a total of 1,937,242 pharmacy claims were reimbursed with a total of $131,761,389 paid. This equates to an average of 230,228 claims and an average of $43,920,463 paid per month. The number of users averaged 76,743...
per month. There was a downward trend in all metrics over the quarter except for the average caseload which increased slightly during the final month. During the first quarter, an average of 11.9 percent of eligible recipients used the pharmacy benefit in a given month.

Table 3 – Monthly Caseload, Users, Claims, and Retail Prescription Costs, Medicaid FFS Pharmacy
First Quarter, SFY 2015-2016

<table>
<thead>
<tr>
<th>Metric</th>
<th>July 2015</th>
<th>August 2015</th>
<th>September 2015</th>
<th>Q1 SFY 2015-2016 Average</th>
<th>Q1 SFY 2015-2016 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member-Months</td>
<td>644,148</td>
<td>644,148</td>
<td>648,946</td>
<td>645,747</td>
<td>1,937,242</td>
</tr>
<tr>
<td>Users</td>
<td>78,704</td>
<td>76,145</td>
<td>75,379</td>
<td>76,743</td>
<td>230,228</td>
</tr>
<tr>
<td>Claims</td>
<td>265,464</td>
<td>257,371</td>
<td>252,018</td>
<td>258,284</td>
<td>774,853</td>
</tr>
<tr>
<td>Paid</td>
<td>$45,523,168</td>
<td>$43,157,369</td>
<td>$43,080,851</td>
<td>$43,920,463</td>
<td>$131,761,388</td>
</tr>
<tr>
<td>Claims/User</td>
<td>3.4</td>
<td>3.4</td>
<td>3.3</td>
<td>3.4</td>
<td>3.4 Avg.</td>
</tr>
<tr>
<td>Percent Users</td>
<td>12.2%</td>
<td>11.8%</td>
<td>11.6%</td>
<td>11.9%</td>
<td>11.9% Avg.</td>
</tr>
</tbody>
</table>


Brand and Generic Drug Costs and Utilization

Generic utilization plays a significant role in controlling pharmacy costs. During the first quarter, the generic utilization rate was over 75 percent (see Table 4; Figure 2). Coupled with the extensive application of manufacturer rebates (see Table 5) and ongoing, detailed review of the Florida Medicaid Preferred Drug List (PDL) to consider removal of products when lower-cost, equally effective alternatives are available, helps maintain efficiency in the Florida Medicaid prescribed drug services. Table 4 details monthly metrics related to efficient utilization of generic products, the average cost of a brand and a generic prescription, the number of brand and generic prescriptions reimbursed, and the total amounts reimbursed for drug claims.

Table 4 – Utilization and Payments by Prescription Drug Type, Medicaid FFS Pharmacy
First Quarter SFY 2015-2016

<table>
<thead>
<tr>
<th>Metric</th>
<th>July 2015</th>
<th>August 2015</th>
<th>September 2015</th>
<th>Q1 SFY 2015-2016 Average</th>
<th>Q1 SFY 2015-2016 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic Utilization</td>
<td>75.0%</td>
<td>75.0%</td>
<td>75.6%</td>
<td>75.2%</td>
<td>75.2% Avg.</td>
</tr>
<tr>
<td>Brand Paid/Claim</td>
<td>$741.29</td>
<td>$718.70</td>
<td>$760.16</td>
<td>$740.05</td>
<td>$740.05 Avg.</td>
</tr>
<tr>
<td>Non-Drug/Comp Paid/Claim</td>
<td>$49.60</td>
<td>$58.51</td>
<td>$66.06</td>
<td>$58.01</td>
<td>$58.01 Avg.</td>
</tr>
<tr>
<td>Brand Claims</td>
<td>53,457</td>
<td>51,833</td>
<td>48,863</td>
<td>51,384</td>
<td>154,153</td>
</tr>
<tr>
<td>Generic Claims</td>
<td>199,060</td>
<td>192,930</td>
<td>190,433</td>
<td>194,141</td>
<td>582,423</td>
</tr>
<tr>
<td>Non-Drug Claims</td>
<td>16</td>
<td>15</td>
<td>13</td>
<td>15</td>
<td>44</td>
</tr>
<tr>
<td>Compound Claims</td>
<td>12,931</td>
<td>12,593</td>
<td>12,709</td>
<td>12,744</td>
<td>38,233</td>
</tr>
<tr>
<td>Brand Paid</td>
<td>$39,627,089</td>
<td>$37,252,529</td>
<td>$37,143,592</td>
<td>$38,007,737</td>
<td>$152,030,947</td>
</tr>
<tr>
<td>Generic Paid</td>
<td>$5,253,926</td>
<td>$5,167,153</td>
<td>$5,096,802</td>
<td>$5,172,627</td>
<td>$20,690,508</td>
</tr>
<tr>
<td>Non-Drug Paid</td>
<td>$3,516</td>
<td>$1,867</td>
<td>$3,398</td>
<td>$2,927</td>
<td>$11,708</td>
</tr>
<tr>
<td>Compound Paid</td>
<td>$638,637</td>
<td>$735,821</td>
<td>$837,060</td>
<td>$737,172</td>
<td>$2,948,690</td>
</tr>
</tbody>
</table>


The average paid per claim for a brand name prescription during the first quarter was $740.05 for 154,153 prescriptions and the average paid per claim for a generic prescription was $26.64 for 582,423 prescriptions. This means that during the first quarter of SFY 2015-2016, while 19.9 percent of claims
reimbursed were for brand drug products, these prescriptions accounted for 86.5 percent of total expenditures prior to rebates.

The primary cost drivers for drug prices are likely higher priced and newly introduced drugs (compared to established drugs with generic alternatives) and the health care requirements of Medicaid FFS recipients. The majority of the population remaining in Florida Medicaid FFS is enrolled in special programs and have special needs. This means utilization patterns will be different and drug prices will likely be higher for the higher need population in FFS than other Medicaid recipients.

Figure 2 – Florida Medicaid FFS Pharmacy Brand Name versus Generic Utilization and Expenditures
First Quarter, SFY 2015-2016

Manufacturer Rebates Reduce Net Cost of Drugs to State

Pharmaceutical manufacturer rebate revenue paid to the state is a significant offset to the retail cost of prescription reimbursement. Florida Medicaid continues to negotiate agreements for manufacturers to provide supplemental rebates, in addition to federally required rebates, for their brand drug products. These rebates reduce the total retail cost of reimbursement to community pharmacy providers and allow prescribers more choices of preferred products within therapeutic classes on the Florida Medicaid PDL.

The impact of rebates on overall pharmacy costs can be seen in Table 5. The top row of figures in the table reports the overall average retail reimbursement paid for a prescription claim, prior to any rebates received from manufacturers. The “Net Paid/Claim” row is the reimbursed amount less rebates received from manufacturers based on their federal rebate agreements. The row titled “Net Net Paid/Claims” shows the reimbursed amount net of federal and state supplemental rebates paid back to the state by pharmaceutical manufacturers. Reimbursement amounts are shown per Claim; per user, per month (PUPM), and per member (i.e., eligible recipient), per month (PMPM).
### Table 5 – Paid, Net Paid, and Net Net Paid Per Claim, Medicaid FFS Pharmacy
First Quarter, SFY 2015-2016

<table>
<thead>
<tr>
<th>Metric</th>
<th>July 2015</th>
<th>August 2015</th>
<th>September 2015</th>
<th>Q1 SFY 2015-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid/Claim</td>
<td>$171.49</td>
<td>$167.69</td>
<td>$170.94</td>
<td>$170.04</td>
</tr>
<tr>
<td>Net Paid/Claim</td>
<td>$78.16</td>
<td>$76.43</td>
<td>$77.91</td>
<td>$77.50</td>
</tr>
<tr>
<td>Net Net Paid/Claim</td>
<td>$71.97</td>
<td>$70.37</td>
<td>$71.74</td>
<td>$71.36</td>
</tr>
<tr>
<td>Paid PUPM</td>
<td>$578.41</td>
<td>$566.78</td>
<td>$571.52</td>
<td>$572.24</td>
</tr>
<tr>
<td>Net Paid PUPM</td>
<td>$263.62</td>
<td>$258.32</td>
<td>$260.48</td>
<td>$260.81</td>
</tr>
<tr>
<td>Net Net Paid PUPM</td>
<td>$242.74</td>
<td>$237.85</td>
<td>$239.85</td>
<td>$240.15</td>
</tr>
<tr>
<td>Paid PMPM</td>
<td>$70.67</td>
<td>$67.00</td>
<td>$66.39</td>
<td>$68.02</td>
</tr>
<tr>
<td>Net Paid PMPM</td>
<td>$32.21</td>
<td>$30.54</td>
<td>$30.26</td>
<td>$31.00</td>
</tr>
<tr>
<td>Net Net Paid PMPM</td>
<td>$29.66</td>
<td>$28.12</td>
<td>$27.86</td>
<td>$28.55</td>
</tr>
</tbody>
</table>


Figure 3 illustrates the amount of the average federally required and supplemental rebates received per prescription. The calculated average percentage of total pharmacy expenditures attributable to rebates is 54.4 percent of total expenditures for CMS rebates and 3.6 percent for supplemental rebates. Combined rebates equal 58.0 percent of total prescription costs.

### Figure 3 – Rebates Per Claim, Medicaid FFS Pharmacy
First Quarter, SFY 2015-2016

Rebate percentages are estimates based on pharmacy caseload.

Figure 4 shows the distribution of the final cost of a prescription drug between the state, the federal government, and the manufacturers’ rebates. It illustrates the percentage of state general revenue dollars required for the state to offer the Florida Medicaid FFS drug benefit after federal matching funds and manufacturer rebate revenue are received. State general revenue accounts for only 16.9 percent of the total retail cost of FFS pharmacy services.
Figure 4 – Estimated Percentage of Final Costs by Payer, Florida Medicaid FFS Pharmacy
SFY 2015-2016 Year-to-Date

Florida Medicaid Fee-for-Service Prescribed Drug Program
Percentage of Retail Drug Expenditures Recouped through Manufacturer Rebates; Paid with Federal Funding, and Paid with State Revenue

Federal Financial Participation Net of Federal Share of Rebate
State General Revenue, Net of State Share of Rebates
16.9%
25.1%
58.0%

Source: Calculated from rebate information provided in Florida Pharmacy Report Card, Magellan Health Services, Inc., January 2016
Federal Financial Participation Rates reported by http://aspe.hhs.gov

Florida Medicaid FFS Prescribed Drug Services Ongoing Cost Controls

Cost-Effective Florida Medicaid PDL
The Florida Medicaid PDL continues to produce significant savings of pharmacy costs since its implementation as a mandatory component of the Florida Medicaid program in 2005. The savings are achieved two ways: 1) through efficient prescribing protocols (including cost avoidance through prior authorization and step therapy); and, 2) through the State Supplemental Rebate Program (negotiated cash rebates from manufacturers relating to placement on the PDL).

PDL Adherence – PDL Products Share of Florida Medicaid Market
Through aggressively negotiating supplemental rebates and favorable net pricing, the Florida Medicaid prescribed drug service is able to maintain an array of choices for prescribers within each therapeutic class on the Florida Medicaid PDL. Approval for reimbursement of prescriptions for products not on the PDL may be obtained through prior authorization. According to Magellan’s PDL Compliance Report (December 2015), during the first quarter of SFY 2015-2016, PDL products represented 94.7 percent of prescriptions reimbursed by Florida Medicaid for FFS recipients and 81.6 percent of the total amount reimbursed.

The percentage of drugs prescribed on PDL remained consistent, as did the amount of total FFS pharmacy reimbursement attributable to PDL drugs. The consistency in prescribing patterns and reimbursements reflects a stabilization in the FFS population more than a year after SMMC rollout was completed and the implementation of coverage policies for newer, high cost, non-PDL drugs that had entered the market.
The highest expenditures for non-PDL drugs were for Anticonvulsants accounting for more than $5 million in pharmacy reimbursements before rebates for 5,533 prescriptions. Most Anticonvulsants are on the PDL and Non-PDL Anticonvulsants were only 8.8 percent of all Anticonvulsants prescribed. After rebates, these drugs accounted for just over $1.5 million in pharmacy reimbursements. The most frequently prescribed type of non-PDL drugs were “Analgesics, Narcotics Short” with 15,899 non-PDL prescriptions representing just over 60 percent of all drugs of that type prescribed, and almost 43.5 percent of all non-PDL prescriptions.

Note that most non-PDL products must go through the prior authorization process prior to prescribing/reimbursement.

Prior Authorization of Specific Drugs
As in all states’ Medicaid programs, authorization prior to reimbursement for certain drugs in specific circumstances continues. Response to prior authorization (PA) requests is immediate through automatic claim system edits or by the Florida Medicaid fiscal agent’s Pharmacy Benefits Manager (Magellan). These requests are handled within 24 hours. Requests are either approved, denied, or can result in a change in therapy. During the first quarter of SFY 2015-2016, Florida received a total of 11,859 PA requests through the call center, an average of almost 129 per day, and 3,953 per month.

The following chart details metrics related to PA requests received during the first quarter of SFY 2015-2016. There has been a generally downward trend in total requests since the start of the previous state fiscal year reflecting a stabilization in the Florida Medicaid FFS recipient population since SMMC transition in August 2014.

Table 6 – Pharmacy Therapeutic Call Center Prior Authorization Requests, Florida Medicaid FFS First Quarter, SFY 2015-2016

<table>
<thead>
<tr>
<th>Metric</th>
<th>July 2015</th>
<th>August 2015</th>
<th>September 2015</th>
<th>Q1 SFY 2015-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total PA Requests</td>
<td>4,135</td>
<td>4,142</td>
<td>3,582</td>
<td>11,859</td>
</tr>
<tr>
<td>Average Per Day</td>
<td>133.4</td>
<td>133.6</td>
<td>119.4</td>
<td>128.9</td>
</tr>
<tr>
<td>Total PA Requests Approved</td>
<td>3,806</td>
<td>3,738</td>
<td>3,189</td>
<td>10,733</td>
</tr>
<tr>
<td>% PA Requests Approved</td>
<td>92.0%</td>
<td>90.2%</td>
<td>89.0%</td>
<td>90.5%</td>
</tr>
</tbody>
</table>

Source: Magellan Medicaid Administration, February 2016

Rebate Collection Productivity
Molina Medicaid Solutions, the rebate collection contractor, performs follow-up on all unpaid or disputed invoices. In their report dated October 28, 2016, they show that as of September 30, 2015, they had achieved an overall collection percentage of 98 percent of FFS invoiced rebates from manufacturers for the first quarter of SFY 2015-2016. Nonpaying manufacturers are reported to federal CMS. The contractor continues to refer providers who cannot or will not reverse billing errors and rebill correctly to the Agency’s Bureau of Medicaid Program Integrity.

Medication Management

Medication Therapy Management
Section 409.912, F.S., requires that the Agency implement a Medicaid prescription drug management system. The management system is required to rely on cooperation between physicians and pharmacists to determine appropriate practice patterns and clinical guidelines to improve the prescribing, dispensing, and use of drugs in the Florida Medicaid program. Further, the drug management system had to be designed to improve the quality of care and prescribing practices based on best practice guidelines, improve patient adherence to medication plans, reduce clinical risk, and
lower prescribed drug costs and the rate of inappropriate spending on Florida Medicaid prescription drugs.

The statewide Medication Therapy Management (MTM) program provides interventions that help improve prescribing, dispensing, and medication usage for recipients through population-based strategies. Participating pharmacists are trained to deliver detailed medication reviews and improve coordination of medical care for patients. In April 2011, the MTM program transitioned to a patient-centered review process in which recipients may choose to speak directly via telephone with pharmacists who have real-time access to the patients’ drug profiles and medical claim histories. Feedback from recipients who chose to participate has been measurably positive, and their self-reported understanding of and compliance with their drug therapies has improved. The reviews are now performed through the University of Florida Medication Therapy Management Call Center.

**Behavioral Pharmacy Management Program**

The Florida Medicaid Drug Therapy Management program for behavioral health was created by the Florida Legislature in 2005. Its purpose as stated in section 409.912, F.S., is to accomplish all of the following:

- Improve the quality of behavioral health drug prescribing
- Improve patient adherence
- Reduce clinical risk
- Lower costs

The Agency contracted with the Florida Mental Health Institute (FMHI) at the University of South Florida to implement this program. Initially, the focus was to slow the escalation of expenditures on mental health prescriptions. The focus of the program has broadened to include quality and safety issues, and separate specific recommendations for children and adults.

**MEDS-AD Waiver**

The Florida MEDS-AD demonstration waiver provides Florida Medicaid coverage for aged or disabled residents of the State of Florida with incomes at or below 88 percent of the federal poverty level and assets at or below $5,000 for an individual or $6,000 for a couple. Coverage is available to those aged and disabled persons who are either receiving or eligible to receive institutional care, hospice or home and community-based services, or who are not eligible for Medicare. The current MEDS-AD Waiver was implemented to continue coverage for a group of individuals who would not have been eligible for Medicare Part D as of January 2006. This waiver is designed to delay the need for institutionalization of these vulnerable individuals by maintaining their level of care in the community longer through the provision of:

- Access to health care services
- High-Intensity Pharmacy Case Management services for non-institutionalized individuals

The continued coverage, along with High-Intensity Pharmacy Case Management services, is designed to avoid costs of preventable hospitalizations or institutional placement that would otherwise occur in the next five years had these vulnerable recipients been denied access to prescribed drugs and other medical services. The focus of the demonstration is to provide high-intensity pharmacy case management for recipients who are not yet receiving institutional care.

The table below contains monthly MEDS-AD enrollment counts for the first quarter of SFY 2015-2016.
Table 7 – 1115 MEDS-AD Waiver Total Enrollment by Month, July 2015-September 2015

<table>
<thead>
<tr>
<th></th>
<th>July 2015</th>
<th>August 2015</th>
<th>September 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Enrollment</td>
<td>41,029</td>
<td>41,192</td>
<td>41,308</td>
</tr>
</tbody>
</table>

Source: Medicaid Data Analytics, December 2015

Expenditures reimbursed for recipients who were eligible for Florida Medicaid through the MEDS-AD demonstration waiver totaled $113,106,218 for the period July through September 2015. Cumulative expenditures remain well below the budget neutrality ceiling approved by federal CMS for the waiver.

Report Conclusion

This concludes the report of the Florida Medicaid Prescribed Drug Services Spending Control Initiatives for the first quarter of SFY 2015-2016.

Additional information related to Florida Medicaid’s pharmacy services is available on the Florida Medicaid Pharmacy Policy webpage at:

http://ahca.myflorida.com/Medicaid/Policy_and_Quality/Policy/pharmacy_policy/index.shtml