



RICK SCOTT
GOVERNOR

ELIZABETH DUDEK
SECRETARY

May 5, 2016

Statewide Medicaid Managed Care (SMMC) Contract Interpretation

Contract Interpretation: 16-01

Applicable to:

- Comprehensive Long-term Care (LTC) Plan
- Managed Medical Assistance Health Maintenance Organization
- Managed Medical Assistance Provider Service Network
- Managed Medical Assistance Specialty Plan
- Children's Medical Services (CMS) Plan

Applicable to enrollees in:

- Managed Medical Assistance (MMA)
- Long-term Care (LTC)

Re: Coverage and Authorization of Hepatitis C Prescribed Drugs

Federal law requires that a state plan for medical assistance must provide such methods and procedures relating to the utilization of, and the payment for, care and services available under the plan as may be necessary to safeguard against unnecessary utilization of such care and services and to assure that payments are consistent with **efficiency, economy, and quality of care**. (Section 1902(a)(30)(A) of the Social Security Act) Federal rules define "preferred drugs" as drugs that the state has identified on a publicly available schedule as being determined by a pharmacy and therapeutics committee for clinical efficacy as the **most cost-effective drugs** within each therapeutically equivalent or therapeutically similar class of drugs. (Title 42 Code of Federal Regulations, section 447.51)

State law requires the Agency for Health Care Administration (Agency) to implement a Medicaid prescribed-drug spending-control program that includes a Medicaid preferred drug list (PDL), which must be a listing of **cost-effective** therapeutic options recommended by the Medicaid Pharmacy and Therapeutics Committee established pursuant to section 409.91195, Florida Statutes (F.S.) and adopted by the Agency for each therapeutic class on the preferred drug list. (Section 409.912(8)(a), F.S.)

The managed care plan must make available those drugs and dosage forms listed on the Agency's Medicaid PDL, and must comply with the following requirements listed in s. 409.912(8)(a), F.S.:

- (iv) The requirements of section 409.912(8)(a)13., F.S., regarding promoting best practices and ensuring **cost-effective prescribing practices**; and



(v) The requirements of section 409.912(8)(a)14., 15., and 16., F.S., regarding prior authorization. (Attachment II, Exhibit II-A, Section V.A.1.a.(25)(b)¹)

The purpose of this policy transmittal is to instruct managed care plans on the requirements for reimbursement and service authorization of hepatitis C prescribed drugs.

Managed care plans must authorize requests for hepatitis C drugs in accordance with the Agency's PDL. If an enrollee can be treated with either a PDL drug (e.g., Viekira Pak) or non-PDL drug (e.g., Harvoni), the approval should be granted for the PDL drug, as it is the most cost effective to the State. Managed care plans must authorize services reflective of the level of service that can be safely furnished, and **for which no equally effective and more conservative or less costly treatment is available**, statewide, in accordance with the Agency's medical necessity definition (see rule 59G-1.010, Florida Administrative Code). The managed care plan may authorize a non-PDL drug, when such authorization is consistent with the Agency's medical necessity definition and the PDL drug is contraindicated for treatment of the enrollee's condition.

Pursuant to Attachment II, Exhibit II-A, Section XII.I.1², Disputes, the managed care plan must submit, within twenty-one (21) days after the interpretation of the contract, a written dispute of the contract interpretation directly to the Deputy Secretary; this submission shall include all arguments, materials, data, and information necessary to resolve the dispute (to include all evidence, documentation and exhibits). All other provisions in this section apply.

Please submit such written requests to the following address:

Attn: Mr. Justin Senior
Deputy Secretary for Medicaid
Agency for Health Care Administration
Managed Care Appeals/Disputes, MS #70
2727 Mahan Drive
Tallahassee, FL 32308

If you have questions or concerns, please contact your contract manager at (850) 412-4004.

Sincerely,



Beth Kidder
Assistant Deputy Secretary for
Medicaid Policy and Quality

BK/dp

¹ The citation for the CMS plan contract is Attachment I, Section V.A.3.a.(25)(b).

² The citation for the CMS plan contract is Attachment I, Section XII.I.1.