

**Vermont Health Access
Pharmacy Benefit Management Program
October, November and December 2014**

**Quarterly Report to
Health Reform Oversight Committee**

Q2 SFY 2015

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Vermont Agency of Human Services

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Pharmacy Benefit Management Program

Quarterly Report

October, November and December 2014

The Agency of Human Services, Department of Vermont Health Access (DVHA), is pleased to provide the quarterly report to the Health Reform Oversight Committee as required by Act 127 approved in 2002 and found in 33 V.S.A. Chapter 19 § 2001. This report covers the activities of the Pharmacy Benefits Manager (PBM) for the second quarter of State Fiscal Year 2015.

The three requirements are set out in bold italics. DVHA's response follows each requirement.

§2001 (c) (1) "The director of the office of Vermont health access shall report quarterly to the health access oversight committee concerning the following aspects of the pharmacy best practices and cost control program:

(1) the efforts undertaken to educate health care providers about the preferred drug list and the program's utilization review procedures;"

During this quarter, the following informational mailings were sent to **pharmacies and/or prescribers**:

Prescribing providers:

DVHA's prescriber newsletter introduced the new Pharmacy Benefit Manager (PBM), Goold Health Systems (GHS), which began administering DVHA's pharmacy benefit programs effective January 1, 2015. The newsletter gave background about GHS and an introduction of GHS staff, products and features, along with a preliminary implementation schedule.

Topics also addressed in the **Newsletters** are as follows:

- No changes to Specialty Pharmacies (Wilcox Home Infusion and BriovaRX).
- PA forms to be updated on the DVHA website on January 1, 2015 along with the Preferred Drug List (PDL), which identifies all drugs and supplies requiring PA.
- Reminders that the Drug Utilization Review (DUR) Board voted to implement daily quantity limits and maximum duration of therapy restrictions for muscle relaxants due to concerns about misuse, diversion and safety.
- Select Benzodiazepines have daily quantity limits and Alprazolam/Alprazolam ER moved to PA required effective October 16, 2014.
 - Oxycodone and Hydromorphone immediate release products are limited to 16 dosage units/day with the initial fill limited to a 14-day supply effective November 5, 2015.

Pharmacy providers:

Topics addressed by **Newsletter and/or Fax Blast** are as follows:

- Oxycodone and Hydromorphone Immediate Release Products are now limited to 16 dosage units/day with the initial fill limited to a 14-day supply effective November 5, 2015.
- GHS Payer Sheet changes for claims submission, including GHS Bank ID Number (BIN), Plan Name and Processor Control Number (PCN), were sent to pharmacies for the new Pharmacy Point of Sale (POS) deployment on January 1, 2015.
- Pilot Testing conducted for the new Point of Sale (POS) system in preparation of go-live with the new GHS PBM system on January 1, 2015.
- Instructions for Other Coverage Codes (OCC) when processing Part B, Secondary and CMS Excluded Drug claims.

In an attempt to make all documents available to interested parties, the department maintains a web page with information related to the Pharmacy Benefits Management Program at:

<http://dvha.vermont.gov/for-providers/pharmacy>

“(2) the number of prior authorization requests made;”

| Combined Clinical and Quantity Limit Prior Authorization Requests – Q1 SFY 2015 | | | | |
|--|------------------------------|-----------------------|---------------------|---------------------------------------|
| | <i>Total PA Requests</i> | <i>Total Approved</i> | <i>Total Denied</i> | <i>Other (cancelled etc.)</i> |
| July | 2,745 | 2,082 | 651 | 12 |
| August | 2,590 | 1,950 | 616 | 24 |
| September | 2,840 | 2,095 | 720 | 25 |
| Total | 8,175 | 6,127 | 1,987 | 61 |

| Combined Clinical and Quantity Limit Prior Authorization Requests – Q2 SFY 2015 | | | | |
|--|------------------------------|-----------------------|---------------------|---------------------------------------|
| | <i>Total PA Requests</i> | <i>Total Approved</i> | <i>Total Denied</i> | <i>Other (cancelled etc.)</i> |
| October | 2,842 | 2,142 | 677 | 23 |
| November | 2,565 | 1,894 | 645 | 26 |
| December | 2,837 | 2,065 | 741 | 31 |
| Total | 8,244 | 6,101 | 2,063 | 80 |

| Combined Clinical and Quantity Limit Prior Authorization Requests – Q2 SFY 2014 | | | | |
|--|--------------------------|-----------------------|---------------------|-------------------------------|
| | <i>Total PA Requests</i> | <i>Total Approved</i> | <i>Total Denied</i> | <i>Other (cancelled etc.)</i> |
| October | 2,702 | 2,001 | 699 | 2 |
| November | 2,367 | 1,730 | 634 | 3 |
| December | 2,328 | 1,767 | 553 | 8 |
| Total | 7,397 | 5,498 | 1,886 | 13 |

Data in the tables above show that DVHA received a total of 8,244 requests for **clinical and quantity limit prior authorizations** during the second quarter of State Fiscal Year 2015, a increase of 0.84% from the total number of quantity limit prior authorization requests received during the previous quarter (8,175), and a 11.7% increase from one year ago, Q2 SFY 2014, when total **PA requests were 7,397**.

Quantity limits are established to promote dose consolidation (that is prescribing of lesser quantities of larger strength dosage forms rather than multiples of lower strength dosage forms which is especially important when all dosage strengths for a particular drug are level priced) and also to promote rational maximum daily doses where increased doses have either not been shown to offer additional clinical benefit or may be harmful.

“(3) the number of utilization review events (other than prior authorization requests).”

| DUR Description DVHA <i>without</i> Part D | October | November | December | Grand Total | % of Total |
|---|----------------|-----------------|-----------------|--------------------|-------------------|
| | 2014 | 2014 | 2014 | | |
| Drug-Age Precaution | 0 | 1 | 15 | 16 | 0.03% |
| Drug-DiseaseInfrdPrecautn | 7,028 | 6,576 | 7,717 | 21,321 | 5.35% |
| Drug-Drug Interaction | 29,411 | 26,490 | 30,444 | 86,345 | 21.69% |
| Ingredient Duplication | 12,530 | 11,464 | 13,258 | 37,252 | 9.35% |
| Refill Too Soon | 6,855 | 6,384 | 6,988 | 20,227 | 5.08% |
| Therapeutic Duplication | 79,278 | 72,774 | 80,791 | 232,843 | 58.50% |
| Total | 135,102 | 123,689 | 139,213 | 398,004 | 100.00% |
| DUR Description DVHA <i>with</i> Part D | | | | | |
| | October | November | December | Grand Total | % of Total |
| | 2014 | 2014 | 2014 | | |
| Drug-Age Precaution | 0 | 0 | 0 | 0 | 0.00% |
| Drug-DiseaseInfrdPrecautn | 188 | 158 | 199 | 545 | 1.04% |
| Drug-Drug Interaction | 8,614 | 7,744 | 8,670 | 25,028 | 47.90% |
| Ingredient Duplication | 1,339 | 1,280 | 1,449 | 4,068 | 7.79% |
| Refill Too Soon | 339 | 335 | 342 | 1,016 | 1.94% |
| Therapeutic Duplication | 7,391 | 7,032 | 7,170 | 21,593 | 41.33% |
| Total | 17,871 | 16,549 | 17,830 | 52,250 | 100.00% |
| Grand Total | 152,973 | 140,238 | 157,043 | 450,254 | |

During the second quarter of SFY 2015, a total of 450,254 utilization events occurred. This was a 2.49% increase from the previous quarter, in which a total of 439,292 utilization review events occurred.

COMPARISON:

Grand Totals for SFY Q1 2015 and SFY Q2 2015

| DVHA <u>without</u> Part D | | | |
|-----------------------------------|-----------------------|-----------------------|----------------------------|
| | Q1 SFY '15 | Q2 SFY '15 | Percent Change: |
| Drug-Age Precaution | 14 | 16 | 14.3% |
| Drug-Disease Precaution | 19,516 | 21,321 | 9.2% |
| Drug-Drug Interaction | 81,273 | 86,345 | 6.2% |
| Ingredient Duplication | 37,403 | 37,252 | -0.4% |
| Refill Too Soon | 20,687 | 20,227 | -2.2% |
| <u>Therapeutic Duplication</u> | 225,819 | 232,843 | 3.1% |
| Total | 384,712 | 398,004 | 3.5% |
| DVHA <u>with</u> Part D | | | |
| Drug-Age Precaution | 0 | 0 | 0.0% |
| Drug-Disease Precaution | 701 | 545 | -22.3% |
| Drug-Drug Interaction | 26,549 | 25,028 | -5.7% |
| Ingredient Duplication | 3,823 | 4,068 | 6.4% |
| Refill Too Soon | 1,020 | 1,016 | -0.4% |
| Therapeutic Duplication | 22,487 | 21,593 | -4.0% |
| Total | 54,580 | 52,250 | -4.3% |
| Grand Total | <u>439,282</u> | <u>450,254</u> | <u>2.5%</u> |