

### Agency Response to Economic Impact Analysis

The Department of Medical Assistance Services (DMAS) has reviewed the Economic Impact Analysis prepared by the Virginia Department of Planning and Budget and is in general agreement with the overall conclusions of the report. The proposed regulatory action concerned Prospective Drug Utilization Review (12 VAC 30-10 and 30-130).

However DMAS does not concur that the monetary and expenditure of professed time is as significant as stated in the Economic Impact Analysis. The DBP statement that derives approximately \$1.4 million for the call center is not correct. The call center costs were negotiated with First Health Services Corporation, the contractor for this program, to be included in the existing contract. Therefore, DMAS will not incur any additional costs.

Moreover, the long term care pharmacy providers have been excluded from the application of this change. This resulted in a significant reduction in call volume, bringing the number from 197,274 to 27,780. In addition, DBP reported the cost of these additional requirements to practicing pharmacists in terms of the time it will require to make these additional phone calls.

DMAS' estimates result in an increase of less than 3 calls per pharmacy provider per month. This does not warrant any increase in pharmacy provider staffing levels. The agency maintains that DBP's estimates are too high, as the number of phone calls to the call center will significantly decrease as the provider community learns more about the changes to this specific edit. Pharmacists will more accurately evaluate the correct override circumstances, thus significantly reducing the number of phone calls to the call center. This will prevent the over-utilization and inappropriate use of prescription drugs, resulting in higher quality of care and reduced costs.