

**Meeting of the  
PDL Implementation Advisory Committee  
600 East Broad Street, Suite 1300  
Richmond, Virginia  
March 16, 2004**

**Final Minutes**

**Present:**

Cindi Jones, DMAS, Chair  
Sheryl Garland, Virginia Hospital & Healthcare Association  
James Evans, M.D., DMHMRSAS  
Jill Hanken, Virginia Poverty Law Center  
Sandra Dawson for Hill Hopper, R.Ph., Virginia Health Care Association  
Mike Jurgensen, Medical Society of Virginia  
Anne Leigh Kerr, PhRMA  
John Pezzoli, Virginia Association of Community Services Boards  
Matthew Sheffield, Boehringer-Ingelheim  
Becky Snead, Virginia Pharmacy Congress

**DMAS Staff:**

Patrick Finnerty  
Cheryl Roberts  
Adrienne Fegans  
Craig Markva  
Javier Menendez  
Bryan Tomlinson  
Wayne Turnage  
Kelly Gent  
Katina Goodwyn  
Maryanne Paccione

**Absent:**

Valeria D. Thomas, Virginia Health Care Association  
Susan Umidi, Virginia League of Social Services Executives  
Madeline Abbitt, Generic Manufacturers Association  
David Markowitz, Psychiatric Society of Virginia

Guests: 23 guests attended

**FHSC Staff:**

Barbara Dowd  
Carol Perkins

**Call to Order**

Cynthia B. Jones, Chief Deputy Director of the Department of Medical Assistance Services (DMAS), introduced herself as Chair, and called the meeting to order. Patrick Finnerty, Director of DMAS thanked everyone for their participation and support, not only the members but the individuals represented in the general audience. Cindi Jones echoed Patrick's remarks and noted that this process and implementation would not have gone as well as without the input from all stakeholders. She further noted that information presented at today's meeting will be available on the DMAS website.

Ms. Jones asked if there were any additional comments on the minutes from the December 16<sup>th</sup> meeting. Becky Snead asked that the December minutes be amended on page 7 paragraph 4 to reflect that \$X million is actually \$27 million. In the December minutes, the sentence will now read, "This could have been done differently, since DMAS had to save \$27 million general fund in the biennium."

**Update on General Assembly Activities**

Ms. Jones provided the members with information on budget language that impacts the PDL. Senate amendments include language that would exempt antidepressants and anti-anxiety medications used for the treatment of mental illness from the Preferred Drug List program (326#10s), and an amendment permitting the department to make available to its enrollees those prescription medications which improve drug regimen compliance, reduce medication errors, or decrease medication abuse through the use of medication delivery systems that include, but are

not limited to, transdermal and injectable delivery systems (326#39s). House language (326#8h) provides language similar to Senate language outlined in 326#39s. The budget has not been finalized as of this meeting.

### **Education Presentation**

Ms. Jones thanked Barbara Dowd with FHSC for all of her work related to the development and implementation of the education plan and process for the PDL program. Ms. Dowd thanked all involved, including the PDL IAG members and DMAS staff, in the education program. She presented an overview of the accomplishments of the education program, including the background on the development of the education process and communication plan, the efforts of the PDL IAG in the process, and lessons learned. The presentation and report were distributed to member and will be on the website.

#### Questions:

Jill Hanken asked if we will be providing more information on the call center operations and the breakdown of doctors switching to preferred drugs.

- This information will be provided in the evaluation report to be discussed later during this meeting.

Matt Sheffield asked if the next phase-in schedule is known yet.

- The phase-in of hard edits for April is set for May 3<sup>rd</sup> and 10<sup>th</sup>.

Becky Snead asked if the trifold that is being developed for recipient would be multilingual.

- The trifold will be available in English and Spanish.

### **Status of the PDL Program**

Cheryl Roberts, Deputy Director of Programs and Operations indicated that we started this process one year ago and thanked the team and the IAG for all of their work. If she had to pick an IAG MVP it would be Becky Snead who made more of a difference for why things are working so well with the program. Becky has provided input, reviewed materials, memos, and processes and given expertise from the pharmacy community.

Ms. Roberts provided updates on the prescriber ID number, state plan and regulations, phase 1 implementation in January, P&T Committee meetings, and ProDUR. She also noted the top ten things the Department learned from the PDL IAG including:

- 10: Asked us to learn from other states regarding the process for education
- 9: The communication strategy was revised to reflect comments
- 8: A reminder postcard, in bright colors, was developed for providers
- 7: As suggested by Jill Hanken, DMAS and FHSC also will be developing a trifold that pharmacists may give recipients when their medications have been changed as a result of the PDL program

- 6: 72 hour dispensing fees granted for pharmacist - Developed the policy and procedure for dispensing of 72 hour supplies of medication and copayments
- 5: Phone calls made to prescribers
- 4: Policies and procedures were developed to clarify the appeals process
- 3: Conducted Beta site testing with chain and independent pharmacies
- 2: At the suggestion of Becky Snead, regional trainings were established for pharmacists
- 1: Members of the IAG also took on the responsibility for arranging training sessions for their colleagues, and some of the members actually participated in the delivery of training. For example, Hill Hopper with the PDL IAG and Dr. Christine Tully with the P&T Committee, presented at the Virginia Health Care Association Medicaid Pharmacy Briefing, hosted by Hobart Harvey

Ms. Roberts named Jill Hanken as the second PDL MVP for her work with the process and recipient materials. She also thanked Matt Sheffield, as it was his request that we posted the PDL criteria on the web site.

#### Questions:

Jill Hanken asked when the proposed regulations for the program would be published.

- The proposed regulations will be published by July 26, 2004 at the latest. The Department will keep the group informed as we get closer to that date.

Becky Snead asked that we do testing for the ProDUR edits before going full force as there have been some “garbage” edits that cause a loss of money to the pharmacy when the pharmacist responds to them. She asked specifically that we do testing prior to the implementation of the early refill edit, as this will involve a phone call from the pharmacists.

- The Department does not foresee a problem with testing edits prior to their implementation.

Jill Hanken asked for an update on the program for nine drugs and if the PDL and threshold had separate cost savings.

- The Department will hopefully be able to provide more detailed information at the next IAG meeting. This program has taken longer than we thought to implement. We hope to have it in place by July 2004. The programs do have separate cost savings and the threshold was to produce a cost savings of \$5.5 million in general funds in state fiscal year 2004 and not less than \$11 million in general funds in each fiscal year thereafter.

#### **Update on the Evaluation of the PDL Program**

Wayne Turnage, Director for the Division of Policy and Research, provided a handout on the interim evaluation of the PDL and findings. The handout will be available on the website. Although a formal evaluation of the program is not required the Department has chosen to conduct one. Mr. Turnage thanked his team for their help in this report.

As reported, the framework for this review is broadly designed to address the following three issues:

- 1) the vendor's implementation of the program including a focus on the process for prior authorizing non-preferred drugs,
- 2) the impact of the PDL program on the agency's budget and whether the mandated savings targets are realized, and
- 3) the impact of the PDL program on Medicaid patient health outcomes.

The following specific research questions will be addressed in the agency's full review of the PDL:

- Has the PDL program been implemented in a way to ensure a high rate of compliance by physicians without adversely affecting patient access?
- Has the PDL program produced the \$27 million in general fund savings for FY 04 and 05 as required by the General Assembly?
- Is there evidence to suggest that the PDL program has adversely impacted patient health outcomes for those Medicaid recipients who are switched from non-preferred to preferred drugs?

He further explained how the evaluation process will track the movement of prescriptions, the prior authorization process, the plan to analyze budget savings and health impacts.

Questions:

Jill Hanken noted that page 10 of the report indicated 2 denied claims and asked if these claims could be tracked.

- Yes, they can be tracked at the recipient level; the Department will be keeping a close eye on this data element.

Anne Leigh-Kerr asked for a clarification of which drug classes this evaluation was referencing.

- Cardiac, asthma, gastrointestinal and central nervous system drugs classes.

Jill Hanken questioned if the Department is able to analyze the ground for approval of prior authorization requests, i.e., are they being approved for a particular drug or a particular patient characteristic and whether it would be better to move a particular drug to "preferred" instead of having to go through the PA process.

- As part of the ongoing evaluation, the Department will pull the list of drugs and analyze, especially for health impact.

Sheryl Garland asked if the prior authorizations could be looked at by region, as this information may reveal the need for some provider education in some areas.

- The PA information can be looked at by locality level as well as by region.

Jill Hanken commented that a lot of the population are in and out of the program and may be subject to the PDL one time vs. a chronic basis. How will this be factored in?

- Mr. Turnage explained how this information would be calculated using the DMAS recipient file and expand upon it. He further noted the Department would be talking with medical and pharmacy staff to create an algorithm to get a separate effect.

### **Other Issues**

Ms. Jones asked the members if they had other issues to be brought to the attention of the group or the Department.

Jill Hanken noted that previous budget language had encouraged the use of OTC drugs for antihistamines. How does this dovetail with the PDL, if at all.

- Javier Menendez, Pharmacy Manager, explained what the Department has done to encourage the use of both Claritin and Prilosec OTC, including communications to pharmacists. This information also will be listed in the new member handbook the Department is developing for fee-for-service recipients.

Sheryl Garland asked if this would be reinforced through provider education.

- Yes, this will be conducted on an on-going basis.

John Pezzoli asked if Medicaid pays for OTC drugs.

- Yes, if the doctors writes a script for the drug.

Becky Snead reminded the group that Medicaid is the payor of last resort. She asked if a pharmacist bills another insurance, other than Medicaid, for the recipient and the drug of record is non-preferred, how is the balance paid. Some pharmacists are running into this problem.

- Medicaid recipients with another insurance (TPL) noted in the system are excluded from participation in the PDL program for this very reason. The problem may be occurring as the result of an age restriction edit or because the recipient's other insurance information is not loaded into our system. Mr. Menendez asked her to forward specific problems to him for review.

Jill Hanken asked if the weekly and quarterly reports will be available on the website.

- Quarterly reports will be available on the website; if a member would like a weekly report they can request one via [pdlinput@dmas.virginia.gov](mailto:pdlinput@dmas.virginia.gov).

### **Next Meeting**

Next meeting of the PDL IAG is scheduled for June 22, 2004 at 10:00 in the DMAS Board Room. Members asked that Mr. Turnage provide another update on the evaluation with data that completes Phase 1 and part of Phase 2.

### **Adjournment**

There being no further business, the meeting was adjourned at 12:04 p.m.