

Approved Minutes (8/8/13)

Name of Meeting: Pharmacy Liaison Committee  
Date of Meeting: October 11, 2012  
Length of Meeting: 1:08 PM – 2:20 PM  
Location of Meeting: DMAS 13<sup>th</sup> Floor Boardroom

**DMAS Attendees:**

Bryan Tomlinson, Division Director  
Donna Proffitt, Pharmacy Manager  
Rachel Cain, Pharmacist  
Keith Hayashi, Pharmacist  
Scott Cannaday, DMAS Policy Analysis  
Tyrone Wall, DMAS Pharmacy Compliance Specialist  
Kayla Anderson, DMAS Policy Analysis

**Committee Members:**

Tim Musselman, Virginia Pharmacist Association (VPhA)  
Jan Burrus, GSIC, Pharmaceutical Research and Manufacturers of America  
Hunter Jamerson, EPIC representing Alex Macaulay  
Lauren Rawley, CVS, VACDS  
Bill Hancock, Long Term Care Pharmacy Coalition

**Other Attendees:**

Richard Grossman, Vectre Corporation  
Rusty Maney, VACDS  
Tim Carr, BMS  
Cindy Snyder, GSK  
Jill McCormack, NACDS  
Mike Seto  
Kemper Hyers, VACD

**Introduction**

Bryan Tomlinson welcomed everyone to the meeting and asked everyone in attendance to introduce themselves. The Committee approved the minutes from the April 5, 2012 Pharmacy Liaison Committee (PLC) meeting.

**Medicaid Managed Care Expansion**

Bryan Tomlinson shared with the Committee that the expansion of managed Medicaid to far southwest Virginia effective on July 1, 2012 was successful. Currently, six (6) managed care organizations (MCOs) are operating in the region (Majesticare, Anthem, Amerigroup, Virginia Premier, Optima, and CareNet). Mr. Tomlinson also informed the Committee about the various

MCO acquisitions and mergers affecting Virginia Medicaid including the Wellpoint (Anthem)/Amerigroup merger and the Aetna/Coventry merger. Mr. Tomlinson stated that Virginia is still currently evaluating the impact of these mergers on the Medicaid population especially in the northern Virginia area. Medicaid is required to provide two (2) MCO options of its members and if it is unable to do so, the member is assigned to fee-for-service (FFS) Medicaid. This could result in approximately 150,000 lives transitioned into FFS. Lastly, Mr. Tomlinson informed the Committee that the Medicaid expansion associated with health care reform (estimates of 425,000 new members) is “on hold” per Governor McDonnell. It is anticipated that the Governor and Secretary Hazel will provide DMAS with direction after the presidential election in November.

### **Medicare Part D Changes**

Donna Proffitt informed the Committee of changes in Medicare Part D coverage of benzodiazepines and barbiturates. Specifically, Section 175 of the Medicare Improvement for Patients and Providers Act of 2008 (MIPPA) amended section 1860D-2(e)(2)(A) of the Act to include barbiturates “used in the treatment of epilepsy, cancer, or a chronic mental health disorder” and benzodiazepines in Part D drug coverage effective as of January 1, 2013. She stated that DMAS has drafted and submitted a State Plan Amendment to CMS which will end Medicaid’s coverage of these drugs. Once, the SPA has been approved by CMS, edits will be placed in VAMMIS to prevent these medications from paying at point of sale (POS) unless a service authorization is in the system for a diagnosis not covered by Medicare. This information will be communicated to prescribers and pharmacy providers in the December Medicaid Memo.

### **Proposals for Cost effective Delivery of Pharmacy Services**

Bryan Tomlinson opened the floor to the Pharmacy Liaison Committee members to discuss proposals for cost effective ways to deliver pharmacy services. As proposed in previous meetings, several members inquired if Medicaid has plans to develop a Medication Therapy Management (MTM) program for its FFS members. Hunter Jamerson shared that the RFP for Virginia State Employees Health Plan includes a provision for MTM. Mr. Tomlinson responded that DMAS would investigate this development and provide an update at the next meeting.

### **CII Partial Fills**

Board member Bill Hancock inquired if DMAS has developed a method for submitting partial fills on CII drugs. Donna Proffitt informed Mr. Hancock that DMAS is currently compliant with NCPDP standards which only allow for a partial fill and a completion fill and that until NCPDP changes this standard; the submission of multiple partial fills cannot be accommodated.

### **Replacement of AWP**

Donna Proffitt informed the Committee that DMAS’ is continuing to evaluate replacement options for average wholesale price (AWP). She stated that DMAS is closely monitoring the progress on the development of the national average drug acquisition cost (NADAC) which will be published by CMS. Although CMS is not mandating the use of NADAC as the basis for drug reimbursement to providers, new regulatory changes from the Patient Protection and Affordable Care Act of 2010 (PPACA) will replace the term “estimated acquisition cost” (EAC) with the term “actual acquisition cost” (AAC) in the reimbursement formula for Medicaid covered outpatient drugs. CMS defines AAC as “the agency’s determination of the actual priced paid by pharmacy providers to acquire drug products...” Ms. Proffitt explained that several states

including Alabama, Oregon and Idaho have hired contractors to create and conduct surveys to determine actual acquisition costs. Ms. Proffitt shared that many states expressed their concern about each state having to incur the costs of conducting these surveys and requested that CMS conduct a national survey. CMS responded to the states by hiring Myers and Stauffer to conduct such survey which will result in the publication of NADAC. CMS has not announced a date for the final publication of NADAC. Once NADAC is published, DMAS will evaluate the feasibility of using NADAC in its reimbursement methodology. However, before any changes are made, Ms. Proffitt stated that DMAS would solicit input from the pharmacy provider community. In addition, she stated that DMAS will need to conduct a cost of dispensing survey before submitting any new payment methodology to CMS for approval.

### **Specialty Drug Reimbursement**

Donna Proffitt informed the Committee that DMAS' specialty drug reimbursement is currently WAC plus 4.75%. Prior to the change in Virginia estimated acquisition cost (EAC) to AWP-13.1 the specialty maximum allowable costs (SMAC) generated some savings to the Commonwealth while providing adequate compensation to the provider. However, since the change to EAC, the SMAC has become ineffective since in most instances the EAC (AWP-13.1%) is lower than the current SMAC (WAC + 4.75%). She requested that the Committee provide DMAS with recommendations with respect to the reimbursement methodology for specialty drugs.

### **Provider Enrollment Requirement**

Donna Proffitt informed the Committee of the PPACA mandate that requires all ordering and referring physicians or professionals be enrolled in the state Medicaid program. She stated the DMAS' Provider Enrollment Unit is responsible for informing, educating and enrolling providers. She expressed her concern that this requirement could have a significant impact to Medicaid members and pharmacy providers at the time a prescription is filled. DMAS' currently is anticipating a December 2013 go-live date.

### **Mental Health Drugs on PDL**

Ms. Proffitt informed the Committee that 307.S.7 of the 2012 Appropriations Act exempts antidepressant, anti-anxiety and antipsychotic medications used for the treatment of mental illness from the PDL through June 30, 2013. DMAS is planning to add these drug classes to the PDL effective 7.1.13.

### **Legislative Proposals for 2013 General Assembly Session**

Donna Proffitt asked the Committee if they have any knowledge or questions about legislative proposals for the 2013 General Assembly. She shared that the State Board of Pharmacy is working on legislation for biosimilar drugs. Tim Musselman shared that the Virginia Pharmacist Association will be submitting language revisions to the Collaborative Practice provision.

With no additional business, Mr. Tomlinson adjourned the meeting at 2:20 PM