

Meeting Notes
MassHealth Pharmacy Advisory Committee
Meeting Date: July 25th, 2006

Deficit Reduction Act Update:

- Pricing changes, the definition of FULP is changing, it is currently 150% of the lowest 3 equivalent generics. As of 1/1/07 it will be defined as 250% of the AMP of 2 equivalent generics. AMP is not currently published but it is shared with state Medicaid departments. The definition of AMP will be changing and it will eventually be published. MassHealth is now doing an assessment of this new pricing structure to see if there will be any opportunity for savings. From discussions with other state Medicaid departments, the experience has been that for states that have developed pharmacy programs like Massachusetts, there will not be much opportunity for savings for the state and there will not be much in the way of changes for providers. No state regulation changes will be required since the MA law already states they will pay the lower of FULP or MULP (MULP is 130% of the lowest published WAC).
- The DRA requires states to collect rebates on physician administered medications. MassHealth is getting clarification if this would apply to hospital outpatient departments. These rebates will be collected based on the NDC level, not the J-code level.
- The DRA also allows states to adjust co-pays based on the CPI. For example as the CPI changes, a patient's co-pay might change from \$3.00 to \$3.09. This has not yet been decided but MassHealth is not likely to make this change.

FY '07 Budget Update:

- The FY '07 budget is not yet complete. The MassHealth pharmacy budget will be around \$670,000,000 for FY '07. Medicare Part D allowed MassHealth Pharmacy to save about \$40,000,000 in FY '06. The FY '06 MassHealth Pharmacy budget was \$808,000,000.
- There is a currently a bill pending that would establish a pharmacy council to manage pharmacy expenses for the Commonwealth.

Medicare Part D:

- The extension of a 30 day supply for MassHealth members for which their medication is not on the formulary of the part D plan as well as an additional 72 hour supply will most likely continue until 12/31/06 and may continue into 2007, this has been in effect since 3/16/06.
- There is a possible change being considered regarding co-pay wraps. If a dual eligible patient has copay that is more than the MassHealth co-pay, MassHealth is considering paying that difference. MassHealth is also considering turning back on the eligibility override in which MassHealth will pay for the medication if the dual eligible member is not in a plan.

ACS/POPS:

- ACS in conjunction with MassHealth will be conducting provider training during September and October, specific dates to be announced.

Mass Health Drug List Update:

- Tobacco cessation products are covered as of 6/1/06. All of the covered products have been added to the list as of 7/15/06.
- Smart PA medications continue to be added to the system at a rate of about 2/week. Those that have been added include some anticonvulsants, antihistamines and PPI's (Prilosec OTC, Protonix). Try each claim through the POPS before requesting a PA as it may go through as a Smart PA. Diagnosis data must be on file for Smart PA to work. There is currently a 3 month lag time to get diagnoses into the system.
- For cross over billing to Mass Health for diabetic strips, providers have been experiencing a reject #22 for date range. Mass Health is working to resolve this situation.
- For providers who need to dispense Proventil HFA to their patients, Mass Health will pay for the brand name. They will also pay for the generic although they currently pay below cost for the generic due to a MULP issue.