

# Pennsylvania Specialty Pharmacy Drug Program

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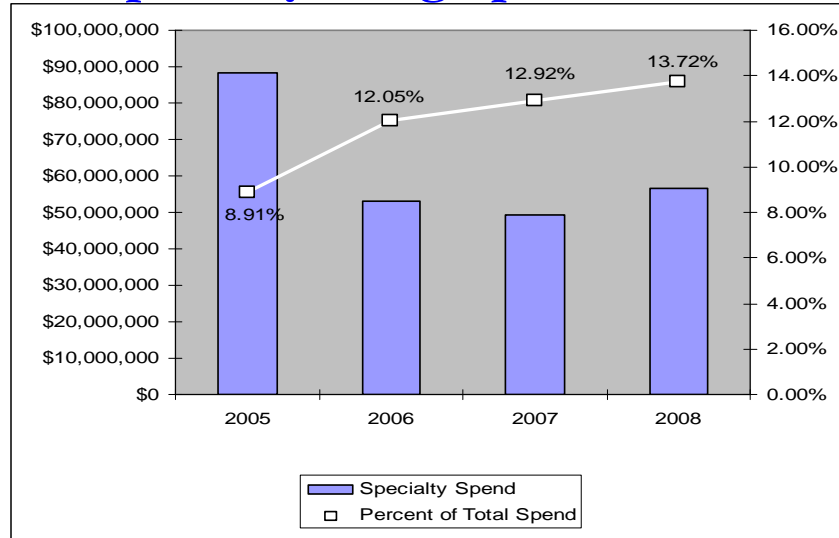
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## Background/Strategic Planning

- Projected increase in Specialty Drug Utilization and Costs
- Desire for Better Management of Clinical and Administrative Complexities of Specialty Drugs
- Desire for Enhanced Dispensing Provider Accountability
- Need for Cost Effectiveness

## PA Specialty Drug Spend



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## Definition of Specialty Drugs

PA defined specialty drugs as oral and injectable medications that:

- Are used to treat chronic and life-threatening diseases
- Require clinical monitoring
- Are expensive
- Require temperature control or other specialized handling

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## Examples of Specialty Drug Classes

- Erythropoietins
- Certain Chemotherapy Drugs
- Growth Hormones
- Hemophilia Agents
- Hepatitis B and C Agents
- Cytokine and CAM Antagonists
- IVIG
- Multiple Sclerosis Agents
- Synagis
- Pulmonary Hypertension

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## Process for Program Design, Development and Implementation

- Research
  - Past Experience
  - Meetings With Potential Vendors & Special Interest Groups
- Program Design Elements & Options
  - Goal/Objectives
  - Scope of Services
  - Target Population
  - Preferred Providers
  - Payment

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## Process - continued

- Development Elements & Options
  - Operational Procedures
  - RFP
  - Waiver
  
- Implementation Elements & Options
  - Final Contract Negotiations
  - Client Supports
  - Provider Education

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## Program Goal

- GOAL: To maintain access to quality care for MA clients who have a medical need for specialty pharmacy drugs, appropriate items and services for drug administration and clinical supports while enhancing administrative efficiencies.

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## Program Objectives

- To implement and administer an efficient and effective Specialty Pharmacy Drug Program as an alternative to the traditional Fee-for-Service model
- To offer MA clients a choice of specialty pharmacy preferred providers
- To provide a reliable and convenient dispensing and delivery system for providers and MA clients that facilitates care in clinically appropriate settings
- To provide a clinical support system designed to optimize therapy management, care coordination, and patient compliance
- To provide cost-effective services through an accountable Specialty Pharmacy Drug Program

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## Scope of Service Elements & Options

- Specialty Drugs
  - Mandatory List\*
  - Voluntary List
  - Combination
- Drug Administration Supplies & Equipment
  - Keep Separate
  - Include in RFP/Contract \*
- Home Health Nursing
  - Keep Separate
  - Include in RFP/Contract
  - Combination\*

\* PA Preferred Option

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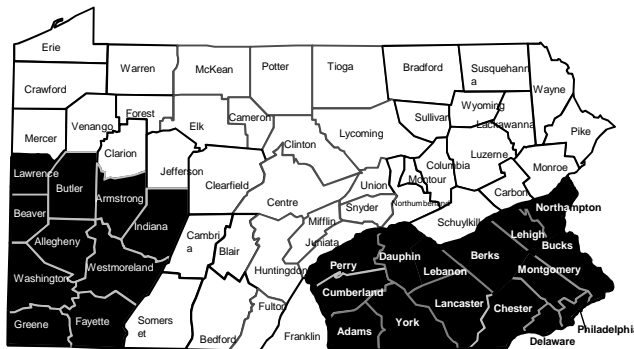
## Target Population Elements & Options

- All Fee-For-Service
- All Fee-For-Service and Voluntary Managed Care
- All Fee-For-Service; Exempt Dual Eligibles and those with third party coverage\*
- Statewide – All Fee-For-Service and All Managed Care

\*PA Preferred Option

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## PA Target Population



Specialty Pharmacy Drug Program will be implemented in the non-shaded counties in white

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## Preferred Provider Options

- Any Willing Provider
- Selective Contracting/Preferred Provider\*
- Combination

\* PA Preferred Option

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## Selective Contracting/Preferred Provider

- A “Super Provider Agreement” versus a traditional contract
- Provides opportunity for:
  - Quality
  - Accountability
  - Convenience
  - Value Added Services for Clients
  - Savings

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## Payment to Preferred Providers

- No-Cost Contract
- Drug payment
  - By NDC
  - Pharmacy POS
  - At negotiated discounts from AWP and/or WAC
  - Dispensing Fees
- Nursing payment
  - By S-code
  - Electronic 837 professional claims
  - At negotiated rates
- Administration supplies (not already included in cost of drug)
  - By HCPC code
  - Electronic 837 professional claims
  - At PA Medicaid fee

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## Additional Elements of Design

- Clinical Support System
  - Counseling & Medication Adherence
  - 24/7 Call Center
- Communication and Education
  - Provider & Client Outreach
  - Websites
  - Disease-Specific Educational Materials
- Reporting Requirements
- Project Implementation Planning and Transition
  - Coordination among PA and the two preferred providers
  - No gaps in access

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## Operational Procedures

- Policy - Regulations Impacted/Not Impacted
  - Prior Authorization of Services
  - Payment Methodology
    - Pharmacies
    - Dispensing Physicians/CRNPs
    - Client Copayments
- Systems Capacity
  - Update Payment Rates By Drug
  - Pay By Provider
  - Edit By Eligibility Group
  - Avoid Duplicate Payments for Home Health & Administration Supplies

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## Operational Procedures – Cont.

- Program Administration
  - Prior Authorization Processes
  - Prior Authorization Guidelines for Nursing
    - Home Injection Training
    - In-Home Infusion

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## Waiver Options

- 1115 Waiver
- 1915(b) Waiver\*
  - Freedom of Choice
  - Statewideness
  - Scope of Services
  - Client Copayment
  - Payment Methodology

\* PA Preferred Option

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## Waiver - CMS Topics of Interest

- Number of Preferred Providers and Adequate Provider Staffing
- Access – Pre and Post Waiver
  - Process to Fill the Prescription
  - Length of Time to Fill the Prescription
  - Ratio of Providers to Clients
- Criteria for PA of Drugs
- Criteria for Contractor Selection
- Monitoring Contractor(s)
- Payment Methodology – Pre and Post Waiver
- Consumer Counseling – Direct Contact with Pharmacist
- Safeguarding Drugs
- Emergency Supply
- Continuity of Care and Gaps in Care
- Impact – Number of Clients; Number of Prescriptions
- Client Education

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## Implementation Elements

- Final Contract Negotiations
  - Refined Performance Standards
  - Finalized List of Specialty Drugs
  - Finalized Payment Rates
- Client Supports
  - Notifications
    - Client Specific Notices
  - Resources
    - Preferred Providers Call Centers
    - Department Call Centers and Points of Contact
    - Website

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## Implementation Elements – Cont.

- Provider Education
  - Notification
    - Preferred Providers
    - Department
  - Resources
    - Website
    - Contact with Provider Associations

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## Estimated Savings

- Direct Savings
  - Drug ingredient costs
  - No dispensing fees
- Indirect Savings
  - Improved medication adherence = improved therapy outcomes
  - Minimize drug waste

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## Current Status

- Preferred Providers
  - Accreddo
  - Medmark, A Walgreens Specialty Pharmacy
- Targeted Implementation Date
  - January 12, 2009
- Clients and Providers Notified

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