Pharmacy Quarterly Newsletter

December 2021 Volume 12, Number 4

THE NUMBERS LISTED BELOW ARE FOR FEE-FOR-SERVICE (FFS) SUPPORT

PHARMACY SUPPORT CENTER

1-800-432-7005

24 hours per day/7 days per week
For claim assistance, early refill overrides, and lock-in overrides

CLINICAL SUPPORT CENTER PRIOR AUTHORIZATIONS

1-800-477-3071

24 hours per day/7 days per week

DIABETIC SUPPLY QUESTIONS

Prior Authorization

1-800-477-3071

PROVIDER SERVICES

1-877-838-5085

M–F, 10:30 a.m.–4:30 p.m. (ET)
Providers should contact Provider Services for inquiries regarding enrollment and changes.

MEMBER SERVICES

1-800-635-2570

M–F, 8:00 a.m.–5:00 p.m. (ET)
Recipients should contact Member Services for medication replacement requests and co-pay and benefit information.

WEBSITES

Kentucky Department for Medicaid Services
DMS Pharmacy Website
Magellan Medicaid Administration
https://kentucky.magellanmedicaid.com

PROVIDER EDUCATION and FFS HELP

For onsite education presentations or any other questions, concerns, or feedback regarding Fee-for-Service Medicaid, please contact Magellan Rx Management at kyproviders@magellanhealth.com. Provider education is free of charge.

Upcoming Changes to the Diabetes: GLP1 Receptor Agonists Class

Due to a vote at the November 18, 2021, Pharmacy & Therapeutics Committee meeting, effective February 3, 2022, the Department for Medicaid Services (DMS) will move Trulicity™ to non-preferred and Ozempic® to preferred on the Preferred Drug List (PDL). Preferred products in the class will be Byetta®, Bydureon® Pen, Ozempic®, and Victoza®.

Please proactively prepare for this change by working with your current wholesalers to ensure you have adequate stock on hand, and work with patients and prescribers to get new prescriptions or prior authorization, as needed.

Medicaid Drug Rebate Program (MDRP) Overview

The Department for Medicaid Services (DMS) has received many questions surrounding the reasoning for changes to the Preferred Drug List (PDL). When making decisions regarding PDL placement, clinical information is always considered first. If products in the class are determined to be therapeutic alternatives, PDL decisions are made based on final cost to the state after federal and supplemental rebates are considered. All federal and supplemental rebate information is protected from public disclosure under the Social Security Act at 42 U.S.C. 1396-r8 (b)(3)(D), so it can be difficult to understand how a product that is more costly for a pharmacy to obtain could save the state money. In the below section you will find a brief overview of the Medicaid Drug Rebate Program with examples.

Manufacturers are required to enter into a federal rebate agreement in order to be considered a covered outpatient drug and be covered by Medicaid. This agreement declares that the manufacturer will return a portion of the Medicaid payment for the drug back to the state in the form of a rebate. This federal rebate includes a base rebate of 13-23.1% of the manufacturer's best price plus an inflationary penalty. This inflationary penalty increases over time as manufacturers take price increases. Additionally, Medicaid can enter into supplemental rebate agreements with manufacturers in exchange for placing the drug on the PDL. These supplemental rebates are added to the already guaranteed federal rebates. When both federal and supplemental rebates are subtracted from the pharmacy reimbursement, medications can be heavily discounted for state Medicaid plans. Please see the figure below for examples of drug pricing and rebate amounts.

Drug	Drug Cost	Federal Rebate	*Net State Paid	Supplemental Rebate	** Net/ Net State Paid
Drug A	$100.00	$25.00	$75.00	$25.00	$50.00
Drug B	$125.00	$105.00	$20.00	$5.00	$15.00
Drug C	$25.00	$3.00	$22.00	$0.00	$22.00
***Net State Paid is net of Federal Rebate** ****Net / Net State Paid is net of both Federal Rebate and Supplemental Rebate**					

Please direct any questions to kyproviders@magellanhealth.com

Antidepressant PDL Updates

Due to the recent tornados and supply concerns, DMS made the following medications preferred without Prior Authorization (PA) on the Preferred Drug List (PDL):

bupropion XL 150mg and 300mg (generic for Wellbutrin XL)
venlafaxine ER capsule (generic for Effexor ER)
desvenlafaxine succinate ER (generic for Pristiq)
Zoloft Oral Concentrate (Brand)
Sertraline Oral Concentrate (Generic)

This policy will end on **January 5, 2022**, the branded forms of these medications will go back to preferred while the generics will become non-preferred. Please proactively prepare for these changes by working with your current wholesalers to ensure you have adequate stock on hand.