## **MEDICAID POLICY INFORMATION SHEET**

Policy Analyst: Vick	i Goethals			
Phone Number: 517	-335-6611			
Initial	Public C	omment 🗵	Final 🗌	
Brief description of	policy:			
and Human Service	es (MDHHS) Drug List (PDL	will require Model () used by the Fe	1, 2020, the Michigan De edicaid Health Plans (Ml ee-for-Service (FFS) pharn	HPs) to follow the
Reason for policy (	problem bein	g addressed):		
revenue, particularly utilization. MDHHS vassociated with man	federal Medio will also begin aged care pha	aid rebates asso invoicing drug r armacy utilization	se MDHHS drug manufact ociated with managed care nanufacturers for PDL sup n. Additionally, the Single eficiaries and prescribers.	pharmacy plemental rebates
Budget implication  ☐ budget neutral ☐ will cost MDHHS ☐ will save MDHHS	\$ , a	,	budgeted in current approp	oriation
Is this policy chang	e mandated	per federal req	uirements?	
No				
Does policy have o	perational im	plications on o	ther parts of MDHHS?	
No				
Does policy have o	perational im	plications on o	ther departments?	
Summary of input:  controversial acceptable to mo limited public inte				
Supporting Docume	entation:			
			Public Notice Required:  If yes, Submission Date:	⊠ Yes □ No

1/18 Policy Info Sheet

DRAFT FOR PUBLIC COMMENT					
Michigan Dangetment of					
Michigan Department of Health and Human Services	Project Number: 2019-Pharmacy Date: May 15, 2020				
Comments Due: June Proposed Effective Date: Octo Direct Comments To: Vick Address: N/A E-Mail Address: goe Phone: 517	e 19, 2020 ober 1, 2020 ti Goethals thalsv@michigan.gov				
Policy Subject: Implementation of a Single Preferred Drug List (PDL)					
Affected Programs: Medicaid, Healthy Michigan Plan, Children's Special Health Care Services (CSHCS), Maternity Outpatient Medical Services (MOMS)					
Distribution: All Providers					
<b>Summary:</b> Effective for dates of service on or after October 1, 2020, the Michigan Department of Health and Human Services (MDHHS) will require Medicaid Health Plans (MHPs) to follow the Michigan PDL used by the Fee-for-Service (FFS) pharmacy program. This will be described as the Single PDL.					
<b>Purpose:</b> The Single PDL is expected to substantially increase MDHHS drug manufacturer rebate revenue, particularly federal Medicaid rebates associated with managed care pharmacy utilization. MDHHS will also begin invoicing drug manufacturers for PDL supplemental rebates associated with managed care pharmacy utilization. Additionally, the Single PDL is intended to help simplify pharmacy coverage for program beneficiaries and prescribers.					
Cost Implications: This policy will save MDHHS \$201.2 million.					
Potential Hearings & Appeal Issues: None					
State Plan Amendment Required: Yes 🖂 No 🗌 Public Notice Required: Yes 🖂 No 🗀 Submitted date:					
Tribal Notification: Yes 🖂 No 🗌 - Date: April 30, 2020					
THIS SECTION COMPLETED BY RECEIVER					
☐ Approved	No Comments				
☐ See Comments Below ☐ Disapproved ☐ See Comments in Text					
Signature: Phone Number					
Signature Printed:					

Comment001 Revised 6/16

Date

**Bureau/Administration** (please print)

## Proposed Policy Draft

## Michigan Department of Health and Human Services Medical Services Administration

**Distribution:** All Providers

**Issued:** July 1, 2020 (Proposed)

**Subject:** Implementation of a Single Preferred Drug List (PDL)

**Effective:** October 1, 2020 (Proposed)

**Programs Affected:** Medicaid, Healthy Michigan Plan, Children's Special Health Care

Services (CSHCS), Maternity Outpatient Medical Services (MOMS)

NOTE: Implementation of this policy is contingent upon approval of a State Plan Amendment (SPA) by the Centers for Medicare & Medicaid Services (CMS).

Effective for dates of service on or after October 1, 2020, the Michigan Department of Health and Human Services (MDHHS) will require Medicaid Health Plans (MHPs) to follow the Michigan PDL used by the Fee-for-Service (FFS) pharmacy program. This will be described as the Single PDL. The Michigan PDL is available on the web at <a href="mailto:michigan.magellanrx.com">michigan.magellanrx.com</a> >> Provider >> Michigan Preferred Drug List.

The Single PDL will align coverage of PDL drug products under managed care with FFS. The Single PDL is expected to substantially increase MDHHS drug manufacturer rebate revenue, particularly federal Medicaid rebates associated with managed care pharmacy utilization. MDHHS will also begin invoicing drug manufacturers for PDL supplemental rebates associated with managed care pharmacy utilization. Additionally, the Single PDL will simplify pharmacy coverage for program beneficiaries and prescribers.

MDHHS expects this change to be fully implemented for beneficiaries enrolled in an MHP by October 1, 2020. To facilitate a smooth implementation, the MHPs are to start notifying members and prescribers impacted by the implementation of the Single PDL by July 1, 2020. This 90-day advanced notice period will allow time to transition coverage of beneficiaries established on PDL non-preferred products or PDL preferred products that require prior authorization, when clinically appropriate. There may be exceptions that would allow grandfathering of coverage for select drug products on the Single PDL to extend past October 1, 2020 for purposes of preventing medication disruption for Medicaid beneficiaries.

The Single PDL will not change the products on the MHP pharmacy carve-out list. Those products will continue to be billed as an FFS pharmacy benefit. MHP pharmacy coverage, including those products on the Single PDL, will continue to fall under the MCO Common Formulary. Common Formulary coverage details, including prior authorization criteria can be

found at: <a href="https://www.michigan.gov/MCOPharmacy">www.michigan.gov/MCOPharmacy</a>. Drug products not on the Single PDL may continue to be covered differently by the MHPs under the Common Formulary compared to FFS. MHPs will still be required to have a process (e.g., non-formulary prior authorization) to consider medically necessary coverage of any drug product on the Michigan Pharmaceutical Product List (MPPL).