

# Require a 90 Day Supply of Generic Drugs in Medicaid

PREPARED BY THE DIVISION OF MEDICAID AND HEALTH FINANCING FOR  
THE SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE

NOVEMBER 30, 2019

## REQUIREMENT FOR REPORT

In its August 20, 2019 meeting, the Social Services Appropriation Subcommittee adopted the following proposal:

*We recommend that the Department of Health report to the Social Services Appropriations Subcommittee by November 30, 2019 on the actual savings for FY 2019 and projected savings for FY 2020 from the rule change.*

## UTAH DEPARTMENT OF HEALTH RESPONSE

On April 1, 2016, the Utah Legislature directed Utah Department of Health to develop and implement a program to allow Medicaid members to fill select low cost medications for up to a three-month supply.

Despite efforts to increase provider awareness in the three-month supply program, utilization of this service was low. In fiscal year 2017, 1.5% of eligible pharmacy claims were filled for 31-60 day supplies, and 2.6% were filled for 61-90 day supplies. From 2017 to 2018, the program grew slightly to 1.1% of eligible pharmacy claims filled for 31-60 day supplies, and 3.4% filled for 61-90 days supplies. In response to the low utilization of this option, a mandatory three-month supply requirement for eligible prescriptions was implemented on May 1, 2019.

Under the mandatory three-month supply program, when a prescription listed on the 3-Month Supply Drug List is billed to Medicaid through the pharmacy point of sale, the system looks back 75 days to determine whether a member has been established on a stable dose of the medication. (A “stable dose” is defined as 2 consecutive 30 day fills of the same medicine and dose.) If identified, the system requires a three-month fill. Exceptions to the three-month supply program are applied to Medicaid members receiving long-term services and supports in nursing facilities, intermediate care facilities for individuals with intellectual disabilities, or those receiving services in home and community-based services waivers. In addition, the policy does not apply to services provided through Indian Health Services providers. If an exception to the mandatory three-month supply requirement is needed for a patient not otherwise excluded from the requirement, a prescriber may submit the “Exception to 3-Month Supply” prior authorization form.

Currently, there are more than 300 low-cost medications available on the three-month supply list. Since mandatory program inception, 2,582 prescriptions have been filled for a 31-60 days’ supply and 79,176 prescriptions have been filled for a 61-90 days’ supply, accounting for \$1,455,699 in savings. A total of 14,907 prescriptions were dispensed to Medicaid members who became ineligible after receiving a three-month supply, accounting for \$258,102. The total net savings of the three-month supply program over 6 months is \$1,197,597.

Dispensing Fees Paid by Rx Dispensed (5/1/19 – 10/31/19)				
	Rx Dispensed	Percent of Rx	Dispensing fees paid	Cost Savings
0-30 days' supply	225,864	73%	\$1,042,187	
31-60 days' supply	2,582	1%	\$21,922	\$21,922
61-90 days' supply	79,176	26%	\$716,889	\$1,433,778
61-90 days' supply dispensed to members who became ineligible	14,907			(\$258,102)
				\$1,197,597 Total

The increase in rate of program compliance from 3.4% in FY 2018 to 26% in May through October 2019 is substantial. A number of factors may explain why 73% of three-month eligible medications continue to be filled for a 0-30 days' supply:

- Members who meet program exemption
  - Long term care services and residents of nursing facilities
  - Individual prior authorization
  - Members who receive compliance packaging of their prescriptions to help with medication adherence
  - Members who receive prescriptions from an Indian Health Services provider
- Members may not have reached "stable dose" criteria to trigger a 3-month fill
  - New medication starts
  - Recent dose adjustments
  - Members newly eligible for Utah Medicaid

Therefore, while we require 100% of the eligible, stable users to receive a 90 day supply, many members and prescriptions may meet one of the exception criteria.

Projected savings for FY2020 are difficult to evaluate. The newness of the three-month program, the changes related to Medicaid expansion, and the switch from Fee for Service to more managed care in January 2020 limit a longer term projection at this time.