

**Vermont Health Access
Pharmacy Benefit Management Program**

April, May and June 2009

**Quarterly Report to
Health Access Oversight
Committee**

Q4 SFY 2009

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Pharmacy Benefit Management Program Quarterly Report

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The Agency of Human Services, Office of Vermont Health Access (OVHA), is pleased to provide the quarterly report to the Health Access Oversight Committee as required by Act 127 approved in 2002 and found in 33 V.S.A. Chapter 19 § 2001. This report covers the activities of the Pharmacy Benefits Manager (PBM) for the fourth quarter of State Fiscal Year 2009.

The three requirements are set out in bold italics. The OVHA's response follows each requirement.

§2001 (c) (1) "The director of the office of Vermont health access shall report quarterly to the health access oversight committee concerning the following aspects of the pharmacy best practices and cost control program:

(1) the efforts undertaken to educate health care providers about the preferred drug list and the program's utilization review procedures;"

During this quarter, the following educational mailings were sent to pharmacy providers:

- April 2009: OVHA Pharmacy Alert – Notice to pharmacies that ICORE Healthcare, LLC, would be the exclusive specialty pharmacy for two inhalation drugs used by patients with Cystic Fibrosis who are enrolled in Medicaid and other publicly funded programs in which OVHA is the primary insurer.
- June 2009: Notification to pharmacies of State Fiscal Year 2010 Budget Act changes that affect pharmacies. Changes include pharmacy reimbursement, out-of-state dispensing fees, 90-day prescription requirement for select maintenance drug classes and the Vpharm pilot program for Statins and Proton Pump Inhibitors. Also included was notification that bulk chemicals used in compounds would no longer be covered due to CMS rule changes.
- June 2009: Notification to prescribers of State Fiscal Year 2010 Budget Act changes affecting pharmacy benefits. Changes include a 90-day prescription requirement for select maintenance drug classes and the Vpharm pilot program for Statins and Proton Pump Inhibitors. Also included was notification that bulk chemicals used in compounds would no longer be covered due to CMS rule changes.

In an attempt to make all documents available to interested parties, the department maintains a web page with information related to the Pharmacy Benefits Management Program at:

<http://ovha.vermont.gov/for-providers>.

“(2) the number of prior authorization requests made;”

| Clinical Prior Authorization Requests | | | | | |
|--|-----------------|-----------------|----------------|---------------|----------------------------|
| | Requests | Approved | Changes | Denied | Fair Hearing Status |
| April | 1514 | 1179 | 75 | 260 | 1 Affirmed |
| May | 1498 | 1149 | 78 | 271 | 2 Pending 1 Withdrawn |
| June | 1591 | 1225 | 99 | 267 | 1 Pending |
| Total | 4603 | 3553 | 252 | 798 | 5 |

| Quantity Limit Prior Authorization Requests | | | | | |
|--|-----------------|-----------------|----------------|---------------|----------------------------|
| | Requests | Approved | Changes | Denied | Fair Hearing Status |
| April | 150 | 123 | 10 | 17 | 0 |
| May | 143 | 126 | 5 | 12 | 0 |
| June | 156 | 131 | 9 | 16 | 0 |
| Total | 449 | 380 | 24 | 45 | 0 |

| Combined Clinical and Quantity Limit Prior Authorization Requests | | | | | |
|--|-----------------|-----------------|----------------|---------------|----------------------------|
| | Requests | Approved | Changes | Denied | Fair Hearing Status |
| April | 1664 | 1302 | 85 | 277 | 1 Affirmed |
| May | 1641 | 1275 | 83 | 283 | 2 Pending 1 Withdrawn |
| June | 1747 | 1356 | 108 | 283 | 1 Pending |
| Total | 5052 | 3933 | 276 | 843 | 5 |

Data in the table above show that the OVHA received a total of 4,603 requests for **clinical prior authorizations (PA)** during the fourth quarter of State Fiscal Year 2009 (April, May and June 2009). This represents a 1.77% increase in the total number of clinical prior authorization received during the previous quarter (4,523), and a 9.31% increase from one year ago, Q4 SFY 2008, when total clinical PA requests were 4,211.

OVHA received a total of 449 requests for **quantity limit prior authorizations** during the fourth quarter of State Fiscal Year 2009 (April, May and June 2009), a 1.97% decrease in the total number of quantity limit prior authorization requests received during the previous quarter

(458), and a 21.68% increase from one year ago, Q4 SFY 2008, when total quantity limit PA requests were 369.

“(3) the number of utilization review events (other than prior authorization requests).”

| | April | May | June | Q4 | Percentage of Total |
|-------------------------|----------------|----------------|----------------|----------------|----------------------------|
| Drug-Age Precaution | 43 | 35 | 18 | 96 | 0.03% |
| Drug-Disease Precaution | 4,042 | 4,096 | 4,178 | 12,316 | 3.90% |
| Drug-Drug Interaction | 27,626 | 26,028 | 25,910 | 79,564 | 25.21% |
| Ingredient Duplication | 9,069 | 8,861 | 8,511 | 26,441 | 8.38% |
| Refill Too Soon | 4,049 | 4,184 | 3,978 | 12,211 | 3.87% |
| Therapeutic Duplication | 62,668 | 61,212 | 61,102 | 184,982 | 58.61% |
| TOTAL | 107,497 | 104,416 | 103,697 | 315,610 | 100.00% |

During the fourth quarter of SFY 2009, a total of 315,610 utilization events occurred. This was a 1.94% increase from the previous quarter, in which a total of 309,601 utilization review events occurred. Below is a comparison of the utilization review events for the third and fourth quarters of SFY 2009.

| | Q4 SFY 09 | Q3 SFY 09 | Percent Change: |
|-------------------------|----------------------|----------------------|----------------------------|
| Drug-Age Precaution | 96 | 141 | -31.91% |
| Drug-Disease Precaution | 12,316 | 10,483 | 17.49% |
| Drug-Drug Interaction | 79,564 | 75,156 | 5.87% |
| Ingredient Duplication | 26,441 | 27,425 | -3.59% |
| Refill Too Soon | 12,211 | 12,695 | -3.81% |
| Therapeutic Duplication | 184,982 | 183,701 | 0.70% |
| Total | 315,610 | 309,601 | 1.94% |