

**Vermont Health Access
Pharmacy Benefit Management Program**

October, November and December 2011

**Quarterly Report to
Health Access Oversight Committee**

Q2 SFY 2012

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Vermont Agency of Human Services

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Pharmacy Benefit Management Program Quarterly Report

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The Agency of Human Services, Department of Vermont Health Access (DVHA), 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 second quarter of State Fiscal Year 2012.

The three requirements are set out in bold italics. The DVHA'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 informational mailings were sent to pharmacy providers:

October 2011: Pharmacy mailing: Information on the transition to NCPDP version D.0.

Background: Effective January 1, 2012, the national standards for billing outpatient pharmacy point-of-sale (POS) claims have been changed. These changes are reflected in the National Council for Prescription Drug Programs' (NCPDP) Telecommunication Standard Version D.0.

D.0 complies with HIPAA X12 Version 5010, which represents a new set of standards that regulate the electronic transmission of specific healthcare transactions, including eligibility, claims, claim status, referrals, and remittances. It requires a change in the standard way pharmacy claims must be transmitted to DVHA. NCPDP D.0 has been developed by the National Council for Prescription Drug Programs (NCPDP), which is a not-for-profit, ANSI-Accredited Standards Development Organization representing virtually every sector of the pharmacy services industry.

Information provided included:

- Revised payer sheet (which provides detailed billing specifications)
- Overview of significant changes and additional fields to be utilized
- Contact information of DVHA representatives who would be available to assist pharmacies in the transition to the new billing format, including coordination with pharmacy billing software vendors to test claims.

November 2011: Notice that pharmacy providers may begin testing claim transactions utilizing NCPDP version D.0. Information included the new payer sheet, instructions for testing claims and information on how to contact DVHA for assistance.

December 2011: Reminder notice to pharmacies regarding NCPDP D.0. Information provided included instructions for the proper setup of D.0 secondary claims for DVHA members with Part D primary coverage. Instructions for contacting DVHA for assistance were also included.

December 2011: Pharmacy mailing: 2012 Part D Claims Processing Updates:

- Closing of the Part D Coverage Gap
- Part D Plans for 2012 (billing and contact information)
- Member Part D enrollment assistance
- Point-of-Sale Facilitated Enrollment Process (POS-FE) & Limited Income Newly Eligible Transition Program
- Changes in Part D copayments

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://dvha.vermont.gov/for-providers>.

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

Clinical Prior Authorization Requests				
	<i>Requests</i>	<i>Approved</i>	<i>Changes</i>	<i>Denied</i>
October	2,050	1,585	24	441
November	1,888	1,479	27	382
December	1,943	1,504	18	421
Total	5,881	4,568	69	1,244
Quantity Limit Prior Authorization Requests				
	<i>Requests</i>	<i>Approved</i>	<i>Changes</i>	<i>Denied</i>
October	311	281	3	27
November	310	258	8	44
December	274	218	6	50
Total	895	757	17	121
Combined Clinical and Quantity Limit Prior Authorization Requests				
	<i>Requests</i>	<i>Approved</i>	<i>Changes</i>	<i>Denied</i>
October	2,361	1,866	27	468
November	2,198	1,737	35	426
December	2,217	1,722	24	471
Total	6,776	5,325	86	1,365

Data in the tables above show that DVHA received a total of 5,881 requests for **clinical prior authorizations (PA)** during the second quarter of State Fiscal Year 2012 (October, November and December 2011). This represents a 0.27% decrease from the total number of clinical prior authorization received during the previous quarter (5,897), and a 5.85% increase from one year ago, Q2 SFY 2010, when total clinical PA requests were 5,556.

DVHA received a total of 895 requests for **quantity limit prior authorizations** during the second quarter of State Fiscal Year 2012, an increase of 6.80% from the total number of quantity limit prior authorization requests received during the previous quarter (838), and a 1.76% decrease from one year ago, Q2 SFY 2011, when total quantity limit PA requests were 911.

Quantity limits are established to promote dose consolidation (that is prescribing of lesser quantities of larger strength dosage forms rather than multiples of lower strength dosage forms which is especially important when all dosage strengths for a particular drug are level priced) and also to promote rational maximum daily doses where increased doses have either not been shown to offer additional clinical benefit or may be harmful.

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

DUR Description	DVHA without Part D	October	November	December	Grand Total	% of Total
		2011	2011	2011		
Drug-Age Precaution		4	1	164	169	0.06%
Drug-Disease Precaution		4,888	4,899	5,014	14,801	5.17%
Drug-Drug Interaction		17,115	21,093	17,562	55,770	19.49%
Ingredient Duplication		9,251	9,344	9,397	27,992	9.78%
Refill Too Soon		3,586	3,702	3,863	11,151	3.90%
Therapeutic Duplication		58,912	58,159	59,135	176,206	61.59%
Total		93,756	97,198	95,135	286,089	100.00%
DUR Description	DVHA with Part D	October	November	December	Grand Total	% of Total
		2011	2011	2011		
Drug-Age Precaution		0	0	0	0	0.00%
Drug-Disease Precaution		158	145	132	435	0.71%
Drug-Drug Interaction		9,120	10,413	7,861	27,394	44.92%
Ingredient Duplication		1,330	1,510	1,388	4,228	6.93%
Refill Too Soon		397	455	456	1,308	2.14%
Therapeutic Duplication		9,365	9,335	8,919	27,619	45.29%
Total		20,370	21,858	18,756	60,984	100.00%
Grand Total		114,126	119,056	113,891	347,073	

During the second quarter of SFY 2012, a total of 347,073 utilization events occurred. This was a 2.31% increase from the previous quarter, in which a total of 339,237 utilization review events occurred. Below is a comparison of the utilization review events for the first and second quarters of SFY 2012.

	Q2 SFY '12	Q1 SFY '12	Percent Change:
Drug-Age Precaution	169	11	1436.36%
Drug-Disease Precaution	15,236	15,441	-1.33%
Drug-Drug Interaction	83,164	71,622	16.12%
Ingredient Duplication	32,220	33,489	-3.79%
Refill Too Soon	12,459	11,205	11.19%
Therapeutic Duplication	203,825	207,469	-1.76%
Total	347,073	339,237	2.31%