NHP Pharmacy Programs:
*Improving Cost Management and Quality*

Paul Mendis, MD
November 13, 2009
Neighborhood Health Plan

200,000 Total Members in Massachusetts

- Medicaid: 14%
- Commercial: 16%
- CommonwealthCare: 70%

Your health. Our promise.
Neighborhood Health Plan

- NCQA certification achieved with excellent rating for Medicaid & Commercial lines of business

- Ranked by *US News & World Report/NCQA* as one of top 5 Medicaid health plans nationally 2008-09 & 2009-10

- 60% of enrollees get their care in CHCs
Mandatory Generics

- Member must have tried & failed generic before brand name drug is covered
- Requires letter of medical necessity from prescribing clinician
- NHP generic fill rate is 81% for MassHealth members
Step Therapy Programs

- Automated form of prior authorization based on point of service review of claims data
- Applied to most significant therapeutic classes except antipsychotics
- Lack of pharmacy claims data for new members a drawback
- Identification & outreach to members turned away has begun
Example of Step Therapy

HMG-CoA Reductase Inhibitors Step Therapy Program

<table>
<thead>
<tr>
<th>Medications</th>
<th>First-Line Drugs</th>
<th>Second-Line Drugs</th>
<th>Third-Line Drugs and Brand Name Drugs</th>
</tr>
</thead>
<tbody>
<tr>
<td>lovastatin</td>
<td>Altoprev</td>
<td>Lipitor</td>
<td></td>
</tr>
<tr>
<td>pravastatin</td>
<td>Crestor</td>
<td>Vytorin</td>
<td></td>
</tr>
<tr>
<td>simvastatin</td>
<td>Lescol/XL</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Quantity Limits: Dose Consolidation Program

- Medications often are not priced by strength
  - Example: *Abilify*
    - 10mg tablet priced at $16.16
    - 5mg tablet priced at $16.16
    - Savings $16.16 per dose

- Limits the number of units dispensed per month to ensure safe & appropriate use
Over the Counter Coverage

- NHP covers OTC medications for cough, cold, allergy, and stomach acid
- Less expensive and equally effective as prescription alternative
- Examples: Prilosec OTC, Claritin OTC, Zyrtec OTC, and (soon) Prevacid OTC
- Improves step therapy automation because OTC via documentation in pharmacy claims system
Specialty Pharmacy: Injectable Contracting

- High cost medications, mostly injectables
- Expertise in administration and side effect counseling
- Improves compliance with refill reminders
- Increased support for members via 24/7 specialized nursing and pharmacist support
- Selective contracting, e.g. growth hormone: 40% cost reduction via use of 2 preferred products
Synagis (Palivizumab) Program

- PA based on nationally published guidelines
- Strict use of guidelines for doses and length of season results in annual savings of greater than $750,000
- NHP undertakes an annual review of approvals and denials including potentially related medical costs from RSV infection
Antidepressant Medication Management: Continuation Phase by Race/Ethnicity

Planwide Average: 32%

- Asian: 40%
- Black: 16%
- Latino/Hispanic: 22%
- White/Caucasian: 40%

small n
Psychotropic Drug Intervention Program

- Patient safety & quality of care initiative
- Collaboration between Pharmacy & Behavioral Health teams to improve prescribing practices and member compliance
- Targeting antipsychotics, antidepressants & ADHD drugs
- Outreach to members when poor refill compliance identified
- Outreach to prescribers when multiple medications in same class or conflicting medications are evident
- Often multiple prescribers are unaware of other prescriptions issued
Preferred Glucometer Program

- NHP spending $1.5 million on blood glucose test strips & glucometers through pharmacy & DME benefit
- Selected a single vendor for glucometers & test strips
- Administered now exclusively via pharmacy benefit
- Annual savings expected to be approximately $600,000 by increasing rebates
- Complexity associated with reaching, training & switching all existing diabetics
Retrospective Drug Utilization Review

- Allows NHP to provide feedback to PCPs or prescribers about medication utilization by specific members
- Psychoactive medications in pediatric members
- High utilizers of controlled substances
- Asthma rescue vs. controller medications
Use of Appropriate Medications for Asthma by Race/Ethnicity

- **Asian**: 86%
- **Black**: 91%
- **Latino/Hispanic**: 90%
- **White/Caucasian**: 89%

Planwide Average: 90%
Access 90

- Mail order rates at retail pharmacies
- Allows 90 day supply of maintenance medications at selected network retail pharmacies
- Negotiated lower pharmacy reimbursement rates similar to mail order pharmacy
Thank you