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Nevada Medicaid Pharmacy Fact Sheet Preferred Drug List (PDL)

What is a PDL?

A Preferred Drug List (PDL) is a list of preferred outpatient drugs for Nevada Medicaid. If Nevada Medicaid places the drug on the PDL, then the State receives additional rebates from the drug manufacturers of that particular drug. This rebate lowers the total expenditures paid by the State of Nevada for the pharmacy program.

Who decides which drugs are on the PDL?

The State requires a Pharmacy and Therapeutic (P&T) Committee, which is made up of both physicians and pharmacists who are currently licensed in the State of Nevada, to decide which drugs are on the PDL.

There is a group of drugs, known as a therapeutic class, which are reviewed by the P&T Committee to make sure the drugs are appropriate for comparison to each other and equally effective. Once this is decided the committee then decides based upon their clinical expertise which ones should be on the PDL.

Are drugs covered if they are not on the PDL?

Yes. If the drug is covered by Medicaid and not on the PDL it is still available to the recipient.

The recipient's physician can submit a prior authorization request to explain why the therapeutically equivalent drug on the list is not an appropriate drug for the recipient.

There are certain situations where a non-preferred drug is approved, such as for, allergic reactions or the recipient has already tried the drug on the list and it was not successful. Reference "PDL Exception Criteria" policy.

What is the process for getting a drug that is not on the PDL?

The recipient's physician would submit a prior authorization to First Health Services requesting a drug that is not on the PDL. The drug would have to meet the "PDL Exception Criteria" policy that is found in Chapter 1200 of the Medicaid Services Manual. By federal regulation a prior authorization for pharmaceuticals is required to have a response within 24 hours.

For time periods when the authorization center can not be reached,(e.g. weekends, holidays, after hours) or in an emergency situation, the pharmacy can fill a 72-hour emergency supply. This allows time for the physician to be contacted.

The following are examples of what is covered under the PDL Exception Criteria policy. A non-preferred drug is covered when there is a history of allergies to the preferred drug, the preferred drug does not interact well with other drugs being taken by the recipient, there is a history of unacceptable side effects, the recipient's treatment is not successful on the drugs that are preferred, a diagnosis that only the non-preferred drug can treat, or for continuity of care for an anti-depressant drug which a recipient was utilizing in the hospital.

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Can all drugs be added within a class on the PDL?

Yes. Even if all drugs are added within the class, the state receives supplemental rebates. This lowers the overall expenditures paid by the State of Nevada for the pharmacy program. However, to maximize savings the State needs to see utilization of the preferred drugs.

What happens if the drug class is excluded from the PDL?

If the drug class is completely excluded the State of Nevada can not participate in the supplemental program for this class of drugs.

Does Nevada currently exclude any classes from the PDL?

Yes. NRS 422.4025 does not allow Nevada Medicaid to add the following classes to the PDL.

- Antipsychotic drug class
- HIV/AIDS drug class
- Anticonvulsant drug class
- Antirejection drug class
- Antidiabetic drug class
- Antihemophilic drug class

The state can not receive any additional rebates for these classes due to this statutory exclusion. This also does not allow the State to receive savings by the shift in market share to a preferred list of drugs.

Do other Medicaid programs have a PDL?

Yes. The most recent data shows 37 out of the 40 states who responded to the survey have a PDL.

Do other states include the anti-psychotic drug class on their PDL?

Yes. Of the 37 responses, 68% (25) states have the anti-psychotic drug class on their PDL.

Where do I find Nevada Medicaid's PDL?

<http://www.medicaid.nv.gov/providers/rx/PDL.aspx>

What is Nevada Medicaid proposing in the FY10-FY11 budget?

Nevada Medicaid is proposing to remove the drug class exclusion from NRS 422.4025. This will allow the Division to add these classes to the PDL and begin collecting additional rebates. The P&T would decide which drugs would be added to the PDL with the possibility of adding all drugs within the class. There is a potential savings of \$1.4 million (general fund only) for Fiscal Year 2010 and \$1.5 million (general fund only) for Fiscal Year 2011.