Nevada Department of Health and Human Services

Division of Health Care Financing and Policy

Pharmacy/DME Program MONTHLY News

PHARMACY AND DME IN THE NEWS SEPTEMBER 2018

Pharmacy/DME in the News

OHIO PUSHES FOR INFO ON HOW PHARMACY MIDDLEMEN SPEND $2.5 BILLION - Ohioans could soon be getting an unprecedented look into how $2.5 billion in annual taxpayer money gets spent on Medicaid pharmacy benefits.

Ohio Medicaid paid two companies $2.5 billion for prescription drugs. Those companies - CVS Health and Optum - paid pharmacies just $2.3 billion for the same medications. And they pocketed the remaining 224 million, which was about 8.8 percent of Medicaid's total prescription drug spending.

The attorney general and the state auditor are both investigating. Ohio Medicaid wants to release a detailed report on the program, but CVS Health and Optum went to court to block the release, saying the report contains trade secrets. If the analysis is released, it'll offer an unprecedented window into the opaque world of drug pricing.

Ohio isn't alone in questioning the value of the middleman. West Virginia last year stopped using pharmacy benefit managers altogether, and Kentucky is also doing an analysis of its costs. In Iowa, State Representative John Forbes, who's also a pharmacist, launched his own investigation a few months ago after hearing complaints. Forbes says the oversight committee in Iowa's legislature now plans to investigate as well.

AMAZON BUYS ONLINE PHARMACY PILLPACK - PillPack has pharmacy licenses in all 50 states. The company delivers medications to customers in pre-sorted doses designed to make it easier for people to take multiple medications a day.

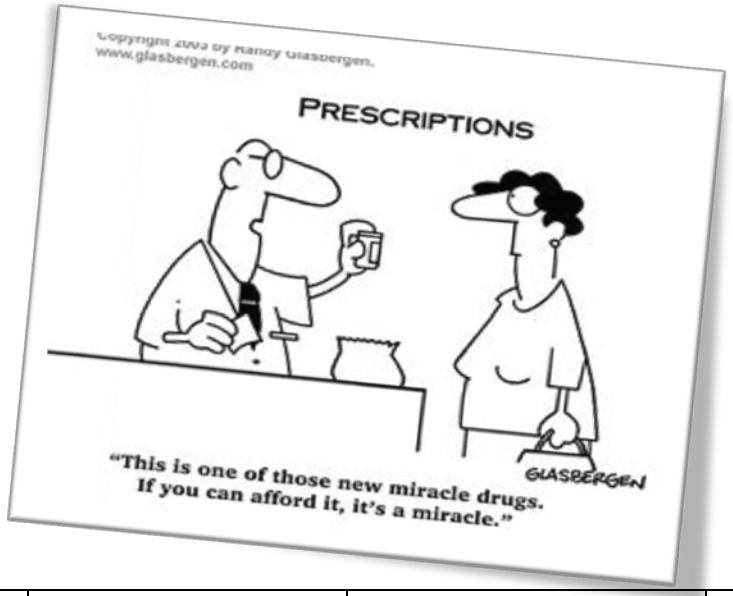
It's not clear yet just what Amazon plans for PillPack. Will it eventually merge it into a broader health care platform on Amazon or keep it independent as it has done with other subsidiaries like shoe retailer Zappos and video site Twitch? The fact that PillPack is already licensed to sell prescriptions may persuade Amazon to keep it independent.

The deal was subject to some regulatory approvals and the companies hope to close the transaction during the second half of this year. The PillPack acquisition comes just a week after CVS announced it will start delivering prescriptions to people's homes — a response to growing competition from PillPack and Capsule, another online pharmacy startup.

The health care industry is also in the midst of merger mania. CVS is buying insurer Aetna while Cigna (CI), another insurer, is scooping up pharmacy benefits manager Express Scripts (ESRX). Both deals are valued at nearly $70 billion.

FDA PUBLIC HEARING: FUTURE FORMAT OF THE NATIONAL DRUG CODE - The FDA is holding a public hearing November 5, 2018, regarding the future format of the National Drug Code (NDC). An NDC is a unique 10-digit, 3-segment identifier which is assigned to all drugs in U.S. commercial distribution. An NDC is proposed by companies and assigned by the FDA through the drug listing process. The FDA recognizes the importance of the NDC in many aspects of health care today and is aware that any change to its format or code length will have an impact on the health system. Recognizing that a change to NDC length and/or format will be necessary when FDA runs out of 5-digit labeler codes, the agency is holding the hearing to receive input from stakeholders on how to maximize the benefit and minimize this impact well in advance of any forthcoming change.

FDA-APPROVED DRUG PRODUCTS - AUGUST 2018



APPROVAL DATE	DRUG NAME	ACTIVE INGREDIENTS	SUBMISSION CLASSIFICATION	INDICATION
8/7/2018	ORKAMBI	LUMACAFTOR; IVACAFTOR	TYPE 3 – NEW DOSAGE FORM	FDA HAS EXPANDED THE USE OF CYSTIC FIBROSIS DRUG FOR CHILDREN AS YOUNG AS AGE 2 WHO HAVE TWO COPIES OF THE F508del MUTATION IN THE CF TRANSMEMBRANE CONDUCTANCE REGULATOR (CFTR) GENE.
8/8/2018	JORNAY PM	METHYLPHENIDATE HYDROCHLORIDE	TYPE 3 – NEW DOSAGE FORM	FIRST ADHD BEDTIME MEDICATION. A NOVEL FORMULATION THAT IS TAKEN IN THE EVENING INSTEAD OF FIRST THING IN THE MORNING TO PROVIDE EARLY MORNING CONTROL OF SYMPTOMS OF ADHD. IT IS THE FIRST DRUG TO UTILIZE THE DRUG DELIVERY PLATFORM, DELEXIS. FOR AGES 6 AN OLDER.
8/10/2018	GALAFOLD	MIGALASTAT HYDROCHLORIDE	TYPE 1 – NEW MOLECULAR ENTITY	FIRST ORAL MEDICATION FOR FABRY DISEASE. FIRST NEW THERAPY TO TREAT THIS RATE DISEASE IN THE US IN MORE THAN 15 YEARS.
8/10/2018	ANNOVERA	SEGESTERONE ACETATE; ETHINYL ESTRADIOL	TYPE 1 – NEW MOLECULAR ENTITY	FIRST VAGINAL RING FOR ONE YEAR OF BIRTH CONTROL. ANNOVERA IS A REUSABLE, NONBIODEGRADABLE, FLEXIBLE VAGINAL RING PLACED IN THE VAGINA FOR 3 WEEKS AND THEN REMOVED FOR 1 WEEK DURING WHICH WOMEN EXPERIENCE A MENSTRUAL PERIOD. THE SCHEDULE IS REPEATED EVERY 4 WEEKS FOR 1 YEAR, COVERING 13 MENSTRUAL CYCLES OF 28 DAYS EACH.
8/10/2018	ONPATTRO	PATISIRAN	TYPE 1 – NEW MOLECULAR ENTITY	FIRST-OF-ITS KIND TARGETED RNA-BASED INFUSION THERAPY TO TREAT PERIPHERAL NERVE DISEASE CAUSED BY HEREDITARY TRANSTHYRETIN-MEDIATED AMYLOIDOSIS (hATTR) IN ADULTS.
8/20/2018	DIACOMIT	STIRIPENTOL	TYPE 1 – NEW MOLECULAR ENTITY	INDICATED FOR THE TREATMENT OF SEIZURES ASSOCIATED WITH DRAVET SYNDROME IN PATIENTS TWO YEARS OF AGE AND OLDER TAKING CLOBAZAM.
8/23/2018	TAKHZYRO	LANADELUMAB	TYPE 1 – NEW MOLECULAR ENTITY	PLASMA KALLIKREIN INHIBITOR (MONOCLONAL ANTIBODY) INJECTION, INDICATED FOR PROPHYLAXIS TO PREVENT ATTACKS OF HEREDITARY ANGIODEMA (HAE) IN PATIENTS TWELVE YEARS AND OLDER.
8/27/2018	XERAVA	ERAVACYCLINE	TYPE 1 – NEW MOLECULAR ENTITY	A TETRACYCLINE CLASS ANTIBACTERIAL INDICATED FOR THE TREATMENT OF COMPLICATED INTRA-ABDOMINAL INFECTIONS IN PATIENTS EIGHTEEN YEAR OF AGE AND OLDER.
8/30/2018	PIFELTRO	DORAVIRINE	TYPE 1 – NEW MOLECULAR ENTITY	A NON-NUCLEOSIDE REVERSE TRANSCRIPTASE INHIBITOR (NNRTI) INDICATED IN COMBINATION WITH OTHER ANTIRETROVIRAL AGENTS FOR THE TREATMENT OF HIV-1 INFECTED ADULT PATIENTS WITH NO PRIOR ANTIRETROVIRAL TREATMENT HISTORY.
8/30/2018	DELSTRIGO	DORAVIRINE; LAMIVUDINE; TENOFOVIR DISOPROXIL FUMARATE	TYPE 1 – NEW MOLECUALR ENTITY AND TYPE 4 – NEW COMBINATION	INDICATED AS A COMPLETE REGIMEN FOR THE TREATMENT OF HIV-1 INFECTION IN ADULT PATIENTS WITH NO ANTIRETROVIRAL TREATMENT HISTORY.

PROGRAM EVENTS

PHARMACY

Prior Authorization Botox – Criteria is being moved from Medicaid Services Manual Chapter 600 to Chapter 1200

Pharmacy and Therapeutics Meeting (P&T) – Next quarterly meeting, Thursday 9/27/2018 at Springs Preserve in Las Vegas

Drug Utilization Review Board (DUR) – Next quarterly meeting, Thursday 10/18/2018 at Hyatt Place Reno-Tahoe Airport

DURABLE MEDICAL EQUIPMENT (DME)

8/9/18 – National DMEPOS (Durable Medical Equipment, Prosthetics, Orthotics) call to review and collaborate with other states on past, current and future federal regulations. A highlight: As part of the 21st Century CURES Act, Colorado is starting, with legislative approval, a supplemental payment program for oxygen-utilizing labor codes to help lessen pay cuts associated with the act. The CURES Act requires states to implement an Electronic Visit Verification system by January 1, 2019 for Personal Care Services and by January 1, 2023 for Home Health Care Services.

8/28/18 – Monthly DME group (DXC and DHCFP) to discuss issues providers are seeing with recipient trends. Providers are still seeing claims denials for National Provider Identifier (NPI) numbers dropping on crossover claims.

8/29/18 – Participating with DPBH on its Chronic Disease Initiative.

PDRs:

- KU Modifier implementation for higher payment on specific accessories associated with Power Grp 3 wheelchairs required by the CURES Act.
- Recycle by special batch for zero rate items now active.

In the News:

Medicare is implementing a prior authorization program for items with the highest audit error rates.