

POLICY AND PROCEDURE

DEPARTMENT: Pharmacy Operations	Document Name: Pharmaceutical Management
PAGE: 1 of 5	REPLACES DOCUMENT: CC.PHAR.07
APPROVED DATE: 102/2020 1	RETIRED DATE:
EFFECTIVE DATE: 102/2021 0	REVIEWED/REVISED: 102/2021/20
PRODUCT TYPE: Medicaid	REFERENCE NUMBER: LA.PHAR.07

SCOPE:

Louisiana Healthcare Connections (LHCC) Pharmacy Department and Envolve Pharmacy Solutions (EPS)

PURPOSE:

To ensure that LHCC and Envolve Pharmacy Solutions, to whom pharmaceutical management has been delegated, develop and annually review and update policies and procedures for pharmaceutical management, using sound clinical evidence.

POLICY:

All policies and procedures utilized by LHCC or Envolve Pharmacy Solutions, related to pharmaceutical management ~~of (including drugs covered under the medical benefit),~~ consider guidance recommended by the Centene Pharmacy Solutions Group, Centene Clinical Pharmacy Advisory Committee (CPAC) and the Centene Pharmacy and Therapeutics Committee which are adopted by ~~the~~ Louisiana Healthcare Connections ~~Pharmacy and Therapeutics Committee~~. Pharmacy decisions are made using input from National Pharmacy Standards Organizations including, but not limited to, the Academy of Managed Care Pharmacy, Center for Drug Evaluation and Research, Food and Drug Administration, Facts and Comparisons, Clinical Pharmacology, and the governing bodies of medical specialties. Current medical and pharmaceutical literature is researched for relevant clinical studies and nationally recognized clinical guidelines (e.g. JNC VII, ATP III, TMAP, NHLBI, NIH, NCEP, AAP, peer reviewed journals etc.) are utilized. LHCC adjust these policies and procedures to comply with state regulations as needed. ~~Retail medication and clinical p~~Policies are prescribed by the Louisiana Department of Health and procedures are reviewed and approved by LHCC Pharmacy and Therapeutics (P&T) committee. The members of this committee includes community practitioners, medical specialists, and pharmacists.

When pharmaceutical management is delegated to Envolve Pharmacy Solutions, LHCC maintains responsibility for ensuring the functions are being performed according to the expectations outlined in this policy. In the event that the responsibility for pharmacy management has been retained by the State or other external entity, this policy does not apply.

Louisiana Healthcare Connections does not discriminate on the basis of race, color, national origin, sex, age or disability, nor exclude from participation in, deny the benefits of, or otherwise subject to discrimination under any applicable Company health program or activity.

POLICY AND PROCEDURE

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PAGE: 2 of 5	REPLACES DOCUMENT: CC.PHAR.07
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PROCEDURE:

I. Pharmaceutical management policies include the following:

- A. The criteria used to adopt pharmaceutical management procedures covered under the medical benefit, ~~or preferred status~~, shows how decisions are made about:
 1. Classes of pharmaceuticals
 - a. ~~Classes preferred or covered at any level~~
 - a.
 - b. Any exception processes available to members for obtaining ~~medical benefit~~non-covered pharmaceuticals
 - c. Considerations regarding limiting access to drugs in certain classes
 2. Within each class of pharmaceuticals
 - a. The pharmaceuticals ~~preferred or~~ covered at any level
 - b. The criteria for prior authorization ~~of any pharmaceutical~~
 - c. Any exceptions process available to members
 - d. Evidence showing how preferred-status pharmaceuticals can produce similar or better results for a majority of the population as compared to other pharmaceuticals in the same class

**** Criteria used for pharmacy benefit drugs are created by Louisiana Department of Health (LDH) since the State's single Preferred Drug List is mandated.**
- B. A process that uses clinical evidence from appropriate external organizations. This evidence includes relevant findings of the Food and Drug Administration, Centers for Drug Evaluation and Research, drug manufacturer dossiers, the Academy of Managed Care Pharmacy, and others. In addition, clinical review using peer-reviewed journals, medical specialty guidelines, and authoritative compendia is performed for determination of pharmaceutical coverage positioning.
- C. Adoption or creation of a system for point of dispensing communications to identify and classify by severity, drug-drug interactions. Envolve Pharmacy Solutions, as the delegated PBM, uses a Medispan database as the source of drug interactions, which are classified by severity. Envolve Pharmacy Solutions uses a passive point-of-service (POS) communication to dispensing pharmacies designed to avoid interference with prescribed drug therapy and to complement network pharmacy applications.
- D. Notification to dispensing providers at the point of dispensing of specific interactions when such interactions meet the severity threshold. Envolve

POLICY AND PROCEDURE

DEPARTMENT: Pharmacy Operations	Document Name: Pharmaceutical Management
PAGE: 3 of 5	REPLACES DOCUMENT: CC.PHAR.07
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Pharmacy Solutions uses Medispan resources to send electronic alerts to dispensing pharmacies via standard POS messaging when potential drug interactions are detected.

- E. Identification and notification of members affected by a Class I recall are notified in 14 business days. Class II recalls, Class III recalls, or other equivalent severity safety alerts must be completed within 30 days of receiving the FDA notice.

1. Exceptions include:

- a. Withdrawals unrelated to safety issues
- b. Recalls that do not pose serious health hazards
- c. Recalled or withdrawn pharmaceuticals for which the **LHCCPlan** or PBM is unable to identify affected members from the batch or lot numbers
- d. Wholesale-only drug recalls and withdrawals

- F. Exception policies and procedures that describe the process for:

1. Making an exception request based on medical necessity
2. Obtaining medical necessity information from prescribing practitioners, including notifying prescribers for a request for additional information to support medical necessity.
3. Using appropriate pharmacists and practitioners to consider exception requests
4. Timely request handling
5. Communicating the reason for a denial and an explanation of the appeal process when it does not approve an exception request.

II. The preferred drug list (PDL) and pharmaceutical management edits are posted on LHCC websites. LHCC is responsible for communicating the availability of the current PDL to members and providers. LHCC is responsible for communicating information for drugs covered under the medical benefit. All communication of pharmacy information and pharmacy management procedures is done at least annually and upon updates, through the member and provider newsletter or other materials. Major changes in drug coverage and pharmaceutical management edits are communicated to providers and members by direct mail (e.g. fax, email, mail) and **LHCC website** as needed. All pharmaceutical management edits and coverage limitations meet state-specific requirements ~~and any variances are preapproved by the individual state Medicaid programs, where required.~~

The PDL includes restrictions and preferences, and addresses:

POLICY AND PROCEDURE

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PAGE: 4 of 5	REPLACES DOCUMENT: CC.PHAR.07
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- A. How to use the pharmaceutical management procedures
- B. An explanation of any limits or quotas
- C. An explanation of how prescribing practitioners must provide information to support an exception request
- D. The process for generic substitution, therapeutic interchange, and step-therapy protocols when allowed by LDH

III. In the event that LHCC staff is involved in the pharmaceutical prior authorization process, decisions are made by licensed health care professionals utilizing clinical judgment in consultation with the ~~LHCC health plan~~ Chief Medical Officer/Vice President of Medical Affairs or designated Medical Director and/or LHCC Pharmacist, as appropriate, and Envolve Pharmacy Solutions. Envolve Pharmacy Solutions may be delegated the responsibility for reviewing daily prior authorization and medical necessity requests ~~for retail medications for drugs not listed on the PDL. For drugs not designated as pharmacy benefits, procedures are outlined via Policy CC.UM.02.~~ All reviews are performed within 24 hours, upon receipt of all necessary and requested information. All denials or adverse determinations are made by an Envolve Pharmacy Solutions clinical pharmacist or physician, ~~if required by state regulations.~~

IV. Louisiana Healthcare Connections has delegated pharmacy benefit management to Envolve Pharmacy Solutions. LHCC maintains accountability for delegated services and monitors performance of these services. Initial monitoring occurs through the approval of the delegate's applicable policies and procedures for the delegated portions of the program. Subsequent performance reviews are achieved through routine reporting and at least annual evaluation. Performance evaluation criteria include accreditation and state/federal requirements and ~~LHCC health plan~~ standards. LHCC also retains the right to reclaim the responsibility for performance of this function should standards not be maintained.

REFERENCES:
NCQA Standards and Guidelines

ATTACHMENTS: N/A

DEFINITIONS:
N/A

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REVISION LOG	DATE
<u>Converted corporate to local policy.</u>	<u>10/20</u>

POLICY AND PROCEDURE APPROVAL

The electronic approval retained in RSA Archer, the Company's P&P management software, is considered equivalent to a signature.

Director, Pharmacy: Approval on file

Sr. VP, Population Health: Approval on file

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