

## **POLICY AND PROCEDURE**

<b>DEPARTMENT:</b> Pharmacy Operations	<b>DOCUMENT NAME:</b> Pharmacy Program
<b>PAGE:</b> 1 of 10	<b>REPLACES DOCUMENT:</b>
<b>APPROVED DATE:</b> 11/12	<b>RETIRED:</b>
<b>EFFECTIVE DATE:</b>	<b>REVIEWED/REVISED:</b> 10/13, 4/14, 11/14, 11/15, 09/16, 1/17, 07/17, 07/18, 10/18, 10/19; 11/20
<b>PRODUCT TYPE:</b> Medicaid	<b>REFERENCE NUMBER:</b> LA.PHAR.09

### **SCOPE:**

Centene Corporate Solutions, Louisiana Healthcare Connections (**LHCC**) Pharmacy Department, Louisiana Healthcare Connections Medical Management Department, Centene Corporate Pharmacy and Therapeutics Committee and Envolve Pharmacy Solutions.

### **PURPOSE:**

To describe **LHCC's** Pharmacy Program.

### **POLICY:**

It is the policy of **LHCC** to develop and maintain a comprehensive, high quality pharmacy program.

**Louisiana Healthcare Connections**

**Pharmacy Program**

## **I. INTRODUCTION**

### **A. PURPOSE**

The purpose of the Pharmacy Program at **LHCC** is to provide access to pharmaceutical services to eligible members, and to ensure that these services are a covered benefit, medically necessary, appropriate to the patient's condition, rendered in the appropriate setting, and meet professionally recognized standards of pharmaceutical care. In addition, the Pharmacy Program at **LHCC** seeks to educate providers regarding the cost effective usage of drugs and to provide useful feedback about current prescribing patterns to improve the quality of patient care.

### **B. SCOPE**

The Pharmacy Program applies to all **LHCC** members eligible to receive the pharmacy benefit. The scope of the program is to:

- Ensure that pharmacy benefit services provided are medically necessary;
- Promote safe and cost-effective drug therapy;
- Manage pharmacy benefit resources effectively and efficiently while ensuring that quality care is provided;
- Ensure that members can easily access prescription services;
- Actively monitor utilization to guard against over-utilization of services and fraud or abuse;

### **C. AUTHORITY**

Centene Corporation is a fully integrated government services managed care company with health plans in several states, including Louisiana Health Care Connections (LHCC). Due to differences in state regulations, Centene's Board of Directors (BOD) delegates the responsibility to LHCC's President/CEO who coordinates the provision of pharmacy services with Centene's contracted pharmacy benefit manager (PBM), Envolve Pharmacy Solutions (**EPS**). In turn, **EPS** is contractually responsible for implementing **LHCC's** Pharmacy Program including benefit design, the **State mandated** Preferred Drug List (PDL), **State mandated** drug utilization review (DUR), the prior authorization (PA) process, pharmacy network management, pharmacy claims processing, pharmacy help desk, customer service functions, clinical reviews, and reporting.

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## **II. UTILIZATION MANAGEMENT GOALS AND FUNCTIONS**

### **A. GOALS**

The goals of **LHCC's** Pharmacy Program are to:

- Promote pharmaceutical utilization known to improve clinical outcomes
- Monitor and evaluate the quality of the pharmacy program;
- Conduct DUR activities to monitor appropriate drug use,
- Promote cost containment without compromising quality of care;
- Identify, assess and refer members who could benefit from case management/disease management;
- Ensure confidentiality of member and practitioner information;
- Ensure timely reviews of requests for drug therapy exceptions to PDL positioned drugs;
- Ensure timely responses to appeals and grievances.

## **B. FUNCTIONS**

The key function of the Pharmacy Program is to promote the appropriate use of the pharmacy benefit. Components of the Pharmacy Program include:

- Use of **State mandated** PA and medical necessity (MN) criteria, **State mandated** prospective and retrospective DUR, and **State mandated** edits related, **but not limited** to maximum dosing, early refills, age and gender, quantity limits, maximum approved costs, duplicate therapy, adverse reactions and prescriber restrictions;
- Analysis of utilization data;
- Develop, review and update policies and procedures that govern the **drugs as a medical** benefit;
- Identify opportunities to improve quality of care and services;
- Interface with other **LHCC** departments including Medical Management, Member Services, Provider Services, and Quality Improvement to support opportunities for case management, chronic care management, and member and provider education;
- Provide feedback to providers who demonstrate inappropriate prescribing patterns that deviate from recognized practice standards and guidelines.

## **III. ACCOUNTABILITY AND ORGANIZATIONAL STRUCTURE**

LHCC's Board of Directors has the ultimate authority and responsibility for the Pharmacy Program. The Board delegates the responsibility for the oversight of the Pharmacy Program to LHCC's Plan President/CEO. The Pharmacy Program activities are integrated with the LHCC's Utilization Management (UM) and Quality Improvement (QI) Programs. The utilization and quality issues and trends identified as part of the Pharmacy Program are reported to the LHCC's Quality Assurance and Process Improvement Committee (QAPIC).

## **IV. PHARMACY AND THERAPEUTICS COMMITTEE**

LHCC is subject to the Centene Pharmacy and Therapeutic (P&T) Committee as well as the Louisiana Department of Health's (LDH) Pharmaceutical and Therapeutic (P&T) Committee as outlined in LA.PHAR.13 Pharmaceutical and Therapeutics Committee.

## **V. PLAN PHARMACIST RESPONSIBILITIES**

LHCC's **Sr.** Director of Pharmacy is responsible for the oversight of the Pharmacy Program.

Responsibilities include:

- Review clinical drug criteria, used in the **medical benefit** prior authorization and medical necessity review process, for appropriateness and present them to LDH for review and approval;
- Provide oversight of the designated PBM, Envolve Pharmacy Solutions, and their delegated responsibilities and programming as it applies to PA, medical necessity, **drug utilization review (DUR)** and other pharmaceutical management edits;
- Provide a point of contact for providers calling in with questions about the Pharmacy Program and educate providers on the Pharmacy Program to promote provider satisfaction;
- Review and analyze LHCC's pharmacy cost and utilization reports and report on trends and initiatives for cost-containment;
- Monitor practitioner prescribing patterns and suggest corrective action, as appropriate, for providers identified with prescribing concerns related to the provision of quality care;
- Serve as a liaison between the Pharmacy Department and other Louisiana Healthcare Connections departments and provide support to the Medical Management staff in the performance of their responsibilities.
- **Review administrative policies and procedures** for appropriateness and present them to LDH for review and approval;
- **Work with LDH Pharmacy Staff to implement the LDH Preferred Drug List (PDL), Prior Authorization (PA) criteria and DUR edits as requested by the LDH.**

## **VI. REVIEW OF PROGRAM ELEMENTS**

### **A. DRUG UTILIZATION REVIEW (DUR) PROGRAM**

**LHCC** maintains a DUR Program as outlined in LA.PHAR.04, Drug Utilization

### **B. LOCK-IN PROGRAM**

**LHCC** maintains a Lock-In Program as outlined in LA.PHAR.14 Lock-In Program

### **C. PRIOR AUTHORIZATIONS**

**LHCC** maintains a Prior Authorization (PA) Process as outlined in LA.PHAR.08 Prior Authorization and Medical Necessity

### **D. APPEALS AND GRIEVANCES**

LHCC maintains an internal appeals process for the benefit of its members and will provide members affected by an adverse coverage decision with a written explanation on how to access the appeals options. Providers may also appeal an unfavorable coverage decision on behalf of members.

#### **E. PREFERRED DRUG LIST (PDL)**

LHCC is required to follow the State's Single PDL which is approved by the State's P&T committee. The PDL is posted on LHCC's website and can be downloaded and printed for future reference. It includes information on pharmaceutical management procedures, explanations of drug therapy limitations, mandatory generic substitution except when brand is preferred by the state, Prior Authorization (PA) and step therapy (ST) protocols. The Process is outlined in **policy**, Preferred Drug List, LA.PHAR.10.

#### **F. SAFETY ISSUES**

LHCC designates real time adjudication of drug claims and the identification of potential adverse drug events to the Envolve Pharmacy Solutions PBM processing application. A compiled database, provided by a nationally recognized drug compendia, is utilized to generate electronic alerts to dispensing pharmacies via standard point of sale (POS) messaging when potential drug conflicts exist. In most cases, Envolve Pharmacy Solutions uses a passive notification to augment the dispensing pharmacy's internal DUR dispensing application and to avoid interruption or delays in drug therapy. Envolve Pharmacy Solutions also identifies and notifies LHCC of drug alerts and drug recalls which have the potential to cause serious health problems. Envolve Pharmacy Solutions supplies LHCC with a list of members and prescribers that may be affected by the applicable recall. **EPS** notifies members and prescribers of the recall and document such outreach. (See policy EPS.PHARM.02)

#### **G. EXCEPTIONS**

Louisiana Department of Health (LDH) **Medicaid Drug Utilization Review (DUR)** Committee reviews, for clinical appropriateness, assuring timely access to both PDL and non-PDL drug products. **Annually and after updates, LHCC communicates to members and prescribers the process for prescribers to submit information that supports exception requests. Prescribers may request exceptions based on medical necessity, if needed, for medications that are not on the PDL or not meeting established clinical criteria. Specific details on the necessary clinical information are communicated to the prescriber. An appropriate pharmacist or practitioner reviews the exception requests received, within turnaround times and against specific criteria. Clinical urgency is considered. Prescribers and members are notified of denials, and that an appeal process is available.** Envolve Pharmacy Solutions is held to strict protocols regarding the timeliness of clinical reviews. A 72-hour supply policy is in place to allow for interim therapy while a clinical review can be completed, **if needed. In addition, if a**

**member attempts to obtain a non-PDL drug after hours or on holidays, the member is allowed a 72-hour supply until the Envolve Pharmacy Solutions Clinical Pharmacy Department resumes normal business hours. The pharmacist can enter the 72-hour override at POS. Also, the Centene nurse advice line accepts after-hours calls and has responsibility for approving interim 72-hour supplies after normal business hours. (See policy LA.PHAR.01 *72 Hour Emergency Supply of Medication*).**

#### **H. CONTINUITY OF CARE (Emergency Contract 6.35)**

The continuity of care process is to promote the appropriate, safe and effective transition of medication when applicable.

The transition of care program ensures:

1. Members can continue treatment of maintenance medications for at least 60 days after launch of pharmacy services, enrollment into LHCC or switching from one plan to another. LHCC shall continue any treatment of antidepressants and antipsychotics for at least 90 days after enrollment into LHCC.
2. A **new member** that is, at the time of enrollment in LHCC receiving a prescription drug that is not on the single PDL, shall be permitted to continue to receive that prescription drug if medically necessary for at least 60 days.
3. LHCC shall continue the behavioral health therapeutic classes (including long-acting injectable antipsychotics), and other medication assisted treatment (including Suboxone and naloxone) prescribed to the enrollee in a state mental health treatment facility for at least 90 days after the facility discharges the member, unless **LHCC's** psychiatrist, in consultation and agreement with the facility's prescribing physician, determines that the medications are; not medically necessary; or potentially harmful to the member.
4. A member receiving a prescription drug that was on the single PDL and subsequently removed or changed, shall be permitted to continue to receive that prescription drug if determined to be medically necessary for at least 60 days. LHCC must make this determination in consultation with the prescriber (per **Emergency** contract section 8.6.8)

#### **I. MEDICATION THERAPY MANAGEMENT (MTM) PROGRAM (Emergency Contract 8.8)**

**LHCC** maintains a MTM Program as outlined in LA.PHAR.41 Medication Therapy Management Program

**J. 340 B Program (Emergency Contract 17.11.3.6)**

1. 340B is a federal program administered by the Health Resources and Services Administration (HRSA). HRSA's Office of Pharmacy Affairs (OPA) maintains a searchable database of all healthcare providers enrolled as 340B covered entities (<http://www.hrsa.gov/opa/>). Medicaid and Managed Care Medicaid claims billed by 340B covered entities that self-attest to HRSA that their Medicaid populations are carved into their 340B programs are removed from Federal Medicaid Rebate invoicing. This means the provider attests that their Medicaid claims are all 340B discount stock and are not eligible for Federal Rebate collection. LDH sends a pharmacy provider file to LHCC on a quarterly basis indicating those pharmacies who qualified for 340 B status by HRSA.
2. **Carve In Pharmacy Claims: On 340B claims, a value of "20" in NCPDP field 420-DK (Submission Clarification Code) and a value of "8" in NCPDP field 423-DN (Basis of Cost Determination) shall be submitted in the pharmacy claim segment of a billing transaction.**
3. LHCC shall direct the PBM to deny 340B claims for all Hepatitis C direct acting anti-viral (DAA) agents. The denials ~~should~~**shall** be based on the 340B pharmacy list provided by LDH quarterly.
4. **340B pharmacies shall bill/administer vaccines that are covered as a pharmacy benefit by LHCC. Vaccine pharmacy claims shall process without 340B claim level indicators. Vaccines are not part of the 340B program, therefore these agents are not rebate eligible. Vaccine claim reimbursement methodology for 340B pharmacies would be the same as non-340B pharmacies.**

**K. Mail Order/Mail Service Pharmacy**

1. LHCC does not require its members to use a mail service pharmacy.
2. Mail order claims should not exceed more than one (1) percent of all pharmacy claims.
3. Members should not be charged anything above applicable copays (e.g. shipping and handling fees).

**REFERENCES:**  
**2020 Emergency Contract**  
**2020 Amendment 1**

**ATTACHMENTS:**

**DEFINITIONS:**

<b>REVISION LOG</b>	<b>DATE</b>
Annual Review – Changes were not necessary	10/13
Updated “goals” to include “Promote pharmaceutical utilization known to improve clinical outcomes”.	4/14
LA Procurement 2015 Policy Update	11/14
Clarified COC language due to BH requirements, Added Psychiatric Facility Discharge Medication Procedure, Added Dose Change Procedure, Clarified MTM language to include Community Pharmacist Involvement	12/15
Changed 2015 to 2016	09/16
Remove the year. Changed US Script to Envolve Pharmacy Solutions; Under F. Safety Issues: indicated that Envolve Pharmacy Solutions can be designated to carry out member and provider notifications for drug recalls; Under G. Exceptions: added information for 72-hour supply after hours and on holidays.	1/17
Added section for 340B Program	07/17
Annual Review – changed policy reference from USS.PHARM.02 to EPS.PHARM.02.	07/18
Updated contract section numbers Changed Product Type from Louisiana Healthcare Connections to Medicaid	10/18
Added discrimination clause in section I.C. Added the name of LHCC policies to policy numbers Updated the PDL paragraph to reflect the State mandated Single PDL, Section IV.E Updated the Safety issues, IV. F to reflect changes from corporate policy Updated the 340 B language to include denials of Hepatitis C direct acting anti-viral (DAA) agents to be in compliance with MCO contract amendment 18 Changed “The Plan” to “LHCC”	10/19
<b>Revised language to be compliant with 2020 Emergency Contract</b>	<b>11/20</b>

<p><b>Changed “The Plan to “LHCC” throughout the policy.</b></p> <p><b>Updated the MTM section referencing LHCC MTM policy.</b></p> <p><b>Updated 340 B section to include the acceptance of vaccine claims without the claim level indicator, Amendment 1 section 6.3.2.3.</b></p> <p><b>Removed LHCC Pharmacy and Therapeutics Committee reference.</b></p> <p><b>Added Mail Order/Mail Service Pharmacy section.</b></p>	
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### **POLICY AND PROCEDURE APPROVAL**

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

Director, Pharmacy:

Approval on file

Sr. VP, Medical Affairs:

Approval on file