Statewide Medicaid Managed Care (SMMC) Program

Preferred Drug List Compliance Frequently Asked Questions

- ***Single Preferred Drug List***

  Question*: *Are health plans permitted to have a unique and plan specific preferred drug list?

  Answer: No. The Agency requires the health plans to follow the Agency's preferred drug list (PDL). (Attachment II, Exhibit II-A, Section V1.A.a.(16) of the SMMC contract)

- ***Continuity of Care***

  Question:* *What should the plans do if a new member enrolls in the plan and is taking the generic formulation of a prescribed drug, but the brand is listed on the Agency's PDL?

  Answer: The SMMC contract requires the health plans to adhere to the Agency's PDL, therefore the health plans are expected to comply with this requirement during the continuity of care timeframe. In other words, the requirement for the plan to follow the Agency's PDL takes precedence over the continuity of care provisions in the contract.

- ***Agency Brand Name Preferred List and Supplemental Rebates***

  Question:* *Why are there so many brand name drugs on the Medicaid PDL when generic formulations are generally more cost effective?

  Answer: Section 409.912, F.S., authorizes the Agency to establish a PDL and to negotiate supplemental rebates from drug manufacturers. These state-negotiated supplemental rebates, along with federal rebates, make some brand name drugs more cost-effective than their generic formulations. The list is reviewed on a monthly basis for drug removals and/or addition opportunities. The review is based on several factors, including but not limited to, financial benefit to the State, product availability, and additional manufacturer generic formulations available in the market, which generally brings the cost down.

Question: ***Are there any exceptions to following the Agency's PDL or the Agency's Brand Name Preferred List?***

Answer: Yes. Exceptions may include drug shortages or manufacturer backorders where a temporary override would be allowed. Another exception would be if an individual is allergic to an inactive ingredient in the brand name preferred drug. Plans are expected to verify shortages or backorders of the PDL products via the drug manufacturers, the United States Food and Drug Administration's website, or the American Society of Health-System Pharmacists website prior to granting exceptions to the PDL products.

Documentation of shortages or back orders (e.g., press releases, wholesaler or manufacturers invoices), or patient's documented allergies (e.g., clinical documentation or prior authorization submissions) must be made available for the Agency's review upon request.

Question: ***Can the plans negotiate supplemental rebates with the manufacturers on the pharmacy and medical benefit?***

Answer: No. The Agency is the sole negotiator of rebates for all prescribed drug products paid for under the Florida Medicaid program. (See Attachment II, Exhibit II-A, Section XI.C., of the SMMC contract regarding the roles and responsibilities for negotiating pharmaceutical rebates.)

❖ ***Preferred Drugs Not In Stock at the Pharmacies***

Question: ***If the pharmacy does not carry the preferred drug, and there are no drug shortages or backorder issues, are there exceptions when the Agency would allow the pharmacy to dispense the non-preferred drug?***

Answer: Yes, under the following circustances:

- The brand formulation cannot be available to the member within one day after receipt of the prescription.
- When the pharmacist believes the recipient must immediately begin taking the medication to prevent serious or permanent harm, or not getting the medication immediately could result in an emergency room visit or hospitalization.

In all of these instances, the plan many reimburse for the generic formulation for the initial fill. The brand must be dispensed on any subsequent refills. These exceptions must be prior authorized by the plan, and the supporting documentation must be available upon Agency request.

Question: ***Can pharmacy providers use the 3-day emergency override fill option to provide a non-preferred drug to enrollees due to not having the brand name preferred drug in stock?***

Answer: No. Section 409.912,(5)(a)1.b., F.S., authorizes pharmacies to dispense a 3-day supply of a drug in emergency situations. The 3-day emergency override

is not intended to be used to dispense a generic formulation in lieu of a brand preferred drug when the pharmacy does not have the preferred drug in stock.

Question: ***How should plans respond to pharmacy providers that elect not to stock the brand preferred products due to cost burden?***

Answer: Plans are required to follow the Agency's PDL, therefore, pharmacy providers in their networks must be informed of this requirement.

- ***Substitution of Drugs***

Question: ***Does Section 465.025, F.S., "Substitution of drugs" apply to substitution of the Agency's Brand Name Preferred List products with non-preferred generic products?***

Answer: No. The statute is designed to require the substitution of a brand name drug with a less expensive generic equivalent drug, unless requested otherwise by the purchaser. In this case, the "purchaser" is Florida Medicaid. Additionally, this statute directs pharmacists to pass on to the consumer the full amount of savings by making a substitution. This does not apply to Florida Medicaid recipients as they are not responsible for any costs, copays, or coinsurance.

- ***Third Party Liability Compliance***

Question: ***Can the Agency address PDL compliance when Medicaid is the secondary payer?***

Answer: Since Medicaid is the secondary payer, the health plan would pay the third party liability amount owed based off of the product (whether brand or generic) that was paid by the primary payer.
