



P R O V I D E R B U L L E T I N

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To: All Pharmacy Providers and Practitioners Prescribing and Dispensing Medications

Subject: Implementation of Preferred Drug List—Initial Drugs

Note: The information in this bulletin regarding prior authorization payment methodology does not apply to practitioners and providers rendering services to members enrolled in the risk-based managed care (RBMC) delivery system.

Overview and Background

Senate Enrolled Act No. 228 of the 2002 General Assembly provided for the creation and implementation of a preferred drug list (PDL) under Indiana Medicaid. Several other state Medicaid agencies are currently using, or are in various stages of implementing, a similar approach to more effectively manage their pharmacy benefits from both clinical and cost-effectiveness perspectives. A PDL approach increases the quality of pharmaceutical care by ensuring that the most clinically appropriate drug is utilized, and maximizes program funding by incentivizing the use of the most cost-effective products. Conceptually, and in accordance with law, drugs that are included on the Indiana Medicaid PDL **do not** require prior authorization, and drugs that are not included on the PDL **do** require prior authorization. Basic criteria for prior authorization requests for drugs not included on the PDL are therapeutic failure or adverse reaction with the preferred drug.

In accordance with the new law, a Medicaid Therapeutics Committee, which is a subcommittee of the state's Medicaid Drug Utilization Review (DUR) Board, was selected by the Board. The Committee, which is comprised of five physicians and two pharmacists, has the responsibility of assisting the DUR Board in the Board's development and recommendation of a PDL to the Office of Medicaid Policy and Planning. The Committee opted to first review the non-sedating antihistamines class of drugs, and at their June 12 meeting recommended certain products for PDL-inclusion. The DUR Board, at their June 21 meeting, accepted the recommendations of the Therapeutics Committee regarding non-sedating antihistamines. Those recommendations are set out in this bulletin, and constitute the first drugs to be subject to the PDL.

The PDL, with non-sedating antihistamines being the first class included thereon, is being implemented effective August 21, 2002. As of that date, all covered non-sedating antihistamines *except the ones included on the PDL* will require prior authorization. Prescribers will be notified via subsequent banner page message or bulletin of the number to call for prior authorization for non-PDL drugs.

As additional categories of drugs are reviewed by the Therapeutics Committee and recommendations are subsequently made to the DUR Board, providers will be advised as soon as possible of additions to the PDL. OMPP is required by law to implement the changes within 30 days of the Board's recommendation, and we commit to providing as much advance notice to providers as possible, given that constraint. Currently, the Committee is scheduled to review the following classes of drugs at their next meeting (July 5): proton pump inhibitors, COX II inhibitors, ACE inhibitors, and HMG CoA reductase inhibitors. Notice of meetings of the Committee and agendas for the meetings will be posted in accordance with public notice requirements on the FSSA Web site, www.state.in.us/fssa/, under *Calendar & News* and *Calendar of Events*.

The following is effective as of August 21, 2002:

Preferred Drug List	Maximum Quantity Limitations
Allegra 30 mg	2 tablets per day
Allegra 60 mg	2 tablets/capsules per day
Allegra 180 mg	1 tablet per day
Zyrtec 1mg/ml syrup	10 ml per day

As of the same date, all other non-sedating antihistamines, including the following, are not preferred (non-preferred) and thereby require prior authorization:

Non-Preferred Drug List	
Allegra-D	Clarinetex 5mg
Claritin 10mg	Zyrtec 5mg
Claritin-D 12 hour	Zyrtec 10mg
Claritin-D 24 hour	Zyrtec-D 12 hour
Claritin 10mg/10ml syrup	

Note: Prior authorization will be required for all:

- 1) *Non-preferred drugs in this class*
- 2) *Requests for quantities of preferred drugs in this class that exceed the stated limits*

We hope and anticipate that prescribers and pharmacists will support and encourage the use of the PDL as it is implemented and further developed, and recognize and appreciate the clinical and cost effectiveness that it will bring to the Indiana Medicaid pharmacy benefit. Please bear in mind that the cost savings to be realized from the PDL approach will enable OMPP to provide for the funding of other critically needed services under Medicaid, at a time when every possible means of conserving program costs is being explored.

Please direct any questions that you have regarding this bulletin to EDS Customer Assistance at 1-800-577-1278 or (317) 655-3240. Please direct any questions about prior authorization to Health Care Excel Prior Authorization Department at (317) 347-4511, in the Indianapolis local area, or 1-800-457-4518.

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