

# MassHealth Pharmacy Program Status

## Medicaid Prescription Drug Quality and Cost Management

November 13, 2009

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**The Massachusetts  
Health Policy Forum**



# MassHealth Overview (FY10)

## ◆ Members

- 1.23M Members (↑3.4% > FY09)
  - Contracted MCO - 430,500 members (35%)
  - MassHealth Managed - 799,500 members (65%)
    - ◆ 26% Primary Clinician Care Plan (“In-house” managed care)
      - Behavioral health, carved out
    - ◆ 39% Fee-for-Service (Most have other insurance)
      - Approximately 225,000 Medicare Dual Eligibles (Federal Rx Benefits – Part D)

## ◆ Dollars

- State Budget - \$27.05B (\$28.17B, FY09)
- EOHHS Budget - \$13.68B
- MassHealth Budget - \$8.93B
- Pharmacy Budget - \$536M (Medicare D “Clawback” – \$268.6M)
  - 6% of the MassHealth Budget (9% with Clawback)

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# Quality of Care – Drug Therapy

- ◆ “The degree to which **drug therapy** for individuals and populations increases the likelihood of desired health outcomes and is consistent with current professional knowledge”.

*Institute of Medicine*

*(paraphrase)*

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# Drug Use Review (DUR)

## CFR 42 § 1396r-8

- ◆ Ensure prescriptions are:
  - appropriate
  - medically necessary
  - not likely to result in adverse medical results
- ◆ Identify and reduce frequency of patterns of:
  - fraud, abuse, gross overuse, inappropriate or medically unnecessary care
  - potential and actual adverse reactions to drugs

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# Medical Necessity

## 130 CMR 450.204(B)

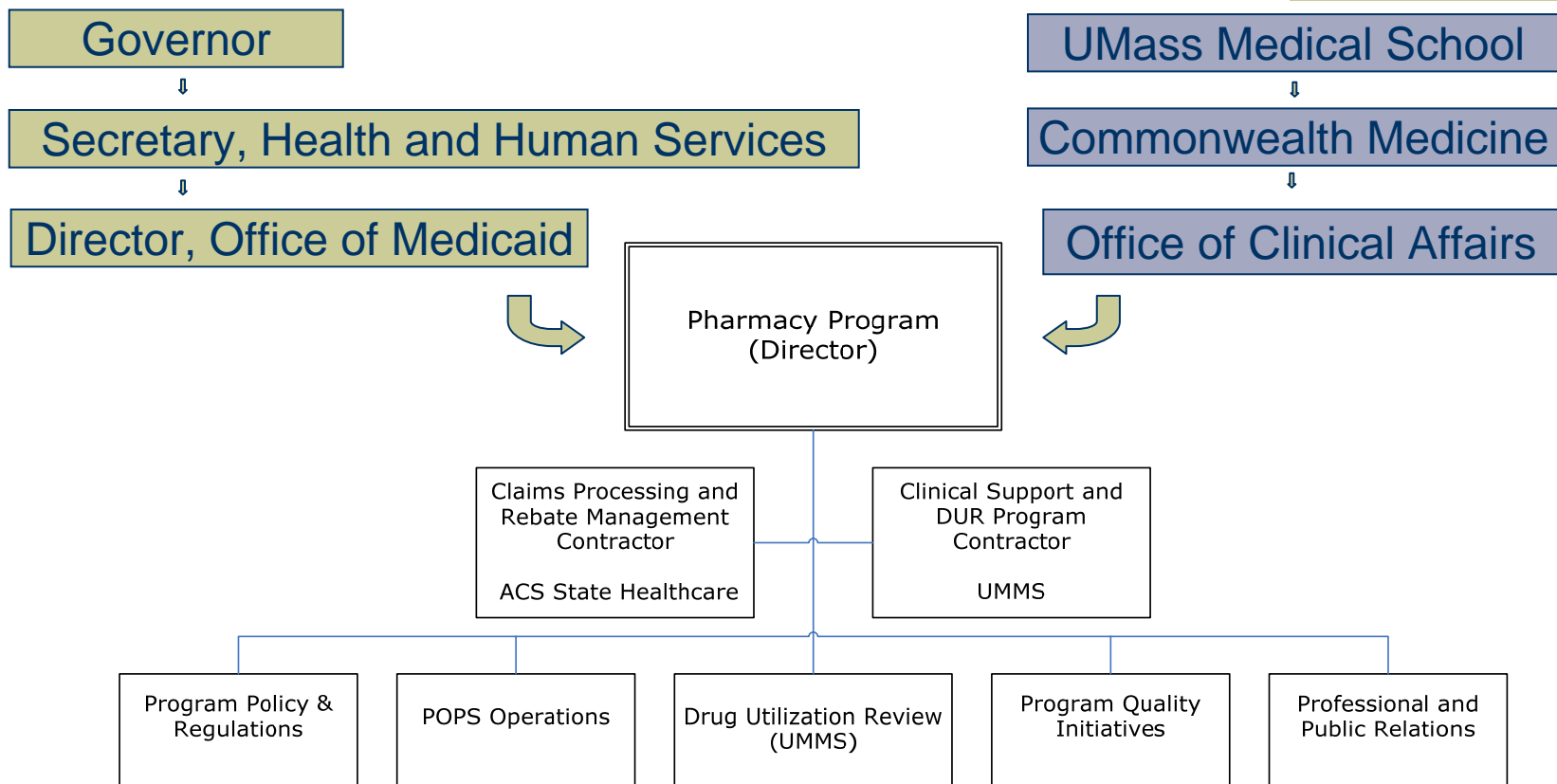
- ◆ Reasonably calculated to prevent... alleviate... suffering and pain...illness or infirmity
- ◆ No other medical service, comparable in effect, available and suitable for the member, that is more conservative or less costly to the Commonwealth
- ◆ Must be of a quality that meets professionally recognized standards and must be substantiated by records including evidence of such medical necessity and quality

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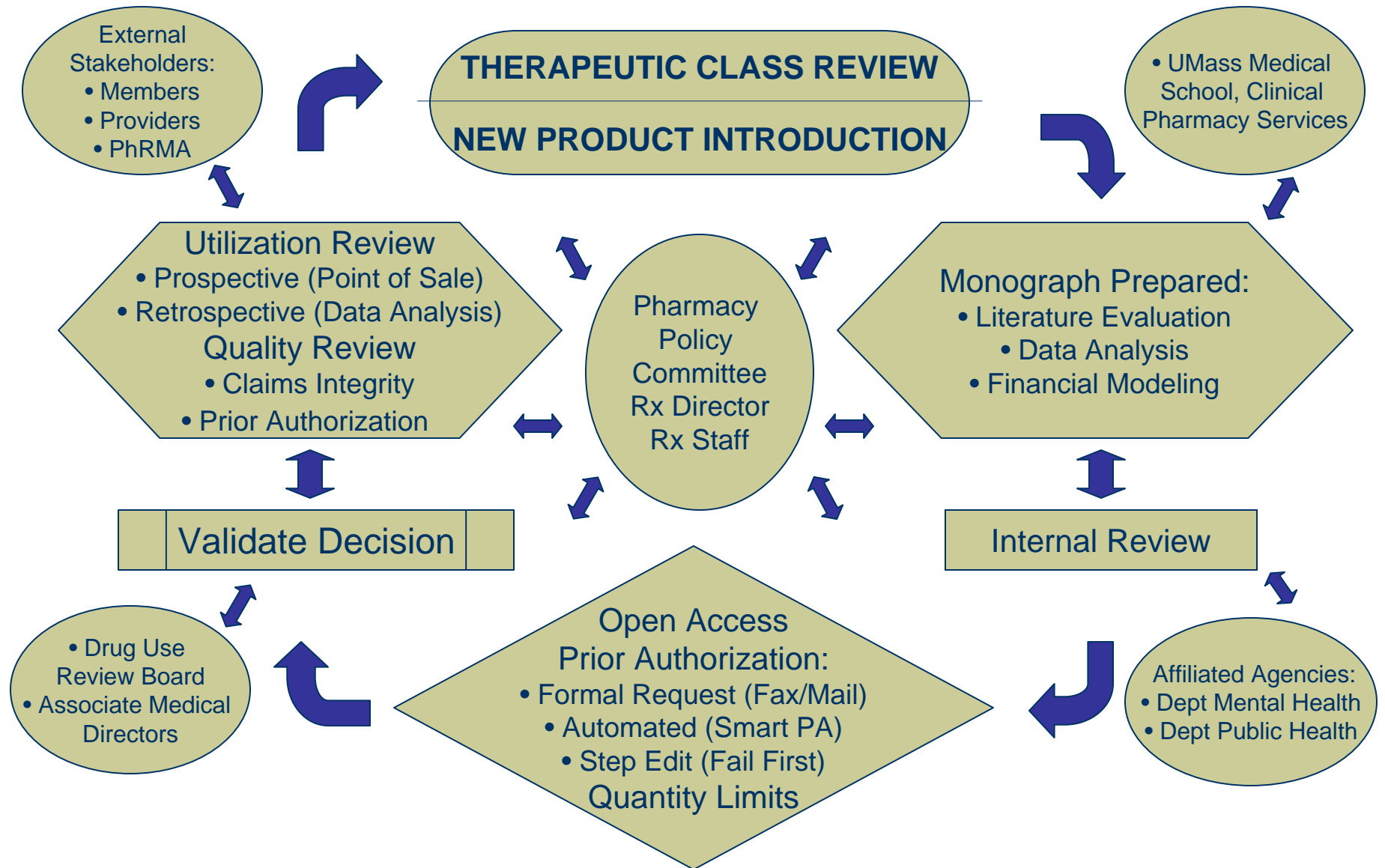
# MassHealth Pharmacy Organizational Chart



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# MASSHEALTH DRUG REVIEW PROCESS



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# Current and Planned Activities

- ◆ Expanded use of Smart PA
  - 130 rules active Fall 2009
    - Incorporate prescriber databases
- ◆ Interactive website (in development)
- ◆ Improve information technology
  - Next generation claims processing (in development)
    - Electronic prescribing (in development)
    - Incorporate laboratory results and behavioral health into Smart PA (planned)

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# Current and Planned Activities

- ◆ Improved outcomes
  - Robust quality studies (in development)
  - Integrate pharmacy data into emerging care management strategy (planned)
  - Address underutilization, adherence (planned)

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# Questions ??

# THANK YOU!

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