



Agenda Item 6

December 17, 2013

ITEM NAME: 2014 Pharmacy Management Changes

PROGRAM: Health Benefits

ITEM TYPE: Information

EXECUTIVE SUMMARY

Pharmacy Benefit Manager CVS Caremark has utilization management programs for the California Public Employees' Retirement System (CalPERS) members. The federal Centers for Medicare & Medicaid Services (CMS) disallowed some utilization management edits for members enrolled in Medicare Part D Prescription Drug Plan (PDP) Employer Group Waiver Plans (EGWPs) beginning in March 2013, but has allowed these edits to be reinstated in 2014. CVS Caremark will implement additional utilization management programs in CalPERS EGWP plans in 2014 to further improve patient safety.

STRATEGIC PLAN

This agenda item supports Goal A, Improve long-term pension and health benefit sustainability, by ensuring cost effective prescription drug utilization.

BACKGROUND

Utilization management programs are an important tool used to promote the safe and effective use of medications. For example, prescription drug abuse has become an epidemic in the United States, with opioid overdose now being the second leading cause of unintentional death, following motor vehicle accidents¹. Utilization management of potential drugs of abuse improves patient and public safety while controlling costs.

Adverse drug events occur frequently and lead to a significant amount of morbidity and mortality. Certain populations such as those older than 65 years old have greater risk of adverse events².

ANALYSIS

Programs for All Members

The current CVS Caremark safety programs in place for members are the Safety and Monitoring Solution and the Enhanced Safety and Monitoring Solution.

- Safety and Monitoring Solution - This program targets high-risk drug classes, focusing on controlled substances, and inappropriate use and misuse related

indicators (poly-pharmacy, provider shopping, and high-total controlled substance claims volume). Clinical pharmacists evaluate controlled substance claims and supporting medical data on a quarterly basis. Situations identified as being potentially inappropriate may be referred to CalPERS along with recommended action. Examples of recommended actions are member or prescriber notification to recommend coordination of care using one prescriber and one pharmacy, Pharmacy Lock-In, Medication Therapy Counseling, and Peer-to-peer Prescriber Consultation.

- Enhanced Safety and Monitoring Solution – This program is the next step to Safety and Monitoring Solution. It provides continued monitoring, intervention and special investigation, as appropriate. The enhanced solution also provides case management and consultative courses of action, as recommended by CVS Caremark clinical and investigative staff.

As a result of these safety programs and the ongoing collaboration between CVS Caremark and CalPERS, CalPERS learned that we have high OxyContin utilization. Members were obtaining quantities exceeding the normal recommended dosage. CalPERS staff researched the current literature and surveyed other health plans to access our utilization pattern and determine course of action. All other health plans surveyed have quantity limits for OxyContin. CalPERS implemented a quantity limit for OxyContin on September 1, 2013. All utilizers received notification letters. Utilizers using quantities above the limit were given 90 days override to allow members time to work with his/her prescriber or obtain Prior Authorization for medical necessity.

Programs for Medicare Part D Members

Members in the Medicare Part D PDP EGWP have additional safety programs to minimize the risk of adverse events. The following utilization management edits will be implemented for the 2014 plan year. Additional details can be found in the attached 2014 CalPERS EGWP document.

1. Reimplementation of 2013 Utilization Management – In the first quarter of 2013, the CMS required SilverScript (subsidiary of CVS Caremark) to remove utilization management edits as part of a package of sanctions. CMS approved the reimplementation of these utilization management edits starting January 1, 2014. The utilization management edits include:
 - Quantity Limits
 - Prior Authorization
 - High Risk Medications in the Elderly
2. New Safety Programs – Beginning on January 1, 2014, SilverScript will implement patient safety programs in the following areas by means of utilization management:

- Acetaminophen – due to increased risk for liver failure or damage at dose greater than 4 grams per day
- Benzodiazepines – due to increased risk of altered mental status, confusion, falls, and potential for dependence
- Hypnotic/Sleep Agents – due to increased risk of altered mental status, confusion, falls and potential for dependence

The communication plan for implementation of these utilization management programs includes proactive member notifications including annual notice of changes, evidence of coverage, and CalPERS specific formulary documents by mail to members and posted to the CVS Caremark/CalPERS website by January 1, 2014. Members who were approved for medication prior to the utilization management removal earlier this year will have their overrides reinstated. Members who received a drug that required utilization management will be eligible for a 30-day supply Transition Fill along with a Transition Fill letter sent to member and prescriber.

CMS announced in the 2014 Call Letter that Part D sponsors should require their network retail and mail pharmacies to obtain beneficiary or authorized representative consent to deliver a prescription, new or refill, prior to each delivery. On October 28, 2013, CMS clarified that for Calendar Year 2014 only, the policy for obtaining consent prior to each delivery is not required for beneficiaries in EGWP auto-ship programs if the specific conditions are met and can be demonstrated upon request (including audit). CalPERS staff confirmed with CVS Caremark that the specific conditions are met and that beneficiaries would not experience changes for beneficiary initiated auto-refills.

BUDGET AND FISCAL IMPACTS

Not Applicable.

ATTACHMENTS

Attachment 1 – 2014 CalPERS EGWP Part D Utilization Management Edits

Attachment 2 – “Clarifications to the 2014 Policy on Automatic Delivery of Prescriptions for Employer Group Waiver Plans” letter from the Centers for Medicare and Medicaid Services, October 28, 2013

REFERENCES

1. Volkow ND, McLellan TA. Curtailing Diversion and Abuse of Opioid Analgesics Without Jeopardizing Pain Treatment. *JAMA*. 2011;305(13):1346-1347.
2. Centers for Disease Control and Prevention. (2012, October 2). Adults and Older Adult Adverse Drug Events. *Medication Safety Program*. Retrieved from http://www.cdc.gov/medicationsafety/adult_adversedrugsafety.html

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