DESCRIPTIONS OF LIMITATIONS AS TO AMOUNT, DURATION AND SCOPE OF MEDICAL CARE AND SERVICE PROVIDED

Supplemental Rebate Agreements and Preferred Drug Lists:

In accordance with Section 1927 of the Social Security Act, the state has established a preferred drug list (PDL).

The state, or the state in consultation with a contractor, may negotiate supplemental rebate agreements that would reclassify any drug not designated as preferred in the baseline listing for as long as the agreement is in effect. A rebate agreement between the state and a drug manufacturer for drugs provided to the Medicaid program, submitted to the Centers for Medicare & Medicaid Services (CMS) on December 27, 2005 and entitled, "State of Mississippi Supplemental Rebate Agreement," has been authorized by CMS.

This Agreement may not be amended or modified without the mutual written consent of the parties. Any modification or amendment must be authorized by CMS.

Based on the requirements for Section 1927 of the Act, the Division of Medicaid will comply with the following policies for drug rebate agreements:

- The drug file permits coverage of participating manufacturers' drugs.
- The Division of Medicaid will comply with the drug reporting requirements for state utilization information and restriction to coverage.
- Supplemental rebate agreement between the DOM and a pharmaceutical manufacturer will be separate from federal rebates and are in excess of those required under the national drug rebate agreement.
- The state agrees to report all rebates from manufacturers to the Secretary for Health and Human Services. The state will remit the federal portion of any state supplemental rebates collected.
- The Division of Medicaid will allow all participating manufacturers to audit utilization data.
- The unit rebate amount will be held confidential and will not be disclosed for purposes other than rebate invoicing and verification.

State of Mississippi

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Drug prior authorization requests will be reviewed and a determination notice provided within 24 hours from receipt of request by telephone or other telecommunications device. In emergency situations, the Division will allow payment for a 72-hour supply of drugs that are to be authorized.

The Division of Medicaid shall not reimburse for name brand drugs if there are equally effective generic equivalents available and if the generic equivalents are the least expensive.

Preferred Drug List: The Preferred Drug List (PDL) is a list of drugs, which have been reviewed and recommended by the Pharmacy and Therapeutics (P&T) Committee, a group of physicians, pharmacists, and nurse practitioners, and approved by the Executive Director of the Division of Medicaid.

The Preferred Drug List contains a wide range of generic and preferred brand name products that have been approved by the FDA. A medication becomes a preferred drug based first on safety and efficacy, then on cost-effectiveness. Drugs on the PDL are as effective as non-preferred drugs, but offer economic benefits for the beneficiaries and the State of Mississippi.

Exceptions to the PDL may be approved when one of the following criteria is satisfied:

1) Beneficiary must have used the preferred agents for at least a 30 day course of treatment per drug and failed trials within six months prior to requesting the PA and there is documentation of therapeutic failure of the preferred drugs, or

2) Documentation of stable therapy as reflected in 90 days of paid Medicaid claims.

Drugs must be prescribed and dispensed in accordance with medically excepted indications for uses and dosages. No payment will be made under the Medicaid program for services, procedures, supplies or drugs which are still in clinical trials and/or investigative or experimental in nature.

Exceptions to the criteria may be considered if there is sufficient documentation of:

- Adverse event(s) reaction(s) to preferred agents or
- Contraindications to preferred agent(s), i.e. drug interaction, existing medical condition preventing the use of preferred agent(s).

PDL exception requests will be reviewed and a determination notice provided within 24 hours from receipt of request by telephone or other telecommunications device. In emergency situations, the Division will allow payment for a 72-hour supply of drugs that are to be authorized.