

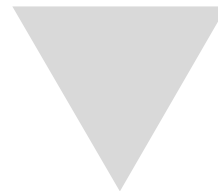
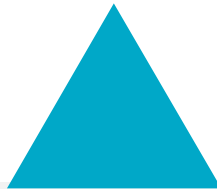
HEALTH WEALTH CAREER

MISSISSIPPI DIVISION OF MEDICAID

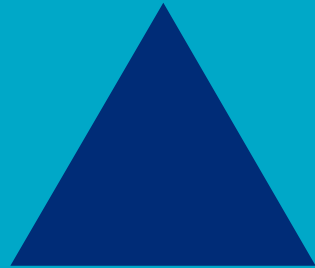
PHARMACY STAKEHOLDER MEETING

October 12, 2016

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HEMOPHILIA REIMBURSEMENT



CMS FINAL RULE (CMS-2345-F) STATE PLAN

- States must submit an amendment to its State Plan to the Centers for Medicare and Medicaid Services (CMS)
- Effective date of no later than April 1, 2017
- Required for compliance with the new reimbursement requirements in the CMS Covered Outpatient Drug final rule
- **State Plan pages must include the following reimbursement information:**
 - A. Ingredient Cost methodology in accordance with the Actual Acquisition Cost (AAC) definition – COMPLETE

CMS FINAL RULE (CMS-2345-F) STATE PLAN

- **State Plan pages must include the following reimbursement information:**
- B. Payment for the following drugs do not need to meet the AAC definition, however, states must define INGREDIENT COST/PROFESSIONAL DISPENSING FEE:
 - Specialty drugs not typically dispensed by a retail community pharmacy
 - **Clotting Factor from Specialty Pharmacies, Hemophilia Treatment Centers and Centers of Excellence**

HEMOPHILIA INGREDIENT COST REIMBURSEMENT OPTIONS

- WAC-based Discount by Product
 - Discounts off WAC — variable by product
 - Based on market experience
- WAC-based Discount for All Products
 - Discount off WAC — not variable by product
 - Aggregate discount most likely does not represent true ingredient cost by individual product (not required by CMS rule)
- Average Sales Price (ASP) — Based rates
 - Maintained by CMS (e.g., Medicare Part B HCPCS code reimbursement)
 - Hemophilia drugs reimbursed under medical services typically reimbursed under this method
 - Rate includes the CMS blood clotting factor furnishing fee (\$0.202 per unit for CY 2016)
- Hemophilia Provider Survey
 - WAC-based equivalent rates to the provider invoice ingredient cost

WAC — 10%, DISPENSING FEE \$0.01 PER UNIT

	Current Reimbursement					\$0.01 Dispensing Fee per unit					Difference
	Brand		Generic		Total	Brand		Generic		Total	Total
	FFS	MCO	FFS	MCO		FFS	MCO	FFS	MCO		
Ingredient Reimbursement	\$31,677,000	\$33,000	\$0	\$0	\$31,710,000	\$27,117,000	\$28,000	\$0	\$0	\$27,145,000	-\$4,565,000
Dispensing Fee Reimbursement	\$3,000	\$10	\$0	\$0	\$3,000	\$163,000	\$150	\$0	\$0	\$163,000	\$160,000
Estimated Total Reimbursement	\$31,680,000	\$33,000	\$0	\$0	\$31,713,000	\$27,280,000	\$28,000	\$0	\$0	\$27,308,000	-\$4,405,000

*Benefix® and Stimate® ingredient cost reimbursements are WAC + 0%.

*Approximately 694 claims; approximately 16,355,183 units.

*Approximately 15 unique providers.

*WAC – 10% reimbursement based on Wisconsin Medicaid pharmacy program
<https://www.forwardhealth.wi.gov/WIPortal/content/Provider/medicaid/pharmacy/resources.htm.spage#>

*All reimbursement analyses are based on FFS and MCO claims from June 1, 2015 through May 31, 2016 with paid dates June 30, 2016.

Note: Reimbursement amounts represent projected payment to pharmacies. These amounts do not reflect final actual net cost to DOM after rebate collection.

WAC — 10%, DISPENSING FEE \$0.02 PER UNIT

	Current Reimbursement					\$0.02 Dispensing Fee per unit					Difference
	Brand		Generic		Total	Brand		Generic		Total	Total
	FFS	MCO	FFS	MCO		FFS	MCO	FFS	MCO		
Ingredient Reimbursement	\$31,677,000	\$33,000	\$0	\$0	\$31,710,000	\$27,117,000	\$28,000	\$0	\$0	\$27,145,000	-\$4,565,000
Dispensing Fee Reimbursement	\$3,000	\$10	\$0	\$0	\$3,000	\$327,000	\$300	\$0	\$0	\$327,000	\$324,000
Estimated Total Reimbursement	\$31,680,000	\$33,000	\$0	\$0	\$31,713,000	\$27,444,000	\$28,000	\$0	\$0	\$27,472,000	-\$4,241,000

*Benefix® and Stimate® ingredient cost reimbursements are WAC + 0%.

*Approximately 694 claims; approximately 16,355,183 units.

*Approximately 15 unique providers.

*All reimbursement analyses are based on FFS and MCO claims from June 1, 2015 through May 31, 2016 with paid dates June 30, 2016.

Note: Reimbursement amounts represent projected payment to pharmacies. These amounts do not reflect final actual net cost to DOM after rebate collection.

WAC — 10%, DISPENSING FEE \$0.03 PER UNIT

	Current Reimbursement					\$0.03 Dispensing Fee per unit					Difference
	Brand		Generic		Total	Brand		Generic		Total	Total
	FFS	MCO	FFS	MCO		FFS	MCO	FFS	MCO		
Ingredient Reimbursement	\$31,677,000	\$33,000	\$0	\$0	\$31,710,000	\$27,117,000	\$28,000	\$0	\$0	\$27,145,000	-\$4,565,000
Dispensing Fee Reimbursement	\$3,000	\$10	\$0	\$0	\$3,000	\$490,000	\$450	\$0	\$0	\$490,000	\$487,000
Estimated Total Reimbursement	\$31,680,000	\$33,000	\$0	\$0	\$31,713,000	\$27,607,000	\$28,000	\$0	\$0	\$27,635,000	-\$4,078,000

*Benefix® and Stimat® ingredient cost reimbursements are WAC + 0%.

*Approximately 694 claims; approximately 16,355,183 units.

*Approximately 15 unique providers.

*All reimbursement analyses are based on FFS and MCO claims from June 1, 2015 through May 31, 2016 with paid dates June 30, 2016.

Note: Reimbursement amounts represent projected payment to pharmacies. These amounts do not reflect final actual net cost to DOM after rebate collection.

ASP, DISPENSING FEE \$0.01 PER UNIT

	Current Reimbursement					\$0.01 Dispensing Fee per unit					Difference
	Brand		Generic		Total	Brand		Generic		Total	Total
	FFS	MCO	FFS	MCO		FFS	MCO	FFS	MCO		
Ingredient Reimbursement	\$31,677,000	\$33,000	\$0	\$0	\$31,710,000	\$26,529,000	\$29,000	\$0	\$0	\$26,558,000	-\$5,152,000
Dispensing Fee Reimbursement	\$3,000	\$10	\$0	\$0	\$3,000	\$163,000	\$150	\$0	\$0	\$163,000	\$160,000
Estimated Total Reimbursement	\$31,680,000	\$33,000	\$0	\$0	\$31,713,000	\$26,692,000	\$29,000	\$0	\$0	\$26,721,000	-\$4,992,000

*Ingredient cost is based on ASP + 6% and \$0.202 Furnishing Fee from the CMS October 2016 file.

*If no ASP, ingredient cost reimbursement is WAC + 0%.

*Approximately 694 claims; approximately 16,355,183 units.

*Approximately 15 unique providers.

*All reimbursement analyses are based on FFS and MCO claims from June 1, 2015 through May 31, 2016 with paid dates June 30, 2016.

Note: Reimbursement amounts represent projected payment to pharmacies. These amounts do not reflect final actual net cost to DOM after rebate collection.

ASP, DISPENSING FEE \$0.02 PER UNIT

	Current Reimbursement					\$0.02 Dispensing Fee per unit					Difference
	Brand		Generic		Total	Brand		Generic		Total	Total
	FFS	MCO	FFS	MCO		FFS	MCO	FFS	MCO		
Ingredient Reimbursement	\$31,677,000	\$33,000	\$0	\$0	\$31,710,000	\$26,529,000	\$29,000	\$0	\$0	\$26,558,000	-\$5,152,000
Dispensing Fee Reimbursement	\$3,000	\$10	\$0	\$0	\$3,000	\$327,000	\$300	\$0	\$0	\$327,000	\$324,000
Estimated Total Reimbursement	\$31,680,000	\$33,000	\$0	\$0	\$31,713,000	\$26,856,000	\$29,000	\$0	\$0	\$26,885,000	-\$4,828,000

*Ingredient cost is based on ASP + 6% and \$0.202 Furnishing Fee from the CMS October 2016 file.

*If no ASP, ingredient cost reimbursement is WAC + 0%.

*Approximately 694 claims; approximately 16,355,183 units.

*Approximately 15 unique providers.

*All reimbursement analyses are based on FFS and MCO claims from June 1, 2015 through May 31, 2016 with paid dates June 30, 2016.

Note: Reimbursement amounts represent projected payment to pharmacies. These amounts do not reflect final actual net cost to DOM after rebate collection.

ASP, DISPENSING FEE \$0.03 PER UNIT

	Current Reimbursement					\$0.03 Dispensing Fee per unit					Difference
	Brand		Generic		Total	Brand		Generic		Total	Total
	FFS	MCO	FFS	MCO		FFS	MCO	FFS	MCO		
Ingredient Reimbursement	\$31,677,000	\$33,000	\$0	\$0	\$31,710,000	\$26,529,000	\$29,000	\$0	\$0	\$26,558,000	-\$5,152,000
Dispensing Fee Reimbursement	\$3,000	\$10	\$0	\$0	\$3,000	\$490,000	\$450	\$0	\$0	\$490,000	\$487,000
Estimated Total Reimbursement	\$31,680,000	\$33,000	\$0	\$0	\$31,713,000	\$27,019,000	\$29,000	\$0	\$0	\$27,048,000	-\$4,665,000

*Ingredient cost is based on ASP + 6% and \$0.202 Furnishing Fee from the CMS October 2016 file.

*If no ASP, ingredient cost reimbursement is WAC + 0%.

*Approximately 694 claims; approximately 16,355,183 units.

*Approximately 15 unique providers.

*All reimbursement analyses are based on FFS and MCO claims from June 1, 2015 through May 31, 2016 with paid dates June 30, 2016.

Note: Reimbursement amounts represent projected payment to pharmacies. These amounts do not reflect final actual net cost to DOM after rebate collection.

HEMOPHILIA DRUGS DISCOUNT RANGES IN COMMERCIAL AND MEDICAID PLANS

Hemophilia Drug	Range		Range	
	AWP Discount	AWP Discount	WAC Discount	WAC Discount
ADVATE	-23.8%	-36.8%	-8.6%	-24.2%
ADYNOVATE	-26.0%	-27.0%	-11.2%	-12.4%
ALPHANATE	-26.7%	-36.8%	-12.1%	-24.2%
ALPHANINE	-27.6%	-42.7%	-13.1%	-31.0%
ALPROLIX	-18.0%	-19.0%	-1.6%	-2.8%
BEBULIN	-10.63%	-15.0%	2.0%	7.25%
BENEFIX	-12.5%	-14.2%	2.8%	5.0%
CORIFACT	-20.2%	-25.0%	-4.2%	-10.0%
ELOCTATE	-23.5%	-28.0%	-8.2%	-13.6%
FEIBA NF	-23.25%	-26.7%	-7.9%	-11.5%
HELIXATE	-28.0%	-36.8%	-13.6%	-24.2%
HEMOFIL	-29.6%	-40.3%	-15.5%	-27.9%
HUMATE-P	-25.2%	-30.3%	-10.3%	-16.4%
KOATE-DVI	-25.7%	-33.5%	-10.8%	-20.2%
KOGENATE FS	-24.2%	-36.8%	-9.1%	-24.2%
MONOCLATE	-25.4%	-33.9%	-10.5%	-20.0%
MONONINE	-20.0%	-26.0%	-6.8%	-11.2%
NOVOEIGHT	-32.4%	-----	-18.9%	-----
NOVOSEVEN RT	-22.0%	-----	-6.4%	-----
NUWIQ	-26.0%	-----	-11.2%	-----
OBIZUR	-17.5%	-24.4%	-1.0%	-9.3%
PROFILNINE	-9.63%	-20.0%	-4.1%	8.45%
RECOMBINATE	-28.7%	-36.8%	-14.4%	-24.2%
RIXUBIS	-24.7%	-32.0%	-9.6%	-18.21%
WILATE	-22.1%	-42.0%	-6.6%	-29.7%
XYNTHA	-26.7%	-37.7%	-12.0%	-25.2%
XYNTHA SOLOFUSE	-24.8%	-34.5%	-9.7%	-21.4%

HEMOPHILIA DRUG REIMBURSEMENT OPTIONS

			Ingredient Cost Per Average Units per Claim	
Hemophilia Drug	Average Units Per Claim	Current Ingredient Cost Per Average Units Per Claim	WAC-10%	ASP
FEIBA NF 2,500 UNIT (NOMINAL)	83,420	\$190,132	\$162,169	\$160,251
NOVOSEVEN RT 5 MG VIAL	68,571	\$144,823	\$123,429	\$130,491
FEIBA NF 651-1,200 UNIT VIAL	56,753	\$126,854	\$108,285	\$109,023
ADYNOVATE 1,251-2,500 UNITS VL	53,280	\$111,590	\$94,945	\$105,494
ELOCTATE 3,000 UNIT NOMINAL	36,845	\$80,086	\$68,310	\$69,710
BENEFIX 3,000 UNIT KIT	55,264	\$79,757	\$75,712	\$83,835
ELOCTATE 2,000 UNIT NOMINAL	35,657	\$77,503	\$66,108	\$67,463
ALPROLIX 3,000 UNIT NOMINAL	22,514	\$70,532	\$60,180	\$63,377
FEIBA NF 1,000 UNIT (NOMINAL)	27,795	\$63,350	\$54,033	\$53,394
ELOCTATE 1,000 UNIT NOMINAL	27,972	\$60,800	\$51,860	\$52,923
KOGENATE FS 2,000 UNIT VIAL	24,765	\$37,485	\$32,542	\$29,644
ADVATE 801-1,200 UNITS VIAL	12,668	\$20,289	\$17,330	\$15,164
RECOMBINATE 220-400 UNIT VIAL	10,526	\$16,859	\$14,400	\$12,600

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COMPARISON OF INGREDIENT COST REIMBURSEMENT OPTIONS

	WAC-10%, Dispensing Fee \$0.01 per unit	WAC-10%, Dispensing Fee \$0.02 per unit	WAC-10%, Dispensing Fee \$0.03 per unit	ASP, Dispensing Fee \$0.01 per unit	ASP, Dispensing Fee \$0.02 per unit	ASP, Dispensing Fee \$0.03 per unit
INGREDIENT REIMBURSEMENT	\$27,145,000	\$27,145,000	\$27,145,000	\$26,558,000	\$26,558,000	\$26,558,000
DISPENSING FEE REIMBURSEMENT	\$163,000	\$327,000	\$490,000	\$163,000	\$327,000	\$490,000
ESTIMATED TOTAL REIMBURSEMENT	\$27,308,000	\$27,472,000	\$27,635,000	\$26,721,000	\$26,885,000	\$27,048,000

All reimbursement analyses are based on FFS and MCO claims from June 1, 2015 through May 31, 2016 with paid dates June 30, 2016.

Note: Reimbursement amounts represent projected payment to pharmacies. These amounts do not reflect final actual net cost to DOM after rebate collection.

STAKEHOLDER DISCUSSION

