State of Vermont *Agency of Human Services*
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M E M O R A N D U M

To: House Committees on Appropriations, on Health Care and on Human Services; Senate Committees on Appropriations and on Health and Welfare

From: Cory Gustafson, Commissioner, Department of Vermont Health Access

CC: Nancy J. Hogue, Executive Director of Pharmacy Services
Louise Rosales, APRN, Chairperson, DUR Board

Date: January 13, 2017

Re: Act 172, Sec. E.306.11 – Prescribing Practices; Drug Utilization Review Board; Report

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This memorandum is in response to the legislature's request in Act 172, Section E.306.11.

Act 172, Sec. E.306.11 –PRESCRIBING PRACTICES; DRUG UTILIZATION REVIEW BOARD; REPORT

> The Drug Utilization Review Board in the Department of Vermont Health Access shall analyze data from prescriptions dispensed to Medicaid beneficiaries, including prescriptions written to treat mental health conditions, to determine whether health care providers routinely follow the U.S. Food and Drug Administration's recommended dosage amounts. On or before January 15, 2017, the Drug Utilization Review Board shall report its findings and any recommendations to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare.

I. Proposal for data analysis of Medicaid reimbursed prescription drugs

DVHA plans to analyze a list of five drugs based on a) their rank in the list of top 10 drugs by cost and by volume for State Fiscal Year 2017 and b) the DUR Board's input as to which drugs would yield the most meaningful results. This list will include at least two mental health drugs. DVHA will perform data analysis on the latter six months of CY2016 claims data to determine the number of claims above and below the FDA maximum dosages. A sample of the data output appears in the chart below.

FDA maximum dosages is not a field that is routinely incorporated into the standard drug files used by DVHA, however Change Healthcare will be able to utilize a specific DUR module to perform this analysis. In addition, DVHA is required to coordinate this activity with the DUR Board, and since both November and December meetings must be focused on the new 2017 Preferred Drug List changes and new supplemental rebate contracts, the first opportunity for the Board to review this data will be the January meeting, with a planned follow-up at the February meeting. Therefore, due to the delay in determining the source of FDA maximum doses, and the coordination needed with the DURB, DVHA will need additional time to complete this report.

Drug By Spend and Volume	FDA-Approved Maximum Dose (according to label)	Total # Paid Claims	Total # Paid Claims Over FDA-Approved Maximum Dose (label)	Percentage of Claims Above the Maximum Dose	Total Number of Patients	Total Number of Patients Above Maximum Dose	Percentage of Patients Above Maximum Dose
Drug #1							
Drug #2							
Drug #3							
Drug #4							
Drug #5							

II. Overview of Drug Utilization Review Board

The Department of Vermont Health Access' Drug Utilization Review Board plays an important advisory role, and provides direct advice on coverage decisions for drugs that the State provides through its publicly-funded benefits programs. The DVHA oversees the activities of the DUR Board in Vermont which serves a dual function. One is the drug utilization review component whereby the Board applies criteria and standards in the application of DUR activities, reviews and reports the results of Drug Utilization Review activities performed by the DVHA and/ or recommends and evaluates educational intervention programs.

The second role of the DUR Board meetings is the "Pharmacy and Therapeutics Committee" role of the Board whereby the Board provides guidance on the development of the Preferred Drug List for Medicaid patients. While some states have two Boards for each purpose, the Department of Vermont Health Access (DVHA) elected to utilize the already established DUR Board to obtain current clinical advice on the use of pharmaceuticals.

Meetings of the DUR Board occur approximately every six weeks, depending upon the numbers of drugs and issues to be reviewed. A schedule of meetings, past meetings and

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minutes, and other DURB information can be found on this link: http://dvha.vermont.gov/advisory-boards.

The DUR Board includes 10-12 members who are appointed to staggered two-year terms. At least one-third, but not more than half, of the Board's members are licensed and actively practicing physicians, and at least one-third of its members are licensed and actively practicing pharmacists. We also have one Member at Large. Board members are recommended by the Commissioner of DVHA and must be approved by the Governor.

III. Next Steps

DVHA will present the proposed analysis at the next DUR Board meeting on January 17th. Once the Board has provided feedback and approval, Change Healthcare, DVHA's Prescription Benefit Manager will commence with the analysis. It is expected that the results of this analysis will be presented at the February 21st meeting of the DUR Board, after which DVHA will finalize a report to the Legislature by March 17th, 2017.