Minutes of the March 23, 2007
Pharmacy & Therapeutics (P&T) Committee Meeting
SD Department of Social Services, Medical Services Division

Members present
Verdayne Brandenburg, MD; Richard Holm, MD; William Ladwig, RPh; Dennis Hedge, PharmD; Galen Goeden, RPh.

DSS staff present
Mark Petersen, RPh

HID staff present
Christina Daniels, PharmD; Candace Rieth, PharmD.

Administrative Business
The P&T meeting was called to order at approximately 12:30 pm. Bill Ladwig, chairman, directed the meeting. The minutes of the December 8, 2006 meeting were presented and Dr. Brandenburg made a motion to approve as written, with a second by Dr. Holm. The motion was approved unanimously.

Prior Authorization Statistics
Ms. Daniels presented an overview of the prior authorization (PA) activity for December 2006, January 2007, and February 2007.

There were a total of 1,393 PA's processed in the month of December, with 98.56% of those requests responded to in less than 8 hours. There were 1,292 (93%) requests received electronically and 101 (7%) received by fax. Overall, there was a 12% approval rating for the month of December.

In January 2007, there were a total of 1,285 PA requests received, with 99.69% responded to in less than 8 hours. Of those 1,285 requests, there were 1,172 (91%) electronic requests and 113 (9%) faxed requests. The approval rate for January was 13%.

There were a total of 2,249 PA requests in February 2007 and 99.64% of those requests were responded to in less than 8 hours. There were 2,102 (93%) requests received electronically and 147 (7%) received by fax. The approval rate for February was 14%.

Asthma Update
The committee had requested that an informational article about asthma and its effects on the South Dakota Medicaid population be submitted to the state medical and pharmacy journals. Ms. Daniels presented a copy of the article for the committee to review. She informed them that the article will be published in the spring edition of the pharmacy

journal and is currently under review with the medical journal. There was further discussion about medical costs associated with emergency room (ER) visits, medication therapy management (MTM) programs, and prediction indicators. The committee felt strongly that this matter should be referred to the DUR Board and Dr. Hedge and Dr. Brandenburg said they would report back to the DUR Board.

Implementation of the Tablet Splitting/DAW PA Edit

On February 1, 2007, the South Dakota Medicaid Agency and HID implemented a tablet splitting and DAW edit. The tablet splitting edit required that all statins (except Lescol® and lovastatin) be split. Mr. Petersen explained that Lescol was a capsule and couldn't be split, and that the cost and utilization numbers for lovastatin were so low, the state felt that a tablet splitting requirement was not necessary. Ms. Daniels reminded the committee that the Medicaid program will pay for a tablet splitting device.

The DAW edit required patients to use therapeutically equivalent generic medications when available. If a drug has an authorized generic available, the provider must try that before getting a brand name medication approved. Ms. Daniels added that if a drug is on the South Dakota Medicaid Narrow Therapeutic Index list, it is exempt from the DAW edit.

There were a total of 157 PA requests for tablet splitting from February 15, 2007 to February 28, 2007. Of those requests, 49 were approved because the patient had a diagnosis that exempted them from the tablet splitting requirement. Ms. Daniels reviewed the diagnoses that allowed the PA's to be approved and informed the committee that there were a total of 37 tablet splitters billed for the month of February, 2007.

There were a total of 254 PA requests for the DAW edit from February 1, 2007 to February 28, 2007. There were 37 approvals and 217 denials. Ms. Daniels explained to the committee the way that the DAW edit was set up. All claims submitted with a DAW '1' code will send back a message that the drug requires a PA. In some cases, the pharmacy would bill a claim with a DAW '1' when the drug did not have a generic available or the drug was generic already. There were a total of 80 denials for drugs submitted that had generics available.

Dr. Holm asked that HID run generic utilization numbers to show the changes that occurred after the edit was in place.

Analysis of the Top 25 Drugs

Ms. Daniels presented an overview of the top 25 drugs by number of claims and by claims cost. The top five drugs based on total number of claims 4th quarter 2006 are as follows: azithromycin, amoxicillin, Singulair®, Concerta®, and lorazepam. Responding to a request by the committee at the last meeting, Ms. Daniels split the numbers to reflect the numbers of pediatric and adult patients. For the top ten drugs by number of claims, 73% were for children 18 and under, 21% for adults 19 to 64, and 6% for adults 65 and older.

The top five drugs based on total claims cost are as follows: Seroquel®, Concerta®, Singulair®, Adderall XR®, and Synagis®. Reviewing the top ten drugs based on claims cost, Ms. Daniels told the Committee that 80% were for children 18 and under, 20% for adults 19 to 64, and there was a negligible number dispensed for those adults 65 and older.

The committee requested HID to look at the total number of recipients in each age group so that a comparative cost analysis can be done.

Analysis of the Top 15 Therapeutic Classes

Ms. Daniels presented a brief overview of the top 15 therapeutic classes of drugs. The top five classes for 4th quarter 2006 are as follows: Antipsychotic agents, Amphetamines, Anticonvulsants, Antidepressants, and Beta-Adrenergic Agonists.

Average Manufacturer Price (AMP)

Ms. Daniels gave a brief overview of the average manufacturer price (AMP) which will replace average wholesale price (AWP) as the basis for reimbursement for Medicaid pharmacy providers. CMS will publish the final regulation no later than July 1, 2007. Mr. Ladwig elaborated further about why there had been a switch from AWP to AMP and discussed some concerns with this plan. Mr. Goeden also let the committee know that the average cost to fill a prescription in a pharmacy in South Dakota is approximately $11.53. There was also discussion regarding the costs involved with dispensing branded drugs with federal rebates versus generic drugs.

Mr. Petersen told the committee that soon the national drug code (NDC) number will be required for physician administered drugs.

Trend Summary Results for New-to-Market Drugs

Ms. Daniels gave the committee a synopsis of the impact that new-to-market drugs have on the South Dakota Medicaid recipients. Excluding the antineoplastic, antiretroviral, acne, and birth control agents, there were 37 new drugs released in 2006. Of those, 13 had usage through December 2006.

There was discussion about whether or not a drug should have a prior authorization placed on it until the P&T Committee can review and evaluate it. The committee deliberated about whether it should only apply for formulation changes, or if all new drugs should be included in the PA requirement.

Dr. Holm made a motion that all new drugs should require a prior authorization and Mr. Goeden seconded the motion with the caveat that the P&T Committee meet at least quarterly. The motion passed unanimously.

Mr. Petersen asked the committee to delay the implementation of the motion until a standard format and guidelines could be established. The committee agreed to the request, and this topic will be reintroduced at the next meeting.

Utilization of Antidementia Drugs

Ms. Daniels reviewed the use of antidementia drugs from January 2006 to January 2007. There were 250 prescriptions filled in that time frame, and 13 of those were filled for patients under the age of 40. Ms. Daniels briefly discussed the off-label use of antidementia drugs for traumatic brain injury or autism. The committee deliberated about whether or not an age-specific prior authorization requirement should be put in place, but decided that more information was needed and the subject would be tabled until the next meeting.

5-HT3 Receptor Antagonists

In the last P&T Committee meeting, Mr. Petersen had talked to the committee about his concern that OB/GYN's prescribing cetirizine for nausea in pregnancy were switching to ondansetron, which is significantly more expensive. He asked that the committee research this topic and discuss.

After a brief overview, Ms. Daniels reviewed the utilization of ondansetron in the South Dakota Medicaid population. The committee discussed the FDA approved indications for ondansetron and whether or not a quantity limit should be placed on this class of drugs. The committee asked that an OB/GYN be brought in to talk about this issue and agreed to table the discussion until the next meeting.

Other Business

Ms. Daniels told the committee that the denial message for omeprazole/Prilosec OTC would be updated as it was causing some confusion among the providers.

After deliberation, it was decided that the next meeting date would be set after discussion with the members not present.

There were no further comments or questions and Mr. Goeden made a motion to adjorn, with a second by Dr. Holm. The meeting was adjourned at approximately 2:30 pm.

Respectfully submitted,

Christina Daniels, PharmD

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