Medical Specialty Drug Preauthorization and the New Essential Formulary

September 2015
Agenda

- Medical Specialty Drugs – Joni Kondo Chun, R. Ph.
  - Medical Specialty Drugs – Defined
  - Overview
  - New preauthorization process for selected Medical Specialty Drugs
  - Requests for newborns
  - Clinical and Claim edits
  - Appealing preauthorization denials
- NovoLogix – Preauthorization tool for Medical Specialty drugs – Cari Martens, CVS
Agenda

- Essential Formulary – Todd Nitta, Pharm. D.
  - Formulary Design
  - Manufacturer coupons affect drug costs
  - Non-formulary exception process
  - Notification of Essential Formulary changes

- Questions
Specialty Drugs - defined

- **A Specialty Drug** is a drug that is typically high cost and has one or more of the following characteristics:
  - Specialized patient training on the administration of the drug (including supplies and devices needed for administration) is required
  - Coordination of care is required prior to drug therapy initiation and/or during therapy
  - Unique patient compliance and safety monitoring requirements
  - Unique requirements for handling, shipping and storage
  - Restricted access or limited distribution

- **Medical Specialty Drugs** are injectable/infusible specialty drugs

- **Pharmacy Specialty Drugs** are oral/inhaled specialty drugs
Today’s presentation focus

Medical Specialty Drugs

- New Prior Authorization process effective 10/1/15

Note: Pharmacy Specialty Drugs – No change to the existing prior authorization process. Continue to submit requests to CVS by fax or phone.
Industry Changes Impacting Medical Specialty Drugs

- Specialty drug spend is increasing and projected to continue in an upwards trend
  - Small % of health plan members account for a large % of the costs

- Specialty drugs are used more often
  - More conditions treated with complex regimens that include specialty products
New Strategies are Needed to Keep Up with Changes in the Marketplace

- Medical Specialty Drug Management Approach:
  - Apply Prior Authorization decisions to maximize clinical outcomes
    - Using online tool, NovoLogix to request prior authorization and track status
  - Apply clinical edits during claims processing
  - Access: Using contracted Specialty Pharmacies to:
    - Coordinate care with patient, physician and pharmacy
    - Monitor/manage therapy
    - Monitor medication compliance
    - Prevent waste
Highlights of HMSA’s Changes to Medical Specialty Drug Program

- New online Prior Authorization (PA) tool, **NovoLogix**, is accessed through HHIN or Cozeva
- Requesting provider may view the status of their requests in NovoLogix
- New HMSA/CVS Caremark drug-specific policies have been developed
  - For some drugs, where prior authorization was required only for off-label indications, PA will be required for all indications.
  - Some drugs previously didn’t require PA will now require PA.
  - Some drugs requiring PA for select diagnoses will now require PA for all indications.
Highlights of HMSA’s Changes to Medical Specialty Drug Program

- New Medical specialty drugs to market – will require preauthorization as soon as the drug becomes available.

- Medical Specialty Drug requests for Newborns
  - The PA request for newborn is submitted under mom’s HMSA ID if the child has not been added to the family’s HMSA plan yet.
  - Parents need to add the child as a dependent under their plan. Parents can call HMSA at 808-948-6111 to get more information.
  - Once the child is added to the plan, the physician needs to contact CVS at 1-808-254-4414 to ensure that PA gets transferred to the child’s HMSA ID for the claim to be paid.
# Medical Specialty Drugs
## Current vs New Prior Authorization Process

<table>
<thead>
<tr>
<th>Prior authorizations</th>
<th>Current</th>
<th>Effective 10-1-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiating a prior authorization (PA)</td>
<td>Submit to HMSA</td>
<td>Submit to CVS</td>
</tr>
<tr>
<td></td>
<td>• Fax</td>
<td>• NovoLogix</td>
</tr>
<tr>
<td></td>
<td>• Phone</td>
<td>• Fax</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Phone</td>
</tr>
<tr>
<td>Review of the PA</td>
<td>HMSA</td>
<td>CVS</td>
</tr>
<tr>
<td>Location of PA criteria, fax forms</td>
<td>HMSA provider e-library</td>
<td><a href="http://info.caremark.com/hmsapolicies">http://info.caremark.com/hmsapolicies</a></td>
</tr>
<tr>
<td>Questions</td>
<td>HMSA</td>
<td>CVS 1-808-254-4414</td>
</tr>
</tbody>
</table>
Which Medical Specialty Drugs need Preauthorization?

1. Medical Specialty Drugs requiring preauthorization are located at http://info.caremark.com/hmsapolicies

2. Scroll down or use the alpha index to view these drugs

3. In addition to policies on specific drugs, there currently two drug policies that apply to multiple drugs:
   - Off-Label
   - Specialty drugs

4. Each policy has a link to a fax request form
Medical Specialty Drug Prior Authorization - NovoLogix

- Request via internet
- HHIN or Cozeva
- NovoLogix (CVS)
- CVS mails determination letter to patient
- Provider views determination on NovoLogix
Medical Specialty Drug Prior Authorization – Fax or phone

Request faxed to CVS 1-866-237-5512

Determination viewable on NovoLogix and CVS faxes determination to prescriber

OR

Provider calls CVS at 1-808-254-4414

Determination viewable on NovoLogix and CVS faxes determination to prescriber

CVS mails determination letter to patient

CVS mails determination letter to patient
Appealing Prior Authorization Denials

- Form to Appeal a Precertification Denial

- Appeals may be filed by members or individuals who are authorized by the member (includes providers)

- If a preauthorization request is denied, information on how to appeal the decision is included in the denial letter
Appealing Prior Authorization Denials
(cont.)

- Appeal Requests must include:
  - Patient's name
  - HMSA member ID number
  - Physician's name
  - Physician's identification number
  - Description of the facts related to the appeal request
  - Why you believe HMSA's decision is in error
  - A copy of HMSA's denial letter
  - Any written comments, documents, clinical records and journal articles not considered in the preauthorization review

- For more details, go to: https://hmsa.com/portal/provider/zav_pel.aa.phy.300.htm
Managing Specialty Drugs

Cari Martens, CVS
September 2015
<table>
<thead>
<tr>
<th></th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Why are we here?</td>
</tr>
<tr>
<td>2</td>
<td>What medical specialty drugs require prior authorization?</td>
</tr>
<tr>
<td>3</td>
<td>Medical Policies and Fax Forms</td>
</tr>
<tr>
<td>4</td>
<td>NovoLogix System Training</td>
</tr>
</tbody>
</table>
Helping You Address Specialty Drug Management Challenges

<table>
<thead>
<tr>
<th>WHO WE ARE</th>
<th>WHAT WE DO</th>
<th>WHO WE SERVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty benefits</td>
<td>14 years experience with automated technology to manage spend under the</td>
<td>Over 30M health plan lives</td>
</tr>
<tr>
<td>experts, a category</td>
<td>medical benefit</td>
<td></td>
</tr>
<tr>
<td>of one</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Medical Benefit Prior Authorization Lowers Costs by Ensuring Evidence-Based Utilization

- **Initial, ongoing, and retrospective clinical evaluation**
  - Considers the evidence basis, safety and appropriateness of the prescription

- **Additional cost avoidance measures**
  - Preferred drugs, site of care alignment, genetic response to drug therapies and medical drug policy

- **Automated**
  - Policies, reporting and workflow are designed to reduce paperwork and administrative overhead
Medical Specialty Drugs Requiring PA
http://info.caremark.com/hmsapolicies

Links to the form for each drug will be listed here
HOW DO I SUBMIT A PRIOR AUTHORIZATION FOR MEDICAL SPECIALTY DRUGS?
Accessing NovoLogix through HHIN

• After logging on to HHIN, click on one of the Preauthorization tabs
Accessing NovoLogix through HHIN (cont.)

- Under the Specialty Drug heading, select the NPI/Name of the requesting provider and click “Continue”
Accessing NovoLogix through Cozeva

1. Click on “Novologix SSO”
2. In the pop up window, select your practice location, then
3. “Click Here To Continue to Novologix”
HHIN and Cozeva Contact Information

- To request HHIN access or training
  - HHIN Outreach
    - Phone: (808) 948-6255
    - Email: ETSOutreach@hmsa.com

- To request Cozeva access or training
  - Phone: 1 (888) 448-5879 toll-free, Monday through Friday, 8 am – 5 pm Hawaii time
The NovoLogix Home Page
Create an Authorization
Member Selection

- Preauthorization requests must be made no more than one month before the Authorization Start Date
- Retro Authorization requests must be made no more than one year after the Authorization Start Date
Member Last, First, Middle Initial, Date of Birth, Gender, Address, Group #, Effective and Term Dates are not editable.
Expand and collapse sections on the screen by clicking next to the section headings.
Protocol / Clinical Criteria

Is the diagnosis pulmonary arterial hypertension (WHO Group 1)?

- Yes
- No

SAVE AND CLOSE  NEXT
Add Documentation after Submission

- Notes & Documents
  - Notes: (No notes found)
  - ADD NOTE  ADD CONTACT ATTEMPT  Documents: (No documents found)

- Authorization Lines
  - REQUESTED:  NDC Code: 00002762301  Drug Name: Alimta  Qty: Not Applicable  Pending

Line 1  Status: Pending
To view the authorizations in a given queue, click on the name of the queue (i.e. Provider Action).

Any authorizations in that queue will be displayed under “Workbox Items” section.
Review and Respond to CVS’ Request for Additional Information

### Authorization Details
- **Provider Name**: DEMO MedRx: Precision Provider
- **Authorization Requested Date**: 7/6/2015
- **Authorization Start Date**: 7/9/2015
- **Authorization End Date**: 7/9/2015
- **Authorization Priority**: Normal

### Notes & Documents
- **Date**: 7/6/2015
- **Type**: Contact Attempt
- **Note**: Please attach clinical documentation
- **Attempts**: 1
- **Applies To**: Entire Authorization
- **Added By**: Adrienne Lane (Pharm)

### Authorization Lines
- **REQUESTED**: NDC Code: 55513073001
- **Drug Name**: Xgeva
- **Qty**: Not Applicable
- **Pending**

### Additional Information
- Review notes or add a note of your own
- Documents can be added here
Medical Specialty Drug Prior Authorization Requests

• For dates of service prior to 10/1/15:
  • Fax requests to HMSA at 808.944.5611. The fax form is available at https://hmsa.com/portal/provider/fm.drug_review_request_form.pdf

• For dates of service 10/1/15 and after:
  • If requested prior to 10/1/15, fax requests to HMSA at 808.944.5611. The fax form is available at https://hmsa.com/portal/provider/fm.drug_review_request_form.pdf
  • If requested on or after 10/1/15, submit the request using NovoLogix or fax the request to CVS at 808.254.4414. The fax form is available at http://info.caremark.com/hmsapolicies
Contact Information

• Questions on PA status dates of service 10/1/15 and after.
  • CVS PA Unit – 808.254.4414

• Questions on Claim payment status 10/1/15 and after.
  • HMSA PPO, HMO, Akamai Advantage
    – Oahu – 808.948.6330
    – Neighbor Islands – 1.800.790.4672 toll-free
  • HMSA QUEST Integration
    – Oahu – 808.948.6486
    – Neighbor Islands – 1.800.440.0640 toll-free
THANK YOU
HMSA Essential Formulary

Todd Nitta, Pharm. D.
September 2015
## HMSA Portfolio: Commercial Formularies

<table>
<thead>
<tr>
<th>Non-Formulary</th>
<th>Choice Formulary</th>
<th>Select Formulary</th>
<th>Essential Formulary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Tiers</td>
<td>3 Tiers</td>
<td>4 Tiers (includes 1 Specialty Tier)</td>
<td>5 Tiers (includes 2 Specialty Tiers)</td>
</tr>
<tr>
<td>Open</td>
<td>Open</td>
<td>Open</td>
<td>Managed</td>
</tr>
</tbody>
</table>

### Timeline
- **A long time ago ...**
- **1999**
- **2015**
Identifying Essential Formulary Drug Riders in HHIN

1. From the left side of the Home page, click on “Benefits.”
2. Key in the patient’s **Drug coverage code** from their membership card.
3. For Line of Business, select “Drug.”
4. Under the “**Special Instructions**” section it will say “THIS IS AN ESSENTIAL FORMULARY DRUG RIDER.”

### SPECIAL INSTRUCTIONS

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/2015</td>
<td>THE INFORMATION FOUND IN THIS ONLINE BENEFIT TOOL IS INTENDED TO PROVIDE A CONDENSED DESCRIPTION OF PLAN BENEFITS AND DOES NOT LIST ALL SERVICES, LIMITATIONS, OR EXCLUSIONS.</td>
</tr>
<tr>
<td>7/1/2015</td>
<td>THIS IS A NON-GRANDFATHERED - PATIENT PROTECTION AND AFFORDABLE CARE ACT (PPACA) COMPLIANT PLAN.</td>
</tr>
<tr>
<td>7/1/2015</td>
<td>IF A STATEMENT OR BENEFIT IS NO LONGER CURRENT OR IN EFFECT, IT IS INDICATED BY A &quot;LESS THAN&quot; SYMBOL (&lt;).</td>
</tr>
<tr>
<td>7/1/2015</td>
<td>THIS IS A PREFERRED PROVIDER DRUG PLAN</td>
</tr>
<tr>
<td>7/1/2015</td>
<td>THIS IS AN ESSENTIAL FORMULARY DRUG RIDER.</td>
</tr>
</tbody>
</table>
## Essential Formulary - 5 Tier Formulary Design

<table>
<thead>
<tr>
<th>Essential Formulary</th>
<th>*Retail-30 (30 day supply)</th>
<th>*Retail-90/Mail (90 day supply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 – mostly Generic Drugs</td>
<td>$7</td>
<td>$11</td>
</tr>
<tr>
<td>Tier 2 – mostly Preferred Drugs</td>
<td>$30</td>
<td>$65</td>
</tr>
<tr>
<td>Tier 3 – mostly Other Brand Name Drugs</td>
<td>$75</td>
<td>$200</td>
</tr>
<tr>
<td>Tier 4 – mostly Preferred Specialty Drugs</td>
<td>$100</td>
<td>N/A</td>
</tr>
<tr>
<td>Tier 5 – mostly Other Brand Name Specialty Drugs</td>
<td>$200</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Copayments are effective 7/1/15. Providers should always check the patient’s drug coverage in HHIN for the most current copayment information.
HMSA Essential Formulary

HMSA Select Formulary (Open)

New Drugs

FORMULARY

HMSA Essential Formulary (Managed)

New Drugs

FORMULARY

P&T* review & vote unlocks addition to formulary

Low-Value Drugs

Efficacy
Safety
Value

* HMSA’s Pharmacy and Therapeutics Committee
**Duexis® (ibuprofen 800 mg/famotidine 26.6 mg) & Vimovo® (naproxen 375 or 500 mg/esomeprazole 20 mg)**

<table>
<thead>
<tr>
<th>Cost/30-day supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>ibuprofen 800 mg</td>
</tr>
<tr>
<td>naproxen 375 mg &amp; 500 mg</td>
</tr>
<tr>
<td>Famotidine 26.6 mg</td>
</tr>
<tr>
<td>Esomeprazole 20 mg</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2015-Q1 (SELECT - CRG)</th>
<th>Total Utilizers</th>
<th>Cost of generic components vs brand combo (30 day supply)</th>
<th>Total Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duexis® (ibuprofen/famotidine)</td>
<td>200</td>
<td>$12 vs $824</td>
<td>$289,610</td>
</tr>
<tr>
<td>Vimovo® (naproxen/esomeprazole)</td>
<td>244</td>
<td>$95 vs $720</td>
<td>$447,099</td>
</tr>
</tbody>
</table>
Migration

- Small Employer Group Renewals
  - Starting July 1, 2015
  - Exclude grandfathered groups
- Large Employer Group Renewals
  - Starting January 1, 2016
  - Exclude grandfathered groups
# Non-Formulary Exceptions Process

<table>
<thead>
<tr>
<th>Request Method</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone</td>
<td>CVS 1(855)240-0543</td>
</tr>
<tr>
<td>Fax</td>
<td>CVS 1(855)762-5207</td>
</tr>
</tbody>
</table>

**Link to the Non-formulary Exception Form:**

Key Points

- Essential Formulary considered all drugs that have been utilized by our members over the last 2 years, thus minimizing disruption.
- Quarterly updates to the formulary.
  - Add approved new drugs.
  - Eliminate high cost, low value drugs.
- Letters to providers, members, and pharmacies who are affected by formulary changes.
- Non-Formulary exceptions process.
## Essential Formulary Communications Timeline

<table>
<thead>
<tr>
<th>Role</th>
<th>Timeframe</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Provider</strong></td>
<td>45 Days out</td>
<td>Cheat sheet, brochure, patient list</td>
</tr>
<tr>
<td><strong>Pharmacy</strong></td>
<td>45 Days out</td>
<td>Cheat sheet, brochure, customer list</td>
</tr>
<tr>
<td><strong>Member</strong></td>
<td>45 Days out</td>
<td>Letter w/disruptions and brochure</td>
</tr>
<tr>
<td><strong>Member</strong></td>
<td>30 Days out</td>
<td>Letter w/disruptions</td>
</tr>
<tr>
<td><strong>Pharmacy Fax Blast</strong></td>
<td>10 Days out</td>
<td>Hawaii pharmacy network: education on formulary changes</td>
</tr>
</tbody>
</table>
Thank you for attending!

- Your efforts will result in a smooth transition for members and providers

- Please complete the **Evaluation forms** that were included in your handouts
  - Those attending at The Queen’s Conference Center may leave them on the table at the back of the room
  - Those attending the webinar may fax them to 808-948-6887
QUESTIONS and ANSWERS

- Those with questions at The Queen’s Conference Center will have a wireless microphone handed to them. This enables webinar attendees and the rest of the audience to hear your questions clearly.

- Webinar attendees may use the drop down menu at the top of your screen and select “CHAT.” Use the Chat box to type your questions.