

Unified Preferred Drug List (UPDL) Adherence Methodology

Introduction

- This document is meant to serve as a guide to the adherence methodology for the Ohio Department of Medicaid's (ODM) Unified Preferred Drug List (UPDL). The adherence methodology defines the method that ODM will use for measuring the Managed Care Plans' adherence to the prescribing pharmaceuticals that are on the UPDL. It also defines the drug categories and thresholds that the plans are expected to meet in order to be considered to be in compliance with the UPDL.

Definitions

- "Unified PDL (UPDL)" is a list available online that specifies which prescription drugs are covered by Fee-for-Service (FFS) and the Medicaid Managed Care Plans (MCPs). Coverage is specified by therapeutic category and drug status (no prior authorization [PA] required, step therapy required, clinical PA required, and prior authorization required). The current list can be viewed at: <https://pharmacy.medicaid.ohio.gov/drug-coverage>
- "Preferred" means any product listed as "NO PA REQUIRED 'PREFERRED'", "STEP THERAPY REQUIRED 'PREFERRED'" or "CLINICAL PA REQUIRED 'PREFERRED'" on the UPDL.
- "Non-Preferred" means any product listed as "PA REQUIRED 'NONPREFERRED'" on the UPDL.
- "Adherence" refers to the measure of prescription drug utilization relative to preferred and non-preferred products.

Methodology

- Adherence will be measured as a count of preferred prescription drug utilization in a UPDL category relative to the entirety of prescription drug utilization within that category over a calendar quarter.
- MCP encounter claims data provided by ODM to Change Healthcare will be used for determining calendar quarter utilization.
- MCP encounters will be pulled 45 days after the end of the calendar quarter.
- UPDL categories will be identified based upon MediSpan drug information for National Drug Codes (NDC) on encounter claims, specifically by Generic Product Indicator (GPI). NDCs will be matched to corresponding GPI.
- Preferred products will be identified as claims whose NDC corresponds to a preferred, clinical PA or step therapy drug in the UPDL category.
- Non-preferred products will be identified as claims whose NDCs corresponds to non-preferred drug in a UPDL category.
 - Note: When a product is listed with the brand preferred over generic, the use of generic will count as non-preferred utilization. When a product is listed with generic preferred over brand, the use of the brand will count as non-preferred utilization. ODM FFS definitions of brand and generic will be utilized to identify a drug as brand or generic.
- The UPDL requirement is in Appendix R of the Provider Agreement.
- Within a UPDL category, adherence will be calculated as follows:

$$\frac{\text{\# of Prescriptions in Calendar Quarter Associated with Preferred Product NDCs in Unified PDL Category}}{\text{\# of Prescriptions in Calendar Quarter Associated with products in Unified PDL Category}}$$

UPDL Drug Categories for Adherence Monitoring & Compliance

Introduction

The following drugs and therapeutic categories will be monitored for adherence and compliance may be issued if the MCP does not meet the expected level of adherence. Required MCP adherence was calculated using utilization data and shift assumptions provided by Milliman and Change Healthcare, respectively. Since the shift assumptions are based over the entire 2020 calendar year, the final expected adherence was phased-in throughout 2020. FFS PDL adherence rates and drug categories with grandfathering permitted were also considered in expected adherence. All other drugs and drug categories' adherence will also be monitored, although no financial penalties will be imposed at this time. Q1 2020 will be used to assess baseline adherence in these categories.

Antidiabetics, Insulin, Lantus only

- Required MCP adherence:
 - Q1-2020: 30%*
 - Q2-2020: 50%
 - Q3-2020: 65%
 - Q4-2020: 83%

Antidiabetics, DPPIV Inhibitors

- Required MCP adherence:
 - Q1-2020: 48%*
 - Q2-2020: 58%
 - Q3-2020: 68%
 - Q4-2020: 80%

Cytokine Modulators

- Required MCP adherence:
 - Q1-2020: 90%*
 - Q2-2020: 91%
 - Q3-2020: 76%⁺
 - Q4-2020: 80%⁺

Growth Hormone

- Required MCP adherence:
 - Q1-2020: 61%*
 - Q2-2020: 66%
 - Q3-2020: 72%
 - Q4-2020: 78%

MS Agents

- Required MCP adherence standard:
 - Q1-2020: 63%*
 - Q2-2020: 66%
 - Q3-2020: 51%⁺
 - Q4-2020: 55%⁺

Ophthalmic Immunomodulators, Restasis Droperette Only

- Required MCP adherence standard:
 - Q1-2020: 85%*
 - Q2-2020: 88%
 - Q3-2020: 91%
 - Q4-2020: 93%

Scabicides-Pediculocides

- Required MCP adherence standard:
 - Q1-2020: 64%*
 - Q2-2020: 78%
 - Q3-2020: 88%
 - Q4-2020: 91%

*Q1-2020 is informational only

+Q3-2020 and Q4-2020 were modified after initial measures were established

Appendix N Provider Agreement Language

1. **Noncompliance with Unified Preferred Drug List (UPDL) [as specified in Appendix R].**
Performance with the UPDL is monitored once every calendar quarter. If the standard is not met, the MCP may be determined to be noncompliant for the measurement period. For the standard established for each quarter, the MCP may be assessed sanctions for instances of noncompliance as follows:
 - a. **Quarter 1 of CY 2020.** Noncompliance results for Q1 of CY 2020 will be informational only.
 - b. **Quarter 2 of CY2020 and any subsequent quarters.** ODM may impose a financial sanction equal to .08% of the amount calculated in accordance with this appendix for the twelve months prior to the month in which compliance is issued to the MCP. The financial sanction is nonrefundable.