

HealthAlliance**MEDICARE**

PURPOSE OF THE POLICY

Establish process for formulary changes to the Medicare Part D Formulary.

STATEMENT OF THE POLICY

Health Alliance Medical Plans will establish a process to effectively communicate formulary changes to the Medicare Part D Formulary to affected Health Alliance departments, as well as Medicare Part D Members, Illinois Cares Rx (state SPAP), other entities providing other prescription drug coverage described in **42 C.F.R. § 423.464 (f)(1)**, and providers.

PROCEDURES

1. Formulary Maintenance and Insurance of Formulary Compliance

- 1.1 Designated pharmacy staff member(s) will manually compare the printed and web versions of the Medicare formulary annually to ensure the printed and web versions match the CMS approved uploaded formulary.
- 1.2 Monthly a designated pharmacy staff member in conjunction with the Communications Dept will update the printed and web version formularies to match newly added drugs or changes that have occurred in the last month to the formulary.

2. Negative Formulary Changes

- 2.1 Negative formulary changes are defined as changes in which a formulary medication is being removed or is being moved to a higher Tier level.
- 2.2 Once a decision has been made to make a Negative Formulary Change, a pharmacist will send CMS their Negative Formulary request notice, in which they have at least 30 days to review and get back to Health Alliance any changes they view as unacceptable.
- 2.3 If CMS has not sent a notice that the change is unacceptable, it is assumed to be acceptable, and the process of generating a 60 day notification letter to members informing them that the change will occur at the specified date will be instituted.
- 2.4 Health Alliance Communications department has a CMS approved template letter for such Negative Formulary Changes.
- 2.5 Pharmacy will upload the formulary flat file to CMS the month preceding the initiation of the Negative Formulary Change.
- 2.6 Pharmacy will send the Negative Formulary Change information to the best of their ability to ABGraphics, so the information will also be included on the Medicare part D member's EOB monthly print out.
- 2.7 Official notification will be the 60 day letter notification generated by Health Alliance's Communications Department, if EOB notification does not meet the 60 day timeframe.
- 2.8 If the change involves immediate removal of a Part D drug deemed unsafe by the Food and Drug Administration (FDA) or removed from the market by the manufacturer, Pharmacy will provide retrospective notice to affected members.
- 2.9 Health Alliance's Communication Department will also update the online Medicare Part D Formulary to reflect the Negative Formulary Change at the same time as the 60 day member letter notification.

3. Notification of Changes to Members, Providers, and Internal staff

- 3.1 See Standard Drug List and Medicare Part D formulary Changes (Policy # 1256) – notifications to internal/external audiences Policy and Procedure created by Communication Department.
- 3.2 The Health Alliance Pharmacy Department will maintain a toll-free call center to respond to members, physicians and other providers for information related to exceptions and prior authorizations.
- 3.3 Member inquiries to the Pharmacy Department toll-free call center about appeals will be communicated to the appropriate personnel to be reviewed in accordance with policy #1144, Medicare Advantage Reconsideration Appeals Process for Medicare Part D.

4. Formulary Additions

- 4.1 There are three (3) mechanisms by which drugs can be added to the Medicare Part D formulary.
 - A. New drugs out to market can be added to the Medicare Part D Formulary after P&T Committee Meetings. New drugs will appear on the P&T agenda for notification of their release to meet the 90 day review, then, will be posted for tiering on the formulary within 180 days thereafter.
 - B. All new drugs classified by CMS as “required categories and classifications” will be placed on the formulary during a weekly drug update within 30 days, without P&T review. P&T will review upon the next P&T meeting.
 - C. New strengths or formulations of existing formulary drugs or new generics out to market can be added as they appear on the Pharmacy Benefit Manager, Medimpact’s Weekly Drug Update Spreadsheet.
- 4.2 When it is decided that a drug will be added to the Medicare Part D Formulary, a pharmacist will populate the PBM’s Weekly Drug Update (WDU) spreadsheet indicating the Tier, and any other utilization managements necessary, and then will email back to the PBM’s Formulary Maintenance Team (FMT@medimpact.com).
- 4.3 If the decision to add a drug came after review of the Medimpact Weekly Drug Update spreadsheet, then the addition will be made to the next week’s WDU spreadsheet.
- 4.4 The change should occur electronically within 15 days of Medimpact receiving the change for proper claims adjudication.
- 4.5 Medimpact will update both the Benefit side and the Medicare Part D Formulary Maintenance Team of the changes.
- 4.6 Once a month, Medimpact will send over a file to the FTP site, which contains the updated formulary drug list, which Health Alliance’s Operations/IT team uploads to CMS to be posted on the Medicare Website’s Plan Finder Price Comparison Tool.
- 4.7 Once a month, usually the 1st thru the 3rd, CMS will open the formulary gate for health plans to upload their updated flat formulary file via the HPMS website.

5. New FDA NDC and Formulary Reference File Updates

- 5.1 As CMS releases updates to the FDA non-matched NDC lists, Medimpact’s Formulary Maintenance Team will also update the weekly drug update file for Health Alliance. All Point of Sale edits would also be removed with these updates.
- 5.2 As CMS releases updates to the Formulary Reference Files, Medimpact’s Formulary Maintenance Team will also update the weekly drug update file for Health Alliance.