

LMAC Formulary Update

August 23, 2017

BILL WHEELER FOR BRI LAKE
EMPLOYMENT RELATIONS DIVISION



Montana Department of
LABOR & INDUSTRY

Formulary Working Group Meetings

- February 9, 2017 – LMAC Bill and overview of the working group
- March 16, 2017 – ODG presentation
 - Ken Eichler – Work Loss Data
- April 6, 2017 – ACOEM presentation
 - Carlos Luna – Reed Group
- May – Washington presentation
 - Jaymie Mai, Pharm, D. – WA Department of Labor & Industries
- July 19, 2017 – Summary of presentations/research
 - Bri Lake - ERD
- August 29, 2017 – Next Steps

Current Group Participants

Name:	From:	ERD Staff:	Title:
Lance Zanto	LMAC	Eric Strauss	Administrator
Doug Buman	LMAC	Bill Wheeler	Dep. Administrator
Mike Marsh	Midland Claims	Maralyn Lytle	Med. Regs Specialist
Char Lewis-Richards	FNP	Bri Lake	Research Analyst
Leslae Dalpiaz	Attorney	Mark Cadwallader	Attorney
Michele Fairclough	Montana State Fund	Kristine Ediger	Research Analyst
Mark Eichler	BSP Pharm, RPH	Lindi Mandy	Admin. Assistant
Tony King	Pharmacist	Jennifer Hepfner	Mediator
Jean Branscum	MMA	Karen Wiles	Claims Examiner
John Schumpert	ERD Med Director	Misty Knight	UEF Claims Examiner
Becky Curtis	Take Courage Coaching	Adrienne McLean	Manager WC Regs
		Cindy Zimmerman	RTW Coordinator

Summary: ODG

- **Organized:** by Drug Class, by Generic Name, by Brand Name (all three lists contain the same information)
- **Recommendation:** Each drug given a flat “Y” for preferred or “N” for non-preferred;
 - “Y” drugs are accepted without requiring any prior authorization
 - “N” drugs require prior authorization to ensure medical appropriateness
 - Drugs not included on the formulary may either be required to go through the same PA process as an N-drug or simply not be covered (jurisdiction decision)
- **Guidelines:** The formulary is an extension of the ODG guidelines but there is no information with regards to the guidelines contained within the formulary
- **Includes:** 31 Pharmaceutical Drug Classes, 294 unique drugs by brand name, and 279 unique drugs by generic name
- **States** that use the ODG formulary include Arizona, Oklahoma, Tennessee, and Texas. Many more utilize the ODG guidelines.

Summary: ACOEM

ACOEM's Online Formulary Tool:

- **Search:** By Condition or By Drug - GENERIC (Brand(s))
- **Recommendation** is dependent upon specific condition, phase (acute vs. chronic), and, sometimes, severity of the pain; Recommendation includes associated level of evidence
- **Guidelines:** The formulary is an extension of the guidelines, however the guidelines are, at least partially, built into the formulary since recommendations are specific to the diagnosis
- **States** that use ACOEM formulary: Nevada (not required); California recently developed the MTUS formulary list based on ACOEM online formulary

CA MTUS PDL:

- **Organized:** by Drug Ingredient (Generic)
- **Recommendation:** Each drug given a flat “preferred” or “non-preferred” status recommendation; drugs not included on the formulary may either be required to go through the same PA process as a “non-preferred” or simply not be covered (jurisdiction decision)
- **Guidelines:** A “Reference in Guideline” column indicates where the drug is either recommended, not recommended, or no sufficient evidence is available;
- **Includes:** 33 drug classes, 242 unique drugs by drug ingredient (Generic)
- **We would need to create our OWN PDL:** “If Montana chooses to adopt the ACOEM treatment guidelines and drug formulary, a PDL (similar to CA) could be created for public, non-commercial, use.”



Summary: Washington

- **Organized:** By Therapeutic Drug Class
- **Recommendation:** TCC is given a status of A (Allowed), PA (Prior Authorization Required), or D (Denied)
 - Preferred Drug(s) column: may specify a particular drug(s), “All”, or “None”
 - When a particular drug is included, typically stipulates "generics only"
- **Guidelines:** Washington’s Guidelines and the Formulary are created separately.
- **Includes:** 825 total therapeutic drug classes
 - 168 with “A” status, 384 with “PA” status, and 273 with “D” status

Comparisons: Accessibility and Simplicity

- **Details:**

- ODG – Free to adopt list; access to guidelines is costly, but not necessary; providers could get by with just the list; many adjustors/providers may already have ODG subscriptions
- ACOEM – User-friendly, easy to use interface; however, as is, the online tool is not accessible without purchasing a subscription; heavy cost to stakeholders?
- Washington – Free to adopt and heavily favors generics; not as easy to read or as straightforward; lower overall cost to stakeholders

- **Winner:**

- ODG in terms of readability; Washington in terms of dollars

- **Ranking:**

1. ODG/Washington
2. ACOEM

Comparisons: Restrictiveness of Formulary

- **Details:**
 - ODG – Approximately 43% (143/331*) of recommendations by **generic name** have a **“Y” status**
 - Top 10 most frequently prescribed drugs in MT (NCCI, 2016):
9/10 “Y” Drugs, 1/10 “N” Drugs
 - ACOEM (***MTUS PDL only***) – Approximately 31% (76/242) of recommendations by **drug ingredient** have a **Preferred status**
 - Top 10 most frequently prescribed drugs in MT (NCCI, 2016):
2/10 “Preferred”, 7/10 “Non-Preferred”, 1/10 Not Listed
 - The restrictiveness of the ACOEM online tool varies by condition.
 - Washington – Approximately 30% (168/552**) of recommendations by **Therapeutic Class** have a status of **Allowed**
 - Top 10 most frequently prescribed drugs in MT (NCCI, 2016):
7/10 “Preferred Drug”, 3/10 Not Found***
- **Winner:** ODG less restrictive than MTUS list; Washington and ACOEM tool excluded

*When sorted by generics: 143/331; When sorted by brand: 138/324; When sorted by drug class: 144/330

**When Therapeutic class's with “D” status are included, only 20% (168/825) of recommendations by TC have a status of “A”

***May be listed under a class as “All” or “None”, but were not listed as a Preferred Drug within any TC



Comparisons: Ease to Implement and Maintain

- **Details:**
 - ODG – Easy to post on the DLI website, updated monthly (or as needed), maintained by WLDI, no maintenance required
 - ACOEM – Relatively higher cost
 - Adopt online tool as is: ACOEM online tool is only available online, updated quarterly (or as needed) maintained by Reed Group, no maintenance required for the online tool or the guidelines; Licensing required by stakeholders using for commercial purposes
 - Create a publicly available list: A public list, similar to the CA MTUS PDL list, could be developed but would require MT to have its own P&T Committee to review ACOEM updates and maintain list; Licensing required by stakeholders using for commercial purposes; Higher administrative costs
 - Washington – Currently online and publically available, updated quarterly (or as needed) and maintained by WA L&I; *however*, potentially higher administrative cost to format the formulary for Montana
- **Winner: ODG**
- **Ranking**
 1. ODG
 2. Washington
 3. ACOEM

Comparisons: Compatibility with the MT U&T Guidelines

- **Details:**

- ODG – ?
- ACOEM – Preliminary findings in NY suggest that the ACOEM guidelines closely match the Colorado guidelines (from which Montana’s guidelines are based) with few anomalies.
- Washington – ?

- **What we know now:**

- As long as the formulary and the guidelines are developed separately, there will always be a risk of a discrepancy between the two.
- A policy could be implemented that asserts that if a discrepancy is found, the U&T guidelines take precedence
- Montana’s guidelines are based primarily on the Colorado guidelines, and Colorado’s guidelines are closely related to ACOEM

Pros & Cons

	PROS	CONS
ODG	<ul style="list-style-type: none"> • Easy to implement, easy to read, easy to understand • Stakeholders do not necessarily need access to the guidelines (and many might already have?) • Relatively less restrictive • Will assist with rulemaking • Stakeholder input allowed • Well established 	<ul style="list-style-type: none"> • High cost to those providers and carriers that want to have the guidelines/evidence and don't <i>already</i> have access • ODG's removal/departure from the National Guidelines Clearinghouse? <ul style="list-style-type: none"> • Does this signal a lack of transparency or flexibility?
ACOEM	<ul style="list-style-type: none"> • Organized based on diagnosis/condition • May be most compatible with the MT U&T Guidelines • Will assist with rulemaking • Stakeholder input allowed • User friendly interface; easily the cleanest, most straightforward website to follow 	<ul style="list-style-type: none"> • Relatively more costly option: <ul style="list-style-type: none"> • If we don't create a publicly available list: would require stakeholders to purchase a yearly subscription to access online tool • If we do create a publicly available list: a MT P&T Committee would need to be formed and stakeholders using PDL for commercial purposes required to purchase subscription • Not used by many other states (still fairly new product)
Washington	<ul style="list-style-type: none"> • Lowest cost to stakeholders • Potentially high cost savings on prescriptions – formulary heavily focused on generics 	<ul style="list-style-type: none"> • Potentially higher administrative costs – List will need to be formatted annually for MT • No assistance with rulemaking available • No ability for stakeholder input • Relatively more complicated to read/understand



What are our options?

- A. Adopt ODG list only, keep MT U&T guidelines**
 - Stakeholders can purchase ODG subscription at their discretion
- B. Adopt ODG list *with* ODG guidelines, dissolve MT U&T guidelines**
 - Stakeholders required to purchase subscription or administration could purchase “blanket” license; option requires additional stakeholder input
- C. Adopt ACOEM online formulary tool *with* ACOEM guidelines, form MT P&T Committee, create a MT PDL based on ACOEM’s formulary, keep MT U&T guidelines**
 - Stakeholders using PDL for commercial purposes required to purchase subscription or administration could purchase “blanket” license
- D. Adopt ACOEM online formulary tool as is, keep MT U&T guidelines**
 - Stakeholders required to purchase subscription or administration could purchase “blanket” license
- E. Adopt ACOEM online formulary tool *with* ACOEM guidelines, dissolve MT U&T guidelines**
 - Stakeholders required to purchase subscription or administration could purchase “blanket” license; option requires additional stakeholder input
- F. Adopt Washington list, keep MT U&T guidelines**



Questions? / Thank You!

FOR MORE INFORMATION:

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