Vendor Drug Program Overview

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Vendor Drug Program (VDP)

- Overview
- Drug Product Management
- Resources for Providers
Vendor Drug Program Mission

- Ensure statewide access to covered outpatient drugs in an efficient and cost-effective manner.

- Provide quality pharmaceutical care for recipients enrolled in:
  - Medicaid (managed care and fee-for-service)
  - Children’s Health Insurance Program (CHIP)
  - Department of State Health Services (DSHS) Children with Special Health Care Needs (CSHCN) Services Program
  - DSHS Kidney Health Care (KHC) program
  - Healthy Texas Women program

- Effectively manage the federal and state drug manufacturer rebate programs to maximize rebate revenue.
VDP Business Functions

- Pharmacy Rebates and Business Analysis
- Program & Project Management
- Pharmacy Operations & Contract Oversight
- Pharmacy Benefits Access
- Drug Utilization Review & Formulary Management
- Texas Medicaid Drug Utilization and Review (DUR) Board
VDP Business Functions

• **Pharmacy Benefits Access**
  o Primary point of contact for pharmacy providers and others regarding issues with access to pharmacy benefits; through a Pharmacy Call Center and an Issues Escalation Team.

• **Drug Utilization Review & Formulary Management**
  o Maintains an open formulary of medications
  o With input from MCOs, proposes clinical prior authorization criteria and the Preferred Drug List for safe, appropriate, cost-effective drug use.
  o Supports the Drug Utilization Review Board advisory committee.
  o Increasing support for clinician-administered drug policy & pricing.
  o Manages the Medicaid specialty drugs list, updated quarterly.
Medicaid programs are prohibited by federal law from excluding coverage of drugs from a manufacturer or labeler that has a Medicaid drug rebate contract with Centers for Medicare & Medicaid Services

- VDP requires manufacturers to request the addition of their drug to the Medicaid formulary
Drug rebates are collected for drugs provided to managed care and Fee For Service clients – whether dispensed by a pharmacy or administered by a physician/clinician

VDP manages the collection of rebates from drug manufacturers for Medicaid and all other VDP-administered pharmacy programs
Texas Medicaid DUR Board recommends drugs for the Preferred Drug List (PDL) based on their clinical efficacy, safety, and cost effectiveness.

- Cost and savings analyses consider both MCO and FFS utilization and reimbursement amounts.
- Texas uses a "lowest net cost" methodology versus a "generics first" methodology. Net cost (after all rebates) is the total state cost.

Texas Medicaid DUR Board recommends clinical prior authorization (PA) criteria based on consolidated proposals from VDP and MCOs.

- MCOs may implement any approved PA criteria and it cannot be more stringent than approved criteria.
- Clinical prior authorizations are developed from evidence-based clinical criteria and nationally recognized, peer-reviewed data.
Healthy Texas Women Formulary

- **Prior to July 1, 2016**
  - Family planning
  - Hormone patches
  - Sexually transmitted infections
    - No Over-the-counter Drugs
    - No Limited Home Health Supplies
- **Post July 1, 2016**
  - Depression
  - Diabetes
  - Hypertension
  - Statins
  - Urinary Tract Infections
Healthy Texas Women Formulary

- **Funding**
  - 100% State

- **Formulary Rebates**
  - Voluntary Rebates for Long-Acting Reversible Contraceptions

- **Formulary Prior Authorizations**
  - No Preferred Drug List
  - No Clinical PAs

- **Delivery Model**
  - Fee-For Service

- **Pharmacy Reimbursement- same as Medicaid**
  - Ingredient Cost = Avg. Acquisition Cost
  - Dispensing Fee = $7.93 + 1.96%
Questions?
A Review of the Healthy Texas Women Drug Formulary

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Resources for Providers

- www.tmhp.com
- http://www.txvendordrug.com
- https://www.healthytexaswomen.org/
Healthy Texas Women Information for Providers

New Materials for Healthy Texas Women Now Available

English and Spanish applications and outreach materials for Healthy Texas Women are available for distribution. To order these materials, fill out the online order form.

Healthy Texas Women Contractor Resources:
FY17 Healthy Texas Women Policy & Procedure Manual

Common Questions for Providers and Other Stakeholders:

- Who can provide Healthy Texas Women services?
- Who is eligible for the program?
- How do women apply for the program?
- Who can we call for help?

Who may provide Healthy Texas Women services?

Providers who meet certain criteria may qualify to provide services. These criteria include the following:

- Deliver the type of services available through the program.
- Have completed the Medicaid-enrollment process through the Texas Medicaid & Healthcare Partnership (TMHP).
- Can certify that they do not perform or promote elective abortions or affiliate with an entity that performs or promotes elective abortions in accordance with the HTW program rules located in the Texas Administrative Code (TAC) Title 1, Part 15, Chapter 382, Subchapter A, §382.1 - 382.20.

Notes:
- Visit the TMHP website for more information about the requirement and links to the certification documents.

http://www.hhsc.state.tx.us/WomensHealth/provider-information.shtml
You can find a link to the Medicaid Vendor Drug Program website on the Healthy Texas Women page on HHSC’s website.

You should verify that a woman is enrolled in the program before billing. Claims received before enrollment will be denied, but providers can resubmit claims once a woman is enrolled. Providers have 95 calendar days from service delivery to bill the program.
You can find more information about the Healthy Texas Women and Family Planning program at https://www.healthytexaswomen.org/
Healthy Texas Women

A pharmacy locator can be found on the HTW website.
A vendor pharmacy locator can be found on the VDP website: http://www.txvendordrug.com/providers/
The HTW Drug Formulary is available for download at http://www.txvendordrug.com/formulary/index.asp
## Drug Formulary

[Excel Spreadsheet]

**Drug Name** | **Drug Specific** | **Drug Dose** | **Drug Route** | **Drug Description**
--- | --- | --- | --- | ---
Acyclovir 200 mg Capsule | ACYCOVR | 200 mg | Oral | Antiviral

Questions?