Limitations

12.a Prescribed Drugs

Pursuant to 42 U.S.C. section 1396r-8 the state is establishing a preferred drug list with prior authorization for drugs not included on the preferred drug list. Reimbursement is available for covered outpatient drugs of any manufacturer that has entered into and complied with an agreement under Section 1927(a) of Title XIX of the Social Security Act, which are prescribed for a medically accepted indication. Drugs subject to limitations are those outlined under Section 1927(d)(4) of Title XIX of the Social Security Act.

The state is in compliance with reporting requirements for utilization and restrictions to coverage. Pharmaceutical manufacturers can audit utilization data. The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification, in accordance with Section 1927(b)(3)(D) of the Social Security Act.

The state will be negotiating supplemental rebates in the Medicaid program in addition to the Federal rebates provided for in Title XIX. Rebate agreements between the state and pharmaceutical manufacturer(s) will be separate from the Federal rebates.

CMS has authorized the State of Rhode Island to enter into the Michigan multi-state pooling agreement (MMSPA) also, referred to as the National Medicaid Pooling Initiative (NMPI) for drugs provided to the Medicaid program. The Supplemental Drug Rebate Agreement was submitted to the Centers for Medicare and Medicaid Services (CMS) on March 29, 2007 and has been reviewed and authorized by CMS. An update to the Supplemental Drug Rebate Agreement was submitted to CMS for approval in September 2013. Any additional versions of rebate agreements negotiated between the state and manufacturer(s) will be submitted to CMS for authorization. Any contracts or agreements with pharmaceutical manufacturers not approved by CMS will be submitted for CMS.

Supplemental rebates received by the State in excess of those required under the National Drug Rebate Agreement will be shared with the Federal government on the same percentage basis as applied under the national rebate agreement.

All drugs covered by the program irrespective of a prior authorization requirement will comply with the provisions of the national drug rebate agreement.

Limitations

The Department will maintain a list of drugs to be referred to as the Preferred Drug List (PDL). The PDL is a listing of prescription drugs that the Department has determined represents the most effective drug(s) at the best possible price for the selected drug class. The PDL is developed by a Deputy Director-appointed Pharmaceutical and Therapeutic committee in accordance with Federal and State law and shall be comprised of practicing pharmacists and physicians, faculty members from the University of Rhode Island College of Pharmacy and consumers or consumer representatives in conjunction with the department.

Practitioners may prescribe and get approval for non-preferred drugs if in their reasonable and professional judgment switching to a drug on the PDL will cause harm to their patient.

The State utilizes Coventry Health Care Company to design and maintain the PDL and supplemental rebate programs. Prior authorization will be established for certain drug classes, particular drugs, or medically accepted indication for uses and doses. Prior authorizations for non-preferred drugs can be obtained by contacting the state's fiscal agent or it subcontractors. The prior authorization process provides for a turn-around response by either telephone or other telecommunications device. Responses are issued within 24 hours of the request. Pharmacies are authorized to dispense a 72 hour supply of a non-preferred drug in the event of an emergency. The program complies with the requirements set forth in Section 1927(d)(5) of the Social Security Act pertaining to prior authorization programs. Rhode Island does not foresee any impact to its prior authorization program in the event that supplemental rebates are not provided to other state(s) participating in the agreement.