



*North Carolina*  
**State Health Plan**  
FOR TEACHERS AND STATE EMPLOYEES



## Specialty Medication Dispensing Update

# Informational Report

*Board of Trustees Meeting*

January 26, 2016

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*A Division of the Department of State Treasurer*

# Specialty Medications and Dispensing

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- Specialty medications are drugs used to treat complex conditions. They are FDA approved drugs including biosimilars that meet the following criteria:
  - Treat complex medical condition(s)
  - Require frequent clinical monitoring
  - Require special patient education
  - Require special handling
  - Generally prescribed by a specialist
- Currently, Specialty medications are often dispensed at a 90-day supply
- The State Health Plan is updating the Specialty dispensing policy to a 30-day initial refill

# Specialty Medication Dispensing Update

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- Making this change will help accomplish the following:
  - Ensure that a member's clinical progress is meeting expectations
  - Ensure that dosage or other therapeutic changes can be easily made
  - Manage side effects
  - Decrease cost
  - Reduce waste
  - Reduce possibility of member harm (multiple dosage of same drug)
  - Improve adherence

# Specialty Medications – Extended Day Allowance

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- Extended Day Supply Allowance on Certain Specialty Medications
  - Drugs packaged and administered in long-term quantities
  - Drugs exhibiting high adherence rates
  - Drugs requiring no dose stabilization
  - Drugs unlikely to be discontinued or contribute to pharmacy waste:
    - Kitabis Pak, packaged as 56 ampules with one inhaler, would not be limited to a shorter day supply
    - Ilaris, administered once every 8 weeks, would be allowed that greater day supply

# Specialty Medications – 30-Day Allowance

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- 30-Day Supply Allowance on Most Specialty Medications
  - Reinforcement of federal requirements, such as Risk Evaluation and Mitigation Strategies (REMS) programs requiring limited-day supplies.
  - Ongoing clinical monitoring ensures future use is safe and appropriate.
  - Ensures tolerance to the prescribed drug regimen.
  - Limits pharmacy waste from commonly discontinued medications.
    - Thalomid is associated with an FDA required REMS program limiting utilization to 30-day increments.
    - Arixtra, an anticoagulant medication, is recommended for administration in short treatment durations and the patient should be monitored for bleed risk.
    - Enbrel, an injectable medication, may not be well-tolerated by a patient new to therapy, and if discontinued due to intolerance produces pharmacy waste

# Specialty Medications for New Patients

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- New patients on a Specialty medication would receive an initial 30-day supply.
- If no clinical issues arise
  - 2<sup>nd</sup> refill 30-day supply
  - 3<sup>rd</sup> refill 30-day supply
  - 4<sup>th</sup> refill 90-day supply if a 90-day fill meets clinical guidelines
- If there is a gap of more than 120 days between refills, member will start with an initial 30-day supply

# Specialty Medications for Existing Patients

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- Existing patients on a Specialty medication will continue with 90-day supply
  - If therapy regimen began prior to the end of February 2016 and the drug is eligible for 90-day dispensing
- For patients new to a Specialty medication on or after March 1, 2016, the updated Specialty policy will apply
  - Members will be impacted < 90-day dispensing policy
    - Communication will be sent to impacted members
  - No financial impact to members on any plan
    - Traditional 70/30 and Enhanced 80/20 copayment is based on a 30-day fill
    - CDHP is a 15% coinsurance
    - HDHP is a 50% coinsurance

# Financial Impact

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- 2015 Data:
- 578 claims for impacted medications
  - 165 exceeded the 30-day maximum
- Claims cost total \$1,703,579
  - 50 of the members did not refill the medication
- Potential savings: approximately \$ 400,000



# Specialty Dispensing Change Communications

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- This update will be effective March 1, 2016

## **Members**

- Website Specialty Drug list updated and expanded in February 2016
- Letters sent to members regarding drugs not eligible for a 90-day fill
- Letters sent to members new to Specialty medications

## **Prescribers**

- Letter will be sent to all providers currently prescribing any Specialty medication

## **Vendor Partners**

- Blue Cross and Blue Shield of North Carolina will be notified of change in dispensing policy