## **HNE and Magellan Rx Management (ICORE)**

Enhanced Medical Pharmacy Program for 2016

### **Overview**

- Health New England (HNE) is committed to providing our members with access to high-quality health care that is consistent with evidence-based, nationally recognized clinical criteria and guidelines.
- To ensure affordability for our members, we will implement a change in the way we manage certain specialty drugs that fall under the medical benefit.
- Drug areas that will be impacted by the change primarily include Oncology, Oncology Support (antiemetic, neutropenia), Anemia, Inflammatory Conditions, Hereditary Angioedema, and Immunodeficiency (IVIG)
- This new program will be administered by Magellan Rx Management (Magellan). Magellan will assist us with a new process for reviewing and approving these specialty drugs.
- Program will be implemented for all lines of business (Commercial, Medicare, Medicaid) for 01/04/2016.







## HNE Magellan Rx Medical Pharmacy Program

- Magellan Rx Management and HNE have a business relationship going back to 2008
- Magellan Rx, then ICORE developed a customized provider fee schedule for drugs administered in the provider office or infusion suite.
- Magellan Health Services
  - Has 30+ years of benefit management experience
  - Services include pharmacy benefits management (PBM), specialty pharmacy, medical pharmacy, behavioral health, and radiology
  - Industry-Leading Specialty: proven cost savings by integrating medical and pharmacy data
  - Customer first culture clear focus on the specific needs of individual clients and members
  - Trusted Scale and Experience: collective experience of a company that touches more than 60M lives every day







# Project Scope and Program Overview

Prior Authorization Scope includes high cost drugs that require strict enforcement of medical policy for appropriate indications and dosing. Provider PA requests can be initiated either telephonically or online. Program is supported by dedicated PA staff specially trained on these agents, pharmacists, oncologists and other physician specialists as appropriate to conduct prospective peer-to-peer reviews and deliver a high-touch service. Extensive listing of Medical Necessity Criteria available, approved by Magellan's National P&T

Post-Service, Pre-Payment Claim Edits Allows for the management of drugs under medical benefit with the same sophistication that can be applied under the pharmacy benefit. Provider's workflow remains unchanged. Proprietary edits include eligible diagnosis, maximum dosage/units, duration and frequency. Program uses documented evidenced based care approved by Magellan's National P&T. Designed to ensure drugs are correctly paid.

Provider Network Strategy *Physician Office Administration* – Variable Infusion Fee Schedule rationalizes reimbursement and aligns the provider's and payor's interests, shifting the product mix towards lower cost, but equally effective agents.

LCA - Promotion of Lowest Cost Alternative

Home Infusion – Explore HCPCS-based reimbursement and lowest cost alternative opportunities



Explore Drug Therapeutic Class Specific Management Strategies: Programs by drug class to encourage providers to prescribe Least Cost Alternatives (LCAs)s when clinically appropriate.







### **Prior Authorization**

#### Agent Level



Provider's
office contacts
Magellan Rx for prior
authorization via
web or telephone
100% cases



~70% cases

Case is transferred to pharmacist for review ~30% cases

#### **Pharmacist Level**



Medication is approved by pharmacist ~22% cases

Case is withdrawn by ordering physician ~7% cases for Clinical & Admin.

Case is transferred to physician for review ~2% cases

#### Physician Level



Medication is approved by physician reviewer 0.5% cases

Medication is denied by physician reviewer 0.8% cases

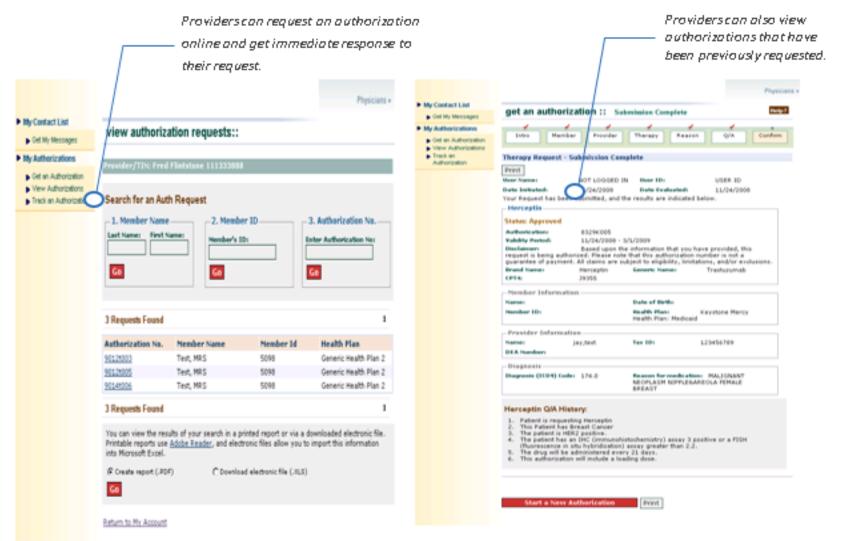
Case is withdrawn by ordering physician 0.7% cases







### **Provider Portal Access**









## Post Service Pre-Payment Claim Edits

Our post service pre-payment claims edits allow for the management of drugs under the Medical Pharmacy benefit with the same sophistication that can be applied under the pharmacy benefit

- Ensure providers are utilizing physician officebilled drugs as per their FDA label and Compendia approved uses
- All diagnosis values are validated for eligible diagnosis
- Edit for Maximum Units, by drug, gender, diagnosis, and weight

- Edit for Prior Authorization (PA) on drugs that require PA
- Process eliminates claim submissions with physiologically impossible doses
- Validate loading dose
- Validate drug waste, stopping the routine billing of full vials

Provider submits claim to Health Plan

Health Plan interface directs claims to Magellan Rx

Magellan Rx Rules engine applies edits Edited claims go back to the Health Plan Health Plan adjudicates claim







## **Next Steps**

- MagellanRx will hold a series of webinars for providers
- Upon request, HNE will schedule an on-site visit to review program
- All program materials will be posted on HNE.com
  - Clinical criteria available
  - Formulary updated with MagellanRx web link and phone for drugs requiring PA by Magellan
  - Full list of drugs available for quick reference