



JEB BUSH, GOVERNOR

RUBEN J. KING-SHAW, JR., DIRECTOR

June 23, 2000

Dear Pharmacy Provider:

The 2000 Florida Legislature mandated several changes in the Medicaid Prescribed Drug Program in HB 2145, the General Appropriations Act, and CS/SB 2034. These changes are a result of yearly double-digit increases in Medicaid prescription drug costs. Medicaid spent over \$1.3 billion for prescription drugs during fiscal year 1999-2000. The Agency needs your assistance to effectively implement these changes and to ensure cost-effective, high-quality drug therapies for Medicaid recipients.

Limit of Four Brand-Named Drugs, per Recipient, per Month

All Medicaid recipients over the age of 21 who are not in a nursing home or other institution will be limited to four brand-name drugs, per month. Generic drugs, insulin and diabetic supplies, contraceptives, mental health drugs, and antiviral drugs used to treat HIV are exempt from the limitation.

The Agency may authorize exceptions to the brand-name drug restriction based on the recipient's treatment needs. Exceptions will be based on prior consultation by the prescriber with the Agency or Agency contractor. The Agency will respond within 24 hours of the request for prior consultation. If the Agency fails to respond within 24 hours, the pharmacy may dispense a 72-hour emergency supply of the medication.

34-Day Supply Limit for Prescribed Drugs

The maximum amount of a prescribed drug that can be dispensed is a 34-day supply.

Voluntary Preferred Drug List

A 9-member committee appointed by the Governor and the Legislature will supply information to prescribers concerning appropriate and cost-effective drug therapies. This information will include a list of Medicaid-preferred drugs.

Drug Benefit Management

Medicaid will review drug therapies for recipients who are using a significant number of prescribed drugs each month. This may include a review of medical records and claims conducted by disease management contractors or individual case managers employed by another organization contracting with Medicaid.



Counterfeit-Proof Prescription Pad

Medicaid prescribers will be required to use special prescription pads. These prescription pads are designed to prevent forged or copied prescriptions.

Ingredient Cost Reduction

Reimbursement to pharmacies for Medicaid prescribed drugs will be set at the average wholesale price (AWP) minus 13.25 percent.

Pharmacy Network Controls

The Legislature authorized Medicaid to limit its pharmacy network based on need, competitive bidding, price negotiations, credentialing, or other similar criteria. If the Agency has a sufficient number of Medicaid-participating providers, the Agency may also impose a moratorium on Medicaid pharmacy enrollment.

You will be notified about particular procedures related to these initiatives as they are implemented over the next few months. Visit the Agency website at www.fdhc.state.fl.us/Medicaid for up-to-date information on Medicaid's prescribed drug initiatives. Thank you for helping us to ensure a cost-effective Medicaid program.

Sincerely,



Gary Crayton
Deputy Director for Medicaid

