Comments on the “Common Formulary” for Medicaid Managed Care Drugs
September 2, 2016

Michuhcan remains concerned that the proposed Common Formulary will only apply to Medicaid Managed Care Plans. To truly cut administrative cost for drugs, it must include all Medicaid plans and be a formulary that does not inhibit access to products deemed by providers as the best option for their patient. To do less affects quality of care and increases the stress on both providers and patients.

Unfortunately, when MDHHS chose not to utilize the Pharmacy and Therapeutic Committee to make recommendations on the formulary, but rather chose a non-transparent process involving, primarily MDHHS staff and insurers, the outcomes were pre-ordained. It is true that working with consumer groups can extend the time it takes to get consensus recommendations, but the outcomes are always of higher quality.

With these introductory comments, we offer the following concerns:

- Any “step therapy” can be harmful and an unnecessary roadblock to a patient’s recovery. The provider should make clinical decisions on drug interventions and not an insurer. Providers who abuse their prescription privileges should be weeded out by the department, but the patient should not be put “at risk” for an insurer’s financial needs.
- If rising drug costs are a primary focus of the departments concerns, then the state needs to mount a STRONG effort to negotiate drug prices with pharmaceutical companies and not rely on limited formularies and utilization tool, such as “step therapy” and prior authorization to address these concerns.
- In several of the drug class, all listed drugs require prior authorization. This process is an unnecessary administrative cost for providers and a delaying tactic for patients who need the drug. Appeal processes for providers and patients , when a request is denied, are unduly complicated and time consuming – again putting patents at risk and adding administrative costs.
- If this formulary recommendation stands, then current carve-outs should remain permanently.

Finally, MichUHCAN believes that the MDHHS should start again to develop recommendations for this critical aspect of healthcare and utilize the Pharmacy and Therapeutic Committee. Emphasis should be on what is best for patients, rat5her than insurers. In point of fact, HMO insurers have done quite well under the ACA and Medicaid expansion. It is time for them to look closely at their mission and do more to make their benefits actually meet the needs of their subscribers.