

7/1/2019

Michigan Department of Health and Human Services

Medicaid Health Plan Common Formulary

In order to streamline drug coverage policies for Medicaid and Healthy Michigan Plan members and providers, the Michigan Department of Health and Human Services (MDHHS) has created a formulary that is common across all contracted Medicaid Health Plans (MHPs) for the current Comprehensive Health Plan Contract. The development of the Common Formulary is required under Section 1806 of Public Act 84 of 2015.

Drugs Reimbursed through Fee-For-Service Benefit (Carve-Out)

MDHHS contracts with capitated managed care plans to provide services for its beneficiaries. These plans are responsible for most pharmacy services. Selected drugs and classes are carved out from the managed care plan coverage and are paid directly to a pharmacy by the MDHHS fee-for service program. This list is available at <https://michigan.magellanrx.com/provider/documents> >> **Carveout Coverage >> Medicaid Health Plan Carveout**. For these drugs, pharmacies must bill Magellan Medicaid Administration for reimbursement. Refer to the D.O Pharmacy Claims Processing Manual at <https://michigan.magellanrx.com/provider/documents/> >> **Manuals >> D.O. Pharmacy Claims Processing Manual** for instructions on submitting these claims.

Products Covered as A Medical Benefit

The Common Formulary includes drugs that are covered as a pharmacy benefit. The following are examples of products that may not be identified on the Common Formulary because a MHP may cover them as a medical benefit:

- Physician-administered injectable drugs
- Vaccines
- Intrauterine Devices

Members and providers should work with their MHPs to determine how these products are covered.

Medicaid Health Plans May Be Less Restrictive

As part of the Common Formulary, minimum requirements will be established for drug utilization management policies such as quantity limits, age and gender edits, prior authorization criteria and step therapies. MHPs may be less restrictive, but not more restrictive, than the coverage parameters of the Common Formulary.

Effective 7/1/2018 plans all utilize the standard NCPDP reject code for any gender edits: NCPDP 61 - Product/Service Not Covered for Patient Gender.

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Standard Prior Authorization Form

A standard prior authorization form, FIS 2288, was created to simplify the process of requesting prior authorization for prescription drugs. The form is available at **Michigan.gov/difs >> Forms >> Insurance**.

Michigan Pharmaceutical Product List

As a reminder, with the exception of products that are carved out, MHPs must have a process to approve provider requests for any prescribed medically appropriate product identified on the Medicaid Pharmaceutical Product List (MPPL), found at <https://michigan.magellanrx.com/provider/documents/> >> **Fee For Service Drug Coverage >> MPPL And Coverage Information**. Products that are listed on the MPPL but are not listed on the MHP Common Formulary are available for coverage consideration through a non-formulary prior authorization process.

Mandatory Generic Drug Policy

A mandatory generic drug policy encourages the generic version to be dispensed rather than a brand-name product. In most instances, a brand-name drug for which a generic product becomes available will become non-formulary, with the generic product covered in its place, upon release of the generic product onto the market.

Generic drugs are usually priced lower than their brand-name equivalents. Prescription generic drugs are approved by the US Food and Drug Administration for safety and effectiveness, and are manufactured under the same strict standards that apply to brand-name drugs. When a generic drug is substituted for a brand-name drug, you can expect the generic to produce the same clinical effect and safety profile as the brand-name drug (therapeutic equivalence).

Unit Dose Packaging

Products in Unit Dose packaging are not typically covered. Individual Medicaid Health Plans may be less restrictive and cover unit dose packaged products on a case by case basis.

Medically Accepted Indications

Medically accepted indications will also be considered for approval. Medically accepted indications include any use of a drug which is approved under the Federal Food, Drug and Cosmetic Act, or the use of which is supported by one or more citations included or approved for inclusion in the compendia listed in Section 1927(g)(1)(B)(i) of the Social Security Act.

Vitamins and Supplements

Select vitamins are covered only for beneficiaries in the Children's Special Health Care Services program as indicated on the MPPL. Prenatal vitamins are available for coverage for women of child-bearing age. Vitamin D, Fluoride and Folic Acid are also available for coverage for select ages and conditions.

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