

Contracts for Medicaid Health Plans, Common Formulary

(FY2018 Appropriation Act - Public Act 107 of 2017)

March 1, 2018

Sec. 1806. (1) The department shall monitor the progress of implementing the Medicaid health plan common formulary. As part of the monitoring process, by March 1 of the current fiscal year, the department shall provide a report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and the state budget office on the following:

(a) The progress of implementing the Medicaid health plan common formulary.

(b) The participation by the Medicaid health plans in the Medicaid health plan common formulary.

(c) The timeliness of prior authorization approvals or disapprovals.

(d) Any areas of inconsistency across the Medicaid health plans' implementation of the Medicaid health plan common formulary.

(2) The department shall develop policies and procedures to govern the operations of the Michigan Medicaid health plan common formulary so that the department is able to receive fair and full public participation.



Michigan Department of
Health & Human Services

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Michigan Department of Health and Human Services
Boilerplate Report
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Section 1806(1)

The Department's responses are below:

(a) The progress of implementing the Medicaid health plan common formulary.

The Medicaid Health Plan Common Formulary was fully implemented on September 30, 2016.

(b) The participation by the Medicaid health plans in the Medicaid health plan common formulary.

The contracted Medicaid Health Plans identify members to serve on the Medicaid Health Plan Common Formulary Workgroup. The Workgroup meets regularly and makes recommendations to the Department on products to include and exclude on the Medicaid Health Plan Common Formulary, as well as utilization management controls including prior authorization criteria, step therapies, quantity limits and other coverage parameters.

(c) The timeliness of prior authorization approvals or disapprovals.

The Department is not aware of any timeliness issues surrounding prior authorization approvals or disapprovals. The Department plans to actively review and assess the Medicaid Health Plans' timeliness of prior authorization approvals or disapprovals.

(d) Any areas of inconsistency across the Medicaid health plans' implementation of the Medicaid health plan common formulary.

On May 6, 2016, the Department conducted a survey of Medicaid Health Plans to assess their readiness with the full implementation of the Medicaid Health Plan Common Formulary by September 30, 2016. The survey responses indicated all Medicaid Health Plans anticipated having their members fully transitioned to the Common Formulary by September 30, 2016. Medicaid Health Plan contractual requirements were added to ensure that future Department approved changes to the Common Formulary would be implemented by the Medicaid Health Plans in a consistent and timely manner.