

**Bulletin Number:** MSA 20-51

**Distribution:** All Providers

**Issued:** July 1, 2020

**Subject:** Implementation of a Single Preferred Drug List (PDL)

**Effective:** October 1, 2020

**Programs Affected:** Medicaid, Healthy Michigan Plan, Children's Special Health Care Services (CSHCS), Maternity Outpatient Medical Services (MOMS)

**NOTE: Implementation of this policy is contingent upon approval of a State Plan Amendment (SPA) by the Centers for Medicare & Medicaid Services (CMS).**

Effective for dates of service on or after October 1, 2020, the Michigan Department of Health and Human Services (MDHHS) will require Medicaid Health Plans (MHPs) to follow the Michigan PDL used by the Fee-for-Service (FFS) pharmacy program. This will be described as the Single PDL. The Michigan PDL is available on the web at [michigan.magellanrx.com](http://michigan.magellanrx.com) >> Provider >> Michigan Preferred Drug List.

The Single PDL will align coverage of PDL drug products under managed care with FFS. The Single PDL is expected to substantially increase MDHHS drug manufacturer rebate revenue, particularly federal Medicaid rebates associated with managed care pharmacy utilization. MDHHS will also begin invoicing drug manufacturers for PDL supplemental rebates associated with managed care pharmacy utilization. Additionally, the Single PDL will simplify pharmacy coverage for program beneficiaries and prescribers.

MDHHS expects this change to be fully implemented for beneficiaries enrolled in a MHP by October 1, 2020. To facilitate a smooth implementation, MHPs may start notifying members and prescribers impacted by the implementation of the Single PDL by July 1, 2020. An advanced notice period will allow time to transition coverage of beneficiaries established on PDL non-preferred products or PDL preferred products that require prior authorization when clinically appropriate. MHPs shall address prior authorizations requesting continued coverage of PDL Non-Preferred products to extend past October 1, 2020 on an individual beneficiary medical necessity case-by-case basis.

The Single PDL will not change the products on the MHP pharmacy carve-out list. Those products will continue to be billed as an FFS pharmacy benefit. MHP pharmacy coverage, including those products on the Single PDL, will continue to fall under the Managed Care Organization (MCO) Common Formulary. Common Formulary coverage details, including prior authorization criteria, can be found at [www.michigan.gov/MCOPharmacy](http://www.michigan.gov/MCOPharmacy). Drug products not on the Single PDL may continue to be covered differently by MHPs under the Common Formulary compared to FFS. MHPs will still be required to have a process (e.g., non-formulary prior authorization) to consider medically necessary coverage of any drug product on the Michigan Pharmaceutical Product List (MPPL).

### Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to [ProviderSupport@michigan.gov](mailto:ProviderSupport@michigan.gov). When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550. Atypical Providers may phone toll-free 1-800-979-4662.

### Approved

A handwritten signature in black ink, appearing to read 'K. Massey', followed by a horizontal line extending to the right.

Kate Massey, Director  
Medical Services Administration