



Medicaid Oversight and Advisory Committee SB50 Update

Kentucky Department for Medicaid Services

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SB50

- Enacted into law by General Assembly in 2020
- Requires the Department to establish a single preferred drug list (PDL) for use by each Medicaid Managed Care Organization (MCO)
- Requires the department for Medicaid Services to contract with a single pharmacy benefit manager (PBM) for MCOs by December 31, 2020
- Contract with MCO PBM shall:
 - Establish the PBMs fiduciary duty owed to the department;
 - Comply with provisions outlined in SB50;
 - Require:
 - The use of pass-through pricing; and
 - The use of a single preferred drug list, reimbursement methodologies and dispensing fees established by the department; and
 - Prohibit spread pricing and other practices related to pharmacy benefits.

Single Preferred Drug List (PDL)

- Beginning January 1, 2021, the 5 MCOs will follow the fee-for-service PDL effective 1/1/21.
 - MCOs will follow the FFS clinical criteria for PDL classes. They may be less restrictive, but not more.
 - MCOs can manage criteria and preference for drug classes that are not included on the FFS PDL (e.g., cystic fibrosis).
 - Magellan tracks several non-PDL classes and reviews them with DMS annually; classes will be added as appropriate.

Single PBM for MCOs

Anticipated Schedule of Activities:

- Release of RFP Friday, August 14, 2020
- Vendors' 1st set of written questions received Tuesday, August 25, 2020
- Commonwealth's response to the 1st set of vendors' written questions Tuesday, September 1, 2020
- Vendors' 2nd set of written questions due Tuesday, September 8, 2020
- Commonwealth's response to the 2nd set of vendors' written questions Tuesday, September 15, 2020
- Proposals due by 3:30 PM ET Tuesday, October 6, 2020
- Anticipated contract award date on or before December 31, 2020

Discussion/Questions

