

Jan. 29, 2024

PUBLIC NOTICE

Public Notice of Final Action to Implement a Single Preferred Drug List

The South Carolina Department of Health and Human Services (SCDHHS) gives notice of the following action regarding implementing a state-directed single preferred drug list (PDL) for all participating managed care organizations (MCOs) and the fee-for-service (FFS) program under the State Plan under Title XIX of the Social Security Act Medical Assistance Program (Medicaid).

Effective on or after July 1, 2024, SCDHHS will implement a single state-directed PDL for all participating MCOs and the FFS Medicaid program. A PDL is a list of outpatient drugs health care payors utilize to encourage providers to prescribe certain drugs over others. A PDL allows the health care payor to support use of the most cost-effective medication within a drug class, without compromising safety and efficacy, and negotiate higher supplemental rebates. In formulating PDLs, state Medicaid agencies negotiate with drug manufacturers for supplemental rebates on certain drugs in addition to the federal statutory rebates they receive from the Medicaid Drug Rebate Program.

In support of the agency's goals of purchasing access to needed services in a manner that effectively aligns administrative resources, SCDHHS will transition from multiple MCO-operated PDLs to a single, state-directed PDL effective July 1, 2024. This transition will produce greater taxpayer savings across the Healthy Connections Medicaid program, regardless of whether a member is enrolled in the state's FFS Medicaid program or one of the five Medicaid MCOs. This is a best practice among state Medicaid agencies with 29 of the 40 states who currently operate a managed care delivery system also operating single PDLs. Transitioning to a single PDL will also increase continuity of care when a Medicaid member switches MCO plans or moves between an MCO and the FFS Medicaid program.

Based on the action above, SCDHHS anticipates an increase in supplemental rebates.

Copies of this notice are available at each South Carolina Healthy Connections Medicaid county office and at www.scdhhs.gov for public review. Additional information regarding this action is available upon request at the address cited below.

Any written comments submitted may be reviewed by the public at SCDHHS, Office of Medical Directors and Pharmacy Services, 1801 Main Street, Columbia, South Carolina, Monday through Friday between the hours of 9 a.m. and 5 p.m.

Robert M. Kerr
Director

Notice of Non-Discrimination

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If you believe SCDHHS has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with the Civil Rights Official using the contact information provided above. You can file a grievance in person, by mail, or via email. If you need help filing a grievance, we are available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf> or by mail or phone at: U.S. Department of Health and Human Services, 200 Independence Avenue, SW, Room 509F, HHH Building, Washington, D.C. 20201 or by phone at: 800-368- 1019, 800-537-7697 (TDD). Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html> .