

# **Executive Summary**

## **EBRx Fiscal Year 2007 Update**

The Evidence-based Prescription Drug Program is a collaboration between the Arkansas Medicaid Program and the UAMS College of Pharmacy EBRx program. The goals of this program are to: identify differences between medication options; recommend inclusion on the Preferred Drug List (PDL) of superior medications, if they exist; enhance predictability and reduce costs of medications whenever possible; and to provide access to medications not on the PDL through Prior Authorization Call Center activities.

The EBRx program began in November, 2004, and the first PDL medication category became effective in March 2005. Since that time, the EBRx program has assisted the Medicaid program with the following accomplishments:

- Preferred medications have been selected and implemented in 21 drug classes as of June 2007. At least 39 brand name medications have been included on the PDL to date.
- The PDL has led to a reduction in costs through manufacturer supplemental rebates or increases in use of superior or equally effective, but less expensive medications. Over \$19 million of Medicaid prescription costs are estimated to have been avoided in the Fiscal Year 2007. Since the start of the program, Medicaid costs are estimated to have been reduced by \$37 million.
- On average, costs in PDL categories are reduced by 47% after selection of preferred agents. Manufacturer Net Cost contracts require a three year duration, enhancing predictability of future costs.
- Prior authorization phone requests are completed with an average call duration of 2 minutes 9 seconds and an approval rate of 69% for the fiscal year 2007. All requests involve immediate review of each patient's medication and diagnosis history by a registered pharmacist. In the fiscal year 2007, the Prior Authorization Call Center reviewed more than 7, 786 prior authorization requests.
- Arkansas Prescribers follow PDL recommendations for the vast majority of patients. Manufacturer's whose products are selected for the PDL benefit through significant increases in market share.
- EBRx program expenditures are below the budgeted amounts largely due to lower personnel costs. For every dollar spent on the EBRx program, nine dollars of medication costs are avoided.

For more information, contact the EBRx office at (501) 526-4160.