



# Medicaid Drug Rebates and Medications Used for Opioid Use Disorder

Medicaid and CHIP Payment and Access Commission

Erin McMullen and Chris Park

September 24, 2020

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## Overview

- SUPPORT Act (P.L. 115-271)
- Medicaid Drug Rebate Program
- Issues
- Potential solution

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# SUPPORT Act

- All state Medicaid programs must cover all medications used for opioid use disorder (MOUDs) for a five-year period beginning October 1, 2020
  - New mandatory benefit under Section 1905(a)(29) of the Social Security Act (the Act)
- MOUDs include methadone, buprenorphine, and naltrexone
- Primary effect of SUPPORT Act will increase coverage of methadone when used as an MOUD

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# Medicaid Drug Rebate Program

- Prescription drugs are an optional benefit under Section 1905(a)(12) of the Act
- Most prescription drugs included in Medicaid Drug Rebate Program (MDRP)
- Medicaid receives rebates in exchange for covering all of a participating manufacturer's drugs
- Currently, most forms of MOUD are considered covered outpatient prescription drugs under the MDRP
  - Not a covered outpatient drug if provided as part of another service and paid under a bundled payment

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## Issues

- Definition of covered outpatient drug specifically references prescription drugs covered under Section 1905(a)(12) of the Act
- Beginning October 1, coverage under new mandatory benefit will exclude MOUDs from the MDRP
  - MOUDs will not be eligible for statutory rebates
  - Drug utilization review (DUR) will not be required for MOUDs
  - MOUDs will no longer be covered drugs in 340B program

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## Potential Solution

- Commission could recommend a change in the definition of covered outpatient drug under the MDRP to cross reference coverage of MOUDs in 1905(a)(29) of the Act
- Making MOUDs covered outpatient drugs would:
  - Make MOUDs eligible for rebates
  - Require DUR activities on MOUDs
  - Make MOUDs eligible for 340B program
- Change could be retroactive

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