



**Division of Medical Services
Pharmacy Program**

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MEMORANDUM

TO: Arkansas Medicaid Enrolled Prescribing Providers and Pharmacy Providers

FROM: Cynthia Neuhofer, Pharm.D. Division of Medical Services Pharmacy Program

A handwritten signature in black ink, appearing to read "Cynthia Neuhofer", is written over the printed name.

DATE: September 14, 2022

SUBJ: Updated plan prefers brand list

After a brand name drug's patent has expired there may be a company producing a generic drug that meets the FDA's criteria for the "181-day generic drug exclusivity", which means it is protected from competition from other generic versions of the same drug product for approximately 181 days. After the expiration of the 181-day exclusivity period, other generic companies may be poised to enter the market and as more generic drugs are available, the price begins to fall.

The state Medicaid pharmacy program staff will monitor these high cost brand-name drugs and check the Federal rebate file to determine the most economical choice for the state, either:

- The brand name drug due to a higher Federal rebate and lower final net cost to the state or
- The generic drug that likely has the 181-day generic exclusivity without other generic competition

When there is sufficient supply of the generic drugs and the price of the generics has fallen to less than the final net cost of the brand name drug, the generic may be the most cost-effective choice for the state. At that time, the Medicaid staff may place a State Maximum Allowable Cost (MAC) on both the brand and the generic drugs for that specific drug/strength/dosage form. Until that occurs, Arkansas Medicaid will require the Brand drug to continue to be dispensed by pharmacies. Please note clinical criteria and claim edits will still apply. Pharmacies will receive a 30-day notice prior to Arkansas Medicaid applying a MAC on the brand and generic drugs related to State Supported Brand Medications.

Effective October 14, 2022, the following brand name products will be removed from the State supported brand list. Pharmacies should begin processing claims with generics on that date.

- Esbriet®
- Exjade®

Current State Supported Brand List can be found with the following link:

https://arkansas.magellanrx.com/client/docs/rxinfo/State_Supported_Brand_Meds.pdf