

## National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 Value-Based Purchasing (VBP) Initiative Medication Adherence Pilot

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### 1.0 PURPOSE

The purpose of the Medication Adherence Pilot is to meet the requirement set forth in the NDAA for FY 2017, Section 701(h) which directs a pilot program to demonstrate and assess the feasibility of incorporating value-based health care methodology in the purchased care component of the TRICARE program. This pilot will reduce copayments for targeted populations of covered beneficiaries receiving specifically identified high-value medications.

### 2.0 BACKGROUND

The Medication Adherence pilot is a value-based initiative that seeks to improve health outcomes for targeted populations of covered beneficiaries in receipt of specifically identified high-value medications. The goal of the Medication Adherence Pilot is to evaluate beneficiary adherence with high-value medication regimens when copayments are reduced or eliminated.

### 3.0 POLICY

**3.1** Under the Pilot, certain high value medications will be made available to beneficiaries at reduced or zero copayments to encourage beneficiary adherence to prescribed medication regimens. The identified medications qualifying under the Pilot will be those prescription medications for management of chronic conditions determined by the Director, Defense Health Agency (DHA) as improving health outcomes for the beneficiary. Qualifying chronic conditions include diabetes, chronic obstructive pulmonary disease, asthma, congestive heart failure, hypertension, history of stroke, coronary artery disease, mood disorders, and such other diseases or conditions as the Director considers appropriate.

**3.2** The amount of any reduction or elimination of a copayment for a high-value medication under the Pilot will be credited to the beneficiary's applicable deductible and catastrophic cap as if such reduction or elimination had not been applied.

### 4.0 APPLICABILITY

The Medication Adherence pilot is applicable to prescriptions dispensed at TRICARE's in-network retail pharmacies and the Mail Order Pharmacy (MOP). Beneficiary copayments, deductibles, and catastrophic caps are impacted by this pilot and all other policies and requirements in [Chapter 23](#) and the TRICARE Pharmacy (TPharm) contract apply.

## TRICARE Operations Manual 6010.56-M, February 1, 2008

### Chapter 18, Section 22

#### National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017 Value-Based Purchasing (VBP) Initiative Medication Adherence Pilot

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#### 5.0 ELIGIBILITY

Refer to [Chapter 23, Section 1](#) for TPharm eligibility requirements and policies.

#### 6.0 DHA RESPONSIBILITY

The Director, DHA will identify each high-value medication that is covered under the Pilot. An Interim Final Rule published in the **Federal Register** on September 29, 2017, made a number of improvements in the TRICARE Program based on provisions of the NDAA for FY 2017, including Section 701(h). That Rule, in [32 CFR 199.17\(f\)\(4\)](#), authorizes the Director to use the Department of Defense (DoD) Pharmacy and Therapeutics Committee process under [Chapter 199.21](#) to determine which high-value medications would improve health outcomes and identify those medications and applicable copayments made available under this Pilot. A list of the selected high-value medications and applicable copayments will be maintained by DHA and made available to beneficiaries and providers through the following website: <https://health.mil/formulary>.

#### 7.0 CONTRACTOR RESPONSIBILITIES

**7.1** The contractor shall implement the applicable copayment reductions for any prescription for high-value medications identified by the DHA whether filled in-network retail pharmacies or the MOP. Copayment reductions, generally, will occur as follows for drugs identified for this pilot:

- Select generic medications will be \$0 at both retail and mail order Point Of Service (POS).
- Select brand-name medications will be the UF Tier -1 copayment amount applicable to the POS.

**7.2** The TPharm contractor shall update the catastrophic cap and deductible amounts on Defense Enrollment Eligibility Reporting System (DEERS) using the Catastrophic Cap and Deductible Database (CCDD) file application in accordance with the TRICARE System Manual (TSM) except CCDD will reflect the original amount before reduction or elimination of copayments allowed by the pilot.

**7.3** The TPharm contractor shall provide the Government with reports in accordance with DD Form 1423, Contract Data Requirements List (CDRL).

**7.4** When a prescription is submitted for a selected medication identified by the Pilot, the TPharm contractor shall inform the beneficiary of the copayment reduction or elimination. Notification shall also be provided for modifications to the program per [paragraph 7.1](#) to include termination of the program.

#### 8.0 EFFECTIVE AND TERMINATION DATES

This pilot program shall start on January 1, 2018 for high-value medications described at <https://health.mil/formulary> that are dispensed on or after this date. The pilot will continue through the last day of health care performance on the current TPharm contract, or five years from the start of the pilot project, whichever comes first. The Government may discontinue the pilot at

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any time.

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