MEDICAID OPERATIONS MANUAL
TRANSMITTAL LETTER

January 25, 2018

TO: CUSTODIANS OF MEDICAID OPERATIONS MANUAL

FROM: LYNNE FOSTER, CHIEF OF DIVISION COMPLIANCE

SUBJECT: MEDICAID OPERATIONS MANUAL CHANGES
CHAPTER 200 – BOARDS, COMMITTEES AND ADVISORY COMMITTEES

BACKGROUND AND EXPLANATION

The additions to this chapter address the incorporation of Managed Care Organization nominated members to the Drug Use Review (DUR) Board.

Throughout the chapter, grammar, punctuation and capitalization changes were made, duplications removed, acronyms used and standardized, and language reworded for clarity. Renumbering and re-arranging of sections was necessary.

These changes are effective July 1, 2017.

MATERIAL TRANSMITTED	MATERIAL SUPERSEDED
CL 31430 MOM Ch 200 – Boards, Committees and Advisory Committees	MTL 01/04 MOM Ch 200 – Boards, Committees and Advisory Committees

Manual Section	Section Title	Background and Explanation of Policy Changes, Clarifications and Updates
203.3B.3	**Duties**	Updated Application of Standards to clarify Fee-for-Service and Managed Care.
203.3C.2	**Appointing Authority**	Updated Chief title.
203.3D.7	**Membership**	Updated to add Managed Care Organization memberships requirements.
203.3F	**Meetings**	Updated Chief title

Manual Section	Section Title	Background and Explanation of Policy Changes, Clarifications and Updates
203.4C	**Appointing Authority/P&T Committee Coordinator**	Updated Chief title

203.3 DRUG USE REVIEW BOARD

203.3A INTRODUCTION

The Drug Use Review Board (hereinafter referred to as the "DUR Board") is established to ensure that the DHCFP's Drug Utilization Review Program effectively assures that covered outpatient prescriptions are appropriate, medically necessary and not likely to produce adverse medical results. It serves as a mechanism to educate providers to identify and reduce the frequency of patterns of fraud, abuse, gross overuse or inappropriate or medically unnecessary care among physicians, pharmacists and patients, or associated with specific drugs or groups of drugs.

203.3B DUTIES

1. Prospective Drug Utilization Review (Prospective DUR)

   a. The DUR Board shall review and make recommendations on prospective drug therapy edits submitted to it by the DHCFP or the DHCFP's contractor. These prospective drug therapy edits shall be used by the DHCFP or the DHCFP's contractor to screen for potential drug therapy problems due to therapeutic duplication, drug-disease contraindications, drug-drug interactions (including non-prescription drugs), incorrect drug dosage or duration of drug treatment, drug-allergy interactions and clinical abuse/misuse prior to the dispensing of a prescription. The prospective drug therapy edits are based upon the compendia and literature referred to under §1927 (g)(B) of the Social Security Act as predetermined standards.

   b. The DUR Board shall recommend guidelines governing written predetermined standards that pharmacies not using an electronic claims management system must use in conducting Prospective DUR.

2. Retrospective Drug Utilization Review (Retrospective DUR)

   a. The DUR Board shall review and make recommendations on predetermined standards submitted to it by the DHCFP or the DHCFP's contractor. These standards shall be applied by the DHCFP or the DHCFP's contractor to drug claims data in order to generate reports that identify patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among physicians, pharmacists and individuals receiving benefits under Title XIX or Title XXI, or associated with specific drugs or groups of drugs.

   b. The DUR Board shall evaluate the use of the predetermined standards, including assessing the operational effect of the predetermined standards in use, and make recommendations to the DHCFP or the DHCFP's contractor concerning

modification or elimination of existing predetermined standards or the addition of new ones.

3. Application of Standards

The DUR Board, on an ongoing basis, will serve in an advisory role to the DHCFP, assessing both Fee-for-Service (FFS) and Managed Care data on drug use against explicit predetermined standards including but not limited to monitoring for therapeutic appropriateness, over-utilization and under-utilization, appropriate use of generic products, therapeutic duplication, drug-disease contraindications, drug-drug interactions, incorrect drug dosage or duration of drug treatment, and clinical abuse/misuse.

4. Educational Program

A. The DUR Board shall identify and develop educational topics if education of practitioners on common drug therapy problems is needed to improve prescribing or dispensing practices.

B. The DUR Board shall make recommendations as to which interventions would most effectively lead to improvement in the quality of drug therapy.

1. The recommendations must be based on an in-depth review conducted by the DHCFP or the DHCFP's contractor of the results of the application of predetermined standards against claims data reports.

2. The recommendations must also be appropriate based upon program experience.

3. The recommendations must match the educational program with the drug therapy problems identified. According to Social Security Act § 1927(g)(3)(c), possible interventions include:

a. Information dissemination sufficient to ensure the ready availability to physicians and pharmacists in the State of information concerning its duties, powers and basis for its standards;

b. Written, oral or electronic reminders containing patient-specific or drug-specific (or both) information and suggested changes in prescribing or dispensing practices, communicated in accordance with privacy standards mandated by the Health Insurance Portability and Accountability Act of 1996 (HIPAA);

c. Use of face-to-face discussions between health care professionals who are experts in rational drug therapy and selected prescribers and

pharmacists who have been targeted for educational intervention, including discussion of optimal prescribing, dispensing or pharmacy care practices and follow-up face-to-face discussions, and

d. Intensified review or monitoring of selected prescribers or dispensers.

C. The DUR Board shall periodically re-evaluate and, if necessary, modify the interventions.

5. Annual Report

The DUR Board shall submit an annual report to the DHCFP that assists the DHCFP in preparing its annual report to the Secretary of the U.S. Department of Health and Human Services (DHHS). The report submitted to DHHS must be in accordance with federal regulations.

6. As mandated by Nevada Revised Statutes, in support of the DHCFP's step therapy and prior authorization program for prescription drugs, the DUR Board shall also:

a. Advise the DHCFP concerning the use by the Medicaid program of step therapy and prior authorization for prescription drugs.

b. Develop step therapy protocols and prior authorization policies and procedures for use by the Medicaid program for prescription drugs. These policies and procedures shall not be used to influence the Pharmacy and Therapeutics Committee as it works independently to create the List of Preferred Prescription Drugs.

c. Review and approve, based on clinical evidence and best clinical practice guidelines and without consideration of the cost of the prescription drugs being considered, step therapy protocols used by the Medicaid program for prescription drugs.

d. The DUR Board shall NOT be required to develop, review or approve any prior authorization policies or procedures that are deemed specifically necessary for the operation of the List of Preferred Prescription Drugs developed by the Pharmacy and Therapeutics Committee.

203.3C APPOINTING AUTHORITY/DUR BOARD COORDINATOR

1. The Director is the Appointing Authority and shall make all appointments to the DUR Board, except any ex officio members.

2. The DHCFP Chief of ~~Program Services~~ Behavioral Health and Pharmacy Services shall serve as the DUR Board Coordinator.

203.3D MEMBERSHIP

1. The DUR Board shall consist of no less than five members and no more than ten members, including one DHCFP staff person who shall serve as an ex officio member.

2. The Administrator, DHCFP shall designate one staff person from within the DHCFP to serve as an ex officio member of the DUR Board.

3. At least one-third, but no more than 51%, of the membership of the DUR Board shall be comprised of active physicians licensed to practice medicine in Nevada.

4. At least one-third of the membership of the DUR Board shall be comprised of active pharmacists licensed to practice medicine in Nevada.

5. Membership of the DUR Board shall include health care professionals who have recognized knowledge and expertise in one or more of the following:

   a. The clinically appropriate prescribing of covered outpatient drugs;

   b. The clinically appropriate dispensing and monitoring of covered outpatient drugs;

   c. Drug use review, evaluation and intervention, and

   d. Medical quality assurance.

6. Members serving on the DUR Board may not have a current affiliation, while serving the board/committee term, with a business or corporation that manufactures prescription drugs. This includes direct compensation through employment and contractual activities. This does not exclude members from participating in continuing educational units or conferences sponsored by the above entities.

7. The director shall appoint one member recommended by each Managed Care Organization (MCO) contracted with the DHCFP. This member shall not be an employee or contractor of any MCO.

203.3E TERMS

1. Members of the DUR Board shall serve two years with alternating terms.

2. During even years (i.e., 2004, 2006, 2008 …) new members shall be appointed to the second, fourth and sixth positions.

3. During odd years (i.e., 2003, 2005, 2007 …) new members shall be appointed to the first, third, fifth and seventh positions.

203.3F MEETINGS

1. The DUR Board shall meet at least quarterly.

2. Interim meetings may be called by the Chairperson or by the DHCFP Chief of the Behavioral Health and Pharmacy Services.~~Clinical Policy Team (CPT).~~

203.4 PHARMACY AND THERAPEUTICS COMMITTEE

203.4A INTRODUCTION

The Pharmacy and Therapeutics Committee (hereinafter referred to as the "P&T Committee") is established to serve the DHHS and the DHCFP in an advisory capacity for the purpose of developing and maintaining a preferred prescription drug list for the Title XIX and Title XXI programs.

203.4B DUTIES

1. The P&T Committee shall identify the preferred prescription drugs, which should be included on the Preferred Drugs List (hereinafter referred to as the "PDL") developed by the DHCFP.

2. The P&T Committee shall identify the preferred prescription drugs included on the PDL, which are or should be excluded from any restrictions for inclusion on the PDL Exclusion List being developed by the DHCFP. These drugs include, but are not limited to:

   a. Prescription drugs that are prescribed for the treatment of the human immunodeficiency virus or acquired immunodeficiency syndrome, including, without limitation, protease inhibitors and antiretroviral medications;

   b. Antirejection medications for organ transplants;

   c. Antihemophilic medications; and

   d. Any prescription drug that the P&T Committee identifies as appropriate for exclusion from any restrictions that are imposed on drugs that are on the list of the PDL.

3. The P&T Committee shall make the final determination of:

   a. Whether a class of therapeutic prescription drugs is included on the PDL and is excluded from any restrictions that are imposed on other drugs that are on the PDL;

b. Which therapeutically equivalent prescription drugs shall be reviewed for inclusion on the PDL and for exclusion from any restrictions that are imposed on other drugs that are on the PDL; and

c. Which prescription drugs should be excluded from any restrictions that are imposed on other drugs that are on the PDL based on continuity of care concerning a specific diagnosis, condition, class of therapeutic prescription drugs or medical specialty.

4. In executing its duties, the P&T Committee shall:

a. Base its decisions on evidence of clinical efficacy and safety without consideration of the cost of the prescription drugs being considered;

b. Review new pharmaceutical products in as expeditious a manner as possible; and

c. Consider new clinical evidence supporting the inclusion of an existing pharmaceutical product on the PDL and new clinical evidence supporting the exclusion of an existing pharmaceutical product from any restrictions that are imposed on drugs that are on the PDL in as expeditious a manner as possible.

5. If the P&T Committee determines that there are no significant differences between drugs within a specific category based on clinical efficacy and safety, the DHCFP may consider cost in determining which drugs are selected for inclusion on the PDL.

6. In executing its duties, the P&T Committee is authorized to:

a. Exercise clinical judgment and analyze peer review articles, published studies, and other medical and scientific information; and

b. Establish subcommittees to analyze specific issues that arise as the P&T Committee carries out its duties.

7. At least annually, the P&T Committee shall review all classes of therapeutic prescription drugs on the PDL.

203.4C APPOINTING AUTHORITY/ P&T COMMITTEE COORDINATOR

1. The Governor is the Appointing Authority and, based on recommendations from the Director, shall make all appointments to membership of the P&T Committee.

2. The Chief of the Behavioral Health and Pharmacy Services ~~Clinical Policy Team (CPT)~~ shall serve as the P&T Committee Coordinator.