

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| MATERIAL TRANSMITTED | MATERIAL SUPERSEDED |
|---|---|
| MTL 02/18 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 |

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BOARDS, COMMITTEES and ADVISORY COMMITTEES

200 INTRODUCTION

Health care programs often require input from health care professionals to ensure that policies, procedures and practices reflect medical advances and safety concerns. Accordingly, federal and state laws and regulations establish boards and committees of health care professionals to provide advice and guidance to federal and state funded health care programs.

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201 AUTHORITY

The Medical Care Advisory Committee is established in accordance with federal regulations, specifically, 42 CFR § 431.12, the Social Security Act § 1902(a)(22) [42 USC 1396a], and by Nevada Revised Statutes.

The Drug Use Review (DUR) Board is established in accordance with 42 § CFR 456.716 and the Social Security Act § 1927(g)(3) [42 USC § 1396r-8].

The Pharmacy and Therapeutics Committee is established under the authority of Nevada Revised Statutes (NRS).

The Advisory Committee is established under the authority of Nevada Revised Statutes.

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- 202 DEFINITIONS
- 202.1 ADMINISTRATOR
- Shall mean the State’s Administrator of the Division of Health Care Financing and Policy (DHCFP).
- 202.2 APPOINTING AUTHORITY
- Shall mean whomever the federal and/or state laws and/or regulations specify as having authority to establish the Board, Committee and/or Advisory Committee and appoint members.
- 202.3 DHCFP
- Shall mean the Division of Health Care Financing and Policy, a division of the Department of Health and Human Services (DHHS).
- 202.4 DHCFP COORDINATOR
- Shall mean the individual designated by the Administrator as the primary point of contract within the DHCFP for the Board, Committee and/or Advisory Committee.
- 202.5 DHCFP WEBSITE
- Shall mean <http://www.dhcfp.nv.gov>
- 202.6 DHHS
- Shall mean the Department of Health and Human Services of the State of Nevada.
- 202.7 DIRECTOR
- Shall mean the State’s Director of the DHHS.
- 202.8 MEDICAID
- Shall mean the Medicaid program that is administered by the DHCFP under Title XIX.
- 202.9 NEVADA CHECK-UP
- Shall mean the State Children’s Health Insurance Program that is administered by the DHCFP under Title XXI.

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202.10 QUORUM

Shall have the meaning stated in NRS § 241.015 (4) as a simple majority of the constituent membership of a public body or another proportion established by law.

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203 POLICY

203.1 STANDARD OPERATING PROCEDURES APPLICABLE TO ALL BOARDS, COMMITTEES AND ADVISORY COMMITTEES

203.1A INTRODUCTION

The following policies and procedures apply to all Boards, Committees and Advisory Committees appointed to serve in support of the DHCFP programs.

203.1B TERM

1. All appointed members of a Board, Committee and/or Advisory Committee serve at the pleasure of the Appointing Authority.
2. At the end of an appointed member's term, the Appointing Authority may reappoint a Board, Committee and/or Advisory Committee member to a subsequent term.
3. If a vacancy occurs in the membership of a Board, Committee and/or Advisory Committee, the Appointing Authority shall fill the vacancy for the remainder of the unexpired term in the same manner as the original appointment.
4. A member of a Board, Committee and/or Advisory Committee may resign by written notice to the Chairperson and the DHCFP Coordinator.

203.1C CHAIRPERSON/ VICE-CHAIRPERSON/DHCFP COORDINATOR AND SECRETARY/ STAFF ASSISTANCE

1. The Appointing Authority shall appoint the Chairperson and Vice-Chairperson of the Board, Committee and/or Advisory Committee from among its members.
2. The Chairperson and Vice-Chairperson shall serve a term of one year, unless otherwise specified by the Appointing Authority.
3. The Chairperson shall preside over the Board, Committee and/or Advisory Committee meetings, and shall confer with the DHCFP Coordinator on agenda items in advance of each meeting.
4. The Chairperson shall be physically present to preside over a meeting.
5. The Vice-Chairperson shall assume the duties of the Chairperson in his/her absence.

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6. If the Chairperson is unable to continue to serve, the Vice-Chairperson shall assume the responsibilities of the Chairperson until the Appointing Authority appoints a new Chairperson.
7. The DHCFP shall provide the Board, Committee and/or Advisory Committee with staff assistance and independent technical assistance as needed to enable it to accomplish its functions and duties.

203.1D MEETINGS

1. All Boards, Committees and Advisory Committees shall conduct their meetings pursuant to the Nevada Open Meeting Law set forth in Nevada Revised Statutes Chapter 241.
2. Members of Boards, Committees and/or Advisory Committees shall meet at such times and places as the Chairperson and the DHCFP Coordinator deems necessary to conduct the business of the Board, Committee and/or Advisory Committee and carry out their duties.
3. The Chairperson and the DHCFP Coordinator shall be responsible for drafting an agenda for each Board, Committee and/or Advisory Committee meeting and such agenda, along with Exhibits of proposals from the DHCFP or its responsible contractor, shall be distributed to each member not later than 15 business days prior to each meeting. To the greatest extent possible, Exhibits shall be provided in electronic form or as a link to a website.
 - a. In addition to business to be conducted at the meeting, the agenda shall address the following:
 1. A sign-in sheet shall be available at the door prior to the meeting where individuals, organizations or agencies may sign up to make public comments during the meeting;
 2. Public comment is limited to five minutes per individual, organization or agency, but may be extended at the Chair's discretion; and
4. Anyone presenting documents for consideration must provide sufficient copies for each member of the Board, Committee and/or Advisory Committee and the official record (if possible, provide documents in electronic form for record retention purposes). Copies for public comment are to be distributed at the time of the meeting; the DHCFP or its responsible contractor will not distribute public comment information prior to the public meeting.
 - a. Exhibits for discussion topics may include the following items, as applicable:
 1. Statement of need/purpose;

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2. History;
3. Present policy or regulation, to include coverage and cost in other states and by Medicare and private insurance, if available;
4. Reason for change/justification;
5. Proposed policy or regulation change or adoption; and
6. Effect of change, to include potential cost and/or savings.

b. Exhibits for discussion topics shall also meet the following standards:

1. Documentation of a purely marketing or soliciting nature is discouraged, and
 2. Proposals, handouts or other exhibits may be submitted to the Board for consideration.
5. A simple majority of the members of the Board, Committee and/or Advisory Committee constitutes a quorum for the transaction of business.
 6. Each of the members constituting a quorum of the Board, Committee and/or Advisory Committee shall vote to approve or disapprove each action item on the agenda.
 7. Unless specified otherwise in this document, an affirmative vote of a majority of the members of the Board, Committee and/or Advisory Committee present is required to take action.
 8. Members may attend meetings telephonically; however, attendance in person to the maximum extent possible is highly encouraged.
 9. Minutes and other relevant materials shall be accessible via the DHCFP website. Individuals who do not have access to the Internet may request hard copies by calling the DHCFP Hearings and Policy office, (775) 684-3605.

203.1E COMPENSATION

1. Unless a specific contract stipulates otherwise, members of Boards, Committees and/or Advisory Committees serve without compensation. Except that a member of the Board, Committee and/or Advisory Committee is entitled, while engaged in the business of the Board, Committee and/or Advisory Committee, to receive travel expenses provided for state officers and employees generally, including per diem, transportation, lodging and associated miscellaneous expenses.

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2. Each member of a Board, Committee and/or Advisory Committee who is an officer or employee of the State of Nevada or a local government must be relieved from his/her duties without loss of regular compensation so that he/she may prepare for and attend meetings of the Board, Committee and/or Advisory Committee and perform any work necessary to carry out the duties of the Board, Committee and/or Advisory Committee in the most timely manner practicable. A state agency or local governmental entity shall not require an officer or employee who is a member of a Board, Committee and/or Advisory Committee to make up the time that he/she is absent from work to carry out his/her duties as a member of the Board, Committee and/or Advisory Committee or to use annual vacation or compensatory time for the absence.

203.1F CONFLICT OF INTEREST

Members of Boards, Committees and/or Advisory Committees are required to submit conflicts of interest disclosure statements and shall have an ongoing duty to disclose any conflicts of interest to the Chairperson and the DHC FP Coordinator.

203.1G CONFIDENTIALITY

Materials provided to members of a Board, Committee and/or Advisory Committee because of their membership are considered public documents unless specifically protected from disclosure by contract or statute as a trade secret, or constitute other confidential material.

203.2 MEDICAL CARE ADVISORY COMMITTEE

203.2A INTRODUCTION

The Medical Care Advisory Committee (hereinafter referred to as "MCAC") is created for the purpose of:

1. Advising the DHC FP regarding the provision of services for the health and medical care of Medicaid recipients;
2. Providing the opportunity for the public to participate in policy development and program administration;
3. Reviewing managed care health plan marketing materials and serving in a consultative capacity to Medicaid pursuant to Section 4707 (a) of the Balanced Budget Act of 1997.

203.2B DUTIES

Members of the MCAC shall review changes in policies, regulations and the administration of Medicaid's health care programs and shall advise the DHC FP thereon by voting in favor of or in opposition to each such change.

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203.2C APPOINTING AUTHORITY/DHCFP COORDINATOR

1. The Director is the Appointing Authority and shall make all appointments to the MCAC and associated Clinical Review and Advisory Subcommittees (CRAS).
2. The DHCFP Chief of Compliance shall serve as the MCAC Coordinator/Secretary.

203.2D MEMBERSHIP

1. The MCAC shall be comprised of nine members, including the State Health Officer who shall serve as an ex officio member.
2. The MCAC shall have the power granted herein to form CRAS, each with appointed members that specialize in a particular interdisciplinary medical practice for decision-making purposes and the development of recommendations concerning specific problems within the scope of the functions of the MCAC.
3. Membership on the MCAC and each CRAS shall be limited to persons or businesses that are contracted Medicaid service providers, with the exception of those individuals identified in 5d, 5g and 5h below.
4. The Director shall appoint eight members of the MCAC and all members of the Clinical Review and Advisory Subcommittees (CRAS).
5. The eight appointed members of the MCAC shall consist of the following individuals:
 - a. One individual who holds a license to practice medicine in the State of Nevada and is certified by the Board of Medical Examiners in a medical specialty.
 - b. One individual who holds a license to practice dentistry in the State of Nevada.
 - c. One individual who holds a Certificate of Registration as a pharmacist in the State of Nevada.
 - d. One individual who is a member of a profession in the field of health care who is familiar with the needs of persons of low income, the resources required for their care, and the availability of those resources.
 - e. One individual who is an administrator of a hospital or a clinic providing health care.
 - f. One individual who is an administrator of a facility for intermediate care or a facility for skilled nursing.

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- g. One individual who is a member of an organized group that provides assistance, representation or other support to a recipient of medical assistance through programs administered by the DHCFP.
 - h. One individual who is a recipient of medical assistance through programs administered by the DHCFP.
6. The members of the CRAS must specialize and be certified in a particular interdisciplinary medical practice. The CRAS shall consist of members from at least one of the following medical specialty groups:
- a. Dentistry
 - b. Gynecology/Obstetrics
 - c. Pharmacology and Durable Medical Equipment
 - d. Pediatrics
 - e. Neurology
 - f. Family Practice
 - g. Psychiatry and Psychology
 - h. Gerontology
 - i. Managed Care Organization Management

203.2E TERMS

Members of both the MCAC and CRAS shall serve a term of one year.

203.2F MEETINGS

Meetings must be held at least once each calendar year.

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

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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

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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.

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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 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.

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2. The Administrator of the 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.

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2. Interim meetings may be called by the Chairperson or by the DHCFP Chief of the **Behavioral Health and Pharmacy Services**.

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

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- 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** shall serve as the P&T Committee Coordinator.

203.4D MEMBERSHIP

1. The P&T Committee must consist of at least five members, and not more than 11 members.

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2. At least one-third of the members of the P&T Committee must be active physicians licensed to practice medicine in Nevada.
3. At least one member of the P&T Committee must be an active psychiatrist licensed to practice medicine in Nevada.
4. At least one-third of the members of the P&T Committee must be either active pharmacists registered in Nevada or persons in the State with doctoral degrees in pharmacy.
5. Members serving on the P&T Committee 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.
6. P&T Committee members shall be health care professionals who have knowledge and expertise in one or more of the following:
 - a. The clinically appropriate prescribing of outpatient prescription drugs that are covered by Medicaid;
 - b. The clinically appropriate dispensing and monitoring of outpatient prescription drugs that are covered by Medicaid;
 - c. The review of, evaluation of and intervention in the use of prescription drugs; and
 - d. Medical quality assurance.

203.4E TERMS

After the initial term*, the term of each member of the P&T Committee is two years. (*The term for half the initial P&T Committee members shall be one year and the other half two years.)

203.4F MEETINGS

1. The P&T Committee shall meet at least once every three months.
2. An affirmative vote of a majority of the all members of the P&T Committee is required to take action.