

3 Senate Bill No. 861  
4 As Amended

5 SENATE BILL NO. 861 - By: MONSON of the Senate and PETERS of the  
6 House.

7 [ public health and safety - drug prior authorization  
8 programs - effective date ]

9 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

10 SECTION 1. AMENDATORY 63 O.S. 2001, Section 5030.5, as  
11 amended by Section 2, Chapter 411, O.S.L. 2002 (63 O.S. Supp. 2004,  
12 Section 5030.5), is amended to read as follows:

13 Section 5030.5 A. ~~Any~~ Except as provided in subsection F of  
14 this section, any drug prior authorization program approved or  
15 implemented by the Medicaid Drug Utilization Review Board shall meet  
16 the following conditions:

17 1. The Medicaid Drug Utilization Review Board shall make note  
18 of and consider information provided by interested parties,  
19 including, but not limited to, physicians, pharmacists, patients,  
20 and pharmaceutical manufacturers, related to the placement of a drug  
21 or drugs on prior authorization;

22 2. Any drug or drug class placed on prior authorization shall  
23 be reconsidered no later than twelve (12) months after such  
24 placement;

1           3. The program shall provide either telephone or fax approval  
2 or denial within twenty-four (24) hours after receipt of the prior  
3 authorization request; and

4           4. In an emergency situation, including a situation in which an  
5 answer to a prior authorization request is unavailable, a seventy-  
6 two-hour supply shall be dispensed, or, at the discretion of the  
7 Medicaid Drug Utilization Review Board, a greater amount that will  
8 assure a minimum effective duration of therapy for an acute  
9 intervention.

10          B. In formulating its recommendations for placement of a drug  
11 or drug class on prior authorization to the Oklahoma Health Care  
12 Authority Board, the Medicaid Drug Utilization Review Board shall:

13           1. Consider the potential impact of any administrative delay on  
14 patient care and the potential fiscal impact of such prior  
15 authorization on pharmacy, physician, hospitalization and outpatient  
16 costs. Any recommendation making a drug subject to placement on  
17 prior authorization shall be accompanied by a statement of the cost  
18 and clinical efficacy of such placement;

19           2. Provide a period for public comment on each meeting agenda.  
20 Prior to making any recommendations, the Medicaid Drug Utilization  
21 Review Board shall solicit public comment regarding proposed changes  
22 in the prior authorization program in accordance with the provisions

1 of the Oklahoma Open Meeting Act and the Administrative Procedures  
2 Act; and

3 3. Review Oklahoma Medicaid specific data related to  
4 utilization criterion standards as provided in division (1) of  
5 subparagraph b of paragraph 2 of Section 5030.4 of this title.

6 C. The Oklahoma Health Care Authority Board may accept or  
7 reject the recommendations of the Medicaid Drug Utilization Review  
8 Board in whole or in part, and may amend or add to such  
9 recommendations.

10 D. The Oklahoma Health Care Authority shall immediately provide  
11 coverage under prior authorization for any new drug approved by the  
12 United States Food and Drug Administration if the drug falls within  
13 a drug class that the Authority has already placed under prior  
14 authorization.

15 E. 1. Prior to a vote by the Medicaid Drug Utilization Review  
16 Board to consider expansion of product-based prior authorization,  
17 the ~~Oklahoma Health Care Authority~~ shall:

- 18 a. develop a written estimate of savings expected to  
19 accrue from the proposed expansion, and  
20 b. make the estimate of savings available, on request of  
21 interested persons, no later than the day following  
22 the first scheduled discussion of the estimate by the

1                    Medicaid Drug Utilization Review Board at a regularly  
2                    scheduled meeting.

3            2. The written savings estimate based upon savings estimate  
4            assumptions specified by paragraph 3 of this subsection prepared by  
5            the Authority shall include as a minimum:

- 6            a. a summary of all paid prescription claims for patients  
7            with a product in the therapeutic category under  
8            consideration during the most recent month with  
9            complete data, plus a breakdown, as available, of  
10           these patients according to whether the patients are  
11           residents of a long-term care facility or are  
12           receiving Advantage Waiver program services,
- 13           b. current number of prescriptions, amount reimbursed and  
14           trend for each product within the category under  
15           consideration,
- 16           c. average active ingredient cost reimbursed per day of  
17           therapy for each product and strength within the  
18           category under consideration,
- 19           d. for each product and strength within the category  
20           under consideration, where applicable, the prevailing  
21           State Maximum Allowable Cost reimbursed per dosage  
22           unit,

- 1 e. the anticipated impact of any patent expiration of any  
2 product within the category under consideration  
3 scheduled to occur within two (2) years from the  
4 anticipated implementation date of the proposed prior  
5 authorization expansion, and
- 6 f. a detailed estimate of administrative costs involved  
7 in the prior authorization expansion including, but  
8 not limited to, the anticipated increase in petition  
9 volume.
- 10 3. Savings estimate assumptions shall include, at a minimum:
- 11 a. the prescription conversion rate of products requiring  
12 prior authorization (Tier II) to products not  
13 requiring prior authorization (Tier I) and to other  
14 alternative products,
- 15 b. aggregated rebate amount for the proposed Tier I and  
16 Tier II products within the category under  
17 consideration,
- 18 c. market shift of Tier II products due to other causes  
19 including, but not limited to, patent expiration,
- 20 d. Tier I to Tier II prescription conversion rate, and
- 21 e. nature of medical benefits and complications typically  
22 seen with products in this class when therapy is  
23 switched from one product to another.

1           4.    The Medicaid Drug Utilization Review Board shall consider  
2 prior authorization expansion in accordance with the following  
3 Medicaid Drug Utilization Review Board meeting sequence:

- 4           a.    first meeting:  publish the category or categories to  
5                    be considered for prior authorization expansion in the  
6                    future business section of the Medicaid Drug  
7                    Utilization Review Board agenda,
- 8           b.    second meeting:  presentation and discussion of the  
9                    written estimate of savings,
- 10          c.    third meeting:  make formal notice in the agenda of  
11                    intent to vote on the proposed prior authorization  
12                    expansion, and
- 13          d.    fourth meeting:  vote on prior authorization  
14                    expansion.

15          F.    The Medicaid Drug Utilization Review Board may establish  
16 protocols and standards for the use of any prescription drug  
17 determined to be medically necessary for the treatment and  
18 prevention of human immunodeficiency virus/acquired immune  
19 deficiency syndrome (HIV/AIDS) and Hepatitis C without prior  
20 authorization.

21          SECTION 2.  This act shall become effective November 1, 2005.

22          COMMITTEE REPORT BY:  COMMITTEE ON APPROPRIATIONS, dated 2-23-05 - DO  
23          PASS, As Amended and Coauthored.