

1 ENGROSSED SENATE
2 BILL NO. 934

By: Anderson, Coffee, Crain and
Ford of the Senate

3 and

4 Schwartz of the House

5
6
7 [public health and safety - Medicaid Drug

8 Utilization Review Board - protocols -

9 effective date]

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

12 SECTION 1. AMENDATORY 63 O.S. 2001, Section 5030.5, as
13 last amended by Section 1, Chapter 206, O.S.L. 2005 (63 O.S. Supp.
14 2008, Section 5030.5), is amended to read as follows:

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

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

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

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

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

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

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

22 2. Provide a period for public comment on each meeting agenda.
23 Prior to making any recommendations, the Medicaid Drug Utilization
24 Review Board shall solicit public comment regarding proposed changes

1 in the prior authorization program in accordance with the provisions
2 of the Oklahoma Open Meeting Act and the Administrative Procedures
3 Act; and

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

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

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

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

19 a. develop a written estimate of savings expected to
20 accrue from the proposed expansion, and

21 b. make the estimate of savings available, on request of
22 interested persons, no later than the day following
23 the first scheduled discussion of the estimate by the
24

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,
- 23 e. the anticipated impact of any patent expiration of any
24 product within the category under consideration

1 scheduled to occur within two (2) years from the
2 anticipated implementation date of the proposed prior
3 authorization expansion, and

4 f. a detailed estimate of administrative costs involved
5 in the prior authorization expansion including, but
6 not limited to, the anticipated increase in petition
7 volume.

8 3. Savings estimate assumptions shall include, at a minimum:

9 a. the prescription conversion rate of products requiring
10 prior authorization (Tier II) to products not
11 requiring prior authorization (Tier I) and to other
12 alternative products,

13 b. aggregated rebate amount for the proposed Tier I and
14 Tier II products within the category under
15 consideration,

16 c. market shift of Tier II products due to other causes
17 including, but not limited to, patent expiration,

18 d. Tier I to Tier II prescription conversion rate, and

19 e. nature of medical benefits and complications typically
20 seen with products in this class when therapy is
21 switched from one product to another.

22 4. The Medicaid Drug Utilization Review Board shall consider
23 prior authorization expansion in accordance with the following
24 Medicaid Drug Utilization Review Board meeting sequence:

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

12 F. The Medicaid Drug Utilization Review Board may establish
13 protocols and standards for the use of any prescription drug
14 determined to be medically necessary, proven to be effective and
15 approved by the Food and Drug Administration (FDA) for the treatment
16 and prevention of human immunodeficiency virus/acquired immune
17 deficiency syndrome (HIV/AIDS) and Hepatitis C without prior
18 authorization, except when there is a generic equivalent drug
19 available. Atypical antipsychotics and typical antipsychotics shall
20 be exempt from any preferred drug list in the drug utilization
21 review of the Oklahoma Health Care Authority, except in the case of
22 clinical review and clinical edits as recommended by the Drug
23 Utilization Review Board and approved by the Chief Medical Officer
24 of the Oklahoma Health Care Authority.

1 SECTION 2. This act shall become effective November 1, 2009.

2 Passed the Senate the 3rd day of March, 2009.

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5 Presiding Officer of the Senate

6 Passed the House of Representatives the ____ day of _____,
7 2009.

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9 _____
10 Presiding Officer of the House
11 of Representatives