

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 SENATE BILL 934

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

4 and

5 Schwartz of the House
6

7
8 AS INTRODUCED

9 An Act relating to public health and safety; amending
10 63 O.S. 2001, Section 5030.5, as last amended by
11 Section 1, Chapter 206, O.S.L. 2005 (63 O.S. Supp.
12 2008, Section 5030.5), which relates to the Medicaid
13 Drug Utilization Review Board; permitting the Medicaid
14 Drug Utilization Board to establish protocols and
15 standards for certain types of drugs; and providing an
16 effective date.

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

18 SECTION 1. AMENDATORY 63 O.S. 2001, Section 5030.5, as
19 last amended by Section 1, Chapter 206, O.S.L. 2005 (63 O.S. Supp.
20 2008, Section 5030.5), is amended to read as follows:

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

1. The Medicaid Drug Utilization Review Board shall make note of
and consider information provided by interested parties, including,

1 but not limited to, physicians, pharmacists, patients, and
2 pharmaceutical manufacturers, related to the placement of a drug or
3 drugs on prior authorization;

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

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

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

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

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

24

1 2. Provide a period for public comment on each meeting agenda.
2 Prior to making any recommendations, the Medicaid Drug Utilization
3 Review Board shall solicit public comment regarding proposed changes
4 in the prior authorization program in accordance with the provisions
5 of the Oklahoma Open Meeting Act and the Administrative Procedures
6 Act; and

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

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

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

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

- 21 a. develop a written estimate of savings expected to
22 accrue from the proposed expansion, and
23 b. make the estimate of savings available, on request of
24 interested persons, no later than the day following the

1 first scheduled discussion of the estimate by the
2 Medicaid Drug Utilization Review Board at a regularly
3 scheduled meeting.

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

- 7 a. a summary of all paid prescription claims for patients
8 with a product in the therapeutic category under
9 consideration during the most recent month with
10 complete data, plus a breakdown, as available, of these
11 patients according to whether the patients are
12 residents of a long-term care facility or are receiving
13 Advantage Waiver program services,
- 14 b. current number of prescriptions, amount reimbursed and
15 trend for each product within the category under
16 consideration,
- 17 c. average active ingredient cost reimbursed per day of
18 therapy for each product and strength within the
19 category under consideration,
- 20 d. for each product and strength within the category under
21 consideration, where applicable, the prevailing State
22 Maximum Allowable Cost reimbursed per dosage 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 in
5 the prior authorization expansion including, but not
6 limited to, the anticipated increase in petition volume.

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

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

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

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

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

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

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

11 F. The Medicaid Drug Utilization Review Board may establish
12 protocols and standards for the use of any prescription drug
13 determined to be medically necessary, proven to be effective and
14 approved by the Food and Drug Administration (FDA) for the treatment
15 and prevention of human immunodeficiency virus/acquired immune
16 deficiency syndrome (HIV/AIDS), any mental health disorder and
17 Hepatitis C without prior authorization, except when there is a
18 generic equivalent drug available.

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

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21 52-1-292 JM 3/6/2009 7:43:54 AM
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