

1 **SENATE FLOOR VERSION**

2 April 8, 2015

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 1628

By: Derby of the House

and

6 Griffin of the Senate

7
8
9 [Oklahoma Health Care Authority - prior
authorization - ~~effective date~~ -

10 ~~emergency~~]

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

14 SECTION 1. AMENDATORY 63 O.S. 2011, Section 5030.5, as
15 amended by Section 1, Chapter 341, O.S.L. 2014 (63 O.S. Supp. 2014,
16 Section 5030.5), is amended to read as follows:

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

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

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

6 3. The program shall provide either telephone or fax approval
7 or 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
16 or 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;

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
8 utilization criterion standards as provided in division (1) of
9 subparagraph b of paragraph 2 of Section 5030.4 of this title.

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

14 D. The Oklahoma Health Care Authority shall immediately provide
15 coverage under prior authorization for any new drug approved by the
16 United States Food and Drug Administration ~~if the drug falls within~~
17 ~~a drug class that the Authority has already placed under prior~~
18 ~~authorization.~~ If the new drug falls within a drug class that the
19 Authority has already placed under prior authorization, the drug
20 shall be considered with the next annual review of the class. If
21 the new drug does not fall within a class that the Authority has
22 already placed under prior authorization, the drug shall be reviewed
23 as soon as possible after market entry.
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1 E. 1. Prior to a vote by the Medicaid Drug Utilization Review
2 Board to consider expansion of product-based prior authorization,
3 the Authority shall:

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

6 b. make the estimate of savings available, on request of
7 interested persons, no later than the day following
8 the first scheduled discussion of the estimate by the
9 Medicaid Drug Utilization Review Board at a regularly
10 scheduled meeting.

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

14 a. a summary of all paid prescription claims for patients
15 with a product in the therapeutic category under
16 consideration during the most recent month with
17 complete data, plus a breakdown, as available, of
18 these patients according to whether the patients are
19 residents of a long-term care facility or are
20 receiving Advantage Waiver program services,

21 b. current number of prescriptions, amount reimbursed and
22 trend for each product within the category under
23 consideration,
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- 1 c. average active ingredient cost reimbursed per day of
2 therapy for each product and strength within the
3 category under consideration,
- 4 d. for each product and strength within the category
5 under consideration, where applicable, the prevailing
6 State Maximum Allowable Cost reimbursed per dosage
7 unit,
- 8 e. the anticipated impact of any patent expiration of any
9 product within the category under consideration
10 scheduled to occur within two (2) years from the
11 anticipated implementation date of the proposed prior
12 authorization expansion, and
- 13 f. a detailed estimate of administrative costs involved
14 in the prior authorization expansion including, but
15 not limited to, the anticipated increase in petition
16 volume.

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

- 18 a. the prescription conversion rate of products requiring
19 prior authorization (Tier II) to products not
20 requiring prior authorization (Tier I) and to other
21 alternative products,
- 22 b. aggregated rebate amount for the proposed Tier I and
23 Tier II products within the category under
24 consideration,

- c. market shift of Tier II products due to other causes including, but not limited to, patent expiration,
- d. Tier I to Tier II prescription conversion rate, and
- e. nature of medical benefits and complications typically seen with products in this class when therapy is switched from one product to another.

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

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

F. The Medicaid Drug Utilization Review Board may establish protocols and standards for the use of any prescription drug determined to be medically necessary, proven to be effective and approved by the United States Food and Drug Administration (FDA) for

1 the treatment and prevention of human immunodeficiency
2 virus/acquired immune deficiency syndrome (HIV/AIDS) without prior
3 authorization, except when there is a generic equivalent drug
4 available.

5 ~~SECTION 2. This act shall become effective July 1, 2015.~~

6 ~~SECTION 3. It being immediately necessary for the preservation~~
7 ~~of the public peace, health and safety, an emergency is hereby~~
8 ~~declared to exist, by reason whereof this act shall take effect and~~
9 ~~be in full force from and after its passage and approval.~~

10 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
April 8, 2015 - DO PASS AS AMENDED

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