Department:	Pharmacy Management	**Original Approval:**	09/12/2007
Policy No:	PM508	**Last Approval:**	02/21/2024
Policy Title:	Pharmaceutical Management Procedures Policy		
Approved By:	Clinical Services Leadership Team		
Dependencies:	QM 600- Clinical Guidelines Development Policy		

Purpose

This Community Health Plan of Washington (CHPW) policy documents goals and responsibilities for the review and approval of pharmaceutical management programs for the Medicaid line of business.

Policy

CHPW follows the Apple Health Preferred Drug List (AHPDL) for its Medicaid formulary. The primary goal of pharmaceutical management programs is to ensure appropriate utilization. CHPW's independent Pharmacy and Therapeutics (P&T) & DUR Committee is responsible for the review and approval of CHPW pharmaceutical management programs when not outlined through the AHPDL or HCA contract requirements The CHPW Pharmacy department is responsible for the development and implementation of pharmaceutical management programs.

This Community Health Plan of Washington (CHPW) policy describes the decisions regarding the selecting of pharmaceutical management procedures and the different types of pharmaceutical restriction programs.

Selecting Pharmaceutical Management Procedures

In its decisions regarding pharmaceutical management procedures, the Pharmacy Department and Pharmacy and Therapeutics (P&T) Committee will:

- Meet identical medication coverage, age/dose/quantity limitations and coverage criteria policies as directed by the Washington State Healthcare Authority (HCA) for medications included on the Single Preferred Drug List.
- For drugs outside of the AHPDL, CHPW will:

  - Develop a Drug Formulary which favors drugs that have been determined to be the most clinically appropriate, safe, and cost-effective drugs for the diagnosis and treatment of disease and promotion of health.
  - Set Quantity Limits based on treatment duration or maximum dosing limits as approved by the Food and Drug Administration (FDA) or as reflected in current authoritative sources to ensure patient safety.
  - Implement Step Therapy protocols when there is a recognized first-line drug that should be used before a second-line drug to foster safe and effective treatment while reducing the cost of treatment.
  - Recommend Prior Authorization requirements for drugs and drug classes with the potential for significantly increasing costs without a commensurate improvement in efficacy or health status.
  - Adhere to contractual requirements including, but not limited to, benefit exclusion or age restriction of drugs used for cosmetic purposes. In addition, ensuring adherence to coverage requirements of FDA approved contraceptive drugs, including emergency contraceptives, without any limitation.
  - Control adverse utilization trends of high-cost drugs which include, but are not limited to, the availability of less expensive drugs and price parity between different strengths of the same drug.
- The Committee reviews quarterly denial reports to ensure that there are no unnecessary barriers or possible interventions needed.

Narcotic Review

In addition to the CHPW P&T committee, CHPW participates in the HCA Pharmacy and Medical Director meetings to develop a process to identify and manage enrollees with a diagnosis of chronic, non-cancer pain taking opioids at a combined daily dose of greater than listed as the maximum in the HCA Policy: Analgesics: Opioid Agonists Medical Policy No. 65.10.00.

CHPW adheres to the HCA's Opioid Clinical Policy Medical Policy no. 65.10.00. CHPW clinicians may refer enrollees demonstrating at-risk behavior such as repeated requests for opioids that are not medically necessary and exceed quantity, dose, and duration limitations to the CHPW Patient Review and Coordination (PRC) Program.

Continuity Of Care

To ensure continuity of care, members new to CHPW will receive transition fills for non-formulary medications until the first of the following occurs:

- The member's prescription expires

- A participating provider examines the member to evaluate the continued need for the prescription or if the member refuses an evaluation by a provider.

These members will receive a notification of transition fill that includes an instruction to obtain exceptions from Community Health Plan of Washington. Transition fills are applied to non-formulary medications. Edits on benefit exclusions and designed for patient safety, such as quantity limit will still apply during the transition fill.

Members stabilized on atypical antipsychotics, antidepressants, anti-epileptics, and ADHD medications will be grandfathered indefinitely for continuity of care per HCA Mental Health Benefit Policy. The submission review ensures that it meets identical mental health coverage, age/dose/quantity limitations and generics first policy as directed by the HCA. CHPW's policy is to dispense a one-month supply of a formulary medication at a time. Additional circumstances including but not limited to an emergency supply of medication needed when a delay in authorization would interrupt a drug therapy regimen or pose a threat to the member's health and safety, may require an override. See *Policy PM515 – Transition Process* for further details.

Medication Therapy Management (MTM)

CHPW reimburses pharmacists and other qualified providers for providing comprehensive medication management services to targeted individuals. Targeted individuals are enrollees who have undergone a transition of care that may create a high-risk medication-related problem, including:

1. Takes four or more prescribed medications (including OTC and dietary supplements)
2. Takes any "high risk" medications as defined by NCQA for the measure: Use of High-Risk Medications in the Elderly

Has two or more chronic diseases from the list of conditions measured by CMS as part of the Multiple Chronic Condition initiative. MTM services are provided to the HCA in an annual report. The report includes patient clinical outcomes and total health care costs, including reduction in emergency department utilization, hospitalization, and drug costs. See *DP – 152 HCA Reporting Process* for further details on submission.

Types Of Pharmaceutical Restriction Programs

Prior Authorization (PA)

Age Restriction

Step Therapy

Quantity Limits

1. Prior Authorization (PA)

CHPW follows the AHPDL prior authorization requirements. For drugs outside of the AHPDL CHPW leverages its P&T committee to provide guidance on prior authorization requirements. The goal of PA is to promote the most appropriate utilization for selected high-risk or high-cost drugs. The drug selection and criteria for PA are determined by the CHPW P&T Committee.

- Prior Authorization is recommended by CHPW's Pharmacy department for drugs and drug classes with the potential for significantly increasing costs without a commensurate improvement in efficacy or health status.

CHPW pharmacists research clinical evidence and refer to current clinical practice guidelines to develop the PA criteria.

CHPW pharmacists present their recommendations, including thorough clinical evaluations of the evidence that supports the PA and its associated criteria, for the P&T Committee.

The P&T Committee makes the following decisions:

- If a PA should be put in place for the identified drug(s).
- If the recommended criteria are clinically sound. The P&T Committee may amend the criteria if it is deemed necessary.

See *Policy PM 504 – Non-Formulary Drug Requests* for further details.

2. Age Restrictions

CHPW follows the AHPDL prior authorization requirements. For drugs outside of the AHPDL CHPW leverages its P&T committee to provide guidance on age restriction. Age restrictions apply to selected drugs. These drugs are covered without prior authorization for specific age ranges, but otherwise require prior authorization.

- CHPW's pharmacists research the clinical evidence regarding age restrictions.

CHPW's pharmacists present their recommendations, including thorough clinical evaluations of the evidence regarding age restrictions to the P&T Committee.

The P&T Committee determines if age restrictions should be put into effect for the identified drugs.

Second Opinion for Children Prescribed Mental Health Medications

As mandated by Washington State law, psychotropic medications are restricted for Apple Health (AH) members who are under the age of eighteen. Any claim, that is not a refill of the same drug/strength/daily dose or meets duplication or polypharmacy limits being processed at

the point-of-dispensing with respect to psychotropic drugs for AH members exceeding the age/dose limits set by the State will be rejected with the message of "second opinion required" (SON). The provider/designee must call the pharmacy benefit manager (PBM) at 1-844-605-8168 (24 hours a day, 365 days a year) for a 90-day fill if therapy is a continuation for the member. These medication requests will be authorized for 90 days to allow for continuation pending SON review. For Enrollees who have NOT previously filled prescriptions at the same daily dosage, CHPW shall deny authorization of psychotropic medications exceeding these review thresholds until receipt of written report containing treatment recommendations from the SON.

No later than one business day after a denial of any psychotropic medication for a child under 18, CHPW shall request relevant clinical information and chart notes from all prescribers of requested medications. The chart notes must be received by CHPW within ten business days. No later than one business day after obtaining all documentation CHPW shall send notification of authorization denial and all documentation to applehealthpharmacypolicy@hca.wa.gov for SON review. Notifications shall include the following:

- Enrollee name
- Enrollee date of birth
- Enrollee ProviderOne ID
- Denied drug NDC
- Prescribed quantity
- Prescribed days supply
- Prescriber NPI
- Prescriber name
- Prescriber phone and/or fax number
- Pharmacy NPI
- Pharmacy name
- Pharmacy phone and/or fax number
- Date of denial
- Reason for denial

Upon written receipt from the HCA, CHPW will approve or deny medications according to the SON recommendations within 2 business days. If a medication is approved up to a specific dosage, all lower strengths of the same medication will also be authorized without the need for another SON review. Upon notification by HCA that a prescriber has failed to provide documentation to support a prescription which exceeds HCA defined review thresholds, or that

the prescriber has failed to participate in an SON consultation, CHPW shall deny all medications exceeding thresholds within five (5) business days.

The CHPW Provider Relations department notifies the provider network that the HCA provides access to consultation with a child psychiatrist.

The HCA will provide definitions of age and dose-based review thresholds which will be implemented. Changes to these thresholds will be communicated to CHPW by the HCA 60 calendar days prior to required implementation.

3. Step Therapy

CHPW follows the AHPDL prior authorization requirements. For drugs outside of the AHPDL CHPW leverages its P&T committee to provide guidance on Step Therapy. Step Therapy is a program that requires that one or more "**first-line**" drugs must be tried before the requested drug will be covered. The "first-line" drugs have been determined by the CHPW P&T Committee to be effective in treating the same medical condition as the requested drug. All programs of Step Therapy are supported by supplemental PA criteria to ensure that members have adequate access to their medications in situations excluded from the step therapy algorithm.

The procedure for determining if a drug is subject to Step Therapy is as follows:

- Step therapy is recommended by CHPW's Pharmacy Department when there is a recognized first-line drug that should be used before a second-line drug to foster safe and effective treatment while reducing the cost of treatment.

CHPW pharmacists research the clinical evidence regarding the step therapy algorithm and any supplemental PA criteria which are relevant.

CHPW's pharmacists present their recommendations, including thorough clinical evaluations of the evidence regarding the step therapy algorithm and any relevant supplemental PA criteria to the P&T Committee.

The P&T Committee makes the following determinations:

- If a program of Step Therapy should be put in place for the identified drug(s).
- If the recommended step therapy algorithm is clinically sound. The Committee may amend the algorithm if it is determined to be inadequate or unsafe.
- If the recommended supplemental PA criteria are clinically sound. The Committee may amend the supplemental PA criteria if they are determined to be insufficient to meet the goal of the proposed therapy.

See *Policy PM507 – Step Therapy* for further details.

4. Quantity Limit

CHPW follows the AHPDL prior authorization requirements. For drugs outside of the AHPDL CHPW leverages its P&T committee to provide guidance on Quantity limits. Quantity limits are based on maximum dosing limits as approved by the FDA or as reflected in current authoritative sources to ensure patient safety.

- Quantity limits are recommended by CHPW's Pharmacy Department based on maximum dosing limits as approved by the FDA or as reflected in current authoritative sources to ensure patient safety.

CHPW pharmacists research, clinical evidence to support placement of a quantity limit.

CHPW pharmacists present their recommendations, including thorough clinical evaluations of the evidence that supports the quantity limit to the P&T Committee.

The P&T Committee makes the following decisions:

- If the quantity limit should be put in place for the identified drug(s).
- If the recommended quantity limits are clinically sound. The P&T Committee may amend the quantity limit if it is deemed necessary.

See *Policy PM506 – Quantity Limits* for further details.

List of Appendices

A. Detailed Revision History

Citations & References

CFR	42 CFR § 438.210	
WAC	284-43-2050	
RCW		
LOB & Contract Citation	☒ **WAHIMC**	IMC Section 17.3: Pharmacy Benefits and Services
	☐ **BHSO**	
	☐ **Wraparound**	
	☐ **SMAC**	
	☐ **HH**	
	☐ **AHE**	

	☐ **MA/DSNP**	
	☐ **CS**	
Other Requirements		
NCQA Elements	UM11	

Revision History

SME Review:	09/1/2007; 04/25/2008; 01/08/2009; 06/25/2009; 05/28/2010; 01/07/2011; 05/27/2011; 03/28/2013; 04/16/2014; 04/02/2015; 07/07/2015; 03/04/2016; 08/24/2016; 01/30/2017; 07/17/2017; 11/27/2017; 03/02/2018; 03/21/2018; 09/12/2018; 03/12/2019; 02/22/2020; 03/11/2020; 03/17/2021; 02/23/2022; 01/31/2023; 02/19/2024
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Appendix A: Detailed Revision History

Revision Date	Revision Description	Revision Made By
09/12/2007	Original	Rachel Koh
04/25/2008	Added contract citation	Rachel Koh
01/08/2009	Review for style and formatting	Sunny Otake
06/25/2009	Content Update	Eric Guyette
05/28/2010	Review and no change	Maria Chan
06/08/2010	Approval	MMLT
01/07/11	Inserted Continuity of Care	Eric Guyette
05/27/2011	Content Update	Maria Chan
06/08/2011	Approval	MMLT
04/04/2012	Approval	MMLT
03/28/2013	Updated Citations Table	Reid Yamamoto
04/19/2013	Approval	MMLT
04/16/2014	Content Update	Steven Zona
04/23/2014	Approval	MMLT
4/2/2015	Updated Citation Table, and changed dates	Nonye Connor
04/27/2015	Approval	MMLT
07/07/2015	Added Health Benefit Exchange LOB	Mary Eckhart
07/22/2015	Approval	MMLT
03/04/2016	Updated citations table. Minor text additions.	Mary Eckhart
03/18/2016	Approval	MMLT
08/24/2016	Updated SON process	Mary Eckhart; Fran McGaugh
08/31/2016	Approval	MMLT
01/30/2017	Updated to new template; added contraceptive section and updated SON section	Mary Eckhart
02/03/2017	Approval	MMLT
07/17/2017	Updated MTM and narcotic review section. Added appendix A.	Mary Eckhart
07/17/2017	Approval	MMLT
11/27/2017	Added additional management procedures	Mary Eckhart
11/28/2017	Approval	MMLT

03/02/2018	Moved to new template. Added HCA Opioid Policy. Removed Exchange LOB. Updated SON process.	Mary Eckhart; Fran McGaugh
03/13/2018	Approval	MMLT
03/21/2018	Minor revisions to SON process	Mary Eckhart
03/23/2018	Approval	MMLT
09/12/2018	Minor revisions	Jennifer Farley
03/12/2019	Reviewed, no changes	Erin Riddle
03/13/2019	Approval	MMLT
02/22/2020	Citations table updated. Reviewed, no changes.	Rebecka Braband
03/06/2020	Reviewed	Omar Daoud
3/11/2020	Removed Appendix: HCA Opioid Policy, Updates to Narcotic Review Section	Catherine Vu
03/11/2020	Reviewed	Omar Daoud
03/18/2020	Departmental approval	Yusuf Rashid
03/27/2020	Approval	CMO Cabinet
03/17/2021	Reviewed, minor updates	Omar Daoud
03/24/2021	Approval	Yusuf Rashid
03/25/2021	Approval	CMO Cabinet
02/23/2022	Approval with minor changes	Omar Daoud
02/28/2022	Approval	CMO Cabinet
01/31/2023	Reviewed, no changes	Omar Daoud
02/13/2023	Approval	Clinical Services Leadership Team
02/19/2024	Reviewed , no changes	Omar Daoud
02/21/2024	Approval	Clinical Services Leadership Team