POLICY AND PROCEDURE	
TITLE: Prior Authorizations	
DEPARTMENT: Medical Management - Pharmacy	**POLICY #:** PH05
EFFECTIVE DATE: 01/01/99	**REVIEW/REVISION DATE:** 07/08, 09/08, 11/10, 06/12, 11/14, 05/15, 09/16, 09/17, 02/18, 12/18, 07/19
COMMITTEE APPROVAL DATE: P&T 12/11/2018 PRC 06/19/2019 QMUM 07/10/2019	**RETIRE DATE:** None
PRODUCT TYPE: Medi-Cal	**REPLACES:** None

I. PURPOSE

To provide a structure on how pharmacy prior authorization requests are to be handled.

II. POLICY

Prior Authorization is used for drugs that pose potential efficacy, toxicity, or utilization problems and which do not meet the criteria for being included in a Step Therapy protocol.

III. PROCEDURE

A. Prior Authorization is used to promote cost effective and appropriate use of pharmaceuticals.

B. Drugs are considered for Prior Authorization when any of the following criteria are met:

1. The drug has the potential to be used for cosmetic purposes.
2. The drug has the potential to be used for indications that are not covered benefits.
3. There is significant clinical concern about potential overuse of an agent.
4. There is potential for significant use that is deemed not to be cost effective.
5. There is significant concern about the potential for sub-optimal use.

C. Prior Authorization criteria fall into three main categories:

1. Diagnostic criteria identify indications that constitute acceptable uses for a formulary drug.
2. Prescriber criteria identify those prescribing practitioners who are approved to use specific drugs or drug classes.

3. Drug-specific criteria identify approved doses, frequency of administration, duration of therapy, or other aspects that are specific to use of a drug.

D. Prior Authorization criteria are based upon information from authoritative sources considered in light of the characteristics of HPSJ's member population and local practice conditions. Information sources considered in the development, revision and approval of Prior Authorization criteria include but are not limited to:

1. Published scientific literature
2. Facts and Comparison Formulary Services
3. Micromedex
4. Medical and pharmacy review services
5. National Guidelines Clearinghouse of the Agency for Healthcare Research and Quality (AHRQ), U.S. Department of Health and Human Services
6. American Hospital Formulary Services
7. Food and Drug Administration
8. FDA-approved manufacturer labeling information
9. Recommendations of medical and health care specialty and standard-setting organizations
10. Recommendations of governmental health care, research, and regulatory bodies
11. Provider network composition
12. Membership characteristics

E. Upon P&T Committee approval of a Prior Authorization requirement for a drug, the Pharmacy Director:

1. Verifies documentation of the Prior Authorization requirement in the P&T meeting minutes.
2. Notifies individuals responsible for implementing the requirement of the Prior Authorization requirement and of the relevant point-of-service messaging.
3. Formally documents the Prior Authorization criteria.
4. Ensures that:
    a. The on-line Formulary is updated prior to the effective date of the change.
    b. Affected members and providers are notified in writing no less than 45 business days before the changes take effect.

c. Member and Provider quarterly newsletters remind their recipients that formulary and/or formulary management policies are available online and/or in the Provider Manual (for providers).

F. The information needed, including relevant forms, to support a Prior Authorization request are on HPSJ's website, and available by phone and in hard copy, upon request, from the Pharmacy Department.

G. As of 7/1/2017, HPSJ will only utilize and accept DMHC/CDI Universal Prescription Drug Prior Authorization Form (Form No. 61-211). Form No. 61-211 will be available on the HPSJ website and will be accepted by any reasonable and mutually agreeable means of transmission.

H. Prior Authorization (PA) Review by HPSJ Pharmacy Staff

1. All clinical prior authorization requests are reviewed by licensed Pharmacists or Physicians (i.e., Peer Reviewers).

2. All PA requests must be reviewed and a communication of decision must be sent within 24 hours of receipt of the request, but not to exceed 72 hours from the time the request was received for expedited requests if there is serious risk to the Member's life, health, or function.

3. Determinations available to Peer Reviewers include:

a. **Approve** – The request is approved as requested.

b. **Approve with Modification (Modify)** - Approval that is given is not based on the actual or original request, but changed or adjusted to meet the medical review criteria of the Medi-Cal program or HPSJ formulary.

c. **Deny –** Deny coverage for the requested drug or service.

4. Documentation of failed medication regimens must be available to HPSJ in the form of prescription fill history (in HPSJ care management system or from pharmacy records) or medical record and must include dose, duration, and time frame of therapy. Exceptions to this will be reviewed on a case-by-case basis.

5. Licensed pharmacy technicians may approve prior authorization requests if they meet specific predetermined criteria (i.e., protocol) for approval developed and validated by HPSJ Pharmacists and/or Physicians.

I. Notification of Action for Pharmacy Prior Authorization Requests

1. Providers:

a. Initial Notification (May be electronic/faxing and/or verbal) - Within 24 hours of the request being received

b. Written Notification of Deferral, Denial or Modification – Mailed within 2 working days of the decision.

2. Members:

a. Written Notification of Deferral, Denial or Modification – Mailed within 2 working days of the decision.

J. The processes outlined in policy UM 01, Authorization and Referral Review, and policy UM 07, Notice of Action for Delayed, Denied, Modified, or Terminated Services, are followed in making determinations.

K. The Appeals process described in policy QM 65 Member Appeals Policy, is available for any non-authorization determination.

IV. ATTACHMENT(S)

None

V. REFERENCES

A. DHCS Contract, Exhibit A, Attachment 5, #2 & 3

B. Health & Safety Code, §1363.01, 1367.20, 1367.22, and 1367.24

C. NCQA Standard UM13 – Procedures for Pharmaceutical Management

D. SSA 1927(d)(5)

E. Title 22, CCR, §53914

F. Title 28, CCR, §1300.68

G. Title 28, CCR, §1300.67.214

H. UM01 – Authorization/Referral Process

I. W & I Code 14185(a)(1)

VI. REGULATORY AGENCY APPROVALS

DHCS Approved on 03/02/12, 04/24/18, 05/31/19.

VII. Glossary

Policy and Procedure Glossary Link

VIII. REVISION HISTORY

STATUS	DATE REVISED	REVISION SUMMARY
Reviewed	09/30/16	No content change, annual review.
Reviewed	09/12/17	No content change, annual review.

STATUS	DATE REVISED	REVISION SUMMARY
Revised	02/23/18	Removed TPA line of business, removed deferral process, updated turn-around-time to 24 calendar hours.
Reviewed	12/11/18	No content change, annual review.
Reviewed	07/30/19	No content change, annual review, updated template.