POLICY AND PROCEDURE	
Title: Drug Utilization Review	
Primary Policy owner: Pharmacy	**Policy#:** PH21
Impacted/Secondary policy owner: Select the department(s) that are responsible for compliance with all, or a portion of the policy or procedure as outlined	
1) ☐All Departments 2) ☐Behavioral Health & Social Services (BH/SS) 3) ☐Benefits Administration (BA) 4) ☐Case Management (CM) 5) ☐Claims (CLMS) 6) ☐Community Marketplace & Member Engagement (MAR) 7) ☐Compliance (CMP/HPA) 8) ☐Configuration (CFG) 9) ☐Provider Contracting (CONT) 10) ☐Cultural & Linguistics (CL) 11) ☐Customer Service (CS)	12) ☐Facilities (FAC) 13) ☐Finance (FIN) 14) ☐Human Resources (HR) 15) ☐Information Technology / Core Systems (IT) 16) ☒Pharmacy (PH) 17) ☐Provider Networks (PRO) 18) ☒QI Health Equity (GRV/HE/HEQ/PHM/QM) 19) ☐ Utilization Management (UM) 20) ☐ Procurement (PRM) 21) ☐ Administration (SAF/BC/EM) 22) ☐ Medical Management (MM)
Product Type: ☒Medi-Cal ☐D-SNP	**Supersedes Policy Number:** N/A

I. PURPOSE

To establish a process for conducting evaluations of healthcare providers prescribing, pharmacist dispensing, and patient use of medications at Health Plan of San Joaquin and Mountain Valley Health Plan ("Health Plan").

II. POLICY

A. Health Plan's Pharmacy Department institutes a Drug Utilization Review (DUR) program.
B. Health Plan participates in the Department of Health Care Services (DHCS) State DUR Board.
C. The recommendations and advisory positions offered by the DUR Board is not binding, however, if Health Plan chooses not to adopt such recommendations it must document the motivation.
D. Health Plan submits an Annual Report to DHCS.
E. Health Plan participates in DHCS Organized Pharmacy Committee Meetings.
F. Health Plan participates and contributes to Pharmacy Directors Meetings hosted by DHCS.

III. PROCEDURE

A. Health Plan enacts a DUR program.
    1. The DUR program includes retrospective drug review.
    2. Health Plan's Pharmacy team receives comprehensive claims and PA history for their members and use claims data for their own quality improvement, retrospective DUR activities, and coordination of care if needed including but not limited to identifying patterns of:
        a. Therapeutic appropriateness
        b. Adverse events
        c. Incorrect duration of treatment
        d. Over or under utilization
        e. Inappropriate or medically unnecessary prescribing
        f. Gross overprescribing and use
    3. The following types of Drug Utilization Review are conducted.
        a. Concurrent Opiate and Benzodiazepine Reviews-
            i. Retrospective DUR: Health Plan reviews all members taking both opiates and benzodiazepines on a monthly basis. In cases of suspected inappropriate prescribing by a provider, the information is presented to the Compliance Committee and/or the Quality Operations

Committee for further review and members exhibiting frequent concomitant utilization are referred to utilization management (UM) for case-management.

b. Concurrent Opiate and Atypical Antipsychotics Review-
    i. Retrospective DUR: Health Plan reviews all members taking both opiates and atypical antipsychotics on a monthly basis. In cases of suspected inappropriate prescribing by a provider, the information is presented to the Compliance Committee and/or the Quality Operations Committee for further review and members exhibiting frequent concomitant utilization are referred to UM for case-management.
c. Morphine Milligrams Equivalent (MME) Review-
    i. Retrospective DUR: Health Plan reviews, on a daily basis, all members who received a rejection for the 300 MME/day hard edit. The pharmacy team coordinates with the Compliance department in regard to any patients that have concerns for possible fraud, waste, or abuse (FWA). Health Plan reviews all members taking opiates in excess of 90 MME/day on a monthly basis. Members above the MME/day threshold, exhibiting frequent ER utilization, frequent changes in PCP, and/or multiple pharmacies utilized are monitored and referred to case management. For cases of suspected FWA, the member is referred to the Compliance Department for investigation.
d. Mental Health Medications in Children
    i. Retrospective DUR: On a monthly basis, Health Plan reviews all children under the age of 18 (including foster care children enrolled under the California State Medicaid Plan) taking antipsychotics, mood stabilizers and antidepressants.
    ii. Health Plan reviews for children with polypharmacy of mental health medications (taking more than one

medication in a class or multiple mental health medications).

e. Fraud Waste and Abuse
   i. Retrospective DUR: On a monthly basis, Health Plan reviews outpatient pharmacy claims for fraud waste and abuse.
   ii. On a monthly basis, Health Plan reviews for members:
      A. Taking multiple controlled substances;
      B. Taking opiates and having more than one prescriber;
      C. Taking opiates and having more than one pharmacy;
      D. The number of total opioids prescribed; and
      E. The percentage of members who have an average monthly MME is above 90.

4. The DUR program must contain an educational program. When Health Plan receives educational programs and materials from DHCS, Health Plan then distributes the educational programs and materials to their providers via Health Plan's established mechanisms. Health Plan distributes additional educational materials or articles based on the demographics and trends specific to their beneficiaries and providers.

B. Health Plan engages in the State DUR Board
   1. Health Plan actively participate in the DUR Board activities either individually or by means of an entity selected to represent multiple MCPs (e.g., California Association of Health Plans, Local Health Plans of California).
   2. Participation may include selected MCP representatives volunteering to serve as DUR Board members.

C. The recommendations and advisory positions offered by the DUR Board do not result in a mandate that Health Plan adopt or implement such recommendations or advisory positions.
   1. Health Plan retains the ability to decide what recommendations, if any, Health Plan adopts.

2. If Health Plan chooses not to adopt the DUR Board recommendations, the rationale for not adopting the recommendation must be included as part of the annual reporting process mentioned below.
3. The rationale is used solely for informational purposes only and not as part of the assessment of the Health Plan's efficiency or compliance.

D. Health Plan submits an Annual Report to DHCS
   1. Health Plan prepares an MCP-specific annual report describing its DUR activities and submits it to DHCS on an annual basis by April 1.
   2. The report is used to identify Health Plan's DUR activities that occur outside the global DUR.
   3. The report includes information related to the methodology by which Health Plan meets the requirements for the Retrospective DUR.
   4. Additional information may be required to inform the State regarding educational DUR activities performed by Health Plan that are outside the global educational activities, the rationale for not implementing DUR Board recommended actions, and any other DUR related activities performed outside of the global DUR activities.
   5. The annual report is based on a template for the MCP-specific annual report which is developed in a separate workgroup comprised of both DHCS and MCP representatives and is based on the information required by CMS in the global annual report submitted by the State.

E. Health Plan sends either the Director of Pharmacy or a designee to participate in DHCS's Organized Pharmacy Committee Meetings (e.g., Pharmacy Director's Meeting).

F. Pharmacy Adherence
   1. Proportions of days covered- Health Plan monitors members medication adherence on a monthly basis for target drug classes (Blood Pressure, Diabetes, Statins). Drug Utilization Review and adherence metrics drive the creation of new disease state management and medication management programs. Programs

are reviewed annually. New programs are created, existing programs are updated, or programs are discontinued based on the needs of the membership.

2. Adherence reports and disease state management programs are reviewed every with the Chief Medical Director or Medical Director.

IV. ATTACHMENT(S)

A. DHCS Medi – Cal Managed Care Plans Definitions (Exhibit A, Attachment I, 1.0 Definitions)
B. Glossary of Terms Link
C. Medi-Cal Managed Care Contract Acronyms List (Exhibit A, Attachment I, 2.0 Acronyms)

V. REFERENCES

A. Centers for Medicare and Medicaid Services (CMS) CMS-2390-F
B. DHCS All Plan Letter (APL 17-008)
C. DHCS All Plan Letter (APL 22-012)
D. Social Security Act (SSA) Section 1927(g)
E. Title 42, Code of Federal Regulations (CFR) part 456, subpart K
F. Title 42, Code of Federal Regulations (CFR), Section 438.3(s)

VI. REVISION HISTORY

Version*	Revision Summary	Date
000	05/17, 12/18, 05/19, 05/20, 04/21, 12/21, 12/22	N/A
001	Moved PH21 to new template and added two additional drug utilization review types per DHCS recommendations.	09/08/2023
002	Reviewed with grammatical edits.	09/03/2024
003	Reviewed with no changes.	03/06/2025
004	Policy updated to address DHCS APL 25-013 Medi-Cal RX Pharmacy Benefits, and Cell and Gene Therapy Coverage.	12/17/2025

Initial Effective Date: 6/1/2017
Published Date:08/20/2026

VII. Committee Review and Approval to be Completed by Compliance

Committee Name	Version	Date
Compliance Committee (CC)	004	08/14/2026
• Privacy & Security Oversight Committee (PSOC)		
• Program Integrity Committee (PIC)		
• Audits & Oversight Committee (AOC)		
• Policy Review Committee (PRC)	003	06/18/2025
Quality Improvement Health Equity Committee (QIHEC)	004	05/20/2026
• Quality Operations Committee (QOC)		
• Grievance Committee (GC)		
Pharmacy & Therapeutics Committee	001	12/21/2023

VIII. REGULATORY AGENCY APPROVALS

Department	Reviewer	Version	Date
Department of Healthcare services (DHCS)	DHCS Contract manager	004	01/08/2026
Department of Managed Care (DMHC)			

IX. *Approval signature**

Signature	Name Title	Date
	PRC Chairperson	
	Policy Owner	
	Department Executive	
	Chief Executive Officer	

*Signatures are on file, will not be on the published copy