



### 310-V PRESCRIPTION MEDICATIONS/PHARMACY SERVICES

REVISION DATES: 10/01/12, 04/01/12, 08/01/11, 10/01/10, 10/01/09, 04/01/06, 01/01/06,  
06/01/05, 10/01/01, 10/01/97, 10/01/96

INITIAL

EFFECTIVE DATE: 10/01/1994

#### Description

Medically necessary, cost effective federally reimbursable medications prescribed by a physician, physician's assistant, nurse practitioner, dentist or other AHCCCS approved practitioner and dispensed by a licensed AHCCCS registered pharmacy are covered for members, as defined in Arizona Administrative Code 9 A.A.C. 22, Article 2.

#### Amount, Duration and Scope

##### **A. THE FOLLOWING ARE SPECIFIC PARAMETERS REGARDING THE AHCCCS PHARMACY BENEFIT. THE AHCCCS ADMINISTRATION AND CONTRACTORS:**

1. Shall utilize a mandatory generic drug substitution policy. The substitution of a generic drug in place of a brand name drug is required if the generic drug is available and contains the same active ingredient(s) and both products, the brand name and generic, are chemically identical in strength, concentration, dosage form and route of administration. Generic substitutions shall adhere to Arizona State Board of Pharmacy rules and regulations.

Exceptions to this policy include:

- a. Members intolerant to a generic medication. The prescribing clinician may be required to submit a prior authorization to the Contractor providing clinical justification for the brand name medication.
  - b. The Contractor has a negotiated rate for a brand name medication that is equal to or less than the cost of the generic drug.
2. May utilize step therapy to ensure that the most clinically appropriate cost-effective drug is prescribed and tried by the member prior to prescribing a more costly clinically appropriate medication with the exception of members who have been stabilized and are transitioning from a Regional Behavioral Health Authority (RBHA)



- to a Primary Care Provider (PCP) for their behavioral health needs (anxiety, Attention Deficit Hyperactivity Disorder [ADHD], and depression). The medication prescribed by the behavioral health practitioner at the point of transition must be continued as clinically appropriate by the Contractor.
3. May utilize prior authorization to ensure clinically appropriate medication use. Requests submitted for prior authorizations of a medication must be evaluated for clinical appropriateness based on the strength of the scientific evidence and standards of practice that include, but are not limited to the following:
    - a. Food and Drug Administration (FDA) approved indications and limits. The fact that the medications is not FDA approved for a specific diagnosis and/or condition is not a basis to deny the prior authorization request if there is supporting documentation with information specified in letters below as appropriate.
    - b. Published practice guidelines and treatment protocols
    - c. Comparative data evaluating the efficacy, type and frequency of side effects and potential drug interactions among alternative products as well as the risks, benefits and potential member outcomes
    - d. Member adherence impact
    - e. Peer reviewed medical literature, including randomized clinical trials, outcomes, research data and pharmacoeconomic studies.
  4. May cover an over-the-counter medication under the pharmacy benefit when it is prescribed in place of a covered prescription medication that is clinically appropriate, equally safe and effective, and less costly than the covered prescription medication.

#### **B. MINIMUM REQUIRED PRESCRIPTION DRUG LIST (MRPDL)**

AHCCCS has developed a list of medications that must be available to all members when medically necessary. The MRPDL is available on the AHCCCS website at:  
<http://www.azahcccs.gov/commercial/pharmacyupdates.aspx>

1. AHCCCS has developed the MRPDL to assist providers when selecting clinically appropriate medications for AHCCCS members. **The MRPDL is not an all-**



**inclusive list of medications for the AHCCCS FFS and MCO Contractor Health Plans.**

2. The MRPD L specifies medications that are available without prior authorization as well as medication that have specific quality limits, or require step therapy and/or prior authorization prior to dispensing to AHCCCS members. The Contractors' medications lists shall include these medications and any additional drugs necessary to meet the needs of the Contractors' specific patient populations. Contractors are required to cover all medically necessary, clinically appropriate, cost effective medications that are federally and state reimbursable.
3. Federally reimbursable medications not listed on the MRPD L or on the Contractors' list of additional drugs may be available through the prior authorization process. Prescribers may submit a prior authorization request to the Contractor's Pharmacy Benefit Manager (PBM) for review and coverage determination. Prescribers may submit a prior authorization request to the Contractor, or, as allowed, to the Contractor's Pharmacy Benefit Manager (PBM) for review and coverage determination.
4. The AHCCCS Pharmacy & Therapeutics Committee shall:
  - a. Review the MRPD L at a minimum, annually.
  - b. Review new drugs approximately 180 days from the date they become commercially available.
  - c. Respond to questions and requests for medication additions, deletions or MRPD L changes submitted to AHCCCS by Contractors.
5. The MRPD L is not applicable to drugs provided by Tribal/Regional Behavioral Health Authorities (T/RBHAs)

**C. THE FOLLOWING ARE NOT COVERED UNDER THE AHCCCS PHARMACY BENEFIT:**

1. Medication prescribed for the treatment of a sexual or erectile dysfunction, unless prescribed to treat a condition other than a sexual or erectile dysfunction and the medication has been approved by the Food and Drug Administration for the specific condition.



2. Medications that are personally dispensed by a physician, dentist or other provider except in geographically remote areas where there is no participating pharmacy or when accessible pharmacies are closed.
3. Drugs classified as Drug Efficacy Study Implementation (DESI) drugs by the Food and Drug Administration
4. Outpatient medications for members under the Federal Emergency Services Program.
5. Medical Marijuana. Refer to Policy 320-M, Medical Marijuana.
6. Drugs covered under Medicare Part D for AHCCCS members eligible for Medicare whether or not the member receives Medicare Part D coverage.

**D. PRESCRIPTION DRUG COVERAGE LIMITATIONS INCLUDE:**

1. A new prescription or refill prescription in excess of a 30-day supply or a 100-unit dose is not covered unless:
  - a. The medication is prescribed for chronic illness and the prescription is limited to no more than a 100-day supply or 100-unit dose, whichever is greater
  - b. The member will be out of the provider's service area for an extended period of time and the prescription is limited to the extended time period, not to exceed 100 days or 100-unit dose, whichever is greater, and/or
  - c. The medication is prescribed for contraception and the prescription is limited to no more than a 100-day supply.
2. Prescription drugs for covered transplantation services will be provided in accordance with AHCCCS transplantation policies.
3. AHCCCS covers the following for AHCCCS members who are eligible to receive Medicare:
  - a. Medically necessary barbiturates and benzodiazepines not covered by a Part D plan, and



- b. Over-the-counter medications that are not covered as part of the Medicare Part D prescription drug program and meet the requirements described in A, #4 of this Policy may be covered as part of the Contractor's step therapy program.

#### **E. RETURN OF AND CREDIT FOR UNUSED MEDICATIONS**

AHCCCS and its Contractors shall require the return of unused medications to the outpatient pharmacy from Nursing Facilities (NFs) upon the discontinuance of prescriptions due to the transfer, discharge or death of a Medicaid member and payment credit issued for unused prescription medications by the outpatient pharmacy to AHCCCS or the appropriate Contractor. The pharmacy may charge a reasonable restocking fee as agreed upon with the AHCCCS Contractors and/or American Indian Health Plan/Fee-For-Service (AIHP/FFS) Program. The return of unused prescription medication shall be in accordance with Federal and State laws. Arizona Administrative Code (A.A.C. R4-23-409) allows for this type of return and the redistribution of medications under certain circumstances. Documentation must be maintained and must include the quantity of medication dispensed and utilized by the member. A credit must be issued to AHCCCS (if the member is FFS) or the member's Contractor when the unused medication is returned to the pharmacy for redistribution.

#### **F. PRIOR AUTHORIZATION PROTOCOL FOR SMOKING CESSATION AIDS**

AHCCCS has established a prior authorization protocol for smoking cessation aids. Refer to Policy 320-K, Tobacco Cessation Product Policy.

#### **G. VACCINES AND EMERGENCY MEDICATIONS ADMINISTERED BY PHARMACISTS**

AHCCCS covers vaccines and emergency medication administered by a pharmacist who is currently licensed and certified by the board subject to the terms of this policy and state law. For purposes of this section "Emergency Medication" means emergency epinephrine and diphenhydramine.

In addition to the requirements specified in A.R.S. § 32-1974, AHCCCS requires the following:

1. The pharmacy providing the vaccine must be an AHCCCS registered provider (see note below regarding Indian Health Services (IHS)/638 outpatient facilities).



2. Only the influenza and the pneumococcal vaccine may be administered.
3. The pharmacy must have a valid prescription on file for the influenza or the pneumococcal vaccine for each member that was administered one or both of these vaccines.
4. The AHCCCS member must be age 21 or older.

**NOTE:** IHS and 638 facilities may bill the outpatient all-inclusive rate for pharmacist vaccine administration as noted in section F of this policy.

#### **H. 340B REIMBURSEMENT (EFFECTIVE 04/09/12)**

A.A.C. R-9-22-710 (C), describes the reimbursement methodology to be used by AHCCCS and its Contractors for Federally Qualified Health Center (FQHC) and FQHC Look-Alike Pharmacies for 340B drugs as well as reimbursement for Contract Pharmacies that have entered into a 340B drug purchasing arrangement with any 340B entity. The Rule also specifies reimbursement for FQHC and FQHC Look-Alike Pharmacies for drugs which are not part of the 340B Drug Pricing program. This rule is located on the AHCCCS Website and the link is provided below:

[http://www.azahcccs.gov/reporting/Downloads/UnpublishedRules/NOER\\_340B\\_FQHC\\_010512.pdf](http://www.azahcccs.gov/reporting/Downloads/UnpublishedRules/NOER_340B_FQHC_010512.pdf)

#### **REFERENCES**

- Chapter 800 for prior authorization requirements for FFS providers
- Section 1903(i)(10) of the Social Security Act as amended by Section 6033 of the Deficit Reduction Act of 2005
- Centers for Medicare and Medicaid Services (CMS) State Medicaid Director Letter dated March 22, 2006
- Arizona Revised Statute § 32-1974
- Arizona Administrative Code R-9-22-710