

POLICY AND PROCEDURE

DEPARTMENT: Pharmacy	DOCUMENT NAME: Pharmaceutical Management
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APPROVED DATE: 2/2003	RETIRED:
EFFECTIVE DATE: 2/2003	REVIEWED/Revised DATE: 1/2018, 3/2018
PRODUCT TYPE: All	REFERENCE NUMBER: GA.PHAR.03

SCOPE:

Peach State Health Plan Pharmacy Department.

PURPOSE:

To ensure that Peach State Health Plan (Peach State) and Envolve Pharmacy Solutions, to whom pharmaceutical management has been delegated, develop and annually review and update policies and procedures for pharmaceutical management, using sound clinical evidence.

POLICY:

All policies and procedures utilized by Peach State or Envolve Pharmacy Solutions, related to pharmaceutical management, shall incorporate the criteria instituted by the Peach State Pharmacy Department. Pharmacy decisions are made using input from National Pharmacy Standards Organizations including, but not limited to: Academy of Managed Care Pharmacy, Center for Drug Evaluation and Research, Food and Drug Administration, Facts and Comparisons, and the American Hospital Formulary Service and the governing bodies of medical specialties. Current medical and pharmaceutical literature is also searched for relevant clinical studies, and nationally recognized clinical guidelines (e.g. JNC VII, ATPIII, TMAP, NHLBI, NIH, NCEP, AAP, peer reviewed journals etc.) are utilized. Peach State will adjust these policies and procedures to comply with state regulations as needed, reporting these changes to the Pharmacy Solutions Group. Policies and procedures are reviewed and approved by both Corporate and Peach State's Pharmacy and therapeutics (P&T) Committees. The members of these committees include community practitioners, medical specialists and pharmacists.

When pharmaceutical management is delegated to Envolve Pharmacy Solutions, Peach State maintains responsibility for ensuring that the function is being performed according to the expectations outlined in this policy. In the event that the responsibility for pharmacy management has been retained by the State or other external entity, this policy does not apply.

PROCEDURE:

I. Pharmaceutical management policies shall include the following (see current NCQA Standards and Guidelines):

- A. The criteria used to adopt pharmaceutical management procedures
In particular, criteria used when constructing the preferred drug list or preferred status, must show how decisions are made about:

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1. Classes of pharmaceuticals
 - a) Classes preferred or covered at any level
 - b) Any exception processes available to members for obtaining non-covered pharmaceuticals
 - c) Considerations regarding limiting access to drugs in certain classes
 2. Within each class of pharmaceuticals
 - a) The pharmaceuticals preferred or covered at any level
 - b) The criteria for prior auth of any pharmaceutical
 - c) Any exceptions process available to members
 - d) Substitutions made automatically or with physician permission
 - e) Evidence showing how preferred-status pharmaceuticals can produce similar or better results for a majority of the population than other pharmaceuticals in the same class
- B. A process that uses clinical evidence from appropriate external organizations (see current NCQA Standards and Guidelines).
1. This evidence includes relevant findings of the Food and Drug Administration, Centers for Drug Evaluation and Research, drug manufacturer dossiers, the Academy of Managed Care Pharmacy, and others. In addition, clinical review using peer-reviewed journals and authoritative compendia is performed for determination of pharmaceutical coverage positioning.
- C. Adoption or creation of a system for point of dispensing communications to identify and classify by severity drug-drug interactions. Envolve Pharmacy Solutions, as the delegated PBM, uses a Medispan database as the source of drug interactions. These are classified by severity. Envolve Pharmacy Solutions uses a passive point of service communication to dispensing pharmacies designed to avoid interference with prescribed drug therapy and to complement network pharmacy applications (see current NCQA Standards and Guidelines).
- D. Notification to dispensing providers at the point of dispensing of specific interactions when they meet the organization's severity threshold. Envolve Pharmacy Solutions, the delegated PBM, uses Medispan resources to send electronic alerts to dispensing pharmacies via standard

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point of service (POS) messaging when potential drug interactions are detected (see current NCQA Standards and Guidelines).

- E. Identification and notification of members affected by a Class I recall are notified in 5 business days. Class II or Class III recalls or equivalent voluntary market withdrawals, are reviewed by the Pharmacy Solutions Group for the potential to cause serious harm to patients. In general, Class II and Class III recalls pose minimal safety concerns. If Class II or Class III recalls are deemed to require member notification, it shall be made within 30 days of the recall. (see current NCQA Standards and Guidelines)
 - 1. Exceptions may include:
 - a) Withdrawals unrelated to safety issues
 - b) Recalled or withdrawn pharmaceuticals for which the Plan or PBM is unable to identify affected members from the batch or lot numbers
 - c) Wholesale-only drug recalls and withdrawals

- F. Exception policies and procedures that describe the process for:
 - 1. Making an exception request based on medical necessity
 - 2. Obtaining medical necessity information from prescribing practitioners, including notifying prescribers for a request for additional information to support medical necessity.
 - 3. Using appropriate pharmacists and practitioners to consider exception requests
 - 4. Timely request handling
 - 5. Denying exceptions requests

- II. The Preferred Drug List (PDL) and pharmaceutical management edits are posted on Plan website. Major changes in drug coverage and pharmaceutical management edits are communicated to providers and members by direct mail or in provider and members newsletters. All pharmaceutical management edits and coverage limitations meet State specific requirements and any variances are preapproved by the Georgia State Medicaid Programs, where required.

This list must include restrictions and preferences, and has policies that address (see current NCQA Standards and Guidelines):

- A. How to use the pharmaceutical management procedures
- B. An explanation of any limits or quotas

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- C. An explanation of how prescribing practitioners must provide information to support an exception request
 - D. The process for generic substitution, therapeutic interchange, and step-therapy protocols.
- III. In the event that Peach State staff is involved in the pharmaceutical Prior Authorization process, decisions will be made by licensed health care professionals utilizing clinical judgment in consultation with the Health Plan Vice President of Medical Affairs or designated Medical Director and/or Plan Pharmacist, as appropriate, and the Pharmacy Solutions Group. Envolve Pharmacy Solutions has been delegated the responsibility for reviewing daily prior authorizations and medical necessity requests for drugs not listed on the Preferred Drug List. All reviews are performed within 24 calendar hours. All denials or adverse determinations are made by an Envolve Pharmacy Solutions clinical pharmacist.
- IV. Centene Corporation has currently delegated pharmacy benefit management to Envolve Pharmacy Solutions.
- V. The Plan maintains accountability for delegated services and monitors performance of these services. Initial monitoring occurs through the approval of the delegate's applicable policies and procedures for the delegated portions of the program. Subsequent performance reviews are achieved through routine reporting and at least annual evaluation. Performance evaluation criteria are NCQA, URAC or Plan standards. The Plan also retains the right to reclaim the responsibility for performance of this function should standards not be maintained.

REFERENCES:

NCQA 2018 Health Plan Standards and Guidelines

ATTACHMENTS: N/A

DEFINITIONS: N/A

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REVISION LOG	DATE
Clarified that Centene Corporation has currently delegated pharmacy benefit management to US Script for all Health Plans for which it provides a pharmacy benefit in section IV. Of the PROCEDURE.	07/2011
Removed "CC.UM.14" from "Replaces Document" section. Corporate policy CC.PHAR.07 actually replaced CC.UM.14.	03/2012
Reviewed 2013 NCQA standards and added or changed the following language accordingly. In element "F", added language for requesting additional information supporting "medical necessity". Added language to element II to expand the definition of the Preferred Drug List and how drug coverage changes are communicated to providers. In element "IV", added URAC as a governing body for certifying quality performance measures.	03/2013
Annual Review. No change.	03/2014
Updated all US Script reviews are performed within 24 calendar hours and updated all 2013 dates to 2014.	10/2014
Updated all 2014 dates to 2015	03/2015
Removed from I.E. "Corporate Pharmacy Department and US Script" and replaced with "Pharmacy Solutions Group". In the first paragraph of item III, "Corporate Pharmacy Department" was replaced by "Pharmacy Solutions Group". Deleted from item IV. "for all Health Plans for which it provides a pharmacy benefit" from first sentence.	03/2016
Updated all NCQA 2015 ..UM Standard 13 References to NCQA 2016..UM Standard 12	03/2016
Under section II, added "members" that changes are sent to as well as providers; changed US Script to Envolve Pharmacy Solutions	01/2017
Annual Review. No changes made.	01/2018
Annual review. No changes made.	03/2018

POLICY AND PROCEDURE APPROVAL

Pharmacy & Therapeutics Committee:
Sr. Director, Pharmacy Operations:
Sr. Medical Director:

Approval on file
Approval on file
Approval on file

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NOTE: The electronic approval is retained in Compliance 360.