

Revision: HCFA-PM-93-3 (MB)  
April 1993

OMB No.

State/Territory: Arizona

Citation

1927(g) (3) (C)  
42 CFR 456.711  
(a)-(d)

- G.4 The interventions include in appropriate instances:
- Information dissemination
  - Written, oral, and electronic reminders
  - Face-to-Face discussions
  - Intensified monitoring/review of prescribers/dispensers

1927(g) (3) (D)  
42 CFR 456.712  
(A) and (B)

- H. The State assures that it will prepare and submit an annual report to the Secretary, which incorporates a report from the State DUR Board, and that the State will adhere to the plans, steps, procedures as described in the report.

1927(h) (1)  
42 CFR 456.722

- \_\_\_ I.1. The State establishes, as its principal means of processing claims for covered outpatient drugs under this title, a point-of-sale electronic claims management system to perform on-line:
- real time eligibility verification
  - claims data capture
  - adjudication of claims
  - assistance to pharmacists, etc. applying for and receiving payment.

1927(g) (2) (A) (i)  
42 CFR 456.705(b)

- \_\_\_ 2. Prospective DUR is performed using an electronic point of sale drug claims processing system.

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TN No. 10-007  
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1927(j) (2)  
42 CFR 456.703(c)

J. Hospitals which dispense covered outpatient drugs are exempted from the drug utilization review requirements of this section when facilities use drug formulary systems and bill the Medicaid program no more than the hospital's purchasing cost for such covered outpatient drugs.

1927(g)

K. AHCCCS will participate in the drug rebate program for the fee-for-service program .

1903(m) (2) (A)

L. AHCCCS will participate in the drug rebate program for its managed care program.

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**12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.**

**12a. Prescribed drugs.**

Prescription drugs for covered transplantation services shall be provided in accordance with AHCCCS transplantation policies.

Over-the-counter or non-prescription medications are not covered unless an appropriate, alternative over-the-counter medication is available and less costly than a prescription medication.

In compliance with Section 1927(b) of the Social Security Act (the Act), the State collects drug rebates in accordance with established policy for drug rebate agreements as provided in Exhibit 12(a) to Attachment 3.1-A.

**12c. Prosthetic devices.**

Prosthetic devices are limited to devices prescribed by a physician or other licensed practitioner to artificially replace missing, deformed or malfunctioning portions of the body and which are medically necessary to the rehabilitation of the member.

Covered prosthetic devices for members age 21 and older do not include hearing aids, cochlear implants, bone anchored hearing aids, insulin pumps, percussive vests, microprocessors for controlled joints for the lower limbs in addition to microprocessor-controlled joints for the lower limbs, penile implants, and vacuum devices.

Orthotic devices, which are defined as devices that are prescribed by a physician or other licensed practitioner of the healing arts to support a weak or deformed portion of the body, are not covered.

**12d. Eyeglasses.**

Eye examinations for prescriptive lenses and the provision of prescriptive lenses under EPSDT services.

Adult services are limited to eyeglasses and contact lenses as the sole prosthetic device after a cataract extraction.

**13. Other diagnostic, screening, preventive, and rehabilitative services, i.e., other than those provided elsewhere in the plan.**

**13b. Screening services.**

Coverage is available for evidence-based medically necessary screening services for children based on guidelines from the American Academy of Pediatrics and CDC/IACIP for immunizations.

Coverage is available for evidence-based medically necessary screening services for adults as described in the AHCCCS Medical Policy Manual ([www.azahcccs.gov/shared/MedicalPolicyManual/MedicalPolicyManual.aspx?ID=policymanuals](http://www.azahcccs.gov/shared/MedicalPolicyManual/MedicalPolicyManual.aspx?ID=policymanuals)) which are based, in part, on guidelines from the U.S. Preventive Services Task Force.

**DRUG REBATE AGREEMENT:**

The State is in compliance with Section 1927(b) of the Social Security Act (the Act) to collect rebates. Based on the requirements for Section 1927 of the Act, the State will collect rebates from manufacturers participating in the Medicaid drug Rebate Program. The State has the following policies for drug rebate agreements:

- The drug file permits coverage of participating manufacturers.
- The State is in compliance with reporting requirements for utilization and restrictions to coverage.
- The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification in accordance with Section 1927(b)(3)(D).
- All drugs invoiced to manufacturers for rebates will comply with the provisions of the National Drug Rebate agreement.
- The State shall remit the Federal Government's share required under the National Drug Rebate Agreement.

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