



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10
2201 Sixth Avenue, MS/RX-43
Seattle, Washington 98121

JAN 13 2012

Bruce Goldberg, MD, Director
Department of Human Services
Human Services Building
500 Summer Street Northeast, E-15
Salem, Oregon 97301-1097

RE: Oregon State Plan Amendment 11-015

Dear Dr. Goldberg:

The Centers for Medicare & Medicaid Services (CMS) Pharmacy Team approved Oregon State Plan Amendment (SPA) 11-015.

Although the Pharmacy Team will be sending the State a copy of the approval for this SPA, the Seattle Regional office is following up with an additional copy for the reason that we were in receipt of the original, signed amendment request.

Therefore, enclosed you will find a copy of the official CMS form 179, and amended page(s) for your records.

If you have any questions concerning the Seattle Regional office role in the processing of this state plan amendment, please contact Jan Mertel at (206) 615-2317 or Jan.Mertel@cms.hhs.gov.

Sincerely,

A black rectangular redaction box covering the signature of Carol J.C. Peverly.

Carol J.C. Peverly
Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

Enclosure

cc: Judy Mohr Peterson

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

January 13, 2012

Bruce Goldberg, MD, Director
Department of Human Services
Human Services Building
500 Summer Street Northeast E-15
Salem, OR 97301-1097

Dear Dr. Goldberg:

We have reviewed Oregon State Plan Amendment (SPA) 11-15, Prescribed Drugs, received in the Regional Office on October 18, 2011. We are pleased to inform you that the amendment is approved, effective October 1, 2011.

This amendment combines the responsibilities of the drug utilization review (DUR) board with the Pharmacy and Therapeutics Committee.

A copy of the CMS-179 form, as well as the pages approved for incorporation into the Oregon's state plan will be forwarded by the Seattle Regional Office. If you have any questions regarding this approval, please contact Wendy Tuttle at (410) 786-8690.

Sincerely,
/s/

Larry Reed
Director
Division of Pharmacy

cc: Judy Mohr Peterson, Administrator
Jesse Anderson, State Plan Coordinator
Barbara Richards, ARA Seattle Regional Office
Maria Garza, Seattle Regional Office

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
11-15

2. STATE
Oregon

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION; TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID) Medical Assistance

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
10/1/11

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 440.120, 456-Subpart K

7. FEDERAL BUDGET IMPACT:
a. FFY 2012 \$ 0
b. FFY 2013 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Attachment 3.1-A, Page 5-a, 5-a-1 &
Attachment 4.1-A, Page 1**

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

**Attachment 3.1-A, Page 5-a &
Attachment 4.10-A, Page 1**

10. SUBJECT OF AMENDMENT: This transmittal is being submitted to reflect a change from the DUR Board to a Pharmacy & Therapeutics committee that will bear the same responsibilities and assume Preferred Drug List (PDL) development responsibilities that will be based on safety, efficacy, and cost.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME **Judy Mohr Peterson**

14. TITLE: **Director, Division of Medical Assistance Programs**

15. DATE SUBMITTED:

10-18-11

16. RETURN TO:

**Division of Medical Assistance Programs
Oregon Health Authority
500 Summer Street NE E-35
Salem, OR 97301**

ATTN: Jesse Anderson, State Plan Manager

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: **October 18, 2011**

18. DATE APPROVED: **JAN 13 2012**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVAL: **OCT 13 2011**

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

CAROL J.C. Peverly

22. TITLE:

**Associate Regional Administrator
Division of Medicaid &
Children's Health**

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: OREGON

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL
CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

LIMITATIONS ON SERVICES (Cont.)

12.a. Prescribed Drugs

Reimbursement is available to covered outpatient drugs of any manufacturer that has entered into and complied with an agreement under Section 1927(a) of Title XIX of the Social Security Act, which are prescribed for a medically accepted indication. Drugs subject to limitations are those outlined under Section 1927(d)(4) of Title XIX of the Social Security Act.

The OHA will maintain a list of drugs to be referred to as the Practitioner Managed Preferred Drug List (PDL). The PDL is a listing of prescription drugs that the OHA has determined represents the most effective drug(s) at the best possible price for the selected drug classes. The PDL will be developed by the combined Drug Use Review Board (DUR) and the Pharmacy & Therapeutics Committee using any information it deems appropriate including information gathered from non-evidence based processes. The PDL will include other drugs in the class that are Medicaid reimbursable and which the FDA has determined to be safe and effective when the DUR/P&T Committee differentiates substantial cost differences between drugs in the same class.

A practitioner may prescribe any Medicaid reimbursable, FDA approved drug that is not listed on the PDL, however if the drug is not on the PDL the prescriber must obtain a Prior Authorization (PA). Mental Health drugs in therapeutic class 7 and 11, clients with a prescription written prior to 1/1/2010 and a drug in a class that has not been evaluated for the PDL are exempt from the PA requirement. In order to obtain a PA the practitioner may phone or fax a 24/7, toll-free number to reach the health plan's pharmacy benefits manager. The prescriber will speak with a pharmacy technician or with a registered pharmacist who will ask about the medical diagnosis being treated and whether he or she has tried a generic or another drug on the preferred drug list. Prior approval is granted when a medical diagnosis is covered by the Oregon Health Plan HSC list of health services and medical history or patient risk indicates the drug is needed. Approvals or denial responses are issued within 24 hours of the prior authorization request. If prior approval is denied, both the physician and patient receive a letter explaining why and outlining appeal procedures. Pharmacies are authorized to dispense a 72 hour supply of a product that has prior authorization criteria in the event of an emergency. The program complies with requirements set forth in Section 1927 (d)(5) of the Social Security Act pertaining to prior authorization programs.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: OREGON

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL
CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

LIMITATIONS ON SERVICES (Cont.)

12.a. Prescribed Drugs (Cont.)

Regardless of the PDL, prescriptions shall be dispensed in the generic form unless practitioner requests otherwise subject to the regulations outlined in 42 CFR 447.512.

The state utilizes The Oregon State University College of Pharmacy for literature research and the state's DUR and Pharmacy & Therapeutics Committee as the Prior Authorization committee. Criteria used to place drugs on Prior Authorization is based upon safety, efficacy and clinical outcomes as provided by the product labeling of the drug.

The combined DUR and Pharmacy and Therapeutics Committee members are appointed by the OHA Director, or his designee's and consists of five (5) practicing physicians, four (4) practicing pharmacists, and two (2) members of the public who are non-pharmacists or physicians.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: OREGON

GENERAL PROGRAM ADMINISTRATION

Pharmacy Lock-in program:

Clients with suspect utilization patterns that indicate patient safety issues or risk of drug misuse may be locked-in to a single pharmacy for a period of 18 months. The criteria used to determine who should be lock-in are, but not limited to; use of 3 or more pharmacies in 6 months; use multiple prescribers to obtain the same or comparable drugs, or exhibit patterns of drug misuse. The Oregon DUR/P&T Committee develops standards to be used in retrospective and prospective drug utilization review in a manner that insures that such criteria and standards are based on the compendia, relevant guidelines obtained from professional groups through consensus-driven processes, the experience of practitioners with expertise in drug therapy, data and experience obtained from drug utilization review program operations.

Once the client has been identified to be in the program a notice is sent that includes the pharmacy the client is assigned to, the effective date and the right to change the pharmacy assigned within 45 days and administrative appeal rights.

Clients are allowed to use the Division's mail-order pharmacy and/or the Pharmacy they are assigned. Clients can change the assigned pharmacy for circumstances such as a move out of the area.

Exemptions from the lock-in; if they are enrolled in Managed care, covered by Medicare part D, a child in state custody or inpatient or resident in a hospital, NF or other medical facility. Emergency situations have provisions for an exception from lock-in.