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Objective:

- I. To ensure the clinically appropriate use of pharmaceuticals.
- II. To ensure Tuality Health Alliance (THA) Oregon Health Plan (OHP) members have access to local pharmacies for pharmaceutical needs.
- III. To ensure THA's pharmaceutical management procedures are based on sound clinical evidence and promotes the clinically appropriate use of pharmaceuticals.
- IV. To ensure THA offers a process to consider medical necessity exceptions for THA members to obtain coverage of a pharmaceutical not on the formulary.

Policy:

- I. Prescription drugs are a covered service based on the funded condition treatment pairs with the exception of drug class 7 & 11 and Depakote and Lamictal.
- II. Pharmacy services for THA are contracted through local pharmacies and administered through a Pharmacy Benefits Management (PBM) Company.
- III. THA involves the THA Medical Director, the PBM pharmacist and a designated THA Registered Nurse in the development and periodic updating of the formulary.
- IV. THA invites any THA participating physician to actively participate in the Formulary development and process.
- V. THA affiliated physicians receive updated Formularies at the time of approval and printing of an updated formulary. The THA Formulary is posted on the THA website.
- VI. THA maintains a closed formulary and has a prior authorization process to consider medical necessity exceptions for members to obtain coverage of a pharmaceutical not on the formulary.
- VII. Formulary
 - A. The formulary established by THA is to be utilized in providing prescribed items and approved over-the-counter items.

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- B. THA's formulary includes Federal Drug Administration (FDA) approved drug products for each therapeutic class sufficient to ensure the availability of covered drugs with minimal prior approval intervention by the provider of pharmaceutical services.
 - C. THA includes at least one item in each therapeutic class of over-the-counter medications
 - D. If a prescription claim is denied by the PBM for reimbursement because a drug is not in the approved formulary, the pharmacist must call the prescribing physician to identify an appropriate Formulary alternative.
 - E. The formulary is revised at least annually or more frequently to assure compliance with this requirement.
 - F. Formulary and/or therapeutic change inquiries should be forwarded to the THA Medical Director and/or the THA Medical Services Manager.
 - G. THA's Drug Formulary is available in hard copy upon request or for access via the THA website, or with Epocrates software to encourage formulary compliance.
- VIII. Prior Authorization Process
- A. Each prescribed item must be filled at an authorized THA Pharmacy and must conform to the established formulary as approved by THA and administered through the PBM.
 - B. Pharmaceutical decisions may be either nonurgent preservice decisions or urgent preservice decisions, depending on whether the request meets the definition of urgent care.
 - C. If a drug requires prior authorization, the prescribing physician submits a THA Prior Authorization Request form along with appropriate medical record documentation to THA.
 - D. The THA Medical Director reviews the information and the requesting physician is informed of the approval or denial decision.
 - E. If a drug cannot be approved within 24 hours of receipt of the request for Prior Authorization, and the nature of the drug is immediate, THA

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will provide for the dispensing of a 72-hour supply.

- F. The pharmacy views the override on their system once the approval is put into the Anchors Pharmacy Authorization system.

- IX. Eligibility
 - A. THA is responsible for transmitting the current enrollee eligibility data to the contracted PBM in a timely manner.

 - B. Pharmacies will access eligibility records on line.

 - C. If a member presents and is not included in the on-line eligibility records, the pharmacist can contact THA. If THA staff is not available, the pharmacist has the authority to provide a three-day supply of the prescription and notify THA immediately of the transaction.

- X. Prescriptions for Physician Assisted Suicide under the Oregon Death with Dignity Act are excluded; payment is governed solely by OAR 410-121-0150.

- XI. THA will not authorize payment for any Drug Efficacy Study Implementation (DESI) Less Than Effective (LTE) drugs which have reached the FDA Notice of Opportunity for Hearing (NOOH) stage, as specified in OAR 410-121-0420 (DESI)(LTE) Drug List. The DESI LTE drug list is available at <http://www.cms.hhs.gov/MedicaidDrugRebateProgram/12LTEIRSDrugs.asp>.

- XII. THA will make every effort to coordinate benefits and assist dual eligible members with the Medicare D benefit. THA will cover drugs excluded from Medicare which includes but is not limited to:
 - A. Benzodiazepines

 - B. Over-the-counter (OTC) drugs

 - C. Barbiturates.

References: OAR 410-141-0070
2011 FCHP Contract Exhibit B Part 1 Section 15

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Formulated: September 1998
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April 2005
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November 2007
February 2011

THA Plan Director

THA Medical Director