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Medicaid Managed Health Care Policy Clarification

RE: Covering 2nd Generation Antipsychotic Drugs

Issuance Date: May 20, 2008

The Medicaid Managed Care Program provides health care coverage to Covered Families and Children (CFC) Medicaid consumers and certain consumers who qualify for benefits under the Aged, Blind or Disabled (ABD) category. Under this program managed care plans (MCPs) must provide for their members all medically-necessary Medicaid-covered services, including pharmaceuticals covered by the Ohio Medicaid fee-for-service (FFS) program. With Ohio Department of Job and Family Services (ODJFS) approval MCPs may implement specific strategies for the management of pharmacy utilization. Such strategies may include, but are not limited to, the use of preferred drug lists (PDL) and requiring prior authorization (PA) for certain prescription drugs. It is the intent and expectation of ODJFS that all MCP members receive their medically-necessary Medicaid-covered medications in a timely manner. Therefore, utilization management strategies must not result in unnecessary delays in members receiving their prescription medications.

Policy Change

Prior to 2008, ODJFS permitted MCPs to require PA for 2nd generation antipsychotic drugs prescribed to CFC members, but did not allow the PA of those same drugs for ABD members except for Invega, a metabolite of Risperdal.

Effective January 1, 2008, ODJFS changed the policy affecting the coverage of 2nd generation antipsychotic drugs to allow MCPs to also require PA of these drugs for ABD members. ODJFS has since revised this policy to exempt certain psychiatrists from PA for some forms of the 2nd generation antipsychotic drugs. Under the revised policy, psychiatrists contracting with MCPs and psychiatrists working through a Community Mental Health Center (CMHC) may be exempt from PA requirements for current and future 2nd generation antipsychotics without an available generic or bio-equivalent. **The brand name drugs that are currently exempt from PA under this policy for these psychiatrists are Abilify, Geodon, Invega, Risperdal, Seroquel, and Zyprexa.** The PA exemption also applies to generic versions of the 2nd generation antipsychotics such as clozapine, the only generic currently available.

In order for CMHC psychiatrists to qualify for the PA exemption, CMHCs must submit certain information to the Ohio Department of Mental Health (ODMH) at <http://www.mh.state.oh.us/medicaid/general/medicaid.index.html> .

All psychiatrists will, however, be required to follow individual MCP PA requirements for the following:

- Clozaril - brand version of clozapine
- Alternative dosage forms of 2nd generation antipsychotics (such as orally disintegrating tablets and injections)
- All other drugs covered by managed care plans

In addition, in order to promote patient safety and reduce accidental overdosing, prescriptions that exceed the maximum FDA-recommended dosage may require PA but will be covered by the MCP if medically necessary.

All non-exempt providers serving CFC and ABD members enrolled in an MCP must follow each individual MCP's PA requirements. For information on what drugs require PA please visit the MCPs' websites or contact the MCPs directly. A listing of MCPs and their website addresses and contact information is available at <http://jfs.ohio.gov/ohp/bmhc/pro-man-care.stm>.

PA decisions for all covered outpatient drugs must be rendered by an MCP within twenty-four hours of the initial request. MCPs must cover a seventy-two hour supply of the prescribed covered medication when an emergency situation exists. Additionally, MCP members who are clinically stable on a particular 2nd generation antipsychotic medication will be allowed ongoing access to that specific drug. MCPs must accept the prescriber's assessment of medical stability and must not require subsequent PA for that member's specific 2nd generation antipsychotic medication within 12 months of the MCP approving that drug.

A retrospective review of the utilization of 2nd generation antipsychotic drugs will be completed on a monthly basis through a collaboration between ODMH, ODJFS, and the MCPs. This evaluation, which will include all prescribers, will be used for targeted education and for reassessing the need, if any, to revise the PA policy.

The revised policy described in this notice is effective immediately.

No additional PA requirements for 2nd generation antipsychotic drugs prescribed to ABD members will be permitted until an MCP receives ODJFS approval of their individual proposal for implementing the revised policy.

Questions regarding the Medicaid managed care pharmacy benefit or this policy in particular may be directed to BMHC@jfs.ohio.gov or 614-466-4693.