# 17 Pharmacy and Drug Formulary

Reviewed/Revised: 10/10/2017, 02/01/2017, 02/15/2016, 09/16/2015, 09/18/2014

## INTRODUCTION

Health Choice Arizona is pleased to provide the Health Choice Arizona Formulary, which is also available online at www.healthchoiceaz.com. The medications listed in the formulary should be used when prescribing to Health Choice Arizona members. This is a closed formulary and only the drugs listed in this formulary are covered by Health Choice Arizona, except when prior authorization (PA) is given. An updated online version of the Health Choice Arizona Formulary is posted annually during the first calendar quarter. The formulary represents the Health Choice Arizona formulary drug list as of January 1 of that year. Changes can occur later than that date, and the most accurate Health Choice Arizona Formulary drug listing can be found on the Health Choice Arizona website at http://www.healthchoiceaz.com/providers/prescription-drugs. Additionally a machine readable version of the HCA formulary is available on our website. .

Periodic updates are posted to the Health Choice Arizona Formulary website on the "Recent Formulary Updates" link. Changes include all Pharmacy and Therapeutics Committee actions including drug additions, drug deletions (usually with "grandfathering" for any current members on that medication), addition of Step Therapies or Quantity Level Limits (QLs), or newly designated Prior Authorization (PA) medications. New additions are placed on the Health Choice Arizona Formulary as soon as possible, to let all providers have the advantage of using that medication on behalf of the Health Choice Arizona member. Prior authorization criteria for the medications listed on the formulary is posted on the "Medication Prior Authorization" link (see Chapter 6: Medical Authorizations and Notifications and Exhibit 17.2)

The drugs listed in the Health Choice Arizona formulary have been researched, reviewed, and formally approved by the Health Choice Arizona Pharmacy and Therapeutics (P&T) Committee. The HCA formulary contains medications consistent with AHCCCS P&T Committee decisions and the AHCCCS Acute Care Drug list. The drugs have been specifically selected to provide both clinically appropriate and cost-effective medications for patients who have their drug benefit administered through Health Choice Arizona. There may be occasions when an unlisted drug is desired for use by a specific patient, in which case the unlisted medication may be requested through the Prior Authorization Process.

Health Choice Arizona participating providers may request medications be considered for Health Choice Arizona Formulary addition or deletion (Exhibit 17.1), by sending their request, with documentation, to Health Choice Arizona, Pharmacy Department, 410 North 44th Street, Suite 900, Phoenix, AZ 85008 or faxing the same information to Health Choice Arizona at (480) 784-2933.

## Preface

The Health Choice Arizona Formulary is organized into sections. Each section includes therapeutic groups identified by either a drug class or disease state. Covered generic products are identified in lower case type with a "G" in the Brand/Generic indicator column and a reference brand name included as a reference to assist in product recognition. Covered Brand products are identified in upper case type with a "B" in the Brand/Generic indicator column. Unless exceptions are noted, generally all dosage forms and strengths of the drug cited are covered. Certain drugs may be available within a set monthly quantity restriction, signified by the letters QL, or require prior authorization for coverage.

This formulary covers select over-the-counter (OTC) products. You are encouraged to prescribe them when clinically appropriate, and to prescribe them exactly as they appear in the formulary.

## Production Selection Criteria

The Health Choice Arizona P&T Committee will consider new-to-market drugs for inclusion to the formulary as the need for each new product is assessed. The evaluation includes a literature review and expert external opinion may also be sought.

Formal reviews are prepared that typically address the following information: safety, efficacy, comparison studies, approved indications, adverse effects, contraindications/warnings/precautions, pharmacokinetics, patient administration/compliance considerations, and medical outcome and pharmacoeconomic studies.

When a new drug is considered for formulary inclusion, an attempt will be made to examine the drug relative to similar drugs currently on formulary. In addition, entire therapeutic classes are periodically reviewed. The class review process may result in deletion of one or more drugs in a particular therapeutic class in an effort to continually promote the most clinically useful and cost-effective agents.

## Cost Index

Health Choice Arizona, in partnership with its providers, hopes to provide the best care for our members while maintaining an overall cost-effective approach. We ask that providers consider the relative costs when choosing an agent, which can best treat the patient; e.g. quality FDA "A" rated generic drugs are the Health Choice Arizona Formulary preferred agents.

## Generic Substitution

Health Choice utilizes a mandatory generic drug substitution policy consistent the AHCCCS requirements. The substitution of a generic drug in place of a brand name drug is required if the generic drug is available and contains the same active ingredient(s) and both products, the brand name and generic, are chemically identical in strength, concentration, dosage, form and route of administration. Generic substitutions shall adhere to Arizona State Board of Pharmacy rules and regulations. Exceptions to the generic substitution policy are found on the Health Choice Arizona formulary document.

Additionally, Health Choice Arizona requires network pharmacies to dispense generic drugs when available. Only those generic products that have received an "A" rating by the FDA should be used. If the physician indicates "no generic substitution" and a generic substitution is available, the physician must contact Health Choice Arizona for prior authorization and follow the prior authorization guidelines for obtaining a formulary exception. Appropriate documentation will be required describing rationale for no generic substitution.

## Dispensing Limitations

Health Choice Arizona members commonly receive up to a 30-day supply of medication at one time.

Hospital overrides of medications may occur as hospitals and emergency departments are frequently not familiar with Health Choice Arizona formulary choices. When this occurs, it is the responsibility of the PCP to prior authorize medication only when needed to complete a medically necessary treatment course, but to otherwise convert the patient to a Health Choice Arizona formulary product.

## Mental Health Medications

Health Choice Arizona providers, within the scope of their practice, can prescribe medications to members with selected behavioral health disorders: ADD/ADHD, mild depressive disorders and mild anxiety disorders. The Health Choice Arizona formulary includes medications to treat these disorders and meets the AHCCCS Mental Health Parity requirements. Appropriate physician assessment and documentation describing the condition is required to facilitate the prior authorization requests for these stated disorders. AHCCCS mandates that PCPs who choose to manage mild depression and/anxiety are monitored for appropriate management of this diagnosis. Health Choice Arizona requests that providers use currently accepted standard medical screening tools for diagnosis and follow up evaluations in order to confirm accurate diagnosis and prevent delays in medication approvals. Treatment for all other behavioral health conditions should be referred to a licensed behavioral health provider. Health Choice Arizona members who are not eligible for Medicare can receive behavioral health services through the local Regional Behavioral Health Authority (RBHA). (REFER TO CHAPTER 18 BEHAVIORAL HEALTH SERVICES).

## Specialty Medication Program

Health Choice Arizona utilizes a specialty pharmacy, BriovaSpecialty Pharmacy, to provide certain medically necessary, specialty medications for Health Choice Arizona members. These very specialized medications are used to treat chronic disorders such as multiple sclerosis, chronic hepatitis, cystic fibrosis, rheumatoid arthritis and, hepatitis C, etc. These medications can be identified in our formulary by the code “SP” in the Requirement/Limit column.

Physicians may request a specialty medication by utilizing the Health Choice Arizona Pharmacy Medication Prior Authorization Form found on our website. The completed PA form and supporting documentation should be faxed to the Health Choice Arizona Prior Authorization Department at (877) 422-8130. DO NOT SEND THIS FORM DIRECTLY TO THE SPECIALTY MEDICATION PROGRAM.

## Controlled Substances

Health Choice Arizona requires physicians to utilize the Controlled Substances Prescription Monitoring program (CSPMP) when prescribing controlled substances to their patients. This database tracks the prescribing and dispensing of controlled prescriptions and can assist in the avoidance of inappropriate use of these medications. Please see Exhibit 17.3 for additional information on the Arizona CSPMP.

Health Choice complies with state mandated opioid prescribing limits and AHCCCS required utilization management edits (e.g. Prior Authorization, concomitant therapy edits).

Additionally, Health Choice complies with AHCCCS requirements that allow PCPs to treat members with medication-assisted treatment (MAT) for opioid use disorder (OUD). PCPs providing MAT shall meet all regulatory requirements established for the medication type administered. AHCCCS preferred drugs for the treatment of OUD are available on the Health Choice Formulary (preferred drug list).

To promote safe prescribing practices, Health Choice encourages providers to adopt and utilize electronic prescribing of medications. Please see Exhibit 17.4 for additional information on e-prescribing.

## Pharmacy Authorizations

Health Choice Arizona is permitted to manage the pharmacy benefit by developing a Formulary. Physicians should utilize the Health Choice Arizona Drug Formulary when prescribing medications for Health Choice Arizona members. Refer to the AHCCCS Medical Policy Manual Chapter 300, Policy 310-V.

If the Provider determines that the patient requires a medication that is listed as requiring prior authorization and/or not listed on the plan Formulary, the physician must request prior authorization using the current Health Choice Arizona Prior Authorization Request Form (Exhibit 17.2) along with appropriate documentation to support the request. Providers should also note references to step therapy (ST) edits, and quantity limits (QL) prior to requesting PA.

Providers are strongly encouraged to check the online Health Choice Arizona Formulary and Prior Authorization Criteria documents to obtain the most up-to-date formulary and clinical coverage requirement information..

## TIME FRAMES FOR HEALTH PLAN PRIOR AUTHORIZATION REVIEW

As defined by the AHCCCS Medical Policy Manual, Chapter 1000, and Medical Management/Utilization Management: "Chapter Overview" Health Choice has implemented policies for processing and making determinations for prior authorization requests for medications consistent with the following requirements.
1. A decision to a submitted prior authorization request for a medication is provided by telephone, fax, electronically or other telecommunication device within 24 hours of receipt of the submitted request for prior authorization if all information required to render a decision is present,
2. A request for additional information is sent to the prescriber by telephone, fax, electronically or other telecommunication device within 24 hours of the submitted request when the prior authorization request for a medication lacks sufficient information to render a decision. A final decision shall be rendered within seven days from the initial date of the request,
3. At least a 4-day supply of a covered outpatient prescription drug is provided to the member in an emergent situation. [42 CFR 438.3(s)(6)]."

### Prior Authorization Determinations

Authorizations which are correctly submitted to Health Choice Arizona on behalf of Health Choice Arizona) will be processed and completed in one of the following standard methods:

1. **Approved** - The information received met all Health Choice Arizona requirements, and authorization is granted. No further action is required by the office except to notify the member/facility and facilitate the member in obtaining the approved services. The requesting provider office is responsible for informing the member that services have been authorized by Health Choice Arizona.
2. **Denied** - The information received did not meet all Health Choice Arizona requirements, and authorization is not granted. The requesting provider and member will receive a denial notification letter.
3. **Request for additional information**: In some instances where PA has been requested, the documentation received by Health Choice Arizona *may* suggest that medical necessity exists for the service, but the records provided are insufficient to render an authorization.

   When this occurs, additional information may be requested within 24 hours of the submitted request via fax.

When additional information cannot be obtained within 7 days in order for Health Choice Arizona to meet AHCCCS mandated PA time-frame Health Choice Arizona will render a decision.

4. **Reduced** The information received met all Health Choice Arizona medical necessity requirements, and a partial authorization is granted. Requested services may be reduced when the documentation provided does not support the full amount, duration and/or scope of service at the time of request.

## Authorization Denials

When a denial is issued, Health Choice Arizona must inform the member of the denial of service and the reason for denial in clearly understood language in the form of a "Notice of Action" (NOA) letter utilizing the AHCCCS 'Notice of Adverse Benefit Determination" letter template. AHCCCS requires NOA letters to communicate the basis for a denial in "easily understood" language, therefore NOA letters will be written in a simplistic fashion in order to comply with this specific AHCCCS requirement. For more information about what a member can do if they receive an NOA, please see Chapter 15: Claim Disputes, Member Appeals and Member Grievances.

Written information which communicates a denial of service will also be sent to the requesting provider (or their designee). Provider denial letters are sent to the physician or facility who initiated the request for the prior authorization and will contain varying degrees of detail in order to explain the basis for denial.

After a denial decision has been made, denial communications to the member and prescriber will be generated to be faxed and mailed within the appropriate PA time-frames.