

*TOC not required*

## 240.000 PRIOR AUTHORIZATION

1-1-23

Prescription drugs may be reimbursed under the Arkansas Medicaid Program pursuant to an order from an authorized prescriber.

The prescriber must initiate the prior authorization (PA) for prescription drugs that require PA. The PA request must be completed and submitted by the prescriber. All PA documentation must remain in the patient's chart and will be subject to audit by the Division of Medical Services or its authorized representatives.

In addition, clinical edits will be established through a system modification enhancement, as well as limits placed on drugs based on age, gender, quantity, and dosage, as approved by our Drug Utilization Review Board. Lists of all drugs, subject to clinical editing and the criteria for reimbursement, are maintained by DHS or its contracted Pharmacy Vendor. [View or print the DHS Contracted Pharmacy Vendor Help Desk contact information.](#)

Arkansas Medicaid Pharmacy Program will maintain a Preferred Drug List based on comparative evidence-based data from Clinical Evidence Reports (CER). Arkansas Medicaid Pharmacy Program will use the CER to identify drug class or drug classes of medications that have similar indications, efficacy, and safety. Arkansas Medicaid will negotiate state supplemental rebates with manufacturers for the identified medication(s), pursuant to a CMS approved State Supplemental Rebate Agreement. A Drug Cost Committee (DCC) will review both State Supplemental and Federal rebates to determine the final net cost to the State. The Drug Utilization Review (DUR) Board will review the CER to determine safety and efficacy of the identified medication(s). The DCC and DUR Board will provide recommendations to the State for preferred and non-preferred status for the identified medication(s). Arkansas Medicaid will use these recommendations to establish and maintain a Preferred Drug List.

In an emergency, for those drugs for which a five-day supply can be dispensed, an Arkansas Medicaid enrolled pharmacy may dispense up to a five-day supply of a drug that requires prior authorization. This provision applies only in an **emergency** situation when the DHS Contracted Pharmacy Vendor Help Desk and the State Medicaid Pharmacy Program offices are closed, and the pharmacist is not able to contact the prescribing provider to change the prescription. The Emergency Supply Policy does not apply to drugs that are not covered by the State. Frequency of the emergency override is limited to one (1) time per year per drug class for non-LTC beneficiaries and one (1) time per sixty (60) days per drug class for LTC beneficiaries. To file a claim using this emergency provision, the pharmacy provider will submit a "03" in the Level of Service (418-DI) field.

Prior Authorization information is maintained by DHS or its contracted Pharmacy Vendor. [View or print the DHS Contracted Pharmacy Vendor Help Desk contact information.](#)

The following information is available:

- A. Prescription Drug Clinical Edits
- B. Prescription Drug Claim Edits
- C. Prescription Drug PA Forms
- D. VRS System Brochure, and
- E. Evidence-Based Prescription Drug Program.

**FINANCIAL IMPACT STATEMENT**

**PLEASE ANSWER ALL QUESTIONS COMPLETELY**

**DEPARTMENT** Department of Human Services

**DIVISION** OFA – Medicaid Finance

**PERSON COMPLETING THIS STATEMENT** Jason Callan

**TELEPHONE** 501-320-6540      **FAX** \_\_\_\_\_      **EMAIL:** Jason.Callan@dhs.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

**SHORT TITLE OF THIS RULE**                      Pharmacy (1-22) Provider Manual change for combining the DUR Board and DRC

- 1. Does this proposed, amended, or repealed rule have a financial impact?      Yes                       No
  
- 2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?                      Yes                       No
  
- 3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered?                      Yes                       No

If an agency is proposing a more costly rule, please state the following:

- (a) How the additional benefits of the more costly rule justify its additional cost;  
\_\_\_\_\_
  
- (b) The reason for adoption of the more costly rule;  
\_\_\_\_\_
  
- (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;  
\_\_\_\_\_
  
- (d) Whether the reason is within the scope of the agency’s statutory authority; and if so, please explain.  
\_\_\_\_\_

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

- (a) What is the cost to implement the federal rule or regulation?

<b><u>Current Fiscal Year</u></b>		<b><u>Next Fiscal Year</u></b>	
General Revenue	\$ _____	General Revenue	\$ _____
Federal Funds	\$ _____	Federal Funds	\$ _____
Cash Funds	_____	Cash Funds	_____
Special Revenue	_____	Special Revenue	_____

Other (Identify) \_\_\_\_\_  
 \_\_\_\_\_  
 Total \$ \_\_\_\_\_

Other (Identify) \_\_\_\_\_  
 \_\_\_\_\_  
 Total \$ \_\_\_\_\_

(b) What is the additional cost of the state rule?

**Current Fiscal Year**

General Revenue \$0 \_\_\_\_\_  
 Federal Funds \$0 \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_  
 Total \$ 0 \_\_\_\_\_

**Next Fiscal Year**

General Revenue \$0 \_\_\_\_\_  
 Federal Funds \$0 \_\_\_\_\_  
 Cash Funds \_\_\_\_\_  
 Special Revenue \_\_\_\_\_  
 Other (Identify) \_\_\_\_\_  
 Total \$ 0 \_\_\_\_\_

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

**Current Fiscal Year**

\$ 0 \_\_\_\_\_

**Next Fiscal Year**

\$ 0 \_\_\_\_\_

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

**Current Fiscal Year**

\$ 0 \_\_\_\_\_

**Next Fiscal Year**

\$ 0 \_\_\_\_\_

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes  No

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
  - (a) justifies the agency's need for the proposed rule; and
  - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;

- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
  - (a) the rule is achieving the statutory objectives;
  - (b) the benefits of the rule continue to justify its costs; and
  - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.