

# Oklahoma Medicaid DUR Update for Pharmaceutical Industry Representatives



### This publication:

- Is intended to assist pharmaceutical manufacturer representatives in understanding the Oklahoma Medicaid pharmacy program and processes.

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## The Oklahoma Medicaid DUR Process

Each Medicaid program is allowed to structure their program in the manner that suits the needs of the state and their Medicaid population.

In Oklahoma, there is a very specific and detailed process for drug review and placement of drugs into prior authorization programs.

There are two main processes: one for drug categories and a separate process for individual drugs.

For individual drugs, state law requires a 30 day notice prior to a vote by the DUR Board. Typically, new drugs, drugs with significant clinical considerations, or drugs which are indicated only in very specific circumstances are reviewed indi-

vidually. The standard process is to review the clinical and economic data available at one meeting and if the DUR Board recommends a prior authorization, there will be a vote at the following meeting.

For therapeutic categories of drugs, the process is much longer. In order to prior authorize a drug category, there must be an economic impact presented at least 60 days prior to the vote. This generally comes at some point after a category review, which has been placed on the "Future Business" section of the previous month's agenda. At the meeting following the economic analysis, the 30 day notice is given, followed by a vote the next month.

### Individual Drug Process

- First meeting—30 day notice with clinical and economic analysis
- Second meeting—vote

### Therapeutic Category Process

- First meeting—appears on the Future Business Section
- Second Meeting—60 day economic impact
- Third Meeting—30 day notice of vote
- Fourth Meeting—Vote

Public comment is allowed at each of these meetings.

## Public Comment Period

Each DUR Board Meeting includes a time for public input. Speakers may choose to speak at the beginning of the meeting or may wait until their particular agenda item is being considered.

There are eight slots for public

comment. Each slot is five minutes. The Chair may allow more than eight speakers. In the past, the Chair has asked for a single representative to address one item when there are many speakers. Sign up sheets are out by 5:15 p.m. on the night of the meeting.

When you arrange to have someone come to speak to the DUR Board, please do not have them read the Package Insert. Please respect the Board Members' time and effort in volunteering for the Board.

Supplemental rebate contracts are handled by Julian Williams at OHCA.

Tom Simonson is the Drug Rebate manager and is responsible for invoicing, payment tracking, and dispute resolution for the federal program. You can contact him at

DrugRebateUnit@okhca.org.

## Supplemental Rebates

In January 2000, OHCA started the Product Based Prior Authorization Program. As an extension of that program, in 2004 OHCA began accepting Supplemental Rebates from manufacturers that would remove the prior authorization process for their products.

Each state has a different mechanism of setting rebates and contracting. Oklahoma does not use a rebate vendor. All rebate calculations and contracting functions are done in-house by OHCA staff.

On Page 1 of this issue, the DUR Board process for therapeutic categories is outlined. There are no supplemental rebate negotiations or discussions during this process. The DUR Board is not brought into the rebate discussions. It is their responsibility to look at clinical and economic factors excluding rebate in order to Tier the medications.

After the DUR Board has set the Tier structure for a particular category, the OHCA Supplemental Rebates Workgroup will

meet to set rebate levels for participation. After this meeting, contracts are sent to manufacturers with drug products in the category.

After these contracts arrive, it is appropriate to discuss the specifics only with the individual named in the documentation accompanying the contract offer.

DUR Board members and College of Pharmacy staff do not participate in the supplemental rebate process.

It is estimated that the PBPA has resulted in savings of more than \$90 million since its inception in 2000.

## Product Based Prior Authorization Program

Many states utilize a Preferred Drug List in their Medicaid programs. Oklahoma uses a program that we call Product Based Prior Authorization. This program was implemented in 2000 to address therapeutic categories for which there are a significant number of generic products along with single source branded products. The DUR Board places each drug in the category in either Tier 1 or

Tier 2. Tier 1 drugs do not need prior authorization. Tier 2 drugs require prior authorization or step therapy with a Tier 1 product.

It is estimated that the PBPA has resulted in savings of more than \$90 million since its inception in 2000.

The next column lists the categories which are currently included in the PBPA.

- ADHD/Narcolepsy
- Antidepressants
- Anti-hypertensives
- Anti-ulcer
- NSAIDS/Cox-2
- Fenofibrates
- Statins

*Please forward materials for DUR Board members to Ron Graham at the College of Pharmacy. He will make sure the members receive the materials.*

*There may be a charge for mailing large or bulky items.*

## DUR Board Members

DUR Board Members are recommended by organizations as set in state statute. The recommending bodies are the Oklahoma State Medical Association, the Oklahoma Osteopathic Association, the Oklahoma Pharmacists Association, OHCA, and PhRMA.

The OSMA recommends three members. Currently serving at

their recommendation are Thomas Whitsett, MD and Brent Bell, DO. One slot is open.

The Osteopathic Association recommends one member. Kyle Hrdlicka, DO is currently serving as their representative.

OPhA recommends four pharmacists. Currently, Dick Robinson, Cliff Meece, Dorothy Gour-

ley and Jim Rhymer are serving as pharmacist representatives.

PhRMA recommends one member. Annetta Harrell, RPh is serving at this time.

OHCA is allowed to recommend one person who is neither a pharmacist nor a physician. Dan McNeill, PhD, PA-C serves in that position.

## General Drug Coverage Information

In order to be covered by Oklahoma Medicaid, a drug must have a Federal Drug Rebate in effect and must not be in one of the optional coverage categories for which we provide no coverage.

Oklahoma contracts with First Data Bank and receives weekly updates from them. Drugs not listed with First Data Bank will not be included in the claims processing system for Oklahoma Medicaid.

Federal Optional Categories for which Oklahoma provides NO coverage:

- Cough and cold
- Fertility
- Cosmetic
- Weight Loss/Gain
- Nutritional supplements

Federal Optional Categories for Which Oklahoma provides SOME coverage

- Smoking cessation
- Benzodiazepines
- Barbiturates
- OTC's—Family planning, Insulin, Loratadine, and Prilosec.

Rodney Ramsey can help you determine whether your products are covered and if there are restrictions on the coverage.

Please email us at [MedicaidRx@okhca.org](mailto:MedicaidRx@okhca.org) for information.

## Contacting OHCA Pharmacy Department Staff

The OHCA Pharmacy department is divided into three sections. Tom Simonson heads the Federal Drug Rebate Unit, Alex Easton heads the Pharmacy Operations team, and Pharmacy Director Nancy Nesser heads up the clinical team.

The pharmacy department routinely receives inquiries from manufacturer representatives about how to best work with us.

We prefer to meet with you no more than a couple of times in a year. Please ask for appointments only when you have a new product that will have a significant impact in retail pharmacy.

Physician administered drugs, durable medical equipment, and diabetic supplies are not within the scope of the pharmacy department's responsibilities.

We can refer you to appropriate personnel if you have questions about these issues.

For general policy questions, you will find a wealth of information at our Web site: [www.okhca.org](http://www.okhca.org). Click on Providers and then Pharmacy.

If you cannot find the answer to your question, please send an email to [medicaidrx@okhca.org](mailto:medicaidrx@okhca.org).

*We prefer to meet with you no more than a couple of times in a year...when you have a new product that will have a significant impact in retail pharmacy.*

Nancy Nesser is the Pharmacy Director and Alex Easton is the Pharmacy Operations Manager for OHCA.

## Contacting the College of Pharmacy Staff

OHCA contracts with Pharmacy Management Consultants (PMC) at the University of Oklahoma College of Pharmacy. The pharmacists at PMC prepare drug utilization review reports for the DUR Board and communicate with prescribers and pharmacists. They also support a Pharmacy Help Desk and the Medication Prior Authorization

Unit. If you have a need to contact the staff at PMC, please go through Ron Graham.

Pharmacists who are preparing a drug or category review do not speak with manufacturer representatives prior to the presentation of the report in order to maintain an unbiased opinion.

Continuing Education presenta-

tions are always welcome by the staff at PMC. Ron Graham can help you arrange a time and space for a presentation.

Contact information:

Ronald-Graham@ouhsc.edu  
405-271-9039 x 47355

Appointments are available beginning the day after the DUR meeting through the end of the month.



4545 N Lincoln  
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Oklahoma City, OK 73105  
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E-mail: MedicaidRx@okhca.org

Nancy Nesser, Pharm D, JD  
Pharmacy Director

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Check out our Web site:  
[WWW.OkHCA.Org](http://WWW.OkHCA.Org)

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*The Oklahoma Health Care Authority is the designated state agency responsible for the administration of the Medicaid program. The pharmacy department strives to provide our clients with access to high quality pharmaceutical care. As part of this goal, we want to provide our pharmaceutical manufacturer partners with the most comprehensive information possible.*

*We plan to provide a web page designed especially to meet your needs. In the meantime, we will produce newsletters such as this to help you become familiar with Oklahoma's Medicaid pharmacy program and processes.*

*We appreciate your willingness to work with us.*

Mailing address for  
Pharmacy Management Consultants  
ORI-4403 PO Box 26901  
OKC, OK 73190

## DUR Meetings

The Oklahoma DUR Board meets every month on the second Wednesday at the OHCA office.

Meetings begin at 6:00 p.m.

Agendas are posted on the agency Web site no later than the Friday prior to the meeting.

To find the agenda on the Web site, go to [www.okhca.org](http://www.okhca.org) and click on the Provider link. From there, click on the Pharmacy Link. Under the Drug Utilization Review Board link, you will find a link to the Board Packets.

The packets are posted as PDF files and are typically fairly large files (3-10 MB).

Packets are available on the

Web site for all of calendar years 2004 and 2005 and up through the most recent 2006 packet. Roll your pointer over each link to see the agenda for that meeting.

If you would like to speak at the DUR Board meeting during the public comment period, please arrive by 5:00 p.m. to sign up.

The meetings generally last from 90 minutes to three hours.

If meetings are canceled, a notice will be posted on the agency Web site as soon as possible.

If you would like to receive an email with the packet, please contact Ron Graham at [Ronald-Graham@ouhsc.edu](mailto:Ronald-Graham@ouhsc.edu).

### 2006 DUR Meeting Dates

- January 11
- February 8
- March 8
- April 12
- May 10
- June 14
- July 12
- August 9
- September 13
- October 11
- November 8
- December 13

DUR Board meetings are held on the second Wednesday of each month at 6:00 p.m.