ARKANSAS DEPARTMENT OF HUMAN SERVICES

Division of Medical Services

Program Development & Quality Assurance

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TO: **Arkansas Medicaid Health Care Providers – Pharmacy**

DATE: **October 1, 2012**

SUBJECT: **Provider Manual Update Transmittal PHARMACY-3-12**

REMOVE		**INSERT**	
Section	**Date**	**Section**	**Date**
251.301	9-1-04	251.301	10-1-12

Explanation of Updates

Section 251.301 is updated to remove information regarding the use of a Voice Response System to obtain prior authorization for non-MedWatch drugs. The section is also updated to remove the exception information regarding the following drugs: Carbamazepine, Primidone, Valproic acid and Warfarin. These drugs will now be included in the MedWatch list.

The paper version of this update transmittal includes revised pages that may be filed in your provider manual. See Section I for instructions on updating the paper version of the manual. For electronic versions, these changes have already been incorporated.

If you have questions regarding this transmittal, please contact the HP Enterprise Services Provider Assistance Center at 1-800-457-4454 (Toll-Free) within Arkansas or locally and Out-of-State at (501) 376-2211.

If you need this material in an alternative format, such as large print, please contact our Americans with Disabilities Act Coordinator at 501-683-4120 (Local); 1-800-482-5850, extension 3-4120 (Toll-Free) or to obtain access to these numbers through voice relay, 1-800-877-8973 (TTY Hearing Impaired).

Arkansas Medicaid provider manuals (including update transmittals), official notices and remittance advice (RA) messages are available for downloading from the Arkansas Medicaid website: www.medicaid.state.ar.us.

Thank you for your participation in the Arkansas Medicaid Program.

Andrew Allison, PhD
Director

TOC not required

251.301 Generic Upper Limit Override 10-1-12

The prescriber must determine whether the Medicaid recipient meets the required conditions to override a generic upper limit (GUL) cost of a drug. The prescriber must also complete the required MedWatch (see below) documentation to allow a prior authorization (PA) for a "Brand Medically Necessary" override of the GUL to reimburse at the brand name reimbursement rate.

MedWatch is the Food and Drug Administration (FDA) Safety Information and Adverse Event Reporting Program that allows healthcare professionals to report serious problems that they suspect are associated with certain drugs they prescribe.

The following criteria must be met to override the GUL when calculating the allowable amount of reimbursement:

A. For MedWatch drugs, the following conditions are required for approval of a Brand Medically Necessary override:

1. The prescriber shall establish that the recipient's condition meets the definition provided for the medical necessity of dispensing any brand name drug when a generic equivalent is available.

   In the context of this policy, "Brand Medically Necessary" is defined as the necessity to prescribe and dispense a brand name medication when use of a generic product has resulted in adverse reaction(s) to the generic, allergic reaction(s) to the generic or therapeutic failure of the generic.

   a. Adverse reaction caused by a generic must meet one of the following criteria:

      1. Life threatening
      2. Hospitalization
      3. Disability
      4. Required intervention to prevent impairment or damage

   b. Allergic reaction is defined as when an allergen is present in a generic drug that is not present in a brand drug resulting in a hypersensitive reaction.

   c. Therapeutic failure is defined as, clinical failure due to the recipient's suboptimal plasma drug concentration for the generic drug when compared to published full pharmacokinetic profiles for the brand name drug.

2. The prescriber shall submit documentation to HP Enterprise Services using the FDA MedWatch form to support dispensing a brand name medication instead of the generic equivalent.

3. When a MedWatch drug is approved for a Brand Medically Necessary override, the HP Enterprise Services Pharmacy Help Desk will contact the pharmacy provider to inform them of the prior authorization number and the date range of the approved PA.

The PA is given for up to one year for MedWatch Drugs.

All prescriptions must be on file for review by auditors from the Division of Medical Services or their designated agents.

If the criteria stated above are met and the pharmacy claim is submitted with a code of "1" in the dispense as written (DAW) field, the prescription will be priced using the EAC price for the specific product dispensed rather than the generic upper limit price.