

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
**11-15**

2. STATE  
**Oregon**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID) Medical Assistance

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
10/1/11

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 CFR 440.120, 456-Subpart K

7. FEDERAL BUDGET IMPACT:  
a. FFY 2012      \$    0  
b. FFY 2013      \$    0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, Page 5-a, 5-a-1 &  
Attachment 4.1-A, Page 1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Attachment 3.1-A, Page 5-a &  
Attachment 4.10-A, Page 1

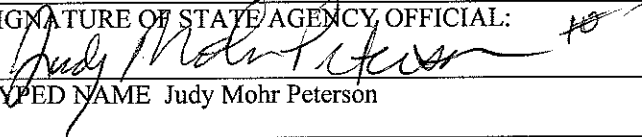
10. SUBJECT OF AMENDMENT: This transmittal is being submitted to reflect a change from the DUR Board to a Pharmacy & Therapeutics committee that will bear the same responsibilities and assume Preferred Drug List (PDL) development responsibilities that will be based on safety, efficacy, and cost.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME Judy Mohr Peterson

14. TITLE: Director, Division of Medical Assistance Programs

15. DATE SUBMITTED:

10-18-11

16. RETURN TO:

Division of Medical Assistance Programs  
Oregon Health Authority  
500 Summer Street NE E-35  
Salem, OR 97301

ATTN: Jesse Anderson, State Plan Manager

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
State/Territory: OREGON

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL  
CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

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LIMITATIONS ON SERVICES (Cont.)

12.a. Prescribed Drugs

Reimbursement is available to covered outpatient drugs of any manufacturer that has entered into and complied with an agreement under Section 1927(a) of Title XIX of the Social Security Act, which are prescribed for a medically accepted indication. Drugs subject to limitations are those outlined under Section 1927(d)(4) of Title XIX of the Social Security Act.

The OHA will maintain a list of drugs to be referred to as the Practitioner Managed Preferred Drug List (PDL). The PDL is a listing of prescription drugs that the OHA has determined represents the most effective drug(s) at the best possible price for the selected drug classes. The PDL will be developed by the Pharmacy & Therapeutics Committee (Oregon's version of a DUR Board) using any information it deems appropriate including information gathered from non-evidence based processes. The PDL will include other drugs in the class that are Medicaid reimbursable and which the FDA has determined to be safe and effective when the Pharmacy & Therapeutics Committee differentiates substantial cost differences between drugs in the same class.

A practitioner may prescribe any Medicaid reimbursable, FDA approved drug that is not listed on the PDL, however if the drug is not on the PDL the prescriber must obtain a Prior Authorization (PA). Mental Health drugs in therapeutic class 7 and 11, clients with a prescription written prior to 1/1/2010 and a drug in a class that has not been evaluated for the PDL are exempt from the PA requirement. In order to obtain a PA the practitioner may phone or fax a 24/7, toll-free number to reach the health plan's pharmacy benefits manager. The prescriber will speak with a pharmacy technician or with a registered pharmacist who will ask about the medical diagnosis being treated and whether he or she has tried a generic or another drug on the preferred drug list. Prior approval is granted when a medical diagnosis is covered by the Oregon Health Plan HSC list of health services and medical history or patient risk indicates the drug is needed. Approvals or denial responses are issued within 24 hours of the prior authorization request. If prior approval is denied, both the physician and patient receive a letter explaining why and outlining appeal procedures. Pharmacies are authorized to dispense a 72 hour supply of a product that has prior authorization criteria in the event of an emergency. The program complies with requirements set forth in Section 1927 (d)(5) of the Social Security Act pertaining to prior authorization programs.

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State/Territory: OREGON

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LIMITATIONS ON SERVICES (Cont.)

12.a. Prescribed Drugs (Cont.)

Regardless of the PDL, prescriptions shall be dispensed in the generic form unless practitioner requests otherwise subject to the regulations outlined in 42 CFR 447.512.

The state utilizes The Oregon State University College of Pharmacy for literature research and the state's Pharmacy & Therapeutics Committee as the Prior Authorization committee. Criteria used to place drugs on Prior Authorization is based upon safety, efficacy and clinical outcomes as provided by the product labeling of the drug.

The Pharmacy and Therapeutics Committee members are appointed by the OHA Director, or his designee's and consists of practicing physicians, practicing pharmacists, and non-pharmacists or physicians. The Committee also consist of one or more ad hoc medical experts, appointed by the Agency Director or his designee, in reviewing specific drug classes for PDL selection and Prior Authorization criteria in situations where the Pharmacy and Therapeutics Committee deems that it lacks needed expertise or at the request of any interested party. Ad hoc appointees shall have voting privileges for PDL selection of classes subject to their expertise in the specific class under review.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
State/Territory: OREGON

GENERAL PROGRAM ADMINISTRATION

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Pharmacy Lock-in program:

Clients with suspect utilization patterns that indicate patient safety issues or risk of drug misuse may be locked-in to a single pharmacy for a period of 18 months. The criteria used to determine who should be lock-in are, but not limited to; use of 3 or more pharmacies in 6 months; use multiple prescribers to obtain the same or comparable drugs, or exhibit patterns of drug misuse. The Oregon Pharmacy & Therapeutics Committee (Oregon's version of Drug Utilization Review (DUR) Board) develops standards to be used in retrospective and prospective drug utilization review in a manner that insures that such criteria and standards are based on the compendia, relevant guidelines obtained from professional groups through consensus-driven processes, the experience of practitioners with expertise in drug therapy, data and experience obtained from drug utilization review program operations.

Once the client has been identified to be in the program a notice is sent that includes the pharmacy the client is assigned to, the effective date and the right to change the pharmacy assigned within 45 days and administrative appeal rights.

Clients are allowed to use the Division's mail-order pharmacy and/or the Pharmacy they are assigned. Clients can change the assigned pharmacy for circumstances such as a move out of the area.

Exemptions from the lock-in; if they are enrolled in Managed care, covered by Medicare part D, a child in state custody or inpatient or resident in a hospital, NF or other medical facility. Emergency situations have provisions for an exception from lock-in.