Policy:	GG.1428
Title:	**Pharmacy Management Medi-Cal Rx Responsibilities**
Department:	Medical Management
Section:	Pharmacy Management
CEO Approval:	*/s/ Michael Hunn 03/28/2024*
Effective Date:	01/01/2022
Revised Date:	03/01/2024
Applicable to:	☒ Medi-Cal ☐ OneCare ☐ PACE ☐ Administrative

I. PURPOSE

This policy describes CalOptima Health's pharmacy management responsibilities under the Medi-Cal Rx program.

II. POLICY

A. CalOptima Health shall provide information to the Department of Health Care Services (DHCS) on its policies regarding:

1. Providing oversight and management of all the clinical aspects of pharmacy adherence, including providing disease and medication management as required by DHCS; and

2. Providing retrospective drug utilization review (DUR) services.

B. CalOptima Health shall participate in a global Medi-Cal DUR program. The global Medi-Cal DUR program will assess data on drug use against predetermined standards, consistent with the following:

1. Compendia, which shall consist of the following:

a. American Hospital Formulary Service Drug Information;

b. United States Pharmacopeia-Drug Information (or its successor publications);

c. The DrugDex Information System; and

d. Peer-reviewed medical literature.

C. CalOptima Health's DUR program shall:

1. Meet or exceed applicable provisions of Section 1004 requirements of the SUPPORT for Patient and Communities Act: A retrospective claims review process that monitors when an individual is concurrently prescribed opioids and benzodiazepines, opioids and antipsychotics, or opioids and Medication Assisted Treatment (MAT).

2. Include effective treatment outcome processes to assure that drug utilization is appropriate, medically necessary, and not likely to result in adverse events.

3. Provide retrospective DUR (Retro DUR) activities designed to monitor coordination of care including but not limited to identifying patterns of:

    a. Therapeutic appropriateness;

    b. Adverse events;

    c. Incorrect duration of treatment;

    d. Over- or under-utilization;

    e. Inappropriate or medically unnecessary prescribing;

    f. Gross overprescribing and use;

    g. Fraud, Waste, or Abuse; and

    h. Assessing medication adherence and identifying opportunities for care management interventions/outreach.

D. CalOptima Health shall include the participation with the Medi-Cal DUR Board and other Department of Health Care Services (DHCS) organized pharmacy committee meetings as part of its DUR Program activities.

1. CalOptima Health shall actively participate directly in the Medi-Cal DUR Board by means of the California Association of Health Plans.

2. On a quarterly basis, CalOptima Health shall assess the Medi-Cal DUR Board's recommendations and decide if it will adopt their recommendations or not. If CalOptima Health chooses not to adopt certain recommendations, a justification shall be provided to DHCS as part of the annual DUR report.

E. CalOptima Health shall provide educational efforts and outreach programs, in collaboration with the Medi- Cal DUR Board, to improve the ability of physicians and pharmacists to identify patterns, and reduce the frequency of Fraud, Abuse, misuse, and clinically inappropriate or medically unnecessary care. In addition to these educational outreach programs, CalOptima Health shall also distribute additional educational materials or articles based on the demographics and trends specific to Member and provider populations.

F. CalOptima Health shall submit a detailed DUR report to DHCS, in a format specified by DHCS, on its DUR Program activities by April 1 of each year. The report shall include information related to the methodology by which CalOptima Health meets the requirements for retrospective DUR. In addition, CalOptima Health shall also provide in its annual DUR report any educational programs provided outside of the global educational activities, the rationale for not implementing DUR Board recommended actions, and any other DUR related activities performed outside of the global DUR activities, as applicable.

G. CalOptima Health shall participate in the Pharmacy Directors' Meetings hosted by DHCS. These

meetings provide a platform to engage in discussion on pharmacy benefit-related topics, including, utilization management, changes to the Medi-Cal Contract Drug List, care coordination, and quality improvement.

H. CalOptima Health Pharmacy Management staff will work directly with Magellan Clinical Liaisons on clinical pharmacy-related issues to ensure Medi-Cal beneficiaries receive medically necessary medications in a timely fashion and based upon the established DHCS Medi-Cal Rx policy.

I. CalOptima Health shall retain the responsibility for processing and payment of all pharmacy services billed on medical and institutional claims.

1. Ensure that claims for Physician-Administered Drugs (PAD) are processed as a medical benefit when billed by a non-pharmacy provider.

2. Process and cover PAD which are submitted on medical claims.

a. Pursuant to Social Security Act Section 1927(k)(3), this includes any drug, biological product, or insulin provided as part of, or as incident to and in the same setting as renal dialysis.

b. This also includes any PADs or devices dispensed related to an individual's Intrauterine Device.

3. Ensure that Quantitative Treatment Limitation (QTL) or Non-Quantitative Treatment Limitation (NQTL) are not applied more stringently for mental health and substance use disorder drugs prescriptions than for medical/surgical drugs.

J. CalOptima Health shall participate in the federal and State drug rebate program by including all utilization data for both current and retroactive outpatient drugs in its Encounter Data as necessary to meet federal requirements in 42 USC section 1396r - 8(k)(2).

1. CalOptima Health shall ensure that encounter data for outpatient drugs from participating organizations or covered entities in the federal 340B program contains DHCS-required identifiers to maintain compliance with the requirements of 42 USC section 256b(a)(5)(A)(i). CalOptima Health must also comply with the provisions of W&I Code section 14105.46.

2. CalOptima Health shall assist DHCS in resolving manufacturer rebate disputes related to network provider data or encounter data submissions. encounter data identified by DHCS or CalOptima Health as having inaccurate or incomplete units, NDCs, procedure codes, 340B identifiers, or other data elements necessary to resolve manufacturer drug rebate disputes are required to be corrected and resubmitted in compliance with all applicable DHCS All Plan Letters (APLs).

III. PROCEDURE

A. CalOptima Health shall conduct retrospective DUR on a monthly basis to ensure ongoing examination of claims data and other records through computerized drug claims processing and information retrieval systems to:

1. Identify patterns of Fraud, Abuse, gross overuse, or inappropriate or medically unnecessary care among Prescribing Providers, Participating Pharmacies, and Members:

a. Prescribers

i. Top twenty-five (25) controlled substance prescribers by volume; and

ii. High proportion of controlled substance prescriptions filled at certain pharmacies.

b. Pharmacies

i. Top twenty-five (25) controlled substance dispensing pharmacies by volume; and

ii. High proportion of controlled substance prescriptions filled for certain prescribers.

c. Members

i. Top twenty-five (25) Members by controlled substance claims by volume; and

ii. Controlled substance prescriptions written by three or more different prescribers and three or more different pharmacies.

2. Identify billing errors such as:

a. Claims for Medicare Part D-covered drugs for dual-eligible Members; and

b. Duplicate claims paid under Medi-Cal Rx and CalOptima Health.

3. Identify Fraud and Abuse patterns associated with specific drugs or groups of drugs; and

4. Report suspected Fraud and Abuse to CalOptima Health's Compliance Department in accordance with CalOptima Health Policies HH.1105: Fraud, Waste, and Abuse Detection, and HH.1107: Fraud, Waste, and Abuse Investigation and Reporting.

5. Members with potential under-utilization of pharmaceuticals as identified through the following reports:

a. Members with diabetes and not receiving a statin;

b. Members with cardiovascular disease not receiving a statin; and

c. Members hospitalized for an acute myocardial infarction not receiving persistent beta- blocker treatment for six (6) months after discharge.

6. Notwithstanding the above, CalOptima Health shall conduct retrospective review of claims received from DHCS and regular care management activities, as applicable, for Members:

a. Concurrently prescribed opioids and benzodiazepines;

b. Concurrently prescribed opioids and antipsychotics;

c. Concurrently prescribed opioids and Medication Assisted Treatment (MAT); and

d. Under eighteen (18) years of age and prescribed antipsychotic, mood stabilizers, and anti-depressant medications (including foster children).

7. CalOptima Health shall take action on issues of concern identified as a result of retrospective review of claims data received from DHCS, including contacting a Member's PCP or other prescriber, and/or referral to the CalOptima Health Quality Improvement Department in accordance with CalOptima Health Policy GG.1611: Potential Quality Issue Review Process.

8. For Members identified with over- or under-utilization of pharmaceuticals, CalOptima Health Pharmacy Management Department shall outreach to the Member's Primary Care Physician (PCP) with recommendations to either remove or add additional therapy to the Member's drug regimen. The result of this outreach shall be tracked and reported quarterly at the Pharmacy and Therapeutics (P&T) Committee Meetings.

9. CalOptima Health shall incorporate pharmacy data to meet CalOptima Health obligations for aspects of Member care management including basic care management, care coordination, medication management and adherence, enhanced care management for applicable populations of focus, and complex care management for high-risk Members.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

A. CalOptima Health Contract with the Department of Health Care Services (DHCS) for Medi-Cal
B. CalOptima Health Policy GG.1611: Potential Quality Issue Review Process
C. CalOptima Health Policy HH.1105: Fraud, Waste, and Abuse Detection
D. CalOptima Health Policy HH.1107: Fraud, Waste, and Abuse Investigation and Reporting
E. Department of Health Care Services (DHCS) All Plan Letter (APL) 17-008: Requirement to Participate in the Medi-Cal Drug Utilization Review Program (Issued 05/10/2017)
F. Department of Health Care Services (DHCS) All Plan Letter (APL) 22-012: (Revised 12/30/2022): Governor's Executive Order N-01-19, Regarding Transitioning Medi-Cal Pharmacy Benefits From Managed Care To Medi-Cal Rx (Supersedes APL 20-013)
G. Department of Health Care Services (DHCS) All Plan Letter (APL) 23-026: (Revised 02/20/2024): Federal Drug Utilization Review Requirements Designed To Reduce Opioid Related Fraud, Misuse And Abuse (Supersedes APL 19-012)

VI. REGULATORY AGENCY APPROVAL(S)

Date	Regulatory Agency	Response
03/22/2021	Department of Health Care Services (DHCS)	Approved as Submitted
10/06/2022	Department of Health Care Services (DHCS)	Approved as Submitted
01/30/2023	Department of Health Care Services (DHCS)	Approved as Submitted
05/05/2023	Department of Health Care Services (DHCS)	Approved as Submitted
01/23/2024	Department of Health Care Services (DHCS)	Approved as Submitted

VII. BOARD ACTION(S)

None to date

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/01/2022	GG.1428	Pharmacy Management Medi-Cal Rx Responsibilities	Medi-Cal
Revised	09/01/2022	GG.1428	Pharmacy Management Medi-Cal Rx Responsibilities	Medi-Cal
Revised	01/01/2023	GG.1428	Pharmacy Management Medi-Cal Rx Responsibilities	Medi-Cal
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Revised	12/01/2023	GG.1428	Pharmacy Management Medi-Cal Rx Responsibilities	Medi-Cal
Revised	03/01/2024	GG.1428	Pharmacy Management Medi-Cal Rx Responsibilities	Medi-Cal

IX. GLOSSARY

Term	Definition
Abuse	Practices that are inconsistent with sound fiscal and business practices or medical standards, and result in an unnecessary cost to the Medi-Cal program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards for health care. It also includes Member practices that result in unnecessary cost to the Medi-Cal program.
Department of Health Care Services (DHCS)	The single State Department responsible for administration of the Medi-Cal program, California Children Services (CCS), Genetically Handicapped Persons Program (GHPP), Child Health and Disabilities Prevention (CHDP), and other health related programs as provided by statute and/or regulation.
Fraud	An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law (Title 42 CFR part 455.2; Welfare and Institutions Code section 14043.1(i).)
Member	A Medi-Cal eligible beneficiary as determined by the County of Orange Social Services Agency, the California Department of Health Care Services (DHCS) Medi-Cal Program, or the United States Social Security Administration, who is enrolled in the CalOptima Health program.
Waste	The overutilization or inappropriate utilization of services and misuse of resources.