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| Policy: | MA.6105 |
| Title: | **Medication Quality Assurance** |
| Department: | Medical Management |
| Section: | Pharmacy Management |
| *CEO Approval:* | */s/ Michael Hunn 12/16/2024* |
| Effective Date: | 01/01/2006 |
| Revised Date: | 12/01/2024 |
| Applicable to: | ☐ Medi-Cal<br>☒ OneCare<br>☐ PACE<br>☐ Administrative |

## I. PURPOSE

This policy establishes Quality Assurance (QA) measures and systems to reduce medication errors, minimize adverse drug interactions, and improve medication use.

## II. POLICY

A. CalOptima Health shall ensure that Participating Pharmacies comply with the minimum standards for pharmacy practice established by California, in accordance with the California Business and Professions Code, Section 4000 et seq.

B. CalOptima Health, or its Pharmacy Benefit Manager (PBM), shall maintain QA measures and systems including:

1. Concurrent Drug Utilization Review (DUR) systems, policies, and procedures;

2. Retrospective DUR systems, policies, and procedures; and

3. Internal medication error identification and reduction systems.

C. CalOptima Health shall provide information to the Centers for Medicare & Medicaid Services (CMS) regarding its QA measures and systems, according to CMS specified guidelines.

D. CalOptima Health shall ensure that the QA system includes representations that Participating Pharmacies comply with the minimum standards for pharmacy practice.

E. CalOptima Health shall maintain an electronic prescription drug program that is consistent with current uniform e-prescribing standards that are adopted under Section 1860D-4(e)(3) of the Social Security Act.

F. CalOptima Health shall maintain concurrent DUR systems, policies, and procedures designed to ensure that a review of the prescribed drug therapy is performed before each prescription is dispensed to a Member, typically at the point-of-sale (POS) or point of distribution.

G. CalOptima Health shall maintain retrospective DUR systems, policies, and procedures designed to ensure ongoing periodic examination of claims data and other records, through computerized drug

claims processing and information retrieval systems, in order to identify patterns of inappropriate or medically unnecessary care among Members, or associated with specific drugs or groups of drugs.

H. CalOptima Health shall review monthly Patient Safety Reports via the Patient Safety Analysis Website to:

1. Compare CalOptima Health's performance to overall averages;

2. Monitor CalOptima Health's progress in improving Part D patient safety measures over time; and

3. Review for expanded analyses of detailed Member-claim level and outlier reports.

## III. PROCEDURE

A. The concurrent DUR program shall include, at a minimum, the following checks each time a prescription is dispensed:

1. Quantity versus time edits;

2. Early refill edits;

3. Quantity limit edits;

4. Screening for potential drug therapy problems due to therapeutic duplication;

5. Age and gender-related drug utilization;

6. Drug-drug interactions;

7. Incorrect drug dosage or duration of drug therapy;

8. Drug allergy contraindications; and

9. Clinical abuse or misuse.

B. CalOptima Health shall conduct retrospective DUR to ensure ongoing periodic examination of claims data and other records through computerized drug claims processing and information retrieval systems to identify patterns of inappropriate or medically unnecessary care to Members and with specific drugs or groups of drugs. Such DUR controls may include:

1. Programs designed to improve adherence/compliance with appropriate medication regimens;

2. Monitoring procedures to discourage Medication Overutilization, in accordance with CalOptima Health Policy MA.6104: Opioid Medication Utilization Management.

C. CalOptima Health may utilize CMS Performance Measures to identify areas of improvement and design clinical DUR programs based on the analysis and data from these measures.

## IV. ATTACHMENT(S)

Not Applicable

## V. REFERENCE(S)

A. CalOptima Health Contract with the Centers for Medicare & Medicaid Services (CMS) for Medicare Advantage
B. CalOptima Health Policy MA.6104: Opioid Medication Utilization Management
C. Medicare Prescription Drug Benefit Manual, Chapter 7: Medication Therapy Management and Quality Improvement Program
D. Omnibus Budget Reconciliation Act of 1990
E. Patient Safety Analysis Website, Health Plan Management System (HPMS) Memorandums Issued 04/22/2011, 8/13/2012, and 04/21/2022
F. CMS Announcement of Medicare Advantage Capitation Rates and Part C and Part D Payment Policies
G. Applications from Medicare Advantage Prescription Drug Plans (MA-PD) Sponsors
H. California Business and Professions Code, Section 4000 et. seq.
I. Social Security Act, §1860D-4(e)(3)
J. Title 42, Code of Federal Regulations (CFR), § 423.153(c)(1)(2)(3)(4) and (5)

## VI. REGULATORY AGENCY APPROVAL(S)

None to Date

## VII. BOARD ACTION(S)

None to Date

## VIII. REVISION HISTORY

| Action | Date | Policy | Policy Title | Program(s) |
|---|---|---|---|---|
| Effective | 01/01/2006 | MA.6105 | Medication Quality Assurance Program | OneCare |
| Revised | 03/01/2007 | MA.6105 | Medication Quality Assurance Program | OneCare |
| Revised | 06/01/2011 | MA.6105 | Medication Quality Assurance Program | OneCare |
| Revised | 01/01/2012 | MA.6105 | Medication Quality Assurance Program | OneCare |
| Revised | 10/01/2012 | MA.6105 | Medication Quality Assurance Program | OneCare |
| Revised | 06/01/2015 | MA.6105 | Medication Quality Assurance Program | OneCare<br>OneCare Connect |
| Revised | 11/01/2016 | MA.6105 | Medication Quality Assurance Program | OneCare<br>OneCare Connect |
| Revised | 11/01/2017 | MA.6105 | Medication Quality Assurance Program | OneCare<br>OneCare Connect |
| Revised | 10/01/2018 | MA.6105 | Medication Quality Assurance Program | OneCare<br>OneCare Connect |
| Revised | 11/01/2019 | MA.6105 | Medication Quality Assurance Program | OneCare<br>OneCare Connect |
| Revised | 07/01/2020 | MA.6105 | Medication Quality Assurance Program | OneCare<br>OneCare Connect |
| Revised | 09/01/2021 | MA.6105 | Medication Quality Assurance Program | OneCare<br>OneCare Connect |
| Revised | 12/31/2022 | MA.6105 | Medication Quality Assurance Program | OneCare |
| Revised | 08/01/2023 | MA.6105 | Medication Quality Assurance Program | OneCare |
| Revised | 12/01/2024 | MA.6105 | Medication Quality Assurance | OneCare |

## IX. GLOSSARY

| Term | Definition |
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| Centers for Medicare & Medicaid Services (CMS) | The federal agency under the United States Department of Health and Human Services responsible for administering the Medicare and Medicaid programs. |
| Concurrent Drug Utilization Review (CDUR) | A review of the prescribed drug therapy before each prescription is dispensed to an enrollee in a sponsor's Part D plan. |
| Member | A beneficiary enrolled in a CalOptima Health program. |
| Participating Pharmacies | Any pharmacy that is credentialed by and subcontracted to the Pharmacy Benefit Manager (PBM) for the specific purpose of providing pharmacy services to Members. |
| Pharmacy Benefit Manager (PBM) | An entity that provides pharmacy benefit management services, including contracting with a network of pharmacies; establishing payment levels for network pharmacies; negotiating rebate arrangements; developing and managing formularies, preferred drug lists, and prior authorization programs; maintaining patient compliance programs; performing drug utilization review; and operating disease management programs. |
| Retrospective Drug Utilization Review | A retrospective, periodic review of claims data and other records through computerized drug claims processing and information retrieval systems. |