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State/Territory Name: Alaska

State Plan Amendment (SPA) #: 19-0010

This file contains the following documents in the order listed:

- 1) Approval Letters
- 2) 179 Form
- 3) Approved SPA Pages



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

March 4, 2020

Mr. Adam Crum, Commissioner
Department of Health & Social Services
3601 C Street, Suite 902
Anchorage, AK 99503-5923

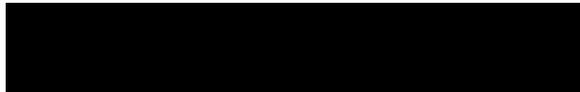
Dear Mr. Crum:

The CMS Division of Pharmacy team has reviewed Alaska's State Plan Amendment (SPA) 19-0010 received in the Seattle Regional Operations Group on December 17, 2019. This SPA proposes to allow the state to comply with the Medicaid Drug Utilization Review (DUR) provisions included in Section 1004 of the Substance Use-Disorder Prevention that promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act (P.L. 115-271).

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 19-0010 is approved with an effective date of October 1, 2019. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into Alaska's state plan will be forwarded by the Seattle Regional Operations Group.

If you have any questions regarding this amendment, please contact Whitney Swears at (410) 786-6543 or Whitney.Swears@cms.hhs.gov.

Sincerely,



John M. Coster, Ph.D., R.Ph.
Director, Division of Pharmacy

cc: Albert Wall, Deputy Commissioner, Medicaid & Health Care Policy
Courtney King, Alaska State Plan Coordinator, via email courtney.king@alaska.gov
Erin Narus, Alaska Pharmacy Program Manager, via email erin.narus@alaska.gov
James G. Scott, Division Director, CMS Division of Program Operations
Maria Garza, CMS Division of Program Operations - West Branch

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

1. TRANSMITTAL NUMBER:
19-0010

2. STATE
AK

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

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

4. PROPOSED EFFECTIVE DATE
October 1, 2019

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:

1902(a)(85) of the SSA
Section 1004 of the SUPPORT Act

7. FEDERAL BUDGET IMPACT:

a. FFY 20 \$ 223,000
b. FFY 21 \$ 50,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Section 4.26; pages 74, 74a, 74b, and 74c

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

Section 4.26; pages 74, 74a, 74b, and 74c

10. SUBJECT OF AMENDMENT: This amendment brings Alaska into compliance with DUR provisions in Section 1004 of the SUPPORT Act.

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:
Does not wish to comment

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Albert E. Wall

14. TITLE: Deputy Commissioner. AK-DHSS

15. DATE SUBMITTED: December 19, 2019

16. RETURN TO:

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 12/19/2019

18. DATE APPROVED: 3/4/2020

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
10/1/2019

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: James G. Scott

22. TITLE: Director, Division of Program Operations

23. REMARKS:

Citation

1927(g) -
42 CFR 456.700

1927(g)(1)(A)

1927(g)(1)(a),
42 CFR 456.705(b) &
456.709(b)

1927(g)(1)(B)
42 CFR 456.703 (d) & (f)

1902(A)(85) and Section
1004 of the Substance
Use-Disorder Prevention
that Promotes Opioid
Recovery and Treatment
for Patients and
Communities Act
(SUPPORT Act)

1927(g)(1)(D)
42 CFR 456.703(b)

4.26 Drug Utilization Review Program

- A. 1. The Medicaid agency meets the requirements of Section 1927(g) of the Act for a drug use review (DUR) program for outpatient drug claims.
2. The DUR program assures that the prescriptions for outpatient drugs are:
- Appropriate
 - Medically necessary
 - Are not likely to result in adverse medical results
- B. The DUR program is designed to educate physicians and pharmacists to identify and reduce the frequency of patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among physicians, pharmacists, and patients or associated with specific drugs as well as:
- Potential and actual adverse drug reactions
 - Therapeutic appropriateness
 - Overutilization and underutilization
 - Appropriate use of generic products
 - Therapeutic duplication
 - Drug disease contraindications
 - Drug-drug interactions
 - Incorrect drug dosage or duration of drug treatment
 - Drug-allergy interactions
 - Clinical abuse/misuse
- C. 1. The DUR program shall assess data use against predetermined standards whose source materials for their development are consistent with peer-reviewed medical literature which has been critically reviewed by unbiased independent experts and the following compendia:
- American Hospital Formulary Service Drug Information
 - United States Pharmacopeia-Drug Information
 - American Medical Association Drug Evaluations
2. The DUR program assesses opioid utilization against current evidence-based clinical practice guidelines and State and Federal laws and regulations.
- D. DUR is not required for drugs dispensed to residents of nursing facilities that are in compliance with drug regimen review procedures set forth in 42 CFR 483.60. The State has nevertheless chosen to include nursing home drugs in:
- Prospective DUR
 - Retrospective DUR

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- | | |
|---|---|
| <p>1927(g)(2)(A) 42 CFR 456.705(b)</p> | <p>E. 1. The DUR program includes prospective review of drug therapy at the point of sale or point of distribution before each prescription is filled or delivered to the Medicaid recipient.</p> |
| <p>1927(g)(2)(A)(i) 42 CFR 456.705(b)(1)-(7)</p> | <p>2. Prospective DUR includes screening each prescription filled or delivered to an individual receiving benefits for potential drug therapy problems due to:</p> <ul style="list-style-type: none"> - Therapeutic duplication, - Drug-disease contraindications, - Drug-drug interactions, - Drug-interactions with non-prescription or over-the-counter drugs, - Incorrect drug dosage or duration of drug treatment, - Drug allergy interactions, - Clinical abuse/misuse - Opioid utilization patterns inconsistent with standards set by the State DUR board, including but not limited to days supply, duplicate fills, therapeutic duplications, early fills, quantity limitations, dose limitations (e.g., daily MME) - Atypical antipsychotic age limits, quantity limits, therapeutic duplication |
| <p>1902(A)(85) and Section 1004 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act)</p> | |
| <p>1927(g)(2)(A)(ii) 42 CFR 456.705(c)&(d)</p> | <p>3. Prospective DUR includes counseling for Medicaid recipients based on standards established by State law and maintenance of patient profiles.</p> |
| <p>1927(g)(2)(B) 42 CFR 456.709(a)</p> | <p>F. 1. The DUR program includes retrospective DUR through its mechanized drug claims processing and information retrieval system or otherwise which undertakes ongoing periodic examination of claims data and other records to identify:</p> <ul style="list-style-type: none"> - Patterns of fraud and abuse, - Gross overuse, - Inappropriate or medically unnecessary care among physicians, pharmacists, Medicaid recipients, or associated with specific drugs or groups of drugs. - Opioid utilization or prescribing patterns, to include PDMP data, inconsistent with current evidence-based clinical guidelines or suggestive of fraud, waste, or abuse |
| <p>1902(A)(85) and Section 1004 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act)</p> | |
| <p>1927(g)(2)(C) 42 CFR 456.709(b)</p> | <p>2. The DUR program assesses data on drug use against explicit predetermined standards including but not limited to monitoring for:</p> <ul style="list-style-type: none"> - Therapeutic appropriateness - Overutilization and underutilization - Appropriate use of generic products |

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- 1902(A)(85) and Section 1004 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act)
- Therapeutic duplication
 - Drug-disease contraindications
 - Drug-drug interactions
 - Incorrect drug dosage/duration of drug treatment
 - Clinical abuse/misuse
 - Concurrent benzodiazepine and opioid utilization
 - Concurrent opioid and antipsychotic utilization
 - Atypical antipsychotic use in children
- 1902(A)(85) and Section 1004 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act)
3. The DUR program has a structured program to monitor the use of psychotropic medications in foster children.
- The program uses prospective drug utilization screening to identify atypical antipsychotic use in children;
 - The program works collaboratively with the Office of Children's Services to monitor utilization patterns and incorporates consultant physicians specializing in pediatric psychiatry into medication regimen review processes.
- 1927(g)(2)(D)
42 CFR 456.711
4. The DUR program through its State DUR Board, using data provided by the Board, provides for active and ongoing educational outreach programs to educate practitioners on common drug therapy problems to improve prescribing and dispensing practices.
- 1927(g)(3)(A)
42 CFR 456.716(a)
- G. 1. The DUR program has established a State DUR Board either:
- Directly, or
 - Under contract with a private organization
- 1927(g)(3)(B)
42 CFR 456.716 (A)&(B)
2. The DUR Board membership includes health professionals (on-third licensed actively practicing pharmacists and one-third but no more than 51 percent licensed and actively practicing physicians) with knowledge and experience in one or more of the following:
- Clinically appropriate prescribing of covered outpatient drugs
 - Clinically appropriate dispensing and monitoring of covered outpatient drugs
 - Drug use review, evaluation, and intervention
 - Medical quality assurance
- 1927(g)(3)(C)
42 CFR 456.716(d)
3. The activities of the DUR Board include:
- Retrospective DUR
 - Application of Standards as defined in section 1927(g)(2)(C), and
 - Ongoing interventions for physicians and pharmacists targeted toward therapy problems or individuals identified in the course of retrospective DUR.

1927(g)(3)(C)
42 CFR 456.711 (a)-(d)

4. The interventions include in appropriate instances:
- Information dissemination,
 - Written, oral, and electronic reminders,
 - Face-to-face discussions,
 - Intensified monitoring/review of prescribers/dispensers.
 - Referral of prescribers/dispensers to program integrity and/or fraud control entities

1902(A)(85) and Section 1004 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act)

1902(A)(85) and Section 1004 of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act)

5. The DUR program has structured processes in place to investigate, evaluate, and take action commensurate with offending actions.
- General education to the provider community
 - Education to specific providers/provider groups
 - Referral of provider to Surveillance Utilization Review (SUR) program

1927(g)(3)(D)
42 CFR 456.712 (A)&(B)

- H. The State assures that it will prepare and submit an annual report to the Secretary, which incorporates a report from the State DUR Board, and that the State will adhere to the plans, steps, and procedures as described in the report.

1927(h)(1)
42 CFR 456.722

- I. 1. The State establishes, as its principal means of processing claims for covered outpatient drugs under this title, a point-of-sale electronic claims management system to perform online
- real-time eligibility verification,
 - claims data capture,
 - adjudication of claims, and
 - assistance to pharmacists, etc. applying for and receiving payment.

1927(g)(2)(A)(i)
42 CFR 456.705(b)

2. Prospective DUR is performed using an electronic point-of-sale drug claims processing system.

1927(j)(2)
42 CFR 456.703(c)

- J. Hospitals that dispense covered outpatient drugs are exempted from the drug utilization review requirements of this section when facilities use drug formulary systems and bill the Medicaid program no more than the hospitals purchasing cost for such covered outpatient drugs.