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State/Territory Name: New Jersey

State Plan Amendment (SPA) # 19-0018

The file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850

Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

February 28, 2020

Ms. Jennifer Langer Jacobs
Medicaid Director
Division of Medical Assistance and Health Services
PO Box 712 MSC 26
Trenton, NJ 08625-0712

Dear Ms. Jacobs:

The CMS Division of Pharmacy team has reviewed New Jersey State Plan Amendment (SPA) 19-0018 received in the Division of Program Operations East Branch on December 5, 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 19-0018 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 New Jersey's state plan will be forwarded by the Division of Program Operations East Branch.

If you have any questions regarding this request, please contact Justin Aplin at (410) 786-6901 or Justin.Aplin@cms.hhs.gov.

Sincerely,

/s/

Cynthia R. Denemark, R.Ph.
Deputy Director
Division of Pharmacy
DEHPG/CMCS/CMS

cc: James G. Scott, Director
Michael Kahnowitz
Carole Johnson, Commissioner

Division of Program Operations
Division of Program Operations East Branch
Department of Human Services

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICIAD SERVICES

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 19-0018-MA

2. STATE: New Jersey

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

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
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:

Section 1927(g) of the Social Security Act
42 CFR 456.700

7. FEDERAL BUDGET IMPACT:

a. FFY 2020 $ 0
b. FFY 2021 $ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Pages 74, 74a, 74b, 74c
Pages 74d, 74e, 74f

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:

same
new

10. SUBJECT OF AMENDMENT:

SUPPORT for Patients and Communities 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:
Not required, pursuant to 7.4 of the Plan

12. SIGNATURE OF STATE AGENCY OFFICIAL:
[redacted]

13. TYPED NAME: Carole Johnson

14. TITLE: Commissioner,
Department of Human Services

15. DATE SUBMITTED: 12/5/19

16. RETURN TO:

Jennifer Langer Jacobs, Assistant Commissioner
Division of Medical Assistance and Health Services
P.O. Box 712, Mail Code #26
Trenton, NJ 08625-0712

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: **12/05/2019**

18. DATE APPROVED: **02/28/2020**

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: **10/01/2019**

20. SIGNATURE OF REGIONAL OFFICIAL:
[redacted]

21. TYPED NAME: **James G. Scott**

22. TITLE: **Director, Division of Program Operations**

23. REMARKS

State/Territory: STATE OF NEW JERSEY (DMAHS)

4.26 Drug Utilization Review Program

Citation	
1927(g) 42 CFR 456.700	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.
1927(g)(1)(A)	2. The DUR program assures that prescriptions for outpatient drugs are: -Appropriate -Medically necessary -Are not likely to result in adverse medical results
1927(g)(1)(a) 42 CFR 456.705(b) and 456.709(b)	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 under utilization -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

State/Territory: STATE OF NEW JERSEY (DMAHS)

Citation	
1927(g)(1)(B) 42 CFR 456.703 (d) and (f)	C. 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
1927(g)(1)(D) 42 CFR 456.703(b)	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 423.60. The State has never-the-less chosen to include nursing home drugs in: X Prospective DUR X Retrospective DUR.
1927(g)(2)(A) 42 CFR 456.705(b)	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.
1927(g)(2)(A)(i) 42 CFR 456.705(b)(1)-(7)	2. Prospective DUR includes screening each prescription filled or delivered to an individual receiving benefits for potential drug therapy problems due to: -Therapeutic duplication

State/Territory: STATE OF NEW JERSEY (DMAHS)

Citation	
	-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
1927(g)(2)(A)(ii) 42 CFR 456-705 (c) and (d)	3. Prospective DUR includes counseling for Medicaid recipients based on standards established by State Law and maintenance of patient profiles
1927(g)(2)(B) 42 CFR 456.709(a)	F.1. The DUR program includes retrospective DUR through its mechanized drug claims processing and information retrieval system or otherwise or otherwise which undertakes ongoing periodic examination of claims data and other records to identify: -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
1927(g)(2)(C) 42 CFR 456.709(b)	2. The DUR program assesses data on drug use against explicit predetermined standards including but not limited to monitoring for: -Therapeutic appropriateness -Overutilization and under utilization

State/Territory: STATE OF NEW JERSEY (DMAHS)

Citation	
	-Appropriate use of generic products -Therapeutic duplication -Drug-disease contraindications -Drug-drug interactions -Incorrect drug dosage/duration of drug treatment -Clinical abuse/misuse
1927(g)(2)(D 42 CFR 456.711	3. 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: X Directly, or _____ Under contract with a private organization
1927(g)(3)(B) 42 CFR 456.716 (A) and (b)	2. The DUR Board membership includes health professionals (one-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.

State/Territory: STATE OF NEW JERSEY (DMAHS)

Citation	
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 appropriate instances: -Information dissemination -Written, oral and electronic reminders -Face-to-face discussions -Intensified monitoring/review of prescribers/dispensers
1927(g)(3)(D) 42 CFR 456.712 (A) and (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, procedures as described in the report.
1927(h)(1) 42 CFR 456.722	I. 1. X The State establishes, as its principle means of processing claims for covered outpatient drugs under this title, a point-of-sale electronic claims management system to perform on-line: -Real time eligibility verification -Claims data capture -Adjudication of claim

State/Territory: STATE OF NEW JERSEY (DMAHS)

Citation	
	-Assistance to pharmacists, etc. applying for and receiving payment.
1927(g)(2)(A)(i) 42 CFR 456.705(b)	2. X Prospective DUR is performed using an electronic point of sale drug claims processing system
1927(j)(2) 42 CFR 456.703(c)	J. Hospitals which 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 hospital's purchasing cost for such covered outpatient drugs.
SUPPORT ACT Section 1004 1902(a)(85)	A. The Medicaid program meets the DUR requirements of section 1902(oo) of the Act and 42 CFR 1396(a) for opioids and the use of antipsychotics in children not older than 18 years of age including foster children.
	B. The DUR program assesses data on opioid drug use against explicit predetermined standards, in addition to standards defined in section 1927(g)(2)(C) of the Act, including but not limited to: prospective safety edits and ongoing retrospective reviews.
	-Days's Supply -Duplicate fills -Quantity limitations -Early prescription refills

Citation:

-Exceeding Morphine Milligram Equivalents (MMEs) with exceptions for cancer treatment or hospice/palliative care, and/or those for whom the State elects to exempt.

-Drug-drug contraindications, including concurrent utilization of opioids and benzodiazepines as well as opioids and antipsychotics.

C. The DUR program assesses data on antipsychotic drug use in children not older than 18 years of age generally and those in foster care against explicit predetermined standards, in addition to the standards defined in section 1927(g)(2)(C) of the Act.

D. The State assures that it will prepare and submit an annual report on antipsychotic prescribing for children not older than 18 years of age generally and those in foster care to the Secretary.

E. The Medicaid program must establish a process to identify potential controlled substance fraud and abuse by Medicaid enrollees, providers and pharmacies.