December 12, 2022

Brian Zolynas
Division of Medicaid and Children's Health Operations
U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

RE: Arizona SPA # 22-0030, Drug Utilization Review Program

Dear Mr. Zolynas:

Enclosed is State Plan Amendment (SPA) # 22-0030, Drug Utilization Review (DUR) Program. This SPA describes the state's DUR program, with an effective date of October 1, 2022. Arizona's DUR Program began on October 1, 2022 and the first year of implementation will run from October 1, 2022-September 30, 2023. Arizona's initial DUR report will be submitted by June 30, 2024. In addition to this DUR, Arizona has and will continue to submit the Opioid DUR.

Tribal Consultation on this SPA occurred on November 7, 2022. The Tribal Consultation presentation is available at the following link:
https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2022/11_07_2022QuarterlyTC.pdf

Public Notice for this SPA was posted on the following webpages:
https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/PublicNotice-DUR_Program.pdf

If there are any questions about the enclosed SPA, please contact Ruben Soliz at ruben.soliz@azahcccs.gov or 602-417-4355.

Sincerely,

Dana Flannery
Assistant Director
Arizona Health Care Cost Containment System (AHCCCS)

DEPARTMENT OF HEALTH ANDHUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID 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: 22-0030

2. STATE: AZ

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

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
Section 1927(g) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 23 $ 0
b. FFY: 24 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Page 74, 74a, 74b, 74c

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Page 74, 74a, 74b, 74c

9. SUBJECT OF AMENDMENT
Describes Arizona's Drug Utilization Review Program

10. GOVERNOR'S REVIEW *(Check One)*

- [x] GOVERNOR'S OFFICE REPORTED NO COMMENT
- [ ] COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- [ ] NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
- [ ] OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Dana Flannery

13. TITLE
Assistant Director

14. DATE SUBMITTED:
December 12, 2022

15. RETURN TO

Dana Flannery
801 E. Jefferson, MD#4200
Phoenix, AZ 85034

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

Instructions on Back

State/Territory: Arizona

Citation

4.26 Drug Utilization Review Program

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.

2. The DUR program assures that prescriptions for CMS covered outpatient drugs are:
- Clinically a~~A~~ppropriate
- Medically necessary
- ~~Are not likely to result in adverse medical results~~

1927(g)(1)(A)
42 CFR 456.705(g)
456.709(b)

B. The DUR program is designed to educate 42 CFR 456.705(b) ~~and~~ 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 clinical parameters associated with specific drugs as listed below~~well as~~:

- Potential and actual adverse drug reactions
- Clinical~~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

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
- Drug Facts and Comparisons~~United States Pharmacopeia-Drug Information~~
- UpToDate~~American Medical Association Drug Evaluations~~
- National Comprehensive Cancer Network Guidelines (NCCN)
- Micromedex
- MediSpan
- FirstDataBank

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~~Revision: HCFA-PM-93-3 (MB)~~
~~April 1993~~

State/Territory: Arizona

Citation	4.26 Drug Utilization Review Program (Cont'd)	
1927(g)(1)(D) 42 CFR 456.703(b) 42 CFR 483.60	D.	DUR is not required for drugs dispensed to Medicaid recipients ~~residents~~ located in ~~of 42 CFR 456.703(b)~~ skilled nursing facilities 42 CFR 456.703(b) that are in compliance with drug regimen review procedures as set forth in 42 CFR 483.60. The State has never-the-less chosen to include nursing home drugs in: ___ Prospective DUR ___ Retrospective DUR
1927(g)(1)(D) 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 a prescription is filled or dispensed~~delivered~~ to a~~the~~ Medicaid recipient.
1927(g)(2)(A)(i) 42 CFR 456.705(b) (1)-(7))	2.	Prospective DUR includes processing~~screening~~ each prescription submitted for adjudication through point-of-sale edits prior to filling the prescription and dispensing it to the ~~filled or delivered to an~~ Medicaid recipient. The point-of-sale edits include the following:~~individual receiving benefits for potential drug therapy problems due to:~~ - Therapeutic duplication - Drug-disease contraindications - Drug-drug interactions - Drug-interactions with non-prescription or over-the-counter drugs - Incorrect drug dosage - Incorrect ~~or~~ duration of drug treatment - Drug allergy interactions - Clinical abuse/misuse/overuse
1927(g)(2)(A)(ii) 42 CFR 456.705(c) and (d)	3.	Prospective DUR includes counseling for Medicaid recipients based on regulations and standards established by the Arizona State Board of Pharmacy. ~~law and maintenance of patient profiles~~.
1927(g)(2)(B) 42 CFR 456.709(a)	F.1.	The DUR program includes retrospective DUR administered by the pharmacy benefit manager through its electronic~~mechanized~~ drug claims processing system and information retrieved from the system~~retrieval system~~ and~~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.

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~~Revision: HCFA-PM-93-3 (MB)~~
~~April 1993~~

State/Territory: Arizona

Citation

4.26 Drug Utilization Review Program (Cont'd)

1927(g)(2)(C) 42 CFR 456.709(b)	F.2.	The DUR program assesses data on drug use against explicit predetermined standards including but not limited to monitoring for: - Therapeutic appropriateness - Overutilization and underutilization - 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, also known as, the AHCCCS Pharmacy & Therapeutics Committee, 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.~~
927(g)(3)(C) 42 CFR 456.716(d)	3.	The activities of the DUR Board may 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.

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~~Revision: HCFA-PM-93-3 (MB)~~
~~April 1993~~

State/Territory: Arizona

Citation			
			4.26 Drug Utilization Review Program (Cont'd)
1927(g)(3)(C) 42 CFR 456.711 (a)-(d)		G.4	The interventions may include the following in appropriate instances: - Information dissemination - Written, oral, or ~~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 the CMS Annual DUR Report shall be prepared ~~it will prepare~~ and submitted ~~an annual report~~ to the Secretary, which incorporates a report for ~~rom~~ the State -DUR Program~~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.	The State establishes, as its principal means for ~~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 claims - 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 on-line point of sale drug claims processing system.

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