REINSURANCE HOT NEWS

Date: February 2, 2015

Regarding: Biotech Drugs- Amending Language in the Reinsurance Manual to the Last Paragraph Under the Heading BIOTECH DRUGS to Add Timeframes

To ensure that the impact of any changes in reinsurance coverage is included in the capitation rates effective October 1st of each year, as well as the AHCCCS budget, it is necessary to add some timeframes into the following paragraph:

A Contractor may request that a biotech drug (Biological Modifier) or a drug classified as an orphan drug be reviewed by AHCCCS for reinsurance. The Contractor must send a request in writing to the AHCCCS MMU by May 31st of each year. The request must identify the drug and all related information provided by the FDA as to the orphan status or support of the drug as a rarely used medication used for rare genetic disorders. The request must include the estimated cost and usage of the drug including any ancillary administration fees and the medical documentation that supports the medical condition for which the drug is being used. AHCCCS will review the request and upon acceptance of a complete packet of information render a decision within thirty (30) days.

All approvals will be effective October 1st to coincide with the begin date of the reinsurance year. Any requests received subsequent to May 31st will be considered for reinsurance coverage with an effective date of October 1st of the following year.

❖ For example, if a requested biotech drug is approved on June 2nd, 2015 then the effective date will be at the start of the contact year beginning on October 1st, 2016