Prior Authorization Testimony
by
Kelley Melton, Pharm.D., Senior Pharmacy Program Manager
Kansas Department of Health and Environment

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Good afternoon. First of all, I'd like to thank you for the opportunity to appear before the committee today. My name is Kelley Melton, and I am here representing the pharmacy program within the Division of Health Care Finance at KDHE.

As background, let me briefly describe the prior authorization process, or PA for short, as used by the Kansas Medicaid program and this regulation. PA is a pre-dispensation approval process. Generally, drugs are placed on the PA list for reasons of cost, safety, or effectiveness. If there is evidence that a Kansas Medicaid patient meets certain criteria for a given medication and that evidence is provided to the program, we can approve the dispensing of the drug. The support for the PA can be submitted by a prescribing provider or through a pharmacy and can be done directly or electronically. If the Medicaid consumer does not follow the PA process, the cost for the particular drug is borne by the consumer.

Kansas Medicaid can only place drugs on the PA list through a properly promulgated regulation. K.A.R. 129-5-1 is the PA regulation currently used by the Kansas Medicaid program for this purpose. Kansas Medicaid is allowed to use a 30 day public comment period between the publication of the public hearing notice and the public hearing when the amendments concern the PA drugs. The public hearing notice for this version of K.A.R. 129-5-1 occurred on February 12, 2015. The public hearing is scheduled for March 17, 2015.

The Omnibus Budget Reconciliation Act of 1990 (OBRA '90) required each state Medicaid Program to establish a Drug Utilization Review (DUR) program for outpatient drugs. By Kansas law, the DUR Board is composed of four physicians, four pharmacists and one Advanced Registered Nurse Practitioner (ARNP) or Physician's Assistant (PA). Each appointment is for three years. The Board is responsible for implementing and operating the DUR Program and making recommendations to DHCF regarding drug therapy issues. The DUR Board, generally, meets quarterly. Before Kansas Medicaid can place a drug on the PA list, the drug must be first evaluated by the DUR Board.

In this regulation, Kansas Medicaid is proposing a series of additions to KAR 129-5-1. The following therapeutic classes of drugs were evaluated by the Preferred Drug List Advisory Committee and found to be clinically equivalent to agents within their respective drug classes. To ensure the most clinically appropriate utilization of these drugs in the most cost-effective manner, the following drugs will require prior authorization:

- Angiotensin II receptor antagonists: irbesartan, irbesartan-HCTZ, telmisartan, telmisartan-HCTZ
- Anticholinergic urinary incontinence drugs: tolterodine, tolt

- Fibric acid derivatives: Fenoglide®, Tricor®, Triglide®, Trilipix®
- Intranasal corticosteroids: triamcinolone, budesonide
- Dipeptidyl peptidase IV inhibitors: alogliptin, linagliptin
- Narcotics: morphine/naltrexone, hydromorphone HCL ER, morphine sulfate ER, tapentadol, oxymorphone, tramadol ER, hydrocodone bitartrate ER
- HMG-CoA reductase inhibitors: rosuvastatin
- Nonsedating antihistamines: loratadine
- Triptans: naratriptan
- Antidiabetic drugs: canagliflozin, dapagliflozin, empagliflozin
- Ophthalmic antihistamine/mast cell stabilizer combinations: bepotastine, epinastine, alcaftadine, azelastine
- Inhaled tobramycin products: Tobi Podhaler®
- Oral mesalamine products: mesalamine DR, mesalamine ER
- Pancreatic enzyme replacement products: pancrelipase

The following drugs will require prior authorization to ensure appropriate utilization because of safety issues, potential for off-label use, abuse potential, cost effectiveness, and/or clinical appropriateness:

- Adjunct anti-epileptic drugs: vigabatrin
- Antiemetics: dronabinol
- Antirheumatics: apremilast
- Drugs for the treatment of obesity: naltrexone-bupropion
- Antidiabetic drugs: dulaglutide
- Hypnotics: tasimelteon
- Topical immunomodulators: Restasis®
- Hematopoietic agents: filgrastim, oprelvekin, pegfilgrastim, romiplostim, sargramostim
- Anti-hepatitis C virus agents: ledipasvir-sofosbuvir, ombitasvir-paritaprevir-ritonavir-dasabuvir
- Testosterone agents: Vogelxo®, Natesto®, testosterone powder
- Multiple Sclerosis agents: alemtuzumab
- Alpha-1 proteinase inhibitors: Aralast NP®, Glassia®, Prolastin C®, Zemaira®
- Enzyme replacement therapy: eliglustat, imiglucerase, taliglucerase alfa, velaglucerase alfa
- Cholesterol absorption inhibitor: ezetimibe
- Gonadotropin-releasing hormone agonist: leuprolide
- Constipation agents: linaclotide, lubiprostone
- Idiopathic pulmonary fibrosis agents: nintedanib, pirfenidone

It is expected that these changes will reduce Medicaid expenditures by $862,879.05 SGF and $1,126,696.82 FFP annually. The cost of reviewing PA's will be borne by DHCF and the contracted KanCare Managed Care Organizations.

At this point, I am open to your questions on these proposed changes.

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