FACTS about Making Drug Prior Authorization Work for Medicaid Recipients and Providers

Prior authorization is required for certain drugs prescribed to Medicaid recipients. If formal prior approval (prior authorization) from the prescribing doctor hasn't been properly obtained, DSS has authorized pharmacies to dispense a temporary 14 day supply.

No written notice is provided to the client or the prescriber regarding the temporary nature of the supply. DSS simply relies on the pharmacist to relay information to the client and provider regarding the temporary supply.

However, federal Medicaid law requires that an enrollee be notified in writing within 24 hours whenever a drug is denied for any reason. Medicaid requires due process protections when a service or treatment is denied. This notification must contain the reason for the denial, information on the right to an appeal and how to lodge an appeal.

This system can work better:

- Clients and prescribers should automatically receive a written notice that a 14 day temporary supply has been provided and that prior authorization or a change in drug is required prior to the next fill. These notices should be generated and sent to the client and provider who wrote the prescription on a daily basis.

According to data produced by the DSS contractor administering the Medicaid prescription benefits, in a 10-month period from 2008 to 2009:

- **5,142** claims for drugs were denied by DSS electronically at the pharmacy because the drug the individual sought did not have proper prior authorization and the 14 day temporary supply had already been obtained.

- A full 120 days later, **1350** of these claims still had not resulted in PA for the particular drug being obtained or a switch to a different drug not subject to PA.

These "second-time-around" denials occur with frequency because, with the exception of mental health-related drugs, DSS does not follow up with providers to advise the prescribers that PA is needed for the recipient to get a further supply of the drug (or that a different drug should be prescribed).

Approximately 525,000 Medicaid recipients would be affected by this change.

Doctors are often unaware of what drugs are on PDL lists as these lists change frequently. The prior authorization process needs to be more user-friendly for patients, doctors and pharmacists.

Legal Assistance Resource Center of CT, Inc.
44 Capitol Avenue, Suite 301, Hartford, CT 06106
Tel: (860) 278-5688 ❖ Fax: (860) 278-2957
Jane McNichol, 860-278-5688 ext. 201; Sara Parker McKernan, ext. 207