

**NEW JERSEY DRUG UTILIZATION REVIEW BOARD
ANNUAL REPORT**

JULY 1, 2004 THROUGH JUNE 30, 2005

Table of Contents

I. Acknowledgements	2
II. Executive Summary	4
III. Background	5
IV. Findings	6
A. Overview of Activities and Interventions and Impact on Quality of Care	6
B. Assessment of Costs	8
C. Recommendations	10
V. Acronyms	11
VI. Appendices	12
A. Public Law 1998, Chapter 41, as amended and supplemented	13
B. Unisys Cost Avoidance Reports	19

I. Acknowledgements

The Drug Utilization Review process for SFY 05 was made possible by the hard work and commitment of the following members of the New Jersey Drug Utilization Review Board:

David Ethan Swee, M.D., Chairman

Judith Barberio, A.P.N., C., Ph.D.

Rochelle Dallago, R.Ph.

Linda Gochfeld, M.D.

Linda G. Gooen, Pharm D.

Jeffrey J. Kuper, Pharm D., BCPS

Alan S. Lichtbroun, M.D.

Steven Matthew Marcus, M.D.

Judith Martinez Rodriguez, R.Ph, M.B.A., FACA

Sandra Moore, Pharm D.

Eileen Moynihan, M.D.

Kristine M. Olson, M.S., R.N., A.P.N.,C

Jay R. Schafer, R.Ph.

Donald K. Woodward, Pharm D.

In addition, the following State staff were responsible for assisting the drug utilization review process:

Patricia F. Hafitz, R.Ph., Pharmaceutical Consultant, Office of Utilization Management, Division of Medical Assistance and Health Services, Secretary to the Drug Utilization Review Board.

Robert Kocsardy, R.Ph., Pharmaceutical Consultant, Office of Utilization Management, Division of Medical Assistance and Health Services. Special thanks are added to the record in appreciation for his educational presentations.

Kaye S. Morrow, Assistant Division Director, Office of Provider Relations, Division of Medical Assistance and Health Services.

Edward J. Vaccaro, R.Ph., Assistant Director, Office of Utilization Management, Division of Medical Assistance and Health Services; ex-officio, Department of Human Services representative to the Drug Utilization Review Board.

Martin T. Zanna, M.D., Acting Director, State of New Jersey, Department of Health and Senior Services, Office of Planning and Development (Senior Services), ex-officio, Department of Health and Senior Services representative to the Drug Utilization Review Board.

II. Executive Summary

In accordance with Public Law 1998, chapter 41, the State of New Jersey Department of Human Services and the Department of Health and Senior Services are required by December 1st of each calendar year to provide an annual report, with copies to the federal Department of Health and Human Services, the Governor, the Legislature, the New Jersey Pharmacists Association and the Medical Society of New Jersey. The report includes a description of the highlights and opportunities identified by the New Jersey Drug Utilization Review Board (NJDURB) for the period beginning July 1, 2004 and ending June 30, 2005.

It is important to note that requirements for the Drug Utilization Review (DUR) annual report submitted to the federal Department of Health and Human Services by the New Jersey Division of Medical Assistance and Health Services (DMAHS) differ from those indicated by Public Law 1998, chapter 41 (appendix A). Information included in this annual report will serve as input for the federal DUR report.

The NJDURB met quarterly during State Fiscal Year (SFY) 2005. During this time period, nine new Board members were appointed, and four members were reappointed. The Board reviewed and discussed utilization data for a number of different drug classes as well as individual drugs of interest. Several prior authorization protocols were recommended, as well as additions to the State's drug-drug interaction and duration edit. The Board also continued to oversee retrospective projects dealing with antihypertensive, antiretroviral and antidiabetic medications. Throughout SFY 2005, the Board was updated on the developments of Medicare Part D, due for implementation January 1, 2006. SFY 2006 will provide the Board with the opportunity to review and make recommendations in regard to several categories of medications such as 5-HT₃ receptor antagonists, Proton Pump Inhibitors (PPIs), and opioids. The "off-label" use of medication will continue to require review, as well as over the counter (OTC) medications. .

The NJDURB in SFY 2005 spent \$ 62,736. There were 14 educational lectures presented that included the topics of antipsychotic therapy, the neural basis of psychosis, drug interactions, osteoporosis, pharmacy law, and new drugs.

As part of Prospective Drug Utilization Review (PDUR), the edits recommended by the NJDURB that deny a claim from being processed, serve to prevent adverse reactions, and duplicate therapies, thereby protecting the patient as well as preventing fraud, waste and abuse. Upon receipt of clinical denials, pharmacists have an opportunity to interact with their patients and prescribers, and are in fact, changing prescribing habits, and ultimately controlling utilization and improving outcomes. The report sample in Appendix B for SFY 2005 indicates likely savings to the State averaging nearly \$ 3.5 million per month for Medicaid and the Pharmaceutical Assistance for the Aged and Disabled (PAAD) combined.

The cost of administering the Medical Exception Process (MEP) through First Health Clinical Services (FHCS) for the period of July 1, 2004 through June 30, 2005 was \$9,251,054. .

III. Background

The NJDURB is responsible for reviewing and recommending specific processes for prospective and retrospective components of the DUR process. These processes are intended to improve quality of care.

PDUR consists of interventions performed by a pharmacist prior to a drug being dispensed to a State beneficiary. These interventions involve consultations with the patient and physician regarding drug utilization, including the potential for severe drug-drug interactions; exceeding maximum daily dosage; possible therapeutic duplication; and exceeding duration of medication use.

Retrospective Drug Utilization Review (RDUR) evaluates these same criteria. However, such reviews are performed on a beneficiary's drug claim history after medications have been dispensed. The process is useful to the State and/or the prescriber in evaluating prescribing patterns. Based on this information, to assure continuous quality assurance, the Board is responsible for performing certain educational outreach activities to bring about changes in these patterns to encourage clinically appropriate drug utilization.

The NJDURB is responsible for recommending DUR standards to avoid: duplication of therapy, inappropriate dosing, drug-drug interactions, drug-disease contraindications, inappropriate therapeutic usage and duration of therapy. The Commissioners of the Department of Human Services and the Department of Health and Senior Services then consider these standards for approval. These standards are maintained through the State's point-of-sale (POS) claims processing system.

IV. Findings

A. Overview of Activities and Interventions and Impact on Quality of Care

During SFY 05, the Board

- recommended an authorization criteria protocol for Tarvil® ;
- recommended a protocol for epoetin, with an additional recommendation that the State provide coverage for iron supplements normally available over the counter (OTC), if a prescription is presented, and that prescribers of epoetin be reminded of the potential need for iron supplementation in these patients;
- reviewed utilization data and discussed the use of Xolair®;
- recommended that tramadol and certain antidepressants be monitored under the drug-drug interaction edit;
- discussed the impact of a letter previously approved by the Board that alerts prescribers when contraindicated combinations of antiretroviral medications are prescribed;
- discussed the maintenance use of Fuzeon®, and reviewed compliance statistics, with a recommendation that the prior authorization period for this drug be set at six months;
- reviewed data and discussed the impact of the State's Mandatory Generic program on certain behavioral health medications such as anti-anxiety agents and sleep agents;
- recommended prior authorization protocols for Palladone® and Tussionex®;
- recommended that the duration of therapy for Elidil® and Protopic® not exceed six weeks without prior authorization; and
- discussed the use of drugs known as Proton Pump Inhibitors (PPI) and decided to publish a DURB newsletter for prescribers, educational in nature, to discuss the recommended uses, doses, and duration of therapy for these agents.

All the recommendations made by the Board in SFY 2005 were accepted by the Commissioner of the Department of Human Services and the Commissioner of the Department of Health and Senior Services.

The Warfarin/Antibiotic Retrospective Process (WARP), initiated March 1, 2001, continued as a regular activity in SFY 2005. The process results in notification to the warfarin prescriber when a beneficiary on warfarin receives an antibiotic which can potentially interact with the warfarin. The notification recommends that the prescriber test their patient seven to ten days after initiating the antibiotic. This process is intended to heighten the awareness of this potentially life-threatening interaction, improve the quality of care for beneficiaries, and reduce the number of hospital admissions associated with this interaction. 13,247 letters were sent to prescribers in SFY 2005 notifying them of this serious drug-drug interaction, compared to 14,751 letters in SFY 2004 and 15,256 letters in SFY 2003.

The Antiretroviral Adherence Intervention Project, started in February 2003, involves prescriber notification when a beneficiary fails to renew their prescription for antiretroviral therapy within a specified time frame that would indicate underutilization of the product. Adherence to antiretroviral therapy has a strong impact on virologic response and

emergence of viral resistance. From July 1, 2004 to June 30, 2005 a total of 7,632 letters were sent out notifying prescribers of possible non-adherence to therapy by their patient, compared to 2,829 letters in SFY 2004. The notifications resulted in physicians stressing the importance of adherence to therapy to avoid viral resistance in 1,001 instances during SFY 2005.

The Antihypertensive Therapy Intervention Project, started in April 2004, is designed to assist prescribers in the management of their hypertensive patients. When a beneficiary fails to renew their prescription for antihypertensive therapy within a specified time frame, it indicates possible underutilization of the medication, and may indicate a patient is having difficulty adhering to the prescribed therapy. Notification to the prescriber facilitates intervention and follow-up to improve compliance. During SFY 2005, a total of 34,202 letters sent to prescribers resulted in compliance being stressed to patient and/or caregiver in 2,716 instances, with written action plans given 155 times, and changes in therapy made 332 times. Controlling blood pressure in hypertensive patients can be an important factor in reducing cardiovascular disease and the risk of stroke, coronary artery disease, and chronic renal disease.

The Antidiabetic Medication Adherence Intervention Project, started in May 2004, is designed to assist prescribers in the management of their diabetic patients. When a beneficiary fails to renew their prescription for antidiabetic therapy within a specified time frame, it indicates possible underutilization of the medication, and may indicate that a patient is having difficulty adhering to the prescribed therapy. Notification to the prescriber facilitates intervention and follow-up to improve compliance and glycemic control. During SFY 2005, a total of 16,391 letters sent to prescribers resulted in compliance being stressed to the patient and/or caregiver in 5,360 instances, with a written action plan given 209 times.

B. Assessment of Costs

Training

Expenditures for SFY 2005 for the NJDURB totaled \$62,736. Special thanks are due Mr. Robert Koccardy for providing his services as lecturer for the educational forums at no additional cost. The lectures covered topics including antipsychotic therapy, the neural basis of psychosis, drug interactions, osteoporosis, pharmacy law, and new drugs. Educational programs, including those sponsored by the NJDURB, have succeeded in increasing awareness about drug interactions among prescribers and pharmacists.

Drug Costs

The specific therapeutic class with the highest volume of claims reviewed by FHCS continued to be narcotic analgesics. 105,658 claims were reviewed with 101,317 approvals, and 4,341 denials in this class of drugs. The other high volume classes consisted of: agents that reduce gastric acid secretion (55,864 approvals, 4,479 denials); drugs to treat ADD, ADHD and narcolepsy (37,530 approvals, 334 denials); and lipotropics (35,479 approvals, 915 denials). The major reasons for review and approval were multiple prescriptions (narcotic analgesics); dosage and duration of therapy above established DUR standards (gastric acid reducers); appropriate diagnosis (drugs to treat ADD, ADHD and narcolepsy); and another drug causing a drug-drug interaction (lipotropics).

Overall, FHCS was contacted by pharmacists regarding severe drug-drug interactions 7,559 times in SFY 05. Pharmacists resolved 11,448 cases without the involvement of FHCS. Of the 7,559 calls received, 6,564 requests were approved, and 995 requests were denied. The major reason for approval under these circumstances was the discontinuation by the prescriber of one of the offending drugs.

There were 71,472 retrospective interventions performed in SFY 05. These retrospective projects are designed to provide intervention that potentially reduces hospitalization rates. In 2002, an analysis of the WARP by PRONJ, estimated avoided hospitalizations yielded annual savings of \$471,889. It has been demonstrated that patients with adherence rates of 95% or better with Protease Inhibitor therapy had fewer days in the hospital as a consequence of HIV. (http://www.medscape.com/viewarticle/410267_6). Adherence to antihypertensive therapy is an important factor in reducing cardiovascular disease and the risk of stroke, coronary artery disease and chronic renal disease. (<http://www.medscape.com/viewarticle/452254>) The results of the Diabetes Control and Complications Trial (DCCT) provide compelling evidence of how the complications of diabetes can be delayed and/or slowed when a patient's blood glucose levels are maintained as close to normal as possible. (<http://www.medscape.com/viewarticle/470738>)

The PDUR program utilized by the State in SFY 2005 is supported by various edit tables designed by the State to provide maximum discretion to the State in applying PDUR edits. These tables include standards for individual Generic Code Numbers or Specific Therapeutic Class, minimum age, maximum age, approved standards based on relationships between a claim's reported metric quantity and days supply, effective date and the ability to immediately deny claims or override with PA or allow a 30 day supply of drug to be dispensed to allow for interventions with the physician to take place.

As part of PDUR, the edits recommended by the DURB which block a claim from being processed prevent adverse reactions, unnecessary prescriptions and duplicate therapies, thus protecting the patient as well as preventing fraud, waste and abuse.

Medical Exception Process

The cost of administering the Medical Exception Process through FHCS for the period of July 1, 2004 through June 30, 2005 was \$9,251,054. The FHCS contract is set to expire on December 31, 2005.

C. Recommendations

In order to improve the State's DUR program, it is recommended that the Board be provided the opportunity to discuss and recommend the use of non-prescription medications, also known as OTC, or over the counter medications. These medications may provide therapeutic alternatives to legend medications, or may enhance therapy. The Board will also need to evaluate issues that affect the benefits of the Aged, Blind and Disabled population that will be transitioned to Medicare Part D on January 1, 2006. The coverage of Part D excluded medications, including benzodiazepines, vitamins and cough and cold preparations, will continue to be a benefit provided by the State. In addition, the legislature appropriated \$20.6 million to provide coverage for medications denied by Medicare Part D plans, as a part of the State's wraparound program. Educational programs sponsored by the Board should focus on promoting clinically appropriate utilization of medications, and specifically target categories of drugs that have consistently high rates of utilization, such as narcotics, antipsychotics, and gastric acid suppressants; high cost drugs; and drugs known to be problem prone (for example, drugs with many interactions).

Acronyms

ADD	Attention Deficit Disorder
ADHD	Attention Deficit Hyperactivity Disorder
DCCT	Diabetes Control and Complications Trial
DMAHS	Division of Medical Assistance and Health Services
DUR	Drug Utilization Review
DURB	Drug Utilization Review Board
FHCS	First Health Clinical Services
HIV	Human Immunodeficiency Virus
MEP	Medical Exception Process
NJDURB	New Jersey Drug Utilization Review Board
OTC	Over the Counter
PAAD	Pharmaceutical Assistance to the Aged and Disabled
PDUR	Prospective Drug Utilization Review
POS	Point of Sale
PPI	Proton Pump Inhibitor
PRONJ	Peer Review Organization of New Jersey
RDUR	Retrospective Drug Utilization Review
SFY	State Fiscal Year
WARP	Warfarin/Antibiotic Retrospective Process

VI. Appendices

Appendix A

P.L. 1998, Chapter 41, approved June 30, 1998, as amended and supplemented

§ 30:4D-17.16. Definitions

As used in this act:

"Beneficiary" means a person participating in a State pharmaceutical benefits program.

"Board" means the Drug Utilization Review Board established pursuant to section 2 of P.L.1998, c. 41 (C.30:4D-17.17a) in connection with State pharmaceutical benefits programs.

"Compendia" means those resources widely accepted by the medical profession in the efficacious use of drugs which is based on, but not limited to, these sources: the "American Hospital Formulary Services Drug Information," the "U.S. Pharmacopeia-Drug Information," the "American Medical Association Drug Evaluations," and the peer-reviewed medical literature, and information provided from the manufacturers of drug products.

"Criteria" means those explicit and predetermined elements that are used to assess or measure drug use on an ongoing basis to determine if the use is appropriate, medically necessary, and not likely to result in adverse medical outcomes.

"Department" means the Department of Human Services.

"Drug interactions" means the occurrence when two or more drugs taken by a recipient lead to clinically significant toxicity that is characteristic of one or any of the drugs present or that leads to the interference with the effectiveness of one or any of the drugs.

"Drug-disease contraindication" means the occurrence when the therapeutic effect of a drug is adversely altered by the presence of another disease or condition.

"Intervention" means a form of educational communication utilized by the board with a prescriber or pharmacist to inform about or to influence prescribing or dispensing practices.

"Medicaid" means the program established pursuant to P.L.1968, c. 413 (C.30:4D-1 et seq.).

"Overutilization or underutilization" means the use or non-use of a drug in quantities such that the desired therapeutic goal is not achieved.

"PAAD" means the program of pharmaceutical assistance to the aged and disabled established pursuant to P.L.1975, c. 194 (C.30:4D-20 et seq.).

"Prescriber" means a person authorized by the appropriate State professional and occupational licensing board to prescribe medication and devices.

"Prospective drug utilization review" means that part of the drug utilization review program that occurs before the drug is dispensed and is designed to screen for potential drug therapy problems based on knowledge of the patient, the patient's continued drug use and the drug use criteria and standards developed by the board.

"Retrospective drug utilization review" means that part of the drug utilization review program that assesses or measures drug use based on an historical review of drug use

data against criteria and standards developed by the board on an ongoing basis with professional input.

"Standards" means the acceptable range of deviation from the criteria that reflects local medical practice and that is tested on the beneficiary database.

"State pharmaceutical benefits program" means the following programs: Medicaid, PAAD, the AIDS drug distribution program, and any other State and federally funded pharmaceutical benefits program.

"Therapeutic appropriateness" means drug prescribing and dispensing based on rational drug therapy that is consistent with the criteria and standards developed pursuant to P.L.1993, c.16 (C.30:4D-17.16 et seq.) and section 2 of P.L.1998, c. 41 (C.30:4D-17.17a).

"Therapeutic duplication" means the prescribing and dispensing of the same drug or of two or more drugs from the same therapeutic class when overlapping time periods of drug administration are involved and when the prescribing or dispensing is not medically indicated.

HISTORY: L. 1993, c. 16, §1; amended 1998, c. 41, § 1.

§ 30:4D-17.17a. Drug Utilization Review Board

a. There is established the Drug Utilization Review Board in the department to advise the department on the implementation of a drug utilization review program pursuant to P.L. 1993, c. 16 (C. 30:4D-17.16 et seq.) and this section. The board shall establish a Senior Drug Utilization Review Committee to address the specific prescribing needs of the elderly and an AIDS/HIV Drug Utilization Review Committee to address the specific prescribing needs of persons with AIDS/HIV, in addition to such other committees as it deems necessary. It shall be the responsibility of each committee to evaluate the specific prescribing needs of its beneficiary population, and to submit recommendations to the board in regard thereto.

The board shall consist of 17 members, including the Commissioners of Human Services and Health and Senior Services or their designees, who shall serve as nonvoting ex officio members, and 15 public members. The public members shall be appointed by the Governor with the advice and consent of the Senate. The appointments shall be made as follows: six persons licensed and actively engaged in the practice of medicine in this State, including one who is a psychiatrist and at least two who specialize in geriatric medicine and two who specialize in AIDS/HIV care, one of whom who is a pediatric AIDS/HIV specialist, four of whom shall be appointed upon the recommendation of the Medical Society of New Jersey and two upon the recommendation of the New Jersey Association of Osteopathic Physicians and Surgeons; one person licensed as a physician in this State who is actively engaged in academic medicine; four persons licensed in and actively practicing or teaching pharmacy in this State, who shall be appointed from a list of pharmacists recommended by the New Jersey Pharmacists Association, the New Jersey Council of Chain Drug Stores, the Garden State Pharmacy Owners, Inc., the New Jersey Society of Hospital Pharmacists, the Academy of Consultant Pharmacists and the College of Pharmacy of Rutgers, The State University; one additional health care professional; two persons certified as advanced practice nurses in this State, who shall be appointed upon the recommendation of the New Jersey State Nurses Association; and one member to be

appointed upon the recommendation of the Pharmaceutical Research and Manufacturers of America.

Each member of the board shall have expertise in the clinically appropriate prescribing and dispensing of outpatient drugs.

b. All appointments to the board shall be made no later than the 60th day after the effective date of this act. The public members shall be appointed for two-year terms and shall serve until a successor is appointed and qualified, and are eligible for reappointment; except that of the public members first appointed, eight shall be appointed for a term of two years and five for a term of one year.

c. Vacancies in the membership of the board shall be filled in the same manner as the original appointments were made but for the unexpired term only. Members of the board shall serve with compensation for the time and expenses incurred in the performance of their duties as board members, as determined by the Commissioners of Human Services and Health and Senior Services, subject to the approval of the Director of the Division of Budget and Accounting in the Department of the Treasury.

d. The board shall select a chairman from among the public members, who shall serve a one-year term, and a secretary. The chairman may serve consecutive terms. The board shall adopt bylaws. The board shall meet at least quarterly and may meet at other times at the call of the chairman. The board shall in all respects comply with the provisions of the "Open Public Meetings Act," P.L. 1975, c. 231 (C. 10:4-6 et seq.). No motion to take any action by the board shall be valid except upon the affirmative vote of a majority of the authorized membership of the board.

e. The duties of the board shall include the development and application of the criteria and standards to be used in retrospective and prospective drug utilization review. The criteria and standards shall be based on the compendia and developed with professional input in a consensus fashion. There shall be provisions for timely reassessments and revisions as necessary and provisions for input by persons acting as patient advocates. The drug utilization review standards shall reflect the local practices of prescribers, in order to monitor:

- (1) therapeutic appropriateness;
- (2) overutilization or underutilization;
- (3) therapeutic duplication;
- (4) drug-disease contraindications;
- (5) drug-drug interactions;
- (6) incorrect drug dosage;
- (7) duration of drug treatment; and
- (8) clinical drug abuse or misuse.

The board shall recommend to the department criteria for denials of claims and establish standards for a medical exception process. The board shall also consider relevant information provided by interested parties outside of the board and, if appropriate, shall make revisions to the criteria and standards in a timely manner based upon this information.

f. The board, with the approval of the department, shall be responsible for the development, selection, application and assessment of interventions or remedial strategies

for prescribers, pharmacists and beneficiaries that are educational and not punitive in nature to improve the quality of care, including:

- (1) Information disseminated to prescribers and pharmacists to ensure that they are aware of the duties and powers of the board;
- (2) Written, oral or electronic reminders of patient-specific or drug-specific information that are designed to ensure prescriber, pharmacist and beneficiary confidentiality, and suggested changes in the prescribing or dispensing practices designed to improve the quality of care;
- (3) The development of an educational program, using data provided through drug utilization review as a part of active and ongoing educational outreach activities to improve prescribing and dispensing practices as provided in this section. These educational outreach activities shall include accurate, balanced and timely information about drugs and their effect on a patient. If the board contracts with another entity to provide this program, that entity shall publicly disclose any financial interest or benefit that accrues to it from the products selected or used in this program;
- (4) Use of face-to-face discussion between experts in drug therapy and the prescriber or pharmacist who has been designated by the board for educational intervention;
- (5) Intensified reviews or monitoring of selected prescribers or pharmacists;
- (6) The timely evaluation of interventions to determine whether the interventions have improved the quality of care; and
- (7) The review of case profiles prior to the conducting of an intervention.

HISTORY: L. 1998, c. 41, § 2; amended 2003, c. 262.

§ 30:4D-17.18. Responsibilities of department

The department shall be responsible for:

- a. (Deleted by amendment, P.L.1998, c. 41).
- b. The implementation of a drug utilization review program, subject to the approval of the Commissioner of Health and Senior Services, to ensure that prescriptions are appropriate, medically necessary, and not likely to result in adverse medical outcomes, including the approval of the provisions of any contractual agreement between the State pharmaceutical benefits program and other entities processing and reviewing drug claims and profiles for the drug utilization review program.

The program shall include both retrospective and prospective drug utilization review. Retrospective drug utilization review shall include an analysis of drug claims processing data in order to identify patterns of fraud, abuse or gross overuse, and inappropriate or medically unnecessary care, and to assess data on drug use against standards that are based on the compendia and other sources. Prospective drug utilization review shall include a review conducted by the pharmacist at the point of sale.

- c. (Deleted by amendment, P.L.1998, c. 41).
- d. (Deleted by amendment, P.L.1998, c. 41).
- e. The submission of an annual report, which shall be subject to public comment prior to its issuance, to the federal Department of Health and Human Services by December 1

of each year. The annual report shall also be submitted to the Governor, the Legislature, the New Jersey Pharmaceutical Association and the Medical Society of New Jersey by December 1 of each year. The report shall include the following information:

- (1) An overview of the activities of the board and the drug utilization review program;
- (2) Interventions used and their ability to improve the quality of care; however, this information shall not disclose the identities of individual prescribers, pharmacists, or beneficiaries, but shall specify whether the intervention was a result of underutilization or overutilization of drugs;
- (3) The costs of administering the drug utilization review program;
- (4) Any cost impact to other areas of the State pharmaceutical benefits program resulting from the drug utilization review program, such as hospitalization rates or changes in long-term care;
- (5) A quantitative assessment of how drug utilization review has improved beneficiaries' quality of care;
- (6) A review of the total number of prescriptions and medical exception requests reviewed by drug therapeutic class;
- (7) An assessment of the impact of the educational program established pursuant to subsection f. of section 2 of P.L.1998, c.41 (C.30:4D-17.17a) and interventions on prescribing or dispensing practices, total program costs, quality of care and other pertinent patient patterns; and
- (8) Recommendations for improvement of the drug utilization review program.

f. The development of a working agreement between the board and other boards or agencies, including, but not limited to: the Board of Pharmacy of the State of New Jersey and the State Board of Medical Examiners, in order to clarify any overlapping areas of responsibility.

g. The establishment of an appeal process for prescribers, pharmacists and beneficiaries pursuant to P.L.1993, c.16 (C.30:4D-17.16 et seq.) and section 2 of P.L.1998, c.41 (C.30:4D-17.17a).

h. The publication and dissemination of medically correct and balanced educational information to prescribers and pharmacists to identify and reduce the frequency of patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care among prescribers, pharmacists and beneficiaries, including:

- (1) potential or actual reactions to drugs;
- (2) therapeutic appropriateness;
- (3) overutilization or underutilization;
- (4) appropriate use of generic drugs;
- (5) therapeutic duplication;
- (6) drug-disease contraindications;
- (7) drug-drug interactions;
- (8) incorrect drug dosage or duration of drug treatment;
- (9) drug allergy interactions; and

- (10) clinical abuse or misuse.
- i. The development and publication, with the input of the Board of Pharmacy of the State of New Jersey, of the guidelines to be used by pharmacists, including mail order pharmacies, in their counseling of beneficiaries.
 - j. The adoption and implementation of procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the drug utilization review program, that identifies individual prescribers, pharmacists, or beneficiaries. The board may have access to identifying information for purposes of carrying out intervention activities, but the identifying information may not be released to anyone other than a member of the board, except that the board may release cumulative nonidentifying information for purposes of legitimate research. The improper release of identifying information in violation of this act may subject that person to criminal or civil penalties.
 - k. The determination of whether nursing or long-term care facilities under 42 CFR 483.60 are exempt from the provisions of this act.
 - l. The establishment of a medical exception process by regulation.
 - m. The provision of such staff and other resources as the board requires.

HISTORY: L. 1993, c. 16, § 3; amended 1998, c. 41, § 3.

§ 30:4D-17.18a. Rules, regulations

The Commissioner of Human Services, pursuant to the "Administrative Procedure Act," P.L.1968, c. 410 (C.52:14B-1 et seq.), and subject to the approval of the Commissioner of Health and Senior Services as appropriate, shall adopt rules and regulations to effectuate the purposes of P.L.1993, c. 16 (C.30:4D-17.16 et seq.) and section 2 of P.L.1998, c. 41 (C.30:4D-17.17a); except that, notwithstanding any provision of P.L.1968, c. 410 (C.52:14B-1 et seq.) to the contrary, the Commissioner of Human Services, subject to the approval of the Commissioner of Health and Senior Services, may adopt, immediately upon filing with the Office of Administrative Law, such regulations as the commissioner deems necessary to implement the provisions of P.L.1993, c. 16 (C.30:4D-17.16 et seq.) and section 2 of P.L.1998, c. 41 (C.30:4D-17.17a), which shall be effective for a period not to exceed six months and may thereafter be amended, adopted or re-adopted by the Commissioner of Human Services, subject to the approval of the Commissioner of Health and Senior Services, in accordance with the requirements of P.L.1968, c. 410 (C.52:14B-1 et seq.).

HISTORY: L. 1998, c. 41, § 4.

Appendix B

Unisys Cost Avoidance Reports

*Claims represented in this report did not reappear for future payment and are considered an avoidance of inappropriate expenditure

July 04

	EDIT	GA	MCAID	ADDP	PAAD	GRAND TOTAL
	403	\$0.00	\$59,854.35	\$25.56	\$116,155.68	\$176,035.59
	404	\$0.00	\$51,719.30	\$783.22	\$77,341.71	\$129,844.23
	405	\$0.00	\$363,767.58	\$2,129.67	\$253,893.01	\$619,790.26
	535	\$0.00	\$168,475.71	\$4,638.64	\$131,492.79	\$304,607.14
	537	\$1,323.99	\$1,095,268.50	\$57,136.56	\$584,945.63	\$1,738,674.68
	869	\$0.00	\$34,275.28	\$4,796.22	\$28,717.88	\$67,789.38
	877	\$0.00	\$50.99	\$0.00	\$42.04	\$93.03
	916	\$0.00	\$23,872	\$2,533.07	\$6,652.66	\$33,058.22
TOTAL		\$1,323.99	\$1,797,284.20	\$72,042.94	\$1,199,241.40	\$3,069,892.53

1) COST SAVINGS IDENTIFIED IN THIS REPORT REFLECT COSTS FOR DUR CLAIMS DENIED BY A DUR EDIT FOR WHICH NO FUTURE PAID CLAIMS WERE IDENTIFIED FOR THE 60 DAY PERIOD FOLLOWING THE DATE OF DENIAL

2) ABSEnCE OF PAYMENT FOR A SINGLE DUR CLAIM IS REFLECTED IN COST SAVINGS

3) THIS REPORT HAS BEEN UNDUPLICATED BY CLAIM AND EDIT

4) COST SAVINGS MAY VARY DUE TO THE ALLOWANCES FOR 100 DAYS SUPPLY, CHANGES IN DRUG THERAPY INVOLVING THE PRESCRIBING OF A DIFFERENT DRUG, AND CHANGES IN DRUG UTILIZATION

Edit 403/404 duration of use standard exceeded

Edit 405 duplication of therapy

Edit 535/537 recommended maximum daily dosage exceeded

Edit 869/877/916 drug-drug conflict

Appendix B

Unisys Cost Avoidance Reports

*Claims represented in this report did not reappear for future payment and are considered an avoidance of inappropriate expenditure

October 2004

	EDIT	GA	MCAID	ADDP	PAAD	GRAND TOTAL
	403	\$0.00	\$51,955.43	\$384.15	\$115,524.90	\$167,864.48
	404	\$0.00	\$45,711.69	\$0.00	\$66,747.01	\$112,458.70
	405	\$0.00	\$412,657.39	\$2,829.69	\$286,502.95	\$701,990.03
	535	\$0.00	\$177,626.09	\$6,023.49	\$304,458.44	\$488,108.02
	537	\$0.00	\$1,070,944.61	\$46,964.30	\$1,682,237.43	\$2,800,146.34
	869	\$0.00	\$35,869.26	\$6,331.10	\$28,218.67	\$70,419.03
	877	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	916	\$0.00	\$43,098	\$11,794.17	\$17,185.99	\$72,078.54
TOTAL		\$0.00	\$1,837,862.85	\$74,326.90	\$2,500,875.39	\$4,413,065.14

- 1) COST SAVINGS IDENTIFIED IN THIS REPORT REFLECT COSTS FOR DUR CLAIMS DENIED BY A DUR EDIT FOR WHICH NO FUTURE PAID CLAIMS WERE IDENTIFIED FOR THE 60 DAY PERIOD FOLLOWING THE DATE OF DENIAL
- 2) ABSEnCE OF PAYMENT FOR A SINGLE DUR CLAIM IS REFLECTED IN COST SAVINGS
- 3) THIS REPORT HAS BEEN UNDUPPLICATED BY CLAIM AND EDIT
- 4) COST SAVINGS MAY VARY DUE TO THE ALLOWANCES FOR 100 DAYS SUPPLY, CHANGES IN DRUG THERAPY INVOLVING THE PRESCRIBING OF A DIFFERENT DRUG, AND CHANGES IN DRUG UTILIZATION

Edit 403/404 duration of use standard exceeded

Edit 405 duplication of therapy

Edit 535/537 recommended maximum daily dosage exceeded

Edit 869/877/916 drug-drug conflict

Appendix B

Unisys Cost Avoidance Reports

*Claims represented in this report did not reappear for future payment and are considered an avoidance of inappropriate expenditure

January 2005

	EDIT	GA	MCAID	ADDP	PAAD	GRAND TOTAL
	403	\$0.00	\$58,219.08	\$874.85	\$107,738.52	\$166,832.45
	404	\$0.00	\$28,729.92	\$0.00	\$56,881.97	\$85,611.89
	405	\$0.00	\$366,179.10	\$2,355.81	\$222,127.77	\$590,662.68
	535	\$0.00	\$167,213.77	\$3,699.07	\$115,846.76	\$286,759.60
	537	\$0.00	\$1,129,735.33	\$79,218.49	\$604,486.00	\$1,813,439.82
	869	\$0.00	\$28,818.52	\$2,402.98	\$27,063.86	\$58,285.36
	877	\$0.00	\$76.33	\$0.00	\$48.61	\$124.94
	916	\$0.00	\$51,484	\$5,273.87	\$23,328.50	\$80,086.61
TOTAL		\$0.00	\$1,830,456.29	\$93,825.07	\$1,157,521.99	\$3,081,803.35

1) COST SAVINGS IDENTIFIED IN THIS REPORT REFLECT COSTS FOR DUR CLAIMS DENIED BY A DUR EDIT FOR WHICH NO FUTURE PAID CLAIMS WERE IDENTIFIED FOR THE 60 DAY PERIOD FOLLOWING THE DATE OF DENIAL

2) ABSENCE OF PAYMENT FOR A SINGLE DUR CLAIM IS REFLECTED IN COST SAVINGS

3) THIS REPORT HAS BEEN UNDUPPLICATED BY CLAIM AND EDIT

4) COST SAVINGS MAY VARY DUE TO THE ALLOWANCES FOR 100 DAYS SUPPLY, CHANGES IN DRUG THERAPY INVOLVING THE PRESCRIBING OF A DIFFERENT DRUG, AND CHANGES IN DRUG UTILIZATION

Edit 403/404 duration of use standard exceeded

Edit 405 duplication of therapy

Edit 535/537 recommended maximum daily dosage exceeded

Edit 869/877/916 drug-drug conflict

Appendix B

Unisys Cost Avoidance Reports

*Claims represented in this report did not reappear for future payment and are considered an avoidance of inappropriate expenditure

April 2005

	EDIT	GA	MCAID	ADDP	PAAD	GRAND TOTAL
	403	\$0.00	\$55,584.73	\$185.51	\$136,343.43	\$192,113.67
	404	\$0.00	\$32,103.99	\$0.00	\$53,731.95	\$85,835.94
	405	\$0.00	\$391,172.33	\$4,340.44	\$263,752.45	\$659,265.22
	535	\$0.00	\$155,251.75	\$2,162.45	\$139,179.07	\$296,593.27
	537	\$0.00	\$1,217,511.78	\$58,818.91	\$687,432.93	\$1,963,763.62
	869	\$0.00	\$26,401.40	\$1,500.00	\$27,504.96	\$55,406.36
	877	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	916	\$0.00	\$104,033	\$39,838.39	\$23,328.50	\$167,200.31
TOTAL		\$0.00	\$1,982,059.40	\$106,845.70	\$1,331,273.29	\$3,420,178.39

- 1) COST SAVINGS IDENTIFIED IN THIS REPORT REFLECT COSTS FOR DUR CLAIMS DENIED BY A DUR EDIT FOR WHICH NO FUTURE PAID CLAIMS WERE IDENTIFIED FOR THE 60 DAY PERIOD FOLLOWING THE DATE OF DENIAL
 2) ABSEnCE OF PAYMENT FOR A SINGLE DUR CLAIM IS REFLECTED IN COST SAVINGS
 3) THIS REPORT HAS BEEN UNDUPLICATED BY CLAIM AND EDIT
 4) COST SAVINGS MAY VARY DUE TO THE ALLOWANCES FOR 100 DAYS SUPPLY, CHANGES IN DRUG THERAPY INVOLVING THE PRESCRIBING OF A DIFFERENT DRUG, AND CHANGES IN DRUG UTILIZATION

Edit 403/404 duration of use standard exceeded

Edit 405 duplication of therapy

Edit 535/537 recommended maximum daily dosage exceeded

Edit 869/877/916 drug-drug conflict