

**New Jersey Drug Utilization Review Board
Annual Report**

July 1, 2015 through June 30, 2016

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I. Acknowledgements

The Prospective Drug Utilization Review (PDUR) process for State Fiscal Year (SFY) 2016 was made possible by the hard work and commitment of the following members of the New Jersey Drug Utilization Review Board:

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In addition, the following employees assisted the drug utilization review process:

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Robert Kocsardy, R.Ph., New Jersey Division of Medical Assistance and Health Services, New Jersey Department of Human Services. Special thanks are added to the record in appreciation of continuing education presentations provided by Mr. Kocsardy throughout the State of New Jersey.

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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 are required by December 1st of each calendar year to provide an annual report, with copies to the United States 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 drug utilization review (DUR) highlights and opportunities identified by the New Jersey Drug Utilization Review Board (NJDURB) for the period beginning July 1, 2015 and ending June 30, 2016.

Please note that requirements for the Drug Utilization Review (DUR) annual report submitted to the United States 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) 2016. The Board reviewed and discussed fee-for-service (FFS) and managed care drug utilization data for a number of different drug classes, as well as individual drugs of interest. Several prior authorization/clinical initiatives and outcomes were reviewed. The NJDURB spent \$9,548.16 in SFY 2016.

As part of the Prospective Drug Utilization Review (PDUR) process (a FFS process allowing ‘real-time’ interventions by the State prior to medications being dispensed), NJDURB recommendations prevent certain adverse drug events and overutilization/underutilization of medications protecting the patient and preventing fraud, waste and abuse. These interventions offer pharmacists additional information and the opportunity to consult with patients and prescribers. The PDUR program has clearly demonstrated its ability to influence, and in some cases, dramatically change prescribing patterns ultimately encouraging appropriate drug utilization; improved health outcomes; and the avoidance of unnecessary drug costs.

An estimated \$12,530,685 in FFS drug expenditures was cost avoided by the Medical Exception Process (MEP). The MEP is a prior authorization process based on clinical standards related to pharmaceutical care. Estimated cost savings is determined at sixty days immediately following the denial of a pharmacy service due to a PDUR intervention. An estimated \$9,465,755 in FFS drug expenditures was cost-avoided by NJFC; an estimated \$3,064,930 in FFS expenditures was cost-avoided by pharmacy benefit programs administered by the New Jersey Department of Human Services. The MEP meets the authorization needs of each State-sponsored pharmacy benefit program.

The savings are a value-added benefit resulting from the PDUR process. The State created PDUR edits, such as drug-drug interactions, duplication of drug therapies; and maximum daily doses to identify possible conflicts and to ultimately encourage appropriate prescribing and/or drug utilization.

The cost of administering the MEP through Molina Medicaid Solutions for the period of July 1, 2015 through June 30, 2016 was \$3,234,621.

III. Background

The NJDURB is responsible for reviewing and recommending drug utilization review protocols for medications provided by Medicaid (now referred to as NJ FamilyCare (NJFC) and the additional New Jersey Department of Human Services' pharmacy benefit programs, including the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program, the Senior Gold Prescription Discount (Senior Gold) Program, as well as the Aids Drug Distribution Program (ADDP) under the Department of Health.

Effective July 1, 2011, managed care organizations (MCOs) participating in NJFC became responsible for coverage and reimbursement for pharmacy benefits, with the exception of methadone prescribed for the treatment of substance use disorders. On July 1, 2014, DMAHS transitioned coverage responsibilities, including drugs, for long-term services and supports from NJFC FFS to the NJFC managed care program. These operational changes essentially completed the transition from FFS to managed care of coverage and reimbursement responsibilities for the NJFC pharmacy benefit. Remaining FFS responsibilities include medications dispensed to long-term-care or State institutional clients; beneficiaries transitioning to managed care; and certain high-cost drugs carved out of the managed care contract, including, but not limited to drugs used to treat hemophilia, HIV, angioedema, and Pompe Disease.

The Medicaid managed care contract requires that MCOs establish and maintain a DUR program that satisfies the minimum requirements for PDUR and RDUR described in Section 1927(g) of the SSA, as amended by OBRA 1990. The PDUR and RDUR standards established by the MCO are to be consistent with standards established by the NJDURB. These standards include therapeutic duplication, drug-drug interactions, maximum daily dosage and therapy duration. In addition, the Board works with the MCOs to develop measures of consistency among DUR protocols used to prior authorize prescription drugs.

The recommendations of the Board pertaining to NJFC FFS and MCO utilization management, as well as pharmacy benefit programs administered by the Department of Health, are reviewed and must be approved by the Commissioners of Health and Human Services.

The FFS claim adjudication process monitors PDUR conflicts including, but not limited to severe drug-drug interactions, therapeutic duplication, duration of therapy and maximum daily dosage. Critical to our FFS PDUR program is the State's Medical Exception Process (MEP). The MEP is a prior authorization process which functions within the framework of DUR standards recommended by the NJDURB and approved by the Commissioners of Health and Human Services. The MEP is a clinically-based DUR process that does not influence prescription drug selection decisions made by prescribers. Instead, the MEP utilizes prior authorization as a tool to determine if medications are being prescribed properly and derives cost savings by ensuring that prescribed medications are clinically appropriate and properly utilized.

The NJDURB is a thirteen member board consisting of practicing practitioners and pharmacists representing several major specialties. The Board meets quarterly in an open public forum. The Board promotes patient safety through utilization management tools and systems that interface with the FFS claims processing system; conducts prospective screening of drug claims employing DUR standards; recommends DUR protocols for State approval; reviews MCO prior authorization protocols; retrospectively examines claims data to identify patterns of fraud, waste and abuse; and annually reports to the Centers for Medicare and Medicaid Services (CMS) regarding prescribing patterns and DUR cost savings.

The Board will continue its responsibilities for DHS-administered FFS pharmacy benefit programs. These responsibilities include interventions that involve consultations with the patient and practitioner regarding drug utilization, including possible severe drug-drug interactions; maximum daily dosage having been exceeded; possible therapeutic duplication (the use of more than one drug in a specific drug class); and situations where the recommended duration of use for a drug may have been exceeded.

With NJFC managed care organizations assuming responsibilities for the pharmacy benefit, the role of the Board in a managed care environment includes collaboration with managed care to address DUR concerns; the implementation of more consistent utilization management strategies across all health benefit plans; advising the Department of Human Services regarding clinical criteria used by HMOs to prior authorize preferred and non-preferred drugs; recommending PDUR edits for HMO implementation to minimize over-expenditures for medically necessary drugs; developing educational strategies designed to influence drug product selection in the management of disease; and recommending protocols specific for high-cost drugs.

Updated information regarding the Board members, meeting schedule, DURB educational newsletters and annual reports may be found on the Board's official website at: www.nj.gov/humanservices/dmahs/boards/durb/.

FFS Retrospective Drug Utilization Review (RDUR) is conducted on a beneficiary's drug claim history after medications have been dispensed. The process is useful to the State and/or the prescriber for 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.

IV. Actions/Recommendations

A. Summary of Board Activities in SFY 2016:

- **Protein Convertase Subtilisin/kexin 9 (PCSK-9) Inhibitors Protocol:**
The Board reviewed and recommended a protocol for protein convertase subtilisin/kexin 9 (PCSK9) inhibitors. These products, Praluent[®] or alirocumab and Repatha[®] or evolocumab are indicated as an adjunct to diet and maximally tolerated statin therapy for the treatment of adults with heterozygous/homozygous familial hypercholesterolemia, the treatment of adults with clinical atherosclerotic cardiovascular disease (ASCVD) who require additional lowering of LDL-C or low density lipoprotein cholesterol. The Board recommended a review of utilization for these products in nine months.
- **Daclatasvir (Daklinza[®]) Protocol:**
The Board reviewed and recommended a protocol for daclatasvir (Daklinza[®]), a new product for use with sofosbuvir in the treatment of chronic hepatitis C in patients with genotype 3 infection.
- **Ombitasvir, paritaprevir, and ritonavir (Technivie[®]) Protocol:**
The Board reviewed and recommended a protocol for ombitasvir, paritaprevir, and ritonavir (Technivie[®]), a new product for the treatment of chronic hepatitis C in patients with genotype 4 infection.
- **Elbasvir/grazoprevir (Zepatier[®]) Protocol:**
The Board reviewed and recommended a protocol for elbasvir/grazoprevir (Zepatier[®]), a drug used for the treatment of chronic hepatitis C virus, genotypes 1 or 4 infection in adults.
- **Direct Acting Antiviral Hepatitis C Drug Protocol:**
The Board reviewed and recommended a protocol for direct acting antiviral (DAA) hepatitis C drugs. In this protocol, the Board recommended:
 - (a) expanding coverage from stage 3 or 4 fibrosis (Metavir F3 or F4) to stage 2 fibrosis (Metavir F2);
 - (b) removing restrictions on treating patients abusing intravenous/intranasal illicit substances and/or alcohol; and
 - (c) removing the once-in-a-lifetime treatment limit previously included to reduce possible fraudulent drug use.
- **MCO/FFS Protocol Reviews**
The Board reviewed and compared the PDUR protocols for drugs developed by the five NJFC managed care plans with those established by the NJFC FFS program. The goal is not to require that the managed care organizations (MCOs) utilize the same PDUR protocol for a drug, but to better understand reasons for inconsistencies between the protocols, achieve a consensus, and to recommend changes intended to improve efficiencies in implementing the protocols. The protocols reviewed by the Board are listed below. Additional

information regarding the Board's findings/recommendations may be found at <http://www.state.nj.us/humanservices/dmahs/boards/durb/>

- Proton pump inhibitors
 - Oxycodone controlled release (Oxycontin[®])
 - Methadone
 - Sedative hypnotics
 - Quantity limits for opioid prescriptions
 - Rifaximin (Xifaxan[®])
- **Other Actions**
- **Standardized Prior Authorization Form**
In order to streamline the prior authorization (PA) process, decrease delays in patient care and reduce variability in the authorization processes used by plans, the Board recommended that development of a standard PA form be seriously considered.
 - The Board reviews prior authorization denial reports provided by FFS and MCO plans, and continues to work with plans to ensure that members receive quality care with little or no barriers to care. The Board indicates areas of concern or probable deficiencies, and recommends remedial processes to the MCOs. The State implemented an innovative project, referred to as the "Utilization Review and Quality Management of Encounter Claims", designed to integrate medical and pharmacy encounters, quantify the level of benefits, and offer opportunities to communicate with stakeholders. The focus is an assessment of the quality of care, based on evidence-based standards of healthcare. In particular, pharmacy encounters are processed through FFS point-of-sale edits to assess the effectiveness and efficiency of managed care pharmacy utilization management.

The recommendations of the Board pertaining to MCO utilization management are reviewed and subject to approval by the Commissioners of Health and Human Services.

B. Assessment of Costs

Drug Utilization

The MEP approved 44,182 claims with dates of service between July 1, 2015 and June 30, 2016. The top five categories of drugs most often prior authorized include proton-pump inhibitors, pain medications, narcotic withdrawal agents, anti-anxiety drugs and adrenergic agents. (See Table A below). The top five categories of drugs most often denied included proton-pump inhibitors, pain medications, anti-emetics/anti-vertigo drugs, narcotic withdrawal agents and anticonvulsants. Total denied claims in this category were 11,178. (See Table B below). Other reasons for prior authorization requests being denied were multiple prescribers, dosage and duration of therapies above approved DUR standards, clinical criteria not met, inappropriate diagnosis, and other drug(s) causing a drug-drug interaction(s).

Table A

**Top 5 Approved Drug Categories
Approved Claim Count: 44,182**

Therapeutic Category (STC)	Claim Count	Estimated Payment Amount
Proton-pump inhibitors (D4J)	5,225	\$ 400,307
Pain meds (H3A)	4,659	\$ 811,350
Narcotic withdrawal agents (H3W)	2,630	\$ 746,317
Anti-anxiety (H2F)	1,571	\$ 27,272
Adrenergics (J5B)	1,484	\$ 194,355

Table B

**Top 5 Denied Drug Categories
Denied Claim Count: 11,178**

Therapeutic Category (STC)	Claim Count	Estimated Cost-savings
Proton-pump inhibitors (D4J)	2,217	\$ 96,075
Pain meds (H3A)	1,089	\$ 116,478
Anti-emetics/anti-vertigo (H6J)	474	\$ 31,325
Narcotic withdrawal agents (H3W)	299	\$ 72,776
Anticonvulsants (H4B)	276	\$ 27,486

The PDUR program offers the State resources needed to efficiently monitor FFS drug utilization through use of its point-of-sale claims processing system. The program incorporates different sets of standards, including standards for uniquely identifying a drug or groups of drugs, minimum age, maximum age, standards based on relationships between a claim's reported metric quantity and its days supply, the ability to immediately deny or override claim denials with prior authorization, or allow a 30-day supply of a drug to be dispensed to allow for interventions with the prescriber to take place. The PDUR program prevents drug-related problems and inappropriate drug utilization thereby protecting the patient while preventing fraud, waste and abuse.

C. Recommendations

With over 95% of NJFC beneficiaries now enrolled in managed care, the Division will continue to work closely with its managed care partners to develop DUR standards that accommodate the needs of those members enrolled in managed care. These standards also apply to the FFS population. The role of the NJDURB will continue to ensure that medications provided FFS or by managed care are prescribed to meet the medical necessity needs of NJFC beneficiaries and are utilized appropriately.

The "Utilization Review and Quality Management of Encounter Claims" project implemented by the Division of Medical Assistance and Health Services is designed to

measure how services are being utilized by beneficiaries enrolled in managed care and to compare these services to disease state protocols recommended by the Centers for Medicare and Medicaid Services. The project integrates medical and pharmacy services provided by managed care to quantify the level of benefits, determine if those services provided by HMOs are consistent with recommended protocols and to offer opportunities for communicating the findings to stakeholders. This project has provided opportunities to work more closely with our managed care partners to better understand how services are provided and what steps can be taken to improve the quality of care.

V. Acronyms

ABP	Alternative Benefit Plan
ADDP	AIDS Drug Distribution Program
DFD	Division of Family Development
DOH	Department of Health
DMAHS	Division of Medical Assistance and Health Services
DUR	Drug Utilization Review
DURB	Drug Utilization Review Board
FFS	Fee-for-Service
HIV	Human Immunodeficiency Virus
HMO	Health Maintenance Organization
MCO	Managed Care Organization
MEP	Medical Exception Process
NJDURB	New Jersey Drug Utilization Review Board
NJFC	New Jersey Family Care
OTC	Over-the-Counter
PA	Prior Authorization
PAAD	Pharmaceutical Assistance to the Aged and Disabled
PDUR	Prospective Drug Utilization Review
POS	Point-of-Sale
PPI	Proton Pump Inhibitor
RDUR	Retrospective Drug Utilization Review
SFY	State Fiscal Year
WFNJ	Work First New Jersey

VI. Appendices

Appendix A

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

§ 30:4D-17.6. 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 professions 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 Evaluation,” and the peer-reviewed medical literature, and information provided from the manufacturers of drug products.

“Criterion” 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.).

“Over-utilization or under-utilization” 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 medications 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 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, Senior Gold, 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 recommendation to the board in regard thereto.

The Board shall consist of 17 members, including the Commissioners of Human Services and Health 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 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, and 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) over-utilization or under-utilization;
- (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 discussions 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, an 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 1st 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 1st 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 under-utilization or over-utilization 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 balance 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) over-utilization or under-utilization;
 - (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 non-identifying information for purposes of legitimate research. The improper release of 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 resource 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 regulation 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, 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, 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

Molina Medicaid Solutions Cost Avoidance Reports

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

July 2015 – June 2016

EDIT	ADDP	SR. GOLD	FFS	PAAD	GRAND TOTAL
403	\$6,016	\$1,571	\$52,777	\$14,572	\$74,936
404	\$1,606	\$4,107	\$168,456	\$6,310	\$180,479
405	\$46,066	\$2,247	\$187,924	\$20,592	\$256,828
407	\$3,536	\$250	\$138,838	\$2,481	\$145,106
417	\$11,164	\$3,893	\$253,881	\$19,562	\$288,500
447	\$23	\$54	\$486	\$231	\$794
449			\$2,163		\$2,163
537	\$2,084	\$1,153	\$177,929	\$11,059	\$192,225
869	\$25	\$242	\$1,659	\$4,385	\$6,311
916	\$22,815	\$24,557	\$113,236	\$243,471	\$404,080
2007	\$1,167,447	\$57,988	\$5,330,876	\$367,979	\$6,924,290
2038	\$863,115	\$3,750	\$1,653,591	\$22,134	\$2,542,590
2046	\$5,211	\$393	\$15,649	\$5,701	\$26,954
2047	\$114,054	\$350	\$45,068	\$26	\$159,498
2085	\$1,054	\$897	\$14,773	\$761	\$17,485
2100			\$1,303,918		\$1,303,918
2111			\$4,530		\$4,530
Grand Total	\$2,244,215	\$101,452	\$9,465,755	\$719,263	\$12,530,685

- 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.
- This report has been unduplicated by claim and edit.

Description of Edits

0403 Duration Exceeded
0404 Duration Exceeded
0405 Possible Therapeutic Class Duplication
0407 Possible duplication of HIV therapy
0417 Generic Substitution Required
0447 Daily Dose Exceeds Recommended Limits
0449 Inappropriate Narcotic Use
0537 NJDURB Daily Drug Quantity Exceeded
0869 Possible Severe Drug-Drug Interaction
0916 Severe Drug-Drug Interaction
2007 Prior Authorization Required
2021 Medicare Part D Wraparound Drug Requires PA
2038 First Fill of HIV or High Dose Narcotic
2046 Prescription restricted
2047 PA required: Prescriber/Drug Restricted
2085 Maximum Allowable Cost (MAC) Override
2100 Daily Dose Standard Exceeded
2111 Cough and cold symptoms