

# Texas Vendor Drug Program **Pharmacy Provider Procedure Manual**

## Prior Authorization

May 2018

The Pharmacy Provider Procedure Manual (PPPM) is available online at [txvendordrug.com/about/policy/manual](http://txvendordrug.com/about/policy/manual).



**TEXAS**  
Health and Human  
Services

*Medical and  
Social Services*

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# 1 Pharmacy Prior Authorization

Prior authorization is a process used to determine if a prescribed procedure, service, or medication is necessary, appropriate and not likely to cause adverse effects. An authorization request must be submitted and approved in advance for medications before the drugs may be paid.

Pharmacy prior authorization services needed by people enrolled in Medicaid managed care are administered by the person's managed care organization (MCO), while traditional Medicaid (fee-for-service) prior authorizations are administered by the Texas Prior Authorization Call Center.

## 2 Medicaid

### 2.1 Types

People enrolled in either traditional Medicaid or Medicaid managed care adhere to the same formulary. Some drugs on the formulary may require prior authorization. There are two types of prior authorizations that may impact a covered Medicaid outpatient drug on the formulary:

- Non-preferred
- Clinical

Some drugs or drug classes are subject to both non-preferred and clinical prior authorizations.

The Texas Drug Utilization Review (DUR) Board reviews classes of drugs on a quarterly basis and recommends drugs for preferred or non-preferred status on the Texas Medicaid Preferred Drug List (PDL) and establishes recommendations for clinical prior authorizations.

#### 2.1.1 Non-preferred

The PDL is arranged by drug class and contains a subset of many, but not all, drugs that are on the Medicaid formulary. Drugs are identified as either preferred or non-preferred on the PDL:

- Drugs listed on the PDL as preferred or not listed at all are available to people without prior authorization unless there is a clinical prior authorization associated with that drug.
- Drugs identified as non-preferred on the PDL require a PDL PA.

Prescribing providers are encouraged to prescribe preferred drugs which are selected using criteria based on safety, efficacy and cost. Prescriptions for a non-preferred drug will be required a prior authorization for the non-preferred product.

The PDL Criteria Guide explains the criteria used to evaluate the non-preferred prior authorization requests. Download the **PDL Criteria Guide** from the "Downloads" page at [txvendordrug.com/resources/downloads](http://txvendordrug.com/resources/downloads).

MCOs will have the same non-preferred prior authorization criteria requirements from following the Texas formulary and PDL. MCOs may have non-preferred requirements on the limited set of home health supplies provided by Medicaid enrolled pharmacies.

### **2.1.1.1 Preferred Drug List**

PDL recommendations made by the DUR board are reviewed each quarter by the HHS Executive Commissioner. The final decisions are incorporated into the biannual PDL update:

- Recommendations from the Jul. and Oct/Nov. board meetings are incorporated into the Jan. PDL update.
- Recommendations from the Jan. and Apr. board meetings are incorporated into the Jul. PDL update.

A summary of each board meeting is available at the VDP website, including the board's PDL recommendations and the HHS-approved decisions.

The PDL is organized by therapeutic class with columns for preferred agents, non-preferred agents, and any prior authorization criteria. Drugs that require clinical prior authorization are hyperlinked within the PDL. Links will take the user to the specific clinical prior authorization criteria guide (refer to section 2.1.2.1 below) with a narrative that explains the purpose and requirements.

### **2.1.2 Clinical**

Clinical prior authorizations may apply to any individual drug or an entire drug class on the formulary, including some preferred and non-preferred drugs.

Texas HHS establishes clinical prior authorizations based on recommendations from the DUR board using the latest FDA-approved product labeling, national guidelines, peer-reviewed literature, and evidence-based clinical criteria. The board reviews proposals for prospective clinical prior authorizations prepared by VDP, managed care organizations (MCO), or other stakeholders.

Board-recommended clinical prior authorizations may be implemented by VDP or MCOs at any time. Refer to Section 2.1.2.4 below for information on how to identify which prior authorizations have been implemented for VDP and each MCO.

Clinical prior authorizations are periodically revised to ensure that they reflect prescribing recommendations of the current state and nationally established drug criteria, information from approved compendia, and the peer-reviewed literature.

### 2.1.2.1 Criteria Guides

Each clinical prior authorization has a criteria guide that includes a description of how the clinical prior authorization requests are evaluated. Download **clinical prior authorization criteria guides** from [paxpress.txpa.hidinc.com/](http://paxpress.txpa.hidinc.com/). All steps in the criteria guide apply to traditional Medicaid claims.

### 2.1.2.2 Required

VDP and MCOs are required to perform the following clinical prior authorizations:

- Antipsychotics
- Cystic Fibrosis Agents
  - ▶ *Only Orkambi criteria is required for MCOs*
- Hepatitis C Virus
  - ▶ *Both initial and refill*
- Promethazine Utilization, Age < 2
- Synagis
  - ▶ *Seasonal*

### 2.1.2.3 Optional

Usage of all other board-approved clinical prior authorization will vary between VDP and the MCOs at the discretion of each MCO. An MCO may use any or all of the board-recommended clinical prior authorizations as long as the criteria the MCO uses is not more stringent than what the board approved.

- Refer to [txvendordrug.com/formulary/prior-authorization/ffs-clinical-pa](https://txvendordrug.com/formulary/prior-authorization/ffs-clinical-pa) for the clinical prior authorizations that apply to people enrolled in traditional Medicaid (fee for service).
- Refer to [txvendordrug.com/formulary/prior-authorization/mco-clinical-pa](https://txvendordrug.com/formulary/prior-authorization/mco-clinical-pa) for the list of board-approved clinical prior authorizations that MCOs have the option to implement.
- Refer to [txvendordrug.com/resources/managed-care/mco-resources](https://txvendordrug.com/resources/managed-care/mco-resources) for a link to each MCO's website that identifies clinical prior authorizations implemented by that MCO.

#### 2.1.2.4 Assistance Chart

The Clinical Prior Authorization Assistance Chart identifies which prior authorizations are utilized by each MCO and how those prior authorizations relate to those used by VDP. The chart is updated and published quarterly. Download the **Clinical Prior Authorization Assistance Chart** from the "Downloads" page at [txvendordrug.com/resources/downloads](https://txvendordrug.com/resources/downloads).

## 2.2 Obtaining Prior Authorization

In certain instances, pharmacy and medical claims data will be available to indicate when a person has met the prior authorization criteria. In those cases, the prescription is authorized automatically at the point of sale without any notification to prescribing provider or dispensing pharmacy.

If supporting claims data is not available to the automated prior authorization system, prescribing providers or their representatives will usually be notified by the pharmacy and must contact the following authorization authorities. Pharmacy staff cannot request authorization. A decision from the prior authorization authority (either the Texas Prior Authorization Call Center or the specific MCO) to approve or deny the request must be made within 24 hours of the initial request.

### 2.2.1 Managed Care

Pharmacy prior authorization services are administered by the MCO and call center phone numbers will vary between each MCO. Download the **Prescriber Assistance Chart** from the "Downloads" page at [txvendordrug.com/resources/downloads](https://txvendordrug.com/resources/downloads).

## 2.2.2 Traditional

### 2.2.2.1 Texas Prior Authorization Call Center

The Texas Prior Authorization Call Center accepts requests by fax, phone, or online. Online submission is only available for non-preferred prior authorization requests. Refer to the "Pharmacy Prior Authorization" section of the [Contacts](#) chapter of the PPPM for information about PAXpress, the Texas Prior Authorization Portal. Fax submission is only available for certain drugs. Refer to section 4 below for more information.

**Table 1 - Texas Prior Authorization Call Center Contacts**

Authorization Type	Contact
<ul style="list-style-type: none"><li>• PDL (non-preferred)</li><li>• Clinical</li></ul>	<ul style="list-style-type: none"><li>• Phone:<ul style="list-style-type: none"><li>▶ 1-877-PA-TEXAS (1-877-728-3927)</li><li>▶ Monday-Friday, 7:30 a.m. to 6:30 p.m. (central)</li></ul></li></ul>
<ul style="list-style-type: none"><li>• PDL (non-preferred)</li></ul>	<ul style="list-style-type: none"><li>• Electronic<ul style="list-style-type: none"><li>◦ Select the "PA Request" tab at PAXpress</li></ul></li></ul>
<ul style="list-style-type: none"><li>• PDL (non-preferred)</li><li>• Clinical</li></ul>	<ul style="list-style-type: none"><li>• Fax<ul style="list-style-type: none"><li>▶ 1-866-469-8590</li><li>▶ Only for specifically-identified forms, including Texas Standard Prior Authorization forms (refer to section 4 below)</li></ul></li></ul>

#### 2.2.2.1.1 Texas Standard Prior Authorization Form

Prescribing providers may also submit prior authorization requests using the Texas Standard Prior Authorization Form. Refer to Section 4 below for more information about how to submit the form and the potential use of addendums.

#### 2.2.2.1.2 Reconsideration

If a request for a PDL or clinical prior authorization is denied then the prescribing physician has the right to request reconsideration of the decision rendered. The Texas Prior Authorization Call Center representative will provide the physician with the steps to request reconsideration of the decision. Download the **Prior Authorization Reconsideration Request** (HHSC Form 1322) from the "Downloads" page at [txvendordrug.com/resources/downloads](http://txvendordrug.com/resources/downloads) to initiate the request.

### 2.2.2.2 Internal Review

VDP staff pharmacists review in-house prior authorization requests for the drugs identified in Table 2 for people enrolled in traditional Medicaid. Refer to the instructions for each form or the "Pharmacy Prior Authorization Medicaid Internal Review" section of the [Contacts](#) chapter of the PPPM for submission information.

**Table 2 - In-House Medicaid Internal Prior Authorizations**

Drug	Form Needed
Enzyme Replacement Therapy products	Enzyme Replacement Therapy Products Authorization Request (HHSC Form 1328)
Xenical (orlistat)	Xenical Authorization Request (HHSC Form 1331)
Synagis	Synagis Authorization Request (HHSC Form 1033)

Download these forms from the "Fee for Service Clinical Prior Authorization" page at [txvendordrug.com/formulary/prior-authorization/ffs-clinical-pa](http://txvendordrug.com/formulary/prior-authorization/ffs-clinical-pa).

## 2.3 Emergency Override

A 72-hour emergency supply of the prescribed drug should be provided by the pharmacy when a medication is needed without delay and prior authorization is not available. This applies to drugs that are non-preferred on the preferred drug list and/or drugs subject to clinical PA. The emergency override protocol applies to people enrolled in either traditional Medicaid or Medicaid managed care.

Before dispensing a 72-hour emergency supply, the dispensing pharmacist should use professional judgment to determine if taking the prescribed medication jeopardizes the person's health or safety, and make good faith efforts to contact the prescribing provider.

A 72-hour emergency prescription will be paid in full, and it does not count toward the three-prescription limit for adults who have not already received their maximum prescriptions for the month. This procedure should not be used for routine and continuous overrides.

Pharmacy staff should submit the information in Table 3 for emergency override claims. These instructions are available for downloading and displaying in your pharmacy for reference or for including in staff training and education.

Download the **72-hour Emergency Override Instructions** from the "Downloads" page at [txvendordrug.com/resources/downloads](http://txvendordrug.com/resources/downloads).



**Table 3 - 72-hour Emergency Override Claim Submission Instructions**

Field Name	Field Number	Value
Prior Authorization Type Code	461-EU	8
Prior Authorization Number Submitted	462-EV	801
Days Supply	405-D5	3
Quantity Dispensed	442-E7	The submitted amount should not exceed the quantity necessary for a three-day supply according to the directions for administration given by the prescriber. If the medication is a dosage form that prevents a three-day supply from being dispensed, e.g. an inhaler, it is still permissible to indicate that the emergency prescription is a three-day supply, and enter the full quantity dispensed.

### 3 CSHCN Services Program

The Children with Special Health Care (CSHCN) Services Program has prior authorization requirements for the drugs identified in Table 4. Please refer to each form for completion and submission instructions. Download these forms from the "CSHCN Prior Authorization Forms" page at [txvendordrug.com/formulary/prior-authorization/cshcn](http://txvendordrug.com/formulary/prior-authorization/cshcn). Refer to the "Pharmacy Prior Authorization CSHCN Services Program Internal Review" section of the [Contacts](#) chapter of the PPPM for instruction on submitting forms and letters of medical necessity (LMN) to CSHCN staff.

**Table 4 - CSHCN Internal Prior Authorizations**

Drug	Forms
Cystic Fibrosis products (includes Cayston, Kalydeco, Pulmozyme, and Tobi)	Cystic Fibrosis Treatment Products Authorization Request (HHSC Form 1143)
Growth Hormone products	Growth Hormone Products Authorization Request (HHSC Form 1312)

Drug	Forms
Synagis	Synagis Authorization Request (HHSC Form 1055)
Human Immunodeficiency Virus products	LMN required
Family planning products	LMN required
Pulmonary hypertension drugs	LMN required

The program may cover HIV drugs when prior authorized for the treatment of HIV/AIDS, while the person completes the Texas HIV Medication Program eligibility process. Covered HIV medications are subject to change. People have up to 60 days of prior approval while waiting for acceptance or denial from the Texas HIV Program. After the 60 days prior approval period, the person must contact the Texas HIV Program to obtain these medications. Claims for these drugs will reject with NCPDP code 75 ("Prior Authorization Required") and include the message "Call HIV Program 1-800-255-1090" in the "Additional Message Information" field (526-FQ), except when the person is not eligible for the drug from the HIV Program. In these cases, the CSHCN Services Program should be notified and the claim will process for payment under CSHCN.

### 3.1 Texas Standard Prior Authorization Form

Prescribing providers may also submit prior authorization requests using the Texas Standard Prior Authorization Form. Refer to Section 4 below for more information about the submitting the form and the potential use of addendums.

### 3.2 Appeal Information

Either the person or the prescribing provider may appeal a denial for authorization or payment. Routine adjustments to claims are handled through the HHS Pharmacy Benefits Access Help Desk. Other appeals, administrative reviews, and due process hearing requests for services authorized and paid by CSHCN must be submitted in writing. Refer to the "Children with Special Health Care Needs Services Program" section of the [Contacts](#) chapter of the PPM for program mailing address.

Failure to submit an appeal, administrative review, or due process hearing request in writing to the program within the deadlines defined below is considered a waiver of the right to appeal, to administrative review, or to due process hearing.

Claims that are denied must be resubmitted for appeal within 180 days from the date of the initial denial. Claims that are denied on written appeal must be submitted for administrative review within 30 days of the date on the appeal denial letter. A due process hearing must be requested within 20 days of the date on the administrative review denial letter.

Authorizations that are denied must be submitted for appeal or administrative review within 30 days of the date when authorization of services was denied. All appeal materials, including medical reports, forms, and a medical/financial rationale for appeal must be submitted within the deadline. A due process hearing must be requested within 20 days of the date on the letter denying administrative review.

## 4 Texas Standard Prior Authorization Forms

Beginning September 1, 2015, the Texas Standardized Prior Authorization Request Form for Health Care Services (or Standard Prior Authorization Request) became an available option to prescribing providers to request prior authorization requests.

The Standard Prior Authorization Request was developed by the Texas Department of Insurance (TDI) in response to SB 1216, 83rd Legislative session. New TDI rules related to prior authorizations (TAC 19.1801-19.1804 and 19.1810) require an issuer to:

- Make the form available (in paper form and electronically) to providers;
- Accept the form for all prior authorizations of health care services for which the issuer's plan requires prior authorization; and to
- Make the form available to providers in paper form and electronically on their websites.

This Standard Prior Authorization Request (TDI Form NOFR002) may be used when requesting prior authorization by fax or mail for a health care service that requires prior authorization. **This is an additional form that does not replace any current required forms. It is an optional addition.**

Prior authorization for some medication will require the submission of an addendum to the Standard Prior Authorization Request. Failure to submit both the Standard Prior Authorization Request and Addendum may result in an authorization denial.

## 4.1 Medicaid

Download the following Medicaid Standard Prior Authorization Requests and addendums from the "Fee For Service Prior Authorization Forms" page at [txvendordrug.com/formulary/prior-authorization/medicaid-ffs-forms](http://txvendordrug.com/formulary/prior-authorization/medicaid-ffs-forms):

**Table 5 - Medicaid standard prior authorization addendums (txvendordrug.com)**

Name	Form Number
Xenical Standard PA Addendum	HHSC Form 1333
Enzyme Replacement Therapy	TDI Form NOFR002
Synagis Standard PA Addendum	HHSC Form 1321

The Medicaid fee-for-service Standard Prior Authorization Requests and addendums found in Table 6 may be downloaded from [paxpress.txpa.hidinc.com](http://paxpress.txpa.hidinc.com).

**Table 6 - Medicaid standard prior authorization addendums (PAXpress)**

Name	Form Number
Cystic Fibrosis Agents (Kalydeco/Orkambi) Standard PA Addendum	HHSC Form 1338
Antiviral Agents for Hepatitis C Virus Initial Request Standard PA Addendum	HHSC Form 1342
Increlex Standard PA Addendum (Medicaid)	HHSC Form 1357
Makena Standard PA Addendum (Medicaid)	HHSC Form 1346
OxyContin Standard PA Addendum (Medicaid)	HHSC Form 1353
PCSK9 Inhibitors Standard PA Addendum (Medicaid)	HHSC Form 1355

## 4.2 CSHCN Services Program

The CSHCN Services Program Standard Prior Authorization Requests and addendums found in Table 7 may be downloaded from the "CSHCN Prior Authorization Forms" page at [txvendordrug.com/formulary/prior-authorization/cshcn](http://txvendordrug.com/formulary/prior-authorization/cshcn).

**Table 7 - Standard prior authorization addendums**

Name	Form Number
Growth Hormone Agents Standard PA Addendum	HHSC Form 1327
Synagis Standard PA Addendum	HHSC Form 1325