PacificSource
Community Solutions

Medicaid Formulary Exception Criteria

The purpose of this policy is to establish criteria for which exceptions to the formulary or drug list may be allowed. A drug formulary is used to encourage safe, effective, and economical prescribing of drugs.

Exception criteria:

- Documented intolerance to or failure of formulary alternatives for the submitted diagnosis
- The dosage and indication are within the Food and Drug Administration (FDA) approved labeling
- The member's condition is considered funded based on the Oregon Health Plan's Prioritized list of Health Services for those 21 and older. For those under 21, the condition is considered medically necessary and medically appropriate under Early and Periodic Screening, Diagnostic & Treatment Program (EPSDT).
- The provider has demonstrated that there are no other medically reasonable formulary options
- For drugs traditionally billed through the medical benefit and furnished by a healthcare professional, there is a reason for requesting the drug through the pharmacy benefit

Resources used for making utilization decisions and developing criteria may include:

- FDA approved label
- Nationally recognized utilization management criteria and established practice guidelines, such as the National Comprehensive Cancer Network (NCCN)
- Medicare approved compendia (American Hospital Formulary Service Drug Information (AHFS DI), NCCN, Micromedex)
- Peer-reviewed medical literature
- In-network and out-of-network physician specialty consultants
- Members of the Pharmacy and Therapeutics (P&T) committee or outside consultants
- Other Medicaid health plan criteria, including posted PacificSource medical prior authorization criteria for requested treatment

Reauthorization will require documentation of treatment success and a clinically significant response to therapy.

Approval duration: 12 months, unless otherwise specified.

Medicaid Quantity Limit Exception Criteria

The purpose of this policy is to establish criteria for which exceptions to quantity limits may be allowed. A quantity limit is the maximum amount of a drug that may be dispensed within a specified time frame. A quantity limit is applied to encourage appropriate and cost-effective prescribing of drugs in accordance with labeling approved by the FDA, pharmaceutical manufacturers, and peer-reviewed literature.

Exception criteria:

Requests will be evaluated based on FDA labeling, compendia listing, or primary literature supporting the request.

Considerations for coverage include:

- The member requires additional quantities of medication due to dosage titration up to the FDA-approved maximum daily dose
- The member has exhausted higher dosage strengths of the medication
- The provider has demonstrated that there are no other medically reasonable formulary options
- The requested dose is considered medically safe and effective
- The daily dosage and dosing frequency for the indication are within the FDA approved labeling

Reauthorization will require documentation of treatment success and a clinically significant response to therapy.

Approval duration: 12 months, unless otherwise specified.