



# SB 41 DRUG UTILIZATION REVIEW BOARD AMENDMENTS FOLLOW UP

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE  
STAFF: RUSSELL FRANSEN

ISSUE BRIEF

## **SUMMARY**

This issue brief summarizes the actual and projected General Fund savings as compared to the estimated fiscal note savings for Senate Bill 41 *Drug Utilization Review Board Amendments* from the 2010 General Session. General Fund savings for SB 41 exceeded projections by \$22,400 or 19% for FY 2011. This brief is for informational purposes only and requires no action.

## **DISCUSSION AND ANALYSIS**

### ***What is the Drug Utilization Review Board?***

The Drug Utilization Review Board reviews the appropriate use of drugs in the Medicaid program. For drugs identified to have usage problems, the Board recommends prior approval criteria. If the Department of Health adopts the Board's recommendations, then prior approval criteria become active thirty days after the Board's final action. Some drug usage problems include abuse, therapeutic appropriateness, drug interactions, and incorrect dosage.

The federal government requires a Drug Utilization Review Board in Title XIX, Section 1927(g) of the Social Security Act ([http://www.ssa.gov/OP\\_Home/ssact/title19/1927.htm](http://www.ssa.gov/OP_Home/ssact/title19/1927.htm)). Utah Code 26-18-101 ([http://le.utah.gov/~code/TITLE26/htm/26\\_18\\_010100.htm](http://le.utah.gov/~code/TITLE26/htm/26_18_010100.htm)) through 26-18-109 ([http://le.utah.gov/~code/TITLE26/htm/26\\_18\\_010900.htm](http://le.utah.gov/~code/TITLE26/htm/26_18_010900.htm)) and Utah Administrative Code R-414-60a (<http://www.rules.utah.gov/publicat/code/r414/r414-60a.htm>) govern the Board's functions. The Drug Utilization Review Board consists of 12 members, ten medical professionals, one member of the Pharmaceutical Manufacturer's Association and a consumer representative.

### ***How is the Prior Approval List Different from the Preferred Drug List?***

The prior approval list from the Drug Utilization Review Board differs from the Preferred Drug List because it has unique prior approval criteria for each drug. Additionally, the prior approval list tries to address drug usage problems. The Preferred Drug List compares drugs of similar efficacy with identical uses to determine which drug should be preferred in treatment protocols. Additionally, the Preferred Drug List has a standard prior approval process for all non-preferred drugs.

### ***What Changes did SB 41 Make?***

Senate Bill 41 *Drug Utilization Review Board Amendments* from the 2010 General Session made the following changes to the operation of the Drug Utilization Review Board:

1. Can consider costs, as well as other factors, when determining whether a drug should be placed on the prior approval program.
2. Clarifies Board's authority to allow the use of a drug for off-label purposes (purpose for which the drug was not originally approved by the Federal Food and Drug Administration) in the prior approval program.
3. Board meeting requirements to place drugs on the prior approval list shortened from 90 to 30 days.

The Board began considering drugs with consideration of costs on June 10, 2010 with one drug class. As of August 31, 2010, the Board had used cost as a factor in creating or modifying the prior approval process for sixteen drug classes.

***Savings \$22,400 or 19% Above Original Estimates***

General Fund savings for SB 41 exceeded expectations by \$22,400 or 19% in FY 2011 due to the sixteen drug classes approved for prior approval. The SB 41 fiscal note savings estimate was \$118,200 General Fund for FY 2011. The table below shows current estimated savings from SB 41 as compared to the estimated fiscal note savings:

<b>SB 41</b>	<b>Fiscal Note Estimates</b>	<b>Current Estimates</b>	<b>(Above)/Below Estimates</b>
General Fund	\$ (118,200)	\$ (140,600)	\$ (22,400)
Federal Funds	\$ (354,600)	\$ (344,400)	\$ 10,200
Total Funds	\$ (472,800)	\$ (485,000)	\$ (12,200)

***Looking Towards the Future***

The Department intends to implement additional drug classes as they are reviewed by the Drug Utilization Review Board. On average one or two new drug classes are added to the prior approval program monthly. Since SB 41 became law, all drug classes added through August 2011 have had cost considerations.