

# SB0085S01 compared with SB0085

~~{deleted text}~~ shows text that was in SB0085 but was deleted in SB0085S01.

inserted text shows text that was not in SB0085 but was inserted into SB0085S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will not be completely accurate. Therefore, you need to read the actual bill. This automatically generated document could experience abnormalities caused by: limitations of the compare program; bad input data; the timing of the compare; and other potential causes.

Senator Allen M. Christensen proposes the following substitute bill:

## MEDICAID COST CONTROL AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Allen M. Christensen**

House Sponsor: \_\_\_\_\_

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### LONG TITLE

#### General Description:

This bill amends the Medicaid drug program ~~{and establishes}~~ to allow a ~~{restricted account for Medicaid}~~ preferred drug ~~{cost savings}~~ list for mental health drugs.

#### Highlighted Provisions:

This bill:

- ▶ amends the Medicaid drug program to remove restrictions on the preferred drug list program for psychotropic drugs; and
- ▶ requires the department to authorize a nonpreferred psychotropic drug under certain circumstances~~;~~

~~→ establishes a restricted account for the cost savings from the preferred drug list for psychotropic drugs; and~~

~~→ requires a report from the Department of Health regarding cost savings to the~~

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~~Medicaid drug program from the use of a preferred drug list.~~

~~};~~

### Money Appropriated in this Bill:

~~{This bill appropriates in fiscal year 2012-13:~~

~~—————> to the Department of Human Services, Division of Substance Abuse and Mental Health, as an ongoing appropriation:~~

~~—————• from the Medicaid Cost Control -- Psychotropic Drugs Restricted Account, \$750,000, subject to intent language that the appropriation is non-lapsing and shall be used to fund mental health centers.} None~~

### Other Special Clauses:

None

### Utah Code Sections Affected:

AMENDS:

**26-18-2.4**, as last amended by Laws of Utah 2009, Chapter 324

~~{ENACTS:~~

~~————— **26-18-2.7**, Utah Code Annotated 1953~~

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **26-18-2.4** is amended to read:

**26-18-2.4. Medicaid drug program -- Preferred drug list.**

(1) A Medicaid drug program developed by the department under Subsection 26-18-2.3  
(2)(f):

(a) shall, notwithstanding Subsection 26-18-2.3(1)(b), be based on clinical and cost-related factors which include medical necessity as determined by a provider in accordance with administrative rules established by the Drug Utilization Review Board;

(b) may include therapeutic categories of drugs that may be exempted from the drug program;

(c) may include placing some drugs, except the drugs described in Subsection (2), on a preferred drug list to the extent determined appropriate by the department;

(d) notwithstanding the requirements of Part 2, Drug Utilization Review Board, shall immediately implement the prior authorization requirements for a nonpreferred drug that is in

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the same therapeutic class as a drug that is:

(i) on the preferred drug list on the date that this act takes effect; or

(ii) added to the preferred drug list after this act takes effect; and

(e) except as prohibited by Subsections 58-17b-606(4) and (5), shall establish the prior authorization requirements established under Subsections (1)(c) and (d) which shall permit a health care provider or the health care provider's agent to obtain a prior authorization override of the preferred drug list through the department's pharmacy prior authorization review process, and which shall:

(i) provide either telephone or fax approval or denial of the request within 24 hours of the receipt of a request that is submitted during normal business hours of Monday through Friday from 8 a.m. to 5 p.m.;

(ii) provide for the dispensing of a limited supply of a requested drug as determined appropriate by the department in an emergency situation, if the request for an override is received outside of the department's normal business hours; and

(iii) require the health care provider to provide the department with documentation of the medical need for the preferred drug list override in accordance with criteria established by the department in consultation with the Pharmacy and Therapeutics Committee.

(2) (a) For purposes of this Subsection (2)[~~7~~]:

(i) "Immunosuppressive drug":

[~~(i)~~] (A) means a drug that is used in immunosuppressive therapy to inhibit or prevent activity of the immune system to aid the body in preventing the rejection of transplanted organs and tissue; and

[~~(ii)~~] (B) does not include drugs used for the treatment of autoimmune disease or diseases that are most likely of autoimmune origin.

(ii) "Psychotropic drug" means the following classes of drugs: atypical anti-psychotic, anti-depressants, anti-convulsant/mood stabilizer, anti-anxiety, Attention Deficit Hyperactivity Disorder stimulants, or sedative/hypnotics.

(iii) "Stabilized" means a health care provider has documented in the patient's medical chart that a patient has achieved a stable or steadfast medical state within the past 90 days using a particular psychotropic drug.

(b) A preferred drug list developed under the provisions of this section may not

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include ~~[(i) a psychotropic or anti-psychotic drug; or (ii)]~~ an immunosuppressive drug.

(c) The state Medicaid program shall reimburse for a prescription for an immunosuppressive drug as written by the health care provider for a patient who has undergone an organ transplant. For purposes of Subsection 58-17b-606(4), and with respect to patients who have undergone an organ transplant, the prescription for a particular immunosuppressive drug as written by a health care provider meets the criteria of demonstrating to the Department of Health a medical necessity for dispensing the prescribed immunosuppressive drug.

(d) Notwithstanding the requirements of Part 2, Drug Utilization Review Board, the state Medicaid drug program may not require the use of step therapy for immunosuppressive drugs without the written or oral consent of the health care provider and the patient.

(e) The department shall grant a prior authorization for a psychotropic drug that is not on the preferred drug list if the health care provider has documentation related to one of the following conditions for the Medicaid client:

(i) a trial and failure of at least one preferred agent in the drug class, including the name of the preferred drug that was tried, the length of therapy, and the reason for the discontinuation;

(ii) detailed evidence of a potential drug interaction between current medication and the preferred drug;

(iii) detailed evidence of a condition or contraindication that prevents the use of the preferred drug;

(iv) objective clinical evidence that a patient is at high risk of adverse events due to a therapeutic interchange with a preferred drug;

(v) the patient is a new or previous Medicaid client with an existing diagnosis previously stabilized with a nonpreferred drug; or

(vi) other valid reasons as determined by the department.

(f) A prior authorization granted under Subsection (2)(e) is valid for one year from the date the department grants the prior authorization and shall be renewed in accordance with Subsection (2)(e).

(3) The department shall report to the Health and Human Services Interim Committee and to the Health and Human Services Appropriations Subcommittee prior to November 1, [2010] 2013, regarding the savings to the Medicaid program resulting from the use of the

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preferred drug list permitted by Subsection (1).

~~{ Section 2. Section 26-18-2.7 is enacted to read:~~

### ~~Part 2. Restricted Account~~

#### ~~26-18-2.7. Medicaid Cost Control -- Psychotropic Drugs Restricted Account.~~

~~(1) There is created a restricted account within the General Fund known as the "Medicaid Cost Control -- Psychotropic Drugs Restricted Account."~~

~~(2) Any money the Medicaid program saves as a result of psychotropic drugs being added to the preferred drug list, up to \$750,000, shall be deposited by the Medicaid program into the restricted account.~~

~~(3) As funds are available in the restricted account, up to \$750,000 shall be appropriated to the Department of Human Services, Division of Substance Abuse and Mental Health, for mental health centers.~~

#### ~~Section 3. Appropriation.~~

~~Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the following sums of money are appropriated from resources not otherwise appropriated, or reduced from amounts previously appropriated, out of the funds or accounts indicated for the fiscal year beginning July 1, 2012 and ending June 30, 2013. These are additions to any amounts previously appropriated for fiscal year 2013:~~

~~To Department of Human Services - Division of Substance Abuse and Mental Health~~

~~From Medicaid Cost Control -- Psychotropic Drugs Restricted Account \$750,000~~

~~Schedule of Programs:~~

~~Mental Health Centers \$750,000~~

~~The Legislature intends that, under Section 63J-1-603 of the Utah Code, appropriations under this section not lapse at the close of fiscal year 2013 and shall be used by the Division of Substance Abuse and Mental Health to fund mental health centers.~~

### Legislative Review Note

~~as of 2-7-12 11:20 AM~~

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~~Office of Legislative Research and General Counsel~~