Federal Fiscal Year 2011
Medicaid Drug Utilization Review
Annual Report

Note: this is a true copy of data that was submitted online to the Centers for Medicare and Medicaid Services.
Medicaid Drug Utilization Review
Annual Report
Federal Fiscal Year 2011

Section 1927(g)(3)(D) of the Social security Act requires each State to submit an annual report on the operation of its Medicaid Drug Utilization Review (DUR) program. Such reports are to include: descriptions of the nature and scope of the prospective and retrospective DUR programs; a summary of the interventions used in retrospective DUR and an assessment of the education program; a description of DUR Board activities; and an assessment of the DUR program’s impact on quality of care as well as any cost savings generated by the program.

This report is to cover the period October 1, 2010 to September 30, 2011 and is due for submission to your CMS by no later than September 28, 2012. Answering the attached questions and returning the requested materials as attachments to the report will constitute full compliance with the above-mentioned statutory requirement.
I. State
State Name Abbreviation: UT

II. Medicaid Agency Information
1. Identify State person responsible for DUR Annual report preparation.
   First Name: Dr. Robyn M
   Last Name: Seely, R.Ph., Pharm.D.
   Address: 288 North 1460 West P.O. Box 143102
   City: Salt Lake City
   State: UT
   Zip Code: 84114
   Email: rmseely@utah.gov
   Phone: 801-538-6841

2. Identify pharmacy POS vendor – (Contractor, State-operated, Other).
   State Operated

III. Prospective DUR
1. Identify prospective DUR criteria source – (First Data Bank, Other).
   First Data Bank

2. Are new prospective DUR criteria approved by the DUR board (Yes, No)?
   Yes

3. When the pharmacist receives prospective DUR messages that deny the claim, does your system:
   a) Require preauthorization
   b) Allow the pharmacist to override with the correct “conflict”, “intervention”, and “outcome” codes?
   c) a and/or b above – depending on the situation

   c. No claim is currently denied based upon prospective DUR messages. Claims are denied for early refill and duplication edits.

4. Early refill:
   a) At what percent threshold do you set your system to edit?
      Non-controlled drugs: 80%
      Controlled drugs: 100%

   b) When an early refill message occurs, does the State require prior authorization for non-controlled drugs (Yes, No)?
Yes
Who obtains authorization (Pharmacist, Prescriber, Either)?
Either

c) When an early refill message occurs, does the State require prior authorization for controlled drugs (Yes, No)?
Yes
Who obtains the authorization (Pharmacist, Prescriber, Either)?
Either

5. Therapeutic Duplication:

a) When there is therapeutic duplication, does the State require prior authorization for non-controlled drugs (Yes, No, Sometimes)?
   Sometimes. Multiple medications within a class are used frequently for a synergistic approach to disease management. For example, it is not uncommon to use more than one type of insulin.

b) When there is therapeutic duplication, does the State require prior authorization for controlled drugs (Yes, No, Sometimes)?
   Sometimes. A cumulative edit is set to deny for therapeutic duplication that occurs over a set amount. For example, the system accumulates and tracks all hydrocodone + acetaminophen dosages and limits the total quantity that can be obtained without prior authorization.

6. State is providing DUR criteria data requested in Table 1 – Prospective DUR Criteria Reviewed by DUR Board, indicating by problem type those criteria with the most significant severity levels that were reviewed in-depth by the DUR Board in this reporting period (Yes, No).
   Yes
<table>
<thead>
<tr>
<th>Problem Type</th>
<th>AHFS Therapeutic Category Level 2</th>
<th>AHFS Therapeutic Category Level 4</th>
<th>Drug Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inappropriate Dose</td>
<td>Anti-Diabetic Agents</td>
<td>Biguanides</td>
<td>metformin</td>
</tr>
<tr>
<td></td>
<td>Central Nervous System Agents</td>
<td>Analgesics</td>
<td>opioids</td>
</tr>
<tr>
<td>Therapeutic Duplication</td>
<td>Central Nervous System Agents</td>
<td>Analgesics</td>
<td>opioids</td>
</tr>
<tr>
<td></td>
<td>Cholinergic / Anticholinergic Agents</td>
<td>Cholinergic Agonists</td>
<td>pilocarpine</td>
</tr>
<tr>
<td>Drug-Allergy Interaction</td>
<td>Anticoagulants</td>
<td>Factor Xa Inhibitors</td>
<td>Xarelto®</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>brand versus generic products</td>
</tr>
<tr>
<td>Inappropriate Duration</td>
<td>Central Nervous System Agents</td>
<td>Analgesics</td>
<td>Cambia®</td>
</tr>
<tr>
<td></td>
<td>Hormones / Steroids</td>
<td>Parathyroid Hormone Analogs</td>
<td>Forteo®</td>
</tr>
<tr>
<td></td>
<td>Anticoagulants</td>
<td>Thrombin Inhibitors</td>
<td>Pradaxa®</td>
</tr>
<tr>
<td>Drug-Drug Interaction</td>
<td></td>
<td></td>
<td>combination products</td>
</tr>
<tr>
<td></td>
<td>Central nervous System Agents</td>
<td>Antagonists</td>
<td>Vivitrol®</td>
</tr>
<tr>
<td>Drug-Disease Contraindication</td>
<td>Central Nervous System Agents</td>
<td>Anti-Epileptics</td>
<td>Sabril®</td>
</tr>
<tr>
<td></td>
<td>Neuromuscular Agents</td>
<td>Toxins / Venoms</td>
<td>Botox®</td>
</tr>
<tr>
<td></td>
<td>Anticoagulants</td>
<td>Thrombin Inhibitors</td>
<td>Pradaxa®</td>
</tr>
</tbody>
</table>
7. State has included Attachment 1 – Prospective DUR Review Summary (Yes, No).
   Yes
**TOP 14* PROBLEM TYPES AND DRUG ALERTS**

*note that the MMIS system Utah used during the Federal Fiscal Year 2011 was only capable to tracking the following 14 messages, so a "Top 20" is not available*

<table>
<thead>
<tr>
<th>ProDUR MESSAGE</th>
<th>WARNINGS GENERATED</th>
<th>CLAIMS FILLED</th>
<th>CLAIMS REVERSED</th>
<th>TOTAL PAID AMOUNT</th>
<th>TOTAL REVERSED AMOUNT</th>
<th>DENOMINATOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>BELOW MINIMUM GERIATRICS DOSE</td>
<td>68</td>
<td>64</td>
<td>4</td>
<td>$3,315.21</td>
<td>-$297.44</td>
<td>0.9412</td>
</tr>
<tr>
<td>ABOVE MAXIMUM GERIATRICS DOSE</td>
<td>73</td>
<td>65</td>
<td>8</td>
<td>$1,763.66</td>
<td>-$204.33</td>
<td>0.8904</td>
</tr>
<tr>
<td>BELOW ADULT MINIMUM DOSE</td>
<td>11091</td>
<td>9958</td>
<td>1133</td>
<td>$608,207.18</td>
<td>-$90,521.20</td>
<td>0.8978</td>
</tr>
<tr>
<td>ABOVE ADULT MAXIMUM DOSE</td>
<td>9364</td>
<td>8123</td>
<td>1241</td>
<td>$1,059,217.63</td>
<td>-$194,101.72</td>
<td>0.8675</td>
</tr>
<tr>
<td>DRUG TO DRUG INTERACTION</td>
<td>9606</td>
<td>8721</td>
<td>885</td>
<td>$758,866.61</td>
<td>-$128,950.71</td>
<td>0.9079</td>
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<tr>
<td>DUPLICATE THERAPY SAME DRUG</td>
<td>13755</td>
<td>11818</td>
<td>1937</td>
<td>$1,402,500.17</td>
<td>-$229,000.36</td>
<td>0.8592</td>
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<tr>
<td>THERAPEUTIC DUPLICATION</td>
<td>25144</td>
<td>22464</td>
<td>2680</td>
<td>$2,315,265.56</td>
<td>-$295,865.77</td>
<td>0.8934</td>
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<tr>
<td>DRUG INDICATED DISEASE CONFLICT</td>
<td>2504</td>
<td>2236</td>
<td>268</td>
<td>$282,903.95</td>
<td>-$48,597.68</td>
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<tr>
<td>DRUG DISEASE CONFLICT</td>
<td>15097</td>
<td>13648</td>
<td>1449</td>
<td>$1,131,238.61</td>
<td>-$154,670.72</td>
<td>0.9040</td>
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<tr>
<td>EARLY REFILL</td>
<td>0</td>
<td>-49</td>
<td>49</td>
<td>$0.00</td>
<td>-$6,877.10</td>
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<tr>
<td>EXCEEDS DRUG LIMITS</td>
<td>0</td>
<td>-11</td>
<td>11</td>
<td>$0.00</td>
<td>-$5,451.20</td>
<td></td>
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<tr>
<td>BELOW MINIMUM PEDIATRIC DOSE</td>
<td>6652</td>
<td>5702</td>
<td>950</td>
<td>$327,249.65</td>
<td>-$51,695.79</td>
<td>0.8572</td>
</tr>
<tr>
<td>ABOVE MAXIMUM PEDIATRIC DOSE</td>
<td>15207</td>
<td>13033</td>
<td>2174</td>
<td>$1,013,728.30</td>
<td>-$209,241.88</td>
<td>0.8570</td>
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<tr>
<td>ADDITIVE TOXICITY SIDE EFFECT</td>
<td>6249</td>
<td>5674</td>
<td>575</td>
<td>$1,069,749.47</td>
<td>-$191,331.49</td>
<td>0.9080</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$9,974,006.00</td>
<td>-$1,606,807.39</td>
<td></td>
</tr>
</tbody>
</table>

*Ave = 0.8897*
8. State has included Attachment 2 – Prospective DUR Pharmacy Compliance Report, a report on State efforts to monitor pharmacy compliance with oral counseling requirement (Yes, No).
Yes
ATTACHMENT 2 - PRODUR PHARMACY COMPLIANCE REPORT

(This attachment reports the monitoring of pharmacy compliance with all prospective DUR requirements performed by the State Medicaid agency, the State Board of Pharmacy, or other entity responsible for monitoring pharmacy activities. If the State Medicaid agency itself monitors compliance with these requirements, it may provide a survey of a random sample of pharmacies with regard to compliance with the OBRA 1990 prospective DUR requirement. This report details State efforts to monitor pharmacy compliance with the oral counseling requirement. This attachment should describe in detail the monitoring efforts that were performed and how effective these efforts were in the fiscal year reported.)

The Utah State Board of Pharmacy, under the direction of the Department of Commerce, Division of Occupational and Professional Licensing, is responsible for administering and policing all aspects of the State Pharmacy Practice Act which has a provision mandating Patient Counseling on prescription drugs.

By statute, the Board of Pharmacy investigates all allegations against pharmacists. The Board monitors all pharmacists and claims, whether the claim is through Medicaid or through a different payer. While researching various allegations in Federal fiscal year 2011, failure to counsel was sometimes discovered and acted upon appropriately. Utah Medicaid does not maintain a record of how many or how often those failures to counsel occur as separate citations.

Utah Code 58-17b-613. Patient counseling.

(1) Every pharmacy facility shall orally offer to counsel a patient or a patient's agent in a personal face-to-face discussion with respect to each prescription drug dispensed, if the patient or patient's agent:
   (a) delivers the prescription in person to the pharmacist or pharmacy intern; or
   (b) receives the drug in person at the time it is dispensed at the pharmacy facility.

(2) A pharmacist or pharmacy intern shall provide counseling to each patient, and shall provide the patient with a toll-free telephone number by which the patient may contact a pharmacist at the dispensing pharmacy during normal business hours and receive oral counseling, with respect to each prescription drug dispensed if the patient provides or the prescription is otherwise provided to the pharmacy facility by a means other than personal delivery, and the dispensed prescription drug is mailed or otherwise delivered to the patient outside of the pharmacy facility.

(3) (a) The provisions of Subsections (1) and (2) do not apply to incarcerated patients or persons otherwise under the jurisdiction of the Utah Department of Corrections or a county detention facility.
   (b) A written communication with a person described in Subsection (3)(a) shall be used by a pharmacist or pharmacy intern in lieu of a face to face or telephonic communication for the purpose of counseling the patient.

In accordance with Subsection 58-17b-601(1), guideline for providing patient counseling established in Section 58-17b-613 must include the following . . .

(3) A pharmacist shall not be required to counsel a patient or patient’s agent when the patient of patient’s agent refuses such consultation.

(4) The offer to counsel shall be documented and said documentation shall be available to the Division [of Administrative Rules]. These records must be maintained for a period of five years and be available for inspection within 7-10 business days.
IV. **Retrospective DUR**

1. Identify the vendor that performed your retrospective DUR activities during the time period covered by this report (Company, Academic institution or Other organization).
   
   Academic Institution. University of Utah College of Pharmacy Drug Regimen Review Center (DRRC).

   a) Is the retrospective DUR vendor also the Medicaid fiscal agent (Yes, No)?
   
   No.

   b) If the answer to a) above is “No”, please explain.
   
   RetroDUR criteria are recommended by the DURB after careful review. Information is supplied by leading experts, studies, and other validated sources. Both the Utah Medicaid staff and the University Utah College of Pharmacy recommend retroDUR criteria to the DURB (Medicaid staff provides more recommendations than the University).

2. Does the DUR Board approve the retrospective DUR criteria supplied by the criteria source (Yes, No).
   
   Yes

3. State has provided the DUR Board approved criteria data requested on Table 2 – Retrospective DUR Approved Criteria (Yes, No).
   
   Yes
<table>
<thead>
<tr>
<th>AHFS Therapeutic Category Level 2</th>
<th>Problem Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anti-Diabetic Agents</td>
<td>Thiazide therapy without concomitant metformin</td>
</tr>
<tr>
<td></td>
<td>Diabetes Mellitus diagnosis and age $\geq 40$ years, without antihyperlipidemic therapy</td>
</tr>
<tr>
<td>Anti-Depressants</td>
<td>Use of a second-line agent before trial of a first-line agent</td>
</tr>
<tr>
<td></td>
<td>Use of a line-extension product rather than the originally FDA-approved product</td>
</tr>
<tr>
<td></td>
<td>Polypharmacy</td>
</tr>
<tr>
<td>Anti-Psychotics</td>
<td>Use of a second-line agent before trial of a first-line agent</td>
</tr>
<tr>
<td></td>
<td>Use of a line-extension product rather than the originally FDA-approved product</td>
</tr>
<tr>
<td>Anti-Histamines</td>
<td>Drug-drug interactions</td>
</tr>
<tr>
<td></td>
<td>Polypharmacy</td>
</tr>
<tr>
<td>Sedatives/Hypnotics</td>
<td>Drug-drug interactions</td>
</tr>
<tr>
<td></td>
<td>Polypharmacy</td>
</tr>
<tr>
<td>Muscle Relaxants</td>
<td>Polypharmacy</td>
</tr>
<tr>
<td>Anxiolytics</td>
<td>Use of branded versus generic products</td>
</tr>
</tbody>
</table>
4. State has included Attachment 3 – Retrospective DUR Screening and Intervention Summary Report (Yes, No)
Yes
ATTACHMENT 3 - RETRODUR SCREENING AND INTERVENTION
SUMMARY REPORT

This is a year-end summary report on retrospective DUR screening and interventions. Separate reports on the results of retrospective DUR screening and on interventions are acceptable at the option of the State. The report(s) should:

• Report the level of criteria exceptions by drug class (or drugs within the class) and problem type. (An exception is an instance where a prescription submitted for adjudication does not meet the DUR Board-approved criteria for one or more problem types within a drug class.)

**NOTE:** a) Reporting levels of criteria exceptions by only drug class (or drugs within the class) or problem type is not acceptable.

Utah Medicaid’s retrospective review program reports criteria exceptions by many means including drug class, specific drug, and problem type. In addition, risk score and severity levels are included in an annual report prepared by the University of Utah Drug Regimen Review Center (DRRC) for Utah Medicaid.

b) Year end summary reports should be limited to the Top 20 problem types with the largest number of exceptions.

Problem types as defined in Table 2 only number 6 specific types available for reporting purposes.

• Include a denominator for each drug class/problem type for which criteria exceptions are reported. A denominator is the number of prescription claims adjudicated for a drug class (or individual drugs in the class) during a given time period compared to the number of criteria exceptions for the drug class (or individual drugs in the class) during that time period.

This information is reported in Attachment 1 by problem type. A summary of all problem types reported for the full Federal fiscal year 2011 time frame is included in Attachment 1. This information is specific to Prospective DUR. Retrospective DUR information is included in an annual report prepared by the DRRC for Utah Medicaid. Fourteen different problem types are included in Figure 1 of this Attachment, reproduced below.

• Also report, for each drug class/drug and problem type included in this summary report, the number of interventions (letters, face-to-face visits, etc.) undertaken during the reporting period.

Figure 1 illustrates the number of times an indicated problem or recommendation has been included in a letter from July 01, 2010 to June 30, 2011 (the last twelve-month period for which data is available).
Drug Regimen Review Center
Utah Medicaid has a contract with the University of Utah’s Drug Regimen Review Center (DRRC). The DRRC reviews Utah Medicaid clients who have high drug utilization and drug costs. These reviews began in 2002, and have proved advantageous for Utah Medicaid, prescribers, and clients. The DRRC contacts physicians who are prescribers for identified Medicaid clients and performs educational “peer reviews” of targeted clients. Client (and therefore prescriber) election is based on paid drug claim history. The goal is to reduce waste, duplication, and unnecessary prescription utilization. A report is composed and submitted to Utah Medicaid each year. The most recent report includes data from July 01, 2010 through June 30, 2011. Figure 1 above summarizes the 1,845 letters that the DRRC sent to prescribers in that time period. Each letter clearly stated one or more recommendations concerning specific Utah Medicaid patients, and included a voluntary feedback form. For the State fiscal year 2011, the DRRC program achieved over $820,000 in savings by assisting physicians to reduce the number of prescriptions that could cause potential adverse drug reactions, or eliminate unnecessary and/or duplicate prescriptions. Voluntary feedback indicates that more than 50% of prescribers learned valuable information regarding specific medications, and that over 25% made changes to their patients’ drug regimens as a result of the review.
V. Physician Administered Drugs
The Deficit Reduction Act requires collection of NDC numbers for covered outpatient physician administered drugs. These drugs are paid through the physician and hospital programs. Has your MMIS been designed to incorporate with data into your DUR criteria for both Prospective DUR and Retrospective DUR (Yes, No)? No.
A new point of sale vendor was selected in Federal Fiscal year 2011, and results relating to their services will be in Federal Fiscal year 2012’s annual report.

VI. DUR Board Activity
1. State is including a summary report of DUR activities and meeting minutes during the time period covered by this report as Attachment 4 – Summary of DUR Activities (Yes, No)? Yes.
ATTACHMENT 4 - SUMMARY OF DUR BOARD ACTIVITIES

This summary should be a brief descriptive report on DUR Board activities during the fiscal year reported.

• Indicate the number of DUR Board meetings held.
  During Federal fiscal year 2011 Utah Medicaid’s DUR Board held ten meetings.

• List additions/deletions to DUR Board approved criteria.
  a. For prospective DUR, list problem type/drug combinations added or deleted.
     This information is summarized in Table 1.
  b. For retrospective DUR, list therapeutic categories added or deleted.
     This information is summarized in Table 2.

• Describe Board policies that establish whether and how results of prospective DUR screening are used to adjust retrospective DUR screens. Also, describe policies that establish whether and how results of retrospective DUR screening are used to adjust prospective DUR screens.

Findings from Prospective and Retrospective Drug Utilization Review directly affect each other. Anticipation of intentional or unintentional misuse of a drug give reason for a prospective review of the drug. Prior authorization (PA), quantity limits, mutual exclusivity with other drugs, or other measures may be recommended in order guide use along FDA-approved indications. Retrospective review of a drug may be initiated as a follow-up to PA placement, in response to inside or outside interest, upon entry of new product(s) into a drug class, or for other reasons. For example, after a PA has been in place for approximately nine months, drug utilization, quantity and qualities of PA requests, and numbers of PA approvals are considered. If the current PA criteria effectively manage use of the drug, no change is made. PA criteria may be modified or removed if prior authorization causes unnecessarily narrow access to the drug. Inquiries received from providers, the University of Utah College of Pharmacy’s Drug Regimen Review Center (DRRC), or generated internally as to potential drug therapy related issues may also initiate a retrospective review.

• Describe DUR Board involvement in the DUR education program (e.g., newsletters, continuing education, etc.) Also, describe policies adopted to determine mix of patient or provider specific intervention types (e.g., letters, face to face visits, increased monitoring).

The Utah DUR Board often recommends education information that is included in Medicaid’s Amber Sheet newsletter. Example topics from Federal fiscal year 2011 include changes, addition, or removal of PA criteria, season-specific flu and RSV information, national drug recalls, education regarding MedWatch reporting, and education regarding drug-specific dosing guidelines. Patient profiling is the primary method of monitoring used in Utah’s DUR program. However, prescriber profiling is often included in the review of controlled substances.

DUR Board Activities
The Utah DUR Board is a group of volunteers, nominated by their respective professional
organizations, whose charge it is to monitor the Medicaid Drug Program and look for opportunities to eliminate waste, adverse drug reactions, drug over utilization and fraud. The Board consists of physicians, pharmacists, a dentist, a community advocate and a representative from the Pharmaceutical Research and Manufacturers Association (PhRMA).

The Utah DUR Board is mandated by both state and federal law. The Board meets monthly and meetings are open to the public, except for patient-specific petitions from physicians seeking drug coverage outside policy and/or criteria guidelines.

This past year the DUR Board considered fourteen of these petitions. Frequently the Board requests additional information from the petitioner. Clients are not identified by either name or ID number, so confidentiality is maintained. All petitions that are rejected still have the option of requesting a formal hearing. To date, no DUR Board decision has been overturned by a hearing.

In Federal fiscal year 2011 the DUR Board discussed twenty four issues over ten meetings, placing new prior authorization requirements on 10 different drugs, and adding quantity limits on an additional four drug products. In one instance the DUR Board advised the agency to remove prior authorization requirements from a drug product.
2. Does your State have a Disease Management Program (Yes, No)?
   Yes.
   If the answer to 2 above is “Yes”, is your DUR Board involved with this program (Yes, No)?
   No.

3. Does your State have a Medication Therapy Management Program (Yes, No)?
   No.

VII. Generic Policy and Utilization Data
1. State is including a description of new policies used to encourage the use of therapeutically equivalent generic drugs as Attachment 5 – Generic Drug Substitution Policies (Yes, No).
   Yes.
ATTACHMENT 5 – GENERIC DRUG SUBSTITUTION POLICIES

Describe any policies used to encourage the use of generic drugs such as State maximum/minimum allowable cost (pricing, higher dispensing fee for generic and/or lower co-pay for generics). Include relevant documentation.

Utah Code 58-17b-606.
Title 58-Occupations and Professions

(4) When a multisource legend drug is available in the generic form, the Department of Health may only reimburse for the generic form of the drug unless the treating physician demonstrates to the Department of Health a medical necessity for dispensing the nongeneric, brand-name legend drug.

(5) The Department of Health pharmacists may override the generic mandate provisions of Subsection (4) if a financial benefit will accrue to the state

(6) This section does not affect the state's ability to exercise the exclusion options available under the Federal Omnibus Budget Reconciliation Act of 1990.

As a result of this part of the Pharmacy Practice Act, Medicaid has placed all name brand products on prior approval if a generic is available, except when allowed rebates bring the cost of the brand name product lower than the generic. The mandate for the use of generics versus brand name drugs, along with the rebate program, has been cost effective. In Federal fiscal year 2011, the savings for this initiative has amounted to more than $434 million when the calculation is based on the average cost of multisource generic medications being priced at the average cost of a multisource brand name drug 100 percent of the time.

PHARMACY GENERIC SAVINGS

<table>
<thead>
<tr>
<th>Drug Type</th>
<th>Claims</th>
<th>Reimbursement</th>
<th>Per Script</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic (N) at Brand (I)</td>
<td>2,013,814</td>
<td>$483,677,846.52</td>
<td>$240.18</td>
</tr>
<tr>
<td>Brand (S)</td>
<td>165,284</td>
<td>$17,832,537.32</td>
<td>$107.89</td>
</tr>
<tr>
<td>Brand (I)</td>
<td>424,693</td>
<td>$102,002,636.96</td>
<td>$240.18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Drug Type</th>
<th>Claims</th>
<th>Reimbursement</th>
<th>Per Script</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic (N)</td>
<td>2,013,814</td>
<td>$49,304,574.01</td>
<td>$24.48</td>
</tr>
<tr>
<td>Brand (S)</td>
<td>165,284</td>
<td>$17,832,537.32</td>
<td>$107.89</td>
</tr>
<tr>
<td>Brand (I)</td>
<td>424,693</td>
<td>$102,002,636.96</td>
<td>$240.18</td>
</tr>
</tbody>
</table>

GENERIC SAVINGS: $434,373,272.51
Answer to question 2 and 3 below use Table 3 – Generic Utilization Data

### Table 3 – Generic Utilization Data

<table>
<thead>
<tr>
<th></th>
<th>Total Number of Claims</th>
<th>Total Reimbursement Amount Less Co-Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Source Drugs</td>
<td>(S) 2,013,814</td>
<td>$49,304,574.01</td>
</tr>
<tr>
<td>Non-Innovator Drugs</td>
<td>(N) 165,284</td>
<td>$17,832,537.32</td>
</tr>
<tr>
<td>Innovator Multi-Source Drugs</td>
<td>424,693</td>
<td>$102,002,636.96</td>
</tr>
</tbody>
</table>

Please provide the following utilization data for this DUR reporting period for all covered outpatient drugs paid. Exclude Third Party Liability.

**Key:**
- (S) Single-Source Drugs: have an FDA New Drug Application (NDA) approval for which there are no generic alternative available on the market.
- (N) Non-Innovator Multiple-Source Drugs: have an FDA Abbreviated New Drug Application (ANDA) approval, and for which there exists generic alternatives on the market.
- (I) Innovator (I) Multiple-Source Drugs: have an NDA and no longer have patent exclusivity.

2. Indicate the generic utilization percentage for all covered outpatient drugs paid during this reporting period.
   - Number of Generic Claims: 2,013,814
   - Total Number of Claims: 2,603,791
   - Generic Utilization Percentage: 77.3%

3. Indicate the percentage dollars paid for generic covered outpatient drugs in relation to all covered outpatient drug claims paid during this reporting period.
   - Generic Dollars: $102,002,636.96
   - Total Dollars: $169,139,748.29
   - Generic Expenditure Percentage: 29.2%
VIII. Program Evaluation / Cost Savings

1. Did your State conduct a DUR program evaluation/cost savings estimate (Yes, No)?
   Yes

2. Who conducted your program evaluation/cost savings estimate (Company, Academic institution, Other)
   Other. Utah Medicaid.

3. State is providing the Medicaid program evaluations/cost savings estimates as Attachment 5 – Cost Savings Estimate (Yes, No).
   Yes
Preferred Drug List
The actions that the DUR Board adopted for Federal fiscal year 2011 involved new product entries coming to market which lack historical data for comparison.

As a strategy for managing Medicaid pharmaceutical expenditure the Utah State Legislature passed Senate Bill 42 during the 2007 legislative session. This Bill allowed Medicaid to create a Preferred Drug List (PDL).

Utah Medicaid’s PDL is designed to control spending growth by increasing the use of preferred drugs. Drug class reviews are performed by Utah Medicaid, public boards, and our contracted colleagues at the University of Utah. After thorough review, many drugs within a given class are found to be equally safe and effective. Of these equally safe and effective drugs, consideration is given to utilization and cost data, resulting in the identification of preferred drugs. These preferred drugs may be generic or branded agents. (Please note that while this Federal DUR report focuses on use of generic rather than branded drugs as the major source of cost savings, Utah Medicaid often gains cost savings through rebate programs. See Attachment 8 for a discussion of these cost savings.)

Utah Medicaid’s PDL program became operational in October 2007 without the requirement of Prior Authorization (PA) for non-preferred drugs. Although it was a voluntary program, it was still able to reduce Medicaid claim expenses by approximately $1.9 million in total funds its first Federal fiscal year. Prior authorization requirements were introduced in the second and third years, which saw $7.3 million and $16.6 million, respectively. This Federal fiscal year (2011) is the fourth year of the PDL program, and Utah Medicaid has enjoyed a $35.9 million reduction in claim expenses. Note that these savings include rebate savings in addition to generic substitution savings. It is clear that rebate savings contribute greatly to reduced claim expenses.

Prospective Drug Utilization Review

Attachment 1 provides information regarding the top 14 drugs generating the most ProDUR alerts in Federal fiscal year 2011. Similar reports, though not attached, were generated for each month of the fiscal year, including not only the top 20, but all drugs. Total monies captured from claims that were reversed as a result of ProDUR alerts were added for the twelve months. Pro-DUR reversals resulted in $1.6 million total funds in Federal fiscal year 2011.

Retrospective Drug Utilization Review

The University of Utah’s Drug Regimen Review Center generates an annual report for Utah Medicaid. The latest report includes information from July 01, 2010 to June 30, 2011. During this period it is conservatively estimated that Retrospective Drug Utilization Review has saved more than $823,000 total funds for Utah Medicaid.
4. Please state the Estimated net savings amount.
   $2,430,702.39

5. Please provide the estimated percent impact of your State’s cost savings program compared to total drug expenditures for covered outpatient drugs. Divide the estimated net savings amount provided in Section VII, Question 4, above, by the total dollar amount provided in Section VII, Question 3. Then multiply this number by 100.
   \[
   \frac{2,430,702.39}{169,139,748.29} \times 100 = 1.4\%
   \]

IX. Fraud, Waste, and Abuse Detection

1. Do you have a process in place that identifies potential fraud or abuse of controlled substances by recipients (Yes, No)?
   Yes
   If Yes, what action(s) do you initiate?
   Deny the claim
   Refer the recipient to lock-in program
   Refer to Medicaid Fraud Control Unit (MFCU) or Program Integrity

2. Do you have a process in place that identifies potential fraud or abuse of controlled substances by prescribers (Yes, No)?
   Yes
   If Yes, what action(s) do you initiate?
   Refer to Medicaid Fraud Control Unit (MFCU) or Program Integrity

3. Do you have a process in place that identifies potential fraud or abuse of controlled substances by pharmacy providers (Yes, No)?
   Yes
   If Yes, what action(s) do you initiate?
   Refer to Medicaid Fraud Control Unit (MFCU) or Program Integrity

4. Does your State have a Prescription Drug Monitoring Program (PDMP) (Yes, No)? See Attachment 7 – Prescription Drug Monitoring Program for a description of this program.
   Yes.
   The Utah Controlled Substance Database Program is used to track the dispensing of Schedule II through V drugs. Though not available to Utah Medicaid as a monitoring tool, data is used to identify potential cases of drug over-utilization, misuse, and over-prescribing of controlled substances throughout the State.
ATTACHMENT 7 – PRESCRIPTION DRUG MONITORING PROGRAM

In fiscal year 2002, Congress appropriated funding to the U.S. Department of Justice to support Prescription Drug Monitoring Programs (PDMPs). These programs help prevent and detect the diversion and abuse of pharmaceutical controlled substances, particularly at the retail level where no other automated information collections system exists. States that have implemented PDMPs have the capability to collect and analyze data on filled and paid prescriptions more efficiently than those without such programs, where the collection of prescription information can require a time-consuming manual review of pharmacy files. If used properly, PDMPs are an effective way to identify and prevent diversion of the drugs by health care providers, pharmacies, and patients.

Utah Controlled Substance Database
See Utah Code 58-37F, Controlled Substance Database Act. A summary of pertinent information is presented below.

The Program
The Utah Controlled Substance Database Program was legislatively created and put into effect on July 1, 1995. It is used to track and collect data on the dispensing of Schedule II-V drugs by all retail, institutional, and outpatient hospital pharmacies, and by both in-state and out-of-state mail order pharmacies. The data is disseminated to authorized individuals and used to identify potential cases of over-utilization, misuse, and over-prescribing of controlled substances throughout the state.

The Requirement
All retail, institutional, outpatient hospital pharmacies, and mail order pharmacies in Utah that dispense prescriptions for Schedule II-V drugs are required to report. Controlled substances dispensed (administered) to an inpatient at a licensed health care facility are exempt from reporting. A file containing records of each Schedule II-V drugs dispensed must be completed and submitted by the pharmacist-in-charge to the program manager once a week for the previous seven days.

Collection of Data
The required data may be reported by modem, an encrypted attachment to e-mail, or paper. Generally, the media used is dependent on the pharmacy software used. All transactions must be submitted at the end of each month no later than ten days following the end of every calendar month. Data may be submitted monthly or more often (i.e., weekly or bi-weekly). All submissions are required to include a Data Transmission Form.
X. **Innovative Practices**

1. Have you developed any innovative practices during the past year which you have included in Attachment 8 – Innovative Practices (Yes, No)?
   Yes
ATTACHMENT 8 - INNOVATIVE PRACTICES NARRATIVE

Please describe in detailed narrative form any innovative practices that you believe have improved the administration of your DUR program, the appropriateness of prescription drug use and/or have helped to control costs. (e.g., disease management, academic detailing, automated pre-authorizations, continuing education programs).

Re-examination of Cost Savings Calculations
Although not new to Utah Medicaid, an important cost-savings method has been overlooked in the annual Drug Utilization Review Report. Many of the questions and data requested in this Report address cost savings acquired by encouraging use of generic drug products over their branded counterparts. While such generic substitution policies can afford important up front savings, some of Utah Medicaid's savings actually come from both the federal and supplemental rebate programs as managed through our Preferred Drug List (PDL). Once rebates are taken into account many older brand name products cost less than their generic counterparts. Utah Medicaid currently projects our 2012 annual PDL Total Fund savings at $34.1 million.

Streamlining Annual Drug Utilization Review Reports
Each year the state of Utah prepares extensive Drug Utilization Review (DUR) reports for both the Federal and State governments. Each report is time consuming, taking resources from DUR activities in order to report on DUR activities. In order to streamline these efforts, the State report has adapted the format and covered timeline of the Federal report. Both now report on the Federal fiscal year. This, in effect, allows the Federal DUR report to also serve as the State DUR report, allowing those involved in the preparation more time to perform daily DUR activities.

Contracting an Outside Point of Sale Vendor
In Federal fiscal year 2010, a Request for Proposal (RFP) was issued inviting any interested vendors to submit a proposal for managing Utah Medicaid’s Point of Sale (POS) system. Significant costs, both monetary and administrative, were required of Utah Medicaid in order to choose and initiate a vendor, but many processes, including many pertaining to DUR, will be made more efficient, and information more readily accessible. Goold Health System, Inc. was selected, and preparations for the change to the new POS system began in Federal fiscal year 2011. The new POS system will provide the data used to compose the Drug Utilization Review Report for Federal Fiscal Year 2012.

Utah Medicaid Hemophilia Case Management Program
Utah implemented its Medicaid Hemophilia Case Management program in July 1998. This was done under a Modification to Utah’s Choice Of Health Care Delivery Program 1915(B) Waiver. It allowed for the development of a Hemophilia case management and medication therapy program that allowed for reduced errors of duplication, less medication waste, and increased monitoring and education for hemophilia patients. Under this program Case Managers must be LPN/RN with at least one year hemophilia experience. They must also visit patients in their home at least monthly. The Case Managers also work with the patients and their treating physicians to develop case management plans and teach patients to keep monthly logs of all
bleeds, medication use, histories of injuries, and completed education modules.

Under this program outdated quantities of antihemophilic factor over one percent per year are unacceptable. All clients must receive service from their case manager within 12 hours of a bleed. Medicaid receives quarterly reports regarding number of visits each patient received per month and treatment program efficacy. The Hemophilia Case Management program provides each patient with a device for the duration of their participation in the program. The device has the capability to electronically record their monthly bleeds, medication use (antihemophilic and other), histories of injuries, and completed education modules. These records are sent regularly to treating physicians and case workers. Annual savings for drug product and dispensing fees alone average approximately $2 million per Federal fiscal year for only 25 patients.
XI. E-Prescribing

1. Has your State implemented e-prescribing (Yes, No)?
   Yes

2. Does your system use the NCPDP Origin Code that indicates the prescription source (Yes, No)?
   Yes

3. Does your program system (MMIS or pharmacy vendor) have the capability to electronically provide a prescriber, upon inquiry, patient drug history data and pharmacy coverage limitations prior to prescribing (Yes, No)?
   No.
   If No, are you planning to develop this capability?
   Utah Medicaid has contracted with a new point of sale vendor, and hopes to provide such information to prescribers once the new system is operational.
   Please also note Utah Medicaid’s Clinical Health Information Exchange (cHIE) and Electronic Health Records (EHR) systems, described in Attachment 9, E-Prescribing Activity Summary.
ATTACHMENT 9 – E-PRESCRIBING ACTIVITY SUMMARY

Please describe all development and implementation plans/accomplishments in the area of e-prescribing. Include any evaluation of the effectiveness of this technology (e.g. number of prescribers e-prescribing, percent e-prescriptions to total prescriptions, relative cost savings).

The Utah Health Information Network (UHIN) provides a low cost solution for exchanging administrative and clinical data through a secure internet gateway. Additionally, the UHIN supports the exchange of images (DICOM). Most Utah payers, including Utah Medicaid, are connected with the UHIN in addition to thousands of National payers and a majority of Utah Healthcare Providers. Through the UHIN providers and payers can participate in the Clinical Health Information Exchange (cHIE).

The cHIE provides medical professionals a way to share and view patient information in a secure electronic manner. This information is accessible, with patient consent, to authorized users while maintaining the highest standards of patient privacy. Also available is e-prescribing, Electronic Health Records (EHR) and e-prescriptions. This program began on May 10, 2010.

Utah Medicaid currently does not have the data necessary to approximate the percentage of primary care clinics that have adopted an EHR in their practice. Most EHR has e-prescribing functionality. However, information on actual usability and performance evaluation is not yet available. Data are not yet available for the number of prescribers e-prescribing, percent e-prescriptions to total prescriptions, or relative cost savings at this time.

In Federal Fiscal Year 2012, Utah Medicaid contracted with an outside pharmacy point-of-sale vendor, which will likely expand e-prescription use. It will also collect data regarding the number of participating prescribers, percent e-prescription versus total prescriptions, and relative cost savings. We look forward to analyzing and sharing data in the Drug Utilization Review Report for Federal Fiscal Year 2012.