



**SWEETWATER COUNTY
SCHOOL DISTRICT #1**

Agenda Item 15-a

Beginning January 1, 2019, a new Utilization Management feature for Specialty Injectable and Site of Service Review will be implemented and the pre-authorization penalty will be waived for the plan year ending August 31, 2019.

New Utilization Management Feature – Specialty Injectable and Site of Service Review

Innovative specialty drugs are providing important cures and treatments, with new therapies expected in the near future. However, costs for certain drugs may reach \$30,000 annually, and in some cases exceed \$100,000. Already these drugs comprise more than one-quarter of total drug spend in the United States, and this trend continues to grow at double-digit rates, even as the growth for traditional pharmaceuticals has slowed.

To address these concerns, UMR's utilization management program is developing a new team of pharmacists and registered nurses to review the usage of these drugs when covered under the medical plan. In addition, UMR is updating our prior authorization list to include specific specialty injectable drugs and, when appropriate, their site of service review. This optional UM enhancement is available January 1, 2019.

The specialty medical injectable UM feature is a change from predetermination (current process) to a prior authorization process by a specialized pharmacy team. There are multiple advantages to implementing prior authorization for these medications:

Current Process

Pre-determination

- Not required but a courtesy review
- Does not allow for a peer-to-peer review
- Does not allow for appeal rights
- Since predetermination is a courtesy, member could receive injectable then it be denied through medical claims review

Implementation Jan. 1, 2019

Prior authorization

- Required for those plans that choose to opt-in
- Allows for peer-to-peer review and appeal rights
- Reviewed for medical necessity
- Site of service review considers the administration location to assess for lowest level of care possible for administration (i.e., outpatient administration vs. home health care administration)

- o If there are member penalties, which includes all networks except Choice Plus, the member penalties can be waived if the customer would like to implement prior authorizations for injectables without a member penalty

Attached is a flier that features all of the current specialty injectable codes. All of these medications would require prior authorization if a client were to enact this new feature. Please note that this list is subject to change.

Please discuss and let us know if our mutual client wishes to opt-in to this new UM feature no later than **Friday, October 5th**. Please also advise if any applicable prior authorization penalties are to be assessed or waived.

Group Name	Opt-In (Y/N)	Apply Penalty (Y/N)
SWCSD #1	Yes	Waive for first plan year

Insurance Committee approved 11-27-18. SR 11-27-18.

If elected, an amendment to the Plan Document will be produced with an acceptance letter for the client to sign.