



Subject: Utilization Management	Procedure: Authorizations for Enhanced Pharmacy	
Last Updated: 10/17/2024	Owner: Managed Care Operations	Pages: 4

I. PURPOSE:

To define and describe operational guidance to directly operated and contract providers on the documentation requirements for authorizations of enhanced pharmacy services.

II. DEFINITIONS:

A. Enhanced Pharmacy:

Physician ordered nonprescription “medicine chest” items, as specified in the Individual’s Plan of Service (IPOS). There must be documented evidence that the item is not available through Medicaid or other insurances and is the most cost-effective alternative to meet the person’s needs.

B. Medical Necessity:

Determination that a specific service is medically (clinically) appropriate; necessary to meet needs; consistent with the person’s diagnosis, symptomatology, and functional impairments; is the most cost-effective option in the least restrictive environment; and is consistent with clinical standards of care. The medical necessity of a service shall be documented in the individual plan of service (IPOS).

III. PROCEDURE:

A. When a person served notifies their primary case holder of the need for enhanced pharmacy items the provider shall:

1. The person served must have active Medicaid benefits to be eligible for enhanced pharmacy coverage.
 - a) Medicaid is the payor of last resort. If the person has Medicare or a private insurance policy with this benefit, then the person must pursue authorization through these insurance options.
2. The person served must meet eligibility standards for MCCMH services as a person with a Serious Emotional Disturbance, a Severe Mental Illness, or a person with an Intellectual/Developmental Disability.

3. Identify if this is a treatment need for the person served, per the MDHHS Medicaid Provider Manual, specific to the service and medical necessity.
 - a) Refer to the Behavioral Health and Intellectual and Developmental Disability Supports and Services in the MDHHS Medicaid Provider Manual for the specific items covered by Enhanced Pharmacy.
 - b) Refer to the Pharmacy Chapter in the MDHHS Medicaid Provider Manual for information about Medicaid-covered prescriptions.
 - c) Items that are not of direct medical or remedial benefit, or that are considered experimental to the beneficiary, are excluded from coverage.
 - d) Authorization will not be provided to pay for copays for other prescription plans the person served may have.
 - e) Enhanced pharmacy services are limited to additional services not otherwise covered under the Medicaid State Plan, including EPSDT.
4. The primary case holder discusses this service need as a part of the person-centered planning process. The primary case holder will assist the person served in identifying a pharmacy for this service when needed.
5. The primary case holder will ensure that enhanced pharmacy is an identified service in the individual's person-centered treatment plan.
 - a) The goal must address the medical necessity of enhanced pharmacy. Each individual medication or item must be clearly identified in the IPOS including details as to the medical need of each item and the amount, scope, and duration of each item.
 - b) For Habilitation Supports Waiver (HSW), the plan must document that, if not for this HSW service, the person served would require institutionalization in an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID).
6. The primary case holder will assist the person in obtaining an original physician's prescription for the requested service.
 - a) The prescription must include all requirements as detailed in the Michigan Medicaid Provider Manual (MPM). It is the responsibility of the primary case holder to ensure compliance with all updated standards within the MPM. These standards include the following:
 - i. Person served's name;
 - ii. Prescribing physician's name, address, and telephone number;

- iii. Prescribing practitioner's signature (a stamped or electronic signature is not acceptable);
- iv. The date the prescription is written;
- v. The specific enhanced pharmacy medication or item as well as the amount and frequency of use;
- vi. The expected start date of the order (if different from the prescription date); and
- vii. The length of time that the service is needed. The maximum length of time that a prescription can be valid for is one year. A new prescription is required to be obtained on an annual basis or sooner as based on the duration noted in the prescription.

B. The primary case holder submits the prior authorization request to MCCMH's Managed Care Operations (MCO) Division in the FOCUS electronic medical record (EMR). Authorization requests can be submitted up to sixty (60) calendar days, and no less than fourteen (14) calendar days, prior to the effective date. The authorization request must include the following:

- 1. There must be an individual line item in the authorization for each medication or item being requested;
- 2. The name of the medication or item must be clearly identified in the note field in that specific line of the authorization; and
- 3. The authorization request must be in the amount and frequency of each medication or item as detailed in the medical record and supported in the medical documentation in the EMR.

C. MCO has fourteen (14) calendar days to make a medical necessity determination on these requests.

- 1. When it is determined that the person served meets the medical necessity criteria for the authorization of enhanced pharmacy, then the authorization is approved in the FOCUS EMR, and an electronic notification is sent to the primary clinical provider.
- 2. When it is determined that the person served does not meet the medical necessity criteria for the authorization of enhanced pharmacy, the authorization is denied in the FOCUS EMR, and an electronic notification is sent to the primary clinical provider. MCO sends a Notice of Adverse Benefit Determination to the person served and/or their legal guardian.

IV. REFERENCES:

None

V. RELATED POLICIES:

A. MCCMH MCO Policy 12-004, "Service Authorizations"

VI. EXHIBITS:

None

Annual Review Attestation / Revision History:

Revision #:	Revision/Review Date:	Revision Summary:	Reviewer/Reviser:
1	10/17/2024	Creation of Procedure	MCCMH MCO Division
2	12/3/2024	Implementation of Procedure	MCCMH MCO Division