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**Standard Prescription Prior  
Authorization Form**

**Feasibility Study to the  
Texas Legislature**

**As Required By  
S.B. 8, 83rd Legislature,  
Regular Session, 2013**

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**Health and Human Services Commission  
February 2015**

## **Table of Contents**

Executive Summary.....	1
Introduction.....	2
Background.....	2
Feasibility.....	2
Conclusion.....	3

## **Executive Summary**

S.B. 8, SECTION 16, 83rd Legislature, Regular Session, 2013, requires the Texas Health and Human Services Commission (HHSC) to study the feasibility of developing and implementing a single standard prior authorization (PA) form to be used for requesting PA for prescription drugs in Medicaid by participating prescribers who do not have electronic prescribing capability and are not able to initiate electronic PA requests.

S.B. 8 also requires HHSC to produce a report on the results of the study by December 31, 2014. S.B. 8 requires HHSC to adjust contracts with participating health benefit plan issuers and participating health benefit plan administrators to require acceptance of the form if HHSC determines that developing and implementing the form is feasible, will reduce administrative burdens, and is cost-effective.

The Commissioner of Insurance, pursuant to S.B. 644, 83<sup>rd</sup> Legislature, Regular Session, 2013, is required to prescribe a single, standard form for requesting PA of prescription drug benefits. HHSC and the managed care organizations (MCOs) participating in Medicaid and the Children's Health Insurance Program (CHIP), along with commercial plans in Texas, will be required to use this form for any requests for PA of prescription drugs made on or after September 1, 2015.

In prescribing a standard form, S.B. 644 requires the Commissioner of Insurance to develop the form with input from the Standard Request Form for Prior Authorization of Prescription Drugs Benefits Advisory Committee (committee) to determine the content and length of the form, acceptable methods to acknowledge receipt, and other details related to the form. HHSC and representatives from several Medicaid MCOs participated on the committee, which met twice in 2014, and provided input during the development of the standard form. The Commissioner of Insurance must prescribe the standard form by rule no later than January 1, 2015.

HHSC has determined that it is feasible to develop and implement a single, standard PA form to be used for requesting PA for prescription drugs in the Medicaid program by participating prescribers that do not have electronic prescribing capability and are not able to initiate electronic PA requests. Many Medicaid MCOs and their pharmacy benefit managers (PBMs) manage the care of both Medicaid and commercial clients and will be able to apply the standard form across both lines of business. HHSC also currently utilizes a single preferred drug list and clinical PA criteria, which facilitates consistency across all MCOs and traditional fee-for-service in that only drugs specified through a review and recommendation process by the Pharmaceutical and Therapeutics Committee and the Drug Utilization Review Committee as being non-preferred or needing clinical PA criteria have PA requirements.

HHSC and the MCOs will begin using the standard form and will make the non-electronic version of the standard form available to Medicaid prescribers, in accordance with rules adopted by the Commissioner of Insurance, for PA requests made on or after September 1, 2015, as required by S.B. 644.

## **Introduction**

S.B. 8, Section 16, 83<sup>rd</sup> Legislature, Regular Session, 2013, requires the Texas Health and Human Services Commission (HHSC) to study the feasibility of developing and implementing a single standard prior authorization (PA) form to be used for requesting PA for prescription drugs in Medicaid by participating prescribers who do not have electronic prescribing capability and are not able to initiate electronic PA requests.

S.B. 8 also requires HHSC to produce a report on the results of the study by December 31, 2014. S.B. 8 requires HHSC to adjust contracts with participating health benefit plan issuers and participating health benefit plan administrators to require acceptance of the form if HHSC determines that developing and implementing the form is feasible, will reduce administrative burdens, and is cost-effective.

## **Background**

The Commissioner of Insurance, pursuant to S.B. 644, 83<sup>rd</sup> Legislature, Regular Session, 2013, is required to prescribe a single, standard form for requesting PA of prescription drug benefits. HHSC and the managed care organizations (MCOs) participating in Medicaid and the Children's Health Insurance Program (CHIP), along with commercial plans in Texas, will be required to use this form for any requests for PA of prescription drugs made on or after September 1, 2015.

In prescribing a standard form, state law (Texas Insurance Code, Section 1369.255) requires the Commissioner of Insurance to develop the form with input from the Standard Request Form for Prior Authorization of Prescription Drugs Benefits Advisory Committee to determine the following:

- A single standard form for requesting PA of prescription drug benefits;
- The length of the standard PA form;
- The length of time allowed for acknowledgement of receipt of the form by the health benefit plan issuer or the agent of the health benefit plan issuer that manages or administers prescription drug benefits;
- The acceptable methods to acknowledge receipt; and
- The penalty imposed on the health benefit plan issuer or the agent of the health benefit plan issuer that manages or administers prescription drug benefits for failure to acknowledge receipt of the form.

HHSC and representatives from several Medicaid MCOs participated on the Standard Request Form for Prior Authorization of Prescription Drugs Benefits Advisory Committee, which met twice in 2014, and provided input during the development of the standard form. The Commissioner of Insurance must prescribe the standard form by rule no later than January 1, 2015.

## **Feasibility**

The creation and utilization of a standard form for requesting PA for prescription drugs in Medicaid by participating prescribers who do not have electronic prescribing capability and are not able to initiate electronic PA requests is feasible.

Because many Medicaid MCOs and their pharmacy benefit managers (PBMs) have experience in managing the care of both Medicaid and commercial clients, the standard PA form adopted by the Commissioner of Insurance for commercial health insurance plans can be readily applied to Medicaid. Representatives from HHSC and several MCOs participated on the Standard Request Form for Prior Authorization of Prescription Drugs Benefits Advisory Committee and provided input on developing a form that could be applied in the Medicaid managed care and traditional fee-for-service (FFS) prescription drug claims adjudication systems. HHSC also currently utilizes a single preferred drug list and clinical PA criteria, which facilitates consistency across all MCOs and FFS in that only drugs specified through a review and recommendation process by the Pharmaceutical and Therapeutics Committee and the Drug Utilization Review Committee as being non-preferred or needing clinical PA criteria have PA requirements.

The goal of applying a single, standard PA form in Medicaid FFS and across MCOs' multiple lines of business is to reduce administrative burdens for prescribers. Medicaid prescribers will be able to utilize a non-electronic version of the standard form in fee-for-service and managed care to fulfill the PA requirements. Additional information may be required for some PA criteria, and the new standard PA process will address those situations.

### **Conclusion**

HHSC has determined that it is feasible to develop and implement a single, standard PA form to be used for requesting PA for prescription drugs in the Medicaid program by participating prescribers who do not have electronic prescribing capability and are not able to initiate electronic PA requests. HHSC and Medicaid MCOs were participants on the Standard Request Form for Prior Authorization of Prescription Drugs Benefits Advisory Committee and provided input on the development of the standard form. HHSC and the MCOs will begin using the standard form and will make the non-electronic version of the standard form available to Medicaid prescribers, in accordance with rules adopted by the Commissioner of Insurance, for PA requests made on or after September 1, 2015, as required by S.B. 644.