

December 23, 2003

MEDICAID INFORMATION RELEASE 2004-04

TO: All Prescribing Providers, Pharmacists, and Long-Term Care Providers

FROM: Paul Swatsenbarg, Deputy Administrator

SUBJECT: AUTOMATED PRIOR AUTHORIZATION PROCESS AND CALL CENTER FOR MEDICAID PHARMACY CLAIMS

Idaho Medicaid is implementing an Enhanced Prior Authorization Program. The Enhanced Prior Authorization Program (EPAP) is designed to provide Medicaid participants the most effective drug at the right price. Part of this program is an automated prior authorization system for pharmacy claims called SmartPASM. This system will provide turnaround for a majority of prior authorization requests at the pharmacy and less paper requests from the prescribers.

HOW DOES SMARTPASM WORK

- The pharmacist submits a participant's prescription to Idaho Medicaid through the point of sale (POS) system. If the medication requires prior authorization and the claim has not been denied for any other edit, the claim is electronically transmitted to SmartPASM.
- SmartPASM applies predetermined prior authorization (PA) criteria to the pharmacy drug claim utilizing both medical and drug data.
- Claims that meet the predetermined criteria are approved in a real time environment and the claim is paid.
- If the criteria is not met, the pharmacy provider is sent an electronic message at POS that states "PA required" and the drug claim is denied.
- The pharmacy provider should then contact the prescriber to let him know that he must call the Medicaid Call Center or fax in a PA request for further consideration of this drug claim.

In this way, SmartPASM effectively removes a significant number of PA requests from the manual PA request environment. *The prescriber needs to be contacted only when the request is not approved at POS.*

HOW TO OBTAIN PRIOR AUTHORIZATION CONSIDERATION AFTER DENIAL FOR "PA REQUIRED" AT THE PHARMACY

- If the claim denies for prior authorization and the prescriber wants to pursue obtaining a prior authorization, the prescriber will need to contact the **Medicaid Pharmacy Call Center at 208-364-1829** or fax in a completed prior authorization form. PA forms can be located on the Medicaid Pharmacy website: www.idahohealth.org.
- When calling the Medicaid Pharmacy Call Center, the prescriber will need to provide Call Center staff with the following information:
 - Prescriber name and phone number
 - Client name and Medicaid ID number
 - Drug name, strength, and quantity
 - Pharmacy name (if known)
- Call Center staff may require further clinical information from the provider based on the drug PA criteria.
- The staff will input the needed information into the SmartPASM application. SmartPASM will then automatically query both the medical and pharmacy databases and the manually input information to determine if the PA criteria have been met.
- The PA decision will be explained to the calling provider.
- If the PA is approved, the pharmacy will be able to resubmit the claim through the POS system immediately.

HOW SMARTPASM AFFECTS QUANTITY PRIOR AUTHORIZATIONS

- On August 19, 2002, Idaho Medicaid began requiring prior authorizations for quantity override requests. It required the pharmacy to bill with a paper claim for reimbursement.
- The SmartPASM application will change this process by allowing for an authorized quantity override to be billed through the POS system.
- The quantity override request form must be faxed to (208) 364-1864 for consideration prior to dispensing to guarantee reimbursement.

If you have any questions, please contact the Medicaid Pharmacy Program at (208) 364-1829.

