



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene
 201 W. Preston Street • Baltimore, Maryland 21201
 Parris N. Glendening, Governor - Georges C. Benjamin, M.D., Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM
Managed Care Organization Transmittal No. 16

February 4, 2000

TO: Managed Care Organizations

FROM: Joseph Millstone, Director *jmm*
 Medical Care Policy Administration

NOTE: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

RE: Coverage of Drug Therapy for AIDS Wasting Syndrome

The Maryland Medical Assistance Program covers drugs that are approved by the Food and Drug Administration (FDA) when prescribed for an approved indication. Approved drugs prescribed for unapproved uses are also covered if prescribed for a medically accepted indication supported by at least one of the official drug compendia consisting of the American Hospital Formulary Service Drug Information, DRUGDEX and the United States Pharmacopeia Drug Information. Currently, the Medical Assistance Program covers somatropin (Serostim[®]), oxandrolone (Oxandrin[®]), megestrol (Megace[®]) and other drugs meeting the above criteria to treat AIDS wasting syndrome.

Managed Care Organizations are required to maintain drug formularies that are at least equivalent to the standard therapies of the Maryland Medical Assistance Program on the implementation date of the HealthChoice Program (COMAR 10.09.67.04D(1)). As new products are approved by the Food and Drug Administration, MCOs must expand their formularies to include these new drugs or equivalent drug therapies (COMAR 10.09.67.04D(3)). Since drug therapy to treat AIDS wasting is covered by Medical Assistance, MCOs must include a drug therapy or medication for this condition on their formulary.

Coverage may be subject to a preauthorization process to ensure that use is medically necessary and appropriate. For formulary drugs requiring preauthorization by the MCO or its designee, a decision must be made within 72 hours after the initial request. If the service is denied, the MCO must notify the prescriber and the enrollee in writing of the denial (COMAR 10.09.66.07B(4) and COMAR 10.09.71.02).

When a prescriber believes that a non-formulary drug is medically indicated, MCOs must have procedures in place for non-formulary requests (COMAR 10.09.67.04F(2)(a)). The Program expects a non-formulary drug to be approved if documentation is provided indicating that the formulary alternative is not medically appropriate. Requests for non-formulary drugs cannot be automatically denied or delayed with repeated requests for additional information. The MCOs must follow an established reasonable review time for all non-formulary requests to comply with the minimum performance standards for drug use management programs established by the Department.

Questions concerning this transmittal should be directed to the Manager for Pharmacy Services at 410-767-1455.