

**BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS
ON REFERRAL BY THE COMMISSIONER OF HEALTH AND SOCIAL SERVICES**

In the Matter of:)	
)	
N N)	OAH No. 12-0389-MDS
)	HCS Case No.
_____)	Medicaid ID No.

DECISION

I. Introduction

N N, a Medicaid recipient, requested prior authorization of the prescription drug Xifaxan. In reviewing her request, the Division of Health Care Services (Division) determined that Xifaxan was not covered by Medicaid for Ms. N's diagnosis. This decision concludes that, although Xifaxan is clearly helpful for Ms. N's medical condition, it is not covered by Medicaid for Ms. N's diagnosis. The Division's decision denying prior authorization for Xifaxan is therefore affirmed.

II. Facts

A. *The Division's Prior Authorization Process and Xifaxan*

The Division sets prior authorization requirements for drugs prescribed through the Medicaid Program.¹ Prior to March 2012 Xifaxan did not require prior authorization and Ms. N had been able to obtain it through Medicaid.² However, on March 1, 2012 Xifaxan was added to the list of medications requiring prior authorization.³ It appears on the Division's July 9, 2012 version of its "Alaska Medicaid Prior Authorization Medication List."⁴ Based on the criteria adopted by the Division, Ms. N would qualify for prior authorization of Xifaxan if she first underwent an unsuccessful trial of ciprofloxacin therapy and she had a diagnosis of "traveler's diarrhea caused by non-invasive strains of *E. coli*."⁵

B. *Denial of Ms. N's Prior Authorization Request*

Ms. N is a 54-year-old woman. She does not suffer from traveler's diarrhea caused by non-invasive strains of *E. coli*.⁶ She does suffer from microscopic colitis with nausea,

¹ See 42 CFR § 456.703(a).
² C.J. Kim hearing testimony.
³ Ex. P and C. J. Kim hearing testimony.
⁴ Ex. N2.
⁵ Ex. H1.
⁶ Kim testimony.

abdominal pain, and diarrhea; gastro-esophageal reflux disease (GERD) with nausea; and chronic weight loss resulting from these conditions.⁷ Prior to July 2012 Ms. N had taken Xifaxan to treat these conditions, and in the view of her physician it "was quite helpful."⁸

On July 13, 2012 Ms. N's physician submitted a prior authorization request form for Xifaxan to Magellan Medicaid Administration, Inc., the Division's contractor.⁹ On July 18, 2012 Magellan determined that prior authorization should be denied, stating that "[t]he patient must have a trial of ciprofloxacin before she can be approved for the Xifaxan."¹⁰

Ms. N was subsequently treated with ciprofloxacin for seven days, but her symptoms did not improve.¹¹ This led to a new prior authorization request for 550 mg. Xifaxan tablets to Magellan.¹² It is, however, the July prior authorization request that is at issue in this appeal.

On July 27, 2012 Magellan notified Ms. N that her physician's prior authorization request for Xifaxan had been denied.¹³ The Division's notice stated: "[d]rug not covered for diagnosis submitted."¹⁴

C. Hearing Request

On August 31, 2012 Ms. N requested a hearing to contest Magellan's July 27, 2012 denial.¹⁵ Ms. N's hearing was held on December 4, 2012. Ms. N participated in the hearing by telephone, represented herself, and testified on her own behalf. Shelly Boyer-Wood attended the hearing in person and represented the Division. C.J. Kim, a licensed pharmacist employed by the Division, participated in the hearing by telephone and testified on behalf of the Division. The record closed at the end of the hearing.

III. Discussion

The Division may impose prior authorization requirements for any outpatient drugs for which Medicaid funding is sought.¹⁶ Such a requirement was in place for Xifaxan before Ms. N's first prior authorization request for Xifaxan on July 13, 2012.

⁷ Ex. F1. The digestive problems referenced above are the medical conditions treated by the prescription drug at issue. However, Ms. N also has other significant medical conditions.

⁸ Ex. F1. Treatment notes by Ms. N's physician Steven B. Ingle, M.D. dated July 11, 2012 state that Ms. N had a "[p]revious favorable response to Xifaxan therapy" (Ex. F3).

⁹ Exs. E2, E3, J2.

¹⁰ Ex. E1.

¹¹ Ex. 1 p.1; Ex. K3; Ex. M2.

¹² Exs. K5 – K8.

¹³ Ex. D1.

¹⁴ Ex. D1.

¹⁵ Ex. C.

¹⁶ See 42 USC § 1396r-8(d)(1)(A)

It is undisputed that, as of July 13, 2012, Ms. N did not have a prior trial with ciprofloxacin, and she did not have "traveler's diarrhea caused by non-invasive strains of *E. coli*." Accordingly, Ms. N did not meet prior authorization criteria for Xifaxan.

IV. Conclusion

At the time the Division denied Ms. N's request for prior authorization of Xifaxan on July 13, 2012, Ms. N did not have a diagnosis of "traveler's diarrhea caused by non-invasive strains of *E. coli*," and she had not undergone a trial of ciprofloxacin therapy. Accordingly, Ms. N did not satisfy the criteria for prior authorization of Xifaxan at that time. The Division was thus correct to deny Ms. N's request for prior authorization of Xifaxan. The Division's decision denying prior authorization of the prescription medication Xifaxan is therefore affirmed.

Dated this 7th day of January, 2013.

Signed _____
Jay Durych
Administrative Law Judge

Adoption

The undersigned, by delegation from of the Commissioner of Health and Social Services, adopts this Decision, under the authority of AS 44.64.060(e)(1), as the final administrative determination in this matter.

Judicial review of this decision may be obtained by filing an appeal in the Alaska Superior Court in accordance with Alaska R. App. P. 602(a)(2) within 30 days after the date of this decision.

DATED this 16th day of January, 2013.

By: *Signed* _____
Name: Jay D. Durych
Title: Administrative Law Judge

[This document has been modified to conform to the technical standards for publication.]