

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

In the Matter of)
)
 K T) OAH No. 15-1547-MDX¹
) Agency No.
)

DECISION

I. Introduction

K T, a Medicaid recipient, requested prior authorizations for the prescription drugs Olysio and Sovaldi to treat and possibly cure his Hepatitis-C. The Division of Health Care Services (Division) on behalf of the Department of Health and Social Services (Department) denied the requests because Mr. T did not meet the prior authorization criteria developed by the drug utilization review committee (DURC). Mr. T appealed the denial.

At hearing, Mr. T did not argue that he met the criteria, but instead asserted that his particular strain of Hepatitis-C, genotype 4, is more likely to respond to these drugs. Because Mr. T did not show that he met the prior authorization criteria, the Division's decision denying his Olysio and Sovaldi prior authorization requests is affirmed.

II. Facts

Mr. T has Hepatitis-C, a contagious disease that compromises the liver.² Mr. T's medical records indicate his Hepatitis-C is genotype 4 and he has not previously undergone treatment.³

On August 6, 2015, Dr. S C, submitted a prior authorization requesting Olysio and Sovaldi for Mr. T.⁴ The Division's contractor, Magellan, considered the request. Magellan reviewed the request and based on its review, the Division denied Mr. T's Olysio and Sovaldi prescription requests because his fibrosis score, F0, does not meet the criteria for prescription approval.⁵ The Division criteria require, among other things, a fibrosis score of F2 – F4 for either drug.⁶ The denial letter to Mr. T stated, “[t]he submitted documentation describing the disease severity of your condition does not meet criteria for approval with Alaska Medicaid.”⁷

¹ Consolidated with 15-1546-MDX
² Ex. E. Unless otherwise indicated the exhibit identifications are the same for either matter.
³ Ex. E, pp. 2, 5. Treatment naïve means that a patient has not previously undergone treatment for an illness.
⁴ Ex. E, p. 1, 3.
⁵ Narus testimony; Ex. E.
⁶ Ex. J, p. 1; Narus testimony. A higher fibrosis score indicates a greater degree of liver damage.
⁷ Ex. D, p. 1.

Mr. T requested a hearing and it convened on December 31, 2015. Mr. T represented himself. Angela Ybarra, hearing representative, presented the Division's arguments and Erin Narus, program pharmacist, testified on the Division's behalf. Ms. Narus explained the criteria development process and how Mr. T's condition did not presently meet that criteria. Ms. Narus explained that the Hepatitis-C treatment options are changing rapidly and that the criteria are changing regularly. She gave Mr. T information regarding commenting during DURC's next criteria development meeting in November.

III. Discussion

Mr. T has the burden of proof by a preponderance of the evidence to establish the Division's denial is incorrect.⁸ He has not met that burden.

The Division may impose prior authorization requirements for Medicaid-covered outpatient drugs.⁹ By regulation, the Department is to consider the medical necessity, clinical effectiveness, cost-effectiveness, and likelihood of adverse effects, as well as service-specific requirements when determining whether to grant prior authorization.¹⁰ The Department may place minimum or maximum quantities on a service or require other services before the recipient receives the requested service to maintain the financial integrity of the Department and the Medicaid program.¹¹ The Department may also limit its payment to minimum and maximum quantities allowed of a specific prescribed drug or limit the number of refills to prevent waste or to address fraud or abuse.¹² DURC develops the criteria used by the Division to determine whether to grant a prior authorization request.¹³

The Division, on behalf of the Department, will only approve Olysio and Sovaldi prescriptions if a recipient meets the criteria. Here, it is undisputed that Mr. T does not meet the fibrosis score criteria.

⁸ 7 AAC 49.135.

⁹ 7 AAC 120.130; 42 USC § 1396r-8(d)(1)(A)

¹⁰ 7 AAC 105.130(c).

¹¹ 7 AAC 105.130(c).

¹² 7 AAC 120.130(c).

¹³ 7 AAC 120.120; Narus testimony.

IV. Conclusion

The Division's denial is affirmed.

Dated: January 13, 2016

Signed _____
Rebecca L. Pauli
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 28th day of January, 2016.

By: *Signed* _____
Name: Rebecca L. Pauli
Title: Administrative Law Judge

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