DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CMS
CENTERS for MEDICARE & MEDICAID SERVICES

Center for Beneficiary Choices

MEMORANDUM

TO: All Part D Sponsors

FROM: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group

RE: Prior Authorization Requirements

DATE: June 14, 2007

We have received occasional reports from physicians and beneficiaries that they have experienced difficulty obtaining information about plan prior authorization requirements. We are aware that customer service representatives have been unable to address specific questions or indicate they are not authorized to release this information based on beneficiary requests. The attached question and answer addresses our expectations on this issue.

If you have any questions please contact Greg Dill at Gregory.Dill@cms.hhs.gov or 312-353-1754.

Q: If requested, are Part D sponsors required to provide current and prospective enrollees (or their physician or authorized representative) with information regarding specific prior authorization requirements?

A: Yes. Part D sponsors must provide current and prospective enrollees (or their physician or authorized representative) with information regarding specific prior authorization criteria and other utilization management requirements. This information must be made available on a timely basis so that beneficiaries can make informed enrollment decisions, and so that physicians can access information that will help avoid delays at the pharmacy and potential interruptions in drug therapy.

42 CFR §423.128(c)(1)(v) and (c)(2) require Part D sponsors to provide to Part D eligible individuals information about their formulary and utilization management procedures. Similarly, 42 CFR §423.128(d) requires Part D sponsors to provide to current and prospective beneficiaries "specific information," such as specific prior authorization requirements, "on a timely basis" through a toll-free customer call center. In addition, the 2007 PDP application at section 3.11A required all Part D sponsor applicants to attest that they will maintain a toll-free call center to respond to physician inquiries. Accordingly, Part D Sponsors must explain their utilization management requirements and criteria through their customer service call centers. To ensure that such requests are addressed in a timely manner, if the customer service representative is unable to adequately address or answer the enrollee's (or his/her authorized representative's) or physician's questions, sponsors must expedite the call to their pharmacy technical help call center where further detail can be provided on the drug and utilization management criteria in question.

For example, if a beneficiary (or his/her physician) is considering the possibility of self-administered Alpha-1 Antitrypsin replacement infusion therapy, the physician will need to know what specific laboratory tests may be required (i.e., phenotype PiZZ or PiZ(null) or Pi (null)(null)) and/or medical documentation (i.e., clinically demonstrable panacinar emphysema) is required to satisfy the plan's prior authorization requirements. The beneficiary or physician should be able to access this information in a timely manner to order the tests and ensure the appropriate documentation is available to ensure the beneficiary's access to this medication. Conversely, if the prior authorization requirements cannot be satisfied (i.e., if the enrollee's emphysema is secondary to smoking), timely access to this information will allow the physician to investigate other treatment options in line with the Part D sponsor's formulary at the point of care.

CMS is encouraged by the fact that some Part D sponsors are already making specific utilization management information and requirements available through links on their formulary webpages. We highlight this as a model practice and encourage other Part D sponsors to do the same.