To: **Prescribing Providers and Pharmacy Providers**

Subject: **Automation of Pharmacy Prior Authorization for Fee-for-Service Claims**

Overview

On October 1, 2009, the fee-for-service (FFS) pharmacy program will implement an automated prior authorization (PA) tool known as SmartPA™. SmartPA™ executes real-time prior authorization decisions by utilizing highly sophisticated clinical PA edits supported by the member's medical and pharmacy claims data. SmartPA™ will result in quicker PA determinations for fee-for-service Medicaid members, with less intervention on the part of both pharmacy and prescribing providers. SmartPA™ has the capability to allow certain prescriber specialties to bypass designated PA requirements.

SmartPA™ ensures that the prescribed therapy meets Indiana-specific evidence-based criteria for appropriate use. If the therapy is appropriate, the claim will continue through the pharmacy claims processing system. If the therapy is not appropriate, the claim will be denied and the provider will receive notification to contact the Affiliated Computer Services (ACS) Indianapolis Clinical Call Center. SmartPA™ will be integrated with both the ACS Indianapolis Clinical Call Center and the EDS pharmacy claims adjudication (PCA) system. Claim denial will result when SmartPA™ edit requirements are not met.

Implementation

The Office of Medicaid Policy and Planning, based on recommendations from the Indiana Medicaid Drug Utilization Review Board, the Therapeutics Committee, and the Mental Health Quality Advisory Committee (applicable only to mental health drugs), will review and approve the clinical edits and criteria used within SmartPA™.

Clinical edits will gradually be added to SmartPA™ as they are approved as described above. The first edit to be implemented with SmartPA™ will be the 15-day trial fill for new, atypical antipsychotic medications. Refer to Provider Bulletin *BT200805,* dated January 24, 2008, for the criteria pertaining to this edit. Providers will be notified of the implementation of future edits through EDS provider bulletins and/or banner pages.