ARIZONA
DEPARTMENT OF
ECONOMIC SECURITY

Division of Developmental Disabilities

POLICY NOTIFICATION

Early Notification Transmittal Date: Jan 21, 2026

Public Comment Transmittal Date: Feb 26, 2026

NOTIFICATION

DDD is proposing changes to the following policy:

AdSS Medical Manual, Policy 1024 Drug Utilization Review

Description of changes:

Updates were needed to align with the most recent AMPM revisions. There was also information from policy 310-FF as AHCCCS retired that policy and merged it into this policy. These revisions include:

- Added several new policy statements under the Drug Utilization Review Requirements including:
  - Having a system that includes policies and procedures for retrospective, concurrent and prospective processes
  - Criteria for coverage for decisions
  - Requirement of a DUR program managed through the point-of-sale edits used by network pharmacies and the Pharmacy Benefit Managers (PBMs) electronic DUR system
  - Using the Prospective Review Process to ensure clinically effective medications are used in the most cost-efficient manner and AHCCCS Preferred Drugs are utilized
  - List of what Prospective Utilization Review edits include
  - Requirement of the Retrospective Drug Utilization Review process be completed to detect aberrant prescribing practice patterns, pharmacy dispensing patterns and medication administration patterns
  - Evaluate prescribing practice patterns on drug therapy outcomes
  - Monitor that DUR is performed as required for the Federal Opioid Legislation
  - List of what needs to be monitored by an automated process
  - Adherence to all requirements for MM
- Added a new section for Minimum Monitoring Requirements
- Added a new section for Minimum Intervention Requirements
- Added a new section for Reporting Requirements
- Deleted the section on concurrent Utilization Review
- Deleted the section on Retrospective Utilization Review
- Deleted the section on Prospective Utilization Review
- Deleted the section on PA Clinical Guidelines

- Deleted the section on Provider Educational Interventions
- Deleted the section on Exclusive Pharmacy or Exclusive Provider Program
- Deleted the section on Opioid Utilization

PUBLIC COMMENT TIMELINE

Dates: Public comment will be open for 30 days beginning February 26, 2026 and closing March 28, 2026, 11:59 pm, Arizona time.

Instructions: (Complete instructions are located on the Division's webpage)

- Comments may be submitted online by clicking here.
- Do not include any information that is confidential, covered under HIPAA, or inappropriate for public disclosure.

If access to the online form is not available or if you have questions, please email the DDD Policy Unit at DDDpolicy@azdes.gov.

1024 DRUG UTILIZATION REVIEW

REVISION DATES: XX/XX/XXXX, 3/27/2024
REVIEW DATES: 3/27/2025, 1/2/2024, 6/27/2023
EFFECTIVE DATE: July 13, 2022
REFERENCES: 42 CFR Part 457, 42 CFR Part 438, 42 U.S.C 1396r-8 and A.A.C. R9-22-209, 42 USC 1396A(OO), Social Security Act Section 1927 (g) Drug Use Review, AHCCCS Contract, ~~AMPM 310-FF~~, AMPM 310-V, AMPM 1024.

PURPOSE

This policy outlines the AdSS's responsibility for developing and implementing a Drug Utilization Review (DUR) process that includes retrospective, concurrent and prospective drug utilization edits. In addition, it specifies the minimum requirements to ensure Members receive clinically appropriate prescriptions.

DEFINITIONS

1. "Abuse" means provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to the Division, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care, including

beneficiary practices that result in unnecessary cost to the Division.

2. "Drug Utilization Review " or "DUR" means a systematic, ongoing review of the prescribing, dispensing, and use of medications. The purpose is to assure efficacious, clinically appropriate, safe, and cost-effective drug therapy to improve Member health status and quality of care.
3. "Exclusive Pharmacy" means an individual pharmacy, which is chosen by the Member or assigned by AHCCCS or the AdSS to provide all medically necessary Federal and State reimbursable drugs to the Member.
4. "Exclusive Provider" means an individual provider, which is chosen by the Member or assigned by the AdSS to provide all medically necessary Federal and State reimbursable drugs to the Member.
5. "Fraud" means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other

person, including any act that constitutes Fraud under applicable State or Federal law.

6. "Member" means the same as "Client," a person receiving developmental disabilities services from the Division, as specified in A.R.S. § 36-551.
7. "Prescription Drugs" means prescription medications prescribed by an Arizona Health Care Cost Containment System (AHCCCS) registered qualified practitioner as a pharmacy benefit, based on medical necessity, and in compliance with Federal and State laws.
8. "Waste" means over-utilization or inappropriate utilization of services, misuse of resources, or practices that result in unnecessary costs to the Medicaid Program.

POLICY

A. DRUG UTILIZATION REVIEW REQUIREMENTS

1. The AdSS shall develop and implement a system, including policies and procedures for retrospective, concurrent and prospective processes, coverage criteria and processes for their

Drug Utilization Review (DUR) programs.

2. The AdSS shall ensure criteria for coverage for decisions be:
   a. Based on medical necessity;
   b. Clearly documented; and
   c. Based on the scientific evidence and standards of practice that include:
      i. Peer-reviewed medical literature,
      ii. Outcomes research data,
      iii. Official compendia, or
      iv. Published practice guidelines developed by an evidence-based process.
3. The AdSS shall manage a DUR program through the point-of-sale edits used by network pharmacies and the Pharmacy Benefit Managers (PBMs) electronic DUR system to identify and address areas of concurrent review including:
   a. Preferred and non-preferred federally and state reimbursable drugs prior to dispensing;
   b. Drug-drug interactions;

c. Excessive doses;

d. High and suboptimal dosages;

e. Over and under utilization;

f. Drug-pregnancy precautions;

g. Drug-disease interactions;

h. Duplicate therapy;

i. Drug-age precautions; and

j. Other areas as applicable.

4. The AdSS shall ensure the Prospective Review Process promotes positive health outcomes through the use of Prior Authorization (PA) to ensure clinically effective medications are used in the most cost-efficient manner and AHCCCS Preferred Drugs are utilized as specified in AMPM Policy 310-V.

5. The AdSS shall ensure Prospective Utilization Review edits include:

a. Drug-allergy interactions,

b. Drug-disease contraindications,

c. Therapeutic interchange,

d. Generic substitution,

e. Incorrect drug dosage,

f. Inappropriate duration of drug therapy,

g. Medication abuse or misuse, and

h. Agents preferred on the AHCCCS Drug List.

6. The AdSS shall ensure the Retrospective Drug Utilization Review process be completed to detect aberrant prescribing practice patterns, pharmacy dispensing patterns and medication administration patterns to prevent inappropriate use, misuse or waste and include the following:

a. Clinical appropriateness, use and misuse;

b. Appropriate generic use;

c. Drug-drug interactions;

d. Drug-disease contraindications;

e. Aberrant drug dosages;

f. Inappropriate treatment duration;

g. Member utilization for over and underutilization;

h. Prescriber clinician prescriptive ordering and practice

patterns; and

i. Pharmacy dispensing patterns.

7. The AdSS shall evaluate prescribing practice patterns on drug therapy outcomes based on utilization patterns with the aim of improving safety, prescribing practices and therapeutic outcomes and include a summary of the educational interventions used and an assessment of the effect of these educational interventions on the quality of care.
8. The AdSS shall perform DUR as required for the Federal Opioid Legislation as outlined in 42 USC 1396A.
9. The AdSS shall report DUR activities to AHCCCS in accordance with Centers for Medicare and Medicaid Services (CMS) DUR requirements as specified in Contract.
10. The AdSS shall implement automated processes to monitor the following:
    a. Opioid safety edits at the Point-of-Sale;
    b. Member utilization when the cumulative current utilization of opioids is a Morphine Equivalent Daily Dose (MEDD) of

greater than 90 Morphine Milligram Equivalents (MME);

c. Members with concurrent use of an opioids in conjunction with benzodiazepines or antipsychotics;

d. Antipsychotic prescribing for Division Members; and

e. Fraud, waste and abuse by enrolled Members, pharmacies and prescribing clinicians.

11. The AdSS shall be responsible for adhering to all requirements for medical management as specified in Contract, Policy, 42 CFR Part 457, and 42 CFR Part 438.

~~3. The AdSS shall report the following to the Division:~~

~~a. Concurrent Drug Utilization Review (DUR);~~

~~b. Opioid monitoring;~~

~~c. Antipsychotic prescribing in children; and~~

~~d. Identification of Fraud, Waste, and Abuse by either DDD Members or health care practitioners.~~

~~4. The AdSS shall perform DUR to ensure that Members are receiving medications appropriately with limited adverse drug reactions.~~

~~5. The AdSS shall perform DUR that consists of retrospective, concurrent and prospective DUR.~~

~~6. The AdSS shall use Arizona Health Care Cost Containment System (AHCCCS) Prior Authorization (PA) clinical guidelines.~~

~~7. The AdSS shall base opioid monitoring per Federal regulations.~~

B. MINIMUM MONITORING REQUIREMENTS

1. The AdSS shall monitor controlled and non-controlled medications on an ongoing basis by:
   a. Evaluating prescription utilization by Members,
   b. Prescribing patterns by clinicians, and
   c. Dispensing by pharmacies.
2. The AdSS shall use the drug utilization data to identify and screen high-risk Members and Providers who may facilitate drug diversion.
3. The AdSS shall conduct the following:
   a. Monitor the requirements to determine potential misuse of drugs used in the following therapeutic classes:
      i. Atypical Antipsychotics,

ii. Benzodiazepines,

iii. Hypnotics,

iv. Muscle Relaxants,

v. Opioids, and

vi. Stimulants.

b. Utilize the following resources, when available, for their monitoring activities:

i. Prescription claims data,

ii. Arizona State Board of Pharmacy,

iii. Controlled Substance Prescription Monitoring Program (CSPMP);

iv. Indian Health Services (IHS) and Tribal 638 pharmacy data if available;

v. ACC-RBHA prescription claims data if available, and

vi. Other pertinent data.

c. Evaluation of the prescription claims data at least quarterly to identify:

i. Medications filled prior to the calculated days-supply;

ii. Number of prescribing clinicians;

iii. Number of different pharmacies utilized by the Member; and

iv. Other potential indicators of medication misuse.

C. MINIMUM INTERVENTION REQUIREMENTS

1. The AdSS shall implement the following interventions to ensure Members receive the appropriate medication, dosage, quantity, and frequency:

a. Point-of-sale safety edits and quantity limits;

b. Care or case management;

c. Referral to, or coordination of care with, a behavioral health service Provider or other appropriate specialist; and

d. Assignment of Members who meet either of the following evaluation parameters listed below to an Exclusive Pharmacy, exclusive provider or both for up to a 12-month period:

i. A Member using the following in a three-month time period:

a) Greater than four prescribers, and

b) Greater than four different Abuse potential drugs, and

c) Four pharmacies; or

d) The Member has received 12 or more prescriptions of the medications listed in the Monitoring Requirements section in the past 3 months.

ii. A Member presenting a forged or altered prescription to the pharmacy.

2. The AdSS shall assign Members who meet the parameters outlined above in (1) to a single prescriber in addition to the assignment to an exclusive pharmacy when applicable.

3. The AdSS shall ensure a Member who is assigned to an exclusive pharmacy or an exclusive prescriber for up to 12 months be provided a written notice detailing the factual and legal bases for the restriction.

4. The AdSS shall ensure the notice listed in (4) informs the

Member of the opportunity to file an appeal for a state fair hearing and the timeframes and process for doing so as described in A.A.C. Title 9, Chapter 34, Articles 2 or 3.

5. The AdSS shall not implement restrictions before providing the Member notice and opportunity for a hearing outlined in (3) and (4) above.
6. The AdSS shall not impose a restriction if the Member has filed an appeal for a state fair hearing, until:
    a. The AHCCCS Director's decision has affirmed any restriction determined through the state fair hearing,
    b. The Member has voluntarily withdrawn the appeal or request for hearing, or
    c. The Member fails to file an appeal for a state fair hearing in a timely manner.
7. The AdSS shall review the Member's prescription and other utilization data to determine whether the intervention will be continued or removed at the end of the designated time period.
8. The AdSS shall notify the Member in writing of the decision to

continue or discontinue the assignment of the pharmacy or Provider.

9. The AdSS shall include instructions for the appeals or fair hearing process in the notification letter to the Member if the decision is to continue the assignment.
10. The AdSS shall ensure that the Member has reasonable access to AHCCCS covered services, considering the geographic location and reasonable travel time.
11. The AdSS shall provide specific instructions to the Member, the assigned exclusive pharmacy or exclusive Provider, and their Pharmacy Benefit Manager (PBM) on how to address the following:
    a. Emergencies defined as medical services provided for non-FES members for the treatment of an emergency medical condition that manifests itself by acute symptoms of sufficient severity, including severe pain, such that a prudent layperson who possesses an average knowledge of health and medicine could reasonably expect the absence

of immediate medical attention to result in:

i. Placing the Member's health in serious jeopardy,

ii. Serious impairment to bodily functions, or

iii. Serious dysfunction of any bodily organ or part.

b. The medication is out-of-stock at the exclusive pharmacy, or

c. The exclusive pharmacy is closed.

12. The AdSS shall provide substance use disorder (SUD) education and treatment options to Members who experience an overdose (OD) during any encounter, including:

a. Interactions with first responders,

b. Emergency department visits, or

c. Other medical or community-based facilities.

13. The AdSS shall contact Members within 48 hours of the OD incident occurring at the Emergency Department or other facility.

14. The AdSS shall educate Members that have presented in an OD status at the Emergency Department or other facility on how to obtain naloxone at the pharmacy under the standing order.

D. REPORTING REQUIREMENTS

1. The AdSS shall identify cases of Member deaths due to medication poisoning, OD, or toxic substances and refer those cases to the AdSS Quality Management staff for research and review.
2. The AdSS shall report all suspected fraud, waste, and abuse to the appropriate entity.
3. The AdSS shall submit the following information to the Division utilizing 1024 Attachment A as specified in the Contract, Section F, Attachment F3, Contractor Chart of Deliverables:
    a. Members assigned to a pharmacy or prescribing clinician; and
    b. The number of Members which on the date of the report are assigned to using an exclusive pharmacy, prescriber, or Provider due to excessive use of prescriptive medications.
4. The AdSS shall provide prescribing clinician and dispensing pharmacy aberrant utilization.
5. The AdSS shall submit to the Division the Changes to

Interventions and Parameters to Contractor's Exclusive Pharmacy or Single Prescriber Process as specified in the Contract, Section F, Attachment F3, Contractor Chart of Deliverables, when the AdSS changes and implements additional interventions and more restrictive parameters.

~~**E. CONCURRENT UTILIZATION REVIEW**~~

~~1. The AdSS shall implement a concurrent DUR process that occurs between the pharmacies and Pharmacy Benefits Manager's (PBM) electronic DUR system at the Point of Sale (POS).~~

~~2. The AdSS shall provide concurrent DUR edits that include:~~

~~a. Preferred and non-preferred Federally and State reimbursable drugs prior to dispensing;~~

~~b. Drug-drug interactions;~~

~~c. Excessive doses;~~

~~a. High and suboptimal doses;~~

~~b. Over and underutilization;~~

~~c. Drug-pregnancy precautions;~~

~~d. Drug-disease interactions;~~

~~e. Duplicate therapy; and~~

~~f. Drug-age precautions.~~

~~C. RETROSPECTIVE UTILIZATION REVIEW~~

~~1. The AdSS shall implement a retrospective DUR process to detect aberrant prescribing practice patterns, pharmacy dispensing patterns and medication administration patterns to prevent inappropriate use, misuse, or Waste.~~

~~2. The AdSS shall perform retrospective utilization reviews to evaluate the following edits:~~

~~a. Clinical appropriateness, use and misuse;~~

~~b. Appropriate generic use;~~

~~c. Drug-drug interactions;~~

~~d. Drug-disease contraindications;~~

~~e. Aberrant drug doses;~~

~~f. Inappropriate treatment duration;~~

~~g. Member utilization for over and underutilization;~~

~~h. Prescriber clinician prescriptive ordering and practice patterns; and~~

~~i. Pharmacy dispensing patterns.~~

~~D. PROSPECTIVE UTILIZATION REVIEW~~

1. ~~The AdSS shall implement a prospective DUR process that promotes positive health outcomes using PA to ensure clinically effective medications are prescribed in the most cost-efficient manner.~~

2. ~~The AdSS shall require the PBM to enable prospective DUR edits during the adjudication of a claim for the following:~~

~~a. Drug-allergy interactions;~~

~~b. Drug-disease contraindications;~~

~~c. Therapeutic interchange;~~

~~d. Generic substitution;~~

~~e. Incorrect drug doses;~~

~~f. Inappropriate duration of drug therapy;~~

~~g. Medication Abuse or misuse; and~~

~~h. Medications preferred on the AHCCCS Drug List.~~

~~E. PRIOR AUTHORIZATION (PA) CLINICAL GUIDELINES~~

~~The AdSS shall utilize the AHCCCS PA guidelines for any medications~~

~~that require PA, have quantity limits or step therapy requirements or are non-preferred medications.~~

~~F. PROVIDER EDUCATIONAL INTERVENTIONS~~

~~The AdSS shall have educational interventions based on evaluations of practice patterns focused on drug therapy outcomes with the aim of improving safety, prescribing practices and therapeutic outcomes and ensuring the interventions improve quality of care.~~

~~G. EXCLUSIVE PHARMACY OR EXCLUSIVE PROVIDER PROGRAM~~

~~1. The AdSS shall report Members assigned to an Exclusive Pharmacy or Exclusive Provider, or both on form AMPM 1024 Attachment A.~~

~~2. The AdSS shall provide AMPM 1024 Attachment A to the Division as a quarterly deliverable when aberrant pharmacy or aberrant provider utilization is identified.~~

~~H. OPIOID UTILIZATION~~

~~1. The AdSS shall perform DUR activities as part of Federal Opioid Legislation, and report to the Division in accordance with the Centers for Medicare and Medicaid Services (CMS) DUR~~

~~requirements as specified in the Contract for the following:~~

~~a. Opioid utilization and concomitant use of benzodiazepines;~~

~~b. Opioid utilization and concomitant use of antipsychotics;~~

~~c. Buprenorphine utilization and concomitant use of opioids;~~

~~d. 7-day limits for opioid naïve adults;~~

~~e. 5-day limits for opioid naïve minors;~~

~~f. 50 Morphine Equivalent Daily Dose (MEDD) limits for opioid naïve Members;~~

~~a. Member utilization when the cumulative current utilization of opioids is a MEDD of greater than 90;~~

~~b. Antipsychotic prescribing for children; and~~

~~c. Fraud, Waste and Abuse by Members, pharmacies, and prescribing clinicians.~~

~~2. The AdSS shall exclude Members with a diagnosis of cancer, in hospice or palliative care from opioid safety edits and utilization management limitations associated with opioids.~~

Signature of Chief Medical Officer

Name

Date