

**DRUG UTILIZATION REVIEW (DUR) ANNUAL REPORT  
FEDERAL FISCAL YEAR 2007  
EXECUTIVE SUMMARY**

**BACKGROUND**

The Omnibus Budget Reconciliation Act (OBRA) of 1990 requires that, effective January 1, 1993, each State establish a Medicaid Drug Utilization Review (DUR) Program. The program must include both prospective and retrospective DUR to assure that prescriptions are appropriate, medically necessary, and are not likely to result in adverse medical results. To accomplish this objective, the law requires Medicaid DUR programs to screen, based upon explicit criteria, for therapeutic problems specified in the law (for example, drug-drug interactions, incorrect dosage and duration of therapy, therapeutic duplication), to develop and implement interventions to change drug use behavior, and to assess the outcome of the intervention.

**ANNUAL REPORT**

The law [Section 1927(g)(3)(D) of the Social Security Act] also requires State Medicaid agencies to prepare and submit, on an annual basis, a specified report to the Secretary of Health and Human Services that includes the following information:

- (1) A description of the nature and scope of the prospective and retrospective drug utilization review program;
- (2) A summary of the educational interventions used and an assessment of the effect of these educational interventions on the quality of care;
- (3) An estimate of the cost savings generated as a result of the DUR program. This report must identify costs of DUR and savings to the Medicaid drug program attributable to prospective and retrospective DUR.

The attached report fulfills that requirement for the Wisconsin Medicaid program.

**HISTORY OF WISCONSIN MEDICAID DRUG UTILIZATION REVIEW PROGRAM**

The state agency in the Wisconsin Department of Health and Family Services responsible for benefits administration is the Division of Health Care Access and Accountability (DHCAA). The DHCAA established a Medicaid Evaluation and Decision Support Drug Utilization Review (DUR) Project. Since September 1994, the Wisconsin Medicaid DUR Project has been administered by APS Healthcare in partnership with Health Information Designs, Inc. under a subcontract. Since September 1996, the primary contractor is Electronic Data Systems (EDS).

**SUMMARY OF PROSPECTIVE AND RETROSPECTIVE DUR ACTIVITIES**

## **Prospective DUR**

The State of Wisconsin utilizes an on-line real-time prospective DUR program that began in the second quarter of FFY 2002. Prior to this time, the Medicaid Program relied on pharmacists to provide these services. In October 2008, a new MMIS system was implemented resulting in changes to the data warehouse. Due to the changes, a summary of prospective DUR interventions for FFY 2008 is unavailable at this time.

## **Retrospective DUR**

Retrospective DUR activities are performed by APS Healthcare (APS) utilizing software supplied by Health Information Designs, Inc. (HID), both of whom are subcontractors to EDS. Monthly DUR reviews are performed following receipt of paid claims tapes from EDS. Interrogation of drug claims against DUR Board-approved criteria generates patient profiles that are individually reviewed for clinical significance by the pharmacy staff of APS Healthcare. Criteria are developed jointly by APS and HID and are reviewed and approved by the DUR Board and recommended to DHCAA for approval. If a potential drug problem is discovered, intervention letters are sent to all providers who prescribed a drug relevant to the identified problem. Retrospective DUR criteria are tabulated in Table 2 of the report.

During FFY 2008, 8162 individual patient drug profiles were reviewed. Intervention letters and referrals were sent to 2980 prescribers concerning potential drug therapy problems involving 2089 patients. The number of cases reviewed and the interventions per month are illustrated in Appendix B.

## **DUR Board Activities**

The current DUR Board is composed of twelve members; five physicians, six pharmacists, and one nurse practitioner. In FFY 2008, James Vavra of the DHCAA served as chair of the board. A list of the 2008 DUR Board members appears as Appendix A.

The DUR Board meets four times annually. Additional materials are sent to Board members between meetings for review and action. Activities of the DUR Board included review and approval of DUR criteria, review and approval of educational material and interventions, and other recommendations to the DHCAA on drug-related issues.

## **Cost Savings**

A cost savings analysis of drug costs associated with a recipient before and after a retrospective DUR letter intervention was prepared for FFY 2008. Payments for drugs were aggregated for four months before a DUR letter intervention and, after a 14-day wash out period, four months post intervention. Thus, the savings reflect a comparison of the amount paid for drugs before the intervention with those after the intervention. A comparison group of eligible recipients who have never received an intervention is used as a comparison group. The number of patients

randomly selected equals the number of patients for whom an intervention was sent. Costs pre- and post intervention are calculated from this group. The total cost difference from this group is subtracted from any cost savings in the intervention group to generate the final cost savings estimates. Because of the carve-out of pharmacy benefits for managed care members a pre-post analysis is not possible for these members since there is no pre-intervention data available for part of the year for these members. Appendix C includes each month's interventions separately. The total savings for the first seven months of the federal fiscal comparison is \$292,957.80.

This analysis relies on completed claims data and reflects actual not projected savings. Also, the analysis does not project additional savings that may be realized greater than four months after the intervention.

### **Conclusion**

The State of Wisconsin is in compliance with the DUR requirements specified in OBRA '90. Programs administered by the state provide direct cost savings to the overall Medicaid program.

The monthly retrospective DUR intervention cycle, the prospective DUR alerts, and the additional targeted DUR interventions provide a clinical oversight of the Medicaid and SeniorCare recipients and provide the State of Wisconsin with significant cost savings.