

# MEDICAID POLICY INFORMATION SHEET

**Policy Analyst:** Vicki Goethals

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Initial

Public Comment

Final

**Brief description of policy:**

Effective January 1, 2024, a pharmacy may offer a program to automatically refill outpatient prescription drug products provided the pharmacy complies with the following informed consent requirements pursuant to the Centers for Medicare & Medicaid Services (CMS) published guidance, "Clarifications to the 2014 Policy on Automatic Delivery of Prescriptions".

**Reason for policy (problem being addressed):**

Obtaining beneficiary consent prior to providing each refill will help ensure medical necessity and assist in medication adherence, while also reducing waste.

**Budget implication:**

- budget neutral
- will cost MDHHS \$ \_\_\_\_\_, and (select one) budgeted in current appropriation
- will save MDHHS \$ \_\_\_\_\_

**Is this policy change mandated per federal requirements?**

No

**Does policy have operational implications on other parts of MDHHS?**

No

**Does policy have operational implications on other departments?**

No

**Summary of input:**

- controversial (Explain)
- acceptable to most/all groups
- limited public interest/comment

**Supporting Documentation:**

State Plan Amendment Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please provide status: <input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied	If yes, Submission Date:
Date:                      Approval	Date:

<b>DRAFT FOR PUBLIC COMMENT</b>		
	<b>Michigan Department of Health and Human Services</b>	<b>Project Number:</b> 2341-Pharmacy   <b>Date:</b> October 3, 2023

**Comments Due:** November 7, 2023  
**Proposed Effective Date:** January 1, 2024  
**Direct Comments To:** Vicki Goethals  
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**E-Mail Address:** [goethalsv@michigan.gov](mailto:goethalsv@michigan.gov)  
**Phone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

<p><b>Policy Subject:</b> Documenting Beneficiary Consent Authorizing Automatic Refills of Prescribed Pharmacy Products</p> <p><b>Affected Programs:</b> Medicaid, Healthy Michigan Plan, Children’s Special Health Care Services (CSHCS), Maternity Outpatient Medical Services (MOMS), Plan First</p> <p><b>Distribution:</b> Pharmacy Providers</p> <p><b>Summary:</b> Effective January 1, 2024, a pharmacy may offer a program to automatically refill outpatient prescription drug products provided the pharmacy complies with the following informed consent requirements pursuant to the Centers for Medicare &amp; Medicaid Services (CMS) published guidance, “<a href="#">Clarifications to the 2014 Policy on Automatic Delivery of Prescriptions</a>”.</p> <p><b>Purpose:</b> The purpose of this policy is to ensure compliance with CMS Guidelines for automatic pharmacy refills to reduce fraud, waste, and abuse while additionally assisting in medication adherence.</p> <p><b>Cost Implications:</b> Budget neutral</p> <p><b>Potential Hearings &amp; Appeal Issues:</b> None</p>
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<b>State Plan Amendment Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>If yes, date submitted:</b> _____	<b>Public Notice Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Submitted date:</b> _____
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**Tribal Notification:** Yes  No  - **Date:** \_\_\_\_\_

**THIS SECTION COMPLETED BY RECEIVER**

<input type="checkbox"/> <b>Approved</b>	<input type="checkbox"/> <b>No Comments</b>
<input type="checkbox"/> <b>Disapproved</b>	<input type="checkbox"/> <b>See Comments Below</b>
	<input type="checkbox"/> <b>See Comments in Text</b>

<b>Signature:</b> _____	<b>Phone Number</b> _____
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**Signature Printed:** \_\_\_\_\_

<b>Bureau/Administration</b> <i>(please print)</i> _____	<b>Date</b> _____
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# Proposed Policy Draft

Michigan Department of Health and Human Services  
Behavioral & Physical Health and Aging Services Administration

**Distribution:** Pharmacy Providers

**Issued:** December 1, 2023 (Proposed)

**Subject:** Documenting Beneficiary Consent Authorizing Automatic Refills of Prescribed Pharmacy Products

**Effective:** January 1, 2024 (Proposed)

**Programs Affected:** Medicaid, Healthy Michigan Plan, Children's Special Health Care Services (CSHCS), Maternity Outpatient Medical Services (MOMS), Plan First

The purpose of this bulletin is to inform pharmacy providers that, effective January 1, 2024, a pharmacy may offer a program to automatically refill outpatient prescription drug products provided the pharmacy complies with the following informed consent requirements pursuant to the Centers for Medicare & Medicaid Services (CMS) published guidance, "[Clarifications to the 2014 Policy on Automatic Delivery of Prescriptions](#)".

This bulletin is also in accordance with the United States Government Accountability Office (GAO) recommendation in its July 2015 report "[Medicaid: Additional Reporting May Help CMS Oversee Prescription-Drug Fraud Controls](#)" that Medicaid programs review pharmacy automatic refill programs and corresponding Medicaid policies as a potential concern for waste and unnecessary costs.

Obtaining beneficiary consent prior to enrollment into an automatic refill program will help ensure medical necessity and reduce waste, while also assisting in medication adherence.

Controlled substance refill requirements are still in place.

## **Informed Consent**

Beneficiary participation in an automatic refill program must be voluntary and opt-in only.

Beneficiary consent must be obtained prior to enrollment into an automatic refill program from either the beneficiary or a beneficiary's representative either electronically or in written form.

Consent must be obtained for each prescription. The consent should include, at a minimum, instructions on how to withdraw a prescription medication from refill through the program or to disenroll entirely from the program. For each prescription enrolled in the pharmacy automatic

refill program, the pharmacy shall also obtain an annual renewal consent no later than 12 months since the prescription was previously enrolled in the program.

The pharmacy shall complete a drug regimen review for each prescription refilled through the program at the time of refill.

Each time a prescription is refilled through the program, the pharmacy shall provide a written or electronic notification to the beneficiary or the beneficiary's representative confirming that the prescription medication is being refilled through the program.

The beneficiary or beneficiary's representative shall, at any time, be able to withdraw a prescription medication from automatic refill or to disenroll entirely from the program. The pharmacy shall document and maintain such withdrawal or disenrollment.

The pharmacy shall provide a full refund to the beneficiary, beneficiary's representative, or Medicaid for any prescription medication refilled through the program if the pharmacy was notified that the beneficiary did not want the refill, regardless of the reason, where the pharmacy had been notified of withdrawal or disenrollment from the program prior to dispensing the prescription medication.

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### **Exclusions**

A licensed intermediate care facility, as defined in [Michigan Public Health Code Article 17, Section 333.20108](#), that automatically refills prescription medications for Medicaid beneficiaries need not comply with the provisions of this section.

This policy does not affect retail refill reminder programs that require the beneficiary to pick up the prescription.

### **Documentation Requirements**

Written or electronic consent to enroll each medication into a pharmacy's automatic refill program must be retained in accordance with the Medicaid record retention policy.

Signature Log requirements as identified in Medicaid policy bulletin [HASA 22-13](#) are still in place.

A pharmacy shall make available any written or electronic notification required by this section in alternate languages as required by state or federal law.

MDHHS recommends that pharmacies have written policies and procedures describing their automatic refill program setting forth, at a minimum, how the pharmacy will comply with these requirements.