

**STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
FOR THE DEPARTMENT OF COMMUNITY HEALTH**

P.O. Box 30763, Lansing, MI 48909  
(877) 833-0870; Fax: (517) 373-4147

**IN THE MATTER OF:**

██████████

Appellant

\_\_\_\_\_ /

Docket No. 14-010037 PHR

██████████

██████████

**DECISION AND ORDER**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 42 CFR 431.200 *et seq.*, following Appellant's request for a hearing.

After due notice, a hearing was held on ██████████. Appellant appeared and testified on her own behalf. ██████████, Clinical Pharmacist for ██████████ ██████████ represented the Michigan Department of Community Health (MDCH).

**ISSUE**

Did the Department properly deny the Appellant's request for prior authorization of Modafinil, the generic of Provigil?

**FINDINGS OF FACT**

The Administrative Law Judge based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Appellant is a ██████ year old Medicaid beneficiary, born ██████████. (Exhibit A, pp. 3, 4 and testimony)
2. On or about ██████████, Appellant's physician ██████████ specializing in family practice and internal medicine, submitted a PA for Modafinil, the generic of Provigil, for a diagnosis of fatigue associated with chronic pain from fibromyalgia. (Exhibit A, pp. 7-36 and testimony)
3. Medicaid guidelines provide that Modafinil and Provigil require specific diagnoses for approval. The diagnoses required for approval are listed as: 1) narcolepsy (PDL criteria applies; trial on preferred CNS stimulant required), 2) fatigue associated with multiple sclerosis, 3) obstructive sleep apnea (OAS)/obstructive sleep apnea syndrome (OSAS) confirmed by a sleep study. C-PAP therapy, if appropriate for the patient, must be noted as

having been maximized. Note if there have been any other medication failures. 4) myotonic dystrophy (for Provigil only), and 5) shift-work sleep disorder (requires MDCH review). (Exhibit A, p. 41).

4. On ██████████, after clinical review of Appellant's PA request for Modafinil, the generic of Provigil was denied for not meeting criteria for authorization due to the fact that Appellant's diagnosis did not support approval. Appellant's request was then forwarded to MDCH and was reviewed by ██████████, a physician reviewer. On ██████████ denied the request stating "Deny-no approvable diagnosis". (Exhibit A, pp. 37-38 and testimony).
5. An Adequate Action Notice of denial was sent to the Appellant on ██████████. (Exhibit A, p. 39).
6. Appellant requested a formal, administrative hearing on ██████████ (Exhibit A, p. 2).

### **CONCLUSIONS OF LAW**

The Medical Assistance Program is established pursuant to Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). It is administered in accordance with state statute, the Social Welfare Act, the Administrative Code, and the State Plan under Title XIX of the Social Security Act Medical Assistance Program.

The Social Security Act § 1927(d), 42 USC 1396r-8(d), provides as follows:

#### LIMITATIONS ON COVERAGE OF DRUGS –

- (1) PERMISSIBLE RESTRICTIONS –
  - (A) A state may subject to prior authorization any covered outpatient drug. Any such prior authorization program shall comply with the requirements of paragraph (5). A state may exclude or otherwise restrict coverage of a covered outpatient drug if –
    - (i) the prescribed use is not for a medically accepted indication (as defined in subsection (k)(6));
    - (ii) the drug is contained in the list referred to in paragraph (2);
    - (iii) the drug is subject to such restriction pursuant to an agreement between a manufacturer and a State authorized by the Secretary under subsection (a)(1) or in effect pursuant to subsection (a)(4); or

- (iv) the State has excluded coverage of the drug from its formulary in accordance with paragraph 4.

(2) LIST OF DRUGS SUBJECT TO RESTRICTION –The following drugs or classes of drugs, or their medical uses, may be excluded from coverage or otherwise restricted:

- (A) Agents when used for anorexia, weight loss, or weight gain.
- (B) Agents when used to promote fertility.
- (C) Agents when used for cosmetic purposes or hair growth.
- (D) Agents when used for the symptomatic relief of cough and colds.
- (E) Agents when used to promote smoking cessation.
- (F) Prescription vitamins and mineral products, except prenatal vitamins and fluoride preparations.
- (G) Nonprescription drugs.
- (H) Covered outpatient drugs, which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee.
- (I) Barbiturates.
- (J) Benzodiazepines.
- (K) Agents when used for the treatment of sexual or erectile dysfunction, unless such agents are used to treat a condition, other than sexual or erectile dysfunction, for which the agents have been approved by the Food and Drug Administration.

\* \* \*

(4) REQUIREMENTS FOR FORMULARIES — A State may establish a formulary if the formulary meets the following requirements:

- (A) The formulary is developed by a committee consisting of physicians, pharmacists, and other appropriate individuals appointed by the Governor of the State (or, at the option of the State, the State's drug use review board established under subsection (g)(3)).
- (B) Except as provided in subparagraph (C), the formulary includes the covered outpatient drugs of any manufacturer, which has entered into and complies with an agreement under subsection (a) (other than any drug excluded from coverage or otherwise restricted under paragraph (2)).
- (C) A covered outpatient drug may be excluded with respect to the treatment of a specific disease or condition for an identified population (if any) only if, based on the drug's labeling (or, in the case of a drug the prescribed use of which is not approved under the Federal Food, Drug, and Cosmetic Act but is a medically accepted indication, based on information from appropriate compendia described in subsection (k)(6)), the excluded drug does not have a significant, clinically meaningful therapeutic advantage in terms of safety, effectiveness, or clinical outcome of such treatment for such population over other drugs included in the formulary and there is a written explanation (available to the public) of the basis for the exclusion.
- (D) The state plan permits coverage of a drug excluded from the formulary (other than any drug excluded from coverage or otherwise restricted under paragraph (2)) pursuant to a prior authorization program that is consistent with paragraph (5).
- (E) The formulary meets such other requirements as the Secretary may impose in order to achieve program savings consistent with protecting the health of program beneficiaries.

A prior authorization program established by a State under paragraph (5) is not a formulary subject to the requirements of this paragraph.

- (5) REQUIREMENTS OF PRIOR AUTHORIZATION PROGRAMS — A State plan under this title may require, as a condition of coverage or payment for a covered outpatient drug for which Federal financial participation is available in accordance with this section, with respect to drugs dispensed on or after July 1, 1991, the approval of the drug before its dispensing for any medically accepted indication (as defined in subsection (k)(6)) only if the system providing for such approval –
- (A) Provides response by telephone or other telecommunication device within 24 hours of a request for prior authorization; and
- (B) Except with respect to the drugs referred to in paragraph (2) provides for the dispensing of at least 72-hour supply of a covered outpatient prescription drug in an emergency situation (as defined by the Secretary).

#### 42 USC 1396r-8(k)(6) MEDICALLY ACCEPTED INDICATION -

The term “medically accepted indication” means any use for a covered outpatient drug which is approved under the Federal Food, Drug, and Cosmetic Act [21 U.S.C. 301 et seq.] or the use of which is supported by one or more citations included or approved for inclusion in any of the compendia described in subsection (g)(1)(B)(i).

The Medicaid Provider Manual addresses prior-authorization requirements as follows:

### **8.2 PRIOR AUTHORIZATION REQUIREMENTS**

PA is required for:

- Products as specified in the MPPL. Pharmacies should review the information in the Remarks as certain drugs may have PA only for selected age groups, gender, etc. (e.g., over 17 years).
- Payment above the Maximum Allowable Cost (MAC) rate.
- Prescriptions that exceed MDCH quantity or dosage limits.
- Medical exception for drugs not listed in the MPPL.

- Medical exception for noncovered drug categories.
- Acute dosage prescriptions beyond MDCH coverage limits for H2 Antagonists and Proton Pump Inhibitor medications.
- Dispensing a 100-day supply of maintenance medications that are beneficiary-specific and not on the maintenance list.
- Pharmaceutical products included in selected therapeutic classes. These classes include those with products that have minimal clinical differences, the same or similar therapeutic actions, the same or similar outcomes, or have multiple effective generics available.

\* \* \*

#### **8.4 DOCUMENTATION REQUIREMENTS**

For all requests for PA, the following documentation is required:

- Pharmacy name and phone number;
- Beneficiary diagnosis and medical reason(s) why another covered drug cannot be used;
- Drug name, strength, and form;
- Other pharmaceutical products prescribed;
- Results of therapeutic alternative medications tried; and
- MedWatch Form or other clinical information may be required.

\* \* \*

#### **8.6 PRIOR AUTHORIZATION DENIALS**

PA denials are conveyed to the requester. PA is denied if:

- The medical necessity is not established.
- Alternative medications are not ruled out.
- Evidence-based research and compendia do not support it.
- It is contraindicated, inappropriate standard of care.
- It does not fall within MDCH clinical review criteria.
- Documentation required was not provided. [*MDCH Medicaid Provider Manual; Pharmacy Section*, July 1, 2014, pp 14-16].

The Michigan Medicaid Clinical and PDL Criteria for Provigil (Modafinil) and Nuvigil (Armodafinil) provides, in pertinent part:

Diagnosis to approve:

1. **Narcolepsy:** PDL criteria applies; trial on preferred CNS stimulant required (see medications below PDL chart under ADD/ADHD criteria)
2. **Fatigue associated with multiple sclerosis**
3. **Obstructive sleep apnea (OSA) / Obstructive sleep apnea syndrome (OSAS);** confirmed by a sleep study. C-PAP therapy, if appropriate for the patient, must be noted as having been maximized. Note if there have been any other medication failures.
4. **Myotonic dystrophy (for Provigil only)**
5. **Shift-work sleep disorder:** all requests will require MDCH review and must contain information regarding the following:
  - Have opportunities for maximizing sleep been addressed with the patient?
  - Has obtaining enough sleep been emphasized with the patient?
  - Has the patient been counseled regarding appropriate sleep hygiene? Please document.
  - Is the patient able to adjust work hours?
  - Does the patient's shift vacillate between overnight hours and daytime hours?
  - Is the patient currently taking sedating medications and, if so, for what diagnoses?
  - What specific effects, other than "feeling sleepy" or "fatigue", is the patient experiencing? (Exhibit A, p. 41)

The Department is authorized by federal law to develop a formulary of approved prescriptions and a prior authorization process.

The Department's clinical pharmacist ██████████ testified on ██████████, a prior authorization request from Appellant's physician ██████████, specializing in family practice and internal medicine, for Modafinil, the generic of Provigil, for a diagnosis of fatigue associated with chronic pain from fibromyalgia was reviewed by ██████████.

Medicaid guidelines provide that Modafinil and Provigil require specific diagnoses for approval. The diagnoses required for approval are listed as: 1) narcolepsy, 2) fatigue

associated with multiple sclerosis, 3) obstructive sleep apnea/obstructive sleep apnea syndrome confirmed by a sleep study, 4) myotonic dystrophy (for Provigil only), and 5) shift-work sleep disorder.

██████████ testified on ██████████, after clinical review of Appellant's PA request for Modafinil, the generic of Provigil was denied for not meeting criteria for authorization due to the fact that Appellant's diagnosis did not support approval. Appellant's request was then forwarded to MDCH and was reviewed by ██████████, a physician reviewer. On ██████████ denied the request stating "Deny-no approvable diagnosis". Thereafter, an Adequate Action Notice of denial was sent to the Appellant on ██████████.

Appellant testified that she had the same symptoms of the approvable diagnoses but not the listed diagnoses. Appellant also indicated that she believed that the requested medication had been prescribed to others with her diagnoses, but she could not say that the medication had be authorized and paid for by Medicaid. Appellant suggested that the provisions in the Social Security Act might offer some room for approving the Mondafil in her case.

This Administrative Law Judge has reviewed the evidence of record. Here, Appellant's request was denied after a clinical review and was forwarded to MDCH and reviewed by ██████████, a physician reviewer, per Department policy. ██████████ upheld the previous denial for Modafinil. The undersigned has no authority to override the decision of the physician reviewer since that decision was made within policy. Policy requires that requests for Provigil or Modafinil must be reviewed by the Department and that was done in this case. The approval criteria require Appellant to be diagnosed with one of the listed diagnoses, or the Provigil or Modafinil cannot be approved. Appellant's diagnosis in this case was not a diagnosis on the required list. Accordingly, the Department's denial is proper based on the submitted information.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, must find that the Department was within its legal authority to deny coverage for the medication sought.

[REDACTED]  
Docket No. 14-010037 PHR  
Decision and Order

**IT IS THEREFORE ORDERED** that:

The Department's decision is **AFFIRMED**.

*William D Bond*

---

William D. Bond  
Administrative Law Judge  
for Nick Lyon, Director  
Michigan Department of Community Health

Date Signed: [REDACTED]

Date Mailed: [REDACTED]

WDB/db

cc: [REDACTED]

**\*\*\* NOTICE \*\*\***

The Michigan Administrative Hearing System for the Department of Community Health may order a rehearing on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. The Michigan Administrative Hearing System for the Department of Community Health will not order a rehearing on the Department's motion where the final decision or rehearing cannot be implemented within 90 days of the filing of the original request. The Appellant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt of the rehearing decision.