

ISSUE

Did the Department properly deny Petitioner's request for prior authorization of the medication Wegovy?

FINDINGS OF FACT

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

1. Petitioner is a Medicaid beneficiary who is over REDACTED years old and has been diagnosed with obesity. (Exhibit A, pp 2, 6; Testimony.)
2. On July 18, 2025, Petitioner's provider sought prior authorization for the medication Wegovy for Petitioner. (Exhibit A, pp 6-9; Testimony.)
3. Per Michigan Medicaid Clinical and PDL Criteria to be approved for Wegovy, for patients age ~~REDACTED~~ years, the patient must have an initial body mass index [BMI] REDACTED but < REDACTED and at least one risk factor. Alternatively, for this age group and BMI, the medication must be prescribed for cardiovascular risk reduction in patients with prior myocardial infarction, prior stroke, or peripheral arterial disease. (Exhibit A, pp 2, 6; Testimony.)
4. Petitioner did not meet the above criteria here based on the clinical information submitted, so the PA request was referred to a physician reviewer at the State of Michigan, who upheld the denial, stating, "Denied; does not meet BMI with risk factor(s) criteria for approval." (Exhibit A, pp 2, 7; Testimony.)

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5. On July 18, 2025, an Adequate Action Notice of denial was sent to Petitioner and her provider. (Exhibit A, pp 12-16; Testimony.)
 6. On September 16, 2025, Petitioner's request for hearing was received by the Michigan Office of Administrative Hearings and Rules. (Exhibit A, pp 3-5.)
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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.

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(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.

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

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- (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 indicates, in relevant part:

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 MDHHS quantity or dosage limits.
- Medical exception for drugs not listed in the MPPL.
- Medical exception for noncovered drug categories.

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- Acute dosage prescriptions beyond MDHHS 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 MDHHS clinical review criteria.
- Documentation required was not provided.

*Medicaid Provider Manual
Pharmacy Section July 1,
2025, pp 15-18 Emphasis
added*

Michigan Medicaid Clinical Criteria for Wegovy indicates as follows:

MISCELLANEOUS: ANTI-OBESITY AGENTS

(PDL Class - see MICHIGAN PREFERRED DRUG LIST)

Length of Authorization: Initial = 6 months; Renewal = 6 months

CRITERIA TO APPROVE

INITIAL REQUEST

- Prescriber attests that the patient will not use more than one weight loss medication in this drug class concurrently; AND
- Prescriber attests that the patient will not use an anti-obesity GLP-1 agonist (Wegovy, Saxenda or Zepbound) concurrently with a medication that contains a DPP-4 inhibitor (alogliptin, linagliptin, saxagliptin or sitagliptin); AND
- Patient ≥ 18 years of age; OR
- Patient age ≥ 12 years (Wegovy, Xenical, Saxenda, phentermine/topiramate); OR
- Patient age ≥ 17 years (phentermine); AND
- Patient age ≥ 12 years to < 18 years must have an initial BMI per CDC growth charts at the 95th percentile or greater for age and sex (obesity); OR
- Patient age ≥ 12 years to < 18 years with BMI in the 85th— 94th percentile (overweight) per CDC growth charts and has at least one of the following weight-related coexisting conditions:
 - o diabetes, sleep apnea, hypertension, or dyslipidemia; OR

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- Patient age ≥ 18 years (benzphetamine, diethylpropion, phendimetrazine, Zepbound®); AND
 - Patient age ≥ 18 years must have an initial body mass index [BMI] \geq than 30 kg/m²; OR
 - Patient age ≥ 18 years must have an initial body mass index [BMI] \geq than 27 kg/m² but < 30 kg/m² and at least one of the following risk factors:
 - hypertension, coronary artery disease, diabetes, dyslipidemia, or sleep apnea; OR
 - This medication is being prescribed for cardiovascular risk reduction in patients with prior myocardial infarction, prior stroke or peripheral arterial disease (Wegovy);
 - For patients with an eating disorder, prescriber attests that treatment has been optimized and confirms the safety and appropriateness of this anti-obesity treatments; AND
 - Prescriber attests that metabolic or other reason(s) for obesity/symptoms have been ruled out or diagnosed and treated (e.g., thyroid dysfunction, diabetes, sleep apnea, etc.); AND
 - Prescriber attests to patient's absence of any contraindications to use of the requested product, including pregnancy, lactation, a personal or family history of medullary thyroid cancer or multiple endocrine neoplasia type II; AND
 - Prescriber attests medication therapy is part of a total treatment plan including diet and exercise/activity as appropriate for the patient's ability; AND
 - Prescriber attests that patient has been informed weight may return with cessation of medication unless healthy lifestyle diet and activity changes, as appropriate for the patient's ability, are permanently adopted.

MDHHS recommends that prescribers consider the benefits of a diabetes prevention program for their patients.

Exhibit A, p 17

The Department's Clinical Pharmacist testified that on July 18, 2025, Petitioner's provider sought prior authorization for the medication Wegovy for Petitioner. The

Department's Clinical Pharmacist indicated that per Michigan Medicaid Clinical and PDL

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Criteria to be approved for Wegovy, for patients age REDACTED, the patient must have an initial body mass index [BMI] REDACTED < REDACTED and at least one risk factor.

The Department's Clinical Pharmacist testified that alternatively, for this age group and BMI, the medication must be prescribed for cardiovascular risk reduction in patients with prior myocardial infarction, prior stroke or peripheral arterial disease. The Department's Clinical Pharmacist indicated that Petitioner did not meet the above criteria here based on the clinical information submitted, so the PA request was referred to a physician reviewer at the State of Michigan, who upheld the denial, stating, "Denied; does not meet BMI with risk factor(s) criteria for approval." The Department's Clinical Pharmacist testified that based on the above, on July 18, 2025, an Adequate Action Notice of denial was sent to Petitioner and her provider.

Petitioner testified that she has been struggling with her weight for years and had tried different things like walking and different diets but nothing has worked.

Petitione

r indicated that she was confused about her BMI because she thought hers was higher. Petitioner testified that while she does not have heart disease, both her parents do and she has aunts and uncles who have diabetes. Petitioner indicated that she is trying to get blood work done but it has not been completed yet.

Based on the evidence presented, Petitioner has failed to prove, by a preponderance of the evidence, that the Department improperly denied the prior authorization request for the medication Wegovy. As indicated above, Wegovy can only be approved if certain criteria are met and those criteria were not met here. Here, Petitioner does not have an initial body mass index [BMI] \geq REDACTED but $<$ REDACTED and at least one risk factor. And, Petitioner does not have cardiovascular risk with prior myocardial infarction, prior stroke or peripheral arterial disease. Therefore, based on the clinical documentation submitted, the Department's denial was proper. If Petitioner's BMI is different, or if risk factors change based on her upcoming blood tests, her provider can resubmit the request.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds that the Department properly denied coverage for the medication Wegovy.

IT IS THEREFORE ORDERED that:

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

