

STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES  
Before the Director of Insurance and Financial Services

In the matter of:

██████████

Petitioner,

v

Oakland County, Plan Sponsor,

and

Navitus Health Solutions, Plan Administrator,

Respondents.

File No. 152455-001-SF

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Issued and entered  
this 30<sup>th</sup> day of March 2016  
by Randall S. Gregg  
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

██████████ (Petitioner) was denied coverage for a prescription drug by his health plan.

On March 1, 2016, ██████████, MD, the Petitioner's authorized representative, filed a request with the Director of Insurance and Financial Services for an external review of that denial under Public Act No. 495 of 2006 (Act 495), MCL 550.1951 *et seq.*

The Petitioner receives prescription drug benefits through a health plan sponsored by Oakland County (the plan), a government self-funded health plan subject to Act 495. Navitus Health Solutions (Navitus) administers the plan's pharmacy benefits. The Director immediately notified Navitus of the external review request and asked for the information it used to make the plan's final adverse determination. Navitus responded on March 1, 2016, and the Director accepted the request on March 8, 2016, after a preliminary review of the information submitted.

Section 2(2) of Act 495, MCL 550.1952(2), authorizes the Director to conduct this external review as though the Petitioner were a covered person under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.*

The case was assigned to an independent review organization (IRO) for a review of the medical issue raised. The IRO provided its recommendation to the Director on March 22, 2016.

## II. FACTUAL BACKGROUND

The Petitioner's prescription drug benefits are defined in the plan's booklet *Pharmacy Benefit* (the benefit booklet).

The Petitioner has chronic plaque psoriasis. His physician prescribed the drug Otezla to treat his condition and submitted an authorization request. Navitus declined to authorize coverage.

The Petitioner appealed the denial through the plan's internal grievance process. At the conclusion of that process Navitus, acting for the plan, issued a final adverse determination dated February 11, 2016, affirming its decision. The Petitioner now seeks review of that final adverse determination from the Director.

## III. ISSUE

Did the plan correctly deny coverage for Otezla?

## IV. ANALYSIS

### Petitioner's Argument

The Petitioner's authorized representative explained his position in a February 5, 2016, letter to Navitus that was submitted with the external review request:

I am writing to provide additional information to support my claim for the treatment of [the Petitioner] with Otezla for Psoriasis. . . . In brief, treatment of [the Petitioner] with Otezla is medically appropriate and necessary and should be a covered treatment. Below, this letter outlines [his] medical history, prognoses, and treatment rationale.

[The Petitioner] is a [REDACTED] year old male with a long history of Psoriasis. [He] has a body surface area of involvement of 10% affecting his abdomen, buttocks, arms, elbows, legs, knees, and feet with scaly thick pink plaques. [He] is currently in phototherapy. He has tried multiple topical steroid and non-steroid treatments with minimal response. [He] has a history of Melanoma of the left anterior thigh, because of this he is not a candidate for any biologic treatments. [The Petitioner] is a good candidate for Otezla and it is my professional opinion that he would benefit greatly with the use of Otezla.

Key factors that Otezla is medically necessary:

- Patient has a diagnosis of Psoriasis
- Patient has a history of Melanoma therefore he is not a candidate for biologic therapies
- Patient is not a candidate for Soriatane because of it causes photosensitivity and patient is in phototherapy
- Patient is not a candidate for Cyclosporine because of his high blood pressure
- Patient is not a candidate for Methotrexate because of his social drinking
- Patient has tried and failed multiple topical therapies with minimal response

Given the patient's history, condition, and the published data supporting use of Otezla, I believe treatment . . . with Otezla is warranted, appropriate, and medically necessary. The clinical peer-reviewed literature and package insert document that Otezla is an effective therapy for patients like [him].

### Navitus's Argument

In its final adverse determination, Navitus explained its denial:

A decision was made to uphold the denial. This request has not been approved because this medication is a non-formulary medication and not covered based on the Pharmacy and Therapeutics (P&T) Committee guidelines for the coverage of non-formulary medications. All formulary alternatives must be tried prior to approval of this medication. Due to your history of malignant melanoma, treatment with biologics may be contraindicated. Cosentyx injections have a different mechanism of action than other biologics (Humira, Enbrel) and do not appear to have a precaution for use in patients with cancer history. Formulary alternatives include methotrexate and soriatane. . . .

### Director's Review

Otezla is not on the plan's drug formulary. However, according to the plan's final adverse determination, it may be approved if alternative drugs that are on the formulary are tried without success.

To determine the reasonableness of the plan's requirement, the case was assigned to an IRO for analysis and a recommendation as required by section 11(6) of the Patient's Right to Independent Review Act, MCL 550.1911(6). The IRO physician reviewer is board certified in dermatology and is in active practice. The IRO report included the following analysis and recommendation:

#### **Recommended Decision:**

The MAXIMUS physician consultant determined that Otezla is not medically necessary for treatment of the member's condition.

**Rationale:**

The MAXIMUS independent physician consultant, who is familiar with the medical management of patients with the member's condition, has examined the medical record and the arguments presented by the parties.

The results of the physician consultant's review indicate that this case involves a 68 year-old male who has a history of chronic plaque psoriasis. At issue in this appeal is whether Otezla is medically necessary for treatment of the member's condition.

The member's chronic plaque psoriasis is being treated with light therapy and topical medications, but is not currently well controlled on this combination. The member has used topical corticosteroids and calcipotriene. The member has not tried Soriatane or methotrexate, which are on the Health Plan's formulary. The member's treating physician reported that he cannot have these medications because he would be at high risk for photosensitivity with the Soriatane and with respect to the methotrexate, because he drinks socially. However, the MAXIMUS physician consultant explained that Soriatane is often used in combination with light therapy in the treatment of psoriasis, so the risk of photosensitivity is not an issue. The physician consultant also explained that the use of methotrexate in patients who drink alcohol is not an absolute contraindication. The consultant noted that there is no evidence that the member has liver damage. The physician consultant indicated that it would therefore be medically acceptable for the member to take methotrexate and have his liver enzymes followed or a biopsy performed to make sure that his liver is stable. The consultant noted that Otezla would be an acceptable medication for the member. The consultant also noted that the member has a history of melanoma and actinic keratosis, which makes him a poor candidate for the tumor necrosis factor (TNF)-alpha class of anti-psoriatic medication. However, the physician consultant explained that the formulary medications would not be absolutely contraindicated in this member's care and therefore, Otezla is not the only medication that may treat his disease at this time. Therefore, the consultant determined that the member should be required to try the formulary drugs before receiving coverage for the requested non-formulary drug, Otezla.

Pursuant to the information set forth above and available documentation, the MAXIMUS physician consultant determined that Otezla is not medically necessary for treatment of the member's condition at this time. [References omitted]

The Director is not required to accept the IRO's recommendation. *Ross v Blue Care Network of Michigan*, 480 Mich 153 (2008). However, the recommendation is afforded deference by the Director. In a decision to uphold or reverse an adverse determination, the

Director must cite “the principal reason or reasons why the [Director] did not follow the assigned independent review organization’s recommendation.” MCL 550.1911(16)(b).

The IRO’s recommendation is based on extensive experience, expertise, and professional judgment. In addition, the IRO’s recommendation is not contrary to the plan’s terms of coverage. MCL 550.1911(15). The Director, discerning no reason why the IRO’s recommendation should be rejected in this case, finds that Otezla is not medically necessary for the Petitioner at this time.

**V. ORDER**

The Director upholds the plan’s final adverse determination dated February 11, 2016.

This is a final decision of an administrative agency. Under MCL 550.1915, any person aggrieved by this Order may seek judicial review no later than 60 days from the date of this Order in the circuit court for the Michigan county where the covered person resides or in the circuit court of Ingham County. A copy of the petition for judicial review should be sent to the Department of Insurance and Financial Services, Office of General Counsel, Post Office Box 30220, Lansing, MI 48909-7720.

Patrick M. McPharlin  
Director

For the Director



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Randall S. Gregg  
Special Deputy Director