

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

In the matter of

██████████

Petitioner

v

File No. 147211-001-SF

University of Michigan, Plan Sponsor

and

MedImpact Healthcare Systems, Inc., Plan Administrator

Respondents

Issued and entered
this 28th day of April 2015
by Randall S. Gregg
Special Deputy Director

ORDER

I. PROCEDURAL BACKGROUND

On April 7, 2015, ██████████, ██████████ authorized representative on behalf of ██████████ (Petitioner) filed a request with the Director of Insurance and Financial Services for an external review, appealing a claim denial issued by MedImpact Healthcare Systems, Inc., the administrator of the Petitioner's benefit plan for prescription drug. The benefit plan is a self-funded plan sponsored by the University of Michigan.

The request for external review was filed under Public Act No. 495 of 2006 (Act 495), MCL 550.1951 et seq. Act 495 requires the Director to provide external reviews to a person covered by a self-funded health plan that is established or maintained by a state or local unit of government. The Director's review is performed "as though that person were a covered person under the Patient's Right to Independent Review Act." (MCL 550.1952).

The Director notified MedImpact of the request and asked for the information used to make its final adverse determination. MedImpact furnished its response and the Director accepted the request for external review on April 14, 2015.

The issue in this external review can be decided by a contractual analysis. The Director reviews contractual issues pursuant to MCL 550.1911(7). This matter does not require a medical opinion from an independent review organization.

II. FACTUAL BACKGROUND

The Petitioner has narcolepsy and has been successfully treated since June 2013 with armodafinil (Nuvigil). The plan sponsor changed the plan to MedImpact. Armodafinil is not on its drug formulary.

The Petitioner's physician prescribed modafinil (Provigil) to treat her condition but it was less effective than armodafinil in controlling her symptoms. Therefore, her physician requested coverage to resume armodafinil.

MedImpact denied the request ruling that the requested drug is not covered under the terms of the plan. The Petitioner appealed the denial through MedImpact's internal grievance process. At the conclusion of that process, MedImpact issued a final adverse determination dated March 23, 2015, affirming its denial. The Petitioner now seeks a review of that adverse determination from the Director.

III. ISSUE

Is MedImpact required to provide prescription drug coverage for armodafinil?

IV. ANALYSIS

Petitioner's Argument

In her request for an external review request the Petitioner says she was treated successfully with armodafinil in the past but she finds modafinil to be less effective and causes diastolic hypertension.

In a letter dated April 1, 2015, Petitioner's physician explains why armodafinil is medically necessary for treatment of her condition:

[Petitioner] is a patient of mine at the [REDACTED]. She has narcolepsy (type 2). She has been treated very successfully with armodafinil since June 2013, with control of her sleepiness and associated symptoms and without problematic side effects.

In November 2014, she was required to change from armodafinil to modafinil per insurance mandate. At her follow up appointment with me on 3/2/15, she reported that modafinil was not controlling her symptoms nearly as well as armodafinil had. Additionally concerning was the fact that her blood pressure at her 3/2 visit was 134/96, a 10 point increase in her diastolic blood pressure from her prior visit while taking armodafinil.

Prior to seeing me, she had tried both modafinil and armodafinil; with the same result armodafinil resulted in superior symptom control and modafinil resulted in diastolic hypertension. Notes from her prior sleep specialist amply document these concerns:

- 1/10/13 ([REDACTED]) - armodafinil making "a marked difference" in symptoms; blood pressure 98/58
- 4/2/13 ([REDACTED]) - "the patient does not feel that the modafinil is as effective as Nuvigil had been" and "her blood pressure has increased somewhat"; blood pressure 122/90 at that visit on modafinil. Plan was to continue to monitor blood pressure, with concern that modafinil was the cause of the increase

Clearly, in this patient, armodafinil provides a markedly better combination of benefit relative to side effects, and it is medically necessary that she receive armodafinil instead of modafinil. Please reconsider the denial of armodafinil.

Respondents' Argument

In its final adverse determination, MedImpact explained that it denied coverage because armodafinil is excluded from the pharmacy benefit while Provigil is an approved drug.

Director's Review

The University of Michigan Prescription Drug Plan formulary does not include armodafinil as a covered drug in either the name brand or the generic forms. The formulary notes in the Introduction page:

The U-M Prescription Drug Plan formulary is an extensive list of generic and brand name drugs that are self-administered in an outpatient setting and covered by the plan. U-M Prescription Drug Plan members and prescribers may search for specific medications to determine coverage by the plan. Decisions regarding inclusion or exclusion of drugs on the formulary are made by a committee of U-M physicians and pharmacists after evidence-based review of clinical literature and other determining factors. Drugs that are not covered are not listed in this document. [Emphasis added]

Because this plan is self-funded, it is not required to conform to the Michigan Insurance Code's provision requiring insurers to permit exceptions to drug exclusions when approved drugs are not effective. See MCL 500.3406o.

The Director finds that MedImpact may deny coverage of armodafinil under the terms of the Petitioner's prescription drug coverage.

V. ORDER

The final adverse determination of March 23, 2015, is upheld.

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 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.

Annette E. Flood
Director

For the Director:



Randall S. Gregg
Special Deputy Director