

## Step Therapy Exception Annual Report (HIPMC-STE-1) Instructions

The Department is providing the information below to help complete the Step Therapy Annual Report. This report will need submitted in an Excel spreadsheet along with a Memorandum with the non-numeric information as outlined below:

1. The reports are due no later than March 31<sup>st</sup> of each year for the prior calendar year Step Therapy Exception requests. The report and memorandum needs to be submitted to the [DOI.UtilizationReview@ky.gov](mailto:DOI.UtilizationReview@ky.gov) email.
2. The HIPMC-STE-1 Step Therapy Exception Annual Report is broken down into two segments. The first segment is an Excel spreadsheet format to report the requirements of KRS 304.17A-1631(2)(a) thru (d)
3. KRS 304.17A-1631(2)(a) and (c) require the reporting of information related to specific Step Therapy Exception requests and should be recorded on the report form in the following manner:
  - a. Step Therapy Exceptions requests could be presented for multiple categories 1 through 5; however, only record the exception request once on the most appropriate line. For example: a request could be reported in category 1 – Drug is Contraindicated or likely to cause an adverse reaction and category 4 – The member had tried under their current plan or a previous health plan. Then it should only be reported in either category 1 or category 4 – not both. In these situations the recording should be consistent to prevent over or under reporting for specific categories.
  - b. The columns should be completed with the number of Step Therapy Exception Requests that were requested for each category 1 thru 5 during the reporting period. For example: 100 Step Therapy Exception requests for Category 1 were received during the reporting period – this is the way it would be reported:

i. Total Received	=	100
ii. Total Denied	=	25
iii. Total Approved	=	75
iv. Total Appealed	=	20
v. Total Approved Appeals	=	15
vi. Total Denied Appeals	=	5
vii. Total External Reviews On Denied Appeals	=	5
viii. Total Overturned Requests On External Review	=	3
  - c. The Step Therapy Exception Requests reported in Total Denied column and the Total Approved column should equal the number reported in the Total Received column.
  - d. Category 3 – Not in the best interest of member is broken down into 3 sub-categories, so the Category 3 line should be blank with the information actually broken down into the 3 sub-categories and reported on the respective line. For example:
    - i. 3.a – Total Received = 2, then report as appropriate across the remainder of the columns.
    - ii. 3.b – Total Received = 1, then report as appropriate across the remainder of the columns.
    - iii. 3.c – Total Received = 10, then report as appropriate across the remainder of the columns.
4. KRS 304.17A-1631(2)(b) require information about the type of health care providers, or the medical specialties and KRS 304.17A-1631(2)(d) require information about the medical conditions for which Step Therapy Exceptions were granted based on the likelihood of an adverse reaction to the member. Due to the exhaustive listing the medical specialties and subspecialties and the medical conditions that could cause a Step Therapy Exception request, the Department is requesting this information be presented in a “Summary Format” meaning that the information does not need to be reported for each specific Step Therapy Exception but as a simple listing of the different type of provider or medical specialties that submitted the requests and the different types of medical conditions where the Step Therapy Exception was granted because of the likelihood of an adverse reaction. For example: The insurer had a total of

1000 Step Therapy Exception requests during the reporting period, then the summary of providers/medical specialties and the medical conditions would be reported as follows:

- a. During 2023, Insurer received Step Therapy Exception requests from PCPs, Psychiatrists, Physical Therapists, OB/GYNs, and Oncologists. ***These are only an example of the providers, any provider that requested a Step Therapy Exception would need to be added to the list when the report is submitted.***
  - b. During 2023, Insurer received Step Therapy Exception requests for diabetes, cancer treatments, high blood pressure, and high cholesterol. ***These are only an example of the medical conditions where a provider requested a Step Therapy Exception that was granted the report should include all medical conditions involved in the requests.***
5. KRS 304.17A-1631(2)(c) requires the reasons for denying a Step Therapy Exception Request to be reported. Due to the exhaustive listing of denial reasons, the Department is requesting this information be presented in a “Summary Format” meaning that the information does not need to be reported for each specific Step Therapy Exception but as a simple listing of the different denial reasons. For example: The insurer had 200 Step Therapy Exception requests denied, then the summary of denial reasons would be reported as follows: During 2023, Insurer denied Step Therapy Exception requests for
- a. failure to meet medical criteria,
  - b. inadequate justification of clinical appropriateness,
  - c. drug is considered experimental or investigation. ***These are only an example of the reasons a Step Therapy Exception was denied the report should include all reasons involved in the requests.***