(ii) If prospective DUR is conducted using an electronic claims management (ECM) system, apply software approved by the Board.

(iii) If prospective DUR is not conducted through an ECM system, as part of general compliance monitoring, ensure that Medicaid participating pharmacies conduct prospective drug review that screens for the potential drug therapy problems listed in section 1927(g)(2)(A) of the Act.

(3) *Retrospective DUR: Board's activities.* The DUR Board should perform the following activities:

(i) Review and make recommendations on predetermined standards submitted to it by the Medicaid agency or the agency's contractor.

(ii) Make recommendations to the Medicaid agency or the agency's contractor concerning modification or elimination of existing predetermined standards or the addition of new ones.

(4) *Retrospective DUR: Medicaid agency role.* The Medicaid agency or its contractor should apply the predetermined standards to drug claims data in order to generate reports that identify patterns of fraud, abuse, gross overuse, or inappropriate or medically unnecessary care.

(5) *Education program (including interventions): Board's activities.* The DUR Board must perform the following activities:

(i) Identify and develop educational topics if education of practitioners on common drug therapy problems is needed to improve prescribing or dispensing practices.

(ii) Make recommendations as to which mix of the interventions set forth in § 456.711 (a) through (d) would most effectively lead to improvement in the quality of drug therapy. The DUR board recommendations must be based upon an in-depth review of the results of the application of predetermined standards against claims data reports, must be appropriate based upon program experience, and must match the educational program with the drug therapy problems identified.

(iii) Periodically re-evaluate and, if necessary, modify the interventions.

(6) *Education program (including interventions): Medicaid agency's role.* The Medicaid agency or its contractor should perform the following activities.

(i) Apply predetermined standards to drug claims data to generate reports that provide the basis for retrospective education and interventions and furnish those reports to the Board.

(ii) Carry out the educational programs and interventions specified by the Board.

(e) *Funding for the Board.* FFP is available for expenses associated with the operation of the DUR Board in carrying out its responsibilities, and payment is made under procedures established in part 433 of this chapter as follows:

(1) If the requirements for skilled professional medical personnel at § 432.50 of this chapter are met, at the rate of 75 percent.

(2) If the requirements for skilled professional medical personnel at § 432.50 of this chapter are not met, at the rate specified in § 456.719.

[57 FR 49408, Nov. 2, 1992, as amended at 59 FR 48825, Sept. 23, 1994]

§ 456.719 Funding for DUR program.

FFP is available for sums that the Secretary determines are attributable to the Statewide adoption of a DUR program as described in this subpart, and payment is made under procedures established in part 433 of this chapter as follows:

(a) For funds expended by the State during calendar years 1991 through 1993, at the rate of 75 percent.

(b) For funds expended by the State after December 31, 1993, at the rate of 50 percent.

§ 456.722 Electronic claims management system.

(a) *Point-of-sale system.* Each Medicaid agency, at its option, may establish, as its principal (but not necessarily exclusive) means of processing claims for covered outpatient drugs, a point-of-sale electronic claims management (ECM) system to perform on-line, real-time (that is, immediate) eligibility verifications, claims data capture, adjudication of claims, and to assist pharmacists and other authorized persons (including dispensing physicians) in applying for and receiving payment. The State determines who