SAN FRANCISCO HEALTH PLAN

CO-73: Exception Requests for Physician-Administered Drugs

APPROVAL/REVIEW/REVISION HISTORY			
Signature	**Title**	**Date**	**Action**
DocuSigned by: Nina Maruyama 9D4617B1400D431...	CCO	8/21/2026	New Policy
Signed by: Steve O'Brien 60DFB20814944C4...	CMO	8/21/2026	

San Francisco Health Plan™

SFHP POLICY AND PROCEDURE

Exception Requests for Physician-Administered Drugs

Policy and Procedure Number:	CO-73
Department:	Utilization Management
Accountable Lead:	Clinical Operations Policy Analyst
Lines of Business and Coverage Programs Affected:	☒Medi-Cal ☐SFHP Care Plus (HMO D-SNP) ☐Healthy Workers HMO ☐Healthy SF ☐City Option ☐All lines of business and coverage programs as listed above

POLICY STATEMENT

This policy establishes a process for requesting and reviewing exceptions for physician-administered drugs covered under the medical benefit when coverage criteria or utilization management requirements apply. This policy ensures requests are evaluated based on medical necessity and that providers and members have a clear process for requesting exceptions.

PROCEDURE

Although San Francisco Health Plan (SFHP) does not maintain a closed formulary for physician-administered drugs under the medical benefit, providers may request an exception to applicable coverage criteria or utilization management requirements when medically necessary for an individual member.

Exception requests are reviewed using the same clinical and medical necessity standards applied to prior authorization reviews (refer to CO-57: Utilization Management Clinical Criteria).

Exception Request Process

I. Requesting an Exception Based on Medical Necessity

Prescribing practitioners may request an exception on behalf of a member when they believe a physician-administered drug is medically necessary for the member and does not meet existing coverage criteria.

Exception requests may be submitted through:

- Electronic prior authorization portal or fax submission
- Telephone request to Utilization Management

The request must include clinical documentation supporting the medical necessity of the requested drug.

II. Obtaining Medical Necessity Information

SFHP may request additional clinical information from the prescribing practitioner to support the exception request, including:

- Diagnosis and relevant clinical history
- Prior treatments and outcomes
- Clinical rationale for the requested drug
- Supporting medical records or documentation

Utilization Management staff may contact the prescribing practitioner to obtain additional information needed to complete the review.

III. Clinical Review of Exception Requests

Exception requests are reviewed by qualified clinical staff, which may include:

- Licensed pharmacists
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- Physicians or other qualified practitioners

Reviews are conducted using applicable clinical guidelines, medical necessity criteria, and professional judgment. If the request requires clinical judgment beyond the scope of non-physician reviewers, the request is escalated to a Medical Director.

IV. Timely Handling of Exception Requests

Exception requests are processed according to applicable state and federal authorization timeframes outlined in CO-22 Authorization Request & Decision Timeframes.

V. Notification of Decisions

SFHP communicates the outcome of exception requests to the requesting provider and the member (refer to CO-01 UM Decision Letters). If an exception request is approved, the notification will include the approved drug and applicable authorization details. If an exception request is denied, the notification will include:

- The specific reason for denial
- The clinical basis for the decision
- Instructions for submitting an appeal
- Information regarding member appeal rights

If SFHP denies a request for an exception based on medical necessity, internal and external appeal processes are available on the same basis as for denials of other

services. Providers and members may appeal denied exception requests in accordance with SFHP's grievance and appeal procedures outlined in GA-03: Member Appeals.

MONITORING

1. Annually, inter-rater reliability audits are conducted for both physician and nurse reviewers to ensure decision making accuracy and consistency.
2. Quarterly the utilization management (UM) workgroup monitors authorization and appeal metrics, clinical member grievance (including Independent Medical Reviews, State Fair Hearings, and Consumer Complaints) trends, as well as service utilization trends. The UM workgroup submits reports to the Utilization Management Committee (UMC) and Quality Improvement and Health Equity Committee (QIHEC) for oversight, input, and strategic direction. Collaboratively, the committees make recommendations for corrective action and/or identify where UM processes can be revised, if necessary, to improve member experience, address barriers, and ensure the UM criteria are consistent with current industry and evidence-based practices and state/federal regulations.
3. The SFHP Chief Medical Officer (CMO), Medical Director, or physician designee identifies any potential quality issues (PQI), including provider preventable conditions (PPCs), and follows the PQI process defined in QI-18 and the PPC process defined in QI-19.
4. Annually, medical groups delegated to perform utilization management are audited as outlined in DO-02: Oversight of Delegates.

DEFINITIONS

Physician-Administered Drug (PAD) or Medical Benefit Medications: A physician administered drug is an outpatient drug that is typically administered by a health care provider in a physician's office or other outpatient clinical setting. For example, drugs that are infused or injected are typically physician administered drugs. The provider bills the appropriate state Medicaid program (fee for service, managed care plan, or county operated health system) for the drug using the appropriate national drug code (NDC) and Healthcare Common Procedure Coding System (HCPCS) code.

AFFECTED DEPARTMENTS/PARTIES

Utilization Management
Pharmacy
Appeals & Grievances

RELATED POLICIES & PROCEDURES, DESKTOP PROCESS and PROCESS MAPS

1. CO-01: Utilization Management (UM) Decision Letters

2. CO-22: Authorization Requests and Decision Timeframes
3. CO-69: Physician Administered Drugs (PADs)/Medicare Part B Drugs
4. GA-03: Member Appeals

REVISION HISTORY

Original Date of Issue: August 20, 2026
Revision Approval Date(s):

REFERENCES

1. 2026 NCQA UM Standards, UM 10E – Considering Exceptions.