Bobby Jindal
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State of Louisiana

Department of Health and Hospitals
Bureau of Health Services Financing

December 29, 2015

The Honorable David Heitmeier, Chairman
Senate Health and Welfare Committee
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Scott M. Simon, Chairman
House Health and Welfare Committee
Louisiana House of Representatives
P.O. Box 4486, Capitol Station
Baton Rouge, LA 70804-4486

RE: DHH 2015 Response to SCR 132 of the 2015 Legislative Session

Dear Honorable Chairs:

The Department of Health and Hospitals (DHH) respectfully submits the attached report in compliance with SCR 132 from the 2015 Regular Legislative Session.

Our report focuses on access to psychiatric medications, compliance with medication therapy for behavioral health conditions, and related costs; and, it summarizes our review of relevant medical literature. We also highlight the safeguards put in place effective December 1, 2015 and in conjunction with the addition of specialized behavioral health services to Bayou Health core benefits and services, which are designed to minimize pharmacy service disruptions for Medicaid enrollees.

The intent of this new contractual requirement is to reduce the likelihood that Medicaid members will be at risk of non-compliance with medication therapy intended to address behavioral health conditions and reduce the potential for ensuing hospitalizations, incarcerations, suicides, productivity loss and other adverse consequences.

We are available to answer any questions you may have. As always, thank you for your continued commitment to Louisiana residents and your leadership on these critical issues. Please let us know if we can be of further assistance.

Sincerely,

J. Ruth Kennedy
Medicaid Director

JRK/pdl

c: The Honorable Members of the House Health and Welfare Committee
The Honorable Members of the Senate Health and Welfare Committee
David R. Poynter Legislative Research Library

Senate Concurrent Resolution 132

Access to Psychiatric Medications and the Cost of Non-Access to Psychiatric Medications
January 1, 2016

Introduction

Senate Concurrent Resolution (SCR) 132 requested the Department of Health and Hospitals (DHH) conduct a study on access to psychiatric medications and the cost for non-access to such medications. SCR 132 focused specifically on access and non-access, compliance and formularies, as well as how these areas relate to the cost-effectiveness of treatment of behavioral health patients.

An extensive literature review of studies of behavioral health medications, including antipsychotics, was conducted for response to SCR 132. Additionally, the integration of behavioral health services into managed care has allowed DHH to impose a suite of contractual protections to access on the Medicaid program. A summary of those details is below.

Literature Review Findings

Access

Few studies compare access to non-access as populations without access to behavioral health medications are rarely able to be studied. A study on limiting Medicaid drug reimbursement benefits in the *New England Journal of Medicine* does address the effect of a three-prescription limit in New Hampshire.[i]

According to the study, in 1981, New Hampshire Medicaid limited Medicaid payment to three prescriptions per month with no provisions for override of this limit. Using claims data from New Hampshire, the authors studied the impact of the prescription limit on the use of antipsychotic agents, drugs for mood disorders, anxiolytic and hypnotic agents. With implementation of the limit, the number of these medications paid by New Hampshire Medicaid decreased, and physician visits, emergency room utilization and inpatient admissions increased when these conditions were applied. Subsequently, the limit was discontinued and utilization returned to pre-limit levels.

Other literature contains studies showing both negative outcomes associated with some restrictions on access while others, such as an article in the *Journal of Managed Care Pharmacy* regarding a study conducted by Vermont Medicaid, show no negative results.[ii]

Behavioral health medications were assessed in a retrospective analysis of pharmacy claims for beneficiaries of the Office of Vermont Health Access Medicaid Program. The study compared behavioral health medication costs and utilization during a 12-month period when behavioral health medications were exempt from prior authorization to the 12-month period when behavioral health medications were no longer exempt from prior authorization. The study examined three categories of drugs: antidepressants, antipsychotics and anxiolytics/sedatives. The study concluded that removing the prior authorization exemption in the Medicaid population was not associated with decreased utilization of formerly prior authorization - exempt behavioral health medications.

Some experts in the behavioral health field have concerns with over-utilization of prescription medications when cognitive therapy may be warranted. The following opinion expressed by B. L. Smith expresses that concern:[iii] *"There has been a rapid rise in the prescription of psychotropic drugs, increasing 22 percent between 2001 and 2010. Today, many patients receive prescriptions without an evaluation by a mental health professional. Although these drugs are valuable in treating many mental health disorders, inappropriate utilization can cause serious harm."* The author cited studies that showed the effectiveness of psychotherapy when compared to drug therapy.

Compliance (Adherence)

Compliance is defined as "the reliability of the patient in using a prescribed medication exactly as ordered by the physician." Noncompliance occurs when "a patient forgets or neglects to take the prescribed dosages at the recommended times or decides to discontinue the drug without consulting the physician."[iv] Compliance depends on the patient/caregiver ensuring that medications are taken as prescribed, although the prescriber and pharmacist are valuable in educating and assisting the patient in improving his/her compliance.

An analysis of antipsychotic medication in individuals with bipolar disorder was published in the *Annals of General Psychiatry* in 2009.[v] The study analyzed the claims data of patients with bipolar disorder who received antipsychotic prescriptions to determine adherence during the 12-months following receipt of the first prescription. Results indicated that patients with lower adherence were at greater risk of hospitalizations and emergency room visits.

Another study on antipsychotic medication and treatment outcomes looked at adult Medicaid beneficiaries in Florida with schizophrenia and compared treatment outcomes and cost according to class of antipsychotic medication.[vi] Outcomes examined were: arrests, involuntary commitments, physical health care costs and behavioral health care costs. The results indicated that adherence to medication was as important an outcome determinant as which medication class the patient was prescribed.

Formularies

Because of the risk of abuse and diversion and the high cost of quetiapine, the New Jersey Department of Corrections Pharmacy and Therapeutics Committee voted to remove quetiapine from the formulary, as reported in an article in *The Journal of the American Academy of*

Psychiatry and the Law in 2012.[vii] Prison psychiatrists closely evaluated patients and determined to stop quetiapine in 63.4% of the cases and were successful 95.7% of the time. In 44.7% of the patients in whom an attempt was made to stop the quetiapine, no alternative antipsychotic medication was prescribed. While cost savings were realized, there were no statistically significant increases in health care utilization of higher levels of care nor increased hospitalizations.

The Louisiana Medicaid Pharmacy Program: Safeguards for Access

The Louisiana Medicaid Pharmacy Program is dedicated to providing cost-effective access to behavioral health medications, including antipsychotic agents, for its Medicaid enrollees as medically necessary and clinically appropriate. Numerous measures, including contractual requirements with the MCOs, policies and processes are already in place to ensure this. The DHH contract with the MCOs requires parity between mental health and substance use disorder benefits and medical/surgical benefits in accordance with 45 CFR 146 and 147.

The Louisiana Medicaid Pharmacy Program routinely collaborates with the Office of Behavioral Health (OBH) in determining Medicaid policy as it applies to both the fee for service (FFS) and MCO populations. Effective December 1, 2015, with the exception of a small number of children enrolled in the Coordinated System of Care administered by Magellan, behavioral health services for Medicaid enrollees are provided by Bayou Health MCOs. The integration of physical and behavioral health services into a single delivery system allows for improved care coordination to treat the whole person.

Many safeguards have been required with the MCOs to assure clinically appropriate, cost effective medication therapy. Ensuring access to medically necessary psychiatric medications is accomplished using multiple mechanisms, such as preferred drug lists (PDLs), step therapy (fail-first protocols) and/or prior authorization. Currently, none of the MCOs have prescription limits.

Both FFS and the MCOs use PDLs to assist prescribers in selecting cost-effective drugs for use within identified therapeutic classes (groups of drugs with similar activity). Drugs on the PDL are the preferred choices; other drugs are available through prior authorization. Each MCO's preferred drug list and any revision thereto, shall be reviewed and approved by DHH prior to implementation. Any changes to the PDL, including but not limited to any/all prior authorization, step therapy requirements or prescription limits shall be submitted to DHH at least 30 days prior to implementation. The MCO shall not replace an approved preferred drug on the PDL without prior approval of DHH.

To ensure access and maintain continuity, the five MCOs collaborated to create a common PDL which became effective on October 1, 2015. The common PDL is a list of drugs in a number of therapeutic classes that are considered preferred and cost-effective agents across all five MCOs. Drugs on the common PDL, including antipsychotic agents, antidepressants and anti-

anxiety drugs, can be prescribed to Medicaid recipients without prior authorization or step therapy.

According to OBRA'90 the pharmacy program must provide access to prescription medications from manufacturers that participate in the federal rebate program. Prescription medications which are subject to a federal rebate agreement must be made available to Medicaid recipients either with or without prior authorization. This federal requirement prevents the implementation of a closed formulary.

The prior authorization process and its delivery has been reviewed to ensure Medicaid recipients have access to their needed medications in a timely manner while ensuring safety and clinical appropriateness. FFS Medicaid and MCOs must reply to prior authorization requests within 24 hours. A 72 hour "emergency supply" for medications that meet medical necessity requirements must be approved for reimbursement. DHH has created a single, uniform prior authorization form to be used across all five health plans. This fosters a uniform approach for providers to complete prior authorization requests.

Safety in drug use must be a consideration when designing a drug benefit plan. Safety edits that are triggered at the point-of-sale (the pharmacy) are based on clinical guidelines and centered on issues such as maximum recommended daily dosages, age requirements and duration of treatment. Both FFS Medicaid and the MCOs utilize safety edits to assure appropriateness of drug utilization for the individual and prevention of adverse drug events.

The MCOs shall contract with psychiatric facilities to assure the plans are notified when patients are discharged for continuation of drug therapy regimens. To maintain continuity of care, the plans must approve all discharge medications for 90 days. During the 90-day period, prescribers have adequate time to obtain prior authorizations for future use or stabilize the patient on an alternate agent.

Medicaid's contract with the MCOs require the MCO to provide trainings on integrated care of behavioral and physical health including the appropriate utilization of basic behavioral health screenings in the primary setting. The MCO shall identify opportunities to provide incentives to clinics to employ licensed mental health professionals and are also required to provide preemptive care coordination. Each MCO must employ mental health professionals including a Behavioral Health Medical Director, liaisons, coordinators, addiction services manager, case managers, etc.

In order to maintain access to medications for Medicaid enrollees when changing health plans, the MCOs must provide a 90-day transition of care for behavioral health drugs (as compared to 60 days for other drugs).

In addition to addressing access to medication, case management is available for select behavioral health members through the MCOs. Case management provides appropriate medically-related services, social services and basic and specialized behavioral health services

are identified, planned, obtained and monitored for recipients who are high risk or have unique, chronic or complex needs.

Conclusion

For Louisiana residents with significant mental health needs, access to psychiatric medications is critical for both individual and community well-being. Louisiana Medicaid assures its members access to clinically appropriate, cost effective medication therapy using multiple mechanisms, such as preferred drug lists, step therapy (fail-first protocols) and/or prior authorization. The same assurance applies to the Fee for Service pharmacy program directly administered by the Department and the Bayou Health program operated by MCOs contracted with and overseen by the Department.

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[i] Soumerai SB, McLaughlin TJ, Ross-Degnan D, Casteria CS, Bollini P. Effects of Limiting Medicaid Drug-Reimbursement Benefits on the Use of Psychotropic Agents and Acute Mental Health Services by Patients with Schizophrenia. The New England Journal of Medicine (1994), 331:650-655

[ii] Simeone JC, Marcoux RM, Quilliam BJ. Cost and Utilization of Behavioral Health Medications Associated with Rescission of an Exemption for Prior Authorization for Severe and Persistent Mental Illness in the Vermont Medicaid Program. *Journal of Managed Care Pharmacy* (2010), 16(5):317-28.

[iii] Smith BL. Inappropriate Prescribing. *Monitor on Psychology* (2012), 43(6):36. Available at: http://www.apa.org/monitor/2012/06/prescribing.aspx.

[iv] http://medical-dictionary.thefreedictionary.com/drug+compliance

[v] Lage MJ, Hassan MK. The relationship between antipsychotic medication adherence and patient outcomes among individuals diagnosed with bipolar disorder: a retrospective study. *Annals of General Psychiatry (*2009), 8: 18 February 2009.

[vi] Becker MA, Young MS, Ochshorn E, Diamond RJ. The Relationship of Antipsychotic Medication Class and Adherence with Treatment Outcomes and Costs for Florida Medicaid Beneficiaries with Schizophrenia. *Administration and Policy in Mental Health and Mental Health Services Research* (2007), 34:307-314.

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