NAMI Utah
National Alliance on Mental Illness

Help Hope Healing

NAMI UTAH POSITION PAPER

H.B. 18: Medicaid Preferred Drug List, Bill Sponsor: Rep. Raymond Ward

Atypical antipsychotics and antidepressants are often a significant cost in Medicaid pharmacy budgets and, as a result, some Medicaid programs may see the potential for savings by proposing restrictive policies. Utah's H.B. 18 will enact such policies, making it more difficult for individuals with mental illness who are on Medicaid to access the best medication, unique to their needs, in a timely manner.

These policies overlook the unique nature of psychiatric medications, the vulnerability of the Medicaid population who experience mental illness and the unintended, harmful consequences of restricting access. NAMI Utah strongly suggests that effective care management strategies, rather than pharmacy cost-containment policies, are needed to maximize the value of our public health care dollars.

H.B. 18 is not intended to improve patient outcomes, rather, the sole intention of the bill is to save on costs for antipsychotic, psychotropic, anti-depressant, anti-conversant/mood stabilizers, anti-anxiety, attention deficit hyperactivity disorder stimulants, and sedative/hypnotic drugs.

Current Estimate of Direct Cost Savings

According to financial analysts, enactment of this legislation may reduce Department of Health expenditures for prescription drugs in the Medicaid program as follows:

Estimated Cost Savings	FY2017	By FY 2018	By FY 2022
General One-Time Federal One-Time	$300,000 $710,800		
General On-Going Federal On-Going		$1,400,00 $3,317,00	$4,000,000 $9,500,000
***40% of this savings may go to into a restricted account**	**$122,300**	**$562,300**	**$1,602,300**

*Note: Only 40% of savings may go into an account set aside to be allocated to the Department of Health. All other savings will be directed to the General Fund. Both the 40% and the remaining 60% do not have restrictions on how the funds will be used. No amount of savings is worth risking the wellness of a human life.

The Impact of Mental Illness

Serious mental illness can result in disabling mood and/or cognitive symptoms that may affect a person in significant ways. Fortunately, advances in psychotropic medications are helping more people with mental illness experience recovery and are a key component in assisting people to live full and productive lives in the community, rather than living in more restrictive, expensive placements.

Unlike many other illnesses, missed doses, delays in receiving medications, discontinuation, or changes in doses or specific medication can result in devastating relapses. The consequences of *untreated* mental illness are staggering: unnecessary disability, unemployment, substance abuse, homelessness, inappropriate incarceration, suicide and wasted lives. The economic indirect cost of mental illness is well over $79 billion per year in the United States.

The Unique Role of Psychotropic Medications

Psychotropic medications play an important role in recovery for many individuals who live with mental illness. According to the National Institute of Mental Health, **individuals have unique responses to psychiatric medications need more, not fewer, choices**.[i]

The Impact of Restricted Access

Restricting access to psychotropic medications may have serious unintended consequences to both individual health and overall healthcare costs. In a study of dual eligible Medicare Part D recipients with mental illness, the American Psychiatric Association found that when medications were no longer covered or approved:[ii]

- **More than one in five patients (21.7%) reported an increase in suicidal thoughts or behaviors.**
- **Nearly one in five (19.8%) required an emergency room visit and more than one in ten (11%) required hospitalization.**
- Clinicians and staff spent almost **twice as much time on drug plan administrative issues than on direct patient care** due to features like preferred drug formulary lists and prior authorization requirements.
- **Restricting access to psychotropic medications such as anti-depressants will impact employee productivity.** Studies show that workers with depression **cost employers an estimated $44 billion per year** in lost productive work time.[iii]

In 2009, *a 10-State Study of Medicaid prescription drug policies, the use of preferred drug lists was associated with 5.4 times higher odds of medication access problems.*

- *When individuals with mental illness were unable to get the proper medication: they were almost **four times more likely** to experience an emergency room visit, hospitalization, homelessness, incarceration, or suicidal behavioral.*
- *Further, when there were prior authorization requirements like the requirements in this bill: individuals were **two times more** likely to be homeless and three times more likely to experience hospitalization.*[iv]

In a 2014 *Study*

- *Prior authorization requirements for atypical antipsychotics are associated with **22% increase** in the likelihood of imprisonment compared with the likelihood in a state without such requirement.*[v]

In another 2014 *Study*

- *Patients with schizophrenia subject to formulary restrictions were more likely to be hospitalized, had 23% higher inpatient costs, and 16% higher total costs. Similar effects were observed for patients with bipolar disorder. Their estimates suggest restrictive formulary policies in Medicaid increased the number of prisoners by 9,920 and incarceration costs by $362 million nationwide in 2008.*[vi]

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Legislative Action Needed to Ensure Access to Treatment for People with Mental Illnesses in Utah

Utah's Legislature has appreciated the vital role of medications used to treat mental illness and the cost implications of imposing barriers to treatment. In developing the policy for Utah, the Legislature recognized that the Medicaid population living with mental illness is different from the typical population on private insurance plans. The Medicaid population includes those individuals with very serious and persistent mental illness – illnesses that are often disabling and require the continuum of care offered by community mental health. Therefore, in 2007, the legislature adopted language with the intent of exempting the full range of psychotropic medications from the Medicaid Preferred Drug List.

Preserving Access in 2016

Because mental illness is very individualized, there is not a "one-size-fits-all" solution to treating these difficult illnesses. Policies that require people with mental illness to "fail first" on cheaper medications before being able to access what the physician believes is clinically necessary, can have devastating results for the individual and families, shift costs to other entities, and ultimately be more expensive for the State and taxpayers.

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[i] National Institutes of Health, National Institute of Mental Health, *NIMH Perspective on Antipsychotic Reimbursement: Using Results From The CATIE Cost Effectiveness Study,* December 2006.

[ii] West, Joyce C., Ph.D., M.P.P., et al, "Medication Access and Continuity: The Experiences of Dual-Eligible Psychiatric Patients During the First 4 Months of the Medicare Prescription Drug Benefit," *Am J Psychiatry; 164:789-796,* May 2007.

[iii] Stewart, Ricci, Chee, Hahn, and Morganstein, *Cost of Lost Productive Work Time Among US Workers with Depression,* JAMA, June 18, 2003—Vol 289, No. 23.

[iv] West JC, Wilk JE, Rae DS, e,t al, "Medicaid prescription drug policies and medication access and continuity: findings from ten states," Psychiatric Services; 60(5):601-10, May 2009.

[v] Goldman D, Fastenau J, Dirani R, et, al, "Medicaid prior authorization policies and imprisonment among patients with schizophrenia," American Journal of Managed Care, 20(7):577-86, July 2014.

[vi] Seabury A.A., Goldman P.D., Kalsekar I., Sheehan J. J., Laubmeier K., and Lakdawalla N. D., "Formulary Restrictions on Atypical Antipsychotics: Impact on Costs for Patients With schizophrenia and Bipolar Disorder in Medicaid," American Managed Market Network Journals, e52-60, February 2014.

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