DRUG UTILIZATION REVIEW BOARD

September 17, 2015

Comment Regarding:

Preferred Drug Program Reviews: Antipsychotics – Second Generation (and related policy issues)

Submitted By: The Mental Health Association in New York State, Inc.

The comments herein are being submitted on behalf of the Mental Health Association in New York State, Inc. (MHANYS). MHANYS is a private, not-for-profit mental health advocacy association with 30 MHA affiliates who provide community-based mental health services in 52 New York counties.

The following policy statements summarize MHANYS long held policy positions regarding formulary restrictions, prescriber-prevails policy and step therapy practices. These policy positions are supported by some significant findings from two recent studies, which are presented within these comments.

- ***Access to psychotropic and other behavioral health medications for Medicaid beneficiaries.*** MHANYS believes that limiting medication formularies to a select few (usually more traditional) medications, deprives people with psychiatric disorders from significant improvements that accompany newer medications. New medications introduced in the last decade represent a major advance in the effective treatment of mental illnesses. Generally, the newer medications are more effective at treating various mental disorders (particularly schizophrenia and major depression), with a noticeable reduction in, or absence of, the adverse side effects often associated with the older generation medications. More specifically, newer generation drugs feature real-world effectiveness, ease of dosing, and improved safety. People react differently to different medications. All medicines in a class are not the same, and we cannot assume that patients will have similar reactions to different medications.

- ***Prescriber Prevails practices:*** Past state budget proposals have included prescriber prevails provisions that would have included certain psychiatric medications for Medicaid beneficiaries. MHANYS believes that decisions regarding the best therapeutic prospects for patients are best left to the patient's prescribing physician. Although past efforts to limit access to just a few medications have included provisions that allow the physician to prevail in authorization denials, exercising this allowance detracts from doctor-patient face-to-face time and frustrates psychiatrists with additional regulatory burden. A physician, in consultation with their patient, should be able to prescribe and insure that the medication they recommend whether or not it is on a formulary, be accepted by the health plan.

- ***Step Therapy practices:*** MHANYS generally opposes "Fail first" approaches to approving payment for medications for psychiatric patients. We believe that step therapy is not in the therapeutic best interest of patients and often unnecessarily prolongs the search for the right medication for the individual. Many psychiatric medications require weeks and sometimes months to begin showing efficacy. Subjecting patients to sequential trials of medications in a step therapy fashion can unnecessarily post-pone recovery.

These policy statements reflect what MHANYS has advocated for many years regarding access to psychotropic medication. Imbedded in these statements are a number of claims supported by recent studies regarding the impact of placing limits on certain classes of psychiatric medications. These studies were published in February and March (2014) issues of *The American Journal of Managed Care*[1]. The studies looked at the impact of state Medicaid formulary policies on costs for patients with schizophrenia and bipolar disorder and are based on retrospective analysis of medical and pharmacy claims for patients diagnosed with schizophrenia or bipolar disorder in 24 state Medicaid programs, including New York.

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[1] - **Formulary Restrictions on Atypical Antipsychotics: Impact on Costs for Patients with Schizophrenia and Bipolar Disorder in Medicaid**. February 24, 2014, (Seth A. Seabury, PhD; Dana P. Goldman, PhD; Iftekhar Kalsekar, PhD; John J. Sheehan, PhD; Kimberly Laubmeier, PhD; and Darius N. Lakdawalla, PhD).

- Do Strict Formularies Replicate Failure for Patients with Schizophrenia? March 19, 2014, (Dana P. Goldman, PhD; Riad Dirani, PhD; John Fastenau, MPH, RPh; and Ryan M. Conrad, PhD).

Here are some key findings….

- Both studies found that limiting Medicaid patients' access to newer antipsychotic drugs saves little in the short run and ends up costing more latter, when patients either go off medication, end up in the hospital, or both.

- State Medicaid policies restricting access to newer antipsychotic medications can drive up healthcare costs down the line, in part because psychiatric patients are more likely to go off medication.

- Applying formulary restrictions to atypical antipsychotics is associated with higher total medical expenditures for patients with schizophrenia and bipolar disorder in Medicaid.

- Autonomous prescribers constitute an asset to payers, since these prescribers achieve lower hospitalization rates

- Patients with schizophrenia subject to formulary restrictions were more likely to be hospitalized.

- In states where doctors face hurdles in prescribing atypical antipsychotics, Medicaid patients are more likely to end up taking drugs that failed them in the past, and more end up stopping treatment or end up in inpatient facilities or emergency rooms.

- Doctors in states with restrictions are more likely to put patients back on the same drug that failed in the past.

- Patients who live in states that impose restrictions on all atypical antipsychotics are 11.6 percent more likely to stop all treatment.

- Patients with Schizophrenia in these states were more likely to experience a hospitalization, had 23 percent higher inpatient costs and 16 percent higher total healthcare costs; and patients with bipolar disorder were also more likely to experience a hospitalization, with 20 percent higher inpatient costs and 10 percent higher total costs.

- Newer formulations of drugs (a good example being Paliperidone or *Invega*) are beneficial in part because they are long acting. This may reduce the effect of an occasional missed dose.

- These results fit with a growing body of evidence questioning the benefits of formulary restrictions on atypical antipsychotics in Medicaid. The authors in these studies note that prior studies have found that formulary restrictions decrease adherence.

On behalf of MHANYS we thank the Board for considering the aforementioned policy statements as part of your ongoing efforts to help ensure that prescriptions for outpatient drugs are appropriate, medically necessary, and not likely to result in adverse medical consequences.

Sincerely,

John Richter, MPA
Director of Public Policy
MHANYS