Division of Environment
Curtis State Office Building
1000 SW Jackson St, Suite 400
Topeka, KS 66612-1367

Phone: 785-296-1535
Fax: 785-296-8464
www.kdheks.gov

Susan Mosier, MD, Acting Secretary

Department of Health & Environment

Sam Brownback, Governor

Testimony on Senate Bill 181
presented to
House Health and Human Services Committee
By
Mike Randol, Director of Health Care Finance
Kansas Department of Health and Environment
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The Kansas Department of Health and Environment (KDHE) appreciates this opportunity to provide testimony in support of Senate Bill 181. There are two changes in Senate Bill 181 that would greatly benefit the agency in the area of drug management within KanCare.

The first change would be the creation of a drug hold on new to market drugs that are determined to need prior authorization. Drugs that would need prior authorization would be those that are prohibitively expensive or that have clinical concerns with a high potential for misuse related to safety. Prior to the Drug Utilization Review Board (DUR) considering the drugs needing prior authorization for inclusion in the Kansas formulary the new to market drugs would be put into a hold status. Currently, any new drug that has not gone through the DUR process can be prescribed and KanCare pays for it regardless of the reason for the prescription. New drugs are often prescribed to individuals that might not qualify for the drug or that would require prior authorization for the prescription after DUR review. The hold created by Senate Bill 181 would mean that the new drug could not be paid for by KanCare until such time that the drug is approved and the rules for how it is to be prescribed are developed. Creating this drug hold allows the KanCare program to better manage new to market drugs and ensure that the drug is being prescribed appropriately. As an example, one of the new, expensive Hepatitis C drugs released recently was quickly ran through the review and approval process but was still delayed long enough in getting final prior authorization criteria into final regulations that it was prescribed for individuals that would not meet the prior authorization criteria. The new Hepatitis C drug was also prescribed without complementary drugs that are vital to the success of the new drug.

The second change is allowing the decisions of the DUR to be considered as final while still allowing for review by the Joint Committee on Administrative Rules and Regulations (JCARR). Currently after the DUR approves prior authorization criteria it goes to the JCARR for approval of the addition of the new drugs to the regulations, thus creating a delay in finalizing the prior authorization criteria unnecessarily. We still will take the DUR decisions to JCARR for review and will address any concerns voiced by the Committee. This change will allow KanCare to move drugs more quickly through the process, greatly reducing the time to take a new drug from United States Food and Drug Administration approval to being available for appropriate prescribing for KanCare beneficiaries.

In addition to the statutory changes suggested in Senate Bill 181, KDHE is also going to change the frequency of DUR meetings from quarterly to bi-monthly. These additional meetings will allow for an even faster turnaround for new drugs, assuring access to new drugs while providing the protections inherent in the prior authorization process.

I will be happy to stand for any questions.