Testimony to Senate Committee on Public Health and Welfare on Senate Bill 123

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Madame Chairwoman and members of the Committee, my name is Kyle Kessler, I am the Executive Director for the Association of Community Mental Health Centers of Kansas, Inc. The Association appreciates the opportunity to present testimony regarding SB 123, which would repeal KSA 39-7,121b.

The Association represents the 26 licensed Community Mental Health Centers (CMHCs) in Kansas that provide behavioral health services in all 105 counties in Kansas, 24-hours a day, seven days a week. In Kansas, CMHCs are the local Mental Health Authorities coordinating the delivery of publicly funded community-based behavioral health services. As part of licensing regulations, CMHCs are required to provide services to all Kansans needing them, regardless of their ability to pay. This makes the community mental health system the "safety net" for Kansans with mental health needs, collectively serving over 120,000 Kansans.

Our Association appreciates the opportunity to express opposition to SB 123 that would repeal the current exemption on mental health medications for persons in the state Medicaid program from restrictive practices such as prior authorization and preferred drug lists.

Our members believe that sound clinical and medical treatment are the cornerstones to good mental health and overall healthcare. The long-standing and thoughtful legal status of exempting psychotropic medications in statute from prior authorization and preferred drug lists helps contribute to quality treatment for persons who suffer from mental illness.

In 2002, the Kansas Legislature (Sub. for SB 422) secured provisions in current law that exempt mental health prescription drugs from a Medicaid preferred formulary and prior authorization. Specifically, the statute refers to "Medications including atypical anti-psychotic medications, conventional anti-psychotic medications and other medications used for the treatment of severe mental illness." We believe these protective measures are the best policy for the state and consumers.

As the Kansas Department for Health and Environment has concerns about the Medicaid budget regarding the prescription of mental health medications, several alternatives exist. One would be a soft edit which posts the alert to the pharmacist and does not deny the claim. This would be allowed under law because it's an educational tool and not a restriction. Another is an educational component that would provide more information on off-label prescribing practices to physicians. One example of this could be having a state or MCO sponsored consultative service that provides feedback to any prescriber throughout the state regarding medication questions. Retrospective education of prescribers based on claims data has been shown to be a very successful approach to pursue, and evidence in other states reflects this.

CMHCs have a wide range of qualified medical professionals across the state who are well-trained and educated to treat children and adults who often need these specific medications in a timely and precise dosage. Placing restrictions on these medications can result in unnecessary visits to the emergency room, admission to state mental health hospital programs, or incarceration.

The State plays significant and varying roles in funding all of these other areas. In a recent study published by the *American Journal of Managed Care*, show an increase in incarceration and costs for those with bi-polar and schizophrenia in states that have adopted the policies could be implemented with passage of SB 123. This cost shifting will not only increase state and local costs but compromise the care and safety of persons with mental illness and those in our communities

Safety certainly is of the highest importance in the treatment of our patients. One issue that has been expressed over the years is about the metabolic side effects that may be experienced by youth who are treated with some mental health medications when they arrive at the age of fifty, sixty or seventy. The other side of this issue is that when treatment professionals hear children of five, six or seven years of age articulate suicidal thoughts, the idea of just getting them to fifty, sixty or seventy years old, is a hope. Another consideration is that as newer, more innovative medications without these side effects become available, we would want youth to have access to these healthier medications, which can occur much more easily under current statute.

With the growing concern over increasing costs of pharmaceutical expenditures in the Medicaid program, and the growing costs of health care overall, we do appreciate the concerns raised regarding mental health medications. We are supportive of efforts to pursue enhanced safety for Medicaid beneficiaries while improving health outcomes for those we serve in the public mental health system. Our concerns are that the proposal to remove the statutory language which exempts mental health prescription drugs from a prior authorization or PDL is a drastic measure that could threaten the safety, health, and ultimately jeopardize the recovery process for a person with a mental illness.

As it relates to the potential savings of a repeal of the statute suggested by SB 123, much uncertainty surrounds this fiscal note. One is that the anticipated savings KDHE believes they will achieve is significantly higher since the last time this policy change was discussed by the state Medicaid agency several years ago. In 2010, the number associated with this change was $800,000 in savings to the State General Fund (SGF).

The CMHCs utilize generic medications as much as possible. The general thought is that if there is a generic available, then they would use this over the branded name. However, the main issue lies with Next Generation Antipsychotic (NGA) medications. These medications do not have any generics available. The NGAs in general are safer and more effective than the Older-Generation Antipsychotics (OGA). Most treatment guidelines published indicate the use of a NGA as first choice for treatment. Additionally, as KDHE has singled out Abilify, an atypical antipsychotic as a cost driver within Medicaid, it should be noted that Abilify will be going generic in April of this year, so it would appear that KDHE will achieve significant cost savings in FY 2016 under current law.

The Association and its members value the importance of the provider/patient relationship and believe that treatment decisions are best-made through dialogue, evaluation of personal preferences, treatment goals, and clinical judgment on what course of therapy is most likely to contribute to recovery.

Lastly, our Association was supportive and appreciative of the Governor's Mental Health Task Force and the many meetings that were conducted around the state last year. In visiting with many family members of persons with mental illness and providers, the Task Force spent countless hours discussing our mental health system and developing many recommendations spanning numerous systems including mental health and primary health care, education, and corrections and law enforcement. At no place in their report, is there mention of excessive access to mental health medications, either from a safety or cost standpoint.

I appreciate the opportunity to testify before you today to discuss our opposition to SB 123. I would be happy to stand for questions