

**State of Kansas
Senate Chamber**



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Senator Mary Pilcher-Cook, Chair
Senate Public Health and Welfare Committee
Room 118-N
300 SW 10th St.
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Re: SB341 Proponent

Step therapy: The practice of beginning a drug therapy for a medical condition with the most cost-effective and safest drug and progressing to other more costly drug only if necessary.

The patient must try the first line agent, Drug "A" before the patient can get Drug "B". If medical condition is not responding to drug A then the patient can step up to drug B. This is also known as fail first. The goal is to control costs while effectively treating the patient's medical condition.

In most cases, a patient must first try a less expensive drug on the states drug list (PDL) that has been proven effective for most people with a similar medical condition before the patient can move up a "Step" to a more expensive drug. This might mean trying a similar, more affordable generic drug instead of a more expensive, brand-name medication. The more affordable drugs in the first phase are known as "Step 1" prescription drugs.

Step therapy is not new

Every payor in the country, including Medicare, has formularies designed around step therapy principles. Prescribing doctors and staffs are very familiar with step therapy protocols.

Every hospital in the state has a formulary for inpatient services designed around step-therapy. This is how they control their costs in their DRG's.

Kansas statute currently prohibits step therapy in Medicaid. To my knowledge, Kansas is the only state with this strict of a prohibition.

Key Operational Points:

- 1.) It does not apply to patients current medication regiments. Patients remain on their current medications.
- 2.) Only applies to new long term maintenance medications. (like diabetic drugs)
 - a. Does not apply to short term indications. (like antibiotics)
- 3.) Does not require prescribing generics only.
- 4.) Smart prior authorizations also known as Look Back
 - a. Look back 6 months. If patient has taken a step up drug in past, can continue to receive without prior authorization.
- 5.) Doctors will be notified of drugs that need to have a pre authorization to step up.
 - a. Letter
 - b. Website
 - c. Ongoing communications on Step and Formulary.

Example 1:

- 1.) Patient is currently on step up drug for diabetes.
- 2.) No prior authorization is needed to stay on the drug.
- 3.) Doctor writes Rx. Patient has filled at pharmacy in standard fashion.

Example 2:

- 1.) Patient just diagnosed with diabetes.
- 2.) Has never taken any medications for diabetes.
- 3.) Must try Metformin first to see if it controls glycemic levels
- 4.) No prior authorization is needed.

Example 3:

- 1.) Patient just diagnosed with diabetes.
- 2.) Must try Metformin first to see if it controls glycemic levels.
- 3.) Patient's glycemic levels do not respond adequately to Metformin.
- 4.) Doctor gets a pre authorization for Janumet. A step up drug.

Acknowledgement: Step therapy causes an extra administrative burden on physicians and medical practices. They have to get a pre authorization to step up. The procedures put in place to implement Step Therapy should be as physician friendly as possible.