

Testimony on SB 341 Senate Committee on Public Health
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Senator Pilcher-Cook, members of the Public Health committee:

I am the representing Stormont-Vail Health where I supervise 123 primary care and psychiatric providers in 16 locations across Northeast Kansas. My comments also relate to the practices of most of our 250 physicians in a diverse number of specialties throughout the Stormont-Vail Health system. I have personally practiced Internal Medicine, Pain, and Addiction medicine in Topeka for 32 years.

Stormont-Vail Health joins the legislature in its concern over the increasing costs of pharmaceutical medication, but removing the prohibitions on step therapy is simply not the way to accomplish this task. The net effect of removing the prohibition is that insurance companies, and their contracted pharmaceutical benefits managers (PBM) will initiate “Step Therapy” processes which necessitate prior authorizations (PA’s).

Like all healthcare delivery systems, Stormont-Vail Health is inundated by the virtual tidal wave of the current requirements of Prior Authorizations. This PA process is costly and extremely time-consuming of our staff. We have tracked the impact upon our system, and found that Prior Authorizations require an average of 20-60 minutes of staff time to perform. Often the PA’s amount to a game with the PBM of our staff trying to guess what criteria are necessary to gain approval of a given medication.

The PBM’s may also require discontinuation of an historically effective medicine and thus require starting over in the “Step Therapy” process. This can result in accidental or intentional discontinuation of effective medication as well as delay in the initiation of good control. Imagine the impact on severely ill psychiatric patients or severely delayed effective treatment for diabetics. The move would supposedly save money for Medicaid at least initially, but it does so by shifting the burden to healthcare providers to beg and plead for the medications.

The PA process also **puts the insurance companies in control of medical decision-making** rather than skilled medical providers that sit face-to-face with the patients. As someone who has fought this battle too many times to count, even if a provider objects and appeals the decision of the PBM, it can be a long and harrowing process. This may require fighting through layers of appeals with individuals who literally know nothing about medication and are reading from predetermined scripts created by the PBM’s.

Sadly, the PA process also directs the use of medications that the PBM's have been able to negotiate "special pricing" from the pharmaceutical companies thus enhancing their profits at the expense of our staff and physician time.

While some savings may exist in some medication classes in the short run, we must be careful of the longer term effects such as relapses of illness, complications, and net downstream costs that the healthcare delivery system will carry while the PBM's remain insulated from such costs. One example of unintended consequences resulted in \$31 increase in per-member-per-month psychiatric costs when the step therapy resulted in changes in medication or discontinuations.(See attachment). With our critically stressed psychiatric health-care delivery already at the breaking point, we cannot afford a destabilization or reduction of medication availability.

The older generics and non-trade-name medicines might be reasonable to consider for some disorders in some patients, but providers already consider generics and older medications. Physicians may intentionally go early to newer and more effective medications as a clinical judgment, and that clinical judgement is rarely allowed as part of the "Step Therapy". I advance that such decisions need to be **made by clinicians, not insurance companies**. It might be more useful for providers to be given information of relative cost.

If the legislature chooses to proceed with the removal of the prohibition on step therapy, then I recommend you continue to prohibit step therapy on patients that have been managed effectively on medication chronically. Such controls would only allow using step therapy on newly started medications.

I strongly urge that you also require **full public disclosure** of the money saved, and what percentage of such dollars is actually returned to the state in savings.

Finally, in a move that would be celebrated by healthcare providers across the state, I suggest you request a study of the use of Step Therapy and the workload and financial impact on healthcare providers in Kansas.

Thank you for your attention.

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