

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 11:45 a.m. on March 29, 2002 in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Martha Dorsey, Kansas Legislative Research Department
Audrey Nogle, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list

Chairman Morris called the Committee's attention to discussion of:

SB 603-Drug coverage

Senator Kerr explained proposed language and wording by those in the mental health field regarding selective serotonin reuptake inhibitors (SSRI) which was also accepted by the Department of Social and Rehabilitation Services (SRS).

Senator Kerr moved, with a second by Senator Adkins, to amend and replace Section 2 with proposed language regarding mental health (Attachment 1) and language regarding Medicaid recipients (Attachment 2) into proposed Substitute for SB 603. Committee discussion followed. Senator Kerr requested that the minutes reflect, as part of the subcommittee's report, its direction to the Department of Social and Rehabilitation Services staff to begin accounting for rebates within the pharmacy budget to allow the true cost of pharmaceuticals to be assessed. The current accounting practice of SRS is to fold rebate receipts into the overall Medicaid budget. Senator Barone requested that the minutes reflect that there were differences of opinion and request for more data and study before SRS goes in that direction. Dr. Robert Day, Director of Medical Services/Medicaid, SRS, mentioned that they would prefer that they be given the dollar that the Legislature wants them to get to and that they get to it through some combination working with the pharmacist between dispensing fee and the discount. Motion carried on a voice vote.

Senator Kerr moved, with a second by Senator Adkins, to recommend Substitute for SB 603 favorable for passage as amended. (Attachment 3) Committee discussion followed. Motion carried on a roll call vote.

Senator Schodorf moved, with a second by Senator Huelskamp, to approve the minutes of the February 20, February 21 and February 22, 2002 committee meetings. Motion carried on a voice vote.

The meeting was adjourned at 12:10 p.m. The next meeting is scheduled for April 1, 2002.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE March 29, 2002

NAME	REPRESENTING
Carolynn Maddinday	Ks St Ns Center
BOB ANDERSON	KPA
BOB WILLIAMS	i.
Robert Day	SRS
Laura Howard	SRS
D. G. Adams	NAM
Anne Portner	Sen. Barnett
Stuart Little	Community Mental Health Partnership
Barbara Belcher	Merck
John Peterson	Glaxo / Eli Lilly

The following language is statute in Florida and recommended for amendment:

“No requirements for prior authorization or other restrictions on medications used to treat mental illnesses such as schizophrenia, severe depression, or bipolar disorder may be imposed on Medicaid recipients. Medications that will be available without restriction for persons with mental illnesses include atypical antipsychotic medications, conventional antipsychotic medications, ~~selective serotonin reuptake inhibitors~~, and other medications used for the treatment of serious mental illnesses.”

- A study of 47 other states' Medicaid programs found the restrictive formulary savings from reduced pharmaceutical expenses were completely offset by increased expenses for other treatments.

- Over twice as many suicides are committed in America than homicides. Kansas rates higher than the national average of completed suicides. Depression is a causal element in 90% of suicides. Antidepressants should be considered essential medication to preserving life and should be neither delayed nor denied.

- When a state denies, caps or delays access to the most effective mental illness medications, these actions result in increased frequency, severity and duration of symptoms. That translates into more hospital days, more nursing home days, more physician interventions, more mental health clinic hours, more courts days, more criminal justice hours and more reliance on welfare in other areas.

Senate Ways and Means
3-29-02
Attachment 1

Proposed Amendment to Proposed
Substitute for SENATE BILL No. 603

Be amended:

By adding the following to Sec. 2:

"A prescription medication prescribed for a medicaid recipient with mental illness pursuant to a prescription which is valid on the effective date of this act shall not be subject to any requirement for prior authorization unless the practitioner who prescribed the medication for such recipient prescribes a different medication."

Proposed Substitute for Senate Bill No. 603

AN ACT concerning prescription drugs under the medicaid program; creating the state medicaid drug formulary committee and authorizing a state medicaid preferred drug formulary.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) The department of social and rehabilitation services shall establish a state medicaid drug formulary committee consisting of health care providers as provided in this section to develop a formulary listing of covered drugs by the state medicaid program. The state medicaid drug formulary committee shall consist of nine members as follows:

(1) One member of the medicaid drug utilization review board established under K.S.A. 39-7,119 and amendments thereto appointed by the secretary of social and rehabilitation services;

(2) two persons licensed to practice medicine and surgery who are actively engaged in the practice of family medicine, nominated jointly by the Kansas medical society and the Kansas association of osteopathic medicine and appointed by the secretary of social and rehabilitation services from a list of four nominees;

(3) two persons licensed to practice medicine and surgery who are actively engaged in the practice of medicine and surgery nominated jointly by the Kansas medical society and the Kansas psychiatric society and appointed by the secretary of social and rehabilitation services from a list of four nominees;

(4) four persons licensed as pharmacists actively engaged in the practice of pharmacy, nominated by the Kansas pharmacists

Senate Ways and Means
3-29-02
Attachment 3

association and appointed by the secretary of social and rehabilitation services from a list of eight nominees.

(b) No member of the committee shall be an officer or employee of the department of social and rehabilitation services.

(c) The appointments to the committee shall be for three years, except that for the initial appointments to the committee, two persons licensed to practice medicine and surgery and two licensed pharmacists as designated by the secretary of social and rehabilitation services, shall be appointed for two years. Thereafter, all appointments shall be for three years. In making the appointments, the secretary of social and rehabilitation services shall provide for geographic balance in the representation on the committee to the extent possible. Members may be reappointed.

(d) The member of the medicaid drug utilization review board shall serve as chairperson of the formulary committee.

(e) The state medicaid drug formulary committee shall evaluate drug and drug classes for inclusion in the state medicaid preferred drug formulary based on safety, efficacy and clinical outcomes of such treatments. Drugs which do not have a significant, clinically meaningful therapeutic advantage in terms of safety, effectiveness or clinical outcomes over other drugs in the same class which have been selected for the preferred drug formulary may be excluded from the preferred drug formulary and may be subject to prior authorization in accordance with state and federal law.

(f) The state medicaid drug formulary committee may consider the net economic impact of drugs selected or excluded from the preferred formulary and may gather information on the costs of specific drugs, rebates or discounts, dispensing costs, dosing requirements and utilization of other drugs or other medicaid health care services.

(g) The secretary of social and rehabilitation services may accept all gifts, donations, grants, discounts, rebates and services associated with the delivery of pharmacy benefits as are deemed cost effective and in the best interests of the medicaid program.

(h) The state medicaid preferred drug formulary shall be submitted to the medicaid drug utilization review board for review and policy recommendations.

Sec. 2. Prescription medications which shall be available without any requirement of prior authorization to medicaid recipients with mental illnesses include atypical anti-psychotic medications and conventional antipsychotic medications.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.