



Chair McGinn, Members of the Senate Ways and Means Committee, my name is Terica Gatewood and I am a pharmacy site manager for Genoa, a QoL Healthcare Company (Genoa). My pharmacy is located within Valeo Behavioral Health here in Topeka. Thank you for the opportunity to testify in support of Senate Bill 94, a bill to reinstate the 4% cut to pharmacy.

Genoa is a specialized pharmacy provider committed to providing unique, cost effective services to patients in the mental health community. Our twelve, soon to be thirteen pharmacies in Kansas are located within Community Mental Health Centers. Helping our patients to lead productive lives is our primary goal. We help achieve this goal by providing services that ensure the safe and effective use of medication. However, many of the distinctive programs we offer help States and their Medicaid programs control costs. For every 1,000 mental health patients under our care, Genoa saves the State of Kansas approximately \$1.6 million by providing high-value services that improve adherence. In Medicaid, however, pharmacies receive reimbursement for their services, which are normally viewed as simple dispensing activities and therefore payments typically only include, the ingredient cost and a dispensing fee. Genoa goes above and beyond traditional pharmacy dispensing services and provides additional high-touch, high-value services that improve compliance, which translates into significant savings for state Medicaid programs.

Medication Possession Ratio (MPR) is a common measure of patient medication compliance. A score of 1 is the perfectly adherent patient who picks up every refill on time, whereas a patient who only picks up one 30-day supply every 60 days scores 0.5. We consistently outperform published MPRs. Genoa's mean MPR exceeds 0.9 for our 350 pharmacies in the United States.

A recent peer-reviewed study demonstrates that Genoa's integrated care model, that features onsite pharmacies within community mental health centers. The research, published in the Journal of Managed Care & Specialty Pharmacy, also shows lower rates of hospitalization and lower emergency department utilization for the patients that visit Genoa's onsite pharmacies. The study showed:

- Genoa patients had a 40% lower rate of behavioral health-related hospitalizations;
- Genoa patients had an 18% lower rate of behavioral health-related emergency department visits.
- Cost avoidance estimates for Genoa patients were approximately \$58 per member per month based on costs for hospitalizations and emergency department visits for a total estimated savings of \$230k for the 1,378 Genoa patients studied during the 13-month period.

Genoa accomplishes this by offering specialized adherence packaging designed specifically for the mental health community, non-robotic refill reminder calls, and interventional clozapine (one of the most successful Schizophrenia medications) monitoring, and many other services that are specifically designed to help the mental health population stay adherent to their medication. As a full service pharmacy, Genoa will even work with the patient to ensure that all refills occur at the same time, for both their behavioral health medications and their physical health medications.

One hundred percent of Genoa's patients are living with a mental illness. Due to the nature of mental illness and the challenges those living with mental illness incur, over 40 percent of Genoa's patients rely on Medicaid for their prescription drug coverage. This is substantially higher than most pharmacies. Any cut in Medicaid reimbursement hurts Genoa disproportionately due to our patient base. When cuts happen, like the ones which occurred last year, it forces us to review our services and decide what service can be eliminated with the least affect to our patients. If we are forced to eliminate any of our services, it may have an adverse effect on health care in Kansas. If our clients are non- adherent to their medication, it results in increased hospitalization and an increase in overall health care costs to the Medicaid system.

Genoa recognizes the tremendous budgetary challenges that the state is facing and the subsequent need to control Medicaid program costs to help balance the state budget. However, pharmacy is shown to be one of the most efficient ways of controlling costs. Restoring the 4% reimbursement cut will go a long way in ensuring Genoa can continue to provide the high level of patient care to which our patients are accustomed.

Please support Senate Bill 94. Thank you for this opportunity, I am happy to answer any questions you may have.

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