

Access to Medicaid Mental Health Medications: An Open Letter 5/18/2011

To: Governor Rick Snyder and Members of the Michigan Legislature

Recently, a number of representatives of the mental health community met to discuss the current administration's proposals to restrict access to mental health medications for the Medicaid populations by applying preferred drug list (PDL)/prior authorization requirements to these medications. These proposals clearly conflict with Public Act 248 of 2004, which specifically prohibits the Department of Community Health from requiring prior authorization for specific classes of drugs or disease groups, including psychotropic drugs and those for epilepsy, if the department develops a prior authorization process for prescription drugs as part of the pharmaceutical services provided under Medicaid.

For the following reasons the organizations that have co-signed this letter believe that the best course for the State of Michigan to take is to retain PA 248 of 2004 in its current form and not assume the administration's projected budget savings from changes to or repeal of the law:

- Proponents of the administration's proposals have not clearly articulated how the current practice of excluding these medications from a PDL/prior authorization requirement has resulted in excessive and unnecessary problems or costs to the State.
- Proponents of these proposals have not produced convincing evidence that including these medications on a PDL would result in a cost savings to the State. Numerous studies have found that mental health drug access restrictions interfere with consumer compliance, increase the likelihood of treatment drop-outs and cost more in the long run than any short-term "savings" achieved. For example, a recent study in Ohio by the firm of Driscoll and Fleeter found that \$6 million dollars in annual state "savings" would be offset by more than \$23 million in annual public costs due to the negative consequences of medication restrictions. (As a result of that study, Ohio has taken action to improve Medicaid access to psychotropic medications.) Treatment deficiencies for adults and children with serious mental disorders yield more hospitalizations, emergency room trips, visits to general medical practitioners, job loss, homelessness, justice system incarceration and early death – all resulting in significant human and financial cost to the individual with the illness, the families involved and society as a whole.
- Advances in therapeutic medications have contributed significantly to the decrease in costs related to mental health disorders. New medications were the greatest factor in successfully facilitating the deinstitutionalization of mental health patients who were in State psychiatric hospitals and the treatment of these patients in less costly community settings. Since, according to the federal government, 87% of adults with major mental illness are prescribed medications and 35% of those receive only medications as their treatment, it is critical that persons with mental illness continue to have unrestricted access to those medications that will most effectively and expediently help them on their path to recovery.
- Time is of the essence in treating adults and children with chronic and debilitating mental disorders. Early treatment can improve the course of the disease. Because there can be great variation in response to medicines among individual patients, however, the only way to identify the best treatment for a specific patient often is through trial and error. Any unnecessary delay in that process, such as can be caused by a prior authorization requirement, can be costly to the State and devastating to the individual.
- Michigan's comprehensive coverage of mental health drugs is a good investment, and one that is matched generously by the federal government. MDCH has characterized the savings from its proposal to be \$6 million GF, \$18 million total. It would be more accurate to say...save \$6 million GF and give away \$12 million in federal funds.

Twice in recent history previous legislatures have overwhelmingly supported protections for several vulnerable populations from prior authorization procedures within Medicaid – once in 2004 with the passage of PA 248 and

again in 2009 when, despite pressure from the administration to subject psychotropic drugs to the preferred drug list and prior authorization requirements for “economic reasons”, the legislature determined that it was in no one’s best interest, and certainly not in the State’s best interests, to incur the human and financial costs that restricting access to medication would invariably cause. Why is this battle being fought again?

Absent any compelling evidence that exempting psychotropic drugs and epilepsy anti-seizure medications from a PDL/prior authorization is an expensive and unnecessary protection for those with mental illness, the co-signing organizations suggest that cost saving measures focus instead on ensuring that prescribing practices for such medications adhere to generally accepted evidence-based or consensus-based guidelines. A reinstatement of a program similar to PQIP, the Pharmacy Quality Improvement Project which saved the State \$18 million over a four-year period, or other educational programs that would provide information about psychiatric medication use by Medicaid patients would be far more effective in reducing Medicaid costs than restricting access to vitally needed medications.

The co-signers also respectfully request that any future proposals for cost cutting measures be discussed first with those most directly involved, i.e., the mental health service providers, those living with mental disorders and their families, and the advocacy groups. It should be a basic tenet in any policy development project to consult the field for perspectives and suggestions.

Thank you for your kind consideration.

Sincerely,



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