Medicaid Medication Management and Step Therapy

Position: The Kansas Legislature should protect patient access to mental health medications in the Medicaid program by requiring transparent, effective and research-informed prior authorization policy development by the Mental Health Medication Advisory Committee and careful oversight by the Kansas Dept. of Health and Environment over the implementation by managed care organizations. There should be no step therapy for mental health medications.

The Problem: Research supports exempting mental health drugs from restricted access and identifies problems with step therapy policies, yet the Kansas Legislature approved the use of prior authorization in 2015 and step therapy in 2016 for Medicaid. Step therapy requires patients to “fail first” on a less expensive medication before they can be prescribed a restricted medication chosen by their doctor. Policies are based on cost and not the effectiveness of the medication. Research is plentiful to show that interruptions in treatment result in emergency room visits, repeated hospitalizations, homelessness, incarceration and even death by suicide.

The Kansas Legislature created the Mental Health Medication Advisory Committee (MHMAC) in 2015 as a compromise to adopt prior authorization for mental health medications. Policymakers agreed the policies should focus on the safety of Kansans, particularly children, and minimize harm from medication interruptions and avoid excessive administrative requirements for prescribers. While the MHMAC provides valuable input, KMHC is concerned the process lacks transparency and offers little opportunity for meaningful public input. The Secretary improved the process last year, adding an extra meeting to finalize recommended policies, but the policies are not posted for review and attendees do not have access to the information being discussed by the committee.

The committee recommended standardized processes for prescription approval to reduce delays and prevent rejection at the pharmacy, but the MHMAC lacks authority to implement the recommendations.

Why this matters: Many mental health consumers, like others with chronic diseases, need medication to recover, to alleviate symptoms and make the illness “manageable.” Access to the full range of FDA approved medications, including new and often most effective drugs, promotes successful treatment. The right medication can be the difference between recovery and devastating decompensation. Our under-resourced mental health system is strained by inconsistent prior authorization practices.

The bottom line: KMHC opposes step therapy policies for mental health medications which focus on costs rather than drug efficacy. The MHMAC should be more transparent. The Committee members should have authority to address administrative processes to implement successful prior authorization policies with minimum interference in patient care. The Coalition will continue to work with the MHMAC and KDHE to evaluate and implement policies that enhance patient safety and create efficiency without jeopardizing patient access to medications.

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The rest of the story about mental health medications

In 2002, the Kansas Legislature exempted “medications including atypical anti-psychotic medications, conventional anti-psychotic medications and other(s)...used for the treatment of severe mental illness,” from a Medicaid preferred formulary and prior authorization (K.S.A. 39-7,121(b). In 2015, the Kansas Legislature removed that exemption, while creating a Mental Health Medication Advisory Committee to create prior authorization policies and assure that medications were being prescribed safely and effectively across all three Medicaid managed care contractors. The prohibition on step therapy was removed from statute in 2016. A 2010 study states “mental health-specific inpatient and emergency room utilization and costs increased” from step therapy which “may have the unintended effect of reducing overall antidepressant use and increasing medical use and costs.”1 Another study found that “managed care policies among patients with psychiatric illness have even been found to shift costs in state budgets to jails.”2

A study of the policies adopted in the Georgia Medicaid program published in 20083 concluded that while prior authorization of “atypical antipsychotics was associated with significant prescription savings to the Georgia Medicaid program, among a vulnerable cohort of patients with schizophrenia, an increase in outpatient expenditures was associated with overall savings.” While step therapy saved the state $19.62 per member per month in atypical antipsychotic expenditures, these savings were “accompanied by a $31.59 per member per month increase in expenditures for outpatient services.” The authors challenge policymakers who are considering similar policies to “consider carefully the potential for unintended consequences of restricted access to antipsychotic medications.” The Georgia Department of Human Resources also found in their review that there was no significant increase in cost from going to open access from a restricted formulary in their state hospital facilities.

A 2010 study concluded that “barriers to medication access may exacerbate the problem of poor adherence and may lead to declines in the health of these vulnerable patients, including higher risks of relapses, hospitalization, and suicide.”4

In 2003, Maine instituted a prior authorization and step therapy policy for atypical antipsychotics. Persons affected by prior authorization requirements had a 29 percent greater risk of treatment discontinuity. Due to negative outcomes from adopting this policy including an increase in hospitalizations, the policy was suspended. In an examination of programs in Maine and New Hampshire, a 2009 study found that “the small reduction in pharmacy spending ... may have resulted from higher rates of medication discontinuation rather than switching. The findings indicate that the prior-authorization policy in Maine may have increased patient risk without appreciable cost savings to the state.”5

In a review article on step therapy interventions, the author states that the adoption of step therapy “is quickly outpacing decision makers’ understanding of the clinical, humanistic, and economic value of these programs. Such knowledge is needed to avoid potential unintended consequences such as medication noncompliance.”6

The Kaiser Commission on Medicaid and the Uninsured notes the vulnerability of individuals with mental illness who are on Medicaid and recommends exemptions from restrictions for all psychotherapeutic and anticonvulsive medications.7 Psychotropic medications—even those within the same class—have unique properties that result in different effects from one person to another. The National Institute on Mental Health (NIMH) notes that individuals have unique responses to psychiatric medications and need more, not fewer, choices.8 NIMH concludes that “a medication that works well for one person with schizophrenia often doesn’t work well for another. Genetic variations are thought to play a key role in this difference in response. While patients search for the right medications, their illnesses may worsen.”

4 Lu et al, “Unintended Impacts of a Medicaid Prior Authorization Policy on Access to Medications for Bipolar Illness.” Medical Care, Volume 48, Number 1, January 2010
5 Zhang et al, “Effects of Prior Authorization on Medication Discontinuation Among Medicaid Beneficiaries With Bipolar Disorder.” Psychiatric Services, April 2009 Vol. 60 No. 4
8 National Institutes of Health, National Institute of Mental Health, NIMH Perspective on Antipsychotic Reimbursement: Using Results From The CATIE Cost Effectiveness Study, December 2006.