Testimony
House Bill 1431 – Department of Human Services
House Human Services Committee
Representative Clara Sue Price, Chairperson
January 24, 2007

Chairman Price, members of the committee, I am Dr. Brendan Joyce, Administrator of Pharmacy Services for the Medical Services Division in the Department of Human Services. I appear before you to provide testimony in opposition of House Bill number 1431.

Epilepsy medications (anticonvulsants) account for roughly 11 percent of the North Dakota Medicaid pharmacy expenditure (October 2006 expenditures of $2.6 million, of which $296,000 were for anticonvulsants). Expenditures for this medication class has been growing nearly 20 percent per year (see Attachment A).

According to national statistics, epilepsy has an incidence of roughly 0.5%; therefore, it is likely that North Dakota has roughly 3,200 individuals diagnosed with epilepsy. Around 3,550 Medicaid recipients are currently on a medication in this category. This is due to the fact that nearly 90 percent of the use of these medications in Medicaid is for mood stabilization, not epilepsy. Since this bill is specific to the medications and not the patients, the impact will be much broader than one may anticipate given the use of these medications outside of epilepsy.

This class of medications is reaching maturity, meaning many of the products will be coming off of patent in the coming years. As this happens in a typical free market, the growth in costs slows and actually begins to decline. This maturation is accounted for in the inflation rates

factored into our budget for the upcoming biennium. If this bill passes, this natural maturation will not occur, and the inflation will continue upward at a potentially higher rate given the typical pharmaceutical company practice of increasing the drug cost at a higher rate once generics are released. The projected impact is $1.8 million in total funds.

Tools are already in place to allow physicians to request brand name necessary medication for their patients. Also, the Food and Drug Administration (FDA) approves all generics through a stringent process – to assume a product will not succeed for a patient simply because it is generic overlooks the FDA expertise.

Also, during the past interim, ND Medicaid asked the physicians (which includes two psychologists) and pharmacists on the Drug Utilization Review (DUR) Board to recommend exemptions for the mandatory generic policy (requiring a generic be used instead of a brand if that brand has a generic), and the DUR Board members said that there should be no exemptions, including epilepsy medications.

I would be happy to answer any questions the committee would have.