

Testimony
House Bill 1422 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairperson
February 26, 2007

Chairman Lee, members of the committee, I am Maggie Anderson, Director of the Division of Medical Services for the Department of Human Services. I appear before you to provide testimony in opposition of House Bill number 1422.

There is no fiscal note for this bill as the Department has no plans to pursue DUR Board recommendation for prior authorization of any of the drug categories affected by this bill. Even so, the Department is opposed for the following reasons.

Medications used for mental illness accounts for a minimum of 40.7 percent of our drug spend. Four drug classes (see [Attachment A](#)) account for the majority of this spend and they are the top four drug classes for ND Medicaid. It takes the next 22 drug classes to account for the same amount of spend as these first four drug classes. It is not possible to manage pharmacy expenditures without the ability to manage the driving factors of those expenditures.

The most vulnerable patients – the aged and / or disabled – transferred to Medicare Part D and are subjected to prior authorization rules for their prescription drugs. Attempts were made when Medicare Part D was enacted to not allow insurance companies (Part D plans) to prior authorize these medication classes; but these attempts failed due to the

associated costs. Part D currently requires that these medication classes be on the formulary, but Part D plans can require prior authorization.

If the Legislature wishes to restrict the ability for prior authorization for these indications, we do ask that some clarity be brought into the bill. Which specific diagnoses are affected? Can other management strategies be used? Is the state to use 100 percent state funds when the physician's desired use is deemed experimental (cancer)?

Finally, carving out exceptions can be a very slippery slope. There have been attempts in many states to exempt a variety of drug classes and patient classes. We believe the physicians and pharmacists on the DUR Board are there for a very important purpose and should be trusted to make these types of decisions, just as many of these same physicians and pharmacists are trusted to make the decision in the private sector.

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