Testimony
House Bill 1120 – Department of Human Services
House Human Services Committee
Representative Weisz, Chairman
January 11, 2017

Chairman Weisz, members of the House Human Services Committee, I am Brendan Joyce, Administrator of Medicaid Pharmacy Services for the Department of Human Services (Department) and I am here to support House Bill 1120 that was introduced at the request of the Department.

Currently, subsection 3 of section 50-24.6-04 of the North Dakota Century Code restricts the Department from prior authorizing six drug classes (antidepressants, antipsychotics, anticonvulsants, antiretrovirals for HIV, antineoplastics, and stimulants used for the treatment of Attention Deficit Hyperactivity Disorder (ADHD)). However, the Department is allowed to prior authorize brand medications in these classes when the generic is less expensive. Through House Bill 1120, the Department proposes to allow prior authorization of generics when the brands are less expensive (net of rebates). This situation is becoming more and more common and can account for potentially extreme cost differentials in all drug classes, including the six classes affected by this portion of the North Dakota Century Code.

Second, through this bill, the Department proposes to allow prior authorization of stimulants used for the treatment of ADHD for adults 21 and over. Through the ND Medicaid drug utilization review work over the past biennium, the Department has noticed some significant abnormalities in the utilization patterns of stimulant medications between adults and children. There are two main categories of stimulants: methylphenidate type products such as Ritalin®, and amphetamine type

products such as Adderall®. Both categories are listed as controlled substances by the Drug Enforcement Agency (DEA), but amphetamine products are reported to be abused (used for non-medical purposes) more often than methylphenidate products.

The Department has noticed through utilization review that 60-70% of children on stimulant medications are prescribed a methylphenidate product. However, 65-75% of adults are prescribed an amphetamine product. This complete reversal in utilization exists despite the literature showing that there is no age related difference in efficacy for the products.

Also, less than 20% of prescriptions for children on amphetamines are for short acting medications, while this reaches 43% for adults. There is no literature to support this difference. This data helps explain why the Department is requesting the ability to prior authorize stimulant medications for ADHD for adults.

Third, the Department is asking for the ability to utilize a successful approach used by multiple states in validating the appropriate use of five or more psychotropic medications in children. During the past four years, it has come to light nationally that foster children on Medicaid are more likely to be on psychotropic medications than non-foster care children on Medicaid. This is no different in North Dakota. Department staff have participated in national and state workgroups during the past four years and have explored many different approaches being used throughout the nation. Please note, while Foster Care differences helped bring this issue to national awareness, the focus is no longer just on foster care children, but instead all children on Medicaid.

The Department believes that the one approach that best serves the patients is what is used in Wyoming Medicaid (and other states). Simply put, Wyoming Medicaid requires a prior authorization process for a child's fifth concurrent prescription for a psychiatric medication. This prior authorization process includes a phone consultation between the prescriber and a child and adolescent psychiatrist to discuss the treatment of the patient.

There are ongoing studies and reviews in this area (e.g. Office of Inspector General (OIG) is currently evaluating data from North Dakota and four other states) and North Dakota remains one of the only states unable to do any prior authorization at any level on these medications. Again, as it states in the bill, the Department is asking for the ability to prior authorize the fifth (or greater) concurrent psychiatric medication for children. Since this approach would not be an overall prior authorization for a drug category, we would not be incorporating any of the currently exempted classes into our preferred drug list for supplemental rebates.

This concludes my testimony on HB 1120. I would be happy to answer any questions.