

Testimony
House Bill 1431 – Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairperson
March 6, 2007

Chairman Lee, members of the Senate Human Services committee, I am Maggie Anderson, Director of Medical Services in the Department of Human Services. I appear before you to provide information on 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 grown nearly 20 percent per year (see Attachment A).

This class of medications is reaching maturity, meaning many (Depakote®, Topamax®, and Lamictal® to name a few) of the products will be coming off of patent in the next two years. These three products account for 53 percent of our drug spend in this drug class. 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.

A bill with the same purpose has been introduced this year in a number of other states including South Dakota and Wyoming. It has been defeated in South Dakota and Wyoming. Wisconsin has been quoted as another state that considered this bill, which they did during their 2005 Assembly. It was also defeated in Wisconsin.

Finally, nearly 20 percent of ND Medicaid pharmacy claims are billed after 4 pm or on the weekend. The requirement for notification of the physician may cause delays in patients receiving medications as the physicians are not typically available at these times.

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