

Testimony
Senate Bill 2290 - Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman

January 21, 2019

Chairman Lee and members of the Senate Human Services Committee, I am Brendan Joyce, Administrator of Pharmacy Services with the Medical Services Division for the Department of Human Services (Department). I appear today to provide testimony on Senate Bill 2290.

Senate Bill 2290 would allow the Department to have step therapy for the Medicaid program for new prescriptions for cancer medications. For instance, Cabometyx® was approved by the Food and Drug Administration on January 14, 2019 for patients with hepatocellular carcinoma (HCC) who have been previously treated with sorafenib. If step therapy was implemented for this medication, it would simply ensure that any HCC patient receiving a prescription order for Cabometyx® was previously treated with sorafenib.

The step therapy would be completely modeled on Medicare Part B. Please reference the August 7, 2018 memorandum from the Centers for Medicare and Medicaid Services (CMS) outlining guidance allowing Medicare Advantage plans to utilize step therapy for Part B drugs ([Attachment A](#)).

The Department would not implement any step therapy protocol that is not already being used by Medicare Part B plans. Also, as required by section 50-24.6-04 of the North Dakota Century Code, the Drug Use Review (DUR) Board would review any step therapy protocols prior to implementation. Since step therapy is based on clinical protocols and Food and Drug Administration approvals, the Department does not anticipate any fiscal impact. Also, given requirements for DUR Board review and approval, and the timeframes surrounding such, no step therapy would be

implemented prior to calendar year 2020, and only then if Medicare Part B has approved the specific step therapy protocol.

While preparing the fiscal note and testimony for Senate Bill 2290, the Department recognized that it may be appropriate for the bill to have a contingent effective date. Without a contingent effective date, the proposed changes on Page 2, Lines 14 and 28 would become effective August 1, 2019, while the changes proposed on Page 3, Lines 11 through 25 would not become effective until on or after January 1, 2020. If the committee concurs, the Department would be happy to draft an amendment for consideration.

This concludes my testimony, and I am happy to answer any questions you may have.