

# Antipsychotic Access in Medicaid

***A review of Medicaid medical and pharmacy claims by Columbia Data Analytics<sup>1</sup> for patients living with serious mental illness (SMI) from 2016-2022 demonstrates that Medicaid programs offering open access to antipsychotics may realize lower overall costs. Both patients and state budgets may benefit when Medicaid helps patients access the mental health drugs they need.***

- This analysis, funded by Otsuka Pharmaceutical Development & Commercialization, Inc., found that Pennsylvania Medicaid patients living with SMI – who face rigorous prior authorization to access antipsychotics (APs) – had higher costs (for both overall healthcare services and SMI-related ones) than did patients with SMI in Michigan, whose Medicaid program has open access to APs and respects physician-patient prescribing decisions based on clinical need.
- **Key findings:**
  - Pennsylvania’s restrictive policies requiring prior authorization to access AP treatment for patients with SMI was associated with a significant economic burden on the state’s budget for managing patients with SMI.
  - “Although [Michigan’s] pharmacy cost was higher for preferred AP users, they had lower healthcare utilization and emergency department costs, indicating better overall patient outcomes. This is further supported by 10% fewer hospital admissions, almost four days shorter length of stay, 6% fewer ED visits, and almost 5% fewer outpatient visits.”
  - “The Medicaid policy in Michigan [was associated with] lower overall and SMI-related costs, and better outcomes for patients with mental health conditions.”

***Creating Change: States may improve health outcomes for patients with SMI by making legislative or regulatory changes to protect mental health drugs from utilization management processes like prior authorization and step therapy (“fail first”) without impacting the overall budget.***

<sup>1</sup> This retrospective cohort study – sponsored by Otsuka Pharmaceutical Development and Commercialization, Inc. – reviewed claims filed in the Kythera open claims database<sup>2</sup> between Jan. 1, 2016 and Dec. 31, 2022 for Pennsylvania and Michigan Medicaid members age 18+ with an SMI diagnosis (i.e.: bipolar disorder, major depressive disorder, schizophrenia, related disorders). Patients were included in the study if they had at least 1 pharmacy claim for an AP and had continuous medical and pharmacy benefits for 3 months pre- and 12 months post-treatment initiation. This study is limited to two states and findings may not be representative across all states.

<sup>2</sup> Kythera is an open claims database, updated weekly, that contains over 330 million patients, 12.5 billion healthcare claims, 12.9 billion prescription drug claims, and represents 79% coverage of all U.S. patients.

