HB 382 Testimony
From: Evelyn Burton, Maryland Advocacy Chair, Schizophrenia & Psychosis Action Alliance
Position: SUPPORT WITH AMENDMENTS

As families of those with the psychiatric brain disorders of schizophrenia, schizoaffective disorder, bipolar disorder, and major depression, we too often see the tragic outcomes of untreated and inappropriately treated psychosis. Psychosis can include hallucinations, delusions, the inability to recognize reality and cognitive deficits. The tragic outcomes include incarceration, homelessness, violence to self and others, suicide and death can happen within days of the onset of psychosis. With psychotic illnesses, there may be only one window of opportunity to prescribe the most effective and tolerable medication for an individual before extremely adverse consequences occur. Any delay in effective medication prescription for a psychotic illness, including delays from prior authorization or step therapy requirements, seriously risk the life of the patient as well as others. Other states have shown significant cost savings from similar bills when overall costs are considered. Schizophrenia & Psychosis Action Alliance (S&PAA) strongly supports HB382 with three amendments: 1. Include another important psychotic disorder, schizoaffective disorder, in the list of covered diagnoses; 2. Require cost savings calculations to include total Medicaid costs (hospitalization) and 3. Give the legislature, not the Department of Legislative Services the authority to re-institute prior authorization and step therapy if the overall costs are too high.

Any delay in effective medication prescription for a psychotic illness, including delays from prior authorization or step therapy requirements, seriously risk the life of the patient as well as others. Unlike a condition like high cholesterol which does not cause adverse effects quickly, active psychosis is unpredictable and can result in violence and other adverse consequences at any time, sometimes within days. On average, those with all mental illnesses are no more dangerous than the average population. However, according to Dr. Thomas Insel, a past director of the National Institute on Mental Health (NIMH), "An active psychotic illness is associated with irrational behavior and violence can be part of that….There is a 15 fold reduction in risk of homicide, with … treatment."[1] Research shows nonadherence to antipsychotic treatment results in a "fourfold increase in the risk of suicide…and increased rates of hospitalization, use of emergency psychiatric services, arrests…[and] greater substance use."[2]

With psychotic illnesses, there may be only one window of opportunity to prescribe the most effective and tolerable medication for an individual before extremely adverse consequences occur. Only an individual's physician can best judge which medication is most likely to be effective, is compatible with the individual's comorbid conditions and which the individual is most likely to tolerate and agree to take. Prior authorization and step-therapy requirements increase the risk of the individual refusing to take any medication if intolerable side effects from a non-optimal medication are experienced.

Untreated and ineffectively treated psychosis is a major driver of criminalization of those with serious mental illness (SMI.) The delusions and hallucinations and cognitive impairments of psychosis often result in the inability to comply with the law. The Maryland Secretary of Health testified last year that approximately 25 percent of people in Maryland jails have serious mental illness. The elimination of prior authorization and step therapy for illnesses with psychosis could significantly reduce the criminalization of serious mental illness.

Research in other states has found that prior authorization and step-therapy dramatically increased overall state costs. (see below) According to the attached Issue Brief from the Scheffer Center for Health

Policy & Economics,[3] "Medicaid formulary restrictions, such as prior authorization and step therapy…save little, if any, money on drug spending. Instead, formulary restrictions increase overall Medicaid spending for people with serious mental illnesses, especially for inpatient hospital care. … formulary restrictions also raise costs to society through increased spending to jail mentally ill Americans." (See charts below) As legislators you basically face 2 choices. 1. Maintain the status quo where millions of dollars are spent on hospitalization and incarceration for those with untreated psychotic illnesses while maybe saving a small amount on medications, or 2. Pass HB382 and save millions of dollars on reduced hospitalizations and incarceration, and reduce suicides violence and criminalization, while maybe spending a relatively small amount more on medications. Unfortunately, this overall savings will not generally show up in the fiscal note, since Legislative Services does not consider overall savings, as from hospitalization or incarceration.

Allowing the Department of Legislative Services to abruptly re-institute prior authorization and step-therapy for those already stabilized on effective medications is tantamount to a death sentence for some by suicide or violence and incarceration for others. Such discontinuation should be carefully considered by the legislature, not Legislative Services.

We ask for a favorable report on HB382 with the following amendments to add schizoaffective disorder, to require consideration of total Medicaid costs and give the legislature, not Legislative Services, the authority to negate provisions of this bill. Not only can HB382 save the state money, but it can help prevent the tragedies of suicide, death and incarceration from the delay and interruption of effective medication treatment of psychotic illnesses.

REQUESTED AMENDMENTS:

15–157.

(B) EXCEPT AS REQUIRED UNDER 42 U.S.C. § 1396A, BEGINNING JULY 1, 2025, THE PROGRAM MAY NOT APPLY A PRIOR AUTHORIZATION REQUIREMENT FOR A PRESCRIPTION DRUG USED TO TREAT AN ADULT ENROLLEE'S DIAGNOSIS OF:

(1) BIPOLAR DISORDER;
(2) SCHIZOPHRENIA;
(3) MAJOR DEPRESSION
(4) POST–TRAUMATIC STRESS DISORDER;
(5) A MEDICATION–INDUCED MOVEMENT DISORDER ASSOCIATED WITH THE TREATMENT OF A SERIOUS MENTAL ILLNESS; OR
(6) <u>SCHIZOAFFECTIVE DISORDER</u>

(C) BEGINNING JULY 1, 2025, THE PROGRAM MAY NOT APPLY A PRIOR AUTHORIZATION REQUIREMENT, FAIL–FIRST PROTOCOL, OR STEP THERAPY PROTOCOL FOR A PRESCRIPTION DRUG USED TO TREAT AN ENROLLEE'S DIAGNOSIS OF:

(1) BIPOLAR DISORDER;
(2) SCHIZOPHRENIA;
(3) MAJOR DEPRESSION
(4) POST–TRAUMATIC STRESS DISORDER;
(5) A MEDICATION–INDUCED MOVEMENT DISORDER ASSOCIATED WITH THE TREATMENT OF A SERIOUS MENTAL ILLNESS; OR
(6) <u>SCHIZOAFFECTIVE DISORDER</u>

Article - Insurance:

15–142 (e)(2)
THE PRESCRIPTION DRUG IS USED TO TREAT THE INSURED'S OR ENROLLEE'S DIAGNOSIS

OF:

(1) BIPOLAR DISORDER;
(2) SCHIZOPHRENIA;
(3) MAJOR DEPRESSION
(4) POST–TRAUMATIC STRESS DISORDER;
(5) A MEDICATION–INDUCED MOVEMENT DISORDER ASSOCIATED WITH THE TREATMENT OF A SERIOUS MENTAL ILLNESS; OR
(6) SCHIZOAFFECTIVE DISORDER

15–851.1

(B) AN ENTITY SUBJECT TO THIS SECTION MAY NOT APPLY A PRIOR AUTHORIZATION REQUIREMENT FOR A PRESCRIPTION DRUG USED TO TREAT THE INSURED'S OR ENROLLEE'S DIAGNOSIS OF:

(1) BIPOLAR DISORDER;
(2) SCHIZOPHRENIA;
(3) MAJOR DEPRESSION;
(4) POST–TRAUMATIC STRESS DISORDER;
(5) A MEDICATION–INDUCED MOVEMENT DISORDER ASSOCIATED WITH THE TREATMENT OF A SERIOUS MENTAL ILLNESS; OR
(6) SCHIZOAFFECTIVE DISORDER

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) On or before January 31, 2026, and each January 1 thereafter through 2030, the Maryland Department of Health shall report to ~~the Department of Legislative Services AND~~ THE HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE AND THE SENATE FINANCE COMMITTEE on any cost increase to the Maryland Medical Assistance Program from the immediately preceding fiscal year that results from the implementation of Section 1 of this Act.

(b) CALCULATION OF COSTS IN THIS SECTION SHALL INCLUDE CONSIDERATION OF ANY REDUCTION IN HOSPITAL COSTS FOR INDIVIDUALS AFFECTED UNDER SECTION 1 OF THIS ACT COMPARED TO THEIR HOSPITAL COSTS BEFORE IMPLEMENTATION OF SECTION 1 OF THIS ACT.

~~(b) On or before April 30 of the year in which a report is submitted under subsection (a) of this section, the Department of Legislative Services shall determine, based on the report, whether the implementation of Section 1 of this Act resulted in a cost increase to the Maryland Medical Assistance Program of more than $2,000,000 from the immediately preceding fiscal year~~

~~(c) If the Department of Legislative Services determines that the implementation of Section 1 of this Act resulted in a cost increase to the Maryland Medical Assistance Program of more than $2,000,000 from the immediately preceding fiscal year, with no further action required by the General Assembly, at the end of April 30 of the year the determination is made, Section 1 of this Act shall be abrogated and of no further force and effect.~~

References:

1. DJ Jaffe. *insane consequences*. Pg 33
2. DJ Jaffe. *insane consequences*. Pg 77
3. USC Schaeffer. Medicaid Access Restrictions on Psychiatric Drugs: Penny Wise or Pound Foolish? Issue Brief No. 2 February 2015. (See graphs below and attached full study)

Figure 1[3]

Change in Hospital Outcomes Associated with Prior Authorization and Step Therapy for Antidepressants, Major Depressive Disorder (MDD) Related

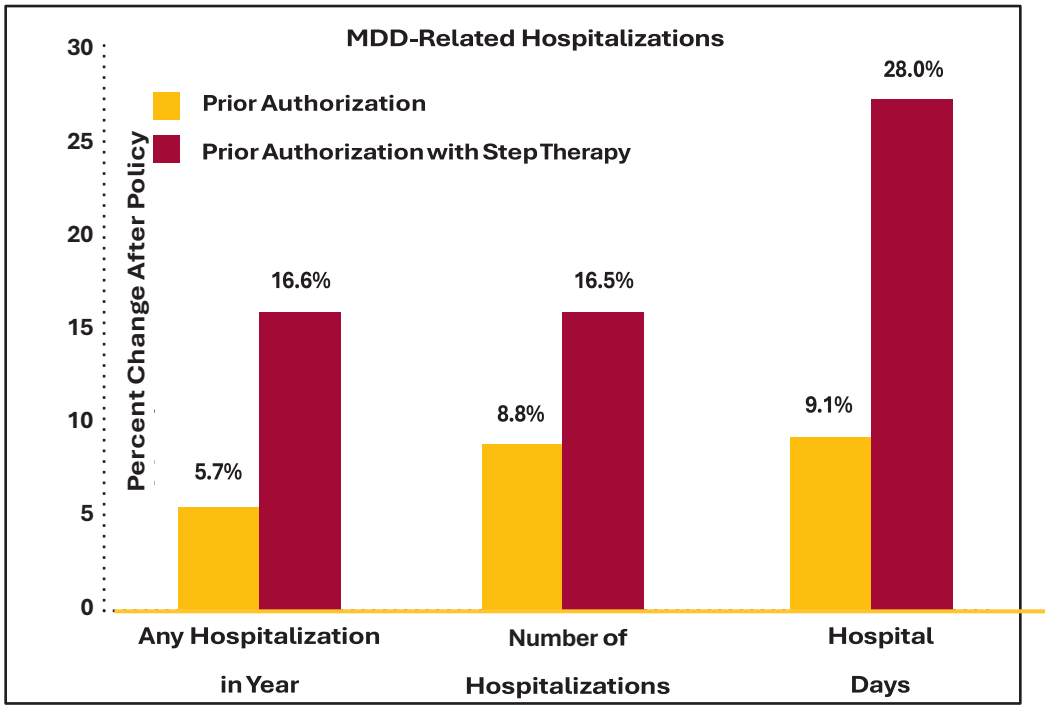

Figure 2[3]

Predicted Expenditures With and Without Formulary Restrictions for Atypical Antipsychotics: Patients with Schizophrenia