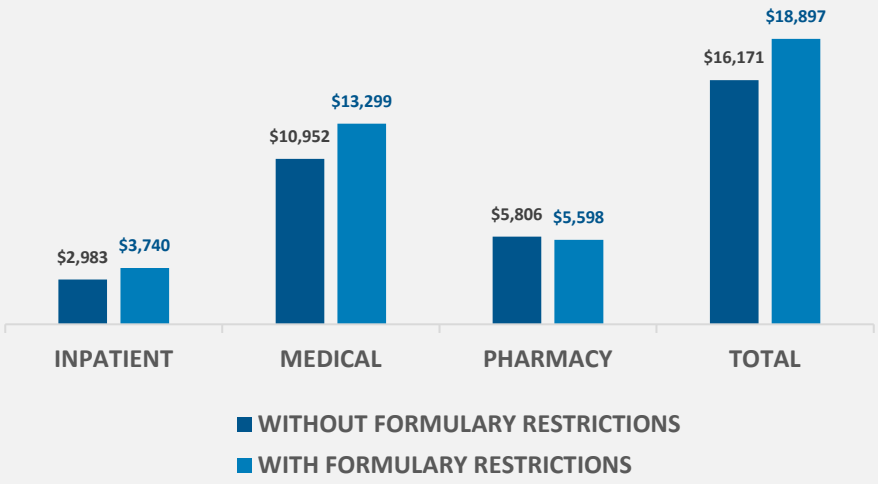
# HEALTH PLAN FORMULARY RESTRICTIONS ON MEDICATIONS FOR SERIOUS MENTAL ILLNESS

People living with serious mental illnesses (SMI), such as schizophrenia and bipolar disorder, should not have to "fail first" on medications preferred by the payer. Due to the nature of SMI, adherence to medication is already a significant challenge [1], and more than 50% of psychiatrists surveyed said formulary restrictions are most frequent roadblock to optimal treatment. [2]

Commercial and public health plan formulary restrictions, including "prior authorization" (PA) and "step therapy protocol" requirements, are designed to control health plan costs. However, these policies based primarily on cost savings rather than on clinical considerations may diminish access to necessary medications and ultimately result in significant human, economic, and social costs.[3]

**Predicted Expenditures With and Without Formulary Restrictions for Atypical Antipsychotics: Patients with Schizophrenia** [4]




**Applying formulary restrictions to atypical antipsychotics is associated with higher total medical expenditures for patients with schizophrenia and bipolar disorder in Medicaid.** [5]

Prior authorization requirements for atypical antipsychotics are associated with a **22% increase in the likelihood of imprisonment.** [6]

Patients with schizophrenia subject to formulary restrictions **were more likely to be hospitalized with 23% higher inpatient costs**. Similar effects were observed for patients with bipolar disorder. [7]

Patients who discontinued or temporarily stopped taking their medications because of prescription drug coverage, utilization management, or copayment issues also had **3.2 times greater odds of being homeless.** [8]

***Policymakers should prohibit health plans from establishing formulary restrictions, such as "prior authorizations" or "step therapy protocols," on medications treating serious mental illness.***

1. Higashi, Kyoko et al. "Medication adherence in schizophrenia: factors influencing adherence and consequences of nonadherence, a systematic literature review." Therapeutic advances in psychopharmacology vol. 3,4 (2013): 200-18. doi:10.1177/2045125312474019. 2. Psychiatrists' Perceptions of Insurance-Related Medication Access Barriers, Ruth S. Shim, Cathy Lally, Rebecca Farley, Chuck Ingoglia, and Benjamin G. Druss, Psychiatric Services 2014 65:11, 1296-1296. 3. Medicaid Prescription Drug Policies and Medication Access and Continuity: Findings From Ten States. Joyce C. West, Ph.D., M.P.P., Joshua E. Wilk, Ph.D., Donald S. Rae, M.A., Irvin S. Muszynski, J.D., Maritza Rubio Stipec, Sc.D., Carol L. Alter, M.D., Karen E. Sanders, M.S., Stephen Crystal, Ph.D., and Darrel A. Regier, M.D., M.P.H. Psychiatric Services 2009 60:5, 601-610. 4. Seabury et al., "Formulary Restrictions on Atypical Antipsychotics: Impact on Costs for Patients with Schizophrenia and Bipolar Disorder in Medicaid," American Journal of Managed Care. 20(2): e52-e60. 2014. 5. *Id. 4.* 6. Medicaid Prior Authorization Policies and Imprisonment Among Patients With Schizophrenia, Dana Goldman, PhD, John Fastenau, MPH, RPh, Riad Dirani, PhD, Eric Helland, PhD, Geoff Joyce, PhD, Ryan Conrad, PhD, Darius Lakdawalla, PhD, The American Journal of Managed Care, July 2014, Volume 20, Issue 7. 7. *Id. 4.* 8. *Id. 3.*

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