

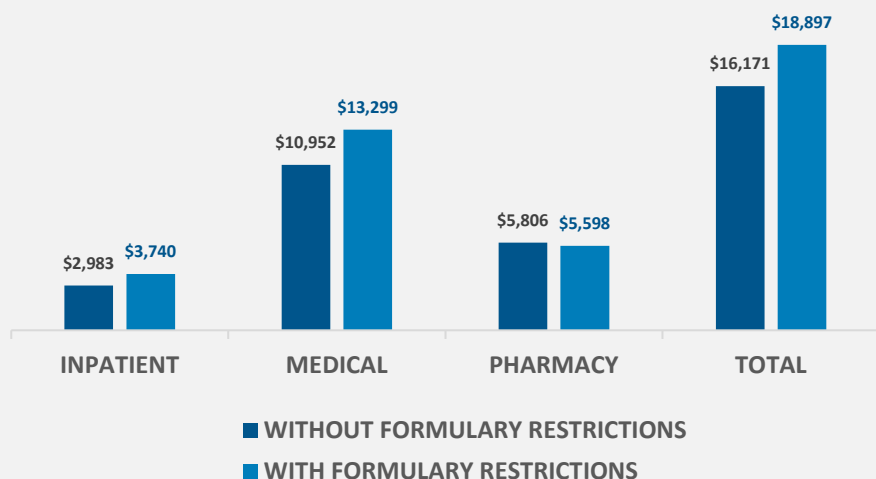
# HEALTH PLAN FORMULARY RESTRICTIONS ON MEDICATIONS FOR SERIOUS MENTAL ILLNESS

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<sup>1</sup>, and more than 50% of psychiatrists surveyed said formulary restrictions are most frequent roadblock to optimal treatment.<sup>2</sup>

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.<sup>3</sup>

## Predicted Expenditures With and Without Formulary Restrictions for Atypical

### Antipsychotics: Patients with Schizophrenia<sup>4</sup>



Applying formulary restrictions to atypical antipsychotics is associated with higher total medical expenditures for patients with schizophrenia and bipolar disorder in Medicaid.<sup>5</sup>



Prior authorization requirements for atypical antipsychotics are associated with a **22% increase in the likelihood of imprisonment.**<sup>6</sup>



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.<sup>7</sup>



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.**<sup>8</sup>

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

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# Coverage for Antipsychotic Medications

## Patients and Prescribers Prevail

### PEOPLE WITH SCHIZOPHRENIA

- Have 13-15 years less life expectancy<sup>1</sup>
- Are 20x more likely to commit suicide<sup>1</sup>
- Are 4-6x more likely to be victimized<sup>2</sup>

The estimated cost of illness was over \$280 billion in 2020<sup>3</sup>  
Schizophrenia is the 15<sup>th</sup> leading cause of disability worldwide<sup>4</sup>

### PEOPLE WITH BI-POLAR DISORDER

- Have 13 years shorter life expectancy<sup>5</sup>
- Have 20-30x higher risk for suicide<sup>6</sup>

Total estimated cost of illness was over \$195 billion in 2018<sup>7</sup>  
Bi-polar Disorder is the 25<sup>th</sup> leading cause of disability worldwide<sup>4</sup>



### ARREST & INCARCERATION

**2 MILLION PEOPLE**  
with a serious mental illness  
are **JAILED** annually.<sup>8</sup>

### EMERGENCY CARE

Over 380,000 Emergency Department visits annually involved adults with schizophrenia.<sup>4</sup> About 50% of these visits led to hospitalization.<sup>9</sup>

### HOMELESSNESS

Over 1 in 5 homeless persons are living with a serious mental illness.<sup>10</sup>

People with serious mental illnesses including schizophrenia and bi-polar 1 disorder **should not have to fail first** on medications preferred by the payer. **Fail first policies** are associated with **reduced medication adherence, increased inpatient costs, and increased medical costs.**<sup>11,12</sup> Fail first policies place burdens on patients and providers and undermine patient care.<sup>13,14</sup>

### PROPOSAL

Public and commercial health plans should be prohibited from applying fail first policies on medications approved by the FDA for the treatment of serious mental illnesses including schizophrenia and bi-polar 1 disorder.

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