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TESTIMONY

BILL: AB430 **BDR # 38-984**

HEALTH CARE FINANCING & POLICY DIVISION

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Good Afternoon, Chairman Koivisto and members of the Health and Human Services Committee. I am Mary Wherry, Deputy Administrator of the State of Nevada Division of Health Care Financing & Policy.

I am here today to provide testimony regarding Assembly Bill 430, which requires certain mental health drugs be exempt from prior authorization and preferred drug lists which are used to manage the Medicaid fee-for-service pharmacy program.

Nevada Medicaid's pharmacy program complies with federal regulations in §1927 of the Social Security Act governing the Medicaid drug rebate program and outpatient pharmacy coverage. Nevada operates under an open formulary but manages the expenditures and utilization control of the pharmacy program through a prior authorization drug schedule, quantity

limitations, clinical step therapy protocols, upper limits on pricing and appropriate provider/recipient education. In addition, Nevada participates in the Drug Rebate program that was legislated in OBRA '90.

Medicaid's fee-for-service prior authorization policies and step therapy protocols use clinically-based criteria developed by our Drug Utilization Review (DUR) board and approved by the Division's Medical Care Advisory Committee (MCAC). The DUR board is made up of clinical practitioners from the community experienced in the pharmacy needs of Medicaid recipients. Our policies are developed in accordance with national practice guidelines and feedback from Medicaid practitioners.

DHCFP appreciates the concern by this committee for the sensitive nature of the drugs utilized to treat mental illness. We commit to have our DUR board work with the Mental Health and Developmental Services Division and its clinical staff on appropriate clinical protocols for Medicaid recipients who may need mental health drugs. Decisions as to whether to implement Medicaid step therapy protocols or prior authorization policies for mental health drugs will be left to clinical experts.

In development of a PDL, DHCFP has committed to exclude atypical, typical anti-psychotics and anti-convulsant medications due to the sensitive nature of these drugs. DHCFP would ask that the committee adopt an amendment that would allow a clinically based pharmacy and therapeutic (P&T) committee to decide if it is necessary to exempt anti-depressant and anti-anxiety medications.

Thank you for allowing me the opportunity to testify on this bill. I would be happy to answer questions at this time.