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February 23, 2010

MEMORANDUM

TO: Honorable Marcus R. Oshiro, Chair  
House Committee on Finance

FROM: Lillian B. Koller, Director

SUBJECT: **H.B. 2983, H.D.1- RELATING TO PSYCHOTROPIC MEDICATION**

Hearing: Tuesday, February 23, 2009, 4:30 P.M.  
Conference Room 308, State Capitol

PURPOSE: The purpose of this bill is to prohibit the Department of Human Services from imposing any restriction or limitation on the coverage for, or a recipient's access, to psychotropic medication prescribed by a naturopathic physician licensed in the State. Requires annual reports to include the cost and impact of naturopathic physicians prescribing medications that are not part of the existing formulary.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) opposes this bill.

The Medicaid program does not currently reimburse for naturopathic services nor recognize naturopathic providers as an approved provider. This means that naturopathic services would need to be paid for entirely with State general funds. There is no appropriation in this bill for this.

Overprescribing and inappropriate prescribing of psychotropics and their harms have been well documented in the literature. Expanding prescribing authority to these expensive and potentially dangerous medications by providers whose expertise is in other areas, raises serious concerns of patient safety.

Thank you for the opportunity to provide testimony on this bill.



**HAWAII MEDICAL ASSOCIATION**

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**Tuesday, February 23, 2010, 4:30 P.M., Conference Room 308**

To: COMMITTEE ON FINANCE  
Rep. Marcus R. Oshiro, Chair  
Rep. Marilyn B. Lee, Vice Chair

From: Hawaii Medical Association  
Gary A. Okamoto, MD, Legislative Co-Chair  
Linda Rasmussen, MD, Legislative Co-Chair  
April Donahue, Executive Director  
Lauren Zirbel, Government Affairs  
Dick Botti, Government Affairs

RE: HB2983 RELATING TO PSYCHOTROPIC MEDICATION

Oppose as currently written.

Chairs & Committee Members:

Hawaii Medical Association opposes HB2983 in its most recently amended version. We oppose the prohibition for the Department of Human Services to deny reimbursements to naturopathic doctors for psychotropic prescriptions. Naturopathic services are currently not covered by Medicare or Medicaid, for a variety of reasons, and the legislation proposed creates a serious conflict of this national policy.

We are under the impression from discussions with the Chairs of both the House Health and Human Services committees that the amendments made regarding naturopaths were not intended to force DHS reimbursement to these providers. The purpose of the amendments was instead to include naturopaths in the tracking of psychotropic prescriptions. However, as DHS does not reimburse naturopaths, this group of healthcare providers should not be included in HB2983.

Thank you for the opportunity to testify.

**OFFICERS**

President - Robert Marvit, MD President-Elect - Morris Mitsunaga, MD Secretary - Thomas Kosasa, MD  
Immediate Past President - Gary Okamoto, MD Treasurer - Stephen Kemble, MD Executive Director - April Donahue



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February 23, 2010

To: The Honorable Marcus R. Oshiro  
Chair, House Committee on Finance

From: 'Ohana Health Plan

Re: House Bill 2983, House Draft 1-Relating to Psychotropic Medication

Hearing: Tuesday, February 23, 2010, 4:30 p.m.  
Hawai'i State Capitol, Room 308

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Since February 2009, 'Ohana Health Plan has provided services under the Hawai'i QUEST Expanded Access (QExA) program. 'Ohana is managed by a local team of experienced care professionals who embrace cultural diversity, advocate preventative care and facilitate communications between members and providers. Our philosophy is to place members and their families at the center of the health care continuum.

'Ohana Health Plan is offered by WellCare Health Insurance of Arizona, Inc. WellCare provides managed care services exclusively for government-sponsored health care programs serving approximately 2.3 million Medicaid and Medicare members nationwide. 'Ohana is able to take the national experience in providing an 'Ohana care model that addresses local members' healthcare and health coordination needs.

We appreciate this opportunity to submit our comments in opposition to House Bill 2983, House Draft 1-Relating to Psychotropic Medication.

Without care management techniques in place, patients are susceptible to receiving multiple psychotropic prescriptions from different providers leading to drug-induced problems. Current unlimited and unmanaged psychotropic prescribing places QUEST and QExA members at added risk, and is extremely costly to the State.

Clinical studies show that generic prescription drugs are just as safe and effective as brand name prescription drugs, often at a substantially lower price. Psychotropic medication is costly and must be taken on a regular basis. Hawai'i already has a "generics first" statute. However, under current law, patients in the Medicaid program have access to any and all brands of psychotropic medication, despite the availability of comparable and less expensive generic drugs. Allowing the use of comparable generics within the same drug class will help to further curb the rising cost of health care, particularly in the QUEST and QUEST Expanded Access (QExA) programs.

Studies also show that managed prescribing programs improve safety and provide equivalent effectiveness in every type of medication, including psychotropic drugs. 'Ohana's current pharmacy utilization management program has saved over \$2 million taxpayer dollars in the past 6 months without reducing the quality of care.

We would respectfully request that you consider adopting the proposed HD 2 which we have attached as a part of this testimony. The proposed HD 2 would improve patient care by taking steps to prevent unintended and inappropriate psychotropic polypharmacy and to further promote the practice of "generics first", as well as promote greater care coordination and patient management to prevent over prescribing.

Passage of this bill would also create a significant cost savings to the State. The Administration's plan to shift behavioral health coverage from the Department of Health's Adult Mental Health Division (AMHD) and Child and Adolescent Mental Health Division (CAHMD) programs to the QUEST and QExA programs, the QUEST programs will see an additional increase in psychotropic medication costs. Without change to the current law, the QUEST health care plans have no mechanism in place to help manage patient health services and costs within the behavioral health needs.

During these times of financial challenge, we need to make tough decisions in order to meet our budgetary needs. When the Administration is unable to make payments to the five QUEST health care plans for 3-4 months it would be unwise to add to those potentially uncompensated costs through the pharmacy component when there is no clinical reason to do so.

Thank you for the opportunity to submit testimony in opposition and for your consideration of our proposed HD 2.

# PROPOSED HD 2

**Report Title:**

Psychotropic Medication

**Description:**

Allows the Department of Human Services to improve the safety and cost-effectiveness of psychotropic medication use.

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## A BILL FOR AN ACT

RELATING TO PSYCHOTROPIC MEDICATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

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2 SECTION 1. Section 346-59.9, Hawaii Revised Statutes, is

3 amended to read as follows:

4 "§346-59.9 Psychotropic medication. (a) The department

5 shall not impose any restriction or limitation on the coverage

6 for, or a recipient's access to, psychotropic medication [~~—~~

7 ~~provided that the psychotropic medication shall be prescribed by~~

8 ~~a psychiatrist, physician, or an advanced practice registered~~

9 ~~nurse with prescriptive authority under chapter 457, duly~~

10 ~~licensed in the State.] in the QUEST, QUEST Expanded Access, and~~

11 fee-for-service medicaid programs as follows:

12 (1) The continued use of a currently prescribed generic or

13 brand name antipsychotic medication, to avoid

14 disrupting stabilization of the recipient; and

15 (2) Any new generic psychotropic medication.

16 [~~(b) The department shall report to the legislature no~~

17 ~~later than twenty days before the convening of each regular~~

18 ~~session on:~~

- 1       ~~(1) The number of prescriptions written pursuant to this~~  
2       ~~section;~~
- 3       ~~(2) The cost and impact of psychiatrists, physicians, or~~  
4       ~~advanced practice nurses prescribing medications,~~  
5       ~~pursuant to this section, that are not part of the~~  
6       ~~existing formulary; and~~
- 7       ~~(3) The overall use of psychotropic medication under~~  
8       ~~chapter 346.]~~
- 9       (b) For any new psychotropic medication prescription, the  
10      department shall be allowed to implement the following evidence-  
11      based measures in the QUEST, QUEST Expanded Access, and fee-for-  
12      service medicaid programs:
- 13       (1) Claims edits, prior authorizations, and other measures  
14       to prevent ineffective or potentially harmful  
15       psychotropic polypharmacy; and
- 16       (2) Step therapy, except as described in (a) (2), within  
17       the therapeutic class, while ensuring access to  
18       medically necessary psychotropic medications.
- 19       (c) All psychotropic medications covered by this section  
20      shall be prescribed by a psychiatrist, a physician, or an

1 advanced practice registered nurse with prescriptive authority  
2 under chapter 457, duly licensed in the State.

3       ~~(e)~~ (d) As used in this section, "psychotropic  
4 medication" means only those agents approved by the United  
5 States Food and Drug Administration for the treatment of mental  
6 or emotional disorders."

7       SECTION 2. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9       SECTION 3. This Act shall take effect on July 1, 2010.

INTRODUCED BY: \_\_\_\_\_

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