genoa

WRITTEN TESTIMONY OF DALE MASTEN
FOR GENOA HEALTHCARE
FEBRUARY 22, 2013

Dear Members of the Appropriations Committee:

Thank you for the opportunity to provide written comments in opposition the 30 cent reduction in the pharmacy dispensing fee.

Genoa Healthcare is a specialized pharmacy provider committed to providing unique, cost effective services to patients in the mental health community. Our four pharmacies in Connecticut are located in Community Mental Health Centers. Our patients' safe, effective use of medication is our primary goal. However, many of the distinctive programs we offer help States and their Medicaid programs control costs. For every 1,000 mental health patients under our care, Genoa Healthcare saves the State of Connecticut approximately $440,000 by providing high-value services that improve adherence. In Connecticut in 2011 we served 2,423 Medicaid mental health patients. Recent analysis of our value in the State of Washington reveals that our ability to improve compliance by these accepted measures brings substantial value to the State. Because we serve 2,423 Medicaid mental health patients in the state, this translates to approximately $1.06 M in savings. In Medicaid, however, pharmacies receive reimbursement for their services, which are normally viewed as simple dispensing activities and therefore payments typically only include ingredient cost and a dispensing fee. Genoa Healthcare goes above and beyond traditional pharmacy dispensing services and provides additional high-touch, high-value services that improve compliance, health outcomes and quality as they translate into significant savings for state Medicaid programs, provider and patient alike.

Medication Possession Ratio (MPR) is a common measure of patient medication compliance. A score of 1 is the perfectly compliant patient who picks up every refill on time, whereas a patient who only picks up one 30-day supply every 60 days scores 0.5. We consistently outperform published MPRs. Genoa has consistently scored a MPR of 0.9 for our 103 pharmacies in the United States.

Genoa accomplishes this by offering specialized adherence packaging designed specifically for the mental health community, non-robotic refill reminder calls, clozapine (one of the most successful Schizophrenia medications) monitoring, a full service laboratory, and many other services that are specifically designed to help the mental health population stay adherent to their medication. As a full service pharmacy, Genoa will even work with the patient to ensure that all refills occur at the same time, for both their behavioral health medications and their physical health medications.

Due to the nature of mental illness, over 40 percent of Genoa's patients rely on Medicaid for their prescription drug coverage. This is substantially higher than most pharmacies. Any cut in Medicaid reimbursement hurts Genoa disproportionately due to our client base. When cuts like these occur, it forces us to review our services and decide what service can be eliminated with the least affect to our clients. If we are forced to eliminate any of our services, it may have an adverse effect on health care in Connecticut. If our clients are not adherent to their medication, it results in increased hospitalization and an increase in overall health care costs to the Medicaid system. Studies have shown that a one day gap in medication therapy increases the potential of hospitalization by 50 percent. If our clients don't stay on their medication, they WILL end up in the hospital. An average hospitalization stay for a Schizophrenia patient is $20,000.00.

Thank you again for the opportunity to comment. On behalf of Genoa Healthcare, I urge you to reject the proposed 30 cent reduction in the dispensing fee. Please feel free to contact me at dmasten@genoathealthcare.com or 513-804-8618 if you have any question or need more information on Genoa.