

**Testimony of the National Alliance on Mental Illness (NAMI) of
Connecticut
Before the Human Services Committee**

March 5, 2013

In Support of

**Raised S.B. No. 1023 AN ACT CONCERNING REVENUE RETENTION BY NONPROFIT
HEALTH AND HUMAN SERVICES PROVIDERS**

**Raised S.B. No. 1026 AN ACT CONCERNING AN ADEQUATE PROVIDER NETWORK TO
ENSURE POSITIVE HEALTH OUTCOMES FOR LOW INCOME RESIDENTS**

**Raised H.B. No. 6545 AN ACT CONCERNING DRUG PRIOR AUTHORIZATION FOR
MEDICAID RECIPIENTS**

Senator Slossberg, Representative Abercrombie and distinguished members of the Human Services Committee, my name is Daniela Giordano and I am the Public Policy Director for Adults, State and National matters with the National Alliance on Mental Illness (NAMI) of Connecticut. NAMI Connecticut is the state affiliate of NAMI, the nation's largest grassroots mental health organization dedicated to building better lives for all those affected by mental illness. NAMI Connecticut offers support groups, educational programs, and advocacy for improved services, more humane treatment and an end to stigma and economic and social discrimination. We represent individuals who actually live with mental illness and parents and family members of individuals living with mental illness. I am here today on behalf of NAMI Connecticut to support three bills.

We support S.B. 1023 AN ACT CONCERNING REVENUE RETENTION BY NONPROFIT HEALTH AND HUMAN SERVICES PROVIDERS. This bill would allow non-profit organizations that have a contract with a state agency for providing health or human services to keep one hundred percent of the difference between their incurred expenditures and the amount they receive under this contract if they meet certain requirements. These requirements include 1) having met performance requirements set forth in the contract and 2) being compliant with regulatory requirements and standards developed by the contracting state agency. This would support non-profit agencies to enhance their fiscal health and stability. Organizations that provide effective services efficiently would be encouraged and rewarded by being able to re-invest these 'earned' resources into their infrastructure or services. This is particularly crucial in consideration of the continuous rescission and budget cuts for private non-profit providers leaving

them in a precarious situation to care for the people they serve with only this legislative session giving these vital players in our safety net an initial cost-of-living adjustment.

We support S.B.1026 AN ACT CONCERNING AN ADEQUATE PROVIDER NETWORK TO ENSURE POSITIVE HEALTH OUTCOMES FOR LOW INCOME RESIDENTS. This bill would improve health outcomes and ensure that Medicaid recipients have timely access to an adequate network of health care providers in time for the expansion of Medicaid under the Affordable Care Act (ACA).

It would establish a commission to study obstacles to achieving an adequate health care provider network for Medicaid recipients and recommend strategies to (1) improve access to Medicaid providers, and (2) improve health outcomes for all recipients; (3) reduce spending, especially for providing care to recipients with the highest and costliest health care needs and (4) reduce racial and ethnic disparities in health outcomes. Obstacles the commission would investigate range from (1) administrative burdens, to (2) to provider education regarding providing care to Medicaid recipients and (3) Medicaid reimbursement rates. Studying these well-known issues is particularly important to people in the mental health community as people with mental health conditions who receive care through Medicaid have an array of services available to them but oftentimes encounter limited access due to waiting lists or providers' declining to accept Medicaid coverage.

We support Raised H.B. 6545 AN ACT CONCERNING DRUG PRIOR AUTHORIZATION FOR MEDICAID RECIPIENTS. The purpose of this proposal is to make changes in Medicaid's prior authorization (PA) requirements to ensure that *eligible Medicaid recipients and prescribers are informed of medication denials based on prior authorization issues.* This way prescribers and patients can make informed decisions as to how to proceed and ensure patients receive needed medications. The proposal would require the Department of Social Services (DSS) to provide written notices to both the prescriber and the Medicaid recipient when the department electronically denies or partially denies to pay for prescriptions at the pharmacy either immediately after the denial or by mail within twenty-four hours. These notices would have to identify (1) the drug, (2) the reason for denial or partial denial, (3) the procedures for appealing such denial or partial denial, and (4) options for obtaining a supply of such drug or a substitute drug.

The prescriber needs to be informed of applicable prior authorization requirements and alternative drugs which do not require prior authorization. If the prescriber does not request prior authorization or prescribe a substitute drug within a predetermined timeframe after this notice, the commissioner is required to contact the prescriber regarding these options.

Even though anti-psychotic medications are exempt from the prior authorization process, other medications used to treat psychiatric conditions are still subject to this practice. Furthermore, a partial exception to this current lack of notice concerns psychiatric medications. After a one-time only limited supply for medications is issued (which is possible through a one-time pharmacy override), DSS makes contact with the prescriber and advises him/her of the options (1) to request PA within 14 days so a further supply of the drug can be paid for and dispensed; (2) to prescribe a different drug. This practice would be improved if a notice was given to the patient as well, giving him/her the chance to take appropriate steps and take greater responsibility in caring for his/her health.

Despite these exemptions and exceptions for medications that treat psychiatric conditions, what is more important and often forgotten is the importance of accessible and coordinated treatment for all conditions, whether they are considered 'medical' or 'mental'. People diagnosed with mental illness have a high prevalence of also having medical conditions that require treatment¹, medications for which are subject to the prior authorization process.

Thank you for your time. I am happy to answer any questions you may have.
Daniela Giordano

¹ Druss, B., Carter, A. & Ciechanowski, P. Positioning your organization for new treatment expectations: Addressing comorbid mental and physical conditions. *National Council for Community Behavioral Healthcare* webinar