



North Carolina Department of Health and Human Services

2001 Mail Service Center • Raleigh, North Carolina 27699-2001

Tel 919-733-4534 • Fax 919-715-4645

Michael F. Easley, Governor

Dempsey Benton, Secretary

January 15, 2008

The Honorable William Purcell, Co-Chair
Appropriations on Health and Human Services
North Carolina General Assembly
Room 625, Legislative Office Building
Raleigh, NC 27603

Dear Senator Purcell:

Section 10.36(d)(28) of S.L. 2007-323 (House Bill 1473), "Drugs – Prior Authorization," requires the Department of Health and Human Services to "continually review utilization of medications under the State Medical Assistance Program prescribed for Medicaid recipients for the treatment of mental illness, including but not limited to, medications for schizophrenia, bipolar disorder, or major depressive disorder." The Department is required to submit its first report on January 1, 2008 and quarterly thereafter. An extension to the deadline was requested with a new deadline for submission of January 15, 2008. It is my pleasure to submit the initial report at this time.

Please direct all questions concerning this status report to Tara Larson, Acting Deputy Director for Clinical Policy and Programs at the Division of Medical Assistance at (919) 855-4260.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Benton", written over a horizontal line.

Dempsey Benton

DB:tl

cc: Dan Stewart
William W. Lawrence, Jr., M.D.
Michael Moseley
Sharnese Ransome
Jennifer Hoffmann
Legislative Library (2)





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Michael F. Easley, Governor

Dempsey Benton, Secretary

January 15, 2008

The Honorable Doug Berger, Co-Chair
Appropriations on Health and Human Services
North Carolina General Assembly
Room 622, Legislative Office Building
Raleigh, NC 27603

Dear Senator Berger:

Section 10.36(d)(28) of S.L. 2007-323 (House Bill 1473), "Drugs – Prior Authorization," requires the Department of Health and Human Services to "continually review utilization of medications under the State Medical Assistance Program prescribed for Medicaid recipients for the treatment of mental illness, including but not limited to, medications for schizophrenia, bipolar disorder, or major depressive disorder." The Department is required to submit its first report on January 1, 2008 and quarterly thereafter. An extension to the deadline was requested with a new deadline for submission of January 15, 2008. It is my pleasure to submit the initial report at this time.

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Michael F. Easley, Governor

Dempsey Benton, Secretary

January 15, 2008

The Honorable Beverly M. Earle, Chairman
Appropriations Subcommittee on Health and Human Services
North Carolina General Assembly
Room 634, Legislative Office Building
Raleigh, NC 27603

Dear Representative Earle:

Section 10.36(d)(28) of S.L. 2007-323 (House Bill 1473), "Drugs – Prior Authorization," requires the Department of Health and Human Services to "continually review utilization of medications under the State Medical Assistance Program prescribed for Medicaid recipients for the treatment of mental illness, including but not limited to, medications for schizophrenia, bipolar disorder, or major depressive disorder." The Department is required to submit its first report on January 1, 2008 and quarterly thereafter. An extension to the deadline was requested with a new deadline for submission of January 15, 2008. It is my pleasure to submit the initial report at this time.

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Michael F. Easley, Governor

Dempsey Benton, Secretary

January 15, 2008

The Honorable Bob England, M.D., Chairman
Appropriations Subcommittee on Health and Human Services
North Carolina General Assembly
Room 2219, Legislative Building
Raleigh, NC 27601

Dear Representative England:

Section 10.36(d)(28) of S.L. 2007-323 (House Bill 1473), "Drugs – Prior Authorization," requires the Department of Health and Human Services to "continually review utilization of medications under the State Medical Assistance Program prescribed for Medicaid recipients for the treatment of mental illness, including but not limited to, medications for schizophrenia, bipolar disorder, or major depressive disorder." The Department is required to submit its first report on January 1, 2008 and quarterly thereafter. An extension to the deadline was requested with a new deadline for submission of January 15, 2008. It is my pleasure to submit the initial report at this time.

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Michael F. Easley, Governor

Dempsey Benton, Secretary

January 15, 2008

The Honorable Verla Insko, Chairman
Appropriations Subcommittee on Health and Human Services
North Carolina General Assembly
Room 307-B1, Legislative Office Building
Raleigh, NC 27603

Dear Representative Insko:

Section 10.36(d)(28) of S.L. 2007-323 (House Bill 1473), "Drugs – Prior Authorization," requires the Department of Health and Human Services to "continually review utilization of medications under the State Medical Assistance Program prescribed for Medicaid recipients for the treatment of mental illness, including but not limited to, medications for schizophrenia, bipolar disorder, or major depressive disorder." The Department is required to submit its first report on January 1, 2008 and quarterly thereafter. An extension to the deadline was requested with a new deadline for submission of January 15, 2008. It is my pleasure to submit the initial report at this time.

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Michael F. Easley, Governor

Dempsey Benton, Secretary

January 15, 2008

Lynn Muchmore, Director
Fiscal Research Division
Room 619, Legislative Office Building
Raleigh, NC 27601

Dear Mr. Muchmore:

Section 10.36(d)(28) of S.L. 2007-323 (House Bill 1473), "Drugs – Prior Authorization," requires the Department of Health and Human Services to "continually review utilization of medications under the State Medical Assistance Program prescribed for Medicaid recipients for the treatment of mental illness, including but not limited to, medications for schizophrenia, bipolar disorder, or major depressive disorder." The Department is required to submit its first report on January 1, 2008 and quarterly thereafter. An extension to the deadline was requested with a new deadline for submission of January 15, 2008. It is my pleasure to submit the initial report at this time.

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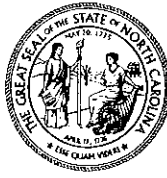
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Michael F. Easley, Governor

Dempsey Benton, Secretary

January 15, 2008

The Honorable Martin Nesbitt, Jr., Co-Chair
Joint Legislative Oversight Committee on MHDDSAS
North Carolina General Assembly
Room 300-B, Legislative Office Building
Raleigh, North Carolina 27603

Dear Senator Nesbitt:

Section 10.36(d)(28) of S.L. 2007-323 (House Bill 1473), "Drugs – Prior Authorization," requires the Department of Health and Human Services to "continually review utilization of medications under the State Medical Assistance Program prescribed for Medicaid recipients for the treatment of mental illness, including but not limited to, medications for schizophrenia, bipolar disorder, or major depressive disorder." The Department is required to submit its first report on January 1, 2008 and quarterly thereafter. An extension to the deadline was requested with a new deadline for submission of January 15, 2008. It is my pleasure to submit the initial report at this time.

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Michael F. Easley, Governor

Dempsey Benton, Secretary

January 15, 2008

The Honorable Verla Insko, Co-Chair
Joint Legislative Oversight Committee on MHDDSAS
North Carolina General Assembly
Room 307-B1, Legislative Office Building
Raleigh, NC 27603

Dear Representative Insko:

Section 10.36(d)(28) of S.L. 2007-323 (House Bill 1473), "Drugs – Prior Authorization," requires the Department of Health and Human Services to "continually review utilization of medications under the State Medical Assistance Program prescribed for Medicaid recipients for the treatment of mental illness, including but not limited to, medications for schizophrenia, bipolar disorder, or major depressive disorder." The Department is required to submit its first report on January 1, 2008 and quarterly thereafter. An extension to the deadline was requested with a new deadline for submission of January 15, 2008. It is my pleasure to submit the initial report at this time.

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Review of Division of Medical Assistance's Mental Health Drug Management Program

The State of North Carolina's Division of Medical Assistance (DMA) has engaged Mercer Government Human Services Consulting, part of Mercer Health & Benefits LLC (Mercer), to review the implementation of DMA's Mental Health Drug Management program. This report documents Mercer's findings for DMA, the House Appropriations Subcommittee on HHS, the Fiscal Research Division, and the Joint Legislative Oversight Committee on MH/DD/SAS regarding the program's implementation and preliminary outcomes of the required continuous utilization reviews.

Mental Health Drug Management Program Description

Utilization Reviews

- In December 2005, DMA launched the Mental Health Drug Management program.
- The program includes utilization reviews of medications prescribed for the treatment of mental illness, including, but not limited to medications for schizophrenia, bipolar disease, and major depressive disorder. Exhibit A includes a listing of the drug classes and corresponding medications that are included in the program's utilization reviews.
- Using DMA's pharmacy claims data, DMA's contracted vendor conducts continuous utilization reviews by identifying and comparing patient-specific medication usage against best clinical practice algorithms or retrospective clinical edits (see Exhibit B) for both adults and children.
 - The clinical edits identify potentially inefficient or harmful prescribing patterns including high-risk or redundant prescribing as well as prescribing patterns lacking continuity or coordination of care. For example, the clinical edits selected by DMA for prescriber or patient intervention include, but are not limited to, targeting continuous prescribing of multiple medication within the same chemical drug class (duplicate therapy), multiple prescribers for a drug class, higher or lower than recommended doses, multiple medications across all mental illness treatment drug classes and failure to refill maintenance mental health medications.
- Based on DMA's prescription claims data and analysis of clinical edits, the vendor provides profiling reports that inform DMA of the potential existence of questionable practice patterns.

Peer-to-Peer Consultation

- Physician peer-to-peer consultation is another level of intervention undertaken by DMA. Physicians that continue to deviate from best practice guidelines over extended time periods are considered for consultation.

- Educational information is shared by engaging these targeted outliers in collegial conversation about guidelines and best practices that are national standards for behavioral medication prescribing. The discussion focuses on general concepts in literature, such as the concurrent use of two atypical antipsychotics, instead of specific patient information.
- Prest and Associates, the consulting firm retained by the current vendor, is board-certified by the American Board of Psychiatry and Neurology. Its psychiatrists are specialists in psychopharmacology consultation, evidenced-based prescription standards for behavioral health care and physician prescribing practice consultation. The Prest and Associates review organization provides consultation services nationwide.
- Over the course of the project, a physician outlier baseline has been identified for DMA. Each month a group of physician outliers are submitted to Prest and Associates for consultation. A report of each physician encounter is done by Prest and Associates.
- DMA implemented the peer consultation component of the program during the fourth quarter of calendar year (CY) 2007.
 - Mercer expects the effectiveness of the Mental Health Drug Management program to continue to improve providers' prescribing practices with the addition of the peer consultation component. Other states have reported the peer consultation component to be beneficial in opening and increasing the avenues of communication between targeted prescribers and the Medicaid program regarding best practices for prescribing behavioral health medications.

Estimated Cost Savings and Outcome Analysis Review

Utilization Reviews Estimated Cost Savings

Mercer reviewed the Mental Health Drug Management program's implementation schedule as well as summary outcome and estimated savings reports provided by the program vendor for the study period between February 2006 and March 2007.

Mercer's team that reviewed the vendor's estimated savings reports related to utilization reviews included an actuary, healthcare consultant, statistical consultant and pharmacist.

- Based on their review, Mercer believes the vendor's savings studies have used reasonable statistical methodology, but may be overstating savings as a result of not completely isolating the impact of the program interventions to the influence of several significant confounding variables including eligibility changes, marketplace changes, and/or DMA programmatic changes and initiatives.
- Furthermore, based on this initial reporting by the contracted vendor and a review of the results of similar interventions in other states, Mercer believes there were at least \$2 million in state savings as a result of this program during February 2006 and March 2007.
- To evaluate the savings for the 2007/2008 budget year, data for that time period would be required, which is not yet available at the time of the writing of this report. Additional

analysis would also be required to evaluate the peer-to-peer consultations and other program changes implemented during the 2007/2008 budget year and not included in the initial savings analysis.

Prescriber Activity

An evaluation was completed by the vendor to review the effectiveness of the program's communications in motivating providers to change their prescribing practices. The evaluation notes the following prescriber pattern changes from January 2006 to February 2007.

- The overall unique count of prescribers triggering selected clinical edits for adults decreased from 4,648 prescribers (total targeted from February 2006 to December 2006) to 1,098 prescribers still targeted in February 2007.
- The overall unique count of prescribers triggering selected clinical edits for children decreased from 1,752 prescribers (total targeted from January 2006 to November 2006) to 507 prescribers still targeted in January 2007.

The evaluation notes that there may be other variables affecting the prescriber change reports however, specific variable examples were not provided.

Mercer notes that the largest prescriber change was found for adult and children clinical edits that were triggered by multiple providers prescribing behavioral health medications for a client.

- This suggests that the letter interventions may be effective in alerting providers to potential overlaps in prescribing.
- However, other Care Management and/or Drug Utilization Review (DUR) initiatives within the State may have also motivated providers to improve their prescribing patterns.
- In addition, the March 2006 changes to the State Plan for behavioral health services may have impacted these results by expanding the number of providers offering behavioral health services and by changing prescribing patterns and the utilization of other mental health services.

Peer Consultation

The peer consultation component of the program was recently implemented (fourth quarter of CY 2007) so there were no outcome results for Mercer to review.

- The current vendor is to provide DMA standard reporting that provides statistics on how many consults were completed during a specific time period and a narrative describing how receptive the physicians were to the calls.

Exhibit A

Drug Classes In Use – Mental Health Drug Management Program

Benzodiazepines – Anxiolytics

Alprazolam
Chlordiazepoxide
Clonazepam
Clorazepate
Diazepam
Lorazepam
Oxazepam

Benzodiazepines – Sedative Hypnotics

Estazolam
Flurazepam
Midazolam
Quazepam
Temazepam
Triazolam

Insomnia Agents

Amobarbital
Buspirone
Butabarbital
Chloral Hydrate
Eszopiclone
Meprobamate
Ramelteon
Secobarbital
Trazodone
Tryptophan
Zaleplon
Zolpidem

Antidepressants – SSRI's

Citalopram
Escitalopram
Fluoxetine
Fluvoxamine
Paroxetine
Sertraline

Antidepressants – Other Notable

Bupropion
Duloxetine
Mirtazapine
Nefazodone
Venlafaxine

Mood Stabilizers

Carbamazepine
Divalproex Sodium
Lamotrigine
Lithium
Oxcarbazepine
Valproic Acid

Antidepressants – MAOI's

Isocarboxazid
Phenelzine
Selegiline
Tranylcypromine

Anticonvulsants

Gabapentin
Topiramate
Tiagabine
Levetiracetam
Zonisamide

Antidepressants – TCA's

Amitriptyline
Amoxapine
Clomipramine
Desipramine
Doxepin
Imipramine
Maprotiline
Nortriptyline
Protriptyline
Trimipramine

Opiates

Butorphanol
Codeine
Dihydrocodeine
Fentanyl
Hydrocodone
Hydromorphone
Levorphanol
Meperidine
Methadone
Morphine
Opium
Oxycodone
Oxymorphone
Pentazocine
Propoxyphene
Remifentanyl
Sufentanyl
Tramadol

Typical Antipsychotics

Chlorpromazine
Fluphenazine
Haloperidol
Loxapine
Mesoridazine
Molindone
Perphenazine
Thioridazine
Thiothixene
Trifluoperazine

Atypical Antipsychotics

Aripiprazole
Clozapine
Olanzapine
Paliperidone
Quetiapine
Risperidone
Ziprasidone

Noradrenergic Agonists

Clonidine
Guanfacine

Antidyskinetics

Benztropine
Biperiden
Procyclidine
Trihexyphenidyl

ADHD Stimulants

Amphetamine
Dexmethylphenidate
Dextroamphetamine
Methamphetamine
Methylphenidate
Modafinil
Pemoline

Non-Stimulant ADHD

Atomoxetine

Exhibit B

The following clinical edits are currently used in DMA's Mental Health Drug Management program for 2007.

North Carolina – Clinical Edits ¹	ADULT	CHILD
Use of 5 or More Psychotropics for 60 or More Days	X	
Use of 2 or More Atypicals – Both at a Lower-Than-Recommended Dose for 60 or More Days	X	
Failure to Refill Newly Prescribed Antidepressant Within 30 Days of Prescription Ending	X	
Failure to Refill Newly Prescribed Stimulant or ADHD Non-Stimulant Within 30 Days of Prescription Ending	X	X
Failure to Refill Newly Prescribed Antipsychotic Within 30 Days of Prescription Ending	X	
Multiple Prescribers of Any Antipsychotic for 45 Days or More	X	X
Multiple Prescribers of the Same Class of Psychotropic Drug for 45 Days or More	X	
Multiple Prescribers of 1 or More Opiates for 30 Days or More	X	
Use of 2 or More Atypical Antipsychotics for 60 or More Days	X	
Use of 4 or More Psychotropics for 90 or More Days (13 – 17 Years)		X
Use of 3 or More Psychotropics for 90 or More Days (6 – 12 Years)		X
Use of 3 or More Psychotropics for 90 or More Days (Under 6 Years)		X
Use of an Antipsychotic at Higher Than Recommended Dose for 45 or More Days (Under 18 Years)		X

¹ Clinical edits are proprietary to CNS as Quality Indicators™