

**REPORT TO THE TWENTY-FOURTH HAWAII STATE
LEGISLATURE 2007**

**IN ACCORDANCE WITH THE PROVISIONS OF ACT 239,
SESSION LAWS OF HAWAII 2005, AS AMENDED BY ACT
311, SESSION LAWS OF HAWAII 2006**

**DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION
May 2007**

**REPORT SUBMITTED BY THE DEPARTMENT OF HUMAN SERVICES TO THE
2007 HAWAII STATE LEGISLATURE TO MEET THE REQUIREMENTS OF ACT 239,
SLH 2005, AS AMENDED BY ACT 311, SLH 2006.**

Act 239, Session Laws of Hawaii 2005, was amended by the 2006 Legislature and enacted as Act 311. The Act 311 amendments to sections 2 and 3 of Act 239 are as follows:

- 1) Prescriptions for psychotropic medications can be written by any licensed psychiatrist or physician without restriction or limitation on coverage. (The original Act 239, SLH 2005, required that a licensed physician who was not a psychiatrist consult with a psychiatrist; the Act 311, SLH 2006, amendments removed this consultation requirement.)
- 2) Act 239, SLH 2005, applied only to Medicaid recipients in the Medicaid fee-for-service program for aged, blind, or disabled clients. Section 3 of Act 311 amended section 5 of Act 239, SLH 2005, to include Medicaid recipients covered by the Medicaid QUEST program.

Both Act 239 and Act 311 require the Department to submit a report to the Legislature addressing the impact of this legislation. Both Acts specifically asked for the following information:

- 1) The number of prescriptions written pursuant to this Act;
- 2) The cost and impact of psychiatrists or physicians prescribing medications pursuant to this Act that are not part of the existing formulary; and
- 3) The overall utilization under chapter 346, Hawaii Revised Statutes.

Medicaid Fee-For-Service Only

Service Period	Average Number of Prescriptions Per Month		Average Payment Per Month	
	Psychiatrists	Other Physicians	Psychiatrist	Other Physicians
07/01/05 - 10/10/05	6,968	3,633	\$1,540,875	\$215,661
10/11/05 - 12/31/05	8,421	4,419	\$1,918,225	\$267,866
01/01/06 - 06/30/06	3,541	1,131	\$ 793,848	\$ 67,927
07/01/06 - 08/31/06	3,638	1,107	\$ 821,345	\$ 63,094
09/01/06 - 11/30/06	3,630	1,036	\$1,314,559	\$103,767

The period July 1, 2005 to October 10, 2005 is the period of time before the implementation of Act 239 and represents the baseline. The period October 11, 2005 to December 31, 2005 is the period after the implementation of Act 239 and BEFORE the implementation of the Federal Medicare Part D program. The Federal Medicare Part D program was implemented nationwide on January 1, 2006 and transferred the costs of drugs from the State to the Federal government

for about 25,000 Hawaii residents. These residents are dually eligible (DE) for both Medicare and Medicaid and they became the responsibility of the Federal Medicare's Part D Plans (PDPs) effective January 1, 2006. Act 311 was implemented July 1, 2006 which allowed coverage for Medicaid recipients in the QUEST program.

The data show that the increased costs associated with Act 239 were offset by significant decrease in costs to Medicaid resulting from the implementation of the Federal Medicare Part D. In the period January 1, 2006 to June 30, 2006, the costs and number of prescriptions for psychotropic medications by both psychiatrists and non-psychiatrists decreased significantly as a result of the implementation of Medicare Part D.

The impact of the amendment to Section 2 of Act 239 in Act 311 has shown little change. This amendment removed the requirement that a licensed physician who was not a psychiatrist consult with a psychiatrist so that prescriptions for psychotropic medications can be written by any licensed psychiatrist or physician without restriction or limitation on coverage. This amendment has caused little change in the average number of prescriptions per month since July 1, 2006, when Act 311 was implemented. The impact of Act 311 has shown a shift to different medications and/or price increases in drug costs overall and a substantial average payment per month increase for all specialties.

Medicaid QUEST Only

Act 311 also amended Section 3 of Act 239 to include Medicaid recipients covered by the Medicaid QUEST program. HMSA QUEST and AlohaCare have provided data below.

The baseline is the first six (6) months of 2006 when Medicare Part D was implemented but BEFORE implementation of Act 311 on July 1, 2006.

AlohaCare QUEST Prescription Utilization 2006

Service Period	Average Number of Prescriptions Per Month		Average Payment Per Month	
	Psychiatrists	Other Physicians	Psychiatrist	Other Physicians
01/01/06 - 06/30/06	696	612	\$101,991	\$34,933
07/01/06 - 08/30/06	777	640	\$118,782	\$36,882
09/01/06 - 11/30/06	762	657	\$110,567	\$36,705

HMSA QUEST Prescription Utilization – 2006

Service Period	Average Number of Prescriptions Per Month		Average Payment Per Month	
	Psychiatrists	Other Physicians	Psychiatrist	Other Physicians
01/01/06 - 06/30/06	2,928	3,988	\$447,373.95	\$316,545.03
07/01/06 - 08/31/06	4,000	2,710	\$562,450.44	\$209,951.47
09/01/06 - 11/30/06	3,909	2,632	\$541,372.89	\$204,197.94

The Department observes that many non-psychiatrists have not as yet rushed to prescribe psychotropics for our QUEST clients probably because these drugs are not part of their usual practice.

While the purpose of Act 239 and Act 311--"to improve access to psychotropic medication for Hawaii Medicaid clients" --is being met, the Department needs to review data over a longer period of time to demonstrate increase in access for Medicaid and QUEST recipients who are prescribed psychotropic medications by licensed physicians who are non-psychiatrists.