

Testimony of Billy Millwee
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before the
Senate Finance Committee, Subcommittee on Health Care
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Good morning Chairman Rockefeller, Ranking Member Grassley, and distinguished members of the Committee. My name is Billy Millwee, and I serve as the Texas Medicaid Director. I am pleased to be with you today to offer testimony regarding the strategies Texas is using to curb prescription drug abuse in Medicaid.

Over the past several years, Texas has made great progress in managing inappropriate utilization of drugs, including pain management and antipsychotic drugs. The state has done so through successful collaboration with multiple agencies, including the Texas Medicaid program, HHSC Office of Inspector General (HHSC-OIG), Department of Family and Protective Services (DFPS), Department of State Health Services (DSHS) and the Texas Attorney General (AG).

Medicaid Drug Utilization Management Efforts

Texas Medicaid has many processes in place both on the front end--before a prescription claim is filled--and also after prescriptions are filled to help ensure appropriate utilization.

We apply numerous point-of-sale edits, or restrictions, to all outpatient prescription claims. Edits include maximum quantity limits for each drug, therapeutic duplication alerts, and an early refill edit. If a Medicaid prescription claim hits one of these edits, the pharmacist must either call our pharmacy help desk to explain why an override is needed or proactively acknowledge the edit on the claim before the claim can be adjudicated.

Texas has extensive prior authorization processes in place at the point of sale particularly of for opiate overutilization and antipsychotics. The edits help ensure that each claim for these products meets approved clinical criteria established by the Texas Medicaid Drug Utilization Review Board. If these criteria are not met, the prescriber must call the Texas Medicaid prior approval vendor to request an authorization based on the additional clinical information they provide.

Texas Medicaid also conducts retrospective Drug Utilization Review to educate prescribers. For a targeted drug therapy, HHSC identifies physicians whose prescribing practices are outside the norm, mails them a packet of information that explains the clinical criteria for the specific intervention, and lists their patients to whom the criteria may apply. Approximately six months after the intervention letters are mailed an analysis is completed to compare the prescribing practices of those physicians to a control group, to evaluate the degree of change in prescribing patterns.

Two of the letters mailed in 2010 dealt with pain medications and antipsychotics. The analysis of both of these interventions showed they made a difference in prescribing

patterns. For instance, for the letter related to Oxycodone, Roxycodone, and Xanax, by the end of the six-month study period there was a 3.2 percent decrease in the cost per patient per month for claims filled by clients of 24 high prescribing physicians that were identified in a 2010 data request by Senator Grassley. By contrast there was an 8.0 percent increase in the control group.

Inclusion of Prescription Drugs in Managed Care

Effective March 1, 2012, most of Texas' Medicaid clients will obtain both their medical and prescription benefits through the managed care service delivery model. Under this full-risk model, health plans are expected to be more aggressive with their monitoring of their providers' practices, and are contractually required to implement a drug utilization review program consistent with Medicare Part D standards.

Texas HHSC Office of Inspector General Activities

HHSC-OIG investigations arise from the receipt of a specific allegation of fraud, provider self reports, and computer data matches. HHSC-OIG performs data mining processes that use targeted queries to determine outliers and anomalies among Medicaid providers.

Of the high-volume prescribers identified in a 2010 data request from Senator Grassley, HHSC-OIG has excluded 4 from participation in the Texas Medicaid Program as a result of its monitoring program. It also has taken other enforcement actions, including

opening 39 investigations, referring 3 providers to the Office of the Attorney General for criminal prosecution, and referring 2 providers to licensing boards for action.

Increased Surveillance and Prosecutorial Presence

Inter-agency collaboration recently enabled the successful prosecution by the Texas Office of Attorney General of a major drug manufacturer for falsely promoting an antipsychotic medication and marketing it for use in children. The prosecution led to a \$158 million settlement this year.

Psychotropic Medication Monitoring for the Foster Care Population

Since 2005, Texas has taken concerted steps to encourage the appropriate prescribing of psychotropic medications, including antipsychotic medications, among children in foster care who are prescribed these medications at a significantly higher rate than other children in Medicaid.

In 2005, the Texas Health and Human Services agencies released the Psychotropic Medication Utilization Review Parameters for Foster Children. These guidelines, which are widely distributed and periodically updated, guide utilization review of these medications for the foster care population.

In 2008, Texas implemented the STAR Health statewide managed health care system to provide comprehensive health care for Medicaid youth in foster care. STAR Health includes a medical home model, electronic health passport, and ongoing Psychotropic

Medication Utilization Reviews based on the guidelines to monitor clinical psychiatric prescribing.

Since 2005 and likely as a consequence of these changes, prescribing of psychotropic medications in the foster care population has been on a downward trend. Every year, the use of psychotropic medications in Texas foster care continues to decrease, from 29.9 percent in Texas State Fiscal Year (FY) 2004 to 20.6 percent in FY 2010 for children prescribed psychotropic medications for 60 days or more. This decrease represents a 31 percent reduction in usage.

Health Information Technology

Texas Medicaid is moving forward with e-prescribing and a Medicaid electronic health record. HHSC also is participating in statewide efforts related to health information exchange. All of these efforts help prescribers see patients' medication history at the point-of-care to help them make more informed prescribing decisions and these technologies may be leveraged to help curb prescription abuse.

Coordination with CMS

Texas welcomes coordination with our federal partners at the Centers for Medicare and Medicaid Services (CMS) on the issue of prescription abuse. As the federal Medicaid oversight agency, CMS could make technical assistance available to state Medicaid programs on this issue and also help to disseminate best practices. States also may benefit from greater coordination between Medicare and Medicaid, such as sharing

information about providers who participate in both programs who are suspected of prescribing inappropriately so that both programs can take timely action.

Summary

In conclusion, Texas has multiple programs in place and has completed several efforts to reduce fraud and over-prescribing of prescription drugs. We will continue to evaluate our programs and procedures to help ensure they recognize changes in practices by prescribers that are intent on committing fraud and will take strong action when fraud, waste, or abuse is suspected.

We can and will do more and are encouraged by the work of you and your committee to support the efforts of Texas and other states to address this issue.