

ALTERNATIVE UTILIZATION MANAGEMENT STRATEGIES THAT PROMOTE APPROPRIATE USE OF MEDICATIONS

A new series of management programs to control mental health spending in the pharmaceutical area are garnering increasing attention by state. Mental health advocates should actively explore with policymakers, the implementation of pilot utilization management efforts in lieu of restrictive cost containment programs, such as prior authorization and fail-first strategies.

The following initiatives offer ways to reduce wasteful spending and have the potential to reduce Medicaid budget costs:

- Disease Management
- Polypharmacy Education Programs
- Pharmacy Case Management Programs
- Clinical Algorithms
- Fraud and Abuse

Disease Management

Disease Management (also called illness management) is a broad set of strategies designed to help individuals with chronic diseases such as severe mental illness, collaborate with health care caregivers, reduce their susceptibility to the illness, and cope effectively with their symptoms.

Disease Management (DM) coordinates medical resources for patients across the entire spectrum of care. A critical distinction between DM and other approaches to traditional care is a shift in focus from treating patients during discrete episodes of care to provision of high-quality care across the continuum. A core philosophy of DM is continuous quality improvement.

The Texas public mental health system has introduced DM for serious mental illnesses through four pilot sites.

Polypharmacy Education Programs

Massachusetts Medicaid and Mental Health Departments have introduced a voluntary polypharmacy review process, with medical service provider education and compliance tracking, as an alternative to a preferred drug list. By educating prescribers and applying prior authorization procedures to polypharmacy practices for which there is minimal or no evidence base, Medicaid agencies aim to improve care and moderate increases in expenditures for psychotropic medications.

Pharmacy Case Management Programs

These programs typically use Medicaid claims data and physician referral triggers to identify physicians and consumers who have a specific disease such as depression. The programs incorporate this information to provide educational tools and materials for providers, and often establish nurse case manager teams to provide more coordinated care for consumers.

This strategy can be particularly helpful in working with primary care doctors, who are less likely to be familiar with the latest research on chronic health conditions. Primary care physicians are becoming the main prescribers of mental health medications – non-psychiatrists now write two-thirds of antidepressant medications. Unfortunately, primary care physicians are less likely to be familiar with the different types of medications that are available to provide appropriate medication or treatment referrals.

Clinical Algorithms

States are looking more at using clinically tested medication algorithms to ensure the utilization of evidence-based medication practices. The Texas Medication Algorithm Project (TMAP) has produced treatment algorithms (including prescription drug therapy) for three serious mental illnesses – schizophrenia, major depressive disorder and bipolar disease. The paradigm has been adopted in other states.

Fraud and Abuse

Retrospective data review can allow states to track consistent patterns of people and providers who have attempted to circumvent Medicaid rules through the deployment of "shopping doctors" who intentionally over-prescribe services or medications, bill for services that are not provided, or who do not accurately describe the type of services that have been rendered. States must seek to establish a balance in these review efforts to avoid punishing providers who have not broken the law while penalizing those who have consistently tried to cheat the Medicaid system.

Greater understanding of Medicaid claims data can enable states and policymakers to establish programs that;

- improve provider and consumer education;
- reduce polypharmacy;
- identify fraud, waste and abuse;
- improve appropriate use of medications; and
- reduce spending on the most expensive types of care.

As states consider cost containment programs to control prescription drug spending for psychiatric spending, policymakers should consider these utilization management strategies to address the current financial crisis in their states.