

DEPARTMENT OF COMMUNITY HEALTH - BOILERPLATE QUARTERLY REPORT
SECTION 422(4) - CMHSPS - PSYCHOTROPIC DRUG PILOT PROJECTS
FOR PERIOD JANUARY 1, 2002 THROUGH MARCH 31, 2002

The Department of Community Health received one proposed pilot project to manage and control psychotropic drug costs associated with managed specialty care services and support programs this quarter from Lifeways.

The proposed pilot is based upon a disease management approach. The proposed pilot includes creation of an infrastructure for pharmacy management, creation of a separate formulary, and use of new technology to input prescriptions. The proposal requested \$900,000 of additional State funding over a two-year period and proposed no savings.

With the new pharmacy program, the Department already has an infrastructure for reporting and utilization analysis and has a single pharmacy list that provides supplemental rebates. Separate formularies for the fee-for-service population are not allowed under federal Medicaid policy. The Department's current pharmacy benefit manager is currently reviewing similar technology for inputting prescriptions to improve efficiency. Based upon a recent study from Muse Associates, the Department believes there are very few savings from disease management and savings of this nature are difficult to measure. The Department also does not have additional resources to pilot a project. The Department does not plan to pursue this proposal.