

# SUPPORT HB23-1183: ALIGNING MEDICAID STEP THERAPY PROTOCOLS WITH COMMERCIAL PLANS

Rep Jodeh  
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## What is Step Therapy?

Step therapy is a prior authorization protocol that requires patients to unsuccessfully try one or more preferred medications before they receive coverage for the medication that their physician recommends. This practice is also known as “fail first” and can take weeks or months depending on the medication. Once a patient and provider find a medication that does work for them, they may have to repeat the step therapy process if they switch health care coverage. Step therapy, if implemented inappropriately, can result in patients not being able to access the treatments they need in a timely manner. This can lead to worsened symptoms and presents a particular challenge for patients suffering from life-threatening or chronic diseases.

### CURRENT SITUATION

Thanks to HB22-1370, Colorado law requires state-regulated plans to use the following criteria for a step therapy exception: If the drug is contraindicated; If the required drug lacks efficacy; If recipient has already tried and failed on the required drug; or the recipient is stable on a prescription drug. This widely accepted criteria is consistent with laws in 32 states, including 7 where it applies to Medicaid.

Physicians can currently request an exception, but without clearly specified criteria, the request could be denied or prolonged, resulting in a further delay of treatment and/or longer hospital stays.

### A COMMON SENSE SOLUTION

HB23-1183 will align Medicaid’s existing step therapy protocols with commercial plans to reduce administrative burden for health care professionals, save money on unnecessary care, and improve health outcomes for Medicaid recipients living with complex medical conditions. Coloradans on Medicaid will have the same common sense criteria for step therapy exceptions that are in place for commercial plans. It will bring clarity and consistency for pharmacists and medical providers while allowing HCPF to retain the authority to approve or deny an exception request and use step therapy as a cost cutting tool in the vast majority of situations.



In a study comparing spending on schizophrenia medications in Georgia’s Medicaid program, step therapy saved the state \$19.62 per member per month. Cheaper drugs – savings all around. Right?



Wrong. The same study found that after the introduction of step therapy, the Medicaid program had to spend more money on outpatient services – \$31.59 per member per month. That’s because less-effective medications often led to higher health costs later.

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