

Jeff M. Myers
President and CEO



November 20, 2015

The Honorable Fred Upton
United States House of Representatives
Washington, DC 20515

Dear Chairman Upton: 

MHPA applauds your commitment to ensuring individuals with serious mental illness and substance abuse have access to the full spectrum of high quality coordinated healthcare and mental health (MH) treatment services. As you know, the delivery systems that serve individuals with serious mental illness are some of the most fragmented and difficult to integrate. Clearly HR 2646 makes important steps toward solving a number of those issues specific to the Medicaid enrollees. Payment for IMD services for Medicaid enrollees between the ages of 22 and 64 is one of those positive steps.

MHPA does, however, have serious concern over the language in Section 502 of the manager's amendment approved by the sub-committee on November 4, 2015. The language appears to place additional requirements on managed care plans specific to medications used to treat mental health disorders. MHPA respectfully requests this section be removed.

MHPA member plans pride themselves on their expertise in managing and providing the highest quality patient care in a coordinated and cost effective way to all beneficiaries under their care. Every year more Medicaid agencies are turning to MCOs for assistance because of that expertise. In fact, a PWC analysis released just two weeks ago, showed Medicaid managed care now covers 70% (or 51.3 million) Medicaid enrollees up from 66% in 2014.

Although Medicaid MCO contracting arrangements (incentives, accountability and population covered) vary by state, MHPA strongly believes placing MCOs in charge of managing the full continuum of care including the drug benefit and formulary management is the best contracting configuration to drive good results for patients, plans, and payers (state and federal budgets).

Current statute (Section 1927 of the Social Security Act) requires Medicaid agencies ensure enrollees have access to medicines that are medically necessary. To deliver on this mandate, plans should be permitted to manage each person's care, formulary and

1150 18th Street, NW ■ Suite 1010 ■ Washington, DC 20036
TEL (202) 857-5720 ■ FAX (202) 857-5731 ■ www.mhpa.org

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treatment regimen to the best advantage of the patient. This ensures medications are medically necessary, appropriate and the side effect profile is managed. As is common practice with all other provider types, from the most specialized and most expensive to the less expensive services provided in homes and community clinics, Medicaid MCOs must have the standing, leverage, and tools needed to negotiate with pharmaceutical companies over the price/discounts of medicines so necessary to the well-being of people with mental illness. It appears Section 502 of HR 2646 may place additional requirements on formulary structure beyond what is already required in Section 1927 of the Social Security Act, thus negating the current positive aspects of good care coordination, medication management and patient care provided by Medicaid MCOs.

Again, MHPA respectfully requests the Committee remove the provisions of Section 502 in HR 2646 pertaining to Medicaid formularies.

MHPA is the leading national trade association representing private sector Medicaid managed care plans, ranging from multi-state, for-profit plans to small, non-profit plans. MHPA's 124 health plan members serve over 24 million Medicaid enrollees in 34 states and D.C. For additional information on MHPA's position on formulary management, please see attached copy of MHPA's comments to CMS on the draft Medicaid managed care draft regulation (section on formularies and IMD only).

Thank you for your kind consideration. I am more than happy to meet with you or any members of the committee to answer questions about MHPA and Medicaid managed care. Please feel free to call me or Jeannine M. Bender, MHPA's Director of Government Relations at (202) 857-5729, jbender@mhpa.org.

Best regards,

Jeff M. Myers