

Good morning Madam Chair and members of the committee:

I am Dr. Jo Kelly, co-managing partner at Reading Pediatrics Inc. I am unable to be here to testify in person because of my patient schedule today, but I felt this was a very important issue and wanted you to hear my thoughts on the Medical Assistance Bulletin Dated October 10, 2019. It is my understanding that there will now be a uniform formulary or preferred drug list for all patients utilizing medical assistance insurance. While that appears to be a good idea, there are concerns that we would like to see addressed.

We take care of 27,000 children in Berks County. A percentage of our patients are on medical assistance plans for their health insurance, and many of our commercially insured patients use medical assistance plans for their special needs kids to cover health care not covered by their primary insurance. Many of these children have special health care needs including autism and mental illness.

Our practice tries to practice cost effective medicine, and we use generics whenever possible. We understand that keeping costs down is very important. We have worked with medical assistance plans in the past and have done prior authorizations for patients for whom medicines on the formulary were either not working or not tolerated. To date, we have been able to work well with these plans to make sure our patients get high quality, cost effective care with good outcomes.

Our understanding is that the medical directors will be held to a 95% compliance rate with these formularies with very little flexibility. If they don't meet the compliance requirements, it is our understanding that they will be financially penalized to the extent that most prior authorizations will be rejected and our patients will be denied a medicine that requires an authorization.

There is an issue that makes this unique for pediatricians. The medicines we use for autistic children and mentally ill children always require a prior authorization because of "age restriction". This is to make sure doctors who use these medicines do it correctly. Adult doctors do not have this prior authorization requirement. We will exceed our 5% allowed very quickly and if this population of children do not either remain on their medicine or can't get medicine they need, we will have a disaster on our hands. They will be forced to go to ER's, costing thousands of dollars when they are in crisis and then will need to be hospitalized, costing thousands more. Unfortunately, based on my experience, this will happen repeatedly. As it is, there is already a shortage of psychiatric beds in Pennsylvania. Having many additional, complicated, high risk children off essential medicine will certainly exacerbate this situation.

I would ask that the prior authorizations for these psychiatric medicines be exempt from the 5% figure or a real crisis will happen.

We need to look at the bigger picture in this situation. While we might save a little money denying medicines that patients need, we would ultimately increase expenditures substantially through more hospitalizations and greater emergency room costs. Right now in Reading at Tower Health, 60-100 kids present with psychiatric emergencies per month. Reading Pediatrics has a behavioral health program where we manage with a psychiatric team hundreds of kids who would otherwise need to go to the ER or hospitals. Our monthly rate at the ER is 2 per month because our patients have access to care AND access to the proper medicines that stabilize their problems and allow them to function normally. It is also not safe for communities and schools to deny necessary medicines to these patients. I can think of 20 of my patients off the top of my head who would be unstable should they have their medicines denied and those are just my patients. Multiply that by 13 other providers and then by many other practices in Pennsylvania and it will be a tidal wave of problems.

As a provider in a large pediatric practice, I am concerned that I was unaware of this formulary change and the new stringent "minimal prior authorization requests granted" rules until three months prior to

their implementation. If I have to change medicines for patients or obtain all new prior authorizations, it will take more time than that. It is also not safe to change many meds at once. Please consider delaying this plan and consider exempting psychiatric medicines from the 95% compliance requirements. We have no problem with generic antibiotics etc.

One other issue is that one medicine on the formulary, Ranitidine is being recalled. Famotidine is what we will need on the formulary for babies and children moving forward.

Another medicine, Vyvanse, for treating ADHD was taken off the formulary and now we must use Adderall. Adderall can be abused and I specifically don't use it with high school or college kids for that reason. Vyvanse is metabolized in the stomach and is very difficult to abuse because of that. I imagine no deal was reached for rebates or cost with Vyvanse, but the potential ramifications with abuse will go up.

I wonder if the commercial patients using this system for backup will also need their meds changed and authorized. Again, this would destabilize a large number of patients.

We need to be able to discuss non formulary situations, and we need to have balance between cutting costs and caring for patients safely.

I would like to thank the committee for hearing our concerns, and I am available by phone or email if there are questions I can answer for clarification. I would invite anyone who wants to come see what we do on the front lines of medicine, caring for many complicated children and the adults who travel with them.