



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

FACT SHEET FOR H.B. 2449

mental health conditions; medications; prohibitions
(NOW: medication; authorization; mental illness)

Purpose

Exempts medications prescribed to address a qualifying mental disorder of an Arizona Health Care Cost Containment System (AHCCCS) member from prior authorization requirements and, unless certain conditions apply, step-therapy protocols.

Background

AHCCCS contracts with health professionals to provide medically necessary health and medical services to eligible members. Currently, AHCCCS contractors are required to provide: 1) inpatient and outpatient hospital services; 2) laboratory and X-ray services; 3) prescription medications; 4) medical supplies, durable medical equipment, insulin pumps and prosthetic devices; 5) treatment of medical conditions of the eye; 6) early and periodic health screening and diagnostic services; 7) family planning services; 8) podiatry services; 9) nonexperimental transplants; 10) emergency dental care; 11) ambulance and non-ambulance transportation; 12) hospice care; 13) orthotics; and 14) diabetes outpatient self-management training services ([A.R.S. § 36-2907](#)).

A *prior authorization requirement* is a practice implemented by a health care services plan, or its utilization review agent, in which coverage of a health care service is dependent on an enrollee or a provider obtaining approval from the health care services plan before the service is performed, received or prescribed. A health care services plan must allow at least one modality of medication-assisted treatment to be available without prior authorization (A.R.S. §§ [20-3401](#) and [20-3402](#)).

The Joint Legislative Budget Committee (JLBC) fiscal note on H.B. 2449 estimates that the bill may result in an increase in aggregate drug utilization, some AHCCCS members shifting from lower to higher cost drugs and the loss of certain supplemental rebates. Due to these results, JLBC estimates that the bill will increase AHCCCS's annual state General Fund costs by between \$44 million and \$60 million (\$178 million and \$241 million Total Funds) ([JLBC fiscal note](#)).

Provisions

1. Exempts medications prescribed to an AHCCCS member to address a mental disorder from prior authorization and step-therapy protocols if the member is at least 18 years old and:
 - a) the medication is prescribed to prevent, assess or treat any of the following qualifying mental disorders:
 - i. bipolar disorder, including hypomanic, manic, depressive and mixed;
 - ii. major depressive disorder, whether single-episode or recurrent;
 - iii. obsessive-compulsive disorder;

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- iv. paranoid and other psychotic disorders;
 - v. postpartum depression;
 - vi. post-traumatic stress disorder;
 - vii. schizoaffective disorders, including bipolar or depressive; or
 - viii. schizophrenia;
- b) the prescribed medication is on AHCCCS's approved behavioral health drug list or is currently available under the Medicaid drug rebate program; and
 - c) the prescription does not exceed labeled dosages approved by the U.S. Food and Drug Administration (FDA).
2. Allows AHCCCS and its contractors to impose step-therapy that requires a member to try a maximum of one prescription drug before receiving coverage for the drug prescribed by the member's physician or primary care provider.
 3. Requires AHCCCS, when developing a preferred drug list for prescription drug coverage, to ensure that the Pharmacy and Therapeutics Committee reviews any drug that is newly approved by the FDA for the treatment of qualifying mental disorders at its first meeting following FDA approval of the drug.
 4. Stipulates that, if there is not adequate time for the Pharmacy and Therapeutics Committee to review a newly approved drug before its first meeting, the drug may be reviewed at the second meeting following the date of the drug's approval.
 5. Defines *step-therapy protocol* as a protocol or program that establishes the specific sequence in which prescription drugs are covered through AHCCCS for specified medical conditions and that are medically necessary for certain patients.
 6. Applies the outlined exemptions and requirements regarding prescribed medication for qualifying mental disorders to contracts entered into, amended, extended or renewed beginning October 1, 2025.
 7. Makes technical and conforming changes.
 8. Becomes effective on the general effective date.

House Action

HHS	2/12/24	DPA/SE	10-0-0-0
3 rd Read	2/29/24		46-13-0-0-1

Prepared by Senate Research
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MM/slp