



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED
 FACT SHEET FOR H.B. 2449

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

Purpose

Exempts qualified antipsychotic and antidepressant medications prescribed to an Arizona Health Care Cost Containment System (AHCCCS) member from prior authorization, and limits use of step-therapy protocols, if specified conditions are met.

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 antipsychotic and antidepressant medications prescribed to an AHCCCS member, to treat a mental health disorder or condition, from prior authorization and step-therapy protocols:
 - a) the prescribed medication is on AHCCCS's approved behavioral health drug list or is currently available under the Medicaid drug rebate program;
 - b) the drug is approved by the U.S. Food and Drug Administration (FDA) for use as described on its label and the dose does not exceed the FDA-approved dosage; and
 - c) the medication is prescribed by a psychiatrist, psychiatric and mental health nurse practitioner or other qualified provider authorized by AHCCCS rules.

2. Applies the prior authorization and step therapy protocols exemptions to qualified medications prescribed by an obstetrician or gynecologist in cases related to maternal mental health.
3. Allows AHCCCS and its contractors to impose step-therapy only if the protocols require 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. Requires AHCCCS, beginning December 1, 2026, to provide an annual report on mental health medication claims that includes, from the previous fiscal year, the:
 - a) total number of mental health medication claims that were not subject to prior authorization or step-therapy protocols;
 - b) total number of members that were prescribed mental health medications that were not subject to prior authorization or step-therapy protocols;
 - c) aggregate gross total amount paid by AHCCCS for claims for mental health medications exempt from prior authorization and step therapy protocols;
 - d) aggregate amount of all rebates received related to claims for mental health medications exempt from prior authorization and step therapy protocols; and
 - e) aggregate savings from reduced hospitalizations, inpatient treatment and emergency services attributable to the prior authorization and step therapy protocol exemptions.
9. Requires the annual AHCCCS report on mental health medication claims to be submitted to the:
 - a) Speaker of the House of Representatives;
 - b) President of the Senate;
 - c) Chairpersons of the Health and Human Services Committees of the Senate and House of Representatives, or their successor committees;
 - d) Director of the Joint Legislative Budget Committee;
 - e) Director of the Governor's Office of Strategic Planning and Budgeting; and
 - f) Secretary of State.
10. Defines terms.

- 11. Contains a statement of legislative intent.
- 12. Makes technical and conforming changes.
- 13. Becomes effective on the general effective date.

Amendments Adopted by the Appropriations Committee

- 1. Removes the specified list of mental disorders for which medications are exempt from AHCCCS prior authorization and step-therapy protocols and instead applies the exemptions to any antipsychotic or antidepressant drug that is:
 - a) prescribed to a person 18 or older;
 - b) approved by the FDA for use as described on its label; and
 - c) prescribed by a psychiatrist, psychiatric and mental health nurse practitioner or other qualified provider authorized by AHCCCS rules unless certain conditions apply.
- 2. Prescribes AHCCCS reporting requirements relating to claims for mental health medications.
- 3. Adds a statement of legislative intent.

House Action

Senate Action

HHS	2/12/24	DPA/SE	10-0-0-0	HHS	3/19/24	DP	4-0-3
3 rd Read	2/29/24		46-13-0-0-1	APPROP	3/26/24	DPA	7-3-0

Prepared by Senate Research

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MM/slp