



Chair Waymaster, Members of the House Appropriations Committee, my name is Kristen Powell and I am a pharmacy site manager for Genoa, a QoL Healthcare Company (Genoa). My pharmacy is located within Family Service and Guidance Center of Topeka. Thank you for the opportunity to testify in support of House Bill 2180, a bill to reinstate the 4% cut to pharmacy.

Genoa is a specialized pharmacy provider committed to providing unique, cost effective services to patients in the mental health community. Our twelve, soon to be thirteen pharmacies in Kansas are located within Community Mental Health Centers. The Center in which my pharmacy is located specializes in the treatment of children living with mental illness. Almost 100% of my patients are under the age of 18. Helping these children lead productive lives is our primary goal. We help achieve this goal by providing services that ensure the safe and effective use of medication. However, many of the distinctive programs we offer help States and their Medicaid programs control costs. For every 1,000 mental health patients under our care, Genoa saves the State of Kansas approximately \$1.6 million by providing high-value services that improve adherence. In Medicaid, however, pharmacies receive reimbursement for their services, which are normally viewed as simple dispensing activities and therefore payments typically only include, the ingredient cost and a dispensing fee. Genoa goes above and beyond traditional pharmacy dispensing services and provides additional high-touch, high-value services that improve compliance, which translates into significant savings for state Medicaid programs.

A recent peer-reviewed study demonstrates that Genoa's integrated care model that features onsite pharmacies within community mental health centers. The research, published in the Journal of Managed Care & Specialty Pharmacy, also shows lower rates of hospitalization and lower emergency department utilization for the patients that visit Genoa's onsite pharmacies. Specifically the study showed:

- Genoa patients had a 40% lower rate of behavioral health-related hospitalizations;
- Genoa patients had an 18% lower rate of behavioral health-related emergency department visits.
- Cost avoidance estimates for Genoa patients were approximately \$58 per member per month based on costs for hospitalizations and emergency department visits for a total estimated savings of \$230k for the 1,378 Genoa patients studied during the 13-month period.

Genoa accomplishes this by offering specialized adherence packaging designed specifically for the mental health community, non-robotic refill reminder calls, and interventional clozapine (one of the most successful Schizophrenia medications) monitoring, and many other services that are specifically designed to help the mental health population stay adherent to their medication. This packaging, called Dispill is critical to treating these children.

Due to the nature of mental illness and the challenges those living with mental illness incur, over 40 percent of Genoa's patients rely on Medicaid for their prescription drug coverage. This is substantially higher than most pharmacies. Any cut in Medicaid reimbursement hurts Genoa disproportionately due to our patient base. When cuts happen, like the ones which occurred last year, it forces us to review our services and decide what service can be eliminated with the least affect to our patients. If we are forced

to eliminate any of our services, especially our Dispill packaging, it WILL have an adverse effect on the children I serve. If our clients are non-adherent to their medication, it results in increased hospitalization and an increase in overall health care costs to the Medicaid system.

Genoa recognizes the tremendous budgetary challenges that the state is facing and the subsequent need to control Medicaid program costs to help balance the state budget. However, pharmacy is shown to be one of the most efficient ways of controlling costs. Restoring the 4% reimbursement cut as soon as possible will go a long way in ensuring Genoa can continue to provide the high level of patient care to which our patients are accustomed.

Please support House Bill 2180. Thank you for this opportunity, I am happy to answer any questions you may have.

Sincerely,

Kristen Powell, PharmD
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