

Does Prior Authorization of Medications Save Money? No

In New Hampshire, use of a three-prescription monthly payment limit (cap) increased overall care costs for those with schizophrenia by 17-fold and patients experienced increased pain and suffering.

Soumerai SB, McLaughlin TJ, Ross-Degnan D, and others. "Effects of limiting Medicaid drug-reimbursement benefits on the use of psychotropic agents and acute mental health services by patients with schizophrenia." *N Engl J Med* 1994;331:650-655.

Project Patient Care, in conjunction with Harris Interactive, has estimated that more than a million older Americans have experienced negative health outcomes resulting from formulary restrictions, reducing their quality of health care.

Drug plan formularies and restrictions can have a negative impact on the health of many older Americans. Project Patient Care. July 2002. Available at <http://www.projectpatientcare.org>. Accessed May 10, 2005

In a prospective study that followed nearly 8,000 individuals over three years, University of Michigan researchers found that older adults who cut back on their prescription drugs because of cost were 76 percent more likely to manifest a significant decline in their overall health, including worse cardiovascular outcomes and increased rates of depression.

Heisler M, Langa KM, Eby EL, and others. "The health effects of restricting prescription medication use because of cost." *Med Care* 2004; 42:626-634.

Similar outcomes occurred in members of a California Medicare HMO upon implementation of a generic-only pharmacy benefit. In this study, based on claims data, lack of access to certain brand-name medication was associated with increased overall hospital admissions and a negative impact on selected measures of adherence to treatment guidelines, implying there were potential quality-of-care concerns.

Christian-Herman J, Emons M, George D. "Effects of generic-only drug coverage in a Medicare HMO." *Health Affairs (Web Exclusive)*, 10.1377/hlthaff.w4.455. Available at <http://content.healthaffairs.org/cgi/content/abstract/hlthaff.w4.455>. Accessed May 10, 2005

A prior authorization program for Michigan Medicaid recipients led to exacerbations of medical and mental health disorders, increased difficulty in performing daily activities and medication-related side effects after patients were switched to a different type of medication.

Miller JE. "Restricting access to medications hurts patients, their families, and their communities." *Drug Benefit Trends* 2003; 15(suppl 1):30-35.