



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
KEVIN W. CONCANNON, DIRECTOR



January 23, 2007

Michael Marshall
Secretary of Senate
State Capitol
LOCAL

Mark Brandsgard
Chief Clerk of the House
State Capitol
LOCAL

Dear Mr. Marshall and Mr. Brandsgard:

Enclosed please find copies of reports to the General Assembly relative to Iowa Medical Drug Utilization Review Assistance Commission.

These reports were prepared pursuant to directive contained in Chapter 249A Section 24.

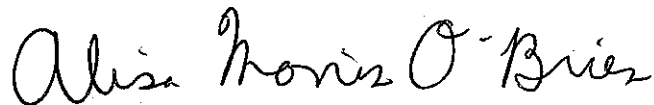
On behalf of the Iowa Medicaid Drug Utilization Review Commission, I am enclosing the Annual Report for the state fiscal year ending 2006. The Commission had a successful year with overall direct cost savings of \$5.57 for every dollar spent on the program administratively. State money for this program is matched by the federal government at a 3 to 1 ratio (federal to state), so savings can also be stated as \$22.28 per state dollar spent.

Total annualized cost savings estimates (\$1,503,020.12) and savings from patient-focused reviews (\$838,971.79) and problem-focused reviews (\$294,820.23), while substantial, were decreased from fye 2005, which was considered an exceptional year. These decreases were due in part to the loss of the dual-eligibles to Medicare Part D. A significant portion of the dual-eligible population is over the age of 65. Seniors tend to be on more medications, which leads to more complicated drug regimens and an increase in drug therapy problems. In addition, many of the dual-eligible patients that were sequestered for review were lost to follow up in the re-review process. Lastly, implementation of the PDL led to a decrease in savings identified in the re-review process.

Four problem-focused reviews were evaluated in FYE 06. Two focus studies involved promoting the use of the most cost-effective dosage form, one evaluated the use of duplicate antipsychotic medications in children, and another was designed to enhance coordination of care when the patient is using multiple providers. In addition, two beneficial reviews were completed that did not directly impact cost savings, including a rhabdomyolysis risk intervention and a study that examined duplicative atypical antipsychotic prescribing rates.

In FYE 2006, the Commission reviewed all prior authorization criteria and made recommendations to the Department of Human Services on these categories as well as several new categories. Three newsletters were distributed to the Medicaid provider community. Prospective DUR edits were recommended and added to the program. Further details of the Commission's activities during this fiscal year are available in the enclosed Annual Report.

Sincerely,

A handwritten signature in cursive script that reads "Alisa Morris O'Brien".

Alisa Morris O'Brien
Legislative Liaison

Enclosure

Cc: Dennis Prouty, Legislative Services Agency
Kris Bell, Senate Majority Caucus
Peter Matthes, Senate Minority Caucus
Zeke Zurlong, House Majority Caucus
Brad Trow, House Minority Caucus