

OFFICE OF THE GOVERNOR  
STATE OF MONTANA

GREG GIANFORTE  
GOVERNOR



KRISTEN JURAS  
LT. GOVERNOR

May 5, 2025

The Honorable Brandon Ler  
Speaker of the House  
State Capitol  
Helena, MT 59620

The Honorable Matt Regier  
President of the Senate  
State Capitol  
Helena, MT 59620

Dear Speaker Ler and President Regier:

Over the past four years, we've demonstrated our shared, bipartisan goal of ensuring Montanans have access to behavioral health services while also responsibly stewarding hardworking Montanans' tax dollars. The Legislature has been a great partner in that effort, and I thank legislators who have supported rebuilding our behavioral health system after years of kicking the can down the road.

While well intentioned, House Bill 610 has the practical effect of limiting the ability of the Department of Public Health and Human Services (DPHHS) to effectively manage antipsychotic medication within the Medicaid program, potentially leading to long-term financial challenges for the State of Montana. By prohibiting DPHHS from requiring prior authorization on any Food and Drug Administration approved antipsychotic medication, as House Bill 610 does, it hamstring the department's ability to best facilitate the effective delivery of care and leaves taxpayers exposed and on the hook.

If implemented, House Bill 610 is projected to cost Montana taxpayers nearly \$22 million. Although the additional cost of this proposed policy change was noted in the bill's fiscal note, the Legislature did not appropriate funding to offset the expense. In short, House Bill 610 is an unfunded mandate that we cannot afford.

In the attached letter, DPHHS, which is responsible for managing the state's Medicaid program, outlines its concerns with House Bill 610. According to the department, should House Bill 610 become law, the financial burden of this legislation would fall on Montana taxpayers as the state would be prohibited from using standard cost containment tools that ensure Montanans receive clinically appropriate and cost-effective medications and care. As a result, the state will be

required to pay for significantly more expensive medications even when lower cost, equally effective medications are available.

I have addressed the policy challenges of House Bill 610 above. There is, however, another larger issue I must consider. Our Montana Constitution requires us to balance our budget. In 2021 and 2023, I am proud that we worked together to deliver balanced budgets that not only were fiscally responsible, but also allowed us to seize the opportunity to let hardworking Montanans keep more of what they earn. The budget proposal I sent to the Legislature for the 2025 Legislative Session was fiscally conservative, keeping spending below inflation.

The budget and other bills with hefty price tags that the Legislature passed, however, are not fiscally responsible. Therefore, I will keenly review the budget and spending bills the Legislature passed, making some difficult decisions to protect taxpayers and their hard-earned resources. Hardworking Montanans expect us to be fiscally responsible.

Therefore, in accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill 610: "AN ACT REVISING PREAUTHORIZATION LAWS; PROVIDING DIRECTION TO THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO NOT REQUIRE AUTHORIZATION FOR CERTAIN ANTIPSYCHOTIC DRUGS; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Gianforte", is written over a printed name and title.

Greg Gianforte  
Governor

Enclosure

cc: Legislative Services Division  
Christi Jacobsen, Secretary of State



May 5, 2025

Governor Greg Gianforte  
Office of the Governor  
1301 East 6th Avenue  
Helena, MT 59601

Re: House Bill 610

Dear Governor Gianforte,

I write to share the Department of Public Health and Human Services's (DPHHS) concerns with House Bill 610, "Revise preauthorization laws relating to healthcare," sponsored by Representative Kerri Seekins-Crowe. DPHHS shares the sponsor's desire to ensure Medicaid members have access to necessary behavioral health services and supports. However, DPHHS seeks to achieve this goal while also ensuring that the State responsibly stewards the resources of the Medicaid program which represent the tax dollars of hardworking Montanans.

While House Bill 610 intends to increase access to antipsychotic drugs, eliminating the authority to require prior authorization for such drugs limits DPHHS's ability to effectively manage this drug class within the Medicaid program.

DPHHS, in consultation with the Drug Utilization Review (DUR) Board – comprised of five pharmacists, four physicians, a mid-level practitioner, and a citizen's advocate, with varying specialties including psychiatry – establishes a cost-effective Preferred Drug List (PDL) to ensure access to clinically effective and safe drugs. The DUR Board reviews each PDL drug class annually, and notably, has not recommended eliminating prior authorization for antipsychotics.

All DUR Board meetings are public, providing an open, transparent opportunity for advocacy groups, the public, providers, and pharmaceutical manufacturer representatives to voice their concerns, advocate for the placement of drugs on, or removal of drugs from, the PDL, etc., verbally or in writing. The DUR Board can consider public input when providing recommendations to DPHHS on the PDL. And should the DUR Board wish to further discuss a concern raised by public comment, it can request that it be added as an agenda item for a future meeting.

Prior authorization, combined with use of the PDL, does not restrict access. Instead, it promotes cost-effectiveness by prioritizing the use of less expensive, equally efficacious drugs before authorizing coverage of more expensive, equally efficacious alternatives, unless a contraindication exists. Prior authorization is a standard health care industry tool used to control costs and ensure beneficiaries receive clinically and cost-appropriate

medication and services. On behalf of Montana Medicaid, prior authorizations are conducted by medical professionals employed by a contractor of DPHHS.

As demonstrated in our fiscal note, DPHHS estimates the implementation of House Bill 610 will increase Medicaid pharmacy expenditures by \$18,304,995 in SFY 2026. Over \$4.8 million of the increased expenditures will be drawn from the state's general fund. The financial impact of this bill could strain the Medicaid budget and, by extension, place an undue burden on Montana taxpayers.

It is essential to emphasize that eliminating prior authorization would be a virtually irreversible decision, potentially leading to long-term financial challenges for the Medicaid program. Once a beneficiary is stabilized on a particular antipsychotic, Medicaid would not require a switch to another medication due to risk of destabilizing the beneficiary's mental health. This means DPHHS would remain obligated to cover the initial, potentially higher cost drug, even if prior authorization is reinstated. Prior authorization reinstatements would only apply to newly eligible Medicaid beneficiaries, thereby maintaining the higher drug costs experienced by beneficiaries already on unnecessarily higher cost medications at the time that a prior authorization reinstatement would occur. This is especially concerning, given rising prescription drug costs and the federal regulation requiring Medicaid to cover all FDA-approved drugs with a valid drug rebate agreement. The future cost of antipsychotic medications is unpredictable and without prior authorization, DPHHS would be required to pay for significantly more expensive medications even when lower cost, equally effective alternatives are available.

DPHHS remains steadfastly committed to ensuring that the Montanans served by our Medicaid program have access to necessary behavioral health services and supports, including antipsychotic drugs. However, DPHHS must also be a responsible steward of the taxpayer dollars that allow Medicaid to exist. House Bill 610 would eliminate the longstanding flexibility leveraged by DPHHS to effectively manage antipsychotics as a drug class in the Medicaid program, thereby driving health care costs even higher. House Bill 610's elimination of this important flexibility, as well as its projected fiscal impact and circumvention of established controls to manage Montana Medicaid drug costs, warrants its veto.

Sincerely,

/s/ Charles T. Brereton

Director