



Please Support

HB 3388 by Sheffield | SB 2262 by Kolkhorst

Transparency • Accountability • Uniformity • Economy For the Medicaid Prescription Drug Benefit

Background

In March 2012 as a “cost savings” measure, the Medicaid prescription drug benefit was “carved in” to the MCO / PBM Model. However, state savings have failed to materialize and drug expenditures continue to climb. At the same time, Texas pharmacists report instances of PBM payments below the amount to acquire the prescription. The bigger economic effect has resulted in lost jobs, reduced employee benefits, less patient access to prescriptions and in some instances, lost businesses.

The Solution

Senate Bill 1 (85R) Rider 60, Texas Health and Human Services Commission, commissioned a study to quantify potential savings by increasing transparency, accountability in the prescription drug benefit.

SB 2262 and HB 3388 implement taxpayer savings from Rider 60 such as:

- Moving to a single, statewide claims processor model to deliver prescription drug benefits to all of Texas’ Medicaid and general revenue programs.
- Reduce or eliminate the Affordable Care Act Health Insurance Providers Fee, risk margin, and administrative services costs weighing down the current “capitated” system.
- Transition prescription drug benefits to a more real-time transparent pricing benchmark with a professional dispensing fee tied to true economics.
- Improved adherence to the Preferred Drug List (PDL), helping identify outcomes based pharmacy data, and more efficiently identify outcomes and trends in pharmacy utilization.

SB 2262 / HB 3388 create a more efficient, real-time and transparent system eliminating fragmentation and duplication of functions already contracted for by HHSC. Without transparency, accountability and maximizing economies of scale, Texas is surrendering its most valuable tools in controlling drug costs and keeping proper stewardship of state tax dollars.

**The Solution: Regain Oversight by Increasing
Transparency / Accountability / Uniformity / Economy**



The Voice of Independent Community and Compounding Pharmacists in Texas

Audra Conwell, CAE
(512) 260-7986



Texas Independent
Pharmacies Association

Duane Galligher
(512) 476-2644



Debbie Garza
(512) 615-9170



John Heal
(512) 476-8288



Brad Shields
(512) 413-2700



Michael Wright
(512) 636-8110



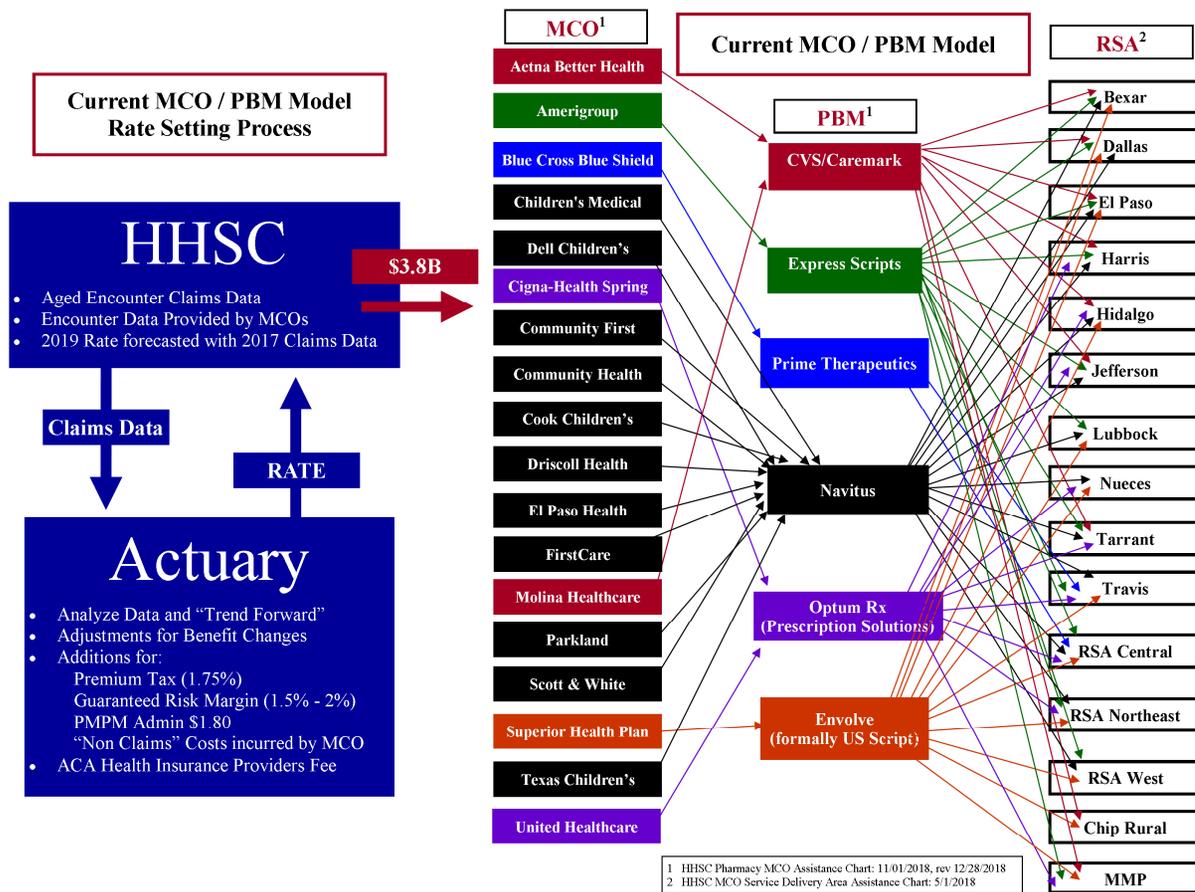
Pharmacy Leaders. Transforming Patient Care.

Brad Shields
(512) 413-2700

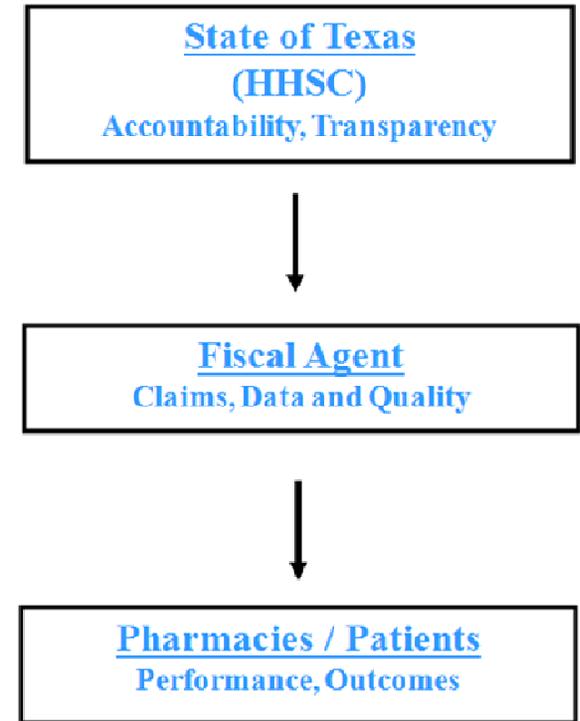
Please Support HB 3388 by Sheffield SB 2262 by Kolkhorst

**Transparency • Accountability • Uniformity • Economy
For the Medicaid Prescription Drug Benefit**

Current Model MCO / PBM “Capitated” Model



Proposed New, Transparent Model



- Transparent drug pricing benchmark
- “Real Time” processing
- Eliminate Risk Margin
- Purchasing Power / Economies of Scale
- Timely adjustments to rapidly changing market
- Eliminate (ACA) HIPF Tax
- Eliminate Reliance on taxpayer funded Premium Tax