



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #353

### **Include Drugs in Managed Care Contracts (Health Services -- Medical Assistance -- General)**

[LFB 2015-17 Budget Summary: Page 209, #10]

#### **CURRENT LAW**

Pharmacies are reimbursed for drugs that they provide to medical assistance (MA) recipients on a fee-for-service basis, even for those MA recipients who are enrolled in a managed care organization (MCO).

#### **GOVERNOR**

Reduce MA program benefit funding by \$692,800 (-\$289,300 GPR and -\$403,500 FED) in 2015-16 and \$1,532,000 (-\$640,800 GPR and -\$891,200 FED) in 2016-17 to reflect an administrative initiative to include the cost of prescription drugs in managed care contracts, beginning in 2016, for all MA recipients enrolled in MCOs.

#### **MODIFICATION**

Delete provision.

**Explanation:** After the bill was introduced, the Department of Administration determined that the MA program would not realize savings by including the cost of prescription drugs in managed care contracts. The removal of the provision results in funding increases corresponding to the decreases included in the Governor's bill.

<b>Modification</b>	<b>Change to Bill</b>
GPR	\$930,100
FED	<u>1,294,700</u>
Total	\$2,224,800

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