

# Preserving Pharmacies in Our Communities and For Our Patients

SB1888 – Senator Sam McCann, R-Jacksonville  
HB3479 – Representative Sara Feigenholtz, D-Chicago

## Please Vote Yes!

**SB1888 & HB3479-** Amends the Medical Assistance Article of the Illinois Public Aid Code.

**Background:** With the expansion of Medicaid, under the Affordable Care Act, Illinois established a Managed Care pilot program in an attempt to enhance health outcomes and control health care dollars. Starting on January 1, 2018, this program has been expanded to all 102 counties. Even in the pilot stage of the program, pharmacists, along with other health care providers, have experienced significant reduction in the reimbursement of prescription medications dispensed to Medicaid recipients.

We are concerned about this growing chasm between traditional Fee-For-Services and Managed Care Medicaid reimbursement methodologies. Pharmacies, from throughout the state, are providing examples of prescription reimbursement far below their acquisition cost. Not just a couple of dollars but in some instances hundreds of dollars below acquisition.

**SB1888 & HB3479** would require that the Managed Care Organizations (MCOs) contract with HFS to establish, maintain, and provide a fair and reasonable reimbursement rate to pharmacy providers for prescriptions dispensed and pharmacist-provided patient care services.

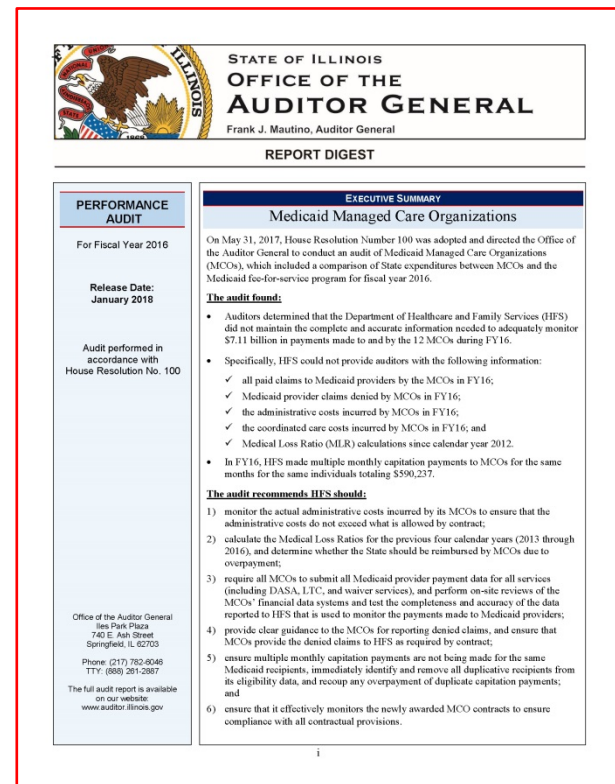
**SB1888 & HB3479** would require that the reimbursement methodology not be less than the current reimbursement rate utilized by HFS for Fee-For-Services (Traditional) Medicaid.

**SB1888 & HB3479** would require that the reimbursement rate for the dispensed medication shall not be below the acquisition cost of the pharmacy provider.

**SB1888 & HB3479** would require that a fair and reasonable professional dispensing fee be established for dispensed medications and a fair and reasonable professional fee be established for pharmacist-provided patient care services.

- The expansion of the managed care program to 102 counties is to **cost \$63 billion over five years**, which is **\$23 billion higher than projections**.<sup>1</sup>
- In addition to the extreme overrun in costs, the Auditor General issued an alarming report that stated that **HFS mishandled \$7.1 Billion to the Managed Care Organizations** in 2016 alone.<sup>2</sup>

**Medicaid cannot and should not balance the success of a program on the backs of health care providers.** Pharmacists take an Oath to provide needed medication, education, and patient care services to their patients. But as with any other health care provider or service providers, we should be properly reimbursed for medications dispensed and remuneration for patient care services delivered.



**Vote Yes for SB1888 & HB3479!**



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### Example of Pharmacy Claims Under Acquisition Cost

Medication	Acquisition Cost	PBM Reimbursement	Margin	Difference
Aripiprazole 20mg	\$674.23	\$245.21	-174.96%	(\$429.02)
Erythromycin/Benzoyl Peroxide 3%/5% Gel	\$398.18	\$73.67	-440.49%	(\$324.51)
Doxycycline 100mg Capsule	\$331.93	\$61.75	-437.54%	(\$270.18)
BUDESONIDE 1mg/2mL	\$494.50	\$261.51	-89.09%	(\$232.99)
Fluocinonide Cream 0.05%	\$182.19	\$34.79	-423.68%	(\$147.40)
Methylphenidate CD 10mg	\$173.12	\$33.16	-422.07%	(\$139.96)
OSELTAMIVIR PHOSPHATE 6 MG/	\$116.88	\$44.75	-161.18%	(\$72.13)
HYDROCODON-APAP 7.5-325/15	\$81.77	\$21.46	-281.03%	(\$60.31)
METHYLPHENIDATE ER 10 MG TA	\$166.46	\$124.61	-33.58%	(\$41.85)
PROGESTERONE 100 MG CAPSULE	\$52.49	\$23.45	-123.84%	(\$29.04)
GRISEOFULVIN 125 MG/5 ML SU	\$74.85	\$46.86	-59.73%	(\$27.99)
Prednisolone Forte 1%	\$35.00	\$8.48	-312.74%	(\$26.52)
Oxybutynin 5mg	\$44.82	\$19.80	-126.36%	(\$25.02)
DEXTROAMP-AMPHET ER 10 MG C	\$101.58	\$77.51	-31.05%	(\$24.07)
DIVALPROEX SOD ER 250 MG TA	\$42.86	\$19.53	-119.46%	(\$23.33)
Potassium CL 10% Liquid	\$40.83	\$17.86	-128.61%	(\$22.97)
DIVALPROEX SOD ER 250 MG TA	\$41.92	\$19.53	-114.64%	(\$22.39)
NIKKI 3-0.02 MG TAB	\$33.77	\$12.27	-175.22%	(\$21.50)
OXYCODONE/APAP 7.5-325 TAB	\$39.73	\$18.34	-116.63%	(\$21.39)
NORETHINDRONE 0.35 MG TAB	\$25.20	\$5.40	-366.67%	(\$19.80)
SILVER SULFADIAZINE 1% CRM	\$28.86	\$10.66	-170.73%	(\$18.20)
BUTAL/APAP/CAFF 50/325/40mg	\$32.04	\$14.62	-119.15%	(\$17.42)
CLARITHROMYCIN 500 MG TAB	\$21.84	\$5.63	-287.92%	(\$16.21)
DEXTROAMP-AMPH 20MG **TAB**	\$32.32	\$16.93	-90.90%	(\$15.39)
XULANE PATCH	\$110.83	\$96.67	-14.65%	(\$14.16)
HYDROXYCHLOROQUINE 200 MG T	\$15.23	\$2.63	-479.09%	(\$12.60)
CEFUROXIME AXETIL 500 MG TA	\$16.99	\$5.19	-227.36%	(\$11.80)
Oxycodone/Acetaminophen 10-325mg	\$41.27	\$29.55	-39.66%	(\$11.72)
Carbamazepine Chewable 100mg	\$40.93	\$29.93	-36.75%	(\$11.00)
NORG-ETH EST 0.25-0.035	\$26.69	\$16.59	-60.88%	(\$10.10)
SOD CITRATE-CITRIC ACID SOL	\$13.80	\$3.77	-266.05%	(\$10.03)

Acquisition Cost = The cost for the pharmacy to obtain the medication.

PBM Reimbursement = The total reimbursement from the PBM for the prescription claim.

- 1) Maxwell, M. "Medicaid Overhaul Deal Worth A Record \$63B" WCIA. [Internet] Accessed 2 March 2018. Available from: <http://www.illinoishomepage.net/news/local-news/medicaid-overhaul-deal-worth-a-record-526b/858984795>
- 2) Illinois Auditor General. Medicaid Managed Care Organization – Performance Audit. [Internet] Accessed 2 March 2018. Available from: [http://www.auditor.illinois.gov/Audit-Reports/Performance-Special-Multi/Performance-Audits/2018\\_Releases/18-Medicaid-MCOs-Perf-Digest.pdf](http://www.auditor.illinois.gov/Audit-Reports/Performance-Special-Multi/Performance-Audits/2018_Releases/18-Medicaid-MCOs-Perf-Digest.pdf)



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