

Pull Back the Curtain – Auditing the Medicaid MCOs and PBMs

SR792 – Senator David Koehler (D-Peoria)

SR792 would direct the Auditor General to conduct a performance audit of Department of Healthcare and Family Services’ administration of pharmacy benefit managers (PBMs).

Background:

- A similar resolution HR100 – 2017; the Auditor General conducted an audit of MCOs. The results of this audit included that auditors determined that the HFS did not maintain the complete and accurate information needed to adequately monitor \$7.11 billion in payments made to and by the 12 MCOs during FY16.
- In 37 states and DC, PBMs have been investigated, fined, or audited to examine allocation of taxpayer dollars and the impact of their business practices on pharmacies and delivery of patient care.

In October, the Attorney General Raoul reached a settlement with Centene for \$56 million.

- From Attorney General’s Press Release: “As a PBM for Illinois’ Medicaid program, **Centene subsidiary Envolve and other subsidiaries delivered pharmacy benefits to Illinois state agencies**, such as the Illinois Department of Healthcare and Family Services. An **investigation conducted** by the Attorney General’s office **determined that Centene allegedly submitted inaccurate pharmaceutical reimbursement requests that failed to accurately disclose the cost of pharmacy services**. In addition, requests for reimbursement did not disclose available pharmaceutical discounts and improperly inflated dispensing fees.”
- As of January 2022, Centene has settled with states for over **\$260 million dollars**.
 - Arkansas – \$15.2 million
 - **Illinois – \$56.7 million**
 - Kansas – \$27.6 million
 - Mississippi – \$55.5 million
 - New Hampshire – \$21.1 million
 - Ohio – \$88.3 million

SR792 Performance Audit would include:

- Amount of State and Federal funds used by MCOs to reimburse PBMs
 - Amount paid by PBMs to reimburse pharmacies for FY 2020 & 2021;
- Examination of contracts between MCOs and PBMs and between PBMs and pharmacies receiving reimbursement;
- Level of oversight the HFS provides over the contracts and over the PBMs to ensure compliance with contract requirements;
- Overview of the distribution of and payments for pharmaceuticals in the medical assistance managed care program;
- Review of the reimbursement practices and reimbursement rates of MCOs to PBMs;
- Review of the reimbursement practices and reimbursement rates of PBMs to pharmacies, including out-of-state pharmacies and pharmacies affiliated with PBMs.

The General Assembly deserves to know how taxpayer dollars are being allocated in this vital healthcare program.



Vote Yes for SR792!

