



Testimony to the Joint Medicaid Oversight Committee

Ohio Single Pharmacy Benefit Manager

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Chairman Holmes, Vice Chair Romanchuk, Ranking Member Liston, and members of the Joint Medicaid Oversight Committee, thank you for the opportunity to discuss the Ohio Medicaid Single Pharmacy Benefit Manager (SPBM) program.

The SPBM provides pharmacy services to all Ohio Medicaid members; across all Ohio Managed Care Plans (MCPs) and Fee for Service. Today we have the largest Medicaid in-state network in history with over 99% of all Ohio pharmacies contracting.

Voice of the Individual and Many Stakeholders: 2019 Next Generation Redesign

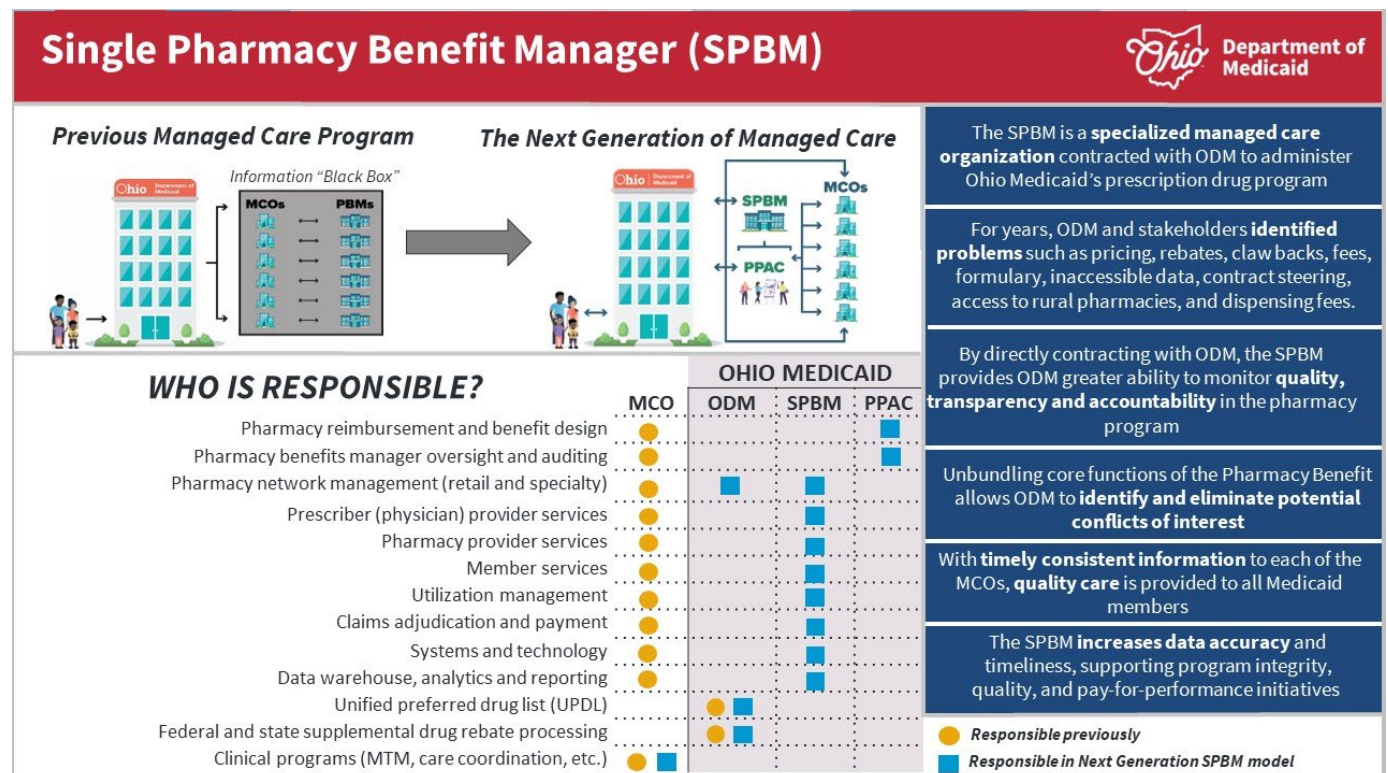


- Concerns increased in intensity and broke into the public consciousness and dialog
- SPBM mandated by H.B.166 of the 133rd GA
- Throughout...ODM had begun statewide input re: managed care re-procurement
- The concern about PBM continues/ has spread

The Goals of the SPBM Program

The goals of the SPBM program are:

- Eliminating the following: spread pricing, limited access to pharmacies and patient steering, and effective rate contracting or clawbacks.
- Paying pharmacies a fair rate for the acquisition of drugs, using a survey-based, Ohio Average Acquisition Cost.
- Paying pharmacies a fair dispensing fee, using a methodology that is public and gives complete transparency.
- Providing access to specialized compounding pharmacies, mail order pharmacies, home delivery pharmacies and specialty pharmacies, without the pressure of exclusive corporate owned options.
- Freedom for members to choose their pharmacy from an inclusive network.



Highlights of the First Two Years

- Total savings of \$140m
- Administrative savings of \$333m
- Dispensing fees of more than \$625m paid to more than 2,300 pharmacies, located here in Ohio, with an average dispensing fee of over \$9 per prescription, compared to an average of 73 cents under the prior model.

Next, you'll hear from Sean Eckard, Ohio Medicaid's Pharmacy Director, who will address

- Operational History of the Single Pharmacy Benefit Manager Program
- Research re: Provider Satisfaction with the SPBM Program
- Fiscal Performance of the SPBM program
- Recent communication Of the American Pharmacist's Association with President Trump, highlighting Ohio as a "Clear Candidate for National Consideration."

Subsequent panelists will fill in more of the history and the national perspective.

Thank you for having this important discussion.

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ⁱ *Darrel Rowland, then public affairs editor of The Columbus Dispatch, headed a team of three Columbus Dispatch reporters – Catherine Candisky, Marty Schladen and Luke Sullivan – that produced hundreds of ground-breaking stories on PBMs and drug-pricing schemes. One of their major stories was displayed during a full session of the U.S. Senate. Others were cited in a U.S. Supreme Court ruling. Their work won numerous awards and other recognition.*