

News Release
National Community Pharmacists Association
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CONTACT:

Kevin Schweers
Vice President, Public Affairs
kevin.schweers@ncpanet.org
John Norton
Associate Director, Public Relations
john.norton@ncpanet.org
National Community Pharmacists Association
100 Daingerfield Road
Alexandria, VA 22314
(703) 683-8200

NEW FLORIDA STUDY FINDS FLAWS WITH MEDICAID MANAGED CARE PILOT PROGRAM; RAISES HEALTH AND COST CONCERNS FOR EXPANSION EFFORTS

Alexandria, Va. - April 8, 2011 A [Georgetown University Health Policy Institute study](#) of Florida's Medicaid Managed Care pilot program should raise doubts for states considering the use of for-profit managed care companies to reduce Medicaid costs. Florida is pushing legislation that expands the program statewide and other states might follow suit. Instead of continuing with the fee-for-service system operated by the state at lower administrative costs, compared to private health insurance plans, the pilot program adds another layer of bureaucracy and fees by inserting corporate middlemen in to the process.

The Georgetown study analyzed the impact of the pilot program taking place in Broward, Baker, Clay, Duval and Nassau counties. The study concluded that there is insufficient evidence to verify claims of cost savings and also raises questions about patient access to medical care, particularly turnover among private plans that disrupts the patient-provider relationships.

"Independent community pharmacists sympathize with states like Florida that are facing a budgetary crisis and are looking for solutions to rein in the costs of Medicaid," said [National Community Pharmacists Association](#) (NCPA) Executive Vice President and CEO Douglas Hoey, RPh, MBA. "However, this type of [flawed Medicaid managed care approach](#) is not the solution. The recently released Georgetown University study indicates that the envisioned benefits of Medicaid managed care are not materializing, while patient health may be at risk in some instances."

The Georgetown study finds that some companies hoping to profit from providing Medicaid managed care services have not achieved the success they envisioned and sometimes choose to leave the program with little notice, causing a disruption for patients. For example, health plans accounting for two-thirds of the market share in Broward County in 2008 are no longer participating today. Such disruption can particularly harm those Medicaid beneficiaries who need more coordinated care for serious chronic conditions such as diabetes.

In terms of managed care costs savings, the Georgetown study found "insufficient data available to draw conclusions," adding that reductions in expenditures may actually be due, in part, to patients being denied care. Moreover, many of the managed care providers are not based in Florida, which means significant revenue is being transferred out-of-state.

Courtesy of PPSC

"Instead of rushing to implement this unproven and ill-advised pilot program statewide, we believe more reliable cost-saving alternatives should be considered such as such raising the generic prescription drug dispensing rates and pushing for adherence programs that produce better health outcomes," Hoey added. "This important study should also serve as a wake-up call to other states as they consider reforming their Medicaid programs: explore all your options and reach out to health care providers such as pharmacists for their input if you want to truly reach your goals."

The National Community Pharmacists Association (NCPA®) represents the interests of America's community pharmacists, including the owners of more than 23,000 independent community pharmacies, pharmacy franchises, and chains. Together they represent a \$93 billion health-care marketplace, have more than 315,000 employees including 62,400 pharmacists, and dispense over 41% of all retail prescriptions. To learn more go to www.ncpanet.org or read NCPA's blog, *The Dose*, at <http://ncpanet.wordpress.com>.

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THE VOICE OF THE COMMUNITY PHARMACIST

100 Daingerfield Road
Alexandria, VA 22314-2888
(703) 683-8200 **PHONE**
(703) 683-3619 **FAX**

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