

PAMCO LEADERS TESTIFY BEFORE HOUSE, SENATE COMMITTEES

Leaders of the PA Coalition of Managed Care Organizations (PAMCO) this week urged lawmakers to reject a risky proposal to take over delivery of pharmacy benefits for up to 1 million vulnerable men, women and children enrolled in the Medical Assistance (Medicaid) program.

“We believe that segregating pharmaceutical care from medical care is the wrong direction for the Commonwealth. It is not true reform. It is a regressive action that will drive up both short term and long term medical costs,” said William S. George, President/CEO, Health Partners. “If we are truly seeking affordability, accessibility and quality for all Pennsylvanians, then the pharmacy carve-out is not an option.”

George testified before the House Health and Human Services Committee and the Senate Public Health and Welfare Committee this week. He was joined by Sherry Knowlton, Senior Vice President and General Manager of AmeriHealth Mercy Plan and Michael Blackwood, President and Chief Executive Officer of Gateway Health Plan.

The Department of Public Welfare has tried for the last two years to assume responsibility for managing prescription benefits for Medicaid recipients. In each of the past two years, the General Assembly has overwhelmingly rejected the proposal.

Lawmakers in both parties have expressed concerns regarding potential negative impact on the quality of care for Medicaid recipients and the financial risk that the Commonwealth would assume under a carve-out. Visit http://ydr.inyork.com/ci_9094827 for access to the AP report on the hearings.

“... We are facing the law of unintended consequences. If one tries to 'squeeze this health care balloon' by extricating Pharmacy from the Managed Care Organizations purview, costs will likely spurt out the other side,” said Michael Blackwood, President and CEO of Gateway Health Plan.

Blackwood added, “Pulling out one of the central support beams from Managed Care is not the way to go. It further fragments the system and makes our job that much more difficult, with no real payoff. I urge the legislature to recommend that the pharmaceutical services provided by the MCOs stay where they are, knowing that the quality of care will remain at a very high level and that the costs to the state will be both predictable and within budget.”

Knowlton told lawmakers that a carve-out could result in higher costs for patients because the state often favors brand-name drugs, rather than generics in order to receive the 30% discount offered to the states by the pharmaceutical companies. In such cases,

Medicaid recipients could end up paying twice as much for their co-payment to receive their drugs.

“We emphasize preventive care and wellness, and help those with chronic health conditions take control of their own health. Prescription drugs are critically important to helping people with chronic illness improve their health status, and avoiding unnecessary expensive emergency room visits and hospitalizations,” Knowlton told lawmakers.

“Pharmacy carve outs eliminate the financial incentive to care for the whole person in a way that reduces costs over the long-term. Instead, it creates incentives to make health care decisions based on short-term costs only, rather than what represents the best quality care and reduces costs over time.”

To view video excerpts of the hearings or to review written testimony, please visit www.pamco.org. To help ensure continued access to affordable healthcare for our most vulnerable citizens, please contact Peter J. Shelly at 717.645.3934.