



## MassHealth Fact Sheet – FY11 H.2 Pharmacy



### **Overview**

MassHealth is making two significant changes in pharmacy coverage, however the overall impact of these changes on members is expected to be small.

### ***Carve out pharmacy from MCO coverage***

- MassHealth members who elect coverage through a contracting Managed Care Organization (MCO) purchase covered pharmaceuticals through the MCO. The FY11 budget would change that practice so that pharmacy coverage becomes one of the “carved out” services that members use their MassHealth card to obtain.
- Under federal law, MassHealth receives larger purchasing discounts, in the form of rebates, from drug manufacturers than individual MCOs are able to obtain.
  - This carve out will require an expansion of the MassHealth pharmacy claims operation: a one-time investment of \$10 million in FY11 to expand the MassHealth POPS pharmacy claims processing system.
  - The carve-out will produce approximately \$42 million in additional pharmacy savings through increased rebates.

### ***Increase in copayments for most generic prescriptions***

- MassHealth members currently pay \$2 copayments for most generic prescriptions. This change will increase the copayments to \$3 for most medications.
  - \$3 is still a modest copayment level for prescriptions.
  - Copayments will remain at \$1 for generic antihyperglycemics, antihypertensives, and antihyperlipidemic prescriptions used for chronic long term medical conditions.