


Billions can be saved with pharmacy benefit management

May 29 2013

RX98754 Fill date: 05-01-2013
JANE DOE
Take 1 tablet in the morning
for high blood pressure.
HYDRODIURIL 50MG
(hydrochlorothiazide)
Prescriber: Dr. Jane Smith Qty: 30
2 refills before 04/01/2014 Exp: 5/1/2014
 Main Pharmacy 123 Main Street
301-555-1234 Yourtown, USA 54321

Efficient pharmacy benefit management, including increasing use of generic drugs and negotiation of market-based pharmacy dispensing fees, could save Medicaid programs billions of dollars nationwide in the next 10 years, according to a report prepared by the Menges Group and sponsored by the Pharmaceutical Care Management Association.

(HealthDay)—Efficient pharmacy benefit management, including increasing use of generic drugs and negotiation of market-based pharmacy dispensing fees, could save Medicaid programs billions of dollars nationwide in the next 10 years, according to a report prepared by the Menges Group and sponsored by the Pharmaceutical Care Management Association.

Researchers from the Menges Group utilized Centers for [Medicare](#) & Medicaid Services data on Medicaid fee-for-service pharmacy usage and costs for calendar year 2011. Savings estimates were derived for each state across the period 2014 to 2023.

According to the report, state Medicaid programs could save a total of \$74.4 billion across 2014 to 2023 by optimizing pharmacy benefit management tools and strategies. This includes \$43 billion in federal savings and \$31.4 billion in state savings. Savings strategies include increasing use of [generic drugs](#) (\$23.5 billion); negotiating market-based pharmacy dispensing fees (\$12.5 billion); using limited pharmacy networks (\$33.4 billion); encouraging use of more affordable, preferred brands (\$2.7 billion); and reducing drug diversion, polypharmacy, fraud, and waste (\$2.3 billion).

"The easiest way for Connecticut to reduce costs in [Medicaid](#) is to stop overpaying drugstores and start using cutting edge marketplace tools," Mark Merritt, president and chief executive officer of the Pharmaceutical Care Management Association, said in a statement.

More information: [More Information](#)

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