

TRANSCRIPT:

Pharmacy Benefits

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Q: What is the pharmacy benefit in Medicaid?

While considered an optional Medicaid benefit, pharmacy has actually evolved into one of the core benefits within all Medicaid programs across the country, primarily because of its importance in providing and delivering care for our members. The pharmacy benefit in Medicaid is an optional benefit, where state Medicaid programs are paying for pharmaceutical drugs for members that are part of the Medicaid program, CHIP program, and really designed to enhance and expand the benefit capacity of the state Medicaid program.

Q: Why is the pharmacy benefit important?

The benefit is really important, mainly because of how medicine has evolved. We're able to treat some conditions that before required inpatient or hospital admissions. We're now able to treat that through a drug or through a pill, so that evolution has really improved the quality of health for members, addressed conditions, cured conditions, in fact, that before could have been life-ending. So it really has evolved and Medicaid, being such a huge safety net, is really instrumental in being able to provide that benefit to thousands and millions of families.

Q: What is the role of Medicaid managed care in delivering the pharmacy benefit?

Medicaid managed care, because of the nature of what we do, we're really about integrating services and really managing the overall health and well-being of a member, a child, a mother, and so being able to have that full array of benefits is critical. So as we integrate things like pharmacy benefits, or even thinking about behavioral health as an integrated benefit, understanding what the member's needs are, understanding what their clinical condition is, and understanding the pharmacy benefit and the pills and the medications that they need to address that clinical condition are really important. And so by integrating pharmacy benefits together with the acute benefits that Medicaid managed care can bring,

we can really focus on health outcomes and really improve the quality of life for the member while also managing overall costs for the taxpayers.

Q: What are some challenges with the pharmacy benefit?

While we're seeing some great innovations in the pharmacy space, we're also seeing increasing costs in the pharmacy space and so while that is happening across the board, in Medicaid we're seeing increases in cost and utilization that are putting additional pressures, not only on Medicaid managed care programs, but on Medicaid programs in general. And so that's really prompting a new realm of innovation and trying to identify ways of improving outcomes while also managing costs, despite the fact that we want to encourage innovation in the next generation of therapeutic interventions. So we want that innovation to help get better health outcomes, while still managing costs.

Q: What does the future hold for the Medicaid pharmacy benefit?

The future in Medicaid pharmacy is really the evolution of the integration of different benefits - getting to a whole person approach, understanding everybody's acute health needs, their behavioral health needs, and bringing that all together so that we're able to manage outcomes. There are new tools on the horizon, things like how do we pay for value and the efficacy of a specific drug - those are innovations that I think are going to become more prevalent, especially as new medications come on the market. But overall, the future I think is going to be additional medications available, additional therapies to keep people in the community - keep people in their homes - and ideally, better health outcomes for everybody in the Medicaid program.