

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable George Voinovich
United States Senate
524 Hart Senate Office Bldg
Washington, DC 20510

Dear Honorable George Voinovich:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would ***reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)***. Such savings would be realized ***without adversely impacting Medicaid beneficiaries or providers***. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Philip Derrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Sherrod Brown
United States Senate
524 Hart Senate Office Bldg
Washington DC 20510

Dear Honorable Sherrod Brown:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would **reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)**. Such savings would be realized **without adversely impacting Medicaid beneficiaries or providers**. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable John Boehner
United States House of Representatives
1011 Longworth HOB
Washington DC 20510

Dear Honorable John Boehner:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would ***reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)***. Such savings would be realized ***without adversely impacting Medicaid beneficiaries or providers***. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Marcia Fudge
United States Houses of Representatives
1009 Longworth
Washington DC 20510

Dear Honorable Marcia Fudge:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would **reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)**. Such savings would be realized **without adversely impacting Medicaid beneficiaries or providers**. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable David Hobson
United States House of Representatives
515 Cannon
Washington DC 20510

Dear Honorable David Hobson:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would **reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)**. Such savings would be realized **without adversely impacting Medicaid beneficiaries or providers**. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Marcy Kaptur
United States House of Representatives
2186 Rayburn
Washington DC 20510

Dear Honorable Marcy Kaptur:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would **reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)**. Such savings would be realized **without adversely impacting Medicaid beneficiaries or providers**. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Dennis Kucinich
United States House of Representatives
2453 Rayburn
Washington, DC 20510

Dear Honorable Dennis Kucinich:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would **reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)**. Such savings would be realized **without adversely impacting Medicaid beneficiaries or providers**. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Steven LaTourette
United States House of Representatives
2453 Rayburn
Washington, DC 20510

Dear Honorable Steven LaTourette:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would **reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)**. Such savings would be realized **without adversely impacting Medicaid beneficiaries or providers**. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Robert Latta
United States House of Representatives
1203 Long Worth
Washington, DC 20510

Dear Honorable Robert Latta:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would ***reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)***. Such savings would be realized ***without adversely impacting Medicaid beneficiaries or providers***. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Deborah Pryce
United States House of Representatives
320 Cannon
Washington, DC 20510

Dear Honorable Deborah Pryce:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would **reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)**. Such savings would be realized **without adversely impacting Medicaid beneficiaries or providers**. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Ralph Regula
United States House of Representatives
2603 Rayburn
Washington DC 20510

Dear Honorable Ralph Regula:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would ***reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)***. Such savings would be realized ***without adversely impacting Medicaid beneficiaries or providers***. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Timothy Ryan
United States House of Representatives
1421 Longworth
Washington DC 20510

Dear Honorable Timothy Ryan:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would ***reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)***. Such savings would be realized ***without adversely impacting Medicaid beneficiaries or providers***. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Jean Schmidt
United States House of Representatives
238 Cannon
Washington, DC 20510

Dear Honorable Jean Schmidt:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would **reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)**. Such savings would be realized **without adversely impacting Medicaid beneficiaries or providers**. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Zack Space
United States House of Representatives
315 Cannon
Washington, DC 20510

Dear Honorable Zack Space:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would ***reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)***. Such savings would be realized ***without adversely impacting Medicaid beneficiaries or providers***. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Betty Sutton
United States House of Representatives
1721 Longworth
Washington, DC 20510

Dear Honorable Betty Sutton:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would **reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)**. Such savings would be realized **without adversely impacting Medicaid beneficiaries or providers**. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Pat Tiberi
United States House of Representative
113 Cannon
Washington DC 20510

Dear Honorable Pat Tiberi:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would ***reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)***. Such savings would be realized ***without adversely impacting Medicaid beneficiaries or providers***. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Michael Turner
United States House of Representatives
1740 Longworth
Washington, DC 20510

Dear Honorable Michael Turner:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would ***reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)***. Such savings would be realized ***without adversely impacting Medicaid beneficiaries or providers***. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org

MEDICAL CARE ADVISORY COMMITTEE
Helping to make Medicaid stronger in Ohio

November 25, 2008

The Honorable Charlie Wilson
United States House of Representatives
226 Cannon
Washington, DC 20510

Dear Honorable Charlie Wilson:

I am writing today on behalf of the Ohio Medical Care Advisory Committee (MCAC). The MCAC advises the Ohio Department of Job and Family Services on Medicaid and other health issues. The Committee's 25 members represent medical providers, Medicaid consumers, business, unions, managed care organizations, and advocates. The MCAC adopted a resolution to support the extension of the Medicaid drug rebate program to include outpatient drugs dispensed to Medicaid patients in managed care programs. This change will reduce state and federal expenses in Medicaid and benefit all Ohio Medicaid consumers in managed care.

Therefore, I am writing to communicate our strong support of H.R. 3041 or S. 1589, the Medicaid Drug Rebate Equalization Act of 2007. This legislation would reduce state and federal Medicaid spending by extending the Medicaid Drug Rebate Program to include outpatient drugs dispensed to Medicaid beneficiaries enrolled in managed care organizations (MCOs). We hope that you will agree to sign onto the bill as a cosponsor.

According to a recent study by The Lewin Group, enactment of the Drug Rebate Equalization Act would ***reduce national Medicaid expenditures by an estimated \$12.6 billion over five years (\$7.1 billion federal share) and \$31.4 billion over ten years (\$17.8 billion federal share)***. Such savings would be realized ***without adversely impacting Medicaid beneficiaries or providers***. In Ohio, the savings is estimated to be \$228 million in FFY 09, with a five-year savings of \$1.35 billion and a ten-year savings of \$3.38 billion.

The Medicaid drug rebate program was created by the Omnibus Budget Reconciliation Act (OBRA) of 1990 and requires drug manufacturers that participate in a state's Medicaid program to enter into a rebate agreement with the Secretary of Health and Human Services in order for states to receive federal funding for outpatient drugs dispensed to Medicaid patients. These rebates are now only available for fee-for-service Medicaid drug expenditures, and not for similar spending in Medicaid managed care. At the time of the rebate program's enactment, nearly twenty years ago, Medicaid MCOs served only a small percentage of Medicaid beneficiaries nationwide, so excluding MCO drug spending from the rebate provision was not a significant issue. Today, more than 20 million Medicaid beneficiaries are enrolled in capitated MCOs nationwide.

Ohio began using MCOs to provide comprehensive Medicaid coverage in 1978. Although their use was initially limited in scope, in 2005 the Ohio General Assembly significantly expanded the Medicaid Managed Care Program statewide for most Medicaid consumers. Today more than 1.3 million Ohioans receive their Medicaid coverage through MCOs.

Ohio has been innovative in seeking and achieving savings in the Medicaid program while improving access and quality, but due to ongoing increases in case loads and costs, our budget situation continues to worsen. Therefore, we strongly support Congress taking immediate steps to reduce Medicaid pharmacy spending through enactment of the Drug Rebate Equalization Act. This would be a very positive policy change that would be a stark contrast to alternative options that could negatively impact consumers and/or providers, lessen access and quality, and further damage our challenged economy.

Thank you for your consideration of this information. We hope that you will become a cosponsor of this legislation. If you have questions or need more information about Ohio's Medicaid program, please do not hesitate to contact the Chair of the MCAC, Eugene King at the address below.

Sincerely,

Phillip Darrow
MCAC Executive Committee

Eugene R. King, JD
Chair, Medical Care Advisory Committee
555 Buttles Avenue
Columbus, Ohio 43215
614-221-7201 (ext. 125)
gking@oslsa.org