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Governor Announces Cost-Cutting Medicaid Drug Program

Jackson, Miss. – Governor Ronnie Musgrove unveiled a new cost-cutting Medicaid program designed to maximize state dollars spent on prescription drugs for Medicaid beneficiaries. With Medicaid prescription drug costs increasing almost 40% over last fiscal year, the green light was given to Health Information Designs, Inc. of Auburn, Alabama, to administer a new Pharmacy Benefits Management (PBM) and Drug Utilization Review (DUR) service. According to Governor Musgrove, “We are looking for the greatest value with our purchase of drugs without the reduction or restriction of needed and medically justifiable benefits for our Medicaid beneficiaries. This contract is a three year ‘scope of work’ designed to protect our beneficiaries and save state dollars.” The Governor went on to say, “This is part of our approach in developing creative and cost-effective programs that address our state’s health care needs.”

The new contractor, Health Information Designs, will assist in evaluating Mississippi Medicaid’s pharmacy program and make recommendations for changes designed to reduce drug costs. Medicaid’s prescription drug costs were the program’s biggest single expenditure consuming 22% of all Medicaid expenditures in the fiscal year ending June 30, 2001. Executive Director Rica Lewis-Payton commented, “All recommended program changes will be approved by Medicaid before they are put into effect. All providers and beneficiaries will receive ample notice prior to any changes. We expect the level of health care delivered to our beneficiaries not just to be maintained, but to be improved by the use of the contractor’s services. It is our goal to be a good steward of the limited state and federal dollars provided to the Medicaid program. It is our belief that both those goals are achievable with effective pharmacy management.”

More positive changes Medicaid anticipates include counter-detailing of prescribers to provide education regarding the availability of less costly but equally effective drug therapies, detection of “doctor shopper” beneficiaries who inappropriately see multiple physicians, and more review of drug therapy to insure medically justified diagnoses.