



Department of Medicaid

Mike DeWine, Governor
Jon Husted, Lt. Governor

Maureen M. Corcoran, Director

September 30, 2019

Ohio House Speaker Larry Householder
Ohio Senate President Larry Obhof
Ohio House Minority Leader Emilia Sykes
Ohio Senate Minority Leader Kenny Yuko

Dear Sirs and Madam:

Enclosed please find a copy of the Ohio Department of Medicaid's (ODM) Analysis of Pass-Through Pricing Implementation performed by Health Plan Data Solutions (HDS). ODM commissioned this study to ensure that Ohio Medicaid managed care plans were complying with the requirement to change from the spread Pharmacy Benefit Managers (PBM) reimbursement model to a transparent, pass-through model beginning January 2019. Additionally, we asked HDS to examine potential conflicts of interest and reimbursement trends regarding specialty drugs.

As ODM has investigated potential reforms to its pharmacy benefit, we have aggressively pursued changes to bring increased transparency and accountability to our managed care plans and their subcontracted vendors. ODM shares the legislature's concerns regarding past PBM conduct and billing practices, and I wish to renew our commitment to work with the legislature going forward to implement further policy changes.

While this report is a positive step forward in shining a light on the inner-workings of a vital segment of the state's Medicaid program, there is much more work to come. ODM is deeply committed to safeguarding pharmacy access to the individuals we serve. It is crucial that Ohioans have access to the life sustaining and—in many cases—life saving medications while also acting as responsible stewards of taxpayer dollars.

Please do not hesitate to contact me or my staff with questions or concerns. I welcome and value our continued partnership as we build a system that demands accountability from all entities in the prescription drug supply chain.

Sincerely,

Maureen M. Corcoran, Director

Enclosure

Cc: Ohio Senate Finance Committee Chairman Matt Dolan

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Joint Medicaid Oversight Committee Chairman Mark Romanchuk
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Ohio House Finance Committee Ranking Member Jack Cera
Ohio Senate Finance Committee Ranking Member Vernon Sykes
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