

August 18, 2003

Division of Medicaid

For Immediate Release

The Division of Medicaid has made great strides in reducing costs in the Medicaid Program, particularly in the area of prescription drug costs. While prescription drug cost in Medicaid programs were expected to increase nationally by 12%, Mississippi Medicaid experienced a **3% decrease** in drug costs for FY 2003. This was the result of aggressive cost containment measures that included, but were not limited to the following:

- Mandated use of generics
- Development of a Preferred Drug List (PDL)
- Implementation of a more robust prior authorization (PA) process
- Use of a pharmacy benefit manager (PBM)

While it is easy to talk in general about initiatives, such as bulk purchasing and lowering the costs of prescription drugs, actions are necessary and not rhetoric. Mississippi Medicaid has been taking actions and prescription drugs costs have decreased as a result.

Other initiatives, including implementation of Disease Management Programs in Diabetes, Asthma, and Hypertension have been implemented. These programs will reduce costs and improve the coordination of care for Medicaid recipients with these diagnoses.

Rica Lewis-Payton, Medicaid Director, stated “because of the Governor Musgrove’s leadership we have maintained an effective and efficient Medicaid Program in very tough economic times. We will continue to fight for this vital healthcare program.”