



NEW MEXICO HUMAN SERVICES DEPARTMENT
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Bill Richardson
Governor

Pamela S. Hyde, J.D.
Secretary

*For further information contact: Betina Gonzales McCracken,
Communications director, (505) 827-6245*

For Immediate Release

**Secretary Pamela Hyde Announces New Cost Saving Pharmacy
Preferred Drug List for Medicaid Fee-for-Service Dual Eligible Clients
(\$7 Million in Savings Expected with PDL Rollout)**

Santa Fe, December 1, 2004 – New Mexico Secretary of Human Services Pamela Hyde announced that beginning today, approximately 21,000 Medicaid fee-for-service dual-eligible (Medicaid and Medicare) clients will begin following a pharmacy Preferred Drug List (PDL) for their prescription needs. The move will save the Department of Human Services about \$7 million over the next year, while protecting the prescription coverage and service for its clients. The move to a PDL was mandated by the legislature and is part of the cost containment package required to stay within the Medicaid budget for FY 2005.

“This is a responsible way to continue to provide prescription drugs for our clients while at the same time helping to restrain the explosive growth of health care costs,” said Secretary Hyde, who noted that dual-eligible clients account for about 70 percent of the pharmacy costs in the fee-for-service program.

The PDL will be implemented in three phases. During the first phase, fee-for-service dual-eligible clients, *not including* institutional care, long-term care and Native American clients, will be transitioned to the PDL plan, called **NMRx**. Presbyterian Health Plan has been chosen from the existing Managed Care Organizations (MCO) to administer the program for the remainder of the current fiscal year. Presbyterian was selected for its extensive statewide network, its understanding of the program, and because the company offered the most competitive rates for administering the prescription program. “We want to ensure that our Medicaid fee-for-service clients across the state can easily access pharmacy services,” said Carolyn Ingram, state Medicaid Director.

Subsequent phases in the PDL plan will include most other fee-for-service Medicaid participants. “This is a step toward developing a common PDL for the entire Medicaid program, which will happen as of July 1, 2005,” said Secretary Hyde.

The PDL administrator for the following years will be selected through a Request For Proposals (RFP) process released this month in conjunction with RFPs for contractors to manage Medicaid’s physical health managed care program, fee-for-service transportation, dental, and utilization review programs and a State Coverage Initiative waiver program.

The PDL manager and the state will also work with the Interagency Behavioral Health Purchasing Collaborative to define how medications for behavioral health disorders will be managed in the future through the Collaborative's jointly procured statewide entity. "These efforts of combining good clinical practices with cost effectiveness are intended to help us use tax dollars well to support health and recovery for as many people as we can," said Hyde.

The PDL is similar to Presbyterian Health Plan's existing plan for its SALUD! members. Those required to participate in the new PDL plan are being notified by mail by both the Human Services Department and Presbyterian. "We want to make sure everyone involved knows about the changes in their medications plans, even though most people will not notice a difference in their drug coverage," said Ingram.

While most medications clients currently receive are on the PDL, there will be a few that are not. "We will work with those clients to make sure they are receiving the most therapeutically effective *and* cost effective prescriptions. Clients will have a 60-day transition period prior to changes from current medications," said David Scrase MD, Presbyterian Health Plan President. In addition, a client can request a "medical need" justification for a particular drug not on the Medicaid PDL. The PDL will maintain a broad range of anti-psychotic medications. The program will not change for individuals on anti-psychotic medications who have been stabilized and are doing well on those medications. The Provider PDL Administrator (PPA) can review and approve any requests for medications not on the PDL if appropriate.

Clients or providers that have questions about the new PDL may call the Medical Assistance Division toll free at 1-888-997-2583 or Presbyterian Health Plan at 1-866-593-7432 for clients, or 1-888-923-5757 for practitioners or pharmacists. Please state that your questions concern the pharmacy PDL plan. The PDL will be available on the HSD website by the end of the week. It can be accessed at <http://www.state.nm.us/hsd/mad/Index.html>.

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