



New Mexico Human Services Department

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For Immediate Release

The First of Five Medicaid Package Budget Bills Pass the House (Prescription Drug Prices will Lower for Some Medicaid Recipients)

Santa Fe, February 3, 2004 – By a 65 to zero vote, the New Mexico House of Representatives today passed the House Consumer and Public Affairs House Bill 88, which will limit the cost of prescription drugs for clinics that qualify for the federal discount.

The bill will expand section 340B of the Public Health Service Act, allowing more health clinics to benefit from cheaper prescription drugs for some of the 400,000-plus New Mexicans who rely on Medicaid for their health care needs. “340B participation discounts are, on average, approximately 20 percent below the average Medicaid rates,” said Carolyn Ingram, Director of the Medical Assistance Division of the Human Services Department.

Participation in this federal discount program will also result in Medicaid costs savings, estimated at \$127,800, as well as savings for some of these “safety net” providers.

Last week, Governor Bill Richardson and the House and Senate leadership announced their support for a package of bills that help rein in the growth of the Medicaid budget while maintaining eligibility for the low-income children and disabled adults on the program. CSHB 88 and its Senate duplicate, SB264 are one set of the Medicaid package bills. The others include:

- HB 406 & SB 183: Amending Medicaid Pharmacy Reimbursement
- HB 395 & SB 385: The Nursing Home Bed Surcharge
- HB 394 & SB 501: Premium Tax Increase from 3 to 4 %
- HB 468 & SB 461: Medicaid False Claims Act

CSHB 88 is now on its way to the Senate for approval. Once approved there, it goes to the Governor for final approval and signature.

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