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 – A plan to provide cheaper prescription drugs for thousands of low-income New Mexicans was passed unanimously today by the New Mexico House of Representatives.

The bill – a substitute for House Bill 88 – changes the Public Health Service Act, allowing more health clinics to qualify for a federal discount, resulting in cheaper prescription drugs for more than 400,000 New Mexicans who rely on Medicaid for their health care needs.

 "This change will result in substantial savings for New Mexico's most vulnerable citizens," said Carolyn Ingram, Director of the Medical Assistance Division of the Human Services Department. "These discounts are, on average, 20 percent below the average Medicaid rates."

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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