



February 28, 2022

Governor Mike DeWine
Riffe Center, 30th Floor
77 South High Street
Columbus, OH 43215-6117

**RE: OHIO PHARMACISTS ASSOCIATION AND NATIONAL COMMUNITY PHARMACISTS
ASSOCIATION COMMENTS ON MEDICAID PHARMACY BENEFITS**

Dear Governor DeWine:

We are writing on behalf of the Ohio Pharmacists Association (OPA) and the National Community Pharmacists Association (NCPA) regarding the Medicaid pharmacy benefit design that is set to take effect in July 2022. OPA represents the interests of individual pharmacists who practice in various types of pharmacies, and NCPA represents the interest of America's community pharmacists, including the owners of more than 19,400 independent community pharmacies across the United States and 393 independent community pharmacies in Ohio. These Ohio pharmacies filled over 28 million prescriptions last year, including over 5 million Medicaid prescriptions, impacting the lives of thousands of patients in Ohio.

OPA and NCPA applaud the efforts the Ohio Department of Medicaid has made, under your leadership, to increase the transparency in the pharmacy program by contracting with a single PBM, driving accountability, and implementing other necessary changes. These changes will result in the more efficient administration of pharmacy benefits, benefitting Medicaid beneficiaries and Ohio taxpayers. We urge the Department to bolster these measures by establishing transparent and competitive pharmacy reimbursement benchmarks in the Medicaid managed care (MMC) program. Specifically, the Department should consider requiring the MMC PBM to base pharmacy reimbursements on a transparent acquisition cost-based model, much like the Medicaid fee-for-service (FFS) program, which includes a prescription ingredient cost equal to the National Average Drug Acquisition Cost (NADAC) plus a professional dispensing fee (PDF).

Both NADAC (and other state-based Actual Acquisition Costs (AACs) prescription cost benchmarks) and the FFS PDF are objective, evidence-based, and accurate indicators of the true cost to dispense a drug in the state. The FFS PDF, which is established by the state, must be supported by adequate data.¹ Both benchmarks are based on data compiled by disinterested third parties. Ohio's commitment to Medicaid transparency has served as a model for other states to follow. To continue these efforts to protect patients, taxpayers, and the community pharmacies that serve Medicaid beneficiaries, Ohio must take the additional step of requiring Medicaid managed care pharmacy reimbursements to be based on NADAC or another state AAC benchmark, plus the FFS PDF.

¹ See 42 C.F.R. 447.518(d).

We appreciate the opportunity to share our comments and suggestions with you on your state's efforts to increase accountability and transparency in your Medicaid program. If you have any questions about the information in these comments, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink that reads "Ernest Boyd". The signature is written in a cursive style with a large, looped initial "E".

Ernest Boyd, Pharm.D (hon), MBA
Executive Director
Ohio Pharmacists Association

A handwritten signature in black ink that reads "B. Douglas Hoey". The signature is written in a cursive style with a large, looped initial "B".

B. Douglas Hoey, Pharmacist, MBA
Chief Executive Officer
National Community Pharmacists Association