

Medicaid Pharmacy Co-pays

Current Medicaid fee-for-service policy on co-pays

- \$3.00 on drugs requiring prior authorization
- \$2.00 for trade name drugs
- No co-pay for generics
- Co-pays have been in effect for individuals on FFS since 2004. We are only aware of a few situations where this created a problem.

Co-pay exemptions

- Children under the age of 21
- Pregnant women
- Hospital inpatients and residents of long-term care facilities
- Consumers receiving hospice services
- Family planning services

Why we have co-pays

- To encourage prescriber and consumer behavior toward preferred and lower cost drugs, where appropriate, resulting in savings for the state;
- To reduce the use of more expensive prior authorized and brand name drugs; and
- To reduce overall pharmacy payments by co-pay amounts

Managed care consumers affected by the co-pay

- Of the 1.4 million consumers on managed care, ~400,000 will now be subject to co-pays for certain medications
- Of the approximately 25 million pharmacy claims paid annually, about 3 million will have a co-pay

Consumers unable to pay their co-pay will still receive their medication

- When a co-pay is applicable, the pharmacy is responsible for collecting the co-pay, and ODJFS will reduce the pharmacy's reimbursement by the amount of the co-pay whether or not the pharmacy collects the co-pay
- Consumers who are unable to pay their co-pay may still obtain their medication but remain liable for the co-pay and the pharmacy may bill the consumer for the co-pay
- The pharmacy may refuse service to a consumer who owes an unpaid co-pay from a previous prescription

A 3-month prescription for "maintenance medications" has the same co-pay as 1-month prescription

Medicaid allows up to a 102-day supply for some maintenance medications, and the same co-pay applies to these prescriptions as to a one-month (or less) prescription. This is unlike traditional commercial plans that have a higher-co-pay structure when 3 months of medication are received at once.