Utah Coalition
of Medicaid Plans

Health Reform Task Force - August 27, 2020

Important Considerations: Impact of Moving to State Mandated Uniform Preferred Drug List (PDL)

- The only way for the state Medicaid agency to receive additional pharmacy rebates is for the agency to force the ACOs to utilize more brand name drugs and fewer generic drugs, which results in higher costs for ACOs.

- The study will need to quantify the negative financial impact to the ACOs and how the Department can ensure ACO rates are increased to adequately offset the loss.

- The study should be made by an objective, unbiased individual or organization without financial incentives to promote only the uniform PDL solution.

- A single PDL can increase program costs by limiting care management, forcing increased office visits, and increasing the administrative burden put on the ACOs.

- Changes in drug mix, to encourage use of high cost brand name drugs, will ultimately lead to higher costs and worse outcomes for patients.

- Encouraging physicians to prescribe high cost drugs, to drive rebates, sends mixed messages to physicians and leads to less utilization of lower cost alternatives.

- States that have implemented a unified PDL have experienced increased net costs over time, not reductions.