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State agency drug bills at \$407 million

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By Phil Kabler
Staff writer

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In a report to the Joint Committee on Government and Finance, Shana Phares provided an agency-by-agency breakdown of state spending on prescription drugs.

The top spender was the Public Employees Insurance Agency, at \$189.9 million, followed closely by the Bureau of Medical Services, which spent \$180.7 million for prescription drugs for Medicaid recipients.

Other major expenditures were for the Children's Health Insurance Program, at \$7.79 million; the Bureau for Public Health, \$6.73 million; Bureau of Behavioral Health, \$2.9 million; Division of Corrections, \$1.41 million; and the Regional Jail Authority, \$855,335.

In total, Phares said, state spending on pharmaceuticals was \$407,811,559.

Senate Majority Leader Truman Chafin, D-Mingo, asked for the report, in hopes of determining whether the state could exercise better bargaining power when negotiating contracts with pharmaceutical companies.

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Topping the list was GlaxoSmithKline, at \$40.4 million; followed by Astra Zeneca, at \$31.8 million; Merck, at \$32.2 million; Johnson and Johnson, \$24.9 million; and Pfizer, \$20.6 million.

Meanwhile, PEIA reported its total drug cost is down about \$3.5 million, or nearly 3 percent, compared to the same point in 2007. Year-to-date spending is \$125.6 million.

The percentage of prescriptions filled using lower-cost generics has jumped from 62.5 percent last year to 69.2 percent of all prescriptions filled this year.

In April, the average cost to PEIA for a generic prescription was \$19.26, down from an average of \$24.49 in 2007.

Meanwhile, the percentage of prescriptions filled with higher-cost nonformulary brand-name drugs has dropped from 16.6 percent to 9.9 percent.

Phares said a key factor for that decline was that PEIA increased the co-pay for nonpreferred drugs from \$30 to \$50 per prescription.

The average cost per prescription to PEIA for brand-name prescription drugs with no generic equivalent available is \$156.90, up nearly \$21 from 2007.

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