

# PRESS RELEASE



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## **CAHP Releases Research Review On Northwestern University Finding that Medicaid Managed Care Lowers Drug Costs**

**Sacramento, CA**— The California Association of Health Plans today has released a [research review](#) of a recent non-partisan nationwide study conducted by a team of Northwestern University professors which found that allowing managed care organizations (MCO's) to administer the majority of Medicaid drug benefits, as we currently do in California, significantly reduces state spending on prescription drugs.

These findings, along with an analysis released today by the California Legislative Analyst's Office, raise significant issues that need to be addressed regarding carving pharmacy benefits out of Medi-Cal Managed Care including the coordination and management of beneficiary care and whether it would ultimately lower drug costs.

The Northwestern University researchers analyzed the differences in spending from 2010 to 2016 and compared 13 states that transitioned the administration of Medicaid drug benefits to Managed Care Organizations (MCO's) to spending in 16 states that did not outsource this administration and found that there are real benefits to having MCOs administer Medicaid drug benefits. In fact, the study found that fully transitioning the Medicaid drug benefit to MCOs decreases program drug spending by 22.4%. Read the full research review [here](#).

Click [here](#) to access the Legislative Analyst's report on the Carve-Out of Medi-Cal Pharmacy Services from Managed Care.

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*CAHP is a statewide association representing 45 full-service health plans. Through legislative advocacy, education and collaboration with other member organizations, CAHP works to sustain a strong environment in which our member plans can provide access to products that offer choice and flexibility to the more than 25 million members they serve. For more information, please visit*

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