



Managing the Medicaid program to provide the best healthcare value for South Carolinians.

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S.C. Medicaid Targets Prescription Drug Abusers

COLUMBIA, S.C. — A new pilot program designed to curb prescription drug abuse in the Medicaid program has saved the state more than \$320,000 since it began in January 2009, according to an analysis by the South Carolina Department of Health and Human Services (SCDHHS).

The Pharmacy Lock-In pilot program targeted 48 Medicaid recipients who used numerous pharmacies to fill prescriptions for Schedule II narcotics, which include powerful painkillers and amphetamines. Beginning in January, individuals were notified of their placement in the Lock-In program and were required to select a primary pharmacy for services. Although Medicaid did not limit access to prescriptions, participants were prevented from having prescriptions filled at other pharmacies.

A comparison of the participant's Medicaid expenditures before and after lock-in showed substantial cost savings across most service categories, not just pharmacy:

- Medicaid expenditures for this group decreased by **\$321,541**; an average cost savings of \$6,699 per beneficiary;
- On average, a **40 percent decrease** in the total number of prescriptions used, and a **43 percent decrease** in Schedule II drugs;
- A **36 percent decrease** in the number of claims for doctor visits and other medical professional services;
- A **21 percent decrease** in the number of hospital and emergency room visits.

The 48 individuals in the initial pilot group were identified through data analysis that revealed a pattern of uncoordinated care and drug-seeking behavior, such as visiting multiple physicians and hospitals in order to get prescriptions. Other than requiring a single pharmacy, access to prescriptions drugs was not restricted. SCDHHS is now expanding the Pharmacy Lock-In program to include up to 200 Medicaid recipients.

“We’re very pleased with the results so far,” said Sherry Ward, director of the SCDHHS Division of Program Integrity, which manages the Pharmacy Lock-In program. “We want to make sure we curtail drug-seeking behavior. At the same time, this is an opportunity to improve coordination of care and ensure beneficiaries still have access to needed medications.”

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SCDHHS spent more than \$280 million in pharmacy costs last year, with Schedule II narcotics accounting for about \$30 million.

SCDHHS administers the state's Medicaid program. With an annual budget of \$4.5 billion, Medicaid provides healthcare coverage to about 930,000 South Carolinians in need each year, including low-income, disabled and elderly residents.

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