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For Immediate Release

**Medicaid Pharmacy Costs to Lower with Passage of Legislation in
Both Houses**

(The third of five Medicaid funding bills on its way to the governor.)

Santa Fe, February 18, 2004 - Tonight both the House of Representatives and the Senate passed SB 264 and CS/HB 88, requiring health care facilities to participate in a federal public health services prescription drug discount program. "By participating in this program, more of the state's health clinics will benefit from cheaper prescription drugs for some of the 408,000 New Mexicans who rely on Medicaid for their health care needs," said Carolyn Ingram, Human Services Department (HSD) Medical Assistance Division Director.

The bill will expand section 340B of the Public Health Service Act. 340B participation discounts are, on average, approximately 20 percent below the average Medicaid rates. "Not only will "safety net" providers see savings, but so will Medicaid recipients and the state's Medicaid program," said Ingram. HSD is estimating a savings of \$127,800 with the passage of this bill.

SB 264, sponsored by Senator Sue Wilson Beffort and duplicate CS/HB88, sponsored by Rep. Danice Picraux, are part of Governor Richardson's Medicaid revenue enhancement package, which helps rein in the growth of the Medicaid budget while maintaining eligibility for low-income children, disabled adults and seniors on the program. The other bills include:

- SB 385 (Passed House & Senate, signed by Governor): Nursing Home Surcharge
- SB 502 (Passed House & Senate): Premium Tax Increase
- HB 406 & SB 183: Amending Medicaid Pharmacy Reimbursement
- CS/HB 468 (Passed House): New Mexico Medicaid False Claims Act

SB 264 and CS/HB 88 are now on the way up to the governor's office for final approval and signature.

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