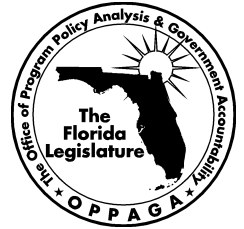




The Florida Legislature

OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY



RESEARCH MEMORANDUM

Feasibility of Consolidating Statewide Pharmaceutical Services

March 3, 2009

Summary

As directed by Ch. 2009-15, *Laws of Florida*, OPPAGA assessed the feasibility of consolidating statewide pharmaceutical services for state agencies, including the purchasing, repackaging, and dispensing of pharmaceuticals. This memorandum describes the prescription drug services provided by state agencies, current efforts to consolidate statewide pharmaceutical services, and options for further consolidating these services. We reached the conclusions noted below.

- Eight state agencies provide prescription drug services to their clients. Five of these agencies buy pharmaceuticals to fill prescriptions and purchased \$232 million in pharmaceuticals in Fiscal Year 2007-08. These five agencies have consolidated 92% of their pharmaceutical purchases through the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP), a group-purchasing organization.
- Florida's participation in the MMCAP group-purchasing organization has allowed state agencies to obtain pharmaceuticals at reduced prices.
- It would be feasible to consolidate drug repackaging services under the Department of Health or a private entity. A competitive process should be used to determine the most economical provider for these services.
- The Department of Health may be able to expand its drug purchasing through the federal 340B drug pricing program, which would bring significant savings.

Eight agencies purchase pharmaceutical services

Eight Florida agencies provide prescription drug services to beneficiaries of state and federal health programs and expended \$1.5 billion on prescriptions in Fiscal Year 2007-08. Five of these agencies procure pharmaceuticals to fill prescriptions—the Agency for Persons with Disabilities, the Department of Children and Families, the Department of Corrections, the Department of Health, and the Department of Juvenile Justice.¹

¹ The remaining three agencies do not purchase pharmaceuticals but administer reimbursement or drug benefit plan arrangements—the Agency for Health Care Administration (for Medicaid), the Department of Veterans' Affairs (for federal veterans' benefits), and the Statewide Division of Group Health Insurance within the Department of Management Services (for the state employees' prescription drug plan).

Gary R. VanLandingham, Ph.D., Director

111 West Madison Street ■ Room 312 ■ Claude Pepper Building ■ Tallahassee, Florida 32399-1475
850/488-0021 ■ FAX 850/487-9083
www.oppaga.state.fl.us

Agencies often require drugs they purchase to be repackaged in unit doses for dispensing individual prescriptions.² This generally is required for patients in secure facilities such as prison inmates, who otherwise could misuse their medications, and patients who have severe mental health and developmental disabilities which prevent them from independently administering their prescriptions. Agencies contract with private firms to perform much of this repackaging. Agency staff dispenses the majority of prescriptions, although some agencies have contracted with private firms to dispense prescriptions at some state residential and secure facilities. Appendix A identifies the Fiscal Year 2007-08 pharmaceutical expenditures, purchasing sources, and repackaging and dispensing methods used by the eight agencies.

The five agencies which purchase pharmaceuticals have consolidated the majority of their procurement through the Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP), a group-purchasing organization. MMCAP was created in 1985 and is managed by the State of Minnesota’s Department of Administration to buy pharmaceutical products for government health care facilities. MMCAP’s mission is to provide, through volume purchasing and careful contract management, the best value in pharmaceuticals and related products to its members, who are eligible governmental health care facilities. MMCAP contracts with national wholesale distributors from which members can contract for pharmaceuticals, and it purchases over \$1.2 billion per year and has national account status with all of the major brand name and generic pharmaceutical manufacturers.³ The Florida Department of Health’s Bureau of Statewide Pharmaceutical Services manages Florida’s participation in MMCAP for state agencies, and it has contracted with Cardinal Health, Inc., to serve as the wholesale distributor for statewide drug procurement through MMCAP.⁴

In Fiscal Year 2007-08, the five state agencies which purchase drugs procured 92% of the dollar volume of pharmaceuticals through MMCAP from Cardinal Health. Most of these purchases were made by the Department of Health (58%) and the Department of Corrections (30%), as shown in Exhibit 1.⁵

Exhibit 1

The Departments of Health and Corrections Made the Majority of Pharmaceutical Purchases Statewide in Fiscal Year 2007-08

Agency	MMCAP Purchases	Other Purchases	Total	Percentage of MMCAP vs. Other	Percentage of Total Purchases
Department of Health	\$135,304,608	—	\$135,304,608	100.0%	58.1%
Department of Corrections	53,702,257	\$16,783,137	70,485,394	76.2%*	30.3%
Department of Children and Families	23,956,282	138,439	24,094,721	99.4%	10.4%
Department of Juvenile Justice	1,027,205	188,195	1,215,400	84.5%	0.5%
Agency for Persons with Disabilities	137,473	1,472,966	1,610,439	8.5%	0.7%
Total	\$214,127,825	\$18,582,737	\$232,710,562	92.0%	100.0%

* Includes purchases from Diamond Pharmacy Services for the department’s Region IV (South Florida) facilities. The department discontinued purchases from this vendor in August 2008. The department currently purchases 100% of pharmaceuticals through MMCAP.

Source: OPPAGA analysis of data from the Agency for Persons with Disabilities and the Departments of Health, Corrections, Children and Families, and Juvenile Justice.

² A unit dose is the prescribed amount of each medication dosage in a package such as a blister pack on a segmented strip or a card containing 30 unit doses sealed in plastic blisters.

³ As of February 2009, MMCAP distributors were Amerisource Bergen, Inc., Cardinal Health, and Morris and Dickson.

⁴ Section 381.0203, F.S., authorizes the Department of Health to contract on a statewide basis for the purchase of drugs to be used by state agencies and political subdivisions.

⁵ Expenditures for purchases from Cardinal Health were for drugs only. Expenditures for purchases outside of Cardinal Health include dispensing and administration record fees in addition to drug purchases.

Agency purchases from wholesalers outside MMCAP were relatively small. The Agency for Persons with Disabilities has established separate contracts for pharmacy services, including drug purchases, at two of its residential facilities for persons with developmental disabilities—the Tacachale Center contracts with Guardian Pharmacy and the Sunland Center contracts with Omnicare. These contracts predominantly serve residents who qualify for prescriptions under Medicaid.⁶ As provided by the Medicaid reimbursement formula, prices for pharmaceuticals purchased under these contracts include the price of the drugs and a \$4.23 dispensing fee per prescription. In Fiscal Year 2007-08 the agency expended \$1,472,966 for pharmacy services from these contracts. The Department of Juvenile Justice buys pharmaceuticals through MMCAP for its six state-run residential facilities and from a contracted vendor who repackages and dispenses medicines at 26 juvenile detention centers. In Fiscal Year 2007-08 the Department of Children and Families occasionally purchased medications from other wholesale distributors when Cardinal Health was out of stock on selected medicines needed at state mental health facilities.⁷ The Department of Corrections currently purchases all drugs through MMCAP, but in Fiscal Year 2007-08 purchased drugs for 13 correctional institutions in South Florida from a separate pharmacy service provider.^{8, 9}

Florida’s participation in MMCAP has allowed state agencies to obtain pharmaceuticals at reduced prices

Purchasing pharmaceuticals through MMCAP enables the state to leverage its purchasing volume and obtain lower prices than wholesaler distributors traditionally offer. Twice each year, MMCAP issues a request for proposals seeking responses from pharmaceutical manufacturers on over 6,000 products. Purchasing officials and pharmacists from member states review the responses and determine which products will receive awards, and MMCAP pays the costs of this awards process. A prime vendor administers the program, handles inventory and delivers awarded contract items.

In addition to MMCAP, there are four other major multi-state bulk group-purchasing organizations. However, MMCAP has the largest number of state members, as shown below in Exhibit 2.

⁶ Approximately 11% of these residents do not qualify for Medicaid as forensic patients and the agency pays for their prescription drugs at the Medicaid reimbursement rate.

⁷ In Fiscal Year 2007-08, the Department of Children and Families spent \$138,439 on pharmaceuticals procured from secondary wholesale distributors.

⁸ In August 2008, the Department of Corrections cancelled a purchase order with Diamond Pharmacy Service which provided pharmacy services at 13 institutions in South Florida. In Fiscal Year 2007-08 the department expended \$16.8 million on pharmaceutical purchases from Diamond, including the cost of medicine, dispensing, and administrative fees.

⁹ The 2008 Legislature required the Department of Corrections to contract for pharmaceutical services statewide only if contracted costs are at least 3% below the department’s costs to fill prescriptions in Fiscal Year 2007-08. To fulfill the requirements of the proviso language, the department has issued a request for proposals that is scheduled to close in March 2009. The department indicates that it will take one month to review the bids and make a decision on whether to award a contract. However, on September 17, 2008, TYA Pharmaceuticals filed a lawsuit against the Department of Corrections, alleging that the proviso is unconstitutional. The plaintiff is requesting that the proviso language be removed from the official records of the state and that the department cease its request for proposals for statewide comprehensive pharmaceutical services.

Exhibit 2

The MMCAP Is The Largest Group-Purchasing Organization Serving Multiple States

Group-Purchasing Organization	State Members	Notes
Minnesota Multi-State Contracting Alliance for Pharmacy (MMCAP)	45	Does not serve Medicaid or public employee programs; does serve counties, cities, and municipalities
National Medicaid Pooling Initiative (NMPI) or Michigan Multi-State Pooling Agreement (MMSPA)	13*	Aimed at lowering costs in Medicaid programs, the NMPI is administered by First Health Services Corporation
Northwest Prescription Drug Consortium (NPDC)	2	Does not serve Medicaid
Sovereign States Drug Consortium (SSDC)	6	State-administered multi-state Medicaid supplemental drug rebate pool
Top Dollar Program (TOP\$)	6	Started by Provider Synergies, the pharmacy benefits manager company contracted by the Florida Agency for Health Care Administration to manage Medicaid reimbursements

* Includes the District of Columbia.

Source: National Conference of State Legislatures, December 2008.

MMCAP reports that it achieves average savings of approximately 23.7% below average wholesale price (AWP -23.7%) for brand name pharmaceuticals and 65% below average wholesale price (AWP -65%) for generic drugs. In addition, participating states achieve administrative savings by avoiding the need to establish their own contracts, and also achieve savings through lower ordering costs and inventory levels. In addition, Florida agencies pay no dispensing fees for prescription drugs procured through MMCAP, unless the agency has contracted pharmacy services to fill prescriptions.

In April 2008, the MMCAP administration contracted a consulting firm to evaluate the MMCAP’s prices and found them to be lower than prices achieved by the other four multi-state group-purchasing organizations.¹⁰ For example, in a market basket of 413 drugs, MMCAP’s total prices were 2.8% to 4.4% lower than total prices for the same market basket of drugs from the four other group-purchasing organizations. In addition, prices obtained through MMCAP appear to be significantly lower than average wholesale distributor prices, as commonly represented as wholesale acquisition cost in national market research literature, as shown in Exhibit 3.

Exhibit 3

National Average Drug Price as a Percentage of Average Wholesale Price

Procurement Method	Description	Percentage of Average Wholesale Price
Average wholesale price	National average of list prices charged by wholesalers to pharmacies (i.e., “sticker price”)	100%
Average manufacturer price	Average price paid to a manufacturer by a wholesaler for drugs distributed to retail pharmacies	80%
Wholesaler acquisition cost	Price paid by a wholesaler for drugs purchased from manufacturer or other supplier	70%
MMCAP group purchase organization	Price negotiated by MMCAP for drugs purchased from manufacturer or other supplier	60%
Medicaid best price	Lowest price paid to a manufacturer for a brand name drug, taking into account rebates, discounts, and other pricing adjustments, excluding nominal prices	58%
Federal 340B drug pricing program	Prices negotiated by public health service entities	30-50%
Federal Veterans Affairs price	Prices negotiated by the federal Department of Veterans Affairs	45%

Source: Bureau of Statewide Pharmaceutical Services, Florida Department of Health.

¹⁰ MMCAP Pharmacy GPO Pricing Evaluation, The Patterson Dahlgren Group, Inc., presented September 8, 2008, at the annual conference of the National Association of State Pharmaceutical Officials.

However, as noted in Exhibit 3, three procurement methods obtain lower average prices than MMCAP, although these procurement methods are not generally available to state agencies. Nationally, the lowest prices are obtained through the U.S. Department of Veterans Affairs price agreements, averaging 45% of average wholesale price. However, only the Florida Department of Veterans' Affairs is eligible to purchase drugs through these price agreements. Medicaid drug prices are also generally lower than MMCAP prices and are priced at 58% of average wholesale price; however, federal restrictions limit use of these price agreements to only patients eligible for Medicaid.

The federal 340B drug pricing program (340B) also attains lower drug prices than MMCAP, although its use is limited to outpatient drugs purchased for federally qualified health centers.¹¹ Participants in the 340B program purchase pharmaceuticals through a wholesaler and/or directly from the manufacturer, who are referred to an online database to purchase under 340B. Currently the Florida Department of Health is the only state agency that can purchase drugs at federal 340B prices, as the department is a covered entity as a recipient of federally awarded programs and administration of federally qualified health centers. However, as discussed below, it may be feasible for Florida to expand its use of this program for some drug purchases.

It may be feasible for the state to expand its use of MMCAP to obtain additional savings. Our preliminary analysis indicates that the Agency for Persons with Disabilities' forensic programs and the Department of Juvenile Justice could attain savings of an estimated \$166,116 by procuring all prescription drugs through MMCAP.¹² To more precisely determine potential savings, a market-based cost analysis would need to be conducted to compare prices for the specific drugs purchased by these agencies to those available through MMCAP.

The state could attain additional cost savings by consolidating drug repackaging under the Department of Health's central pharmacy or a private vendor

It would be feasible for the state to consolidate drug repackaging for all state agencies, and this step would produce savings. It would be most feasible to consolidate repackaging for the Agency for Persons with Disabilities and Departments of Corrections and Juvenile Justice.¹³ Each of these agencies has separate contracts to dispense drugs at multiple facilities across the state, some with on-site pharmacies and staff. The Agency for Persons with Disabilities has separate contracts for pharmacy services at two of its three residential forensic programs. The Department of Corrections operates three regional pharmacies and one hospital pharmacy from which it fills prescriptions for all state prisons. The Department of Juvenile Justice provides medication to patients housed in 26 state-operated juvenile detention centers and six residential programs.

Our comparison of the unit dose and script dispensing fees paid under the three agencies' current pharmacy contracts with the Department of Health's central pharmacy costs suggests that consolidating the repackaging and filling of prescriptions under the Department of Health may be the most cost-effective option. The department's central pharmacy purchases, repackages, and fills prescriptions for the state's county health departments. As shown below, the Department of Health's

¹¹ The 340B Drug Pricing Program resulted from enactment of Public Law 102-585, the Veterans Health Care Act of 1992, which is codified as Section 340B of the Public Health Service Act.

¹² OPPAGA estimated these savings based on a projected 10% savings from \$1,166,161 these agencies spent on drugs purchased from contracted providers outside of MMCAP; the Department of Health projected this savings level. Additional savings would be achieved if these agencies reduced their dispensing fees, which currently range from \$3.40 to \$4.23 per prescription. The Department of Health's central pharmacy estimates its dispensing fee is \$1.57 per prescription.

¹³ The Department of Children and Families has a limited number of hospital and residential care facilities that have on-site pharmacies and staff to fill and repack prescriptions. Since these facilities require on-site pharmacies and staff who can package dispensing doses, consolidating repackaging for these facilities probably would not reduce their costs.

estimated costs for filling and repackaging prescriptions, including direct and indirect costs, were the same or lower than the contracted costs paid by the other agencies (see Exhibit 4). Although the Department of Health’s central pharmacy has recently expanded its capacity, additional analysis is needed to determine if the unit could handle the additional volume of the other agencies and what additional resources, including staff and machines, would be needed.

Exhibit 4

Comparison of Contracted Pharmacy Service Costs to Department of Health Central Pharmacy Costs

Contract/Agency	Unit Dose Rate or Script Dispensing Fee
Ominicare/Agency for Persons with Disabilities	\$4.23 per prescription
Guardian/Agency for Persons with Disabilities	\$4.23 per prescription
Terry Yon and Associates/Agency for Persons with Disabilities	\$3.50 per prescription
Terry Yon and Associates/Department of Corrections	\$1.85 per 30 count card \$3.00 per 100 count strip
Terry Yon and Associates/Department of Juvenile Justice	\$3.40 per prescription
Department of Health	\$1.57 to \$1.85 per 30 count card \$2.50 per 100 count strip \$1.57 mail order fill (plus \$2.00 shipping)

Source: OPPAGA analysis of contracts with the Agency for Persons with Disabilities and the Departments of Corrections and Juvenile Justice, and administrative cost reports from the Department of Health.

To fully explore this option, we recommend that the Agency for Persons with Disabilities and the Departments of Corrections and Juvenile Justice develop a business case, as outlined by the Council on Efficient Government, for outsourcing their repackaging services with a single entity for all drug repackaging services – either the Department of Health’s central pharmacy or a private sector vendor. The agencies should then issue invitations to negotiate with private sector vendors for these services and compare the prices quoted by responsive bidders to those calculated by the Department of Health’s central pharmacy under the business case analysis.¹⁴ This process should be overseen by the Governor’s Chief Medical Officers’ Task Force.

State agencies could further control pharmaceutical purchase costs with a statewide formulary

Each of the five agencies that procure pharmaceuticals has established a formulary or uses the Medicaid formulary to control costs. Pharmacies use such formularies to specify which medicines are preferred for treatments. Along with the formulary, agencies require senior staff to approve requests to prescribe drugs which are not on the formulary. Formularies and prescribing policies are set by agency pharmacy and therapeutic committees which review physician prescribing patterns and patient utilization trends to establish appropriate drug preferences for the most cost-effective treatments. There is no statewide formulary to which all agency pharmacies must adhere.

It would be feasible to consolidate formulary management under a statewide pharmacy and therapeutic advisory council. Drug utilization data from Fiscal Year 2006-07 collected by the Department of Health show that agencies appear to use a combination of brand and generic drugs which suggests that formularies could be more closely aligned. Doing so would help ensure that all agencies replace brand drugs on their formularies with chemically equivalent generics to the maximum extent feasible. The statewide pharmacy and therapeutic advisory council could then monitor agency drug utilization across all agencies and suggest changes to formularies based on utilization trends and best practices learned

¹⁴ Section 287.0574, F.S.

from treatment patterns. The Governor's Chief Medical Officers' Task Force is assessing the possibility of creating a statewide formulary.

The Department of Health may be able to expand availability of drugs purchased through the federal 340B drug pricing program, which could bring significant savings

While the bulk purchase prices negotiated by MMCAP appear to provide the best value for procuring pharmaceuticals compared to other sources used by state agencies, further savings may be achieved by expanding purchase of drugs through the federal 340B drug pricing program. The federal 340B drug pricing program (340B) limits the cost of outpatient drugs for federally qualified health centers.¹⁵ Private pharmaceutical wholesale distributors and private pharmacies are ineligible to purchase under the 340B program. Participants in the 340B program purchase pharmaceuticals through a wholesaler and/or directly from the manufacturer, who are referred to an online database to purchase under 340B. Currently the Florida Department of Health is the only state agency that can purchase drugs at federal 340B prices, as the department is a covered entity as a recipient of federally awarded programs and administration of federally qualified health centers.

Purchasing pharmaceuticals under the 340B program results in significant savings. The Bureau of Statewide Pharmaceutical Services within the Department of Health analyzed the top 50 drugs purchased by four Florida agencies in Fiscal Years 2004-05, 2005-06, and 2006-07 to identify the procurement system that offers the lowest price for each drug purchased by each agency. The bureau used historical usage data from each agency to calculate the total cost that would be incurred if each drug were purchased from the procurement system that offered the lowest price for the drug. The procurement systems included contracted pharmacy services, the MMCAP, and the federal 340B drug pricing program. The bureau calculated the potential cost savings by comparing the total estimated cost for procuring the 50 most used drugs by each system to the actual procurement costs for each agency. The bureau found

- no cost savings from contracted pharmacy services,
- savings of 0.28% in Fiscal Year 2006-07 from MMCAP purchases, and
- savings of 2.00% in Fiscal Year 2003-04, 3.60% in Fiscal year 2005-06, and 1.52% in Fiscal Year 2006-07 from 340B-priced drugs.

The bureau concluded that 340B-priced drugs were the most economical procurement method, while procurement through MMCAP was the next most economical method. The bureau projected that the state would have saved \$7.4 million over three years if it purchased the top 50 most prescribed medications at 340B prices.

Expanding Florida's ability to purchase pharmaceuticals at 340B prices would produce additional savings and may be possible in some areas. The Department of Corrections, in conjunction with the Department of Health, is piloting an initiative to purchase drugs for patients with HIV and sexually transmitted diseases through the 340B program. In November 2008, the department entered into an interagency agreement with the Department of Health whereby county health department physicians will treat inmates diagnosed with HIV and sexually transmitted diseases.¹⁶ The Department of Health is authorized to purchase drugs for these inmates at 340B prices since the inmates will be patients of

¹⁵ The 340B drug pricing program resulted from enactment of Public Law 102-585, the Veterans Health Care Act of 1992, which is codified as Section 340B of the Public Health Service Act.

¹⁶ In January 2009, the department began working with the Alachua and Jackson County Health Departments. The Alachua County Health Department will treat inmates at Hamilton, New River, Union, Columbia, and Lowell correctional institutions.

Department of Health physicians. These drugs are expected to be 45% less than drugs purchased through MMCAP. However, it is too soon to determine actual savings from this initiative as the Department of Corrections reports that county health physicians began seeing inmate patients in January 2009.¹⁷

It may be feasible to expand this pilot program to other agencies such as the Department of Juvenile Justice, although additional analysis would be needed to determine the level of potential savings that could be achieved. Expanding the 340B program purchases to the Department of Juvenile Justice would reduce drug prescription costs for the state. To implement this, Department of Health physicians would have to accept patients in juvenile detention and residential facilities. Allowing these staff to function under the Department of Health umbrella would provide access to the 340B pricing, which would result in no additional staff and could possibly result in the reduced need for health service staff for the Department of Juvenile Justice.

It may also be feasible to expand 340B program purchases to county jails to achieve cost savings for local governments, although this would likely increase county health unit costs. To do so, Department of Health physicians would need to accept patients in county jails. This would be a substantial workload, as during August 2008 there was an average of 66,864 inmates in Florida's county detention facilities. While Department of Health physicians already treat patients at county health clinics, expanding this service to jail inmates would greatly increase physician patient loads. Additionally, the Department of Health's central pharmacy would likely need to increase staff to accommodate the additional prescription orders. The department would need to assess the feasibility of charging counties to cover the increased costs. The Department of Health could work with the Florida Sheriffs Association and the Florida Association of Counties to explore this option.

¹⁷ Other states, including Texas and Maine, have explored expanding purchases of 340B-priced drugs for inmate health care. For example, Texas passed legislation in 2001 which allows the Texas Department of Criminal Justice to work with 340B-eligible entities, such as the University of Texas Medical Branch at Galveston, to provide health care and 340B-priced drugs for inmates under their care. In 2006, the executive director of the Texas Correctional Managed Health Care Committee estimated annual savings of \$10 million from this program. Maine is currently examining how to best utilize the 340B program in the state's prisons, and may work with the Heinz Family Philanthropies to study how it can implement the program. Maine's study is not expected to be complete until January 2010.

Appendix A

Eight State Agencies Provide Prescription Drug Services

Agency		FY 2007-08 Expenditures	Pharmaceutical Purchase Source	Repackaging	Dispensing
Agencies Providing Prescription Drug Services	Agency for Persons with Disabilities	\$1,610,439	Cardinal Health wholesale (MMCAP) for state hospital forensic program Contracted pharmacy service in two state residential facilities with forensic programs Contracted pharmacy for patients eligible for Medicaid (billed to Medicaid)	Agency pharmacy repackages at state hospital; repackaging is included in pharmacy contracts for other facilities	Staff pharmacist at state hospital and one residential facility; contract pharmacist at one residential facility; nurses administer medications
	Department of Children and Families	\$24,094,721	Cardinal Health wholesale (MMCAP) for state hospital and residential mental health facilities	Agency pharmacies repackaged at hospital and facilities	Staff pharmacist at state hospital and residential facility pharmacies; nurses administer medications
	Department of Corrections	\$70,485,394	Cardinal Health wholesale (MMCAP) for state prisons Diamond Pharmacy Services for South Florida prisons [until 8/31/08]	Contracted repackaging	Staff pharmacists fill prescriptions; nurses administer medications at facilities
	Department of Health	\$135,304,608	Cardinal Health wholesale (MMCAP) for county health departments	Agency repackages at central pharmacy when needed	Central pharmacy and county health departments fill prescriptions
	Department of Juvenile Justice	\$1,215,400	Cardinal Health wholesale (MMCAP) for state residential facilities Contracted pharmacy services for some facilities	Contracted repackaging (contractor delivers filled prescriptions to facilities)	Nurses administer medications at facilities
Agencies Administering Reimbursement or Drug Benefit Plan Arrangements	Division of State Group Insurance	\$208,781,524	CVS Caremark contract for PPO members	None	Retail pharmacies
	Agency for Health Care Administration—Medicaid	\$1,102,201,270	Provider Synergies (pharmaceutical benefits manager for reimbursements paid, no purchases)	None	Retail pharmacies
	Department of Veterans' Affairs	\$1,290,227	Contract with U.S. Department of Veterans' Affairs	None	Pharmacy staff at nursing homes dispense prescriptions
TOTAL		\$1,544,983,583			

Source: OPPAGA analysis of expenditure reports, contracts, and interviews with the Agencies for Health Care Administration and Persons with Disabilities, and the Departments of Children and Families, Corrections, Health, Juvenile Justice, Management Services, and Veterans' Affairs.