

**South Carolina Department of Health and Human Services  
Medical Care Advisory Committee  
Item for Committee Advise ment**

**PREPARED BY:** Bryan Amick

**PRESENTED BY:** Bryan Amick

**DATE:** November 15, 2016

**SUBJECT:** Medicaid Class-Specific MCO Carve-Out

**OBJECTIVE:** To modify the State Plan to allow for the carve-out of certain medication classes to facilitate greater purchasing power and an overall savings to the Medicaid program.

**BACKGROUND:** SCDHHS supports the integrated delivery of care by the managed care organizations within the South Carolina Medicaid market. As such, the pharmacy benefit, along with other essential aspects of member care, are included in the package of services provided by the MCOs. However, there are rare occasions when the provisions of the Medicaid Rebate Program and the supplemental rebates available to SCDHHS create a strong incentive for SCDHHS to manage specific drug classes.

**EXPECTED OUTCOMES:** To allow for MCO carve-out and the resulting collection of supplement rebates for those instances where a tremendous financial advantage exists for the Medicaid program and no foreseeable negative clinical consequences exist.

**EXTERNAL GROUPS AFFECTED:** Medicaid members, pharmacy providers, managed care plans.

**RECOMMENDATION:** Modify Attachment 3.1F, page 13, Item L to include:

*Outpatient Covered Drugs in those cases where SCDHHS has determined that the medication or medication class has been carved out of the MCO benefit.*

**EFFECTIVE DATE:** On or after October 1, 2016