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Gov. Gregoire thanks Doctors for Generics First savings

Generic prescriptions save state up to \$56 million annually

OLYMPIA – Gov. Chris Gregoire thanked the state’s medical community, especially prescribing physicians, for making Generics First an incredible success and saving millions of dollars in pharmacy costs by steering patients to generic drugs. According to Dr. Jeff Thompson, chief medical officer for the Washington Health Care Authority, Generics First is saving the state up to \$56 million annually in Medicaid drug costs.

Generics First utilizes a computer data warehouse to track Medicaid prescriptions of brand name and generic drugs and to identify prescribers who give expensive brand name drugs to patients at outlying rates. After these prescribers were shown the difference between their rates of brand name and generic drug prescriptions versus that of their peers, four out of five increased generic drug prescriptions.

“The most rewarding part of this story is the response of our doctors, nurses and hospitals,” Gregoire said. “After Dr. Thompson was able to show doctors their prescription history and how it was different from their peers, the vast majority started to give patients more generic drugs. This helps keep patients healthy and saves taxpayer money.”

According to HCA Director Doug Porter, “What this initiative has accomplished, in addition to saving taxpayers millions of dollars, is to show that Medicaid agencies can work with providers to contain costs, provide quality care and develop measures for performance and feedback – and we can do it collaboratively and in a non-adversarial way.”

Porter and Dr. Thompson have been committed to following the evidence in order to drive up quality and drive down costs.

Since it was launched, Generics First has provided feedback reports and educational outreach to 780 providers with the highest brand name prescription use. As a result of the outreach, HCA has seen the following progress:

- More than four in five physicians (82 percent, 647) increased their percentage of generic prescriptions.

- Nearly two in three (65 percent, 516) lowered their percentage of prescriptions written as “Dispense As Written” or DAW scripts. Under state law, DAW prescriptions prevent the pharmacist from substituting a less expensive generic for an equally effective but more expensive brand name drug.
- More than half of the 780 providers now prescribe generic drugs more than 80 percent of the time.

Dr. Thompson said the campaign’s key feature was the ability to show prescribers that every percentage point increase in the state’s total generic prescription fill rate saves between half and one percent of Medicaid’s annual \$400 million prescription expenditure.

The state’s data warehousing contractor, OptumInsight, provides analytics and develops HCA’s peer comparison reports that are sent to physicians. Shelby Solomon, OptumInsight’s president of government solutions, said: “The State of Washington is an innovation leader in the management of its Medicaid and public health programs, and Generics First is a great example of how HCA is combining technology, analytics and provider collaboration to achieve success.”

The Generics First campaign began with legislation aimed at reducing Medicaid drug costs without the need for a formulary or co-payments.

For additional information about Generics First: <http://hrsa.dshs.wa.gov/News/Fact/FS011-003HCAGenericsFirst102111.pdf>

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