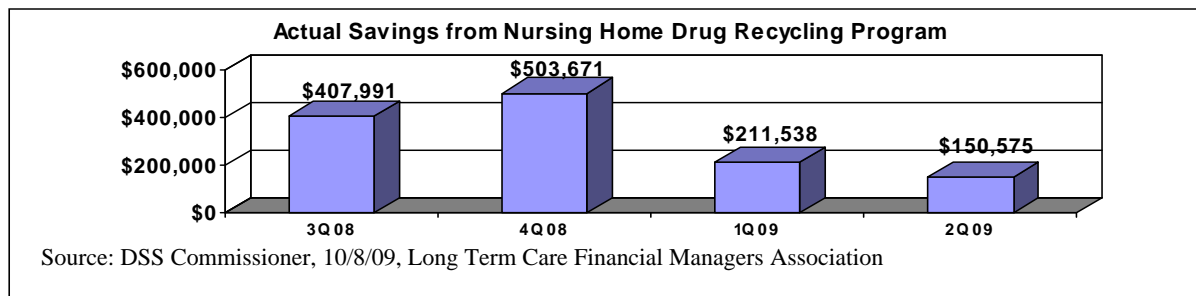


**COMMISSION ON ENHANCING AGENCY OUTCOMES
SUMMARY SHEET**

Update on Proposal #41 to Fully Implement Drug Recycling Programs

What is the Drug Recycling Program? Implemented initially as a pilot program in January 1998 (P.A. 97-2), and subsequently as a mandatory program (P.A. 00-2), the drug recycling program requires long term care facilities (and correctional facilities) to return unused non-controlled medications to vendor pharmacies, with the CT Medical Assistance Program then receiving credit for the returned medication. Medications must be sealed in individually packaged units and be least three months away from their expiration dates. The pharmacy that dispensed the prescription receives a \$5.00 return fee.

Actual Savings Generated: The program actually saved \$1,273,755 in FY 09 (see chart below); however, it was budgeted that the program would save \$1.5 million annually (shortfall of \$226,245). Further, *the quarterly decrease in savings over time reflects both the adoption of Medicare Part D and the increasing shift toward a federal payor, and the continued closing of CT nursing homes.* DSS reports seeking clarification from CMS on whether medications paid for under Medicare Part D can be included in the drug recycling program.



What efforts have been made to encourage participation in the drug recycling program?

- DSS reports extensive outreach to nonparticipants including meeting in 2003 with provider associations to clarify policies and program procedures and address any issues.
- Any nursing home not participating in the drug return program may be fined up to \$30,000 for non-compliance (CGS Sec. 17b-363a(f)). To date, no nursing home has been fined.

Who is not yet participating in the drug recycling program?

- DSS tracks program participation monthly (reports unavailable to PRI due to DSS concerns with inconsistencies in the data provided by Medicaid MIS contractor Electronic Data Systems (EDS)).
- On 10/1/09, DSS reported that 70 of the 238 nursing homes were not participating in the drug recycling program (29 percent) (Source: DSS Provider Bulletin 2009-48). However, according to DSS, these figures were based on incorrect information provided by EDS. (DSS has directed EDS to revise their reporting system).
- On 3/19/10, DSS reported that corrected information showed just five nursing homes not participating in the drug recycling program (2 percent): 1) Whitney Center (Hamden); 2) Seabury Retirement (Bloomfield); 3) Noble Horizons (Salisbury); 4) Chestnut Point Care (Warehouse Point); and 5) Haven Healthcare (Cromwell).

Summary: **The nursing home drug recycling program appears unlikely to produce the projected \$1.5 million in annual savings.** If the latest quarter reported is a sign of the future, then the drug recycling program would save just \$602,300 as opposed to the budgeted \$1.5 million annually. However, until EDS completes clean-up of the drug recycling program data, the cost savings may also be inaccurate. Additionally, *unless CMS responds favorably to the DSS request to include Medicare Part D prescriptions in the drug recycling program, cost savings will likely continue to shrink.*