

**COMMISSION ON ENHANCING AGENCY OUTCOMES
SUMMARY SHEET**

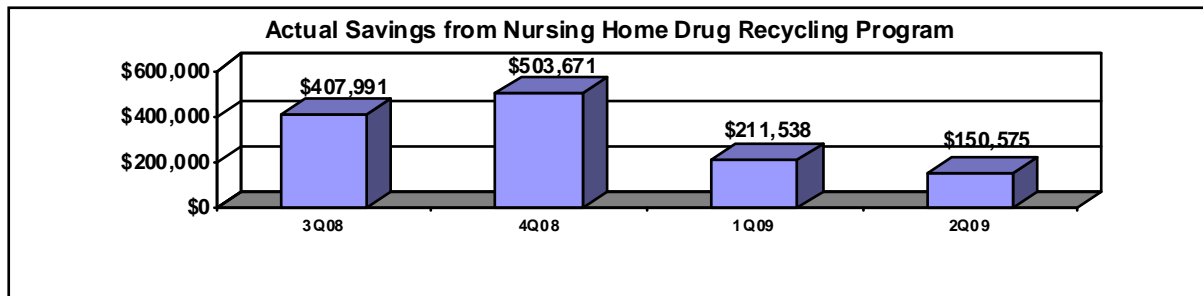
Expansion of Drug Recycling Program

Background on the Drug Recycling Program. An April 7, 2010, PRI handout to CEAO provided information on Connecticut’s drug recycling program (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 financial credit for the returned medication).

The program saved \$1,273,755 in FY 09; however, it was budgeted that the program would save \$1.5 million annually (a shortfall of \$226,245). Further, the quarterly decrease in savings over time was attributed in part to the adoption of Medicare Part D (initially not part of the drug recycling program) which increased the shift toward a federal payor. Further, based on the latest quarter of savings reported, the drug recycling program as currently implemented would save just \$602,300, as opposed to the budgeted \$1.5 million annually.

Expansion of Drug Recycling Program to Prescriptions Paid for Through Medicare Part D. In June 2010, DSS reported that department attorneys had sought guidance from CMS regarding drugs paid for through Medicare and their inclusion in CT’s drug recycling program. CMS advised that there is no federal prohibition against including Medicaid Part D recipients in the drug recycling program as long as the beneficiary (e.g., nursing home resident) signed a form permitting this. The recycling program was also supposed to be expanded to include Medical clients in residential settings other than nursing homes. As of September 1, DSS had not reported on the status of either expansion to the drug recycling program.

Potential Savings to Drug Recycling Program Expansion. Based on DSS figures on the savings produced by the drug recycling program in calendar year 2008 (see chart below), there was a 60 percent decrease from the last two quarters of 2008 (\$911,662) compared to the first two quarters of 2009 (\$362,113).



Previous quarterly savings from the drug recycling program had been as large as \$1.2 million (e.g., 3Q05). Through inclusion of the nursing home residents on Medicare Part D in the drug recycling program, the trend should be reversed and there could be an additional quarterly savings of \$500,000-\$700,000 (or \$2-2.8 million annually).