

# Medicaid Matters

## Medicaid wins pricing suit against pharmaceutical companies

A state circuit court jury took less than an hour February 21 to return a verdict that said AstraZeneca Pharmaceuticals LP must pay \$215 million to the state of Alabama in a fraud suit over the company's drug pricing policy for Alabama Medicaid. The jury awarded the state \$40 million in compensatory damages and \$175 million in punitive damages following nearly two weeks of testimony in Montgomery Circuit Court.

The state had claimed the company made the Medicaid agency pay too much for drugs prescribed to its recipients by inflating prices over a 15-year period. The firm said it gave the state the best price it could for drugs and it intends to appeal the verdict.

Medicaid Commissioner Carol Steckel praised the efforts of Medicaid staff and others who worked with Alabama Attorney General Troy King's office and attorneys for the case to prepare for the trial. "I am very proud to represent each of you and the extraordinary work you have done on behalf of the people we serve – our recipients and the taxpayers of Alabama," Commissioner Steckel said.

King filed suit in 2005 over drug prices for Medicaid recipients against more than 70 pharmaceutical manufacturers. The case against AstraZeneca was the first to go to trial. The next case is slated to go to trial in April. The state settled cases earlier with two drug manufacturers, Dey LP and Takeda Pharmaceuticals North America Inc.

"All Alabamians should take heart today that a grave injustice has been righted," King said following the verdict.

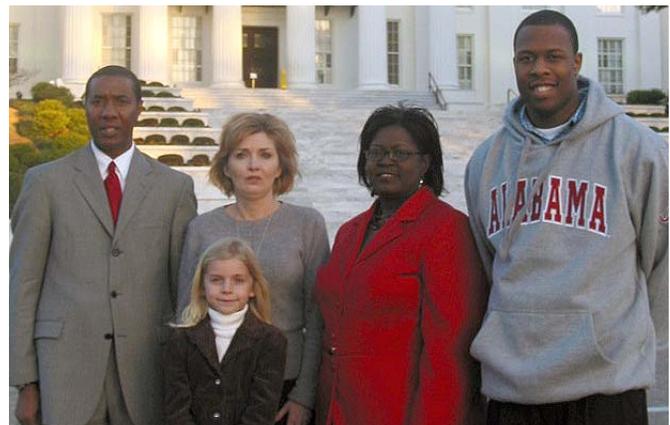
---

## Medicaid keeps eye on budget and legislation during session

The Alabama Legislature began its 2008 regular session on February 5 facing a tight budget year and a need to set priorities for funding state agencies' increased budget requests. Legislators and the governor have pledged that a balanced budget would not be made at the expense of children and the elderly who rely on Medicaid for health care.

Under Governor Bob Riley's proposed budget, most state agencies would receive level funding, but Medicaid would receive an increase of almost \$150 million, the amount requested by the Agency. The state budget

**Continued on Page Two**



*Attending Governor Bob Riley's State of the State speech on February 6 are from left, Medicaid Director of Governmental Affairs Henry Davis; Rhonda Bryant, associate director of Accounts Receivable and her daughter, Morgan; Executive Assistant Mattie Jackson and Jonathan Thomas, nephew of Vanessa Grace of the Pharmacy Audit Unit.*



- Inside:**
- ◆ Medicaid implements new NPI compliant claim processing system
  - ◆ Longtime Medicaid employees recognized for service to Agency

## Medicaid keeps eye on budget and legislation during session

*Continued from Page One*

will likely not be finalized until the end of the legislative session in May.

In the meantime, Medicaid is keeping an eye on legislation that would bring Alabama in line with the federal Deficit Reduction Act (DRA) of 2005. Bills supported by Medicaid would require health insurers and health benefit plans to accept Medicaid's right to recover payment of any benefits to a person covered by Medicaid. Failure to pass the legislation would result in the state being out of compliance with federal law and jeopardize Medicaid federal funding, according to Henry Davis, director of Governmental Affairs for the Agency.

---

## Medicaid implements new NPI compliant claims processing system

A fully functional web portal and a NPI compliant system are among the benefits of a new claims processing and Medicaid Management Information System (MMIS) system implemented on Saturday, February 23, 2008. The new system represents a major technological advancement that will result in a more streamlined reimbursement process for Medicaid enrolled providers and provide the reliability and flexibility needed by the state.

To assist providers in making the transition, the EDS Provider Assistance Center expanded its hours and services as well as added an extra toll-free phone line to answer basic Medicaid-related questions and verify eligibility. [Click here for more details.](#)

The new system will provide multiple benefits according to MMIS Coordinator and Privacy Officer Paul Brannan. Some of the system's enhancements include added features to the secure web portal, better electronic Remittance Advice (RA) retention, an improved electronic claims adjustment process, online status checking for prior approval requests and compound drug billing for pharmacy providers. [Click here to read more about the new system.](#)

---

## Longtime employees recognized for service to Medicaid Agency

Nearly 100 employees with 1,655 combined years of experience were recognized recently for their service to the Alabama Medicaid Agency and the state of Alabama.

Longtime employees Robert Lee and Brenda Zeigler were each recognized for 35 years of service by Commissioner Carol Steckel. The commissioner also presented 30-year pins to 12 staffers, 25-year pins to 15 staff members, 20-year pins to 20 employees, 15-year pins to 16 employees, 10-year pins to nine staffers, and 5-year pins to 24 agency employees.



*Commissioner Carol Steckel, center, concluded the Agency's annual service pin ceremony by presenting Robert Lee and Brenda Zeigler with their 35-year pins.*

**Contact Us:** Recipient Questions & Assistance: 1-800-362-1504  
Provider Assistance (EDS) 1-800-688-7989  
Website: [www.medicaid.alabama.gov](http://www.medicaid.alabama.gov)

