



SNAPSHOT

OHIO'S MEDICAID MANAGED CARE
SINGLE PBM/INDEX-BASED MODEL
POINTS THE WAY FOR LOWERING
DRUG PRICES WHILE PAYING
RETAIL PHARMACIES FAIRLY –
**VIRGINIA IS ON THE CUSP
OF SIMILAR REFORM –
AND NOT A MINUTE TOO SOON!**

After Ohio's Department of Medicaid uncovered spread pricing and other problematic PBM practices in its Medicaid managed care program, the state moved to a single PBM index-based model in October of 2022 in an effort to increase transparency, save money and treat retail pharmacies fairly.¹ An April 2025 report shows those efforts have saved \$140 million while paying retail pharmacies fairly including a fair dispensing fee for every medication dispensed.²

Struggling with PBM issues in its Medicaid managed care program, in 2025, the Virginia General Assembly advanced legislation to move to a single PBM model and that bill currently sits on Governor Youngkin's desk.³ While Medicaid managed care programs can be complicated and programmatic costs and savings can be difficult to determine, drug prices should speak for themselves. Though not a comprehensive analysis, a review of commonly marked-up medications using 46 Brooklyn's drug pricing tool proves insightful and reflects wide cost differentials between Ohio and Virginia's Medicaid managed care programs and underscores the need for PBM reform in the Virginia program.

Review of 15 commonly marked up medications reveals massive markups in Virginia compared to Ohio's single PBM index-based model with markups ranging from 500% to more than 22,000%⁴

Medication	OH – Med MCO per unit price	VA – Med MCO per unit price	Virginia % markup over Ohio
Calcitriol 0.5mcg cap	\$0.39	\$87.91	22,441% markup
Oxazepam 10 mg cap	\$0.77	\$140.40	18,133% markup
Oxycodone Hydro 5mg tab	\$0.36	\$18.84	5,133% markup
Hydromorphone Hydro 2mg tab	\$0.24	\$11.00	4,483% markup
Effer-K 25mEq Effervescent tab	\$0.51	\$15.95	3,027% markup
Acetaminophen ER 500 mg tab	\$0.12	\$3.55	2,858% markup
Imatinib 400mg tab	\$2.16	\$62.52	2,794% markup
Phenazopyridine Hydro 100mg Tab	\$0.84	\$20.73	2,367% markup
Cincalet Hydro 30mg tab	\$2.17	\$32.50	1,397% markup
Aprepitant 40mg capsule	\$192.33	\$2,799.81	1,300% markup
Deferasirox 360 mg tab	\$2.38	\$23.64	1,100% markup
Dimethyl fumarate DR 240 mg tab	\$3.23	\$28.26	775% markup
Teriflunomide 14mg tab	\$2.67	\$20.00	649% markup
Fingolimod 0.5 mg cap	\$9.65	\$74.47	671% markup
Abiraterone Acetate 250mg tab	\$1.42	\$8.75	516% markup

While the foregoing pricing disparities between Ohio and Virginia are revealing, so too is a review of the top 5 most marked up medications over the National Average Drug Acquisition Cost in both the Ohio Medicaid managed care program and the Virginia Medicaid managed care program in quarter 4 of 2023.⁵ As reflected in the charts below, Ohio's largest markup per prescription over NADAC was \$218.34 while Virginia's largest markup per prescription over NADAC was over \$6,000.

¹ <https://medicaid.ohio.gov/news/press-release/09-30-2022-ohio-medicaid-launches-innovative-pharmacy-benefit-and-simplified-provider-credentialing/>.

² Marty Schladen, "Ohio Medicaid got rid of big middlemen, paid pharmacies more and saved \$140 million, report says,"

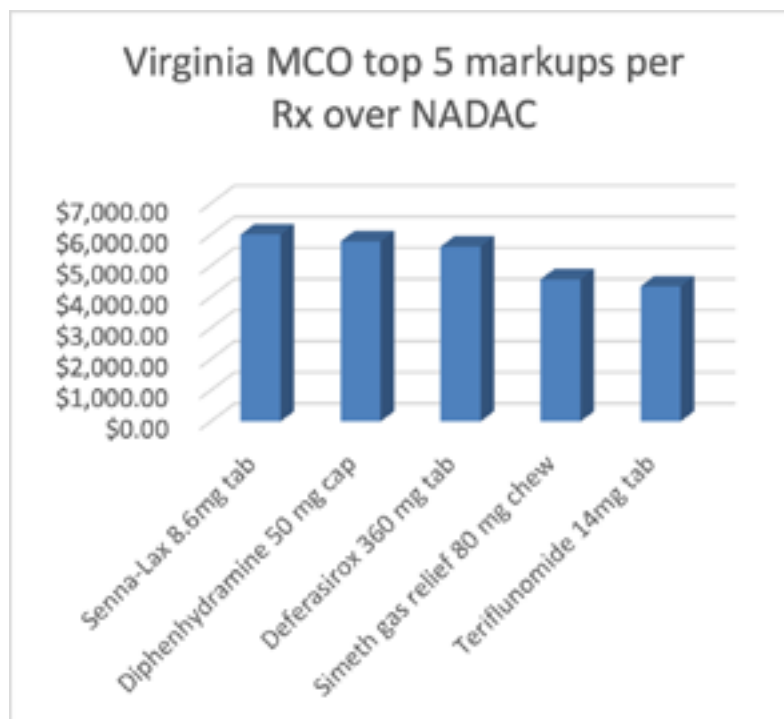
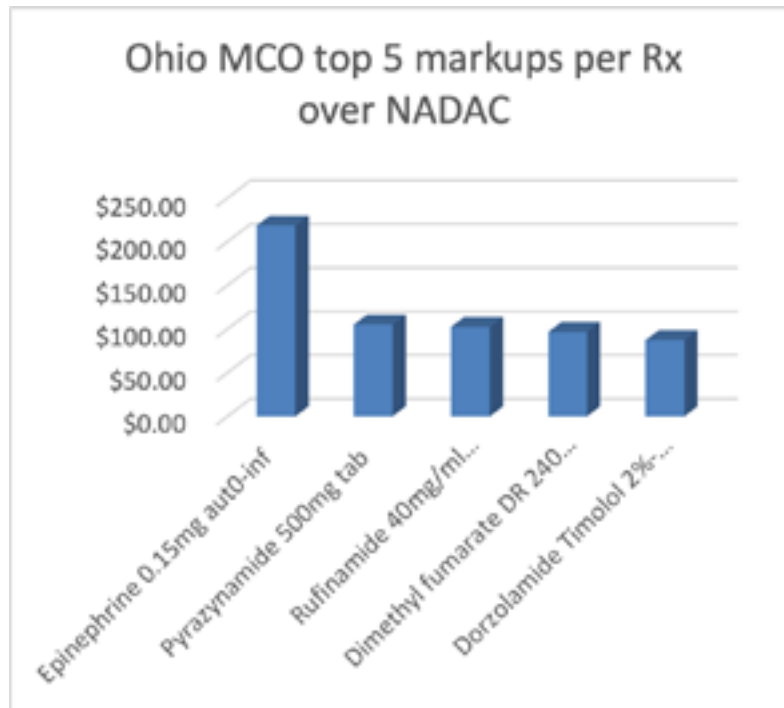
News from the State, April 2025, available online at

<https://www.newsfromthestates.com/article/ohio-medicaid-got-rid-big-middlemen-paid-pharmacies-more-and-saved-140-million-report-says>.

³ See SB 875, available online at: <https://lis.virginia.gov/bill-details/2025/SB875> (SB 875 requires move to single PBM model but does not require index based pricing.); see also Charlotte Rene Woods, "Bipartisan lawmakers introduce Save Local Pharmacies Act," Virginia Mercury, January 2025, available online at: <https://virginiamercury.com/briefs/bipartisan-lawmakers-introduce-save-local-pharmacies-act/>.

⁴ Medicaid managed care mark-ups in Virginia quarter 2 of 2024 were identified using 46 Brooklyn's Medicaid Markup Visualization tool available online at: <https://www.46brooklyn.com/markup-universe>. Drug pricing between Virginia and Ohio for Q2 of 2024 were made using 46 Brooklyn's Medicaid Drug Pricing Hex Map available online at <https://www.46brooklyn.com/medicaid-drug-pricing-hexmap>. Medications reviewed are limited to oral solids.

⁵ Medicaid managed care mark-ups in Virginia and Ohio for Q 4 of 2023 were identified using 46 Brooklyn's Medicaid Markup Visualization tool available online at: <https://www.46brooklyn.com/markup-universe>.



Takeaway

The foregoing is not meant to be a comprehensive analysis of the benefits of a single PBM model or an index-based drug pricing benchmark. However, the identified disparities in drug prices between Ohio and Virginia and the level of markup beyond index prices underscore systematic problems in Virginia which cannot be explained away and should compel action. Conversely, the Ohio single PBM model, combined with index-based pricing appears to have solved for the problems of PBMs massively marking up medications by thousands of dollars per prescription and yielded drug prices that are more aligned with true market rates. Virginia's single model PBM legislation passed by the General Assembly awaiting Governor Youngkin's signature would represent an important step towards increasing transparency and accountability when it comes to drug pricing in its Medicaid managed care program.