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Ohio State-led collaborative casts wider net

Business First of Columbus - by [Matt Burns](#)

The nonprofit entity that manages **Ohio State University's** health plans is looking to transform its prescription drug-buying pool into a bigger body of water.

OSU Managed Health Care Systems Inc. has opened up eligibility for its Rx Ohio Collaborative to all public institutions in the state. The collaborative was launched in 2008 with three public retirement systems and about 400,000 people covered. It now covers about 475,000 with the additions of the state Highway Patrol Retirement System, Franklin County and others.

More than 1 million public employees are eligible for the program, said Scott Streater, CEO of OSU Managed Health Care. The organization is billing the pool as a way for public entities to keep control of their health plans but cut down on rising drug costs by getting prices that much larger entities enjoy. And the more the merrier – administrative fees charged by the pool's pharmacy benefits manager, St. Louis-based **Express Scripts Inc.**, decrease as the tally of participants increases.

"It's a challenge to balance the budget from a state or even a municipality level," Streater said. "Now's the time to unite."

The collaborative has seen success at Ohio State, which has about 50,000 covered employees and dependents. Thanks in part to a university wellness initiative led by OSU Managed Health Care, prescription costs per employee hovered below the national average in 2006 and 2007, Streater said. But with the collaborative launched in 2008, Ohio State's per-capita cost declined a fraction of a percent, compared with a 6 percent increase nationally.

That translated to about \$3.55 million trimmed off projected drug costs of \$38 million for Ohio State last year, Streater said. The initiative as a whole is seeking to save \$300 million by 2011.

A next possible step is a statewide expansion of a pilot program begun at OSU that works with chronically ill members to improve the effectiveness of prescriptions. More universities in the pool means more access to pharmaceutical experts, Streater said.