

# News

## Settlement Over Prescription Drug Billing Doesn't Preclude Medicaid Provider from Winning Bid

### *Western Sky's Parent Company Paid NM \$13.7 Million This Year Amid Investigation*

#### By TS Last

The nation's largest private-care provider for Medicaid could be continuing its services in New Mexico, despite settling with the state for \$13.7 million earlier this year over improper billing of prescription drugs.

That is but a fraction of the \$596 million in settlement payments Centene Corp. has made to 13 states because of questionable billing practices, so far. The Missouri Independent reports that the St. Louis-based company is in negotiations with eight other states.

Operating here as Western Sky Community Care, Centene currently is among three Medicaid providers - Blue Cross Blue Shield of New Mexico and Presbyterian Health Plan are the others - operating under Centennial Care 2.0, which will be renamed Turquoise Care next year. Medicaid is a government insurance program that covers

people with low incomes and disabilities. There are close to 1 million Medicaid members in New Mexico, according to a news release from the New Mexico Human Services Department.

"With over 80 percent of New Mexico's Medicaid population receiving care through the managed care delivery system it is essential to select managed care partners that provide access to quality, cost-effective health care - and that can help transform the healthcare system to deliver measurably improved outcomes," HSD Cabinet Secretary David Scarse said in a statement when the Request for Proposals was announced in October.

Western Sky has served as a Medicaid provider in New Mexico since 2019. Centene Corp. did not respond to emailed questions from the Corrales Comment, including whether it submitted a proposal to continue working in New

Mexico by the Dec. 5 deadline. Phone calls to the number listed on its website for media contacts were met with a message saying there was no valid inbox.

HSD told the Comment it is not allowed to discuss potential offerors during the procurement process. A spokeswoman said proposals will be evaluated on a non-biased scoring system.

Having paid a settlement does not preclude Centene/Western Sky from continuing doing business with the state. At least five states have awarded contracts to a Centene subsidiary after the company agreed to a no-fault settlement.

Under the settlement with New Mexico, Centene admits no wrongdoing but was required to make an "enhanced commitment" to reporting pharmaceutical benefits and pricing to the state.

The New Mexico Attorney General was investigating Centene for alleged inaccurate billing by way of layering fees and withholding retail discounts from the state program before

the settlement was announced in June.

Government spending on Medicaid immediately increased after the adoption of the Affordable Care Act and surged again during the pandemic.

A recent document prepared by analysts with the state's Legislative Finance Committee indicated New Mexico's spending on Medicaid increased by 50 percent since 2017, from \$5.6 billion to \$8.4 billion, with the biggest increases during fiscal years 2020 and 2021. Centene had revenues of \$126 billion last year, driven by more than a million new enrollments.

The company ranks high among the largest corporate contributors to political campaigns during the 2022 election cycle, balancing national spending between Democratic and Republican candidates.

In New Mexico, Centene contributed more than \$30,000 to Democrat Michelle Lujan Grisham's reelection campaign for governor. It did not contribute to her challenger, Republican Mark Ronchetti.