



Pennsylvania Department of the

**AUDITOR GENERAL**

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## News for Immediate Release

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### **Auditor General DePasquale Expresses Concern About Lengthy PACE Program Contract**

**HARRISBURG** – Auditor General Eugene DePasquale today expressed concern about Pennsylvania’s lengthy relationship with the firm contracted to run the PACE/PACENET prescription assistance programs for older residents.

“The state has used the same primary contractor since the PACE program launched in 1983,” DePasquale said. “The company has changed hands over the decades, but 36 years with what is essentially the same vendor strikes me as a very long contract relationship.”

The current PACE/PACENET administration contract with Magellan Health was signed in 2011. It was amended and extended several times, and could be extended again this summer. Under it, the Department of Aging pays about \$15 million per year to Magellan.

In releasing his last [audit of PACE/PACENET](#) in 2016, DePasquale noted concerns about how the 2011 contract was structured. It required the prime contractor to use six specific subcontractors, but did not require competitive bidding for those services.

“The state must try to keep PACE/PACENET administration costs low so that it can maximize both programs’ ability to provide life-sustaining medications to our seniors,” DePasquale said, pointing to his ongoing work to ensure transparency in how pharmacy benefit managers do business with government programs.

PACE and PACENET provide prescription help to income-eligible seniors. For more information on both programs, visit [aging.pa.gov/prescriptions](http://aging.pa.gov/prescriptions).

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