



CABINET FOR HEALTH
AND FAMILY SERVICES

**SFY 2025 PHARMACY BENEFITS
REPORT**

The SFY 2025 Pharmacy Benefits Report continues to show no existing spread pricing within the Kentucky Medicaid pharmacy program. As of July 2021, the Department for Medicaid Services (DMS) has fully implemented the single state pharmacy benefit manager contract as required by KRS 205.5512(1). DMS will continue to comply with KRS 205.5510 -205.5520 going forward and prohibit spread pricing.

This document applies to the Kentucky Medicaid MCO pharmacy benefit during the 2025 State Fiscal Year (ending June 30, 2025). As the table below shows, spread pricing is not utilized by the single state MCO benefit manager and, therefore, none of the contracted MCOs demonstrate a spread pricing function. Additional requirements and verifications requested in noncodified language within the state budget are also addressed below.

Specific Responses and Departmental Verifications:

Consistent with Part 1.G.3.b.(10) of the 2024 State Budget, DMS is submitting this required Medicaid Prescription Benefits Reporting:

In response to (10)(a) and (b) of that Part, DMS submits the below “Breakdown of Spread by MCO” table that demonstrates the total Medicaid dollars paid to the state pharmacy benefit manager (SPBM) and the total amount of Medicaid dollars paid to the state pharmacy benefit manager by a managed care organization which were not subsequently paid to a pharmacy licensed in Kentucky:

Breakdown of Spread by MCO			
MCO	Sum of Paid Amount to SPBM	Sum of Paid Amount by SBPM	Sum of Spread
Aetna – KY	\$481,407,533.60	\$481,407,533.60	\$0.00
Anthem – KY	\$205,633,733.18	\$205,633,733.18	\$0.00
Humana – KY	\$504,725,562.70	\$504,725,562.70	\$0.00
Passport Molina – KY	\$590,693,078.16	\$590,693,078.16	\$0.00
United – KY	\$294,224,519.22	\$294,224,519.22	\$0.00
Wellcare - KY	\$1,108,208,246.90	\$1,108,208,246.90	\$0.00
Grand Total	\$3,184,892,673.76	\$3,184,892,673.76	\$0.00

In response to (10)(c) of that Part, DMS has verified that MedImpact, the contracted pharmacy benefits manager (PBM) for the Fee-For-Service and Medicaid Managed Care, does not have licensed pharmacies with which it shares:

- Common ownership, management, or control, and is not owned, managed, or controlled by any of the following:
 - o The state pharmacy benefit manager’s:
 - Management companies;
 - Parent companies;
 - Subsidiary companies;
 - Jointly held companies,

- Companies otherwise affiliated by a common owner, manager, or holding company; or
- Companies which share any common members on the board of directors; or which share managers in common.

In response to (10)(d) of that Part, the department pays a \$10.64 dispensing fee for all Medicaid pharmacy claims, regardless of Fee-For-Service or Medicaid Managed Care patient status. In addition, this dispensing fee is the same for all pharmacies regardless of independent or retail status, or the total number of pharmacies owned or controlled by the pharmacy's manager.

In response to (10)(e) of that Part, DMS has verified that MedImpact, the contracted pharmacy benefits manager (PBM) for the Fee-For-Service and Medicaid Managed Care, does not have

- Common ownership, management, or control, and is not owned, managed, or controlled by any of the following:
 - A state licensed MCO, or the state licensed MCO's:
 - Management companies;
 - Parent companies;
 - Subsidiary companies;
 - Jointly held companies,
 - Companies otherwise affiliated by a common owner, manager, or holding company; or
 - Which share any common members on the board of directors; or which share managers in common with a.
 - Any entity which contracts on behalf of a pharmacy;
 - Any pharmacy services administration organization (PSAO), or the PSAO's:
 - Common ownership;
 - Management;
 - Common members of a board of directors;
 - Shared managers; or
 - Control of a PSAO that is contracted with:
 - The state pharmacy benefit manager; or
 - Any drug wholesaler or distributor.