

Senate Bill 5 Presentation

CHFS Department for Medicaid Services

CHFS Office of Health Data Analytics

November 27, 2018

Information Delay and Ongoing Process

- Department for Medicaid Services and Office of Data Analytics conducted data collection as required by Senate Bill 5
- Original data collection was received from all Medicaid Managed Care Organizations (MCOs) in August

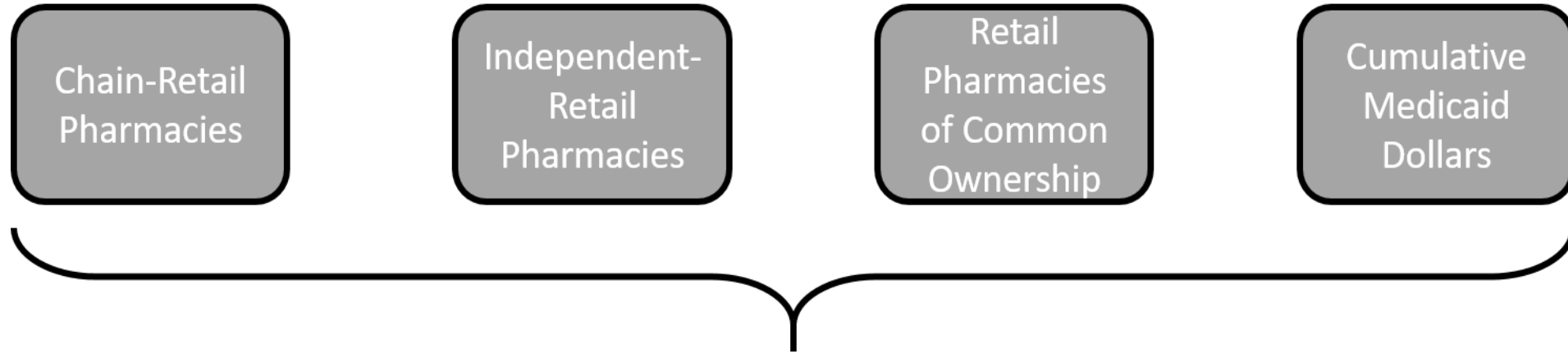
Information Delay and Ongoing Process

- The original data returned complied with SB 5 but was too incomplete and vague
- CHFS determined that a useful data analysis from first round of data collected was not possible
- CHFS and DMS developed a new data collection instrument

Information Delay and Ongoing Process

- New data instrument was forwarded to the MCOs in August for submission in November
 - New data was collected through October 31, 2018
 - New data received from all MCOs by November 16, 2018
- Analysis ongoing, but not complete:
 - An internal and external analysis is being conducted
 - Results expected by mid-December 2018 or early January 2019

Senate Bill 5 Data Collection



Subset by:

- Pharmacy type
- Drug type
- Days Supply

Pharmacy Types

- **Retail Pharmacies:** Pharmacies enrolled in Kentucky Medicaid that operate 11 or more locations – exclude all common ownership pharmacies
- **Independent Pharmacies:** Pharmacies enrolled in Kentucky Medicaid that operate 10 or fewer locations
- **Common Ownership Pharmacies:** Where the pharmacy benefit manager (PBM) and pharmacy share common ownership

Drug Types

- **Brand Drug:** Drug originally marketed under an original new drug application and approved by the FDA
- **Generic Drug:** Drug containing identical amounts of the same active ingredient and meets the official compendia standards of strength in comparison with a brand name drug
- **Specialty Drug:** Drugs treating chronic, complex, or life threatening conditions which are typically costly and require intensive monitoring, complex patient actions, and special handling by the pharmacy

Costs and Fees Breakdown

Ingredient Cost

- Mean Ingredient Cost
- Minimum Ingredient Cost
- 25th Percentile Ingredient Cost
- Median Ingredient Cost
- 75th Percentile Ingredient Cost
- Maximum Ingredient Cost

Dispensing Fee

- Mean Dispensing Fee
- Minimum Dispensing Fee
- 25th Percentile Dispensing Fee
- Median Dispensing Fee
- 75th Percentile Dispensing Fee
- Maximum Dispensing Fee

Other Fees

- Mean Other Fees
- Median Other Fees

Cumulative Medicaid Dollars

Term	Definition
Medicaid dollars paid to PBM	Total amount of Kentucky Medicaid dollars paid to the pharmacy benefit manager by the MCO
Medicaid Dollars paid to PBM by an MCO not paid to Kentucky Medicaid enrolled pharmacies	Total amount of Kentucky Medicaid dollars paid to the PBM by the MCO that were not subsequently paid to a pharmacy enrolled in Kentucky Medicaid
Remuneration Fees	Total remuneration fees as defined by direct or indirect fees, charges of any kind, or assessment of any kind imposed by a PBM to the pharmacy

Additional Analysis

- Collected data for retail-chain and retail-independent pharmacies as defined by PBM
- Collection of encounter level data (claims based) from:
 - PBM paid to pharmacy
 - MCO paid to PBM
- Comparison allows an evaluation of amount kept by PBM after payment to pharmacy

Submission Deadlines

- Data collection for 01/01/2017 – 10/31/2018
- Submitted by MCO and PBMs on November 16
- Analysis provided by DMS Office of Health Data and Analytics and Myers & Stauffer LC

Any Questions?
Thank you for the opportunity to present