



Medicaid Oversight and Advisory Committee Meeting

Department for Medicaid Services

July 8, 2019

Spread

	MCO Payments to PBM		Spread		Spread (%)	
MCO	CY2018	CY2019 (through May)	CY2018	CY2019 (through May)	CY2018	CY2019 (through May)
Aetna	\$222,023,236	\$99,736,673	\$30,491,779	\$13,620,069	13.73%	13.66%
Anthem	\$158,545,913	--	\$24,005,526	--	15.14%	--
Humana	\$208,137,360	\$89,369,763	\$21,459,419	\$5,357,575	10.31%	5.99%
Passport	\$368,990,814	\$136,122,310	\$47,559,130	\$23,045,596	12.89%	14.13%
WellCare	\$613,357,054	\$279,030,956	\$0	\$0	0.00%	0.00%
<i>Subtotal w/o WellCare</i>	<i>\$957,697,323</i>	<i>\$325,228,746</i>	<i>\$123,515,854</i>	<i>\$42,023,240</i>	<i>12.90%</i>	<i>12.92%</i>
Grand Total	\$1,571,054,377	\$604,259,702	\$123,515,854	\$42,023,240	--	--

Note: Data submitted by the PBMs using SB5 categories.

Changes to MCO RFP

- Referenced KY statute specific to SB5
- Preferred drugs lists annual review
- Modified requirements to reinforce that at the direction of DMS, the plans (and hence the managed care organizations (MCOs)) would have to align coverage, prior authorization criteria, and processes with those of DMS
- Added pharmacy rebate language to ensure MCOs comply should the state aggregate MCO claims into a supplemental rebate program
- The pharmacy benefits manager (PBM) must use a pass through model for payments to the pharmacies (no “spread pricing” arrangements)
- Removed the MCO/PBM’s ability to charge hidden fees (direct and indirect remuneration fees, generic effectiveness rates, etc.)
- Removed previous barriers to receiving both summary and claim-level detailed pharmacy reports from the MCO/PBM

MAC Reimbursement Rate Change Monitoring Process

- Change in reimbursement and policy response led to \$2 million back to pharmacies
- Maximum allowable cost (MAC) changes daily and goal is to automate system
- Working with vendor to monitor drug price changes at the national level for approvals and denials of rate changes