



# MEDICAID EXPANSION PHARMACY CARVE OUT

Interim Human Services Committee

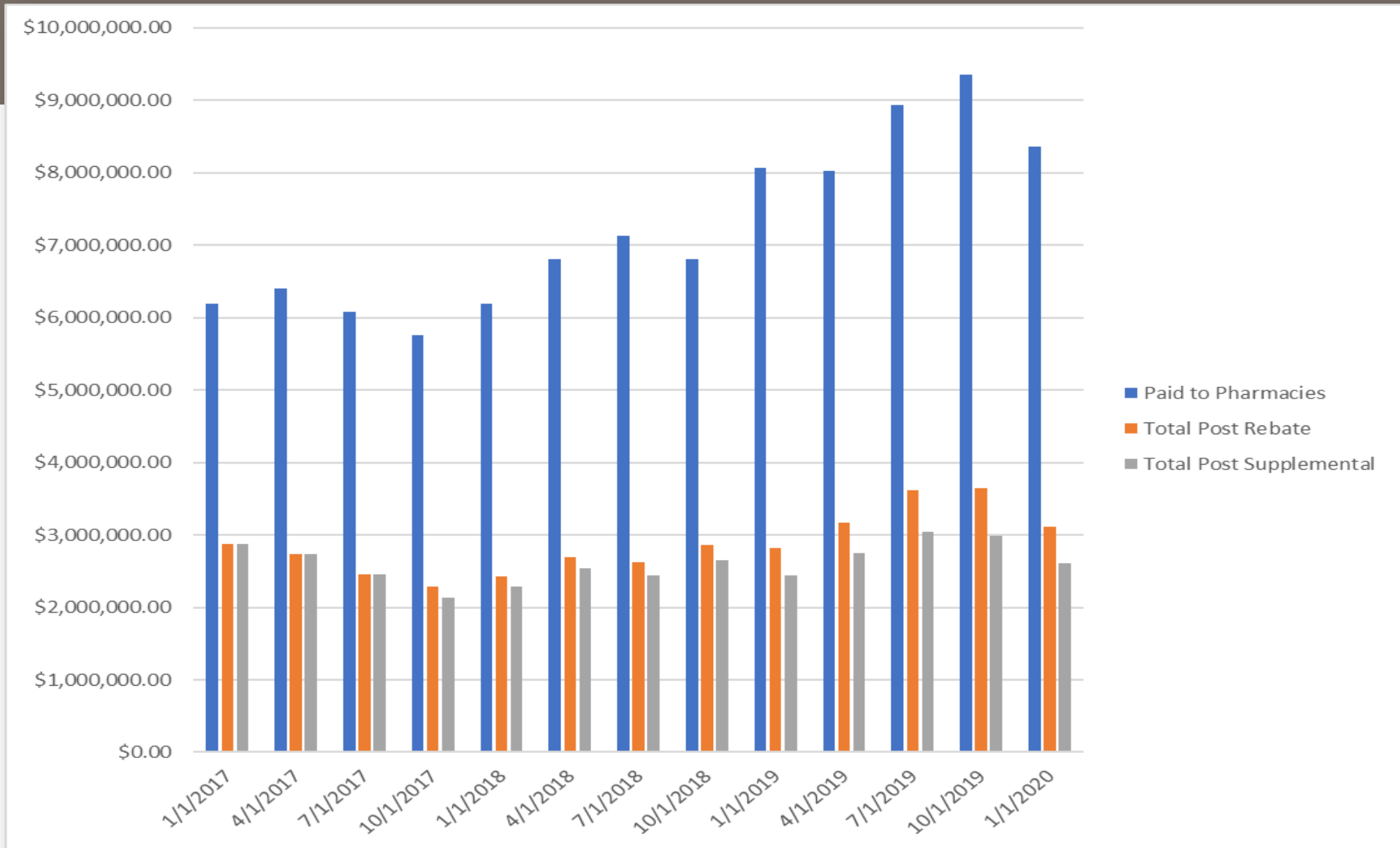
Brendan Joyce, Medical Services Division

August 12, 2020

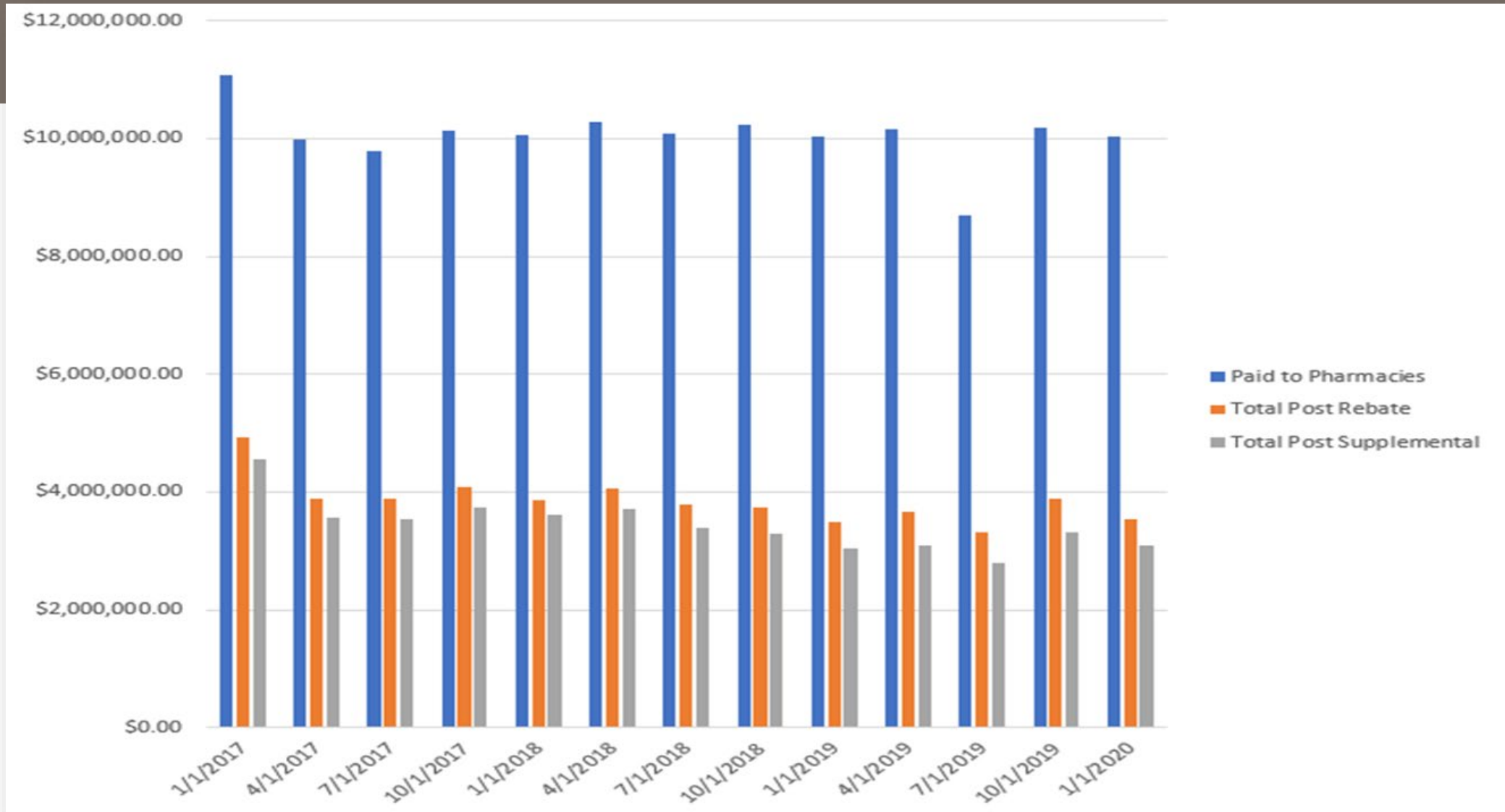


Human Services

# PHARMACY SPEND (NOT ALL EDITS TURNED ON)



# FOR COMPARISON (TRADITIONAL MEDICAID)



\$

2 Million



100% Federal Funds

# Medicaid Expansion

*IHS pharmacy spend*

First Quarter 2020

# OBSERVATIONS FOR MEDICATIONS THAT ARE CURRENT AREAS OF FOCUS FOR TRADITIONAL MEDICAID

- Gabapentin prescription volume decreased by 22%

- Narcotics, stimulants, beta-agonists dropped in volume
  - System edits are different for ND Medicaid
  - Most common differences are therapeutic duplication edits limiting to one strength at a time and duration expectations for albuterol inhalers

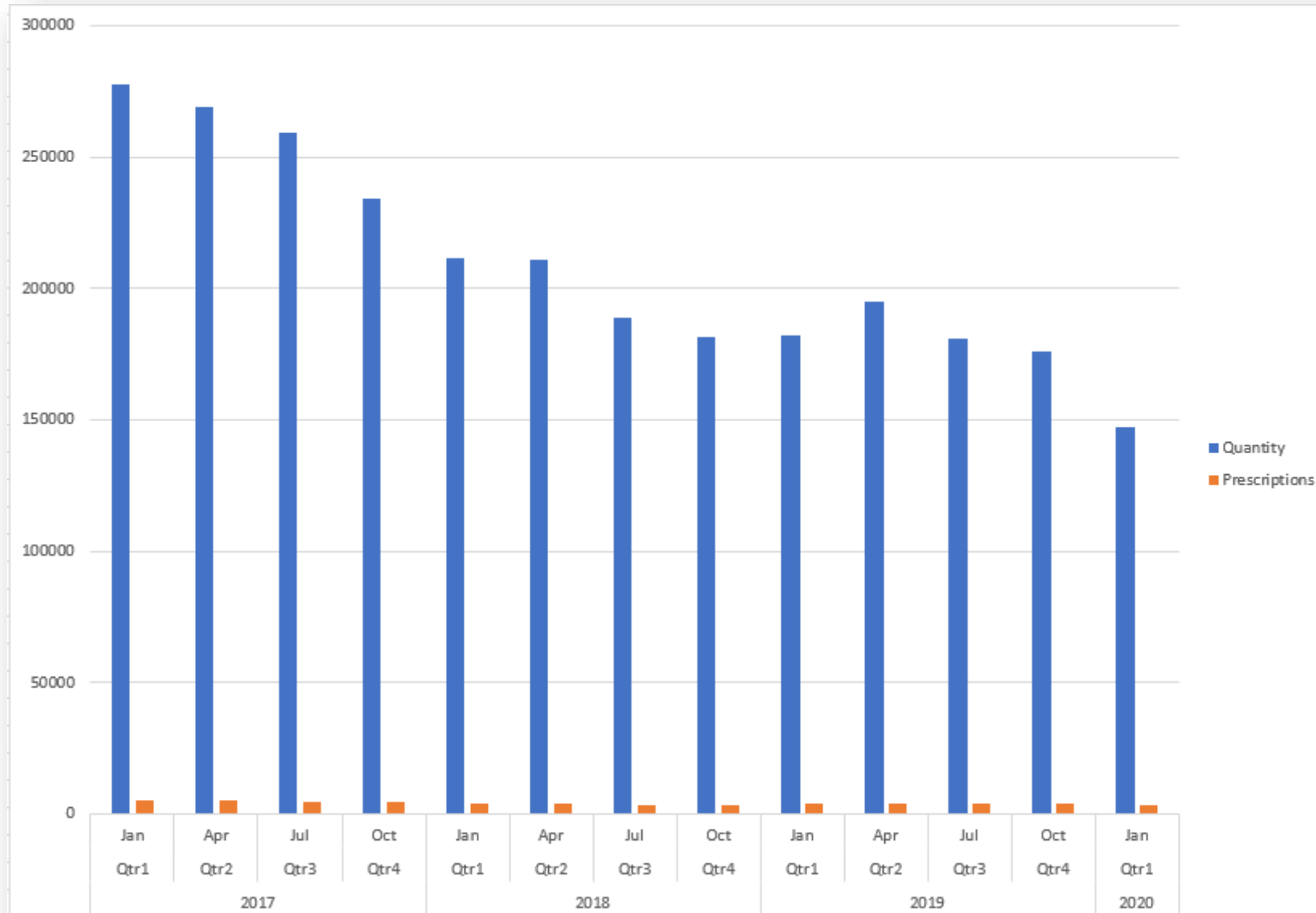
- Chronic medications remained steady
  - insulins
  - anti-depressants
  - cholesterol



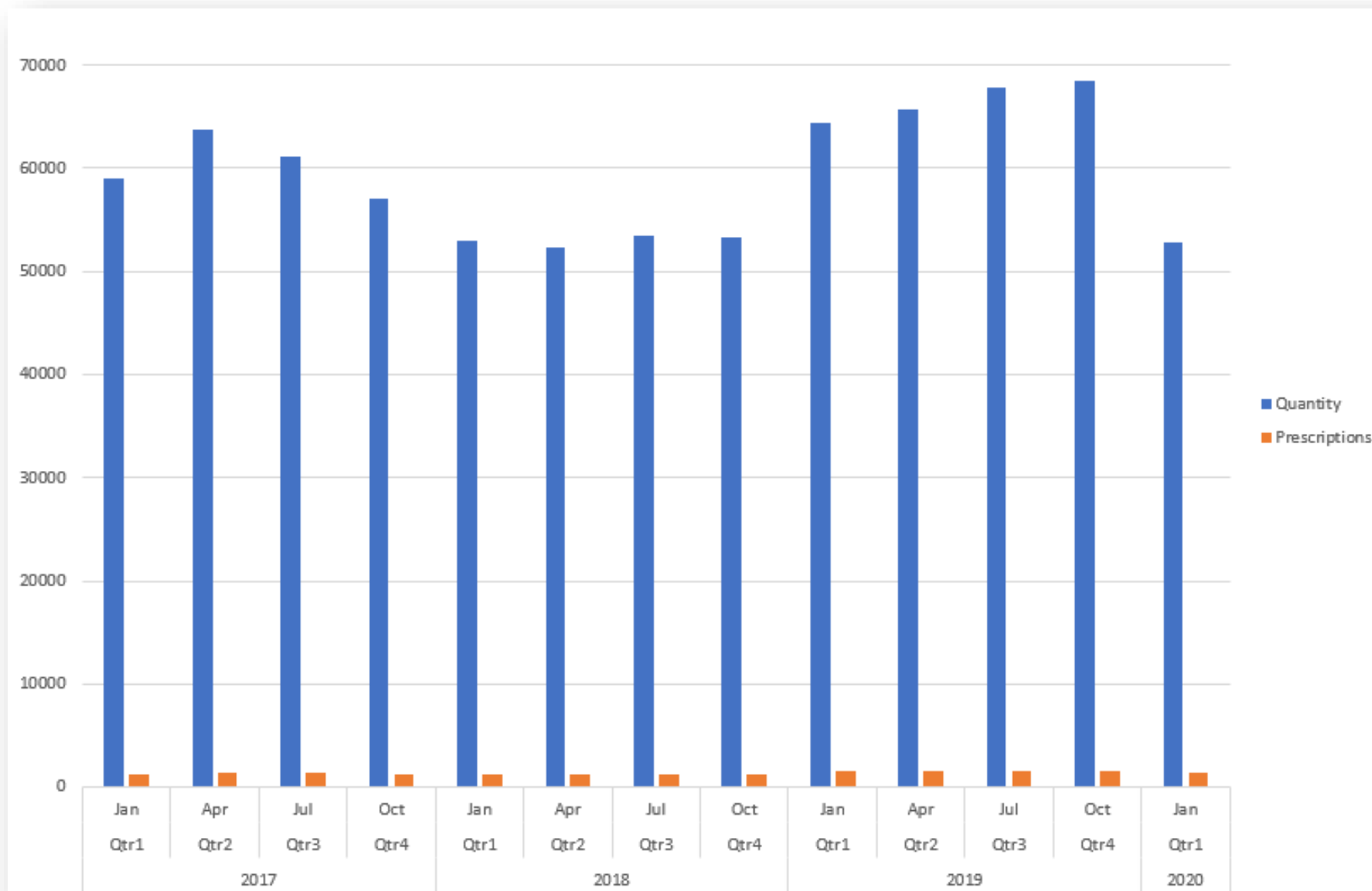
# DATA



# NARCOTICS

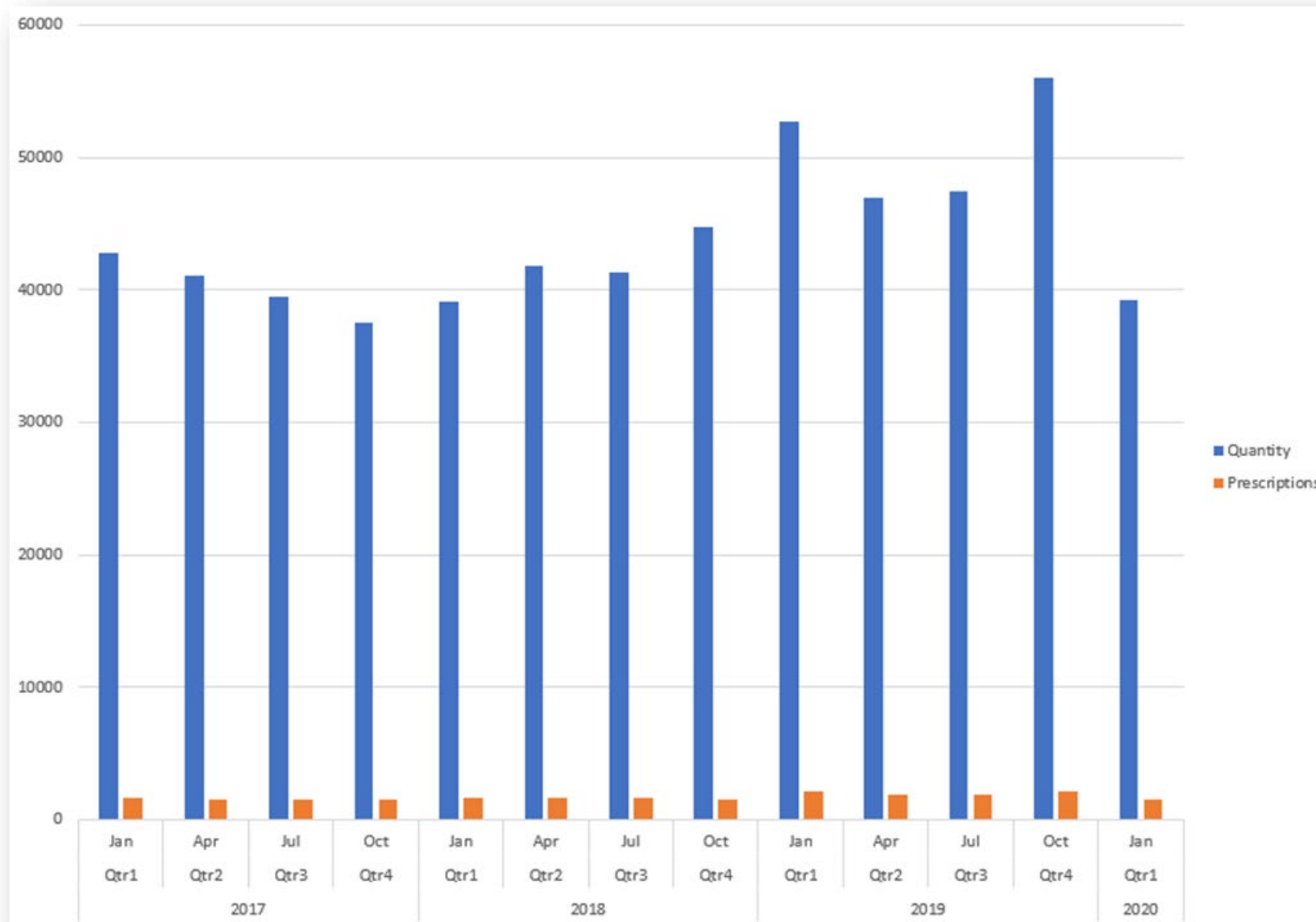


# STIMULANTS

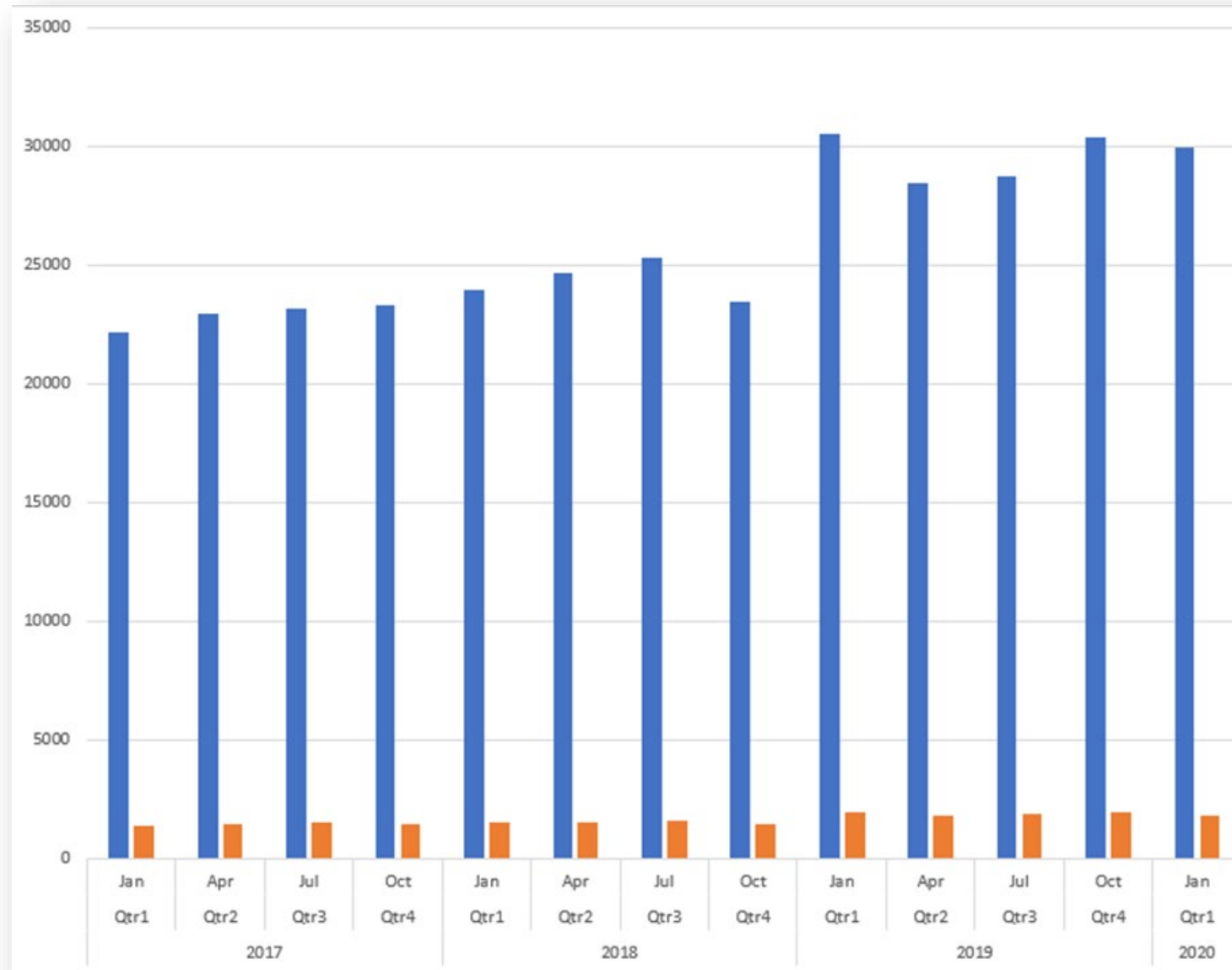




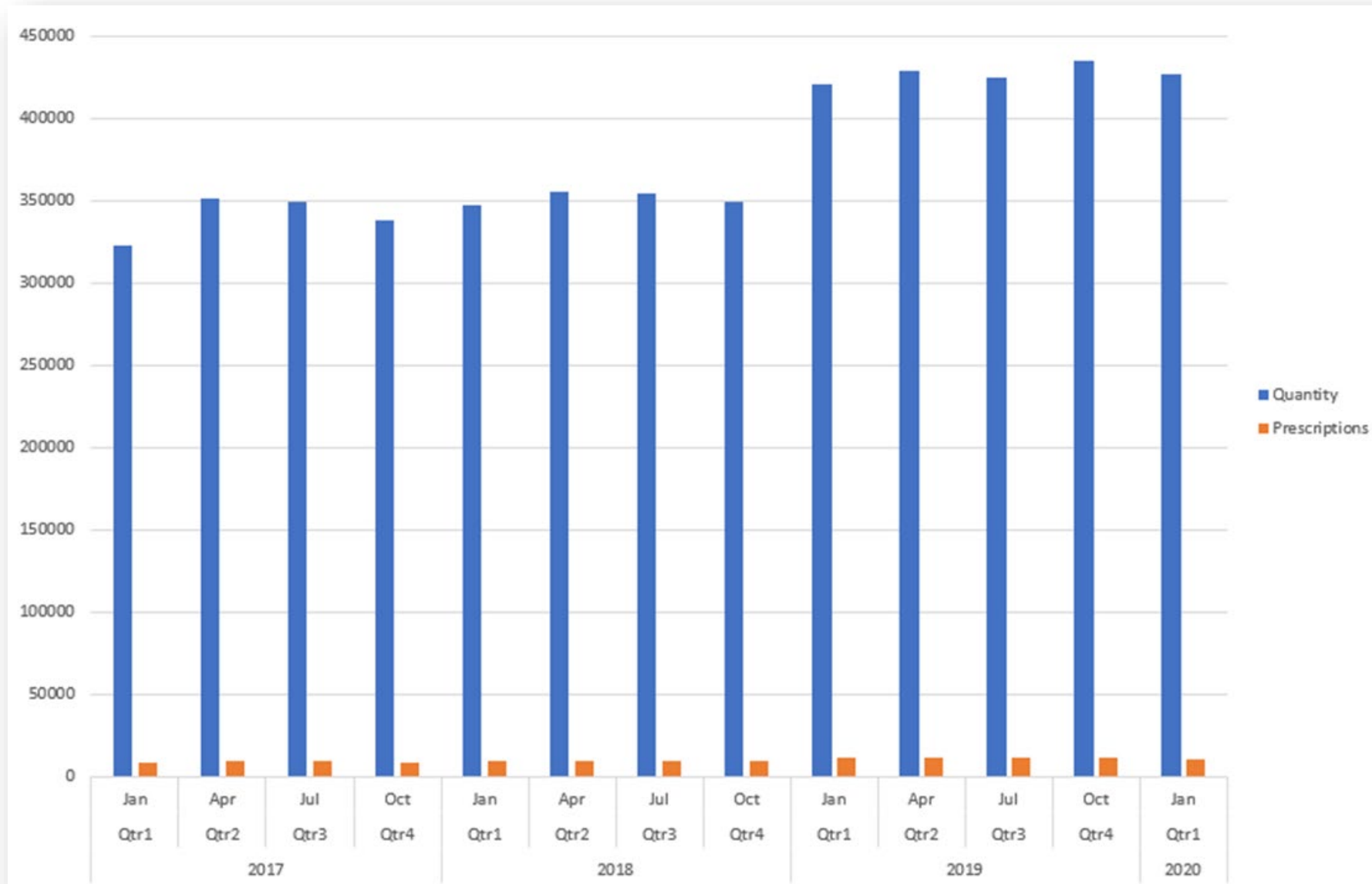
# BETA-AGONISTS (E.G. ALBUTEROL)



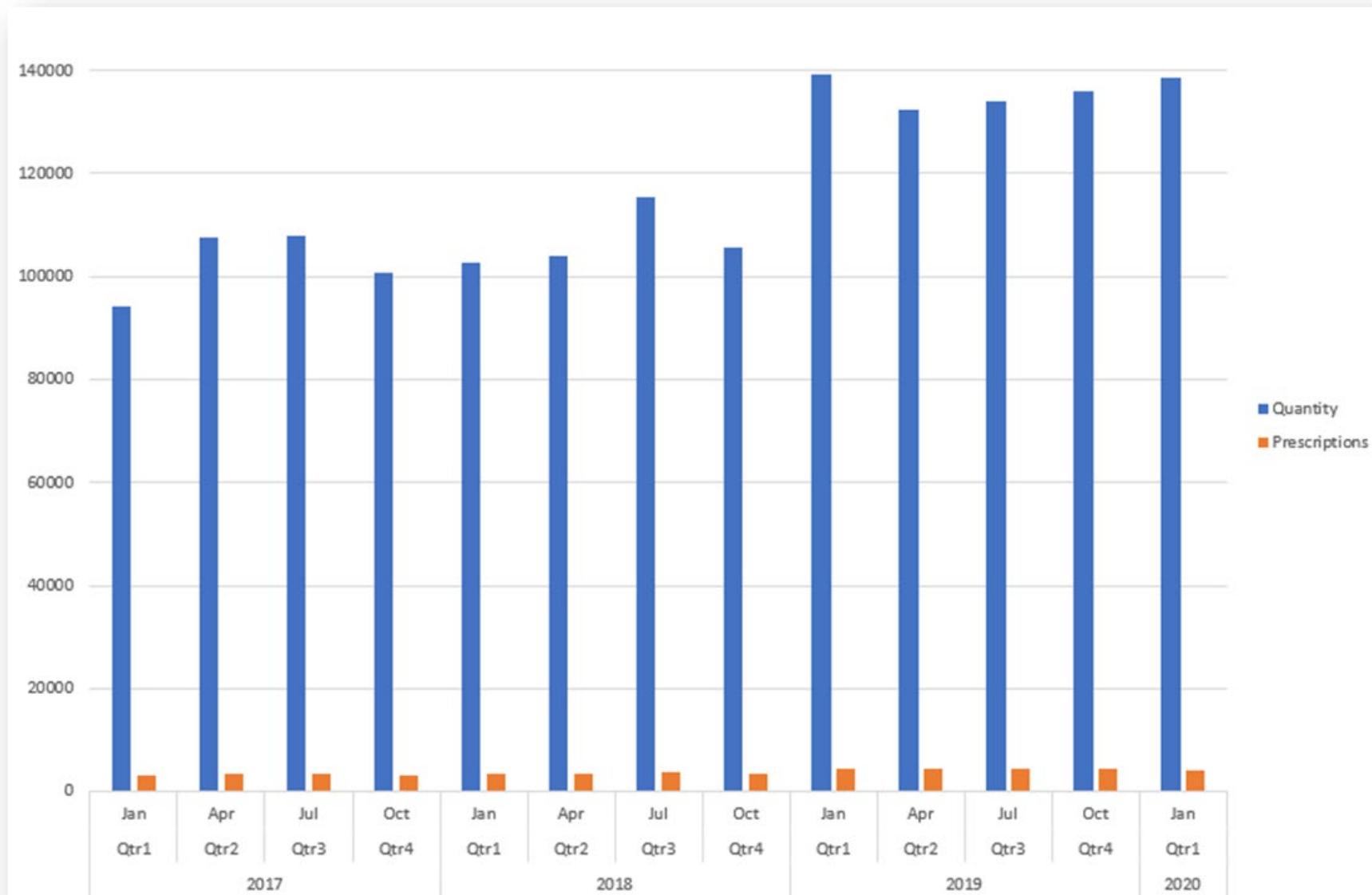
# INSULINS



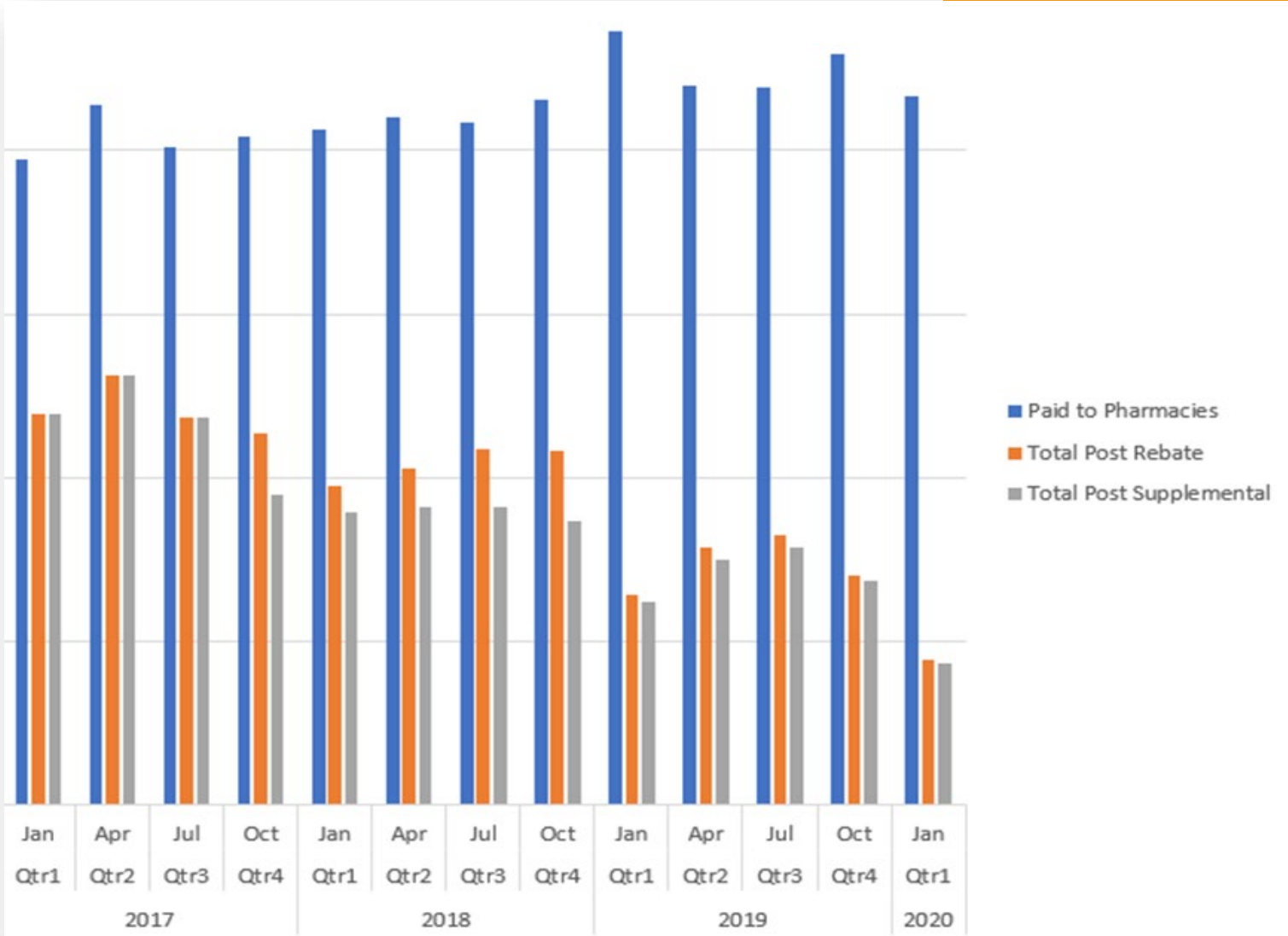
# ANTIDEPRESSANTS



# CHOLESTEROL



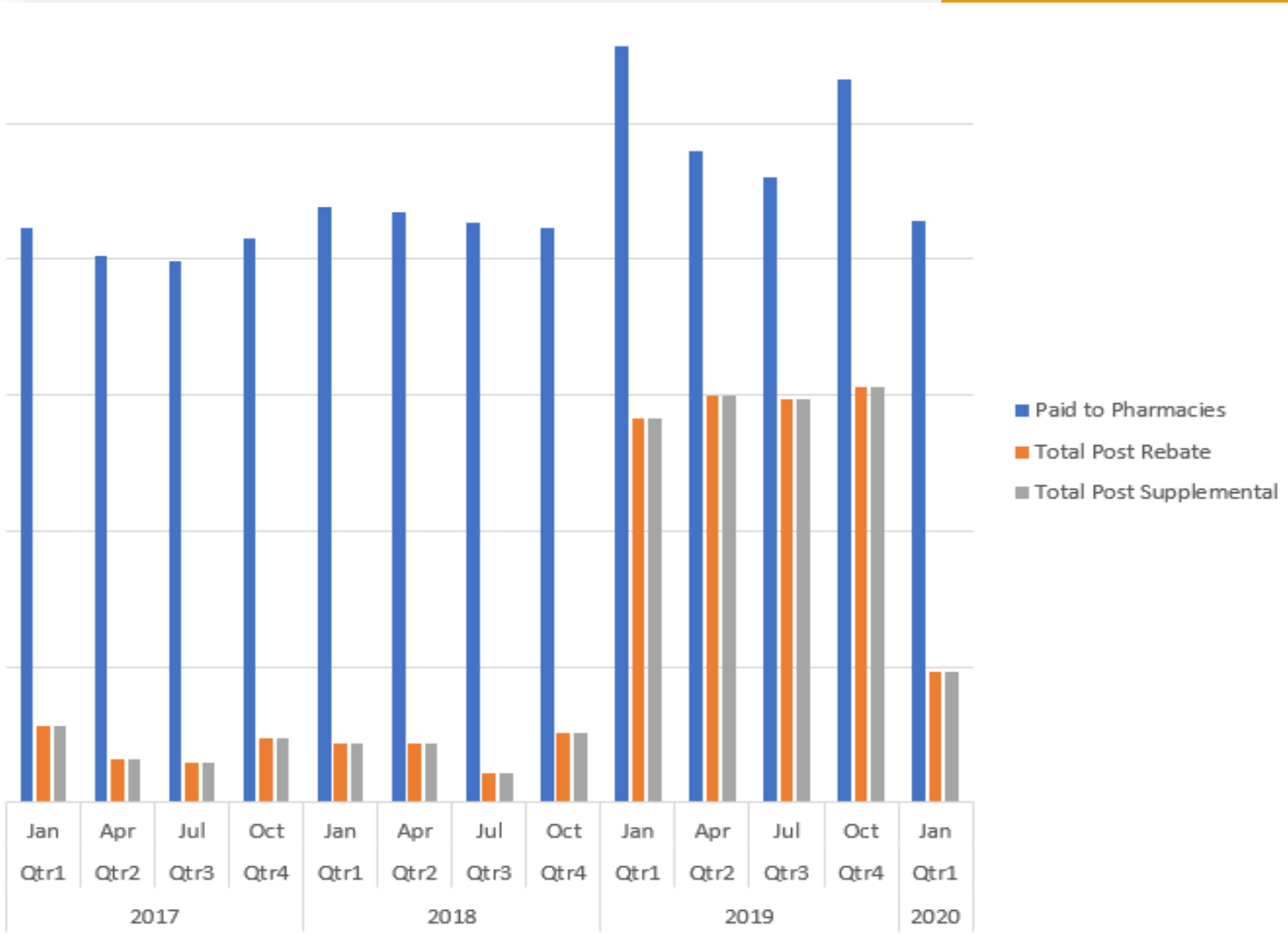
# TIGHTER CONTROL OF NON-PDL DRUGS



As rebates are confidential, can't share actual dollar amounts or drug class.

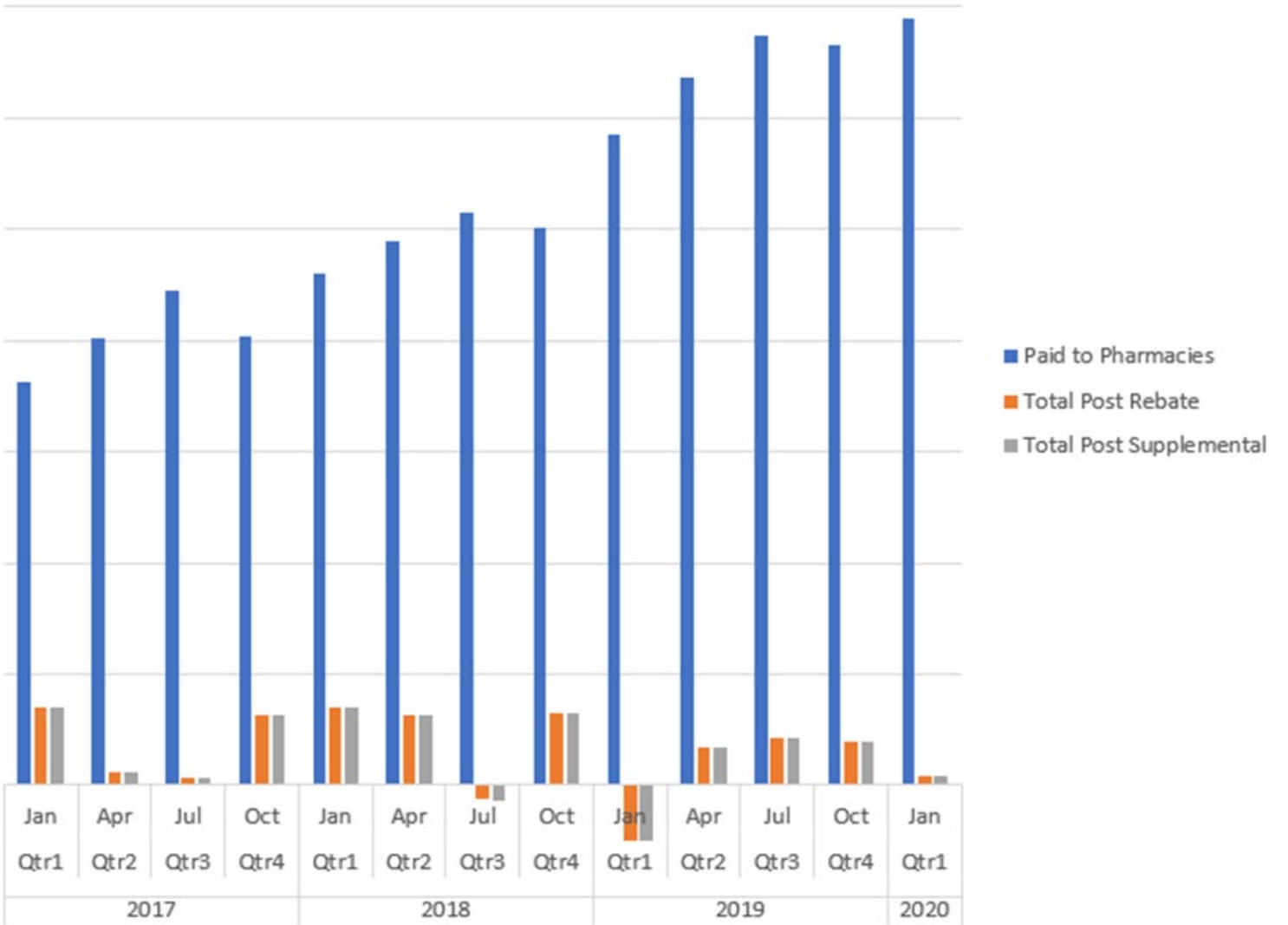


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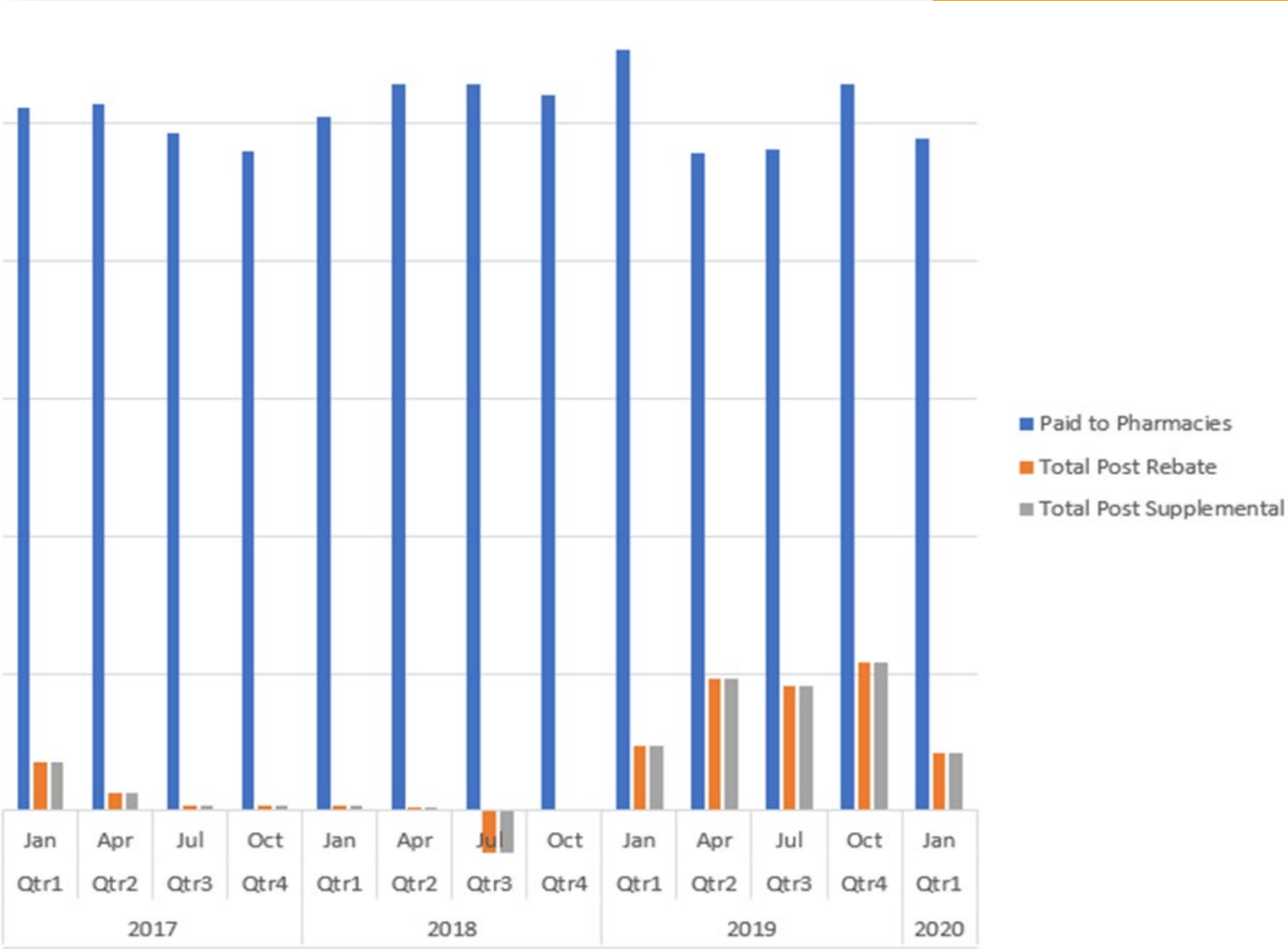
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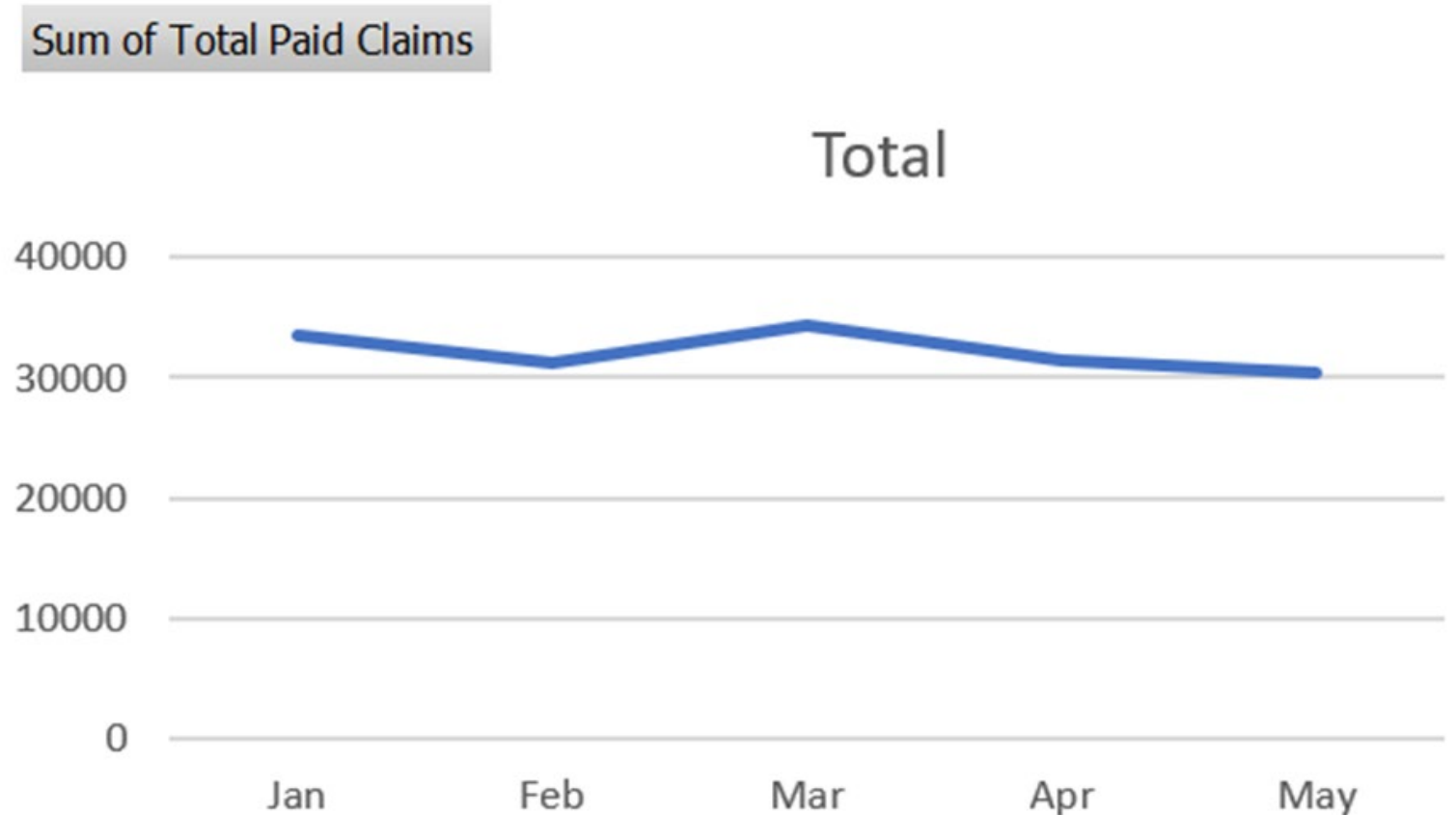
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# CORONAVIRUS IMPACT

- There was a decrease in antibiotic prescriptions in April and May, but no other obvious drops, so overall claims volume remained steady



# CLAIM VOLUME INCREASED AS EXPECTED



July – Expansion Pharmacy Claims  
67,912



July – All Other Pharmacy Claims  
89,917



# EARLY SUGGESTIONS

- IHS savings alone will be equivalent to \$8 million per year being matched at 100% FMAP as opposed to previous expansion match rate
- Stronger edits and controls appear to show expected savings, especially since:
  - Not all edits were turned on January 1<sup>st</sup>
  - Full TPL cost-avoidance (inclusion in LexisNexis interface) didn't start until March
  - Final existing claim edit wasn't turned on until June 4<sup>th</sup>
  - Future edits will be implemented for all of traditional and expansion as the edits are developed
  - Immediate changes will now be possible for PDL management

# IF FFS EDITS WERE IN PLACE IN 2019

- 35,415 plan limits exceeded; 22,524 therapeutic duplication
  - Often results in dose consolidation / optimization
  - Prevents adverse events
- 18,444 refill too soon; 8,781 accumulation
  - No change in therapy – just limits fills to 12.4 per year
- 12,319 other insurance; 1,301 Medicare
  - Helps ensure all other payers are used first
- 3,624 no CMS rebate
  - Limits payments to rebatable drugs; net price lower



# QUESTIONS

NORTH  
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