

ND Medicaid Pharmacy Services

Health Care Reform Review
Committee

6-28-2018



Traditional Medicaid

- Top drug classes 2017 (payments to pharmacies)
 - ADHD
 - Insulins
 - Antipsychotics
 - Anticonvulsants
 - Immunomodulators
 - Steroid / LABA combination inhalers
 - Non-insulin diabetes meds
 - Multiple Sclerosis
 - Steroid inhalers

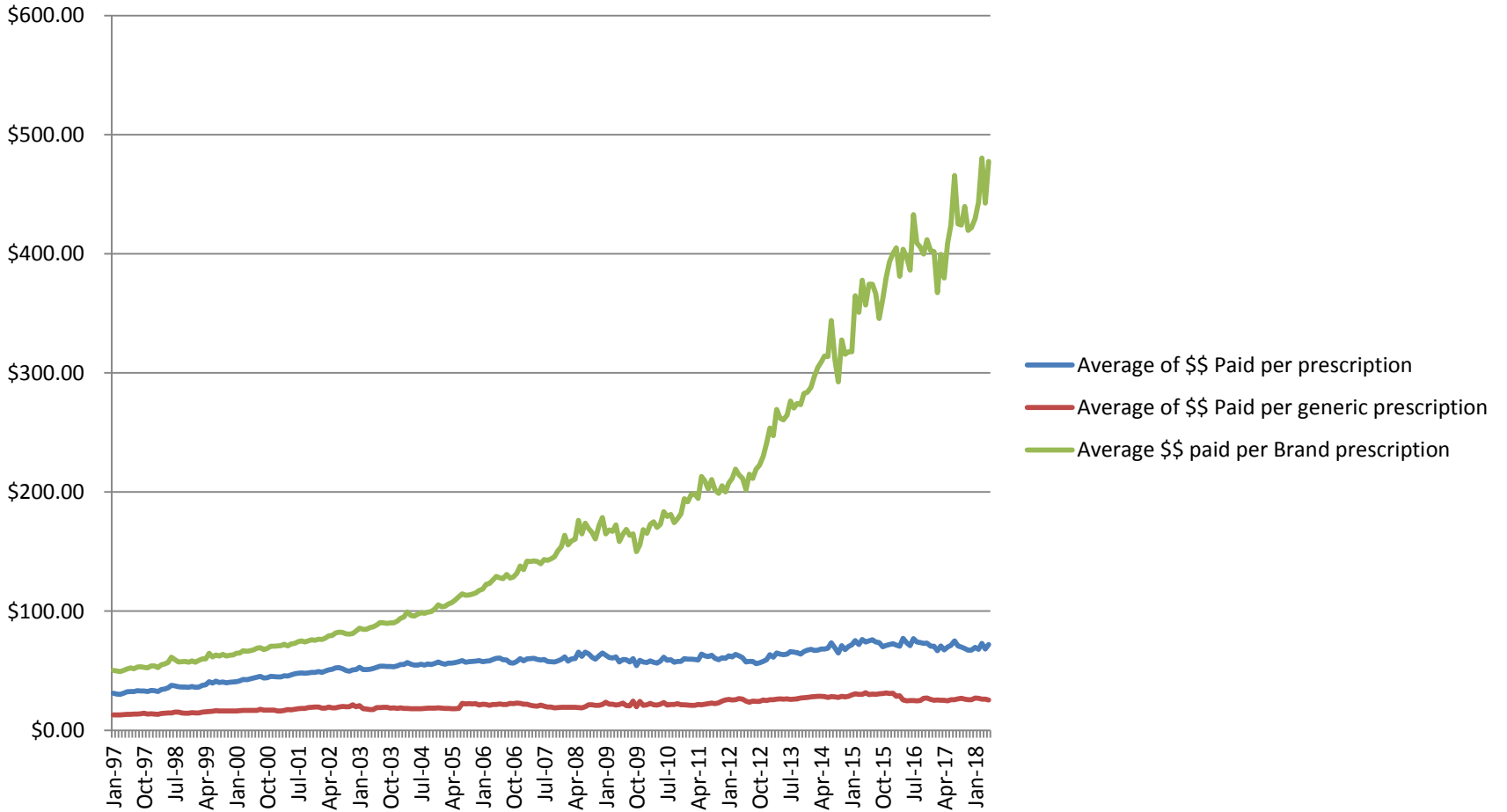
Medicaid Expansion

- Top indications by plan cost 2016
 - Diabetes
 - Hepatitis C
 - Pain / inflammation
 - Inflammatory conditions
 - Mental / Neuro Disorders
 - Asthma
 - Multiple Sclerosis
 - Depression
 - Attention Disorders
 - HIV

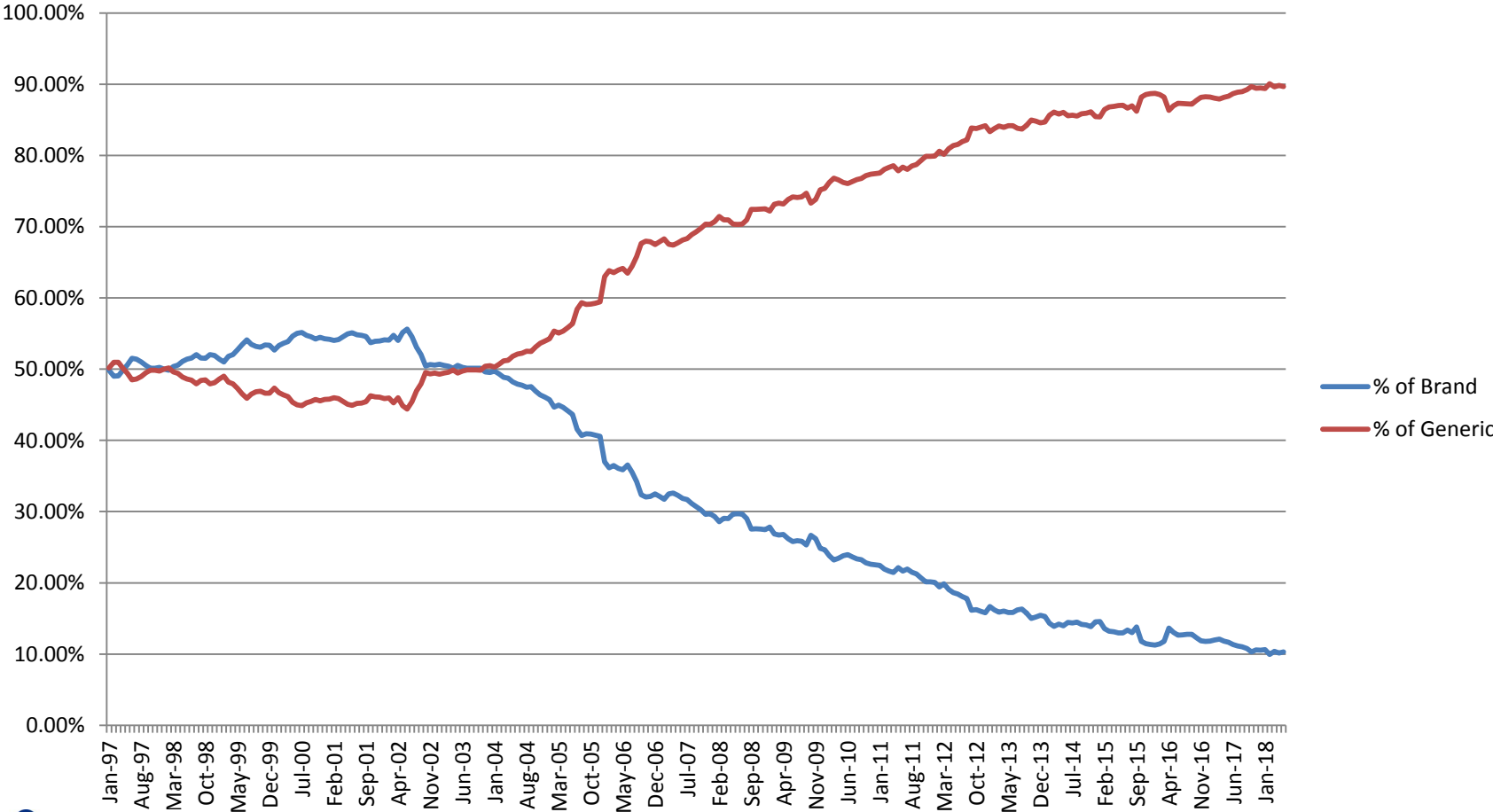
Top Drugs

Traditional	Expansion
Methylphenidate ER	Novolog
Vyvanse	Humira
Novolog	Lyrica
Humira	Levemir
Lyrica	Lantus
Latuda	Advair
Lantus	Epclusa
Proventil	Victoza
Advair	Latuda
Adderal XR	Symbicort

Avg Cost of Drugs

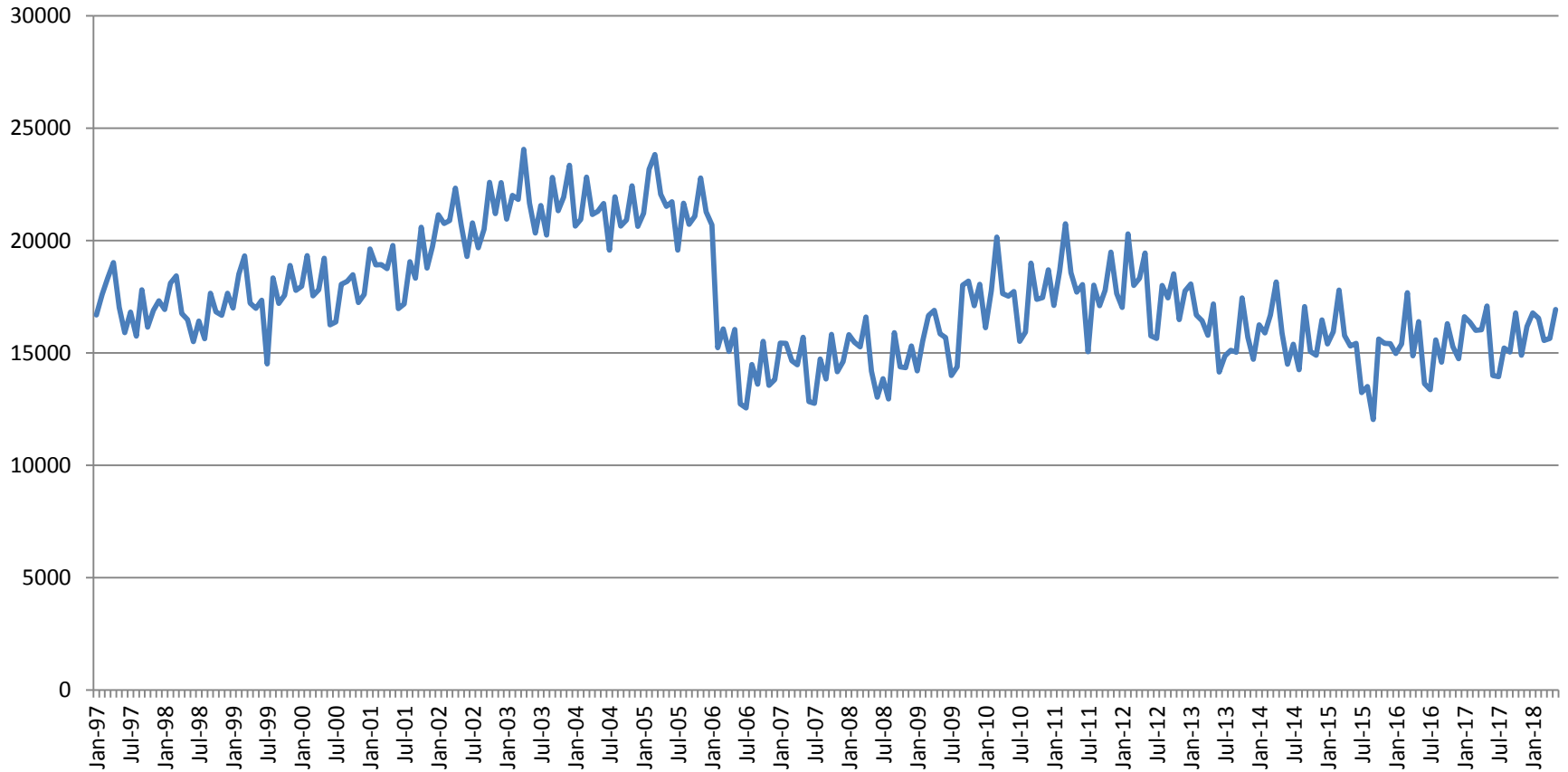


Brand / Generic Split

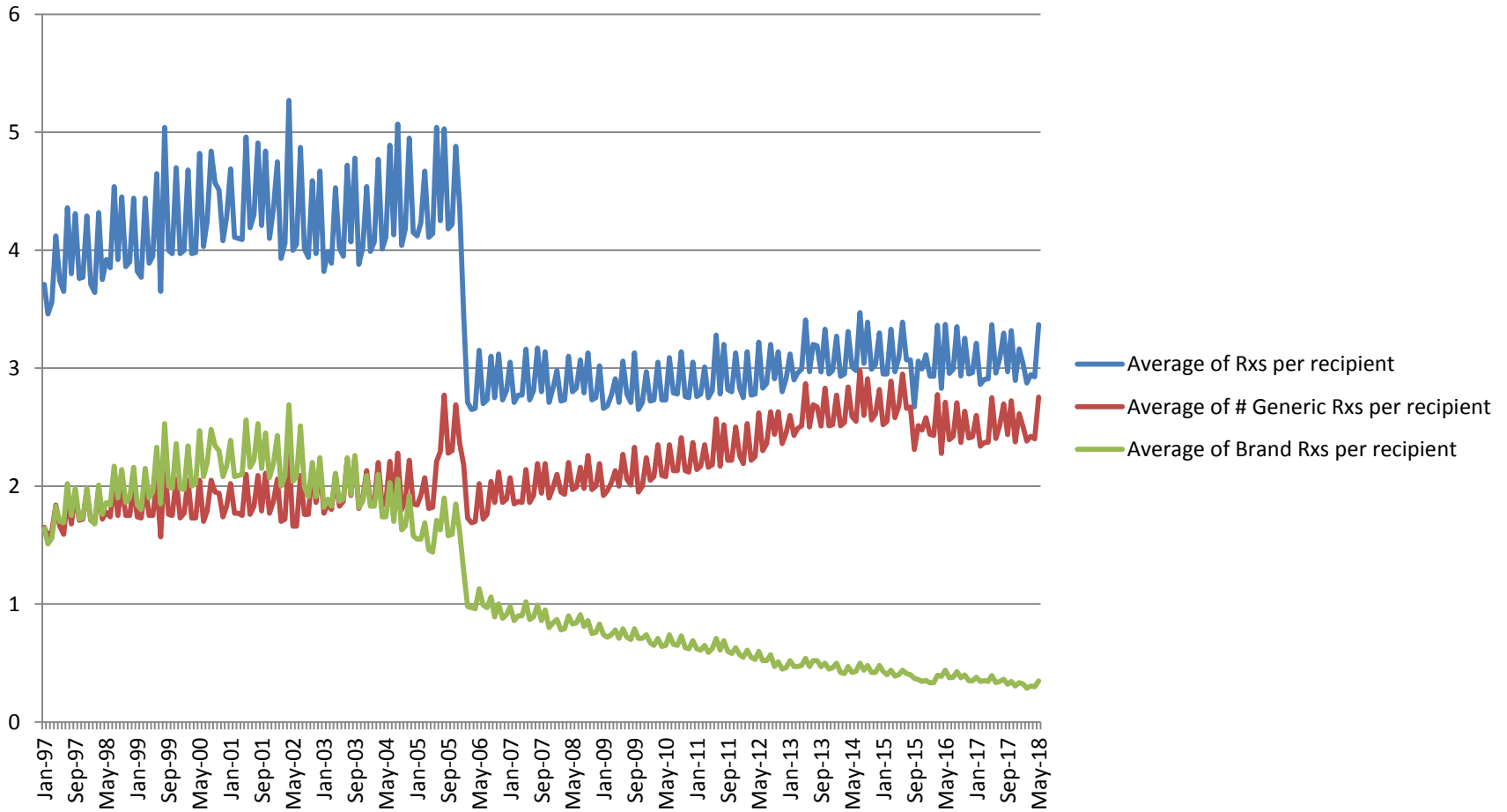


Utilizer Count

Total Pharmacy Recipients

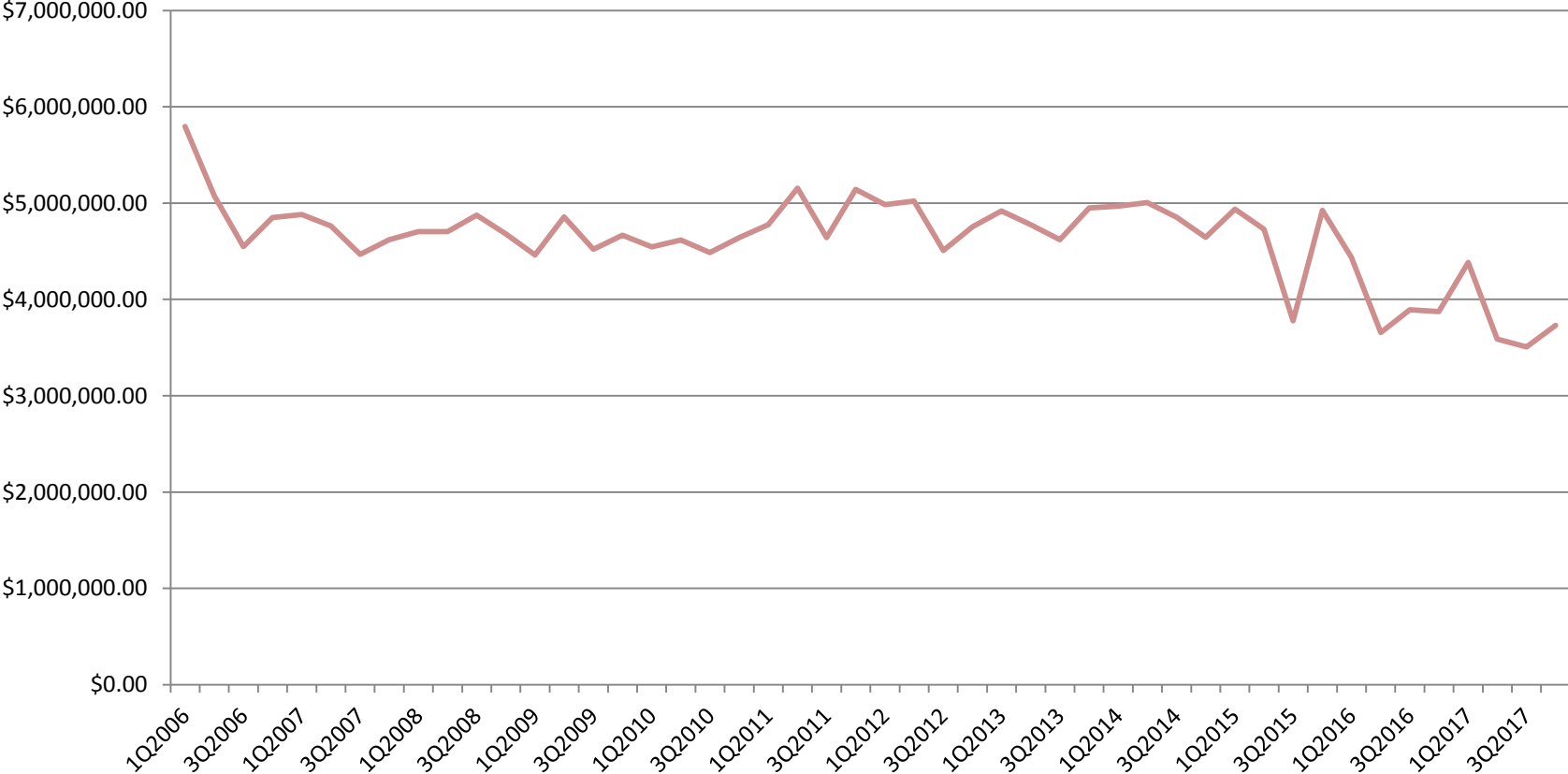


of Prescriptions



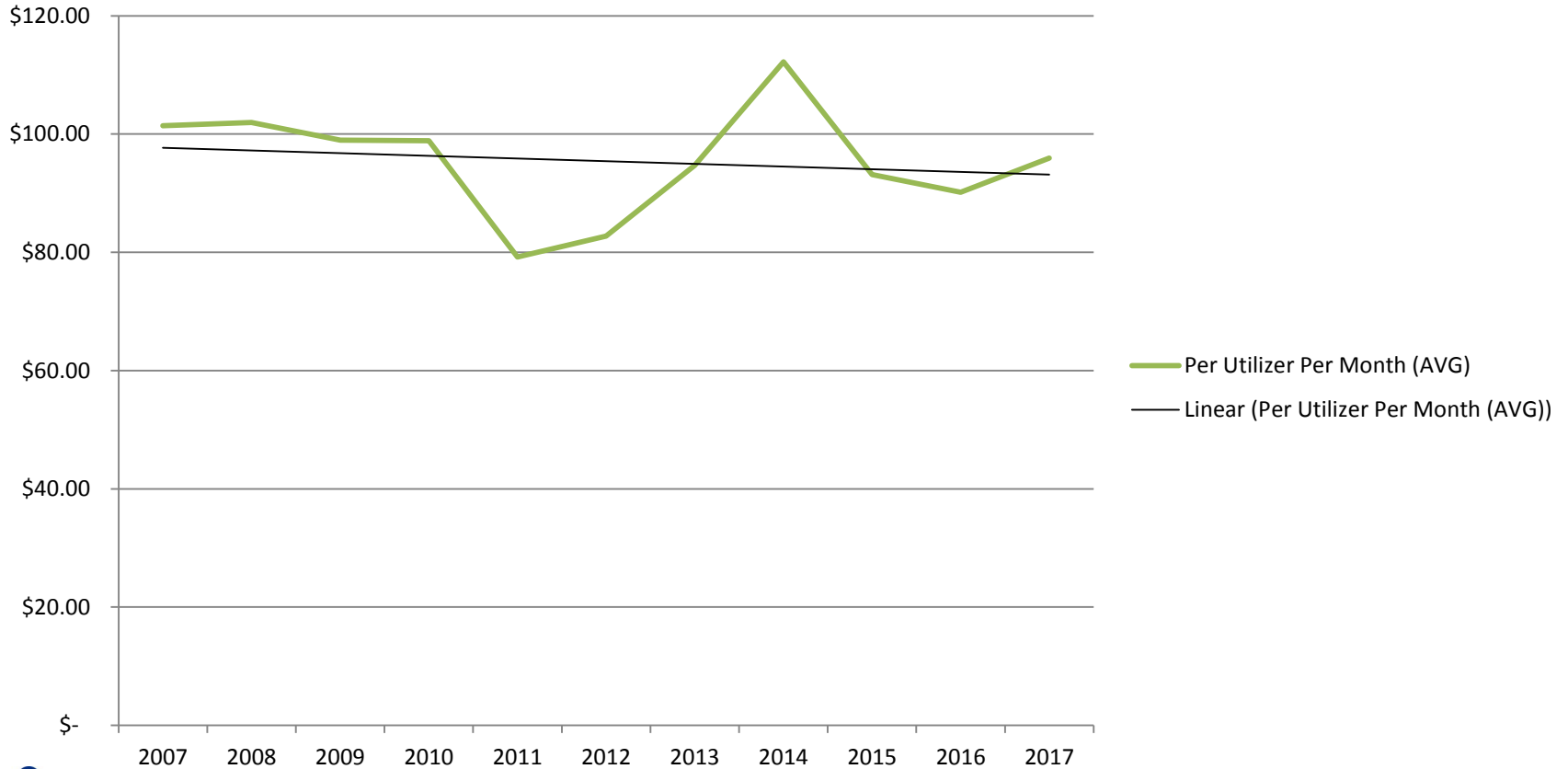
Traditional Medicaid

Net Spend



Per Utilizer Per Month

Per Utilizer Per Month (AVG)



Traditional Medicaid

- Rebates for 1Q17 through 4Q17
 - Payments for rebate drugs: \$40,679,804
 - Rebates: \$24,137,596
 - Net spend: \$16,542,208
 - Percent rebate: 59.3%

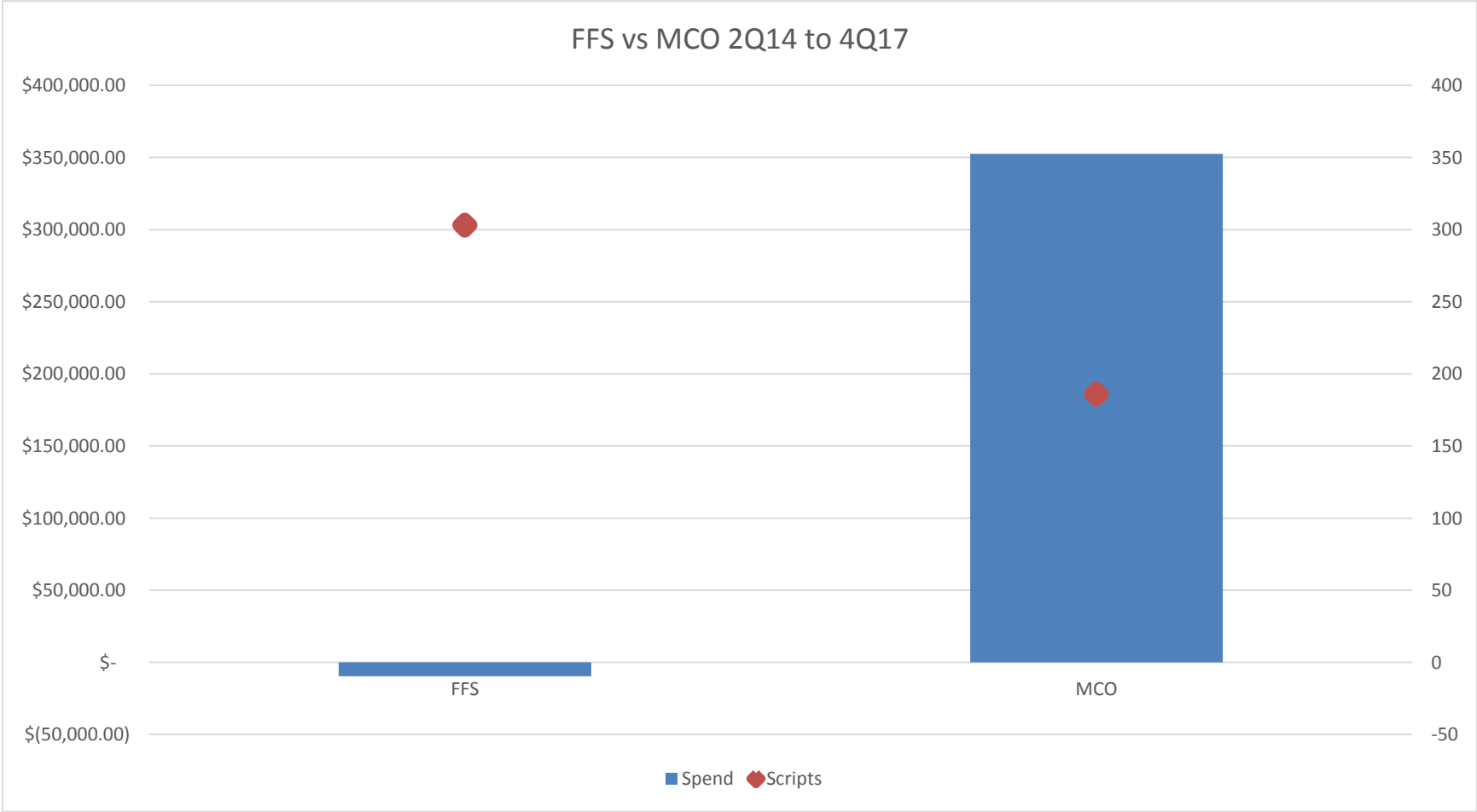
Rebates

- Traditional and supplemental
- Traditional roughly 59% of spend
- Supplemental results in additional 3-5%
- Rebates highest on brand drugs
 - 4Q17 we paid \$6.3 million for brand drugs and invoiced for \$5.23 million in traditional rebates, and \$365 thousand in supplemental rebates (88.8% rebate)
 - Generic – paid \$3.678 million with \$752 thousand invoiced rebates (20% rebate)

Rebates – Confounder for MCO

- MCO rates are set at per-capita based on payments to pharmacies
 - Brand drug with 100% rebate costs \$5000
 - Competing brand with 23% rebate costs \$4500
 - Generic drug with 20% rebate costs \$4000
- For the per-capita, you would want them to use the lowest cost product
- But based on net of rebate, you would want the highest cost product to be used

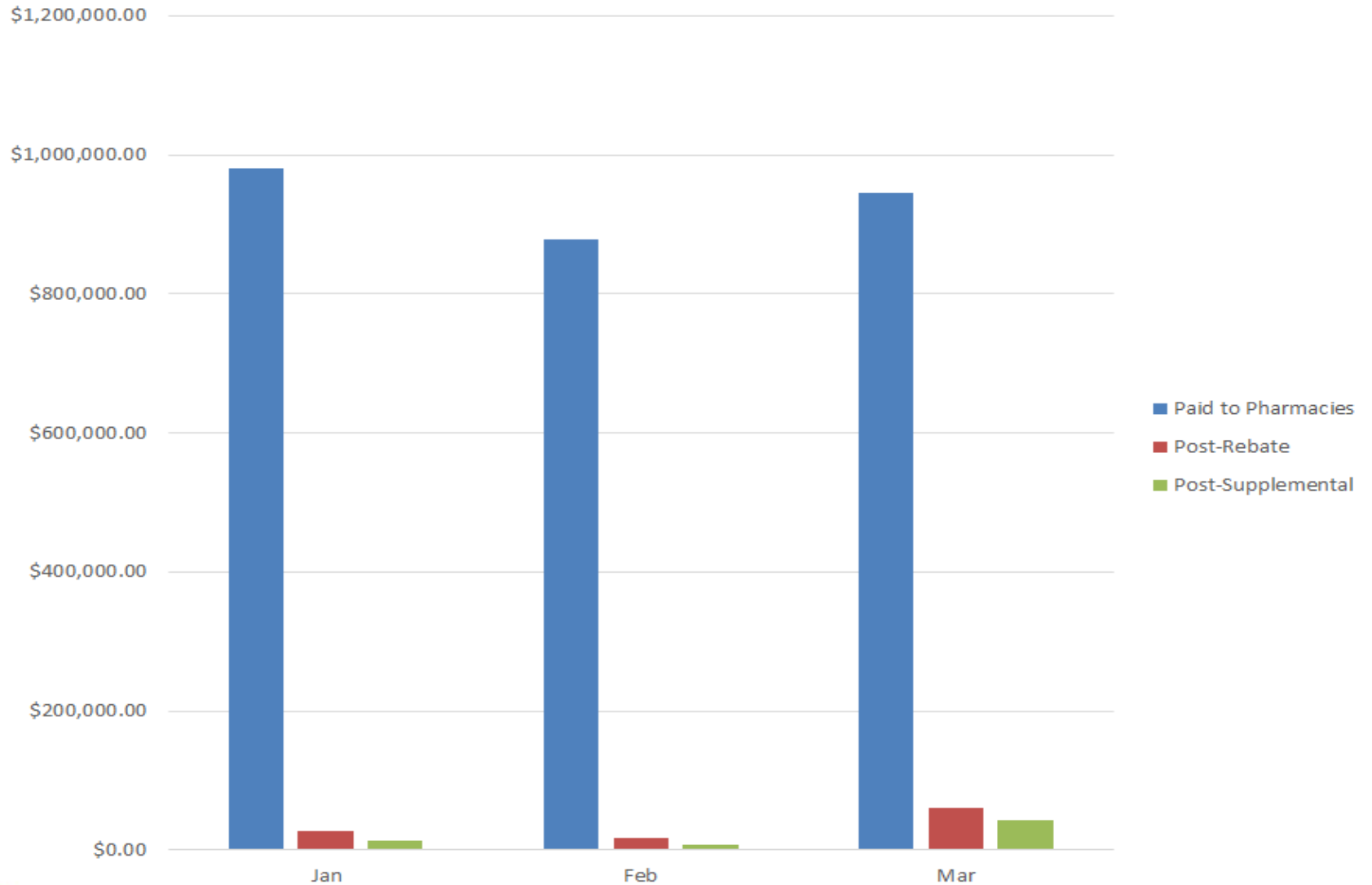
Impact of Not Using Single PDL



Top Drug Classes Net of Rebates

- Classes dominated by brand drugs
 - Rebate percent is near or above 100%
- Classes with generics
 - Rebate percent is 57-84%

Example (7 drug classes)

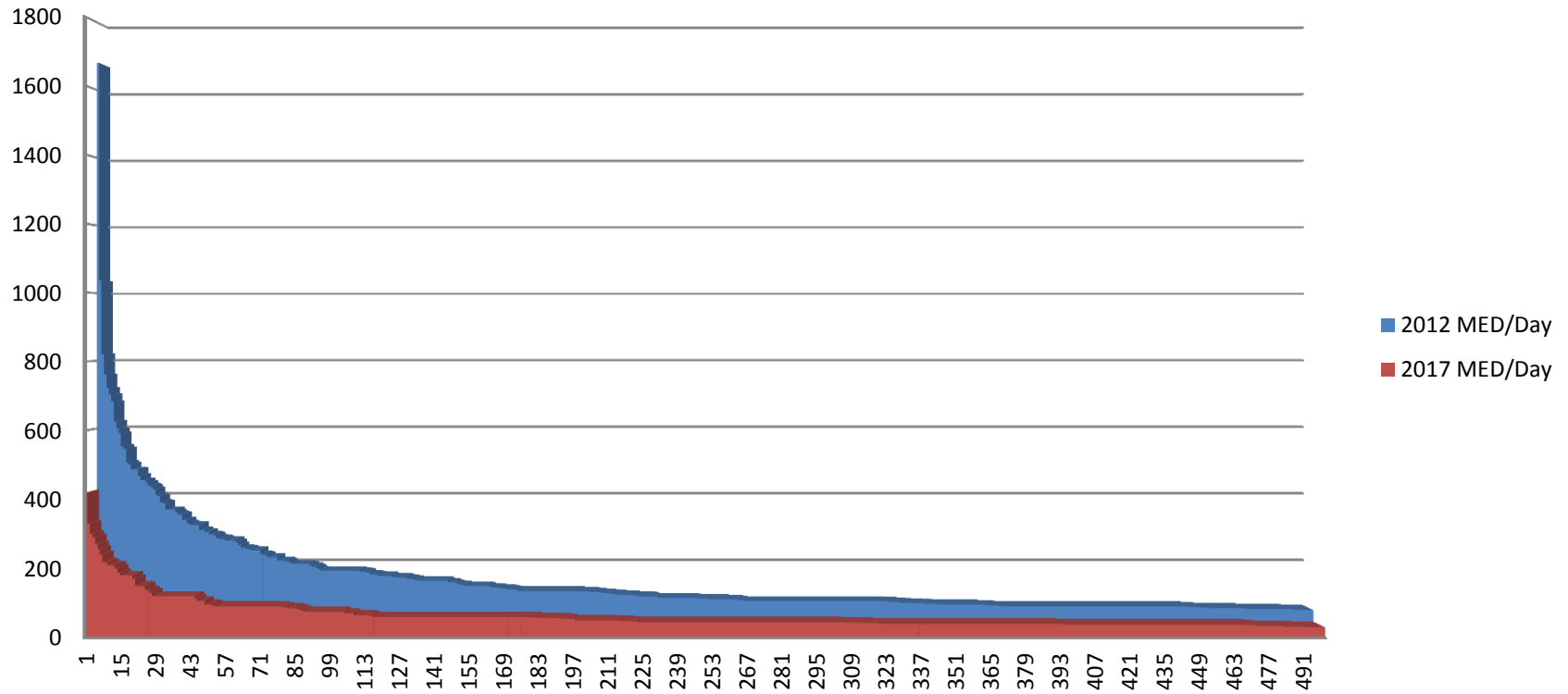


Hepatitis C

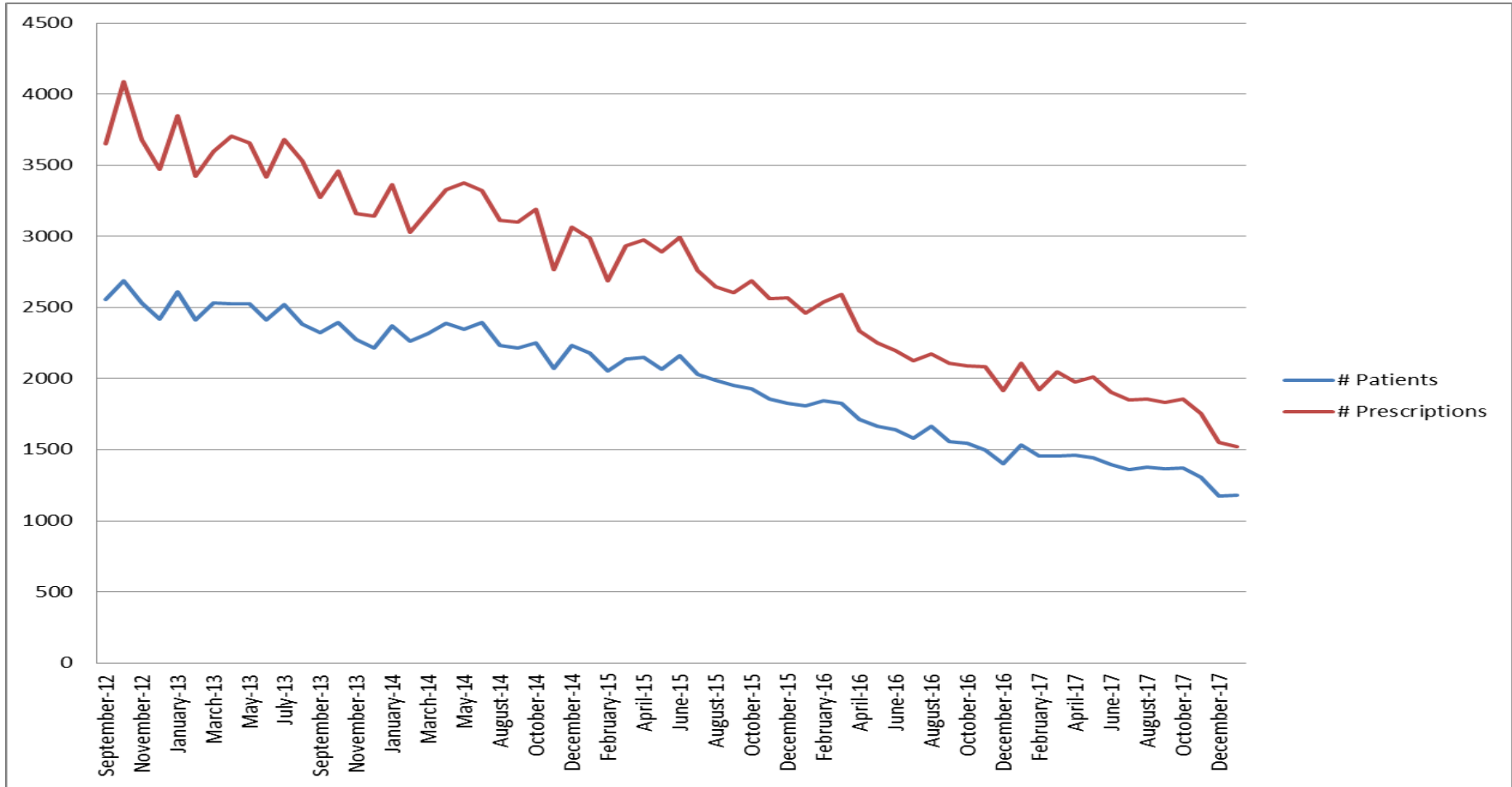
Year	Traditional	Expansion
2015	\$279 thousand	\$7.6 million
2016	\$978 thousand	\$4.1 million
2017	\$494 thousand	\$1.4 million

Narcotics 2012 vs 2017

Top 500 Recipients with Highest MED/Day



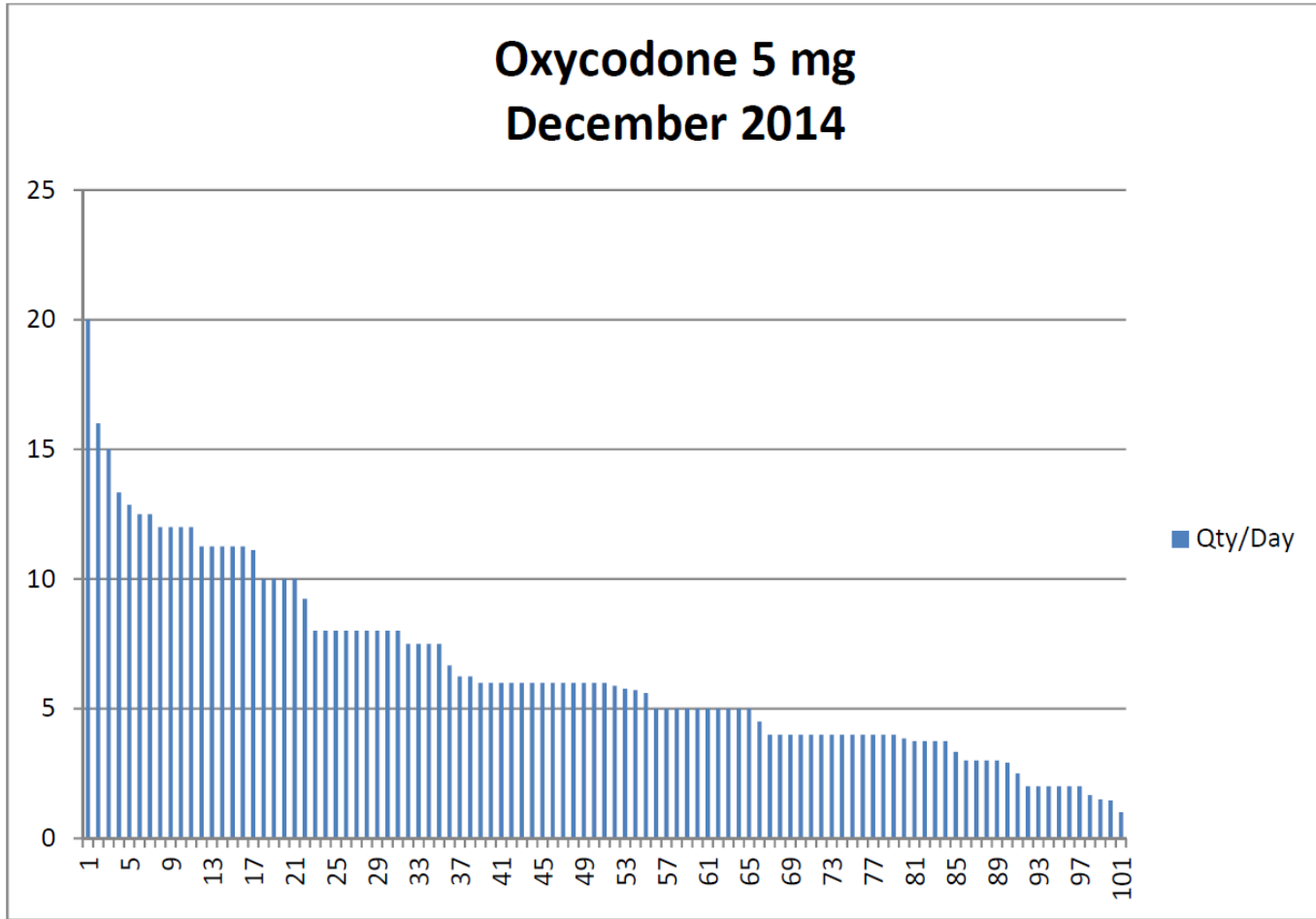
Narcotics



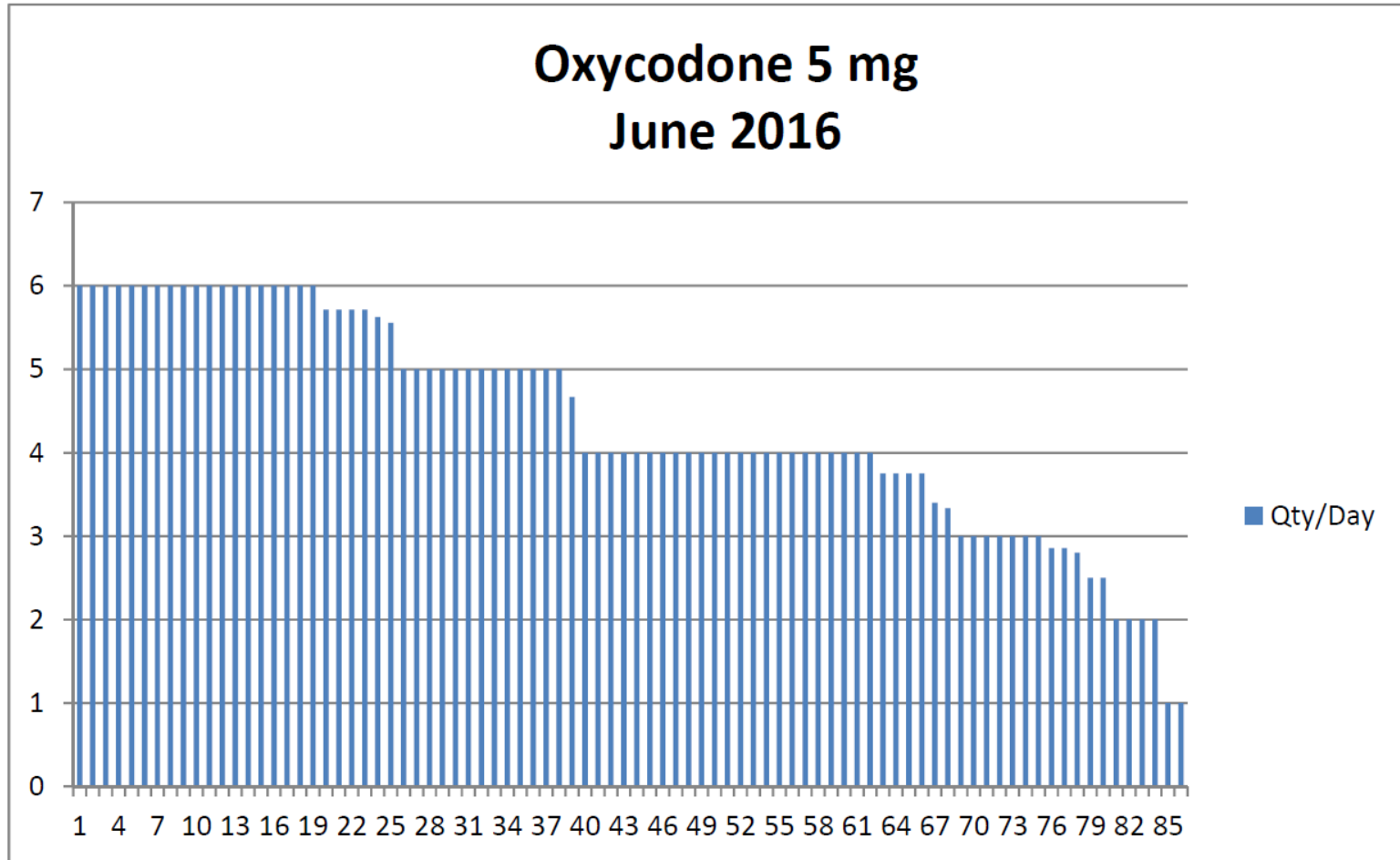
Recent Narcotic Edits

- Only allow one long acting drug at a time
- Only allow one short acting drug at a time
- Complete limit to FDA approved dosing (e.g. twice a day for Oxycontin[®], once every three days for fentanyl patches)
- Limits on immediate release narcotics based on pain guidelines for breakthrough pain
- Limits on gabapentin

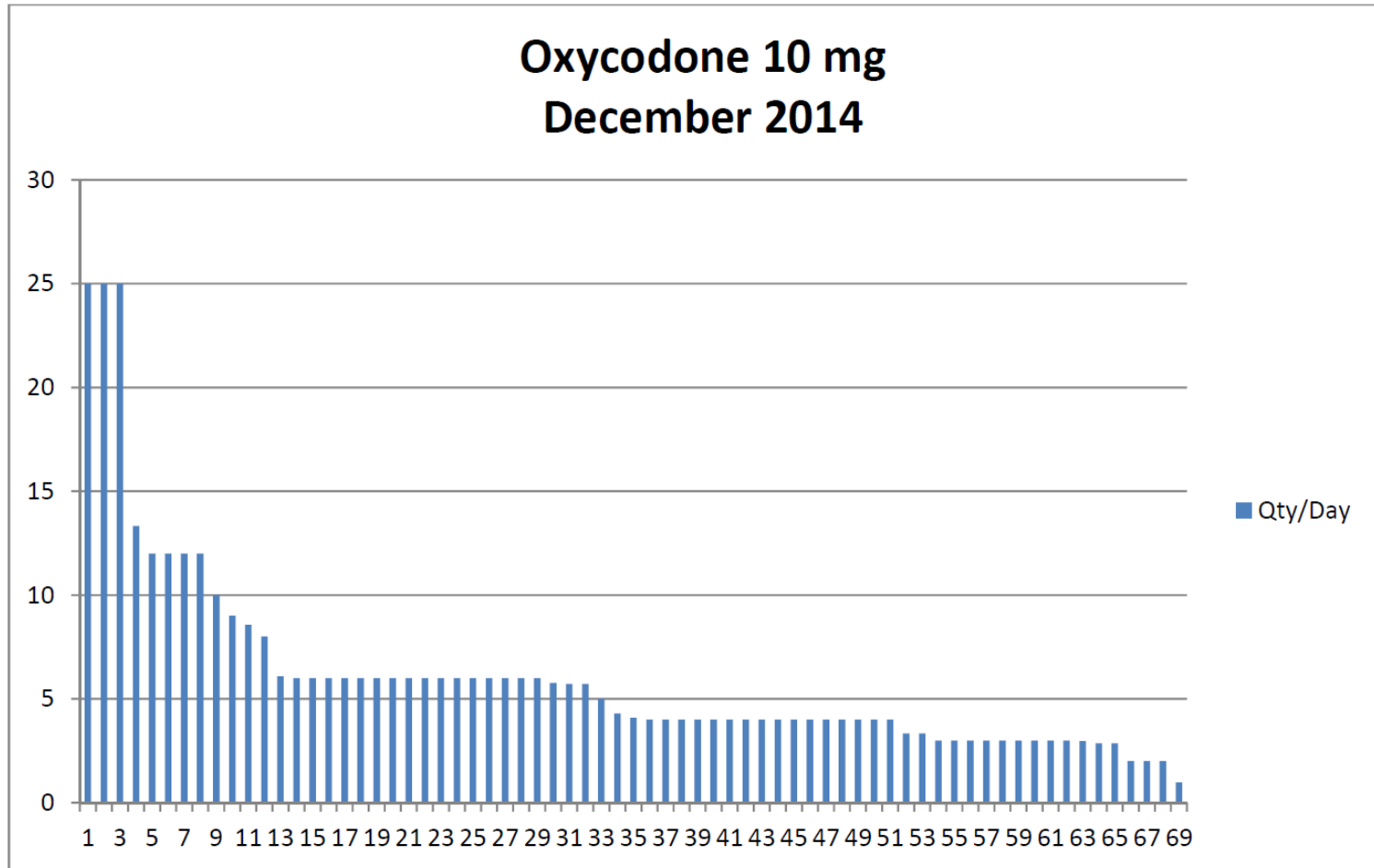
Results



Results

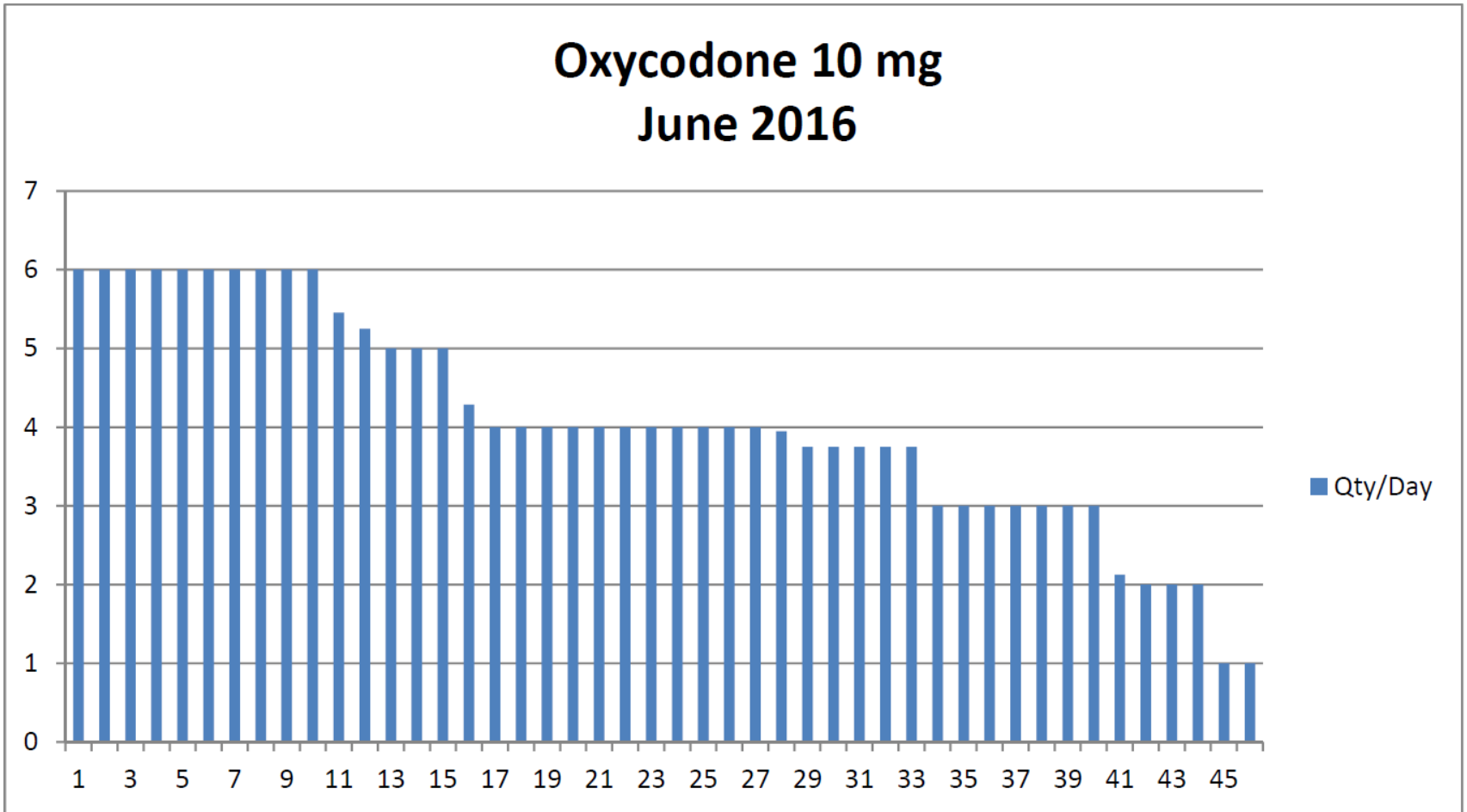


Results

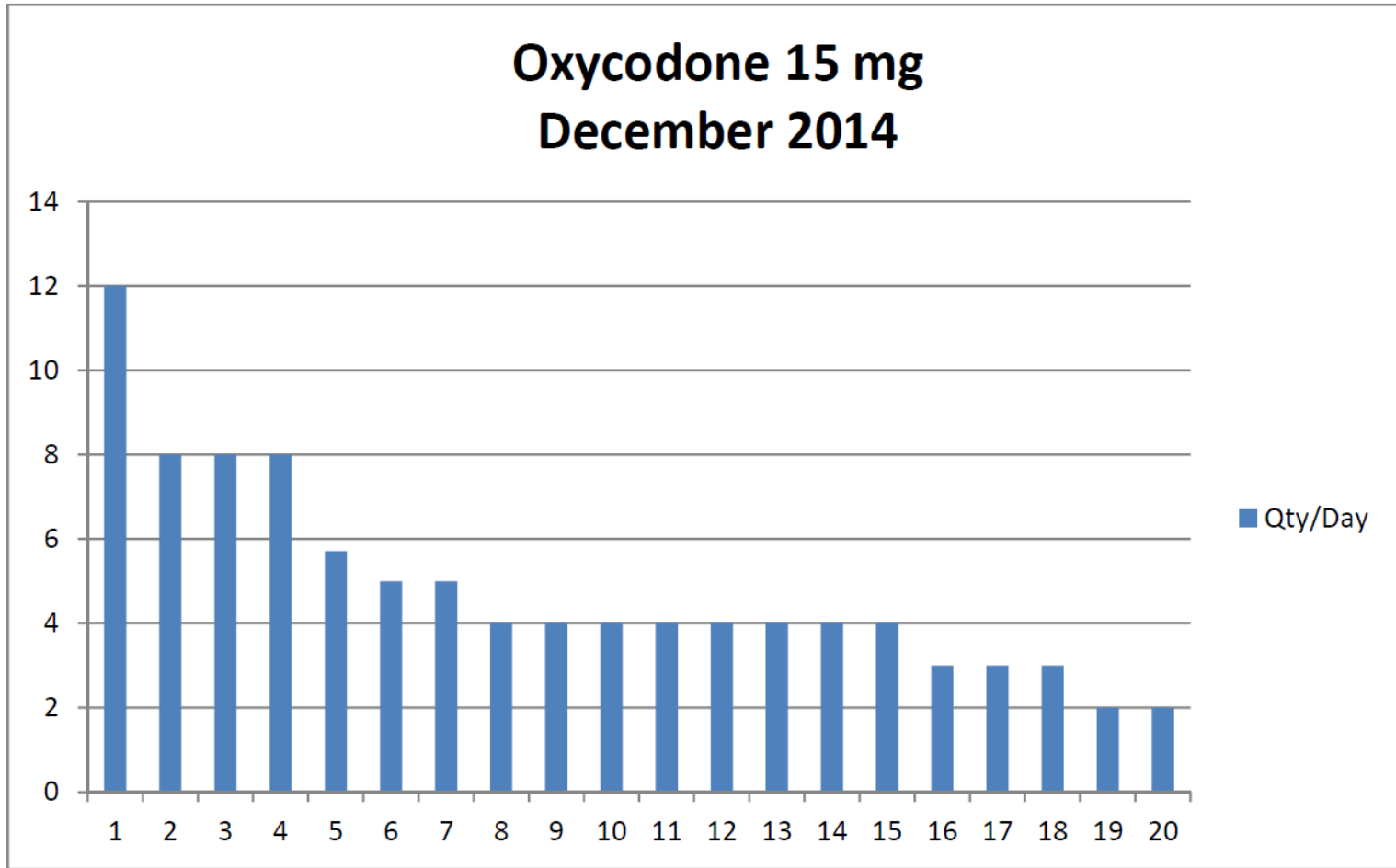


Results

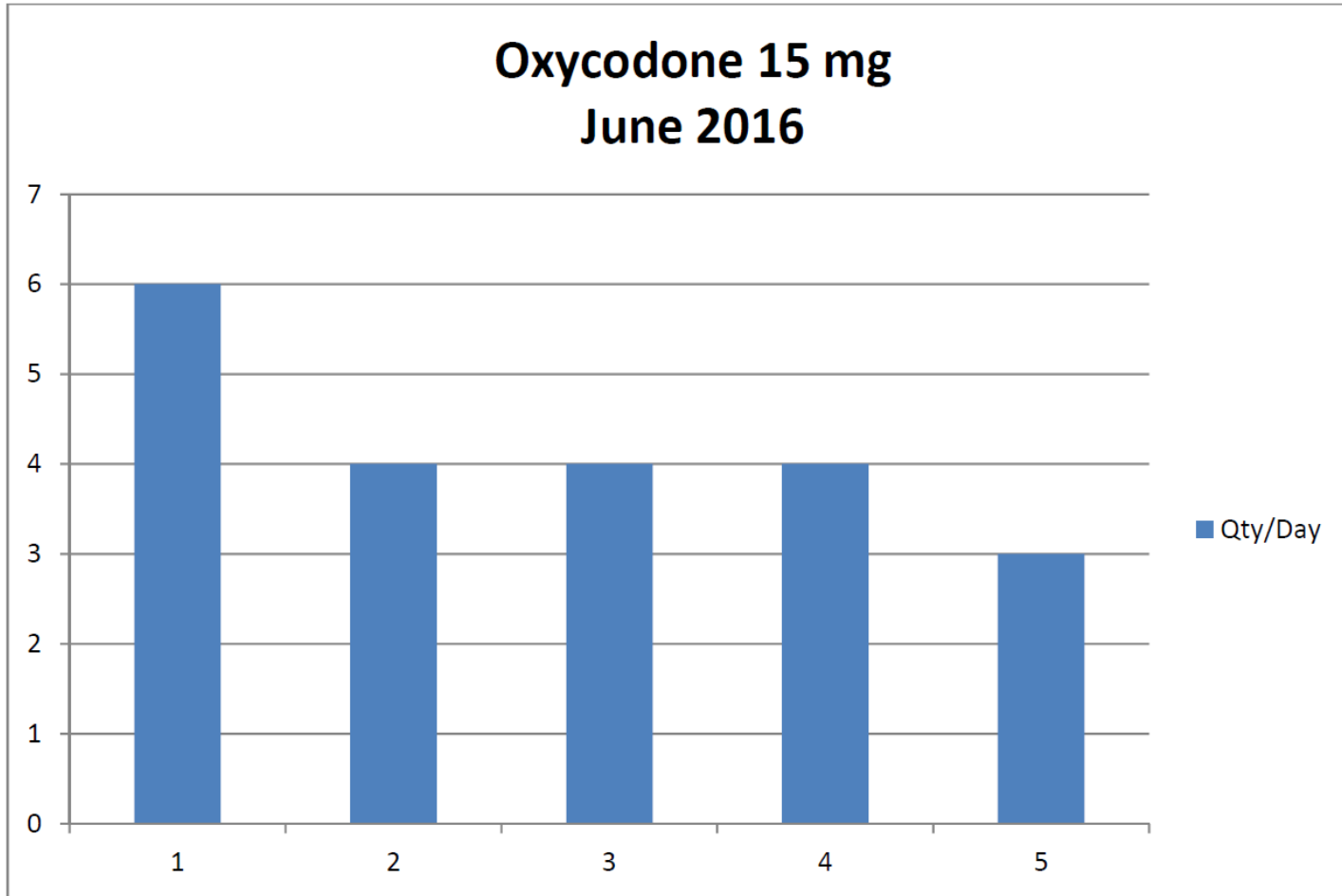
Oxycodone 10 mg June 2016



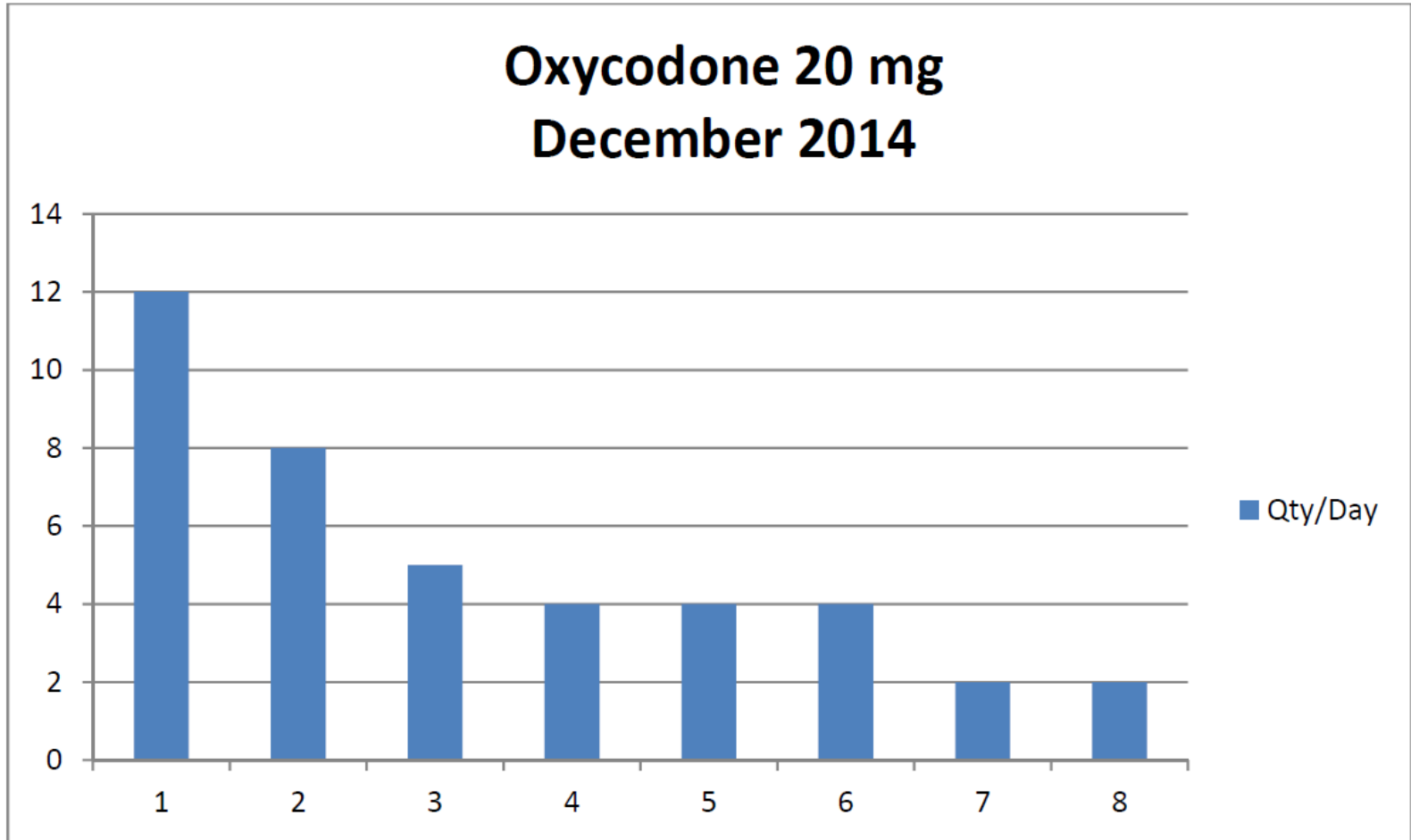
Results



Results



Results

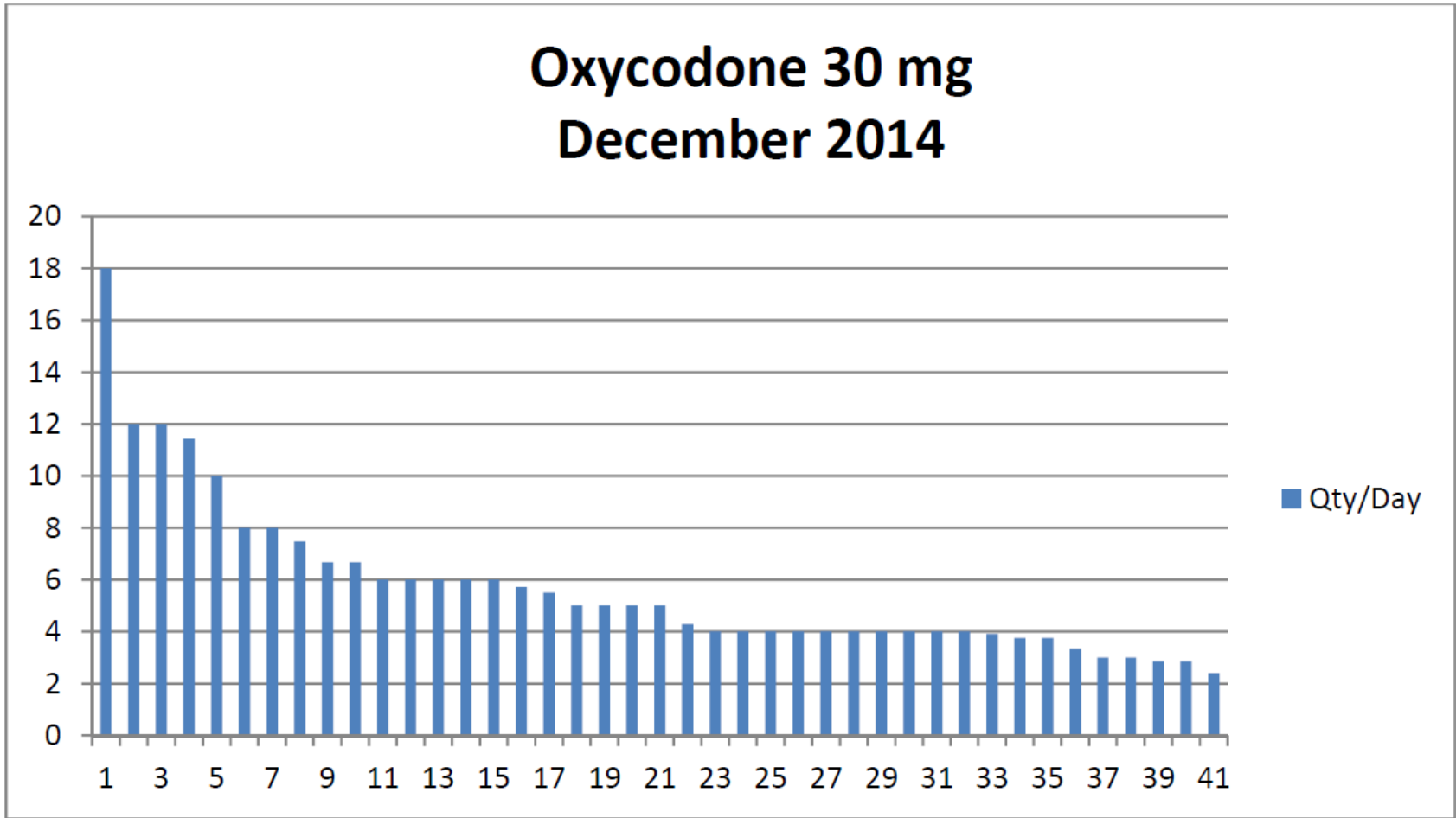


Results

- June 2016 – no prescriptions for Oxycodone 20 mg immediate release

Results

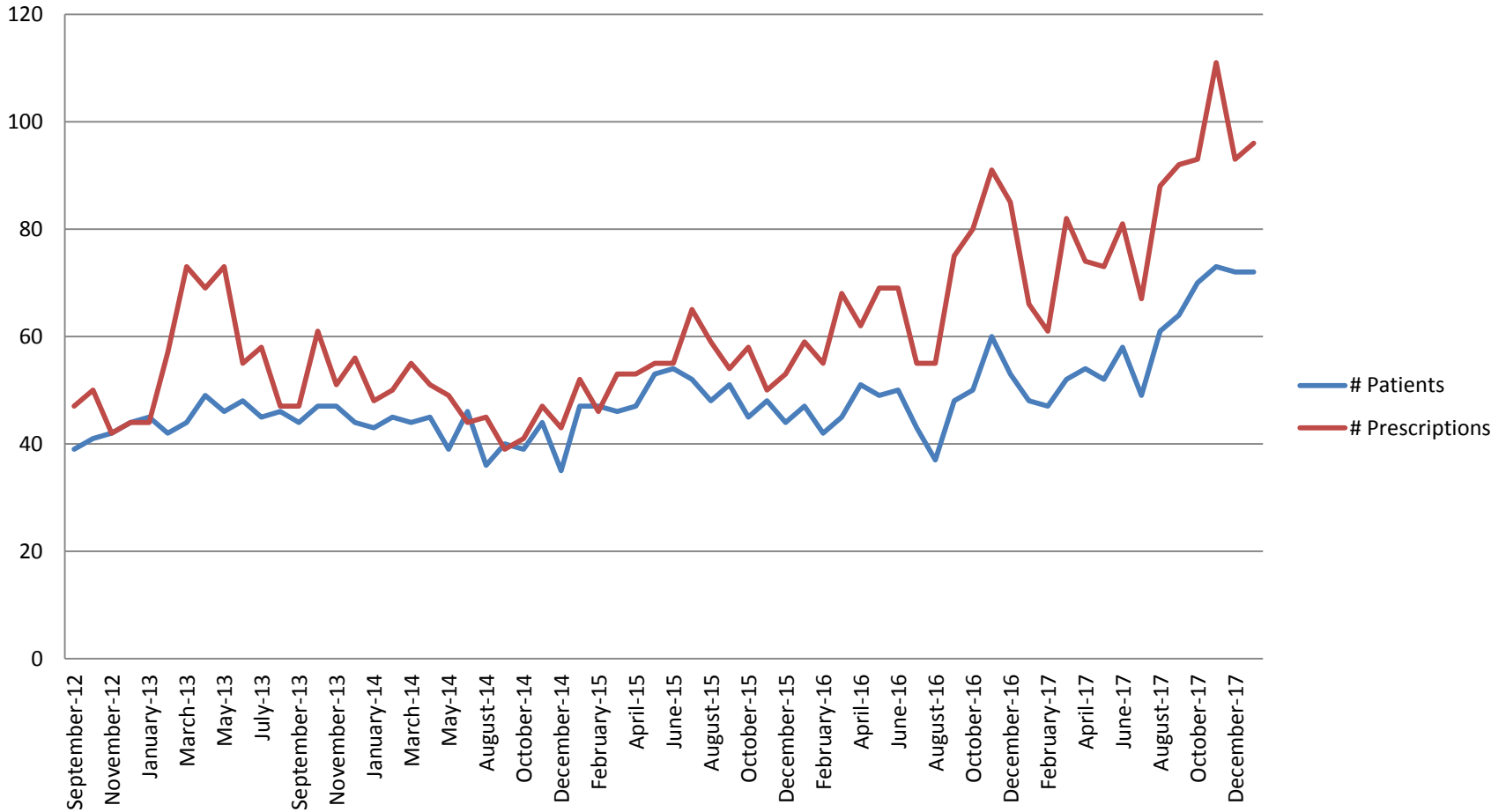
Oxycodone 30 mg December 2014



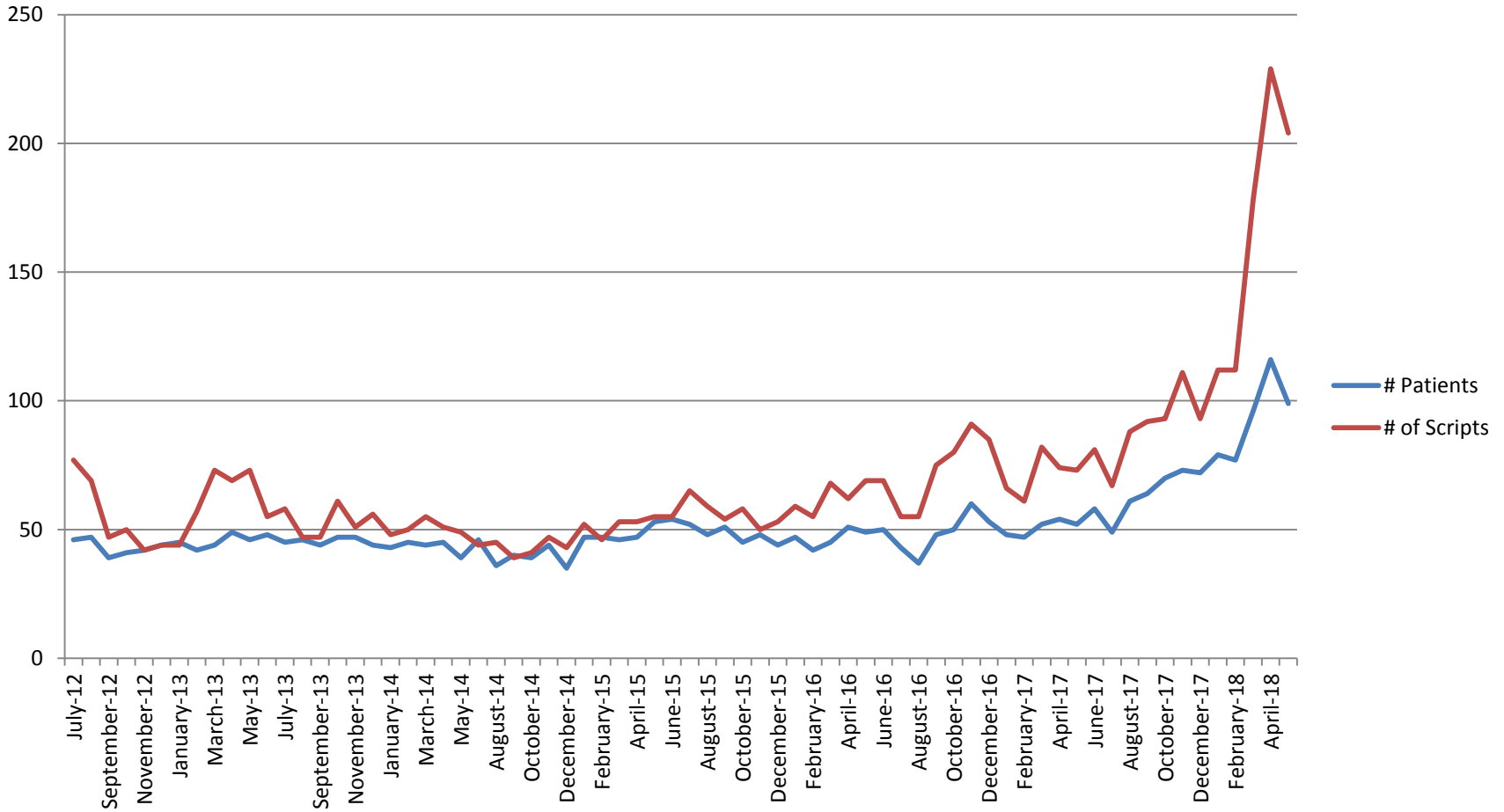
Results

- June 2016 – no prescriptions for Oxycodone 30 mg immediate release

Narcotic Treatment (Suboxone®)



Narcotic Treatment with new clinics



Recent Fraud Issues

- Incorrect calculations for 340b drugs
 - Resulting in one manufacturer reimbursement \$5 million back to 340b pharmacies
- False claims being submitted to ND Medicaid (and BCBS, and all other payers in the nation)
 - Claims being submitted by an NPI for a rural pharmacy in a distant state
 - All patient and prescription information is accurate
 - Currently under investigation

Traditional Medicaid 2017

- Claims processed
 - 1,121,630
- Claims paid
 - 778,955
- Claims denied
 - 342,675
- Claims reversed
 - 76,431