

Medicaid Managed Care Quarterly Transparency Report

State Fiscal Year 2019 – Quarter 3

Response to Act 482 of the 2018 Regular Legislative Session

Prepared by:

Louisiana Department of Health

Bureau of Health Services Financing

July 2019

Revised February 20, 2020



Contents

Introduction	2
Acronyms Used in This Report	2
Louisiana Medicaid Expansion Population.....	3
Expansion Enrollment by Age Cohort and MCO	3
Expansion Enrollees with Earned Income	4
Expansion Per Member Per Month Payments.....	5
Medicaid Expansion Population Service Utilization.....	6
Pharmacy Benefit Managers (PBM).....	8
PBM Revenue Streams.....	8

Revision Log

Date	Section Changed	Description
2/20/2020	Expansion Per Member Per Month Payments (page 5)	Monthly and total payments updated to Include \$2,838,341 of payments for Health Information Provider Fee that was miscoded in ISIS to expenditure org 8114, sub-object Ex rather than the expansion expenditure org 812A.

Introduction

This report is submitted in response to Act 482 of the 2018 Regular Legislative Session. The report contains requested data on the Medicaid expansion population and managed care organization (MCO) pharmacy benefits managers (PBM). The report will be produced quarterly according to the following schedule.

State Fiscal Year Quarter	Months Reported	Report Issue Date
Q1	July, August, September	January 20
Q2	October, November, December	April 20
Q3	January, February, March	July 20
Q4	April, May, June	October 20

Each quarterly report will provide monthly data for the reporting period, as well as unduplicated year-to-date (YTD) totals for the 2019 state fiscal year. A collective chart of the data submitted in each quarterly report will be included in the annual Medicaid Managed Care Transparency Report.

All data reported will be current as of the run date of each report; however, some data may change over time due to the dynamic nature of Medicaid enrollment and claims processing. Claims data will be reported based on date of payment, rather than date of service as previously reported under Senate Resolution (SR) 163 of the 2017 Regular Legislative Session. This will minimize fluctuations in data due to claim lag when data for the same reporting period is reported at a later date. Likewise, because Medicaid provides for retroactive enrollment, enrollment data presented each quarter may vary somewhat from data reported in the annual summary or other future reports.

Acronyms Used in This Report

Throughout this report, several acronyms are used to enable the concise presentation of data in tables. These acronyms are presented below.

Managed Care Organizations

ABH	Aetna Better Health
ACLA	Amerihealth Caritas of Louisiana
HB	Healthy Blue
LHCC	Louisiana Healthcare Connections
UHC	United HealthCare Connections

Other Acronyms

MCO	Managed Care Organization	ED	Emergency Department
DBPM	Dental Benefits Plan Manager	NEMT	Non-Emergency Medical Transportation
PBM	Pharmacy Benefits Manager	CMS	Centers for Medicare & Medicaid Strategies
SFY	State Fiscal Year	MCNA	Managed Care of North America, Inc. (the DBPM)
YTD	Year to Date		

Louisiana Medicaid Expansion Population

On July 1, 2016, per Executive Order JBE 16-01, Louisiana expanded Medicaid coverage under the Affordable Care Act to adults aged 19 through 64 under 138 percent of the Federal Poverty Level. Benefits are provided to this expansion group through enrollment in one of five contracted Medicaid MCOs.

Expansion Enrollment by Age Cohort and MCO

During the current reporting quarter, January 1, 2019 through March 31, 2019, the unduplicated count of expansion enrollees was 516,350. Table 1 provides a breakdown of enrollees by age, MCO and month. Totals for each MCO and for the fiscal YTD are unduplicated and therefore will not equal the sum of counts by MCO or the sum of counts by months.

Table 1: Expansion enrollment by age cohort and MCO, SFY 2019 Quarter 3

	ABH	ACLA	HB	LHCC	UHC	Total
January 2019						
Ages 19 to 49	38,357	52,621	74,212	106,448	116,461	388,099
Ages 50 to 64	15,573	14,834	21,453	26,451	30,241	108,552
Total	53,930	67,455	95,665	132,899	146,702	496,651
February 2019						
Ages 19 to 49	38,186	52,601	74,464	106,777	116,590	388,618
Ages 50 to 64	15,466	14,743	21,467	26,335	30,117	108,128
Total	53,652	67,344	95,931	133,112	146,707	496,746
March 2019						
Ages 19 to 49	38,415	52,819	75,264	107,263	117,277	391,038
Ages 50 to 64	15,433	14,758	21,677	26,360	30,247	108,475
Total	53,848	67,577	96,941	133,623	147,524	499,513
SFY 2019 YTD¹	65,273	79,537	112,383	156,567	171,591	569,599

Source: Medicaid Data Warehouse, data extracted 4/10/19, 4/24/19, and 5/20/19.

¹YTD totals are unduplicated for each cell and may not sum to totals due to duplication across months and MCOs.

Expansion Enrollees with Earned Income

Table 2 presents the number of expansion enrollees in each MCO with earned income. Approximately 49 percent of the expansion population reported earned income.

This analysis was not restricted to only able-bodied adults and therefore may include individuals with a disability or other persons identified in CMS guidance whose ability to work may be limited, such as students and individuals with complex medical conditions.

Table 2: Unduplicated expansion enrollees with earned income by age cohort and MCO, SFY 2019 Quarter 3

	ABH	ACLA	HB	LHCC	UHC	Total
January 2019						
Ages 19 to 49	17,616	26,762	37,334	56,787	61,123	199,622
Ages 50 to 64	4,772	4,827	6,875	9,050	9,828	35,352
Total	22,388	31,589	44,209	65,837	70,951	234,974
February 2019						
Ages 19 to 49	17,830	27,224	38,175	57,981	62,429	203,639
Ages 50 to 64	4,871	4,901	7,075	9,208	10,104	36,159
Total	22,701	32,125	45,250	67,189	72,533	239,798
March 2019						
Ages 19 to 49	19,836	29,545	41,758	62,339	67,489	220,967
Ages 50 to 64	5,385	5,363	7,845	10,095	11,218	39,906
Total	25,221	34,908	49,603	72,434	78,707	260,873

Source: Medicaid Eligibility Data System, data extracted on 3/25/19, 4/25/19 and 5/25/19.

Expansion Per Member Per Month Payments

In the third quarter of SFY 2019, total payments of \$781,932,496 were issued to the five MCOs to manage the care of individuals in the expansion population for medical, specialized behavioral health, pharmacy and transportation services. Table 3 presents the total payments to each MCO to manage the care of the individuals in the expansion population assigned to their MCO by month of payment.

Table 3: Total payments to MCOs for expansion population, SFY 2019 Quarter 3

	ABH	ACLA	HB	LHCC	UHC	Total
January 2019	\$29,393,367	\$35,342,336	\$50,405,170	\$67,940,029	\$78,729,532	\$261,810,434
February 2019	\$29,018,345	\$34,213,479	\$49,224,816	\$65,509,038	\$75,869,835	\$253,835,512
March 2019	\$29,160,296	\$35,761,679	\$51,524,174	\$67,833,707	\$82,006,693	\$266,286,549
SFY 2019 Q3 Total	\$87,572,007	\$105,317,494	\$151,154,160	\$201,282,774	\$236,606,060	\$781,932,496
SFY 2019 YTD²	\$264,205,994	\$315,710,524	\$440,958,939	\$610,882,513	\$693,388,183	\$2,325,146,103

Source: Medicaid Data Warehouse and ISIS/CP-012, data extracted on 7/15/2019.

In addition to the services provided by the MCOs, the state contracts with a single dental benefit program manager, MCNA, Inc., to provide administration of dental benefits for the expansion population. Expansion enrollees aged 19 and 20 years are eligible for all Medicaid covered dental services. Enrollees 21 years of age and over are eligible for covered denture services only. Table 4 provides total payments for dental benefits by month of payment.

Table 4: Total payments for dental benefits for expansion population, SFY 2019 Quarter 3

	MCNA
January 2019	\$1,207,928
February 2019	\$1,223,977
March 2019	\$1,220,950
SFY 2019 Q3 Total	\$3,652,855
SFY 2019 YTD	\$11,043,079

Source: Medicaid Data Warehouse and ISIS/CP-012, data extracted on 4/9/19.

² Includes \$2,838,341 of payments for Health Information Provider Fee that was miscoded in ISIS to expenditure org 8114, sub-object Ex rather than the expansion expenditure org 812A.

Medicaid Expansion Population Service Utilization

As requested in Act 482 of the 2018 Regular Legislative Session, this section provides a comparison of specified service utilization for the expansion population and the non-expansion population, by age cohort. Note that the data are not directly comparable to data presented in previous SR 163 reports due to the change in methodology from date of service to date of payment as discussed in the introduction.

The number of recipients who received services is unduplicated within each service category and reporting time period and as a result cannot be added to ascertain the total number of recipients who received services each month. Total expenditures within these reporting categories in SFY 2019 quarter 3 was \$461,477,322 for the expansion population and \$611,076,415 for the non-expansion population, as detailed by service and month in Tables 5 and 6 below.

Table 5: Service utilization and expenditures for expansion enrolled individuals, SFY 2019 Quarter 3

Age Cohort	Emergency Department		Hospital Inpatient		Hospital Outpatient		NEMT		Pharmacy		Physicians	
	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments
January 2019												
19 to 49	34,938	\$6,248,765	4,569	\$24,582,132	63,652	\$17,773,823	2,944	\$394,807	146,489	\$31,614,331	103,764	\$15,884,604
50 to 64	8,278	\$1,700,804	1,669	\$12,370,954	27,628	\$12,271,215	2,218	\$202,059	66,799	\$18,837,775	38,827	\$7,854,752
February 2019												
19 to 49	35,483	\$6,888,460	4,437	\$22,980,976	66,956	\$20,297,815	3,678	\$502,910	145,561	\$29,818,958	101,986	\$15,473,147
50 to 64	8,777	\$1,936,167	1,607	\$11,710,853	29,070	\$14,473,490	2,501	\$227,148	65,482	\$17,634,181	38,231	\$7,797,666
March 2019												
19 to 49	35,667	\$6,866,676	5,014	\$29,288,275	66,853	\$19,932,692	4,270	\$626,401	150,336	\$31,487,741	104,980	\$16,143,240
50 to 64	8,256	\$1,834,833	1,818	\$14,949,203	29,048	\$13,748,339	3,062	\$298,132	66,906	\$18,625,010	39,557	\$8,198,988
SFY 2019 Q3 Total												
19 to 49	85,474	\$20,003,902	12,452	\$76,851,383	135,623	\$58,004,330	7,987	\$1,524,118	217,528	\$92,921,030	188,547	\$47,500,990
50 to 64	20,656	\$5,471,805	4,375	\$39,031,010	53,023	\$40,493,044	5,091	\$727,339	82,132	\$55,096,966	65,631	\$23,851,405
SFY 2019 YTD (July 2018 – March 2019)³												
YTD SFY 2019	214,088	\$69,140,215	42,608	\$327,948,730	317,383	\$269,451,496	25,481	\$6,934,548	401,623	\$433,321,333	385,219	\$205,711,553

Source: Medicaid Data Warehouse, data extracted on 4/15/19, 4/24/19 and 5/21/19.

²YTD totals for the SFY are updated at the end of each quarter and therefore may not equal to the sum of months across quarterly reports. The annual Transparency Report for SFY 2019 will provide an update of the monthly, quarterly and annual data.

Table 6: Service utilization and expenditures for non-expansion enrolled individuals, SFY 2019 Quarter 3

Age Cohort	Emergency Department		Hospital Inpatient		Hospital Outpatient		NEMT		Pharmacy		Physicians	
	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments
January 2019												
0 to 18	38,912	\$5,660,846	4,850	\$33,864,809	69,409	\$12,234,702	2,486	\$287,957	186,845	\$23,431,971	194,370	\$23,300,566
19 to 49	15,966	\$3,004,591	3,889	\$18,170,550	30,935	\$9,066,944	3,257	\$334,398	64,373	\$18,241,553	49,638	\$8,988,462
50 to 64	5,175	\$1,188,652	1,313	\$10,665,988	13,770	\$7,175,395	4,105	\$338,322	31,491	\$15,051,044	19,560	\$4,528,536
65+	96	\$24,880	44	\$360,985	396	\$183,139	1,416	\$109,852	1,136	\$356,490	607	\$137,340
February 2019												
0 to 18	45,504	\$7,059,736	4,719	\$31,907,410	82,955	\$14,282,023	3,290	\$470,247	217,110	\$25,943,878	214,313	\$25,450,167
19 to 49	16,332	\$3,286,624	3,391	\$16,011,013	32,497	\$10,327,623	3,962	\$430,167	65,051	\$19,133,882	48,617	\$8,509,917
50 to 64	5,359	\$1,297,431	1,270	\$10,416,042	14,605	\$8,898,434	4,933	\$431,510	31,867	\$16,013,078	19,714	\$4,514,662
65+	125	\$30,651	43	\$368,172	429	\$263,188	1,747	\$131,610	1,198	\$292,611	615	\$145,584
March 2019												
0 to 18	45,631	\$7,012,970	5,083	\$33,479,782	83,897	\$14,500,355	3,540	\$508,568	215,271	\$24,975,516	214,900	\$25,683,676
19 to 49	16,158	\$3,271,664	3,727	\$18,081,886	32,262	\$9,962,651	4,743	\$528,855	65,102	\$18,218,680	48,998	\$8,660,396
50 to 64	5,139	\$1,218,517	1,480	\$12,914,777	14,514	\$7,950,744	6,186	\$559,230	31,750	\$15,077,872	19,995	\$4,692,290
65+	126	\$33,995	51	\$572,389	434	\$242,146	2,107	\$164,820	1,150	\$283,932	620	\$157,071
SFY 2019 Q3 Total												
0 to 18	112,742	\$19,733,552	13,627	\$99,252,001	181,027	\$41,017,080	7,577	\$1,266,772	368,857	\$74,351,365	396,416	\$74,434,408
19 to 49	37,837	\$9,562,879	9,932	\$52,263,448	62,524	\$29,357,219	8,142	\$1,293,420	93,796	\$55,594,116	84,597	\$26,158,775
50 to 64	11,893	\$3,704,601	3,286	\$33,996,807	25,078	\$24,024,573	9,388	\$1,329,062	37,314	\$46,141,994	30,853	\$13,735,487
65+	286	\$89,527	113	\$1,301,546	788	\$688,473	3,184	\$406,281	1,532	\$933,033	1,061	\$439,995
SFY 2019 YTD (July 2018 – March 2019)⁴												
YTD SFY 2019	326,807	\$85,790,243	69,158	\$504,674,384	475,101	\$256,480,148	49,996	\$13,387,128	704,638	\$523,742,861	752,530	\$324,221,207

Source: Medicaid Data Warehouse, data extracted on 4/15/19, 4/24/19 and 5/21/19.

⁴YTD totals for the SFY are updated at the end of each quarter and therefore may not equal to the sum of months across quarterly reports. The annual Transparency Report for SFY 2019 will provide an update of the monthly, quarterly and annual data.

Pharmacy Benefit Managers

All five MCOs manage pharmacy benefits for members enrolled with full-benefits coverage. Partial-benefit members continue to receive pharmacy benefits under fee-for-service Medicaid.

An MCO can self-administer its pharmacy benefits or subcontract with a pharmacy benefit manager (PBM). Table 7 lists the name of each PBM, identified as contracted or owned and whether the PBM was a subsidiary of the MCO's parent company during SFY 2019 quarter 3.

Table 7: MCO PBMs, SFY 2019 Quarter 3

	ABH	ACLA	HB	LHCC	UHC
PBM Name	CVS Caremark	PerformRx	Express Scripts	US Script	OptumRx
Contracted/Owned	Contracted	Owned	Contracted	Owned	Owned
Subsidiary of Parent	No	Yes	No	Yes	Yes

Source: Self-reported by MCO, Report 054, accessible at <http://ldh.la.gov/index.cfm/page/1700>.

PBM Revenue Streams

Table 8 provides a listing of revenues paid monthly to each PBM for management of the MCO's pharmacy benefit, including any rebates earned and retained by either the PBM or the MCO. All amounts are reported on a cash basis in the month received or remitted. The time period for collection of rebates by the PBM and remittance to the MCO varies across plans, with some occurring monthly and others quarterly. Rebates collected by the MCO are not remitted to the Department; however, these amounts are used by the actuary as a reduction in net pharmacy costs in the calculation of capitation rates. A year to date summary for SFY 2019 is provided in Table 9.

Table 8: MCO PBM revenues by month, SFY 2019, Quarter 3

	ABH	ACLA	HB	LHCC	UHC
January 2019					
Transaction Fees Paid by MCO to PBM	\$85,636	\$0	\$335,314	\$685,035	\$1,184,161
Rebates and Discounts Retained by the MCO or PBM	\$0	\$0	\$0	\$0	\$3,053,582
Rebates and Discounts Collected by the MCO or PBM and Remitted to LDH	\$0	\$0	\$0	\$0	\$0
Amount Retained by the PBM through Spread Pricing	\$0	\$0	\$3,362,747	\$0	\$3,941,311
Other Monies Retained by the PBM that are not Reimbursed to Pharmacists ⁵	\$0	\$461,004	\$863	\$0	\$0
February 2019					
Transaction Fees Paid by MCO to PBM	\$76,955	\$0	\$364,488	\$630,351	\$1,142,965
Rebates and Discounts Retained by the MCO or PBM	\$881,570	\$0	\$1,381,119	\$0	\$2,117,299
Rebates and Discounts Collected by the MCO or PBM and Remitted to LDH	\$0	\$0	\$0	\$0	\$0
Amount Retained by the PBM through Spread Pricing	\$0	\$0	\$3,579,134	\$0	\$4,512,799
Other Monies Retained by the PBM that are not Reimbursed to Pharmacists ⁴	\$0	\$459,923	\$0	\$0	\$0
March 2019					
Transaction Fees Paid by MCO to PBM	\$100,650	\$0	\$441,059	\$643,858	\$1,154,234
Rebates and Discounts Retained by the MCO or PBM	\$0	\$1,374,064	(\$358) ⁶	\$3,644,909	\$1,786,611
Rebates and Discounts Collected by the MCO or PBM and Remitted to LDH	\$0	\$0	\$0	\$0	\$0
Amount Retained by the PBM through Spread Pricing	\$0	\$0	\$4,002,925	\$0	\$4,204,162
Other Monies Retained by the PBM that are not Reimbursed to Pharmacists ⁴	\$0	\$461,589	\$527	\$0	\$0

Source: MCO self-reported, Report 054, accessible at <http://ldh.la.gov/index.cfm/page/1700>.

⁵Other monies reported by ACLA and HB were listed as administrative fees.

⁶Adjustment is based on Healthy Blue's reconciliation of quarterly distribution of rebates reported by ESI in February.

Table 9: MCO PBM revenues year to date summary, SFY 2019

	ABH	ACLA	HB	LHCC	UHC
SFY 2019 Q3 Total					
Transaction Fees Paid by MCO to PBM	\$263,240	\$0	\$1,140,860	\$1,959,244	\$3,481,360
Rebates and Discounts Retained by the MCO or PBM	\$881,570	\$1,374,064	\$1,380,761	\$3,644,909	\$6,957,492
Rebates and Discounts Collected by the MCO or PBM and Remitted to LDH	\$0	\$0	\$0	\$0	\$0
Amount Retained by the PBM through Spread Pricing	\$0	\$0	\$10,944,805	\$0	\$12,658,271
Other Monies Retained by the PBM that are not Reimbursed to Pharmacists ⁷	\$0	\$1,382,516	\$1,390	\$0	\$0
SFY 2019 YTD (July 2018 – March 2019)					
Transaction Fees Paid by MCO to PBM	\$791,734	\$0	\$3,211,430	\$10,907,619	\$10,146,280
Rebates and Discounts Retained by the MCO or PBM	\$2,355,401	\$4,324,043	\$4,053,157	\$10,206,277	\$17,697,134
Rebates and Discounts Collected by the MCO or PBM and Remitted to LDH	\$0	\$0	\$0	\$0	\$0
Amount Retained by the PBM through Spread Pricing	\$0	\$0	\$29,312,249	\$0	\$30,565,808
Other Monies Retained by the PBM that are not Reimbursed to Pharmacists ⁶	\$0	\$3,941,739	\$11,251	\$0	\$0

Source: MCO self-reported, Report 054, accessible at <http://ldh.la.gov/index.cfm/page/1700>.

⁷Other monies reported by ACLA and HB were listed as administrative fees.

Louisiana Department of Health

628 North Fourth Street, Baton Rouge, Louisiana 70802

(225) 342-9500

www.ldh.la.gov



www.facebook.com/LaHealthDept



www.twitter.com/LADeptHealth