

# Medicaid Managed Care Quarterly Transparency Report

*State Fiscal Year 2019 – Quarter 2*

*Response to Act 482 of the 2018 Regular Legislative Session*

*Prepared by:*

**Louisiana Department of Health**

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## 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

## 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 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
SFY	State Fiscal Year	CMS	Centers for Medicare & Medicaid Strategies
YTD	Year to Date	MCNA	Managed Care of North America, Inc. (the DBPM)
PBM	Pharmacy Benefits Manager		

## 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.

During the current reporting quarter, October 1, 2018 through December 31, 2018, the unduplicated count of expansion enrollees was 505,621.

### Expansion Enrollment by Age Cohort and MCO

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 2**

	ABH	ACLA	HB	LHCC	UHC	Total
<b>October 2018</b>						
<b>Ages 19 to 49</b>	37,336	51,064	71,391	103,327	113,506	376,624
<b>Ages 50 to 64</b>	15,378	14,534	20,796	26,143	29,746	106,597
<b>Total</b>	52,714	65,598	92,187	129,470	143,252	483,221
<b>November 2018</b>						
<b>Ages 19 to 49</b>	37,138	51,064	71,403	103,321	113,383	376,309
<b>Ages 50 to 64</b>	15,147	14,392	20,606	25,798	29,419	105,362
<b>Total</b>	52,285	65,456	92,009	129,119	142,802	481,671
<b>December 2018</b>						
<b>Ages 19 to 49</b>	37,510	51,603	72,386	104,220	114,312	380,031
<b>Ages 50 to 64</b>	15,346	14,681	21,061	26,189	29,883	107,160
<b>Total</b>	52,856	66,284	93,447	130,409	144,195	487,191
<b>SFY 2019 YTD<sup>1</sup></b>	<b>61,402</b>	<b>75,115</b>	<b>104,677</b>	<b>147,770</b>	<b>162,087</b>	<b>537,516</b>

Source: Medicaid Data Warehouse, data extracted on 2/14/19.

<sup>1</sup>YTD 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. November 2018 data shows a significant decrease in the number of enrollees reported with “earned income” as compared to prior months due to differences in the ways the old (MEDS) and new eligibility systems (LaMEDS) capture income data. Beginning with November 2018 reporting, income data was extracted from the new eligibility system, which provides for more discrete reporting and deduplication of individuals with earned income. The result is this one-time corrective decrease in data reported prior to November 2018. The adjusted trend shows approximately 45 percent of expansion enrollees reported earned income in November and 46 percent in December.

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 2**

	ABH	ACLA	HB	LHCC	UHC	Total
<b>October 2018<sup>1</sup></b>						
<b>Ages 19 to 49</b>	22,852	34,388	47,962	72,684	78,893	256,779
<b>Ages 50 to 64</b>	7,141	7,205	10,306	13,620	15,030	53,302
<b>Total</b>	29,993	41,593	58,268	86,304	93,923	310,081
<b>November 2018<sup>2</sup></b>						
<b>Ages 19 to 49</b>	16,406	25,270	34,955	53,719	57,865	188,215
<b>Ages 50 to 64</b>	4,421	4,460	6,282	8,437	9,129	32,729
<b>Total</b>	20,827	29,730	41,237	62,156	66,994	220,944
<b>December 2018<sup>2</sup></b>						
<b>Ages 19 to 49</b>	17,309	26,350	36,557	55,701	60,116	196,033
<b>Ages 50 to 64</b>	4,675	4,745	6,661	8,817	9,591	34,489
<b>Total</b>	21,984	31,095	43,218	64,518	69,707	230,052

<sup>1</sup>Source: Medicaid Eligibility Data System, data extracted on 11/08/18.

<sup>2</sup>Source: New Medicaid eligibility and enrollment system, data extracted 3/25/2018. The apparent decrease in individuals with earned income is a result of differing data structures between the two systems.

## Expansion Per Member Per Month Payments

In the second quarter of SFY 2019, total payments of \$817,601,889 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 2**

	ABH	ACLA	HB	LHCC	UHC	Total
<b>October 2018</b>	\$27,902,166	\$33,473,496	\$47,197,484	\$64,761,374	\$72,202,033	\$245,536,553
<b>November 2018</b>	\$28,497,915	\$33,393,304	\$47,430,620	\$64,703,544	\$71,889,977	\$245,915,361
<b>December 2018</b>	\$35,236,678	\$43,564,874	\$62,617,054	\$86,631,456	\$98,108,913	\$326,158,975
<b>SFY 2019 YTD</b>	\$176,633,937	\$210,393,030	\$289,804,779	\$409,599,740	\$456,782,123	\$1,543,213,608

Source: Medicaid Data Warehouse and ISIS/CP-012, data extracted on 2/21/19.

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 2**

	MCNA
<b>October 2018</b>	\$1,179,338
<b>November 2018</b>	\$1,180,303
<b>December 2018</b>	\$1,536,317
<b>SFY 2019 YTD</b>	\$7,390,224

Source: Medicaid Data Warehouse and ISIS/CP-012, data extracted on 2/21/19.

## 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 2 was \$444,698,342 for the expansion population and \$581,827,821 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 2**

Age Cohort	Emergency Department		Hospital Inpatient		Hospital Outpatient		NEMT		Pharmacy		Physicians	
	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments
<b>October 2018</b>												
19 to 49	38,302	\$6,784,076	5,067	\$26,289,811	69,800	\$20,341,155	4,030	\$482,494	148,345	\$30,681,506	106,307	\$16,745,857
50 to 64	8,976	\$1,791,707	1,782	\$13,320,626	30,309	\$13,689,442	2,840	\$236,609	67,162	\$17,843,106	40,812	\$8,693,565
<b>November 2018</b>												
19 to 49	34,564	\$6,091,862	4,426	\$22,862,573	62,262	\$17,806,732	4,594	\$605,413	145,713	\$29,780,932	96,302	\$14,424,132
50 to 64	8,074	\$1,613,997	1,560	\$12,295,509	27,218	\$11,891,938	3,195	\$306,507	65,965	\$17,011,597	36,430	\$7,282,761
<b>December 2018</b>												
19 to 49	34,223	\$6,436,696	4,235	\$23,130,090	61,983	\$18,173,399	3,678	\$463,726	141,061	\$30,360,557	96,522	\$14,436,071
50 to 64	8,201	\$1,728,677	1,614	\$12,610,128	27,013	\$12,526,639	2,639	\$241,000	64,904	\$18,274,368	37,232	\$7,443,084
<b>SFY 2019 YTD (July 2018 – December 2018)</b>												
<b>TOTAL</b>	<b>164,509</b>	<b>\$45,265,644</b>	<b>29,910</b>	<b>\$214,776,610</b>	<b>261,574</b>	<b>\$177,926,851</b>	<b>20,119</b>	<b>\$4,727,741</b>	<b>357,732</b>	<b>\$287,577,858</b>	<b>328,982</b>	<b>\$135,432,169</b>

Source: Medicaid Data Warehouse, data extracted on 2/18/19.

**Table 6: Service utilization and expenditures for non-expansion enrolled individuals, SFY 2019 Quarter 2**

Age Cohort	Emergency Department		Hospital Inpatient		Hospital Outpatient		NEMT		Pharmacy		Physicians	
	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments	Recipients	Payments
<b>October 2018</b>												
0 to 18	41,831	\$5,905,799	5,177	\$31,523,251	78,269	\$12,747,316	3,613	\$390,876	202,487	\$23,441,060	211,514	\$25,065,348
19 to 49	18,107	\$3,362,050	4,196	\$19,533,737	34,994	\$10,758,378	4,610	\$411,755	66,136	\$18,247,921	52,933	\$9,838,331
50 to 64	5,676	\$1,220,273	1,437	\$12,274,863	15,158	\$8,614,506	5,875	\$446,385	32,090	\$15,041,496	20,806	\$4,968,632
65+	93	\$20,170	35	\$331,868	367	\$161,343	1,938	\$121,512	997	\$263,839	546	\$132,454
<b>November 2018</b>												
0 to 18	41,415	\$5,766,905	3,979	\$26,931,187	73,017	\$11,867,410	4,216	\$569,520	202,787	\$23,288,293	193,791	\$22,017,314
19 to 49	17,160	\$3,240,238	3,581	\$15,716,337	32,061	\$9,730,267	5,012	\$547,095	64,530	\$16,975,449	47,196	\$8,246,541
50 to 64	5,351	\$1,207,839	1,274	\$10,658,441	13,781	\$7,531,476	6,327	\$554,972	31,717	\$14,322,401	18,587	\$4,129,651
65+	88	\$20,549	36	\$262,488	345	\$135,662	2,157	\$169,178	1,002	\$258,993	512	\$110,437
<b>December 2018</b>												
0 to 18	38,154	\$5,707,963	4,828	\$30,729,902	70,807	\$12,157,784	3,202	\$390,576	194,112	\$25,769,590	194,958	\$23,171,237
19 to 49	15,921	\$3,124,941	3,304	\$15,407,380	30,580	\$9,749,466	4,192	\$414,317	62,271	\$18,482,984	46,981	\$8,294,881
50 to 64	5,184	\$1,227,998	1,255	\$10,077,801	13,502	\$7,738,972	5,392	\$451,859	30,919	\$14,695,895	18,887	\$4,160,821
65+	89	\$20,410	37	\$287,732	340	\$181,760	1,822	\$132,418	1,022	\$246,361	564	\$122,967
<b>SFY 2019 YTD (July 2018 – December 2018)</b>												
TOTAL	239,862	\$54,415,689	47,286	\$323,260,811	371,753	\$168,006,450	41,216	\$9,216,713	605,171	\$349,163,414	648,851	\$210,604,108

Source: Medicaid Data Warehouse, data extracted on 2/18/19.



## 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 2.

**Table 7: MCO PBMs, SFY 2019 Quarter 2**

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

Source: Self-reported by health plan, 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 2**

	ABH	ACLA	HB	LHCC	UHC
<b>October 2018</b>					
Transaction Fees Paid by MCO to PBM	\$91,890	\$0	\$333,216	\$1,504,321	\$1,176,438
Rebates and Discounts Retained by the MCO or PBM	\$0	\$0	\$0	\$0	\$2,339,365
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	\$3,630,112	\$0	\$3,331,884
Other Monies Retained by the PBM that are not Reimbursed to Pharmacists <sup>1</sup>	\$0	\$429,255	\$5,453	\$0	\$0
<b>November 2018</b>					
Transaction Fees Paid by MCO to PBM	\$57,230	\$0	\$319,710	\$1,492,859	\$1,142,548
Rebates and Discounts Retained by the MCO or PBM	\$734,932	\$0	\$0	\$3,157,230	\$1,764,634
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	\$3,769,435	\$0	\$3,504,746
Other Monies Retained by the PBM that are not Reimbursed to Pharmacists <sup>1</sup>	\$0	\$423,446	\$0	\$0	\$0
<b>December 2018</b>					
Transaction Fees Paid by MCO to PBM	\$79,905	\$0	\$419,626	\$1,473,719	\$1,097,374
Rebates and Discounts Retained by the MCO or PBM	\$0	\$1,484,955	\$1,343,042	\$0	\$1,642,423
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	\$3,587,478	\$0	\$2,567,109
Other Monies Retained by the PBM that are not Reimbursed to Pharmacists <sup>1</sup>	\$0	\$447,909	\$3,649	\$0	\$0

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

<sup>1</sup>Other monies reported by ACLA and HB were listed as administrative fees.

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

	ABH	ACLA	HB	LHCC	UHC
<b>SFY 2019 YTD (July 2018 – December 2018)</b>					
Transaction Fees Paid by MCO to PBM	\$528,494	\$0	\$2,070,570	\$8,948,375	\$6,664,920
Rebates and Discounts Retained by the MCO or PBM	\$1,473,832	\$2,949,978	\$2,672,396	\$6,561,368	\$10,739,642
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	\$18,367,443	\$0	\$17,907,536
Other Monies Retained by the PBM that are not Reimbursed to Pharmacists <sup>1</sup>	\$0	\$2,559,223	\$9,862	\$0	\$0

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

<sup>1</sup>Other monies reported by ACLA and HB were listed as administrative fees.

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