

Medicaid Managed Care Quarterly Transparency Report

State Fiscal Year 2021 – Quarter 3

Response to Act 482 of the 2018 Regular Legislative Session

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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 benefit managers (PBM). As part of the Medicaid Managed Care Transparency Report, this report includes only those expansion population counts and expenditures for individuals enrolled in an MCO for either full or partial benefits. 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 |
| Q2 | October, November, December | April |
| Q3 | January, February, March | July |
| Q4 | April, May, June | October |

Each quarterly report will provide monthly data for the reporting period, as well as unduplicated year-to-date (YTD) totals for the 2021 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 claims 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 UnitedHealthCare Community Plan

Other Acronyms

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

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% of the Federal Poverty Level. The majority of the expansion group receives full Medicaid coverage through enrollment in one of five contracted Medicaid MCOs. Each month less than 1% of expansion enrollees are enrolled in cases such as incarceration or enrollment in Medicare that may require a period of coverage for some services under fee for service (FFS). Non-managed care data for these cases are not included in this report.

Expansion Enrollment by Age Cohort and MCO

During the current reporting quarter, January 1, 2021 through March 31, 2021, the unduplicated count of expansion enrollees enrolled in an MCO was 630,329. Table 1 provides a breakdown of enrollees by age, MCO and month. Totals for each MCO and for the fiscal year-to-date (YTD) are unduplicated and therefore will not equal the sum or counts by MCO or the sum of counts by month.

Table 1: Expansion enrollment by age cohort and MCO, SFY 2021 Quarter 3

| | ABH | ACLA | HB | LHCC | UHC | Total |
|---------------------------------|--------|--------|---------|---------|---------|---------|
| January 2021 | | | | | | |
| Ages 19 to 49 | 45,435 | 58,415 | 100,191 | 128,853 | 136,364 | 469,258 |
| Ages 50 to 64 | 17,656 | 15,969 | 29,323 | 31,133 | 36,289 | 130,370 |
| Total | 63,091 | 74,384 | 129,514 | 159,986 | 172,653 | 599,628 |
| February 2021 | | | | | | |
| Ages 19 to 49 | 45,999 | 59,344 | 102,125 | 131,560 | 138,932 | 477,960 |
| Ages 50 to 64 | 17,573 | 15,878 | 29,302 | 31,087 | 36,163 | 130,003 |
| Total | 63,572 | 75,222 | 131,427 | 162,647 | 175,095 | 607,963 |
| March 2021 | | | | | | |
| Ages 19 to 49 | 46,561 | 60,121 | 103,621 | 133,230 | 140,563 | 484,096 |
| Ages 50 to 64 | 17,887 | 16,158 | 29,884 | 31,781 | 36,908 | 132,618 |
| Total | 64,448 | 76,279 | 133,505 | 165,011 | 177,471 | 616,714 |
| SFY 2021 Q3 Total | | | | | | |
| Ages 19 to 49 | 48,096 | 61,712 | 106,427 | 136,860 | 144,053 | 494,910 |
| Ages 50 to 64 | 18,604 | 16,788 | 30,972 | 32,914 | 38,215 | 136,959 |
| Total¹ | 66,532 | 78,330 | 137,029 | 169,378 | 181,834 | 630,329 |
| SFY 2021 YTD¹ | 72,545 | 84,665 | 146,128 | 179,537 | 194,765 | 656,757 |

Source: Medicaid Data Warehouse, data extracted 5/14/2021.

¹ Quarterly totals and YTD totals are unduplicated and may not equal the sum of individual cells 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 57% of the expansion population for quarter 3 reported earned income. This analysis 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 2021 Quarter 3²

| | ABH | ACLA | HB | LHCC | UHC | Total |
|---------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|
| January 2021 | | | | | | |
| Ages 19 to 49 | 24,309 | 34,485 | 57,620 | 78,497 | 80,918 | 275,829 |
| Ages 50 to 64 | 6,340 | 6,130 | 10,813 | 12,310 | 13,843 | 49,436 |
| Total | 30,649 | 40,615 | 68,433 | 90,807 | 94,761 | 325,265 |
| February 2021 | | | | | | |
| Ages 19 to 49 | 25,146 | 35,771 | 59,977 | 81,399 | 84,051 | 286,344 |
| Ages 50 to 64 | 6,579 | 6,251 | 11,199 | 12,649 | 14,287 | 50,965 |
| Total | 31,725 | 42,022 | 71,176 | 94,048 | 98,338 | 337,309 |
| March 2021 | | | | | | |
| Ages 19 to 49 | 26,139 | 37,053 | 62,286 | 84,341 | 86,962 | 296,781 |
| Ages 50 to 64 | 6,813 | 6,476 | 11,655 | 13,149 | 14,846 | 52,939 |
| Total | 32,952 | 43,529 | 73,941 | 97,490 | 101,808 | 349,720 |
| SFY 2021 Q3 Total | | | | | | |
| Ages 19 to 49 | 26,977 | 37,975 | 63,859 | 86,639 | 89,176 | 303,374 |
| Ages 50 to 64 | 7,040 | 6,693 | 12,080 | 13,558 | 15,318 | 54,483 |
| Total³ | 33,946 | 44,599 | 75,793 | 100,016 | 104,285 | 357,180 |
| SFY 2021 YTD³ | 37,048 | 48,293 | 80,899 | 106,197 | 111,990 | 373,735 |

Source: Medicaid Eligibility Data System, data extracted on 5/25/2021.

² Methodology for pulling data regarding earned income was updated starting Fiscal Year 2021 to assure that the income corresponds to the current reporting period.

³ Quarterly totals and YTD totals are unduplicated and may not equal the sum of individual cells due to duplication across months and MCOs. Members can be in more than one age group in the quarter at different months therefore the quarterly totals are de-duplicated and will not equal the total between age groups.

Expansion Per Member Per Month Payments

In the third quarter of SFY 2021, total payments of \$1,136,658,530 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 2021 Quarter 3

| | ABH | ACLA | HB | LHCC | UHC | Total |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| January 2021 ⁴ | \$42,146,956 | \$48,274,614 | \$84,638,917 | \$98,817,523 | \$113,047,162 | \$386,925,172 |
| February 2021 ⁵ | \$42,799,548 | \$49,028,753 | \$85,960,355 | \$100,364,992 | \$114,814,061 | \$392,967,709 |
| March 2021 ⁶ | \$38,856,273 | \$44,512,006 | \$78,041,254 | \$91,119,176 | \$104,236,940 | \$356,765,649 |
| SFY 2021 Q3 Total | \$123,802,777 | \$141,815,373 | \$248,640,526 | \$290,301,691 | \$332,098,163 | \$1,136,658,530 |
| SFY 2021 YTD | \$359,998,148 | \$416,268,487 | \$707,649,901 | \$846,507,000 | \$967,087,417 | \$3,297,510,953 |

Source: ISIS/CP-012 and Medicaid Data Warehouse, data extracted 4/14/2021.

Effective January 1, 2021, the Louisiana Department of Health contracted with DentaQuest and MCNA Dental to provide administration of dental benefits for qualified Medicaid enrollees, which includes 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 along with quarterly summation and the YTD total.

Table 4: Total payments for dental benefits for expansion population, SFY 2021 Quarter 3

| | DentaQuest | MCNA | Total |
|----------------------------|--------------------|---------------------|---------------------|
| January 2021 ⁷ | \$769,819 | \$765,192 | \$1,535,011 |
| February 2021 ⁸ | \$1,024,788 | \$1,015,288 | \$2,040,076 |
| March 2021 ⁹ | \$1,047,875 | \$1,033,701 | \$2,081,576 |
| SFY 2021 Q3 Total | \$2,842,482 | \$2,814,181 | \$5,656,663 |
| SFY 2021 YTD | \$2,842,482 | \$17,787,687 | \$20,630,169 |

Source: ISIS/CP-012 and Medicaid Data Warehouse, data extracted on 5/28/2021.

⁴ January payments include \$30.9M in payments for Managed Care Incentive Payment (MCIP) Program.

⁵ February payments include January date of service (DOS) PMPMs paid via lump sum pending approval of 1/1/2021 rates. Also includes \$23.2M in the Managed Care Incentive Payment Program as well as \$5.9M in Hepatitis C Risk Corridor Payments.

⁶ March Payments include February DOS PMPMs paid via lump sum pending CMS approval of 1/1/2021 rates.

⁷ January payments for DentaQuest and MCNA include lump sum payments for Jan 2021 due to pending CMS approval of 1/1/2021 rates.

⁸ February payments for DentaQuest and MCNA include lump sum payments for Feb 2021 due to pending CMS approval of 1/1/2021 rates.

⁹ March payments for DentaQuest and MCNA include lump sum payments for Mar 2021 due to pending CMS approval of 1/1/2021 rates.

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. The expansion population covers any adult who meets the eligibility criteria of aged 19 to 64 years old and has a household income less than 138% of the federal poverty level that do not meet other Medicaid categorical eligibility criteria (Aged, Blind, Child-related, Disabled, or are not eligible for or enrolled in Medicare). Non-expansion includes all other groups of individuals including children under 19, pregnant women, low-income parents/caretakers relatives of minor children, and individuals over 65, blind or disabled.

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 MCO expenditures within these reporting categories in SFY 2021 quarter 3 were \$660,598,205 for the expansion population and \$761,255,338 for the non-expansion population. This includes claims payments made to providers by the MCOs for these select services and does not include payments made under the fee-for-service program. Approximately 46% of total payments by the MCOs to providers for the six categories of service presented are attributed to utilization by the expansion population.

Table 5a: Emergency Department¹⁰ service utilization and expenditures for expansion and non-expansion enrolled individuals, SFY 2021 Quarter 3

| Age Cohort | | Expansion | | | | Non-Expansion | | | | Expansion as a % of Total |
|-----------------------|------------|--------------|---------------|-------------|--------------|---------------|---------------|-------------|--------------|---------------------------|
| | | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | |
| 0 to 18 ¹¹ | Recipients | 0 | 0 | 0 | 0 | 21,610 | 22,355 | 25,328 | 62,604 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$4,404,781 | \$4,390,631 | \$5,056,129 | \$13,851,541 | 0.0% |
| 19 to 49 | Recipients | 30,249 | 27,767 | 31,135 | 74,984 | 13,481 | 12,192 | 13,539 | 31,911 | 70.1% |
| | Payments | \$7,435,857 | \$6,564,051 | \$7,450,412 | \$21,450,320 | \$3,564,069 | \$3,052,231 | \$3,555,463 | \$10,171,764 | 67.8% |
| 50 to 64 | Recipients | 6,499 | 5,905 | 6,800 | 16,368 | 4,402 | 3,945 | 4,585 | 10,273 | 61.4% |
| | Payments | \$1,822,593 | \$1,548,613 | \$1,794,898 | \$5,166,104 | \$1,368,450 | \$1,119,113 | \$1,359,891 | \$3,847,454 | 57.3% |
| 65+ ¹¹ | Recipients | 0 | 0 | 0 | 0 | 102 | 112 | 109 | 275 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$29,724 | \$36,405 | \$36,963 | \$103,091 | 0.0% |

Source: Medicaid Data Warehouse, data extracted on 5/13/2021.

¹⁰ Emergency department (ED) includes facility payments only. ED associated payments for physician services are included in table 5f.

¹¹ Medicaid Expansion population covers adults ages 19 through 64.

Table 5b: Hospital Inpatient service utilization and expenditures for expansion and non-expansion enrolled individuals, SFY 2021 Quarter 3

| Age Cohort | | Expansion | | | | Non-Expansion | | | | Expansion as a % of Total |
|-----------------------|------------|--------------|---------------|--------------|--------------|---------------|---------------|--------------|---------------|---------------------------|
| | | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | |
| 0 to 18 ¹² | Recipients | 0 | 0 | 0 | 0 | 5,361 | 4,541 | 5,089 | 14,101 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$33,256,669 | \$33,092,310 | \$34,886,198 | \$101,235,177 | 0.0% |
| 19 to 49 | Recipients | 4,797 | 5,220 | 5,638 | 13,937 | 3,434 | 3,678 | 4,131 | 9,962 | 58.3% |
| | Payments | \$28,510,967 | \$33,069,759 | \$36,169,509 | \$97,750,235 | \$18,639,009 | \$19,778,312 | \$23,370,131 | \$61,787,453 | 61.3% |
| 50 to 64 | Recipients | 1,531 | 1,796 | 1,929 | 4,574 | 1,249 | 1,536 | 1,628 | 3,564 | 56.2% |
| | Payments | \$13,822,445 | \$16,802,135 | \$19,958,098 | \$50,582,678 | \$13,006,343 | \$15,719,301 | \$17,079,842 | \$45,805,486 | 52.5% |
| 65+ ¹² | Recipients | 0 | 0 | 0 | 0 | 56 | 62 | 69 | 155 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$499,961 | \$901,426 | \$735,757 | \$2,137,145 | 0.0% |

Source: Medicaid Data Warehouse, data extracted on 5/13/2021.

Table 5c: Hospital Outpatient service utilization and expenditures for expansion and non-expansion enrolled individuals, SFY 2021 Quarter 3

| Age Cohort | | Expansion | | | | Non-Expansion | | | | Expansion as a % of Total |
|-----------------------|------------|--------------|---------------|--------------|--------------|---------------|---------------|--------------|--------------|---------------------------|
| | | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | |
| 0 to 18 ¹² | Recipients | 0 | 0 | 0 | 0 | 63,476 | 59,258 | 64,346 | 142,370 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$14,587,461 | \$13,453,156 | \$15,884,227 | \$43,924,844 | 0.0% |
| 19 to 49 | Recipients | 69,785 | 65,911 | 72,854 | 144,877 | 33,593 | 30,506 | 33,503 | 64,993 | 69.0% |
| | Payments | \$25,025,701 | \$22,495,714 | \$27,420,520 | \$74,941,936 | \$13,269,682 | \$11,935,236 | \$14,882,102 | \$40,087,019 | 65.2% |
| 50 to 64 | Recipients | 28,231 | 27,896 | 31,380 | 54,867 | 15,203 | 14,531 | 16,129 | 27,387 | 66.7% |
| | Payments | \$15,892,190 | \$14,816,737 | \$18,255,767 | \$48,964,694 | \$11,837,303 | \$11,203,592 | \$13,835,154 | \$36,876,049 | 57.0% |
| 65+ ¹² | Recipients | 0 | 0 | 0 | 0 | 489 | 546 | 577 | 981 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$338,045 | \$446,068 | \$440,935 | \$1,225,048 | 0.0% |

Source: Medicaid Data Warehouse, data extracted on 5/13/2021.

¹² Medicaid Expansion population covers adults ages 19 through 64.

Table 5d: NEMT service utilization and expenditures for expansion and non-expansion enrolled individuals, SFY 2021 Quarter 3

| Age Cohort | | Expansion | | | | Non-Expansion | | | | Expansion as a % of Total |
|-----------------------|------------|--------------|---------------|------------|-------------|---------------|---------------|-------------|-------------|---------------------------|
| | | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | |
| 0 to 18 ¹³ | Recipients | 0 | 0 | 0 | 0 | 2,263 | 1,259 | 1,209 | 3,774 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$537,320 | \$308,521 | \$210,361 | \$1,056,202 | 0.0% |
| 19 to 49 | Recipients | 3,487 | 2,303 | 2,242 | 5,895 | 4,102 | 2,796 | 2,911 | 6,343 | 48.2% |
| | Payments | \$1,111,391 | \$661,785 | \$609,554 | \$2,382,731 | \$1,466,648 | \$744,920 | \$764,923 | \$2,976,492 | 44.5% |
| 50 to 64 | Recipients | 2,232 | 1,524 | 1,602 | 3,457 | 5,406 | 3,817 | 4,133 | 7,620 | 31.2% |
| | Payments | \$615,183 | \$338,465 | \$329,523 | \$1,283,171 | \$1,969,873 | \$968,187 | \$1,041,696 | \$3,979,755 | 24.4% |
| 65+ ¹³ | Recipients | 0 | 0 | 0 | 0 | 1,941 | 1,373 | 1,482 | 2,713 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$698,185 | \$313,357 | \$333,850 | \$1,345,393 | 0.0% |

Source: Medicaid Data Warehouse, data extracted on 5/13/2021.

Table 5e: Pharmacy service utilization and expenditures for expansion and non-expansion enrolled individuals, SFY 2021 Quarter 3

| Age Cohort | | Expansion | | | | Non-Expansion | | | | Expansion as a % of Total |
|-----------------------|------------|--------------|---------------|--------------|---------------|---------------|---------------|--------------|--------------|---------------------------|
| | | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | |
| 0 to 18 ¹³ | Recipients | 0 | 0 | 0 | 0 | 136,880 | 140,717 | 163,318 | 265,868 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$24,434,586 | \$27,492,081 | \$31,345,614 | \$83,272,281 | 0.0% |
| 19 to 49 | Recipients | 159,774 | 158,561 | 178,605 | 247,661 | 68,797 | 67,077 | 72,906 | 101,716 | 70.9% |
| | Payments | \$49,670,608 | \$53,711,565 | \$63,965,007 | \$167,347,180 | \$29,606,190 | \$30,617,122 | \$37,592,174 | \$97,815,486 | 63.1% |
| 50 to 64 | Recipients | 71,276 | 70,445 | 77,673 | 92,689 | 36,264 | 35,725 | 37,875 | 43,700 | 68.0% |
| | Payments | \$27,734,492 | \$30,216,592 | \$35,751,236 | \$93,702,320 | \$23,405,772 | \$24,700,464 | \$28,210,150 | \$76,316,386 | 55.1% |
| 65+ ¹³ | Recipients | 0 | 0 | 0 | 0 | 1,412 | 1,433 | 1,600 | 1,962 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$530,196 | \$626,239 | \$686,299 | \$1,842,734 | 0.0% |

Source: Medicaid Data Warehouse, data extracted on 5/13/2021.

¹³ Medicaid Expansion population covers adults ages 19 through 64.

Table 5f: Physician¹⁴ service utilization and expenditures for expansion and non-expansion enrolled individuals, SFY 2021 Quarter 3

| Age Cohort | | Expansion | | | | Non-Expansion | | | | Expansion as a % of Total |
|-----------------------|------------|--------------|---------------|--------------|--------------|---------------|---------------|--------------|--------------|---------------------------|
| | | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | January 2021 | February 2021 | March 2021 | SFY 2021 Q3 | |
| 0 to 18 ¹⁵ | Recipients | 0 | 0 | 0 | 0 | 153,319 | 159,298 | 178,257 | 326,538 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$23,157,823 | \$24,879,506 | \$29,124,314 | \$77,161,643 | 0.0% |
| 19 to 49 | Recipients | 109,377 | 112,175 | 122,125 | 211,487 | 49,030 | 49,911 | 53,300 | 89,066 | 70.4% |
| | Payments | \$20,250,402 | \$20,819,980 | \$24,160,153 | \$65,230,535 | \$10,592,494 | \$10,889,526 | \$12,508,301 | \$33,990,321 | 65.7% |
| 50 to 64 | Recipients | 38,611 | 39,895 | 44,758 | 70,247 | 20,413 | 21,099 | 23,017 | 34,332 | 67.2% |
| | Payments | \$9,545,198 | \$10,075,180 | \$12,175,922 | \$31,796,300 | \$5,790,742 | \$6,225,275 | \$7,660,325 | \$19,676,342 | 61.8% |
| 65+ ¹⁵ | Recipients | 0 | 0 | 0 | 0 | 720 | 775 | 862 | 1,359 | 0.0% |
| | Payments | \$0 | \$0 | \$0 | \$0 | \$214,010 | \$234,568 | \$321,654 | \$770,232 | 0.0% |

Source: Medicaid Data Warehouse, data extracted on 5/13/2021.

¹⁴ Includes both emergency and non-emergency services.

¹⁵ Medicaid Expansion population covers adults ages 19 through 64.

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 6 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 2021 quarter 3.

Table 6: MCO PBMs, SFY 2021 Quarter 3

| MCO | PBM | MCO/PBM Relationship |
|------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ABH | CaremarkPCS Health | CVS Health Corporation is the ultimate owner of both Aetna (MCO) and Caremark (PBM). Aetna has an intercompany agreement with Caremark for PBM services. |
| ACLA | PerformRx | Both AmeriHealth Caritas Louisiana, Inc. and PerformRx are wholly-owned by AmeriHealth Caritas Health Plan. ACLA subcontracts with PerformRx for PBM services. |
| HB | IngenioRx | Healthy Blue is a joint venture between Blue Cross Blue Shield Louisiana and Amerigroup Partnership Plan, LLC. Anthem, Inc. is the ultimate parent company of Amerigroup and IngenioRx. IngenioRx provides PBM services to Healthy Blue under a master intercompany services agreement. |
| LHCC | Involve Pharmacy Solutions | Centene Corporation is the parent company of Louisiana Healthcare Connections (LHCC) and Involve Pharmacy Solutions (EPS). LHCC has a PBM contract with EPS and CVS is a subcontractor of EPS. |
| UHC | OptumRx | UnitedHealth Group is the parent company of both OptumRx and UnitedHealthcare of Louisiana. UnitedHealthcare of Louisiana has a contractual relationship with OptumRx for PBM Services. |

Source: Self-reported by MCOs

PBM Revenue Streams

Table 7 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 quarterly and year-to-date summary for SFY 2021 is provided in Table 8.

In advance of the statutory deadline established by Act 482 of the 2018 regular legislative session, MCO contracts were amended to implement certain changes in the managed care pharmacy program that impact the data presented in this section. Effective May 1, 2019, these changes specifically limited contracts for PBM services to a transaction fee only, based on a set rate established by LDH. The current maximum rate set by the Department is \$1.25 per processed claim. With implementation of a single preferred drug list (PDL), PBMs are no longer allowed to enter

into supplemental rebate agreements on drugs included on the single PDL nor are they allowed to engage in spread pricing. However, because these figures are reported on a cash-flow basis, some rebates and discounts that were accrued prior to the May 1, 2019, contract amendment were paid and reported after the May 1 effective date. For dates of services on and after May 1, 2019, the MCO/PBMs may only collect rebates on items not included on the single PDL, such as diabetes testing supplies.

Table 7: MCO PBM revenues by month, SFY 2021 Quarter 3

| | ABH | ACLA | HB | LHCC | UHC |
|-------------------------------------------------------------------------|-----------|-----------|------------|-----------|-------------|
| January 2021 | | | | | |
| Transaction Fees Paid by MCO to PBM | \$148,786 | \$508,187 | \$450,161 | \$604,771 | \$988,725 |
| Rebates and Discounts Retained by the MCO or PBM ^{16,17} | \$0 | \$0 | \$77,583 | \$0 | -\$15,681 |
| 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 | \$0 | \$0 | \$0 |
| Other Monies Retained by the PBM that are not Reimbursed to Pharmacists | \$0 | \$0 | \$0 | \$0 | \$0 |
| February 2021 | | | | | |
| Transaction Fees Paid by MCO to PBM | \$136,035 | \$515,117 | \$371,144 | \$551,533 | \$868,968 |
| Rebates and Discounts Retained by the MCO or PBM ^{16,18} | \$273,823 | \$0 | -\$289,835 | \$0 | \$272,903 |
| 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 | \$0 | \$0 | \$0 |
| Other Monies Retained by the PBM that are not Reimbursed to Pharmacists | \$0 | \$0 | \$0 | \$0 | \$0 |
| March 2021 | | | | | |
| Transaction Fees Paid by MCO to PBM | \$167,630 | \$564,400 | \$398,466 | \$672,571 | \$1,054,489 |
| Rebates and Discounts Retained by the MCO or PBM ¹⁶ | \$0 | \$341,062 | \$362,159 | \$125,594 | \$29,455 |
| 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 | \$0 | \$0 | \$0 |
| Other Monies Retained by the PBM that are not Reimbursed to Pharmacists | \$0 | \$0 | \$0 | \$0 | \$0 |

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

¹⁶ Includes rebates received for prescriptions filled prior to the 5/1/2019 implementation of the single PDL, as well as, rebates for services post 5/1/2019 that are not covered under the single PDL, such as diabetic supplies.

¹⁷ UHC reports a negative rebate balance in January due to an unintentional reversal of some billing in January 2021 that caused the negative cash reporting.

¹⁸ For February, HB amount reflects a payment aggregation change which resulted in an incorrect negative impact from rebates paid out in 2020.

Table 8: MCO PBM revenues quarterly and year to date summary, SFY 2021

| | ABH | ACLA | HB | LHCC | UHC |
|-------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| SFY 2021 Q3 Total | | | | | |
| Transaction Fees Paid by MCO to PBM | \$452,451 | \$1,587,704 | \$1,219,771 | \$1,828,875 | \$2,912,182 |
| Rebates and Discounts Retained by the MCO or PBM ¹⁹ | \$273,823 | \$341,062 | \$149,907 | \$125,594 | \$286,677 |
| 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 | \$0 | \$0 | \$0 |
| Other Monies Retained by the PBM that are not Reimbursed to Pharmacists | \$0 | \$0 | \$0 | \$0 | \$0 |
| SFY 2021 YTD (July 2020 – June 2021) | | | | | |
| Transaction Fees Paid by MCO to PBM | \$1,002,004 | \$4,548,087 | \$2,866,049 | \$5,395,680 | \$8,556,843 |
| Rebates and Discounts Retained by the MCO or PBM ¹⁹ | \$742,661 | \$980,718 | \$560,604 | \$169,591 | \$2,137,955 |
| 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 | \$0 | \$0 | \$0 |
| Other Monies Retained by the PBM that are not Reimbursed to Pharmacists | \$0 | \$0 | \$0 | \$0 | \$0 |

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

¹⁹ Includes rebates received for prescriptions filled prior to the 5/1/2019 implementation of the single PDL, as well as, rebates for services post 5/1/2019 that are not covered under the single PDL, such as diabetic supplies.

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