

EXHIBIT 27. Medicaid Gross Spending and Rebates for Drugs by Delivery System, FY 2015 (millions)

State	Gross spending			Rebates		
	Total	Fee for service	Managed care	Total	Fee for service	Managed care
Total¹	\$53,036.3	\$23,961.7	\$29,074.6	-\$24,012.8	-\$12,135.5	-\$11,877.3
Alabama	605.7	605.7	–	-330.8	-330.8	–
Alaska	67.4	67.4	–	-37.8	-37.8	–
Arizona	909.0	9.9	899.1	-395.3	-8.5	-386.8
Arkansas	358.8	358.8	–	-216.8	-216.8	–
California	6,404.1	4,056.8	2,347.3	-2,633.3	-2,127.2	-506.1
Colorado	674.8	674.8	–	-376.6	-373.0	-3.6
Connecticut	1,116.6	1,116.6	–	-583.5	-583.5	–
Delaware ²	202.9	49.5	153.4	-129.5	-123.1	-6.4
District of Columbia	130.6	72.1	58.5	-83.7	-45.4	-38.3
Florida	2,615.5	563.5	2,051.9	-1,316.0	-445.8	-870.2
Georgia	1,054.7	651.3	403.5	-486.6	-315.3	-171.3
Hawaii ³	881.8	0.2	881.6	-61.0	-0.3	-60.7
Idaho	171.1	171.1	–	-104.5	-104.5	–
Illinois	1,188.3	671.0	517.4	-577.7	-408.3	-169.3
Indiana ²	1,097.5	829.3	268.2	-615.7	-587.1	-28.6
Iowa	432.6	431.6	1.0	-258.8	-258.8	-0.0
Kansas	289.6	0.4	289.2	-224.7	-1.8	-222.9
Kentucky	1,042.0	63.8	978.2	-431.1	-45.6	-385.5
Louisiana	703.1	226.9	476.2	-385.2	-100.5	-284.7
Maine	227.5	227.5	–	-141.2	-141.2	–
Maryland	993.1	502.5	490.6	-504.6	-259.2	-245.4
Massachusetts	1,113.6	524.9	588.7	-541.9	-283.0	-258.9
Michigan	1,552.2	894.8	657.4	-813.5	-519.4	-294.1
Minnesota	864.5	224.5	640.0	-436.9	-232.1	-204.8
Mississippi ²	507.6	203.9	303.6	-237.8	-143.3	-94.4
Missouri ⁴	1,199.0	1,199.0	–	-542.2	-560.6	18.4
Montana	97.8	97.8	–	-60.9	-60.9	–

EXHIBIT 27. (continued)

State	Gross spending			Rebates		
	Total	Fee for service	Managed care	Total	Fee for service	Managed care
Nebraska ⁵	\$168.5	\$162.6	\$5.9	-\$98.5	-\$98.5	–
Nevada	333.6	212.3	121.3	-181.0	-115.6	-\$65.4
New Hampshire	105.8	7.5	98.3	-97.2	-18.2	-79.0
New Jersey	1,352.6	47.6	1,305.0	-632.4	-38.7	-593.7
New Mexico	261.6	5.4	256.2	-200.8	-4.8	-196.0
New York ⁶	5,306.6	678.9	4,627.7	-2,204.4	306.4	-2,510.9
North Carolina	1,656.1	1,656.1	–	-906.1	-906.1	–
North Dakota ²	53.4	31.2	22.2	-13.8	-10.3	-3.5
Ohio	2,418.4	375.5	2,042.9	-1,068.0	-323.8	-744.2
Oklahoma	465.3	465.3	–	-228.9	-228.9	–
Oregon	589.5	152.8	436.7	-284.0	-84.5	-199.5
Pennsylvania	2,120.7	67.2	2,053.5	-996.0	-57.1	-938.9
Rhode Island ⁷	4.0	4.0	–	-85.4	-13.3	-72.1
South Carolina	475.8	92.5	383.3	-244.7	-59.3	-185.4
South Dakota	81.2	81.2	–	-33.8	-33.8	–
Tennessee ⁵	931.3	876.7	54.6	-608.5	-608.5	–
Texas	3,155.1	679.5	2,475.7	-1,870.3	-502.3	-1,367.9
Utah	180.0	112.6	67.4	-111.9	-67.3	-44.5
Vermont	158.8	158.8	–	-96.9	-96.9	–
Virginia	900.0	100.4	799.6	-322.3	-23.9	-298.4
Washington	794.4	128.9	665.5	-390.6	-83.6	-307.0
West Virginia	528.8	433.4	95.5	-305.1	-252.4	-52.8
Wisconsin	978.3	977.0	1.3	-479.4	-475.0	-4.4
Wyoming	34.2	34.2	–	-25.1	-25.1	–

EXHIBIT 27. (continued)

Notes: FY is fiscal year. Amounts include federal and state funds. Gross spending reflects expenditures prior to the application of manufacturer rebates. The gross drug expenditures in this exhibit use information from the state drug utilization data that states submit to the Centers for Medicare & Medicaid Services (CMS) for rebate purposes, and are different from the CMS-64 Financial Management Report (FMR) and Medicaid Statistical Information System (MSIS) data that serve as our usual sources of expenditure data. Spending shown in the drug utilization data may differ from these other sources due to differences in timing and run-out of data used. In addition, the drug rebate data may include physician-administered drugs for which rebates are available; the spending for these drugs are typically reported under the physician services category instead of the outpatient prescription drug category in other data. The state drug utilization data provide both fee-for-service and managed care drug utilization and spending information at the national drug code level, which is not available in CMS-64 data. The state drug utilization data are available at <https://www.medicaid.gov/medicaid/prescription-drugs/state-drug-utilization-data/index.html>. Beginning in October 2016, CMS, as obligated by the Privacy Act of 1974 (5 U.S.C. § 552a) and the Health Insurance Portability and Accountability Act privacy rule (45 CFR Parts 160 and 164), has suppressed all records in the state drug utilization data that are less than 11 counts. The drug rebate information comes from the CMS-64 and does allow states to separately identify fee-for-service and managed care drug rebates. The rebate totals shown here include federal rebates, state supplemental rebates, and the rebate increases attributable to the Affordable Care Act.

Due to the time it takes to collect the drug utilization information and invoice drug manufacturers for the rebate, the rebates collected in any particular quarter are generally attributable to drugs purchased in prior quarters; thus, the gross spending and rebate dollars for a given time period are not necessarily aligned. Changes in covered populations or benefit design (e.g., managed care expansion or pharmacy carve-in) can create distortions in the data, because changes will be reflected in gross spending before they are reflected in rebates collected.

– Dash indicates zero; -\$0.0 indicates an amount between zero and -\$0.5 million that rounds to zero.

- ¹ The national total for gross spending does not equal the sum of the states due to the suppression of records (as described in the Notes above). Records for drugs that were suppressed at the state level were not necessarily suppressed once the individual state data were rolled up into the national summary file. While we do not know how much spending has been suppressed in the national summary file, comparison of the updated FY 2014 files with data suppression to last year's MACStats indicate that about \$370 million dollars (0.9 percent) have been suppressed in the FY 2014 data.
- ² State recently carved the pharmacy benefit into managed care, implemented a new managed care program, or expanded their managed care program. This change creates a large difference between gross spending and rebate collections for fee for service and managed care, resulting in anomalous rebate percentages at the delivery system level.
- ³ Hawaii's managed care spending more than doubled from FY 2014 while prescription volume and rebates remained about the same.
- ⁴ Missouri reports a positive managed care rebate amount. The state made prior period adjustments to offset the managed care drug rebates reported in FY 2014.
- ⁵ State generally carves out prescription drugs from the managed care program. State managed care spending may reflect physician-administered drugs; however, rebates for these managed care expenditures are not reported separately in the CMS-64 data and appear to be reported with the fee-for-service rebates.
- ⁶ New York reports a positive fee-for-service rebate amount. The state made prior period adjustments to reclassify some fee-for-service drug rebates as managed care.
- ⁷ Rhode Island has not reported any managed care drug utilization since the second quarter of FY 2013.

Source: MACPAC, 2016, analysis of Medicaid state drug rebate utilization data as of October 2016 and CMS-64 FMR net expenditure data as of May 24, 2016.