

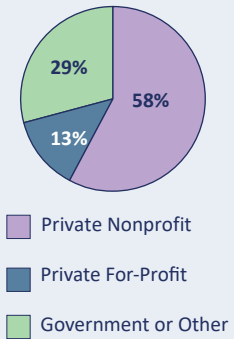


Annual Medicaid MCO Survey Pharmacy

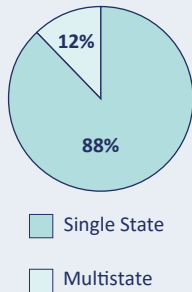
Demographics

In its sixth year, the 2023 survey findings represent health plan data from almost every state with Medicaid managed care. The annual survey collected information at the parent company/corporate levels and is intended to equip Medicaid stakeholders with the information needed to accurately articulate the national narrative about Medicaid managed care. The survey respondents are representative of the national demographics of all Medicaid health plans.

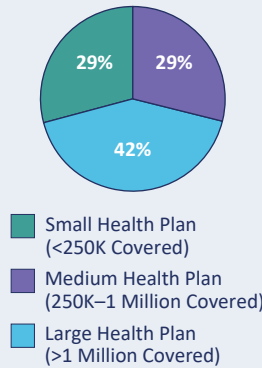
Health Plan Tax Status



Health Plan Markets

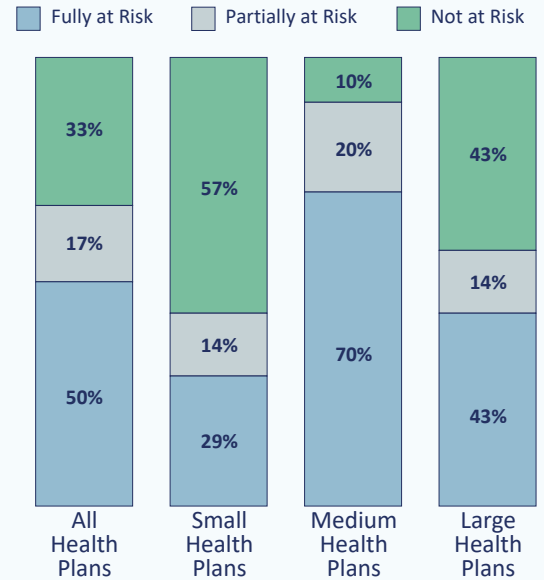


Health Plan Size



Source: Institute for Medicaid Innovation. "2023 Annual Medicaid Health Plan Survey."

Medicaid Health Plans Responsible for Managing Pharmacy Benefits



Note: Health plans not at risk for pharmacy benefits did not respond to questions in the pharmacy section of the 2023 Annual Medicaid Health Plan survey.

Source: Institute for Medicaid Innovation. "2023 Annual Medicaid Health Plan Survey."

Challenges Medicaid Health Plans Experience When Managing Prescription Drug Benefit

Utilization and cost history unknown for new drugs entering a market

Increase in cost of specialty pharmacy medications

Members' comprehension of and engagement in programs

Single preferred drug list (PDL)/formulary requirements

Increase in number of specialty pharmacy medications

Pharmacy benefits or subset of benefits carved out of managed care

Difference between plan formularies and methodologies and state requirements

Pharmacy network requirements

Vendor performance management (e.g., pharmacy benefit manager [PBM], specialty)

Formulary notification requirements as part of Medicaid Managed Care Organization Final Rule











	Small Health Plans	Medium Health Plans	Large Health Plans	All Health Plans
Utilization and cost history unknown for new drugs entering a market	67%	78%	50%	69%
Increase in cost of specialty pharmacy medications	33%	67%	75%	63%
Members' comprehension of and engagement in programs	100%	56%	25%	56%
Single preferred drug list (PDL)/formulary requirements	0%	67%	75%	56%
Increase in number of specialty pharmacy medications	33%	44%	75%	50%
Pharmacy benefits or subset of benefits carved out of managed care	100%	22%	50%	44%
Difference between plan formularies and methodologies and state requirements	67%	33%	25%	38%
Pharmacy network requirements	0%	11%	50%	19%
Vendor performance management (e.g., pharmacy benefit manager [PBM], specialty)	33%	0%	50%	19%
Formulary notification requirements as part of Medicaid Managed Care Organization Final Rule	0%	11%	25%	13%

Source: Institute for Medicaid Innovation. "2023 Annual Medicaid Health Plan Survey."



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Most Common State-Led Strategies to Address New or High-Cost Drugs, as Identified by Medicaid Health Plans

47%	Carved-out the drug costs completely; pay Fee-for-Service (FFS) for certain drug(s)		20%	Transition period where drug(s) are offered in FFS to get claims data then rolled into contracts.	
33%	Capitation rate adjustment as part of regular rate adjustments		20%	Capitation rate adjustments made off the normal rate cycle	
33%	Kick payment for certain drug(s)		13%	Stop-loss provision to cap the plan's cost for the drug	
27%	Risk corridor for high-cost medications		7%	Risk sharing	
27%	Other (including identifying rebates, nonrisk arrangements for high-cost gene therapy, and carved-out drugs for pharmacies)		7%	States have not addressed the cost	

Note: No health plan selected "Value-based payments with manufacturers."

Source: Institute for Medicaid Innovation. "2023 Annual Medicaid Health Plan Survey."

Pharmacy Benefit Activities and Initiatives Medicaid Health Plans Implemented to Address the Opioid Epidemic

Pharmacy and/or prescriber lock program for members using multiple prescribers	88%	
Quantity and/or days' supply limits for new starts	81%	
Case management to ensure appropriate care and referral to services	63%	
Removing barriers to medication-assisted treatment (MAT) (e.g., prior authorization (PA) for testing or MAT)	56%	
Policies to decrease new starts for concurrent opioid/benzodiazepine	50%	
44%	Review dose limit policies to ensure they do not encourage involuntary tapers and prompt clinical review of exception requests	
25%	Remove or reduce restrictions for or add to formulary common non-opioid pain medications (e.g., topicals, antidepressants, neuroleptics with indications for pain)	
19%	Remove or restrict methadone for pain	
19%	Other (includes opioids fall under statewide Preferred Drug List (PDL), health plan maintains an interactive data dashboard to monitor utilization for opioids, and health plan utilizes pharmacy claims data to monitor for high risk opioid utilization events.)	
13%	Remove or reduce restrictions for other pain services	

Source: Institute for Medicaid Innovation. "2023 Annual Medicaid Health Plan Survey."