

Managed Care Pharmacy Expenditures & Rebates Single PDL (Pre/Post) and Future Projections

(FY2021 Appropriation Act - Public Act 166 of 2020)

July 15, 2021

Sec. 1879. (1) *The department shall maintain a single, standard preferred drug list to be used by all contracted Medicaid managed health care programs. Changes to the preferred drug list shall be made in consultation with all contracted managed health care programs and the Michigan pharmacy and therapeutics committee to ensure sufficient access to medically necessary drugs for each disease state. The department shall have final authority over the list and it shall be designed to ensure access to clinically effective and appropriate drug therapies and maximize federal rebates and supplemental rebates.*

(2) *By July 15 of the current fiscal year, the department shall submit a report to the senate and house appropriations subcommittees on the department budget, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office that compares the managed care pharmacy expenditures prior to the implementation of a single, standard preferred drug list to managed care pharmacy expenditures after the implementation of a single, standard preferred drug list. The report shall include data on collected rebates and expenditures by quarter for at least 8 quarters prior to implementing a single, standard preferred drug list, and the experienced rebates and expenditures for at least 2 quarters, and the projected rebates and expenditures for at least 6 quarters after the implementation of a single, standard preferred drug list. The data shall be aggregated by the department so as not to disclose the proprietary or confidential drug-specific information, or the proprietary or confidential information that directly or indirectly identifies financial information linked to a single manufacturer. The report shall include any administrative costs or savings associated with the continued implementation of a single, standard Medicaid preferred drug list and must include information on a per Medicaid prescription basis.*



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See table below for the requested overview of managed care pharmacy expenditures and rebates prior to and after the implementation of a single, standard preferred drug list (PDL). This report includes data on collected rebates and expenditures by quarter for at least 8 quarters prior to implementing a single, standard preferred drug list, and the experienced rebates and expenditures for at least 2 quarters, and the projected rebates and expenditures for at least 6 quarters after the implementation of a single, standard preferred drug list. The data is aggregated by the department so as not to disclose the proprietary or confidential drug-specific information, or the proprietary or confidential information that directly or indirectly identifies financial information linked to a single manufacturer. The report includes any administrative costs or savings associated with the continued implementation of a single, standard Medicaid preferred drug list and must include information on a per Medicaid prescription basis.

Medicaid Managed Care Pharmacy Expenditures, Managed Care Organization (MCO) Rebates, and Administrative Costs					
		Rebates			MDHHS Administrative Costs*
Fiscal Quarter	Total Paid Reported on Encounters	MCO Federal Medicaid	MCO PDL Supplemental	Total MDHHS MCO Rebates	
2019Q1	\$ 258,343,511	\$ 133,086,734	\$ -	\$ 133,086,734	\$ -
2019Q2	\$ 245,071,421	\$ 114,883,823	\$ -	\$ 114,883,823	\$ -
2019Q3	\$ 245,310,836	\$ 125,644,836	\$ -	\$ 125,644,836	\$ -
2019Q4	\$ 239,329,491	\$ 99,611,216	\$ -	\$ 99,611,216	\$ -
2020Q1	\$ 246,216,562	\$ 103,757,975	\$ -	\$ 103,757,975	\$ -
2020Q2	\$ 252,617,089	\$ 109,280,335	\$ -	\$ 109,280,335	\$ -
2020Q3	\$ 245,401,005	\$ 112,184,796	\$ -	\$ 112,184,796	\$ -
2020Q4	\$ 258,625,096	\$ 105,941,400	\$ -	\$ 105,941,400	\$ -
Single PDL - Implemented 10/1/2021					
2021Q1	\$ 327,142,261	\$ 173,787,085	\$ 16,717,214	\$ 190,504,298	\$ 22,150
2021Q2	\$ 368,766,420	\$ 195,828,854	\$ 21,021,801	\$ 216,850,655	\$ 22,150
Future Estimates					
2021Q3	tbd	\$ 184,807,969	\$ 18,869,507	\$ 203,677,477	\$ 22,150
2021Q4	tbd	\$ 184,807,969	\$ 18,869,507	\$ 203,677,477	\$ 22,150
2022Q1	tbd	\$ 184,807,969	\$ 18,869,507	\$ 203,677,477	\$ 22,150
2022Q2	tbd	\$ 184,807,969	\$ 18,869,507	\$ 203,677,477	\$ 22,150
2022Q3	tbd	\$ 184,807,969	\$ 18,869,507	\$ 203,677,477	\$ 22,150
2022Q4	tbd	\$ 184,807,969	\$ 18,869,507	\$ 203,677,477	\$ 22,150

*The MDHHS amended its Pharmacy Benefits Management Services contract to expand support needed for the successful roll-out and maintenance of the Single PDL effective 10/1/20