



**mahp**  
Michigan Association  
of Health Plans

## MAHP: Who We Are

- The Michigan Association of Health Plans is a nonprofit corporation established to promote the interests of member health plans.
- MAHP's mission is "to provide leadership for the promotion and advocacy of high quality, accessible health care for the citizens of Michigan."
- Represents 13 health plans covering all of Michigan and more than 45 related business and affiliated organizations. Our member health plans employ about 8,000 persons throughout the state.
- Member health plans provide coverage for more than 3 million Michigan citizens – nearly one in every three Michiganders.
- Member health plans collect and use health care data, support the use of "evidence based medicine", and facilitate disease management and care coordination in order to provide cost-effective care.



# Our members

Aetna Better Health of Michigan <sup>1,2,3</sup>

Michigan Complete Health <sup>3</sup>

Harbor Health Plan <sup>2,3</sup>

Health Alliance Plan <sup>1,2,3</sup>

Molina Healthcare of Michigan <sup>1,2,3</sup>

Physicians Health Plan <sup>1</sup>

Total Health Care Plan <sup>1,2,3</sup>

McLaren Health Plan <sup>1,2,3</sup>

Meridian Health Plan <sup>1,2,3</sup>

Paramount Care of Michigan <sup>1,3</sup>

Priority Health <sup>1,2,3</sup>

Upper Peninsula Health Plan <sup>2,3</sup>

United Healthcare Community Plan <sup>1,2,3</sup>

**Key: 1 = Commercial Health Plan**

**2 = Medicaid Health Plan**

**3 = Medicare Advantage or Medicare Special  
Needs Plan**



## MAHP VISIONS

- *MAHP members expand coverage access for Consumers. Michigan will provide should be a national leader in providing health insurance coverage options to the State's population.*
- *Michigan's health insurance industry improves value, affordability, choice and competition. By fostering competition, Michigan will become one of the top 25 competitive states for health insurance.*
- *MAHP members will advocate for the improved health status of Michigan consumers. MAHP members will work with partners in government, the provider community, community organizations, and business leaders to improve the health status of Michigan residents in areas that MAHP members serve through meaningful transparency and a focus on integrating benefits.*

# What Health Plans Do

## Utilization Management:

- Techniques that provide safeguards against inappropriate care
- Prior authorization
- Claims review to identify inappropriate care

## Disease & Case Management:

- Early identification of high-risk patients for early intervention
- Focus attention on individuals based on indicators (use of analytics)

## Network Design:

- Carefully pooling providers who provide excellent care at lower costs
- Tiered networks

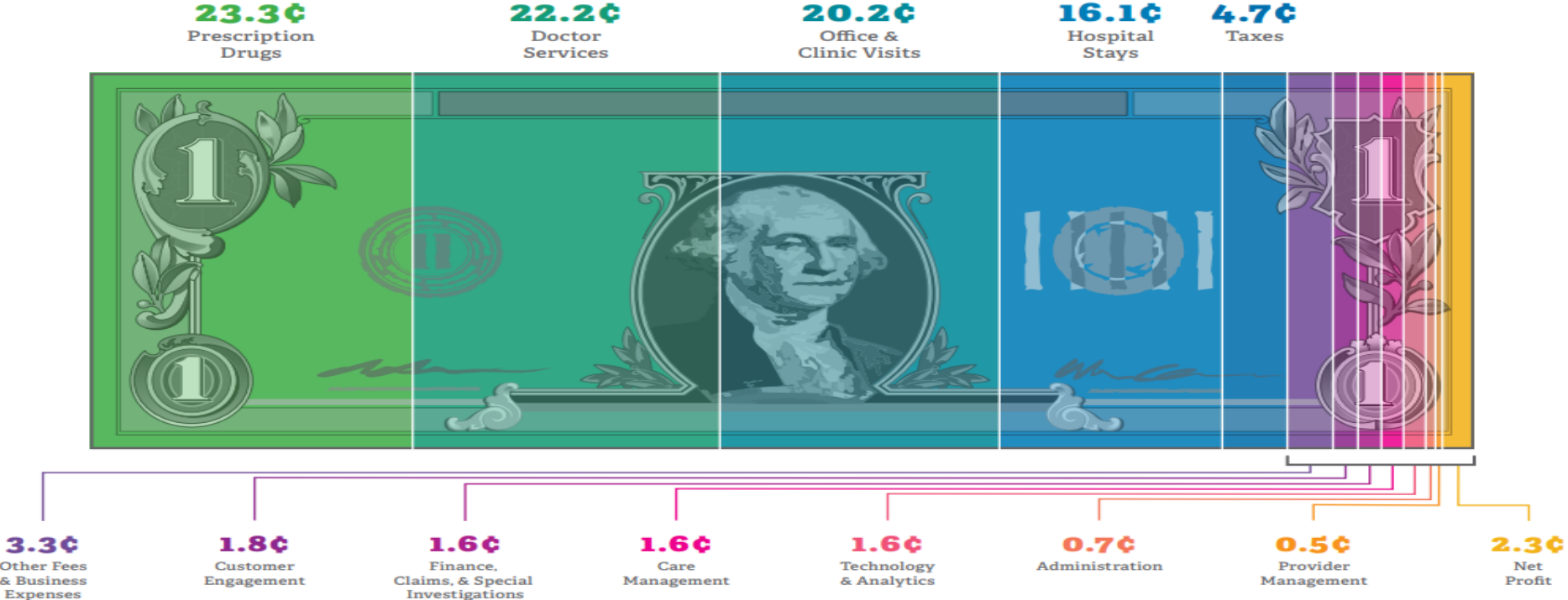
## Benefit Design:

- Cost sharing through copays and deductibles
- Saving/spending accounts (HSAs, FSAs)
- As requested by the market



# Where Does Your Health Care Dollar Go?

Your premium—how much you pay for your health insurance coverage each month—helps cover the costs of the medications and care you receive. It also helps to improve health care quality and affordability for all Americans. Here is where your health care dollar really goes.



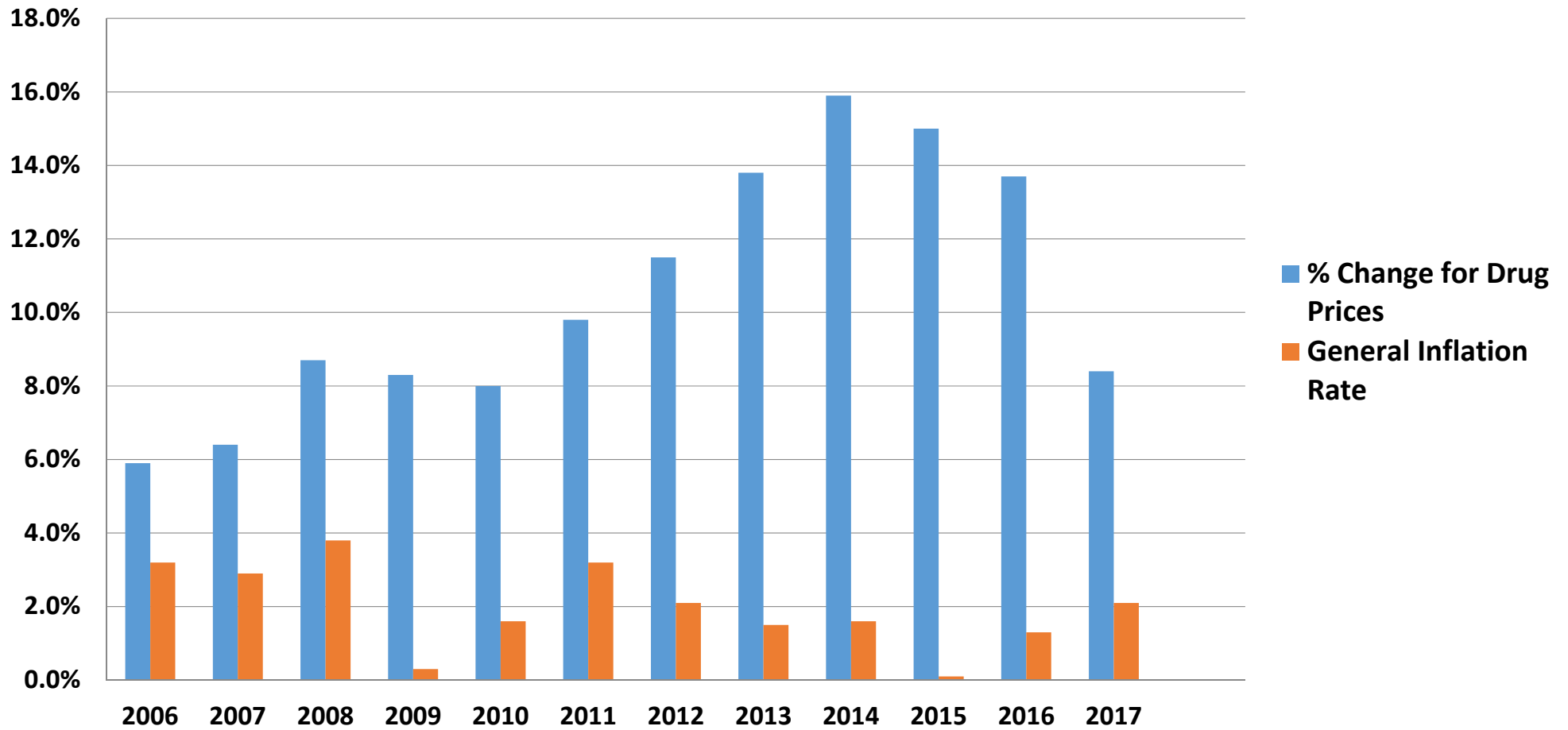
Expenditure estimates above produced by AHIP. Distribution of spending among administrative categories and taxes, based on analysis by Milliman, Inc. Milliman's analysis is available upon request.

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## Prescription Drug Spending Growth Slower but Continues to Rise

- **U.S. prescription drugs spending rose to \$453 billion in 2107; a 6% growth compared to previous increases of 12.5% over previous 2 years**
- **Spending growth slower than previous years, however prices for brand prescriptions continues to rise, increasing by 58% over the past 5 years**
- **Spending continues to shift from traditional drugs to specialty drugs which now account for 46.5% of drug expenditures**
- **Biologic specialty drugs comprise 11.5 billion in spending**

## Change in Drug Costs Compared to Inflation



Source: <http://www.aarp.org/rxpricewatch> Dec. 2017



### MEDICAID DRUG SPENDING DASHBOARD 2015

S - Drug selected due to high total program spending.  
 F - Drug selected due to high annual spending per prescription fill.  
 U - Drug selected due to large increase in average cost per unit (weighted).

MEDICATIONS LIST | INFORMATION



	Brand Name	Generic Name	Total Spending	Prescription Fill Count	Total Spending Per Prescription Fill	Unit Count	Annual Change in Average Cost Per Unit (Weighted)*
S	<a href="#">Abilify</a>	Aripiprazole	\$2,029,596,059	2,074,321	\$978	65,711,387	15%
S	<a href="#">Adderall XR</a>	Dextroamphetamine/Amphetamine	\$449,064,902	1,805,993	\$249	61,283,669	1%
S	<a href="#">Advair Diskus</a>	Fluticasone/Salmeterol	\$580,892,328	1,758,551	\$330	107,436,646	8%
F	<a href="#">Advate</a>	Antihemoph.FVIII, Full Length	\$353,645,102	16,979	\$20,828	300,873,016	1%
U	<a href="#">Anucort-HC</a>	Hydrocortisone Acetate	\$5,024,488	18,364	\$274	434,496	189%
S	<a href="#">Aripiprazole</a>	Aripiprazole	\$605,129,203	947,738	\$638	28,720,496	0%
U	<a href="#">Ativan</a>	Lorazepam	\$5,263,613	7,168	\$734	141,807	1264%
S	<a href="#">Atripla</a>	Efavirenz/Emtricitab/Tenofovir	\$603,023,281	265,692	\$2,270	8,096,820	9%
F	<a href="#">Avastin</a>	Bevacizumab	\$187,568,406	144,610	\$1,297	1,329,969	-5%
U	<a href="#">Carbamazepine</a>	Carbamazepine	\$37,741,065	585,130	\$65	86,163,517	141%
U	<a href="#">Clindamycin Phos-Benzoyl Perox</a>	Clindamycin Phos/Benzoyl Perox	\$6,564,980	10,413	\$630	460,002	181%
U	<a href="#">Clobetasol Propionate</a>	Clobetasol Propionate	\$143,846,674	741,509	\$194	45,393,879	159%
F	<a href="#">Complera</a>	Emtricitab/Rilpivirine/Tenofov	\$313,442,459	138,938	\$2,256	4,210,501	7%
F	<a href="#">Copaxone</a>	Glatiramer Acetate	\$279,012,518	51,497	\$5,418	1,127,085	14%
U	<a href="#">Daraprim</a>	Pyrimethamine	\$15,704,936	2,585	\$6,075	118,175	874%
U	<a href="#">Demerol</a>	Meperidine HCl/PF	\$4,900,983	48,806	\$100	136,314	210%
U	<a href="#">Econazole Nitrate</a>	Econazole Nitrate	\$46,206,960	218,702	\$211	12,779,028	254%
S	<a href="#">Enbrel</a>	Etanercept	\$437,474,118	136,508	\$3,205	574,449	19%
U	<a href="#">Epilex</a>	Carbamazepine	\$2,706,075	58,483	\$46	5,529,061	460%
F	<a href="#">Epzicom</a>	Abacavir Sulfate/Lamivudine	\$141,386,148	117,317	\$1,205	3,493,055	8%
U	<a href="#">Fentanyl Citrate</a>	Fentanyl Citrate/PF	\$55,317,741	474,760	\$117	2,898,294	160%
S	<a href="#">Flovent HFA</a>	Fluticasone Propionate	\$441,361,058	2,264,825	\$195	26,376,028	7%
F	<a href="#">Gleevec</a>	Imatinib Mesylate	\$190,583,268	20,001	\$9,529	820,837	23%
U	<a href="#">Glumetza</a>	Metformin HCl	\$16,130,816	7,873	\$2,049	433,709	296%
U	<a href="#">Granisetron HCl</a>	Granisetron HCl	\$7,787,084	43,149	\$180	170,769	312%
F	<a href="#">H.P. Acthar</a>	Corticotropin	\$144,565,871	3,278	\$44,102	21,943	5%

\* This measure accounts for unit cost changes for different strengths and dosage forms of a drug and presents a weighted average of these percent changes.

## MEDICAID DRUG SPENDING DASHBOARD 2015

S - Drug selected due to high total program spending.  
 F - Drug selected due to high annual spending per prescription.  
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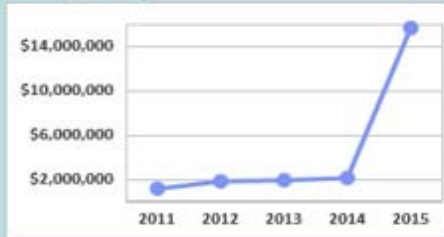
Brand Name	Category
S Abilify	A
S Adderall XR	R
S Advair Diskus	R
F Advate	A
U Anucort-HC	H
S Aripiprazole	A
U Ativan	L
S Atripla	E
F Avastin	E
U Carbamazepine	C
U Clindamycin Phos-Benzoyl Perox	C
U Clobetasol Propionate	C
F Complera	E
F Copaxone	C
U Daraprim	R
U Demerol	M
U Econazole Nitrate	E
S Enbrel	E
U Epirol	C
F Epizcom	A
U Fentanyl Citrate	R
S Flovent HFA	C
F Gleevec	C
U Glumetza	C
U Granisetron HCl	C
F H.P. Acthar	C

### DRUG DETAILS

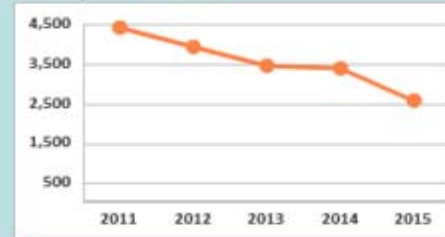
#### Daraprim

Percent Change from 2014 - 2015	Total Spending <b>607%</b>	Prescription Fill Count <b>-24%</b>	Avg Spending Per Prescription Fill <b>831%</b>	Avg Cost Per Unit (Weighted)* <b>874%</b>
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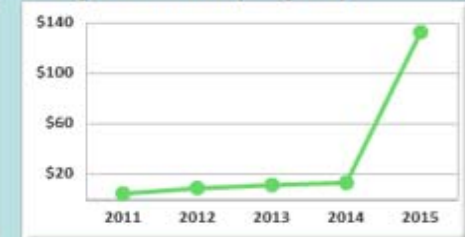
#### Total Spending



#### Prescription Fill Count



#### Average Cost Per Unit (Weighted)\*



#### Additional Measures for 2015

Total Spending	\$15,704,936.08	Prescription Fill Count	2,585	Unit Count	118,175
		Total Spending Per Prescription Fill	\$6,075.41	Avg Cost Per Unit (Weighted)*	\$132.90

#### Drug Description

Brand Name	Daraprim
Generic Name	Pyrimethamine
Uses	This medication is used with other medication (such as a sulfonamide) to treat a serious parasite infection (toxoplasmosis) of the body, brain, or eye or to prevent toxoplasmosis infection in people with HIV infection. Rarely, pyrimethamine is used with sulfadoxine to treat malaria. The CDC no longer recommends using pyrimethamine alone to prevent or treat malaria. Pyrimethamine belongs to a class of drugs known as antiparasitics. It works by killing parasites. NOTE: This is a summary and does NOT have all possible information about this product. This information does not assure that this product is safe, effective, or appropriate for you. This information is not individual medical advice and does not substitute for the advice of your health care professional. Always ask your health care professional for complete information about this product and your specific health needs.
Manufacturer	Amedra/Turing P

#### Evidence-based Practice Center (EPC) Reports (see main page for a full list of EPC reports with website links)

n/a

\* This measure accounts for unit cost changes for different strengths

\* This measure accounts for unit cost changes for different strengths and dosage forms of a drug and presents a weighted average.



## MEDICAID DRUG SPENDING DASHBOARD 2015

S - Drug selected due to high total program spending.  
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Brand Name	Category
U Clobetasol Propionate	C
F Complera	B
F Copaxone	C
U Daraprim	F
U Demerol	M
U Econazole Nitrate	B
S Enbrel	B
U Epitol	C
F Epzicom	A
U Fentanyl Citrate	F
S Flovent HFA	F
F Gleevec	F
U Glumetza	C
U Granisetron HCl	C
F H.P. Acthar	C
S Harvoni	L
F Herceptin	T
S Humalog	I
S Humira; Humira Pen	A
U Hydroxychloroquine Sulfate	H
S Invega; Invega Sustenna; Invega Trinza	F
F Isentress	F
S Lantus; Lantus Solostar	I
S Latuda	L
S Lyrica	F

### DRUG DETAILS

#### Lantus; Lantus Solostar

Percent Change from 2014 - 2015

**39%**

Total Spending

**39%**

Prescription Fill Count

**18%**

Avg Spending Per Prescription Fill

**17%**

Avg Cost Per Unit (Weighted)\*

**15%**

**Total Spending**

Year	Total Spending
2011	\$400,000,000
2012	\$500,000,000
2013	\$700,000,000
2014	\$1,000,000,000
2015	\$1,435,574,714.50

**Prescription Fill Count**

Year	Fill Count
2011	2,000,000
2012	2,500,000
2013	2,800,000
2014	3,200,000
2015	3,651,839

**Average Cost Per Unit (Weighted)\***

Year	Cost Per Unit
2011	\$11
2012	\$12
2013	\$15
2014	\$22
2015	\$25.36

**Additional Measures for 2015**

Total Spending	\$1,435,574,714.50	Prescription Fill Count	3,651,839	Unit Count	56,628,614
		Total Spending Per Prescription Fill	\$393.11	Avg Cost Per Unit (Weighted)*	\$25.36

**Drug Description**

**Brand Name:** Lantus; Lantus Solostar  
**Generic Name:** Insulin Glargine, Hum. Rec. Analog

**Uses:** Insulin glargine is used with a proper diet and exercise program to control high blood sugar in people with diabetes. Controlling high blood sugar helps prevent kidney damage, blindness, nerve problems, loss of limbs, and sexual function problems. Proper control of diabetes may also lessen your risk of a heart attack or stroke. Insulin glargine is a man-made product that is similar to human insulin. It replaces the insulin that your body would normally make. It acts longer than regular insulin, providing a low, steady level of insulin. It works by helping blood sugar (glucose) get into cells so your body can use it for energy. Insulin glargine may be used with a shorter-acting insulin product. It may also be used alone or with other diabetes drugs. NOTE: This is a summary and does NOT have all possible information about this product. This information does not assure that this product is safe, effective, or appropriate for you. This information is not individual medical advice and does not substitute for the advice of your health care professional. Always ask your health care professional for complete information about this product and your specific health needs.

**Manufacturer:** Sanofi-Aventis

**Evidence-based Practice Center (EPC) Reports (see main page for a full list of EPC reports with website links)**

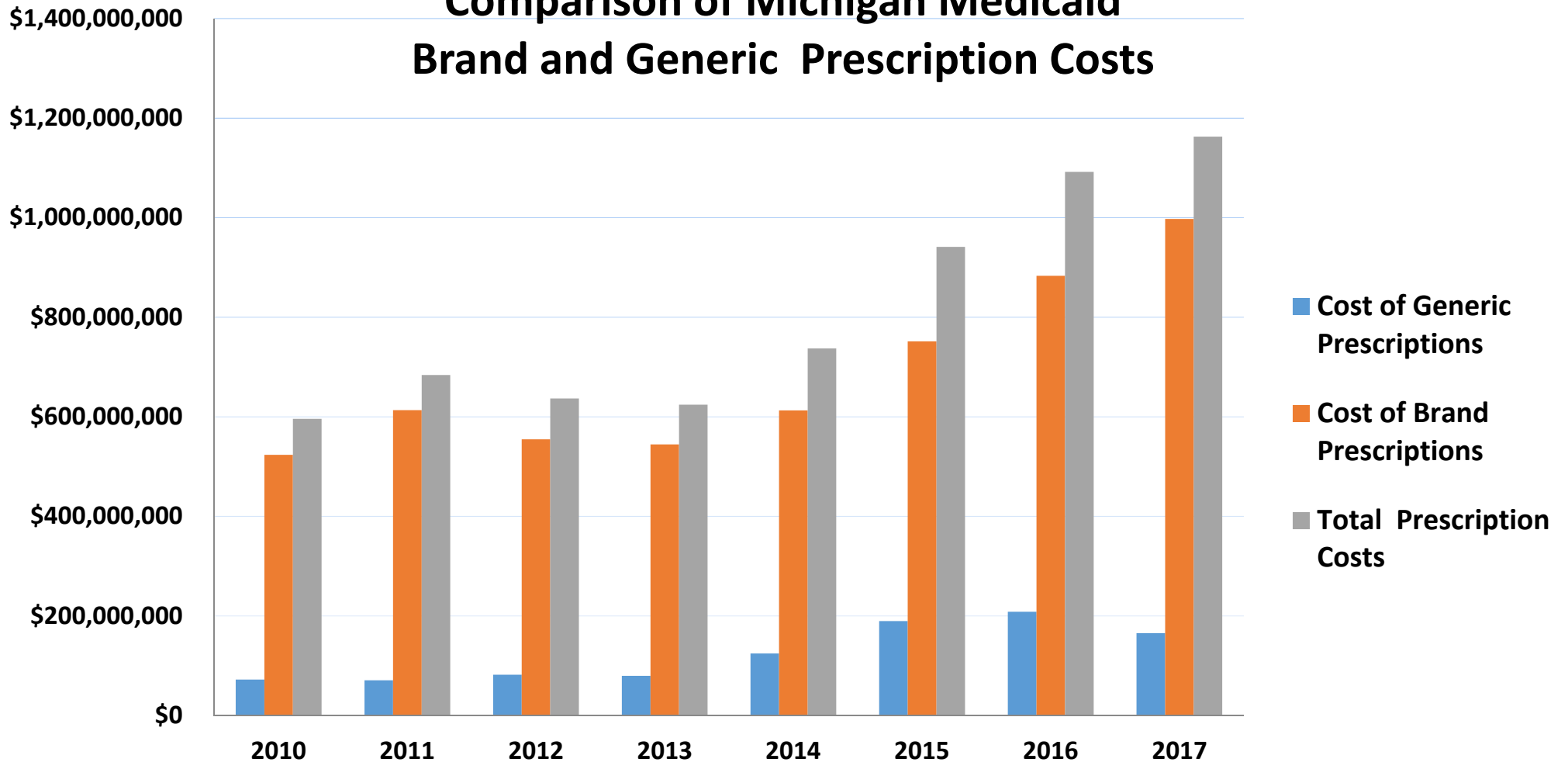
Diabetes Medications for Adults with Type 2 Diabetes: An Update; Methods for Insulin Delivery and Glucose Monitoring: Comparative Effectiveness

\* This measure accounts for unit cost changes for different strengths and dosage forms of a drug and presents a weighted average.

\* This measure accounts for unit cost changes for different strengths and dosage forms of a drug and presents a weighted average.

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## Comparison of Michigan Medicaid Brand and Generic Prescription Costs



Source: <https://www.michigan.gov/medicaid/prescription-drugs/drug-utilization-review/annual-reports/index.html>

# Top 15 Drugs - MI Medicaid

43% of Drug Spend (17% total Rxs)

Volume Rank	Drug Name	Indication for Use	\$ Volume (Millions)	Cost per RX	2016 Volume Rank
1	HARVONI	Hepatitis C	\$114.8	\$31,112	1
2	LATUDA	Antipsychotic	\$69.9	\$378	3
3	LANTUS	Diabetes	\$68.7	\$371	2
4	LYRICA	Neuropathy/Seizures	\$65.2	\$436	
5	HUMIRA	Autoimmune disease	\$52.6	\$4,913	4
6	SYMBICORT	Asthma/COPD	\$43.4	\$294	9
7	NOVOLOG	Diabetes	\$40.8	\$467	7
8	VENTOLIN	Asthma/COPD	\$34.3	\$526	8
9	QVAR	Asthma/COPD	\$34.2	\$184	6
10	Epclusa	Hepatitis C	\$28.1	\$24,596	15
11	Genvoya	HIV	\$25.8	\$2,762	13
12	SUBOXONE	Substance Use Disorder	\$23.4	\$270	-
13	ENBREL	Autoimmune disease	\$23.1	\$4,304	11
14	SPIRIVA	Asthma/COPD	\$19.6	\$297	10
15	TRIUMEQ	HIV	\$19.6	\$2,628	-
<b>Total</b>			<b>\$661.5</b>		

# 25 High Cost, Low Volume Drugs MI Medicaid

## 23% of Drug Spend (0.09% total Rxs)

Drug Name	Indication for Use	Dosage Form	\$ Volume (Millions)	# RX	Cost per Rx
Tecfidera	MS	oral	\$10.8	1633	\$6,641
Revlimid	metabolic disorder	oral	\$7.5	602	\$12,475
Gleevec	Hemophilia	injectable	\$6.6	76	\$8,809
Eloctate	blood disorder	oral	\$4.1	117	\$34,983
Ravicti	chemotherapy	oral	\$3.9	105	\$45,765
Advate	chemotherapy	oral	\$3.8	284	\$259,806
Afinitor	chemotherapy	oral	\$2.6	277	\$9,340
Zenpep	blood disorder	oral	\$1.9	1685	\$1,111
Sensipar	Pulmonary hypertension	oral	\$1.8	1439	\$1,290
Solaris	metabolic disorder	injectable	\$1.7	138	\$12,251
Pomacta	Pulmonary hypertension	oral	\$1.2	157	\$7,343
Syprine	MS	oral	\$1.1	43	\$25,918
Tracleer	metabolic disorder	injectable	\$0.9	101	\$9,465
Revatio	antifungal	oral	\$0.8	109	\$6,935
Tafinlar	Hemophilia	injectable	\$0.7	73	\$9,532
Prolastin	hyperkinetic disorder	oral	\$0.6	184	\$3,699
Tyvaso	endocrine disorder	oral	\$0.5	45	\$12,372
Exjade	psoriasis	oral	\$0.4	45	\$97,388
Fabrazyme	Pulmonary hypertension	nebulized solution	\$0.3	67	\$109,706
Lynparza	cystic fibrosis	oral	\$0.2	14	\$10,804
Tetrabenazanine	chemotherapy	oral	\$0.1	30	\$4,278
<b>Total</b>			<b>\$51.8</b>		

# 2019 EQI Data Project

- The Encounter (data) Quality Improvement (EQI) project is key to supporting MAHP's efforts to develop documentation to assist in shaping the Medicaid rate discussion and results for the coming fiscal year.
- EQI data using the new Milliman Template was collected from all eleven companies and represents 100% of MCOs as of September 2018.
- Data was collected through a data request and receipt of EQI templates submitted by plans to the state :
  - Monthly data was collected from Oct. 2013-Dec. 2016, paid through Feb. 2017
  - October 2016 to January 2018, paid through Jan. 2018
  - February 2017 to May 2018, paid through July 2018
  - January 2019 Files: June 2017 to September 2018, paid through November 2018
  - We reviewed enrollment and paid claims for reasonability compared to financials (EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION from snl.com)
- The data periods have been adjusted for completion in the analysis.
- Completion factors have been revised with 1/2019 data.



# EQI Data:TANF Historical Trend Comparison

Total Med/Rx Trend	Service Category Weight*	Milliman FY2019 Rate Development			EQI Data Annual Changes		
		Trend	Management Savings	Combined (Trend/Savings)	FY2017/ FY2016	FY2018/ FY2017	FY2018/ FY2016
Inpatient Hospital	21%	1.5%	-0.7%	0.8%	6.7%	0.3%	3.5%
Outpatient Hospital	26%	1.5%	-0.2%	1.3%	5.1%	12.8%	8.9%
Physician	34%	2.0%	0.0%	2.0%	-0.3%	-9.4%	-4.9%
Other Ancillary	3%	2.0%	0.0%	1.9%	10.5%	-4.6%	2.7%
<b>Total (Excl. Rx)</b>	<b>84%</b>	<b>1.7%</b>	<b>-0.2%</b>	<b>1.5%</b>	<b>3.2%</b>	<b>-0.7%</b>	<b>1.2%</b>
Pharmacy	16%	7.1%	-0.7%	6.4%	-1.7%	5.1%	1.7%
<b>Total (Incl. Rx, LTSS)</b>	<b>100%</b>	<b>2.6%</b>	<b>-0.2%</b>	<b>2.4%</b>	<b>2.3%</b>	<b>0.2%</b>	<b>1.2%</b>

\*Service category weight based on FY2018 EQI PMPMs.





# EQI Data: Duals Historical Trend Comparison

Total Med/Rx Trend	Service Category Weight*	Milliman FY2019 Rate Development			EQI Data Annual Changes		
		Trend	Management Savings	Combined (Trend/Savings)	FY2017/ FY2016	FY2018/ FY2017	FY2018/ FY2016
Inpatient Hospital	15%	4.0%	-1.4%	2.6%	26.2%	-47.2%	-18.3%
Outpatient Hospital	16%	4.0%	0.0%	4.0%	9.8%	-35.0%	-15.5%
Physician	27%	3.0%	0.3%	3.2%	24.1%	-29.6%	-6.6%
Other Ancillary	29%	4.0%	0.0%	4.0%	11.9%	0.0%	5.8%
<b>Total (Excl. Rx)</b>	<b>86%</b>	<b>3.7%</b>	<b>-0.2%</b>	<b>3.4%</b>	<b>18.3%</b>	<b>-27.8%</b>	<b>-7.6%</b>
Pharmacy	11%	8.2%	-0.1%	8.0%	87.3%	-60.0%	-13.4%
<b>Total (Incl. Rx, LTSS)</b>	<b>100%</b>	<b>4.3%</b>	<b>-0.2%</b>	<b>4.1%</b>	<b>27.3%</b>	<b>-33.9%</b>	<b>-8.2%</b>

\*Service category weight based on FY2018 EQI PMPMs.



# EQI Data: Disabled Historical Trend Comparison

Total Med/Rx Trend	Service Category Weight*	Milliman FY2019 Rate Development			EQI Data Annual Changes		
		Trend	Management Savings	Combined (Trend/Savings)	FY2017/ FY2016	FY2018/ FY2017	FY2018/ FY2016
Inpatient Hospital	30%	2.5%	-1.2%	1.2%	4.1%	7.5%	5.8%
Outpatient Hospital	18%	3.0%	-0.1%	3.0%	8.0%	6.8%	7.4%
Physician	18%	2.0%	0.1%	2.1%	1.0%	-4.7%	-1.9%
Other Ancillary	6%	3.0%	0.0%	2.9%	17.9%	-8.0%	4.1%
<b>Total (Excl. Rx)</b>	72%	<b>2.5%</b>	<b>-0.5%</b>	<b>2.0%</b>	<b>5.2%</b>	<b>2.6%</b>	<b>3.9%</b>
Pharmacy	27%	8.2%	-0.2%	7.9%	5.4%	9.1%	7.2%
<b>Total (Incl. Rx, LTSS)</b>	100%	<b>4.0%</b>	<b>-0.4%</b>	<b>3.5%</b>	<b>5.4%</b>	<b>4.0%</b>	<b>4.7%</b>

\*Service category weight based on FY2018 EQI PMPMs.



# EQI Data: CSHCS Historical Trend Comparison

Total Med/Rx Trend	Service Category Weight*	Milliman FY2019 Rate Development			EQI Data Annual Changes		
		Trend	Management Savings	Combined (Trend/Savings)	FY2017/ FY2016	FY2018/ FY2017	FY2018/ FY2016
Inpatient Hospital	41%	1.0%	-1.1%	-0.1%	-4.5%	-18.9%	-12.0%
Outpatient Hospital	12%	1.0%	-0.1%	0.9%	7.3%	4.8%	6.0%
Physician	11%	1.0%	0.1%	1.0%	3.4%	-14.2%	-5.8%
Other Ancillary	8%	1.0%	0.0%	1.0%	0.5%	-8.5%	-4.1%
<b>Total (Excl. Rx)</b>	72%	<b>1.0%</b>	<b>-0.7%</b>	<b>0.3%</b>	<b>-1.3%</b>	<b>-13.8%</b>	<b>-7.8%</b>
Pharmacy	28%	7.1%	-1.1%	5.9%	6.6%	3.3%	4.9%
<b>Total (Incl. Rx, LTSS)</b>	100%	<b>2.4%</b>	<b>-0.5%</b>	<b>1.9%</b>	<b>0.4%</b>	<b>-9.7%</b>	<b>-4.8%</b>

\*Service category weight based on FY2018 EQI PMPMs.



# EQI Data: HMP Historical Trend Comparison

Total Med/Rx Trend	Service Category Weight*	Milliman FY2019 Rate Development			EQI Data Annual Changes		
		Trend	Management Savings	Combined (Trend/Savings)	FY2017/ FY2016	FY2018/ FY2017	FY2018/ FY2016
Inpatient Hospital	24%	2.0%	-0.9%	1.1%	9.1%	4.9%	6.9%
Outpatient Hospital	21%	1.0%	-0.1%	0.9%	1.4%	7.8%	4.6%
Physician	24%	0.5%	0.1%	0.6%	-4.6%	-6.6%	-5.6%
Other Ancillary**	3%	1.0%	0.0%	1.0%	9.7%	-7.0%	1.0%
<b>Total (Excl. Rx)</b>	72%	<b>1.1%</b>	<b>-0.3%</b>	<b>0.8%</b>	<b>1.7%</b>	<b>1.1%</b>	<b>1.4%</b>
Pharmacy	23%	6.1%	-0.9%	5.1%	10.9%	4.9%	7.9%
<b>Total (Incl. Rx)</b>	95%	<b>2.2%</b>	<b>-0.2%</b>	<b>2.0%</b>	<b>3.7%</b>	<b>1.9%</b>	<b>2.8%</b>
Dental	5%	1.0%	0.0%	1.0%	-24.6%	-36.6%	-30.9%
<b>Total (Incl. Dental, Rx, LTSS)</b>	100%				<b>0.9%</b>	<b>-0.8%</b>	<b>0.1%</b>

\*Service category weight based on FY2018 EQI PMPMs.

\*\*HMP Dental experience was excluded from the "Other Ancillary" service category.

## EQI Data: TANF and Dual Pharmacy Historical Trend Components

	TANF EQI Data (w/ completion)			Duals EQI Data (w/ completion)		
	Util/1000	Cost per Script	Claim Cost PMPM	Util/1000	Cost per Script	Claim Cost PMPM
FY 2016	0.57	\$371.47	\$17.65	0.38	\$281.05	\$8.98
FY 2017	0.55	\$380.89	\$17.36	0.52	\$386.30	\$16.82
FY 2018	0.55	\$395.37	\$18.24	0.33	\$246.12	\$6.73
FY 2018/FY 2017	<b>1.3%</b>	<b>3.8%</b>	<b>5.1%</b>	<b>-37.2%</b>	<b>-36.3%</b>	<b>-60.0%</b>
Average FY 2018/FY 2016	<b>-1.5%</b>	<b>3.2%</b>	<b>1.7%</b>	<b>-7.5%</b>	<b>-6.4%</b>	<b>-13.4%</b>
<b>Milliman FY 2019 Rate Development</b>			7.1%			8.2%
<b>Milliman FY 2018 Rate Development</b>			6.5%			7.8%

## EQI Data: ABAD and CSHCS Pharmacy Historical Trend Components

	ABAD EQI Data (w/ completion)			CSHCS EQI Data (w/ completion)		
	Util/1000	Cost per Script	Claim Cost PMPM	Util/1000	Cost per Script	Claim Cost PMPM
FY 2016	3.13	\$548.62	\$143.22	1.52	\$2,350.40	\$298.48
FY 2017	3.10	\$584.15	\$151.01	1.54	\$2,485.66	\$318.11
FY 2018	3.33	\$594.27	\$164.70	1.58	\$2,493.46	\$328.47
FY 2018/FY 2017	<b>7.2%</b>	<b>1.7%</b>	<b>9.1%</b>	<b>2.9%</b>	<b>0.3%</b>	<b>3.3%</b>
Average FY 2018/FY 2016	<b>3.0%</b>	<b>4.1%</b>	<b>7.2%</b>	<b>1.8%</b>	<b>3.0%</b>	<b>4.9%</b>
<b>Milliman FY 2019 Rate Development</b>			8.2%			7.1%
<b>Milliman FY 2018 Rate Development</b>			7.5%			8.8%

# EQI Data: HMP Pharmacy Historical Trend Components

	HMP EQI Data (w/ completion)		
	Util/1000	Cost per Script	Claim Cost PMPM
FY 2016	1.56	\$438.12	\$56.93
FY 2017	1.57	\$481.92	\$63.16
FY 2018	1.53	\$519.07	\$66.22
FY 2018/FY 2017	<b>-2.7%</b>	<b>7.7%</b>	<b>4.9%</b>
Average FY 2018/FY 2016	<b>-0.9%</b>	<b>8.8%</b>	<b>7.9%</b>
<b>Milliman FY 2019 Rate Development</b>			6.1%
<b>Milliman FY 2018 Rate Development</b>			8.0%

# EQI Data: Office Administered Drugs Historical Magnitude & Trend

Office Administered Drugs PMPMs\$ and Trend	Office Administered Drugs PMPMs\$ and Trend				
	TANF	Duals	Disabled	CSHCS	HMP
FY2016 PMPM	\$0.98	\$4.25	\$12.96	\$11.78	\$4.80
FY2017 PMPM	\$1.04	\$5.96	\$13.26	\$15.11	\$4.90
FY2018 PMPM	\$1.06	\$4.76	\$13.85	\$14.40	\$5.66
Trend: FY2017/FY2016	<b>7.0%</b>	<b>40.0%</b>	<b>2.3%</b>	<b>28.3%</b>	<b>1.9%</b>
Trend: FY2018/FY2017	<b>1.2%</b>	<b>-20.1%</b>	<b>4.4%</b>	<b>-4.7%</b>	<b>15.7%</b>
Milliman FY 2018 Rate Development	3.8%	2.8%	4.2%	4.0%	3.7%
Milliman FY 2019 Rate Development	2.0%	3.0%	2.0%	2.0%	0.5%

\*FY 2018 represents a partial year: October 2017 – May 2018.





# Budget and Policy Considerations

- **Proposed Cuts to Pharmacy Component of Health Plan Rate:**
  - Executive Budget Recommendation proposes nearly \$20 million Gross in savings associated with cuts to administrative allocations within Health Plan rate development.
  - Current per unit cost Rx costs have exceeded capitated rates, thereby requiring additional administrative efforts to manage the Rx benefit.
  - For carved-out drugs administered by the State as a Fee For Service benefit, the State pays pharmacies based on the cost of the drug plus a dispensing fee. This administrative cost to the State has increased in recent years from \$2.75 per script to more than \$10 per script.
  - MAHP would caution against assuming these projected savings.
- **OIG Medicaid Audit Enhancement Savings:**
  - Executive Budget Recommendation proposes more than \$21.5 million Gross in savings associated with employing an additional 30 OIG investigators tasked with identifying and recouping fraud.
  - Health Plan capitated rates are developed with the expectation that fraud, waste, and abuse be minimal.
  - MAHP would caution against assuming these projected savings.

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