
RIDER 24 REPORT

Annual Performance Report for the Prescription Drug Rebate Program

**As Required By
Senate Bill (S.B.) 1
83rd Legislature, Regular Session, 2013
(Article II, Health and Human Services Commission, Rider 24)**

**Health and Human Services Commission (HHSC)
August 2015**

Table of Contents

Executive Summary 1

Introduction 2

 BACKGROUND.....3

 PHARMACY REBATE PROGRAMS.....4

Omnibus Budget Reconciliation Act of 1990 Rebate Programs.....4

Supplemental Rebate Program.....4

Medical Rebate Program.....5

Other State Program.....5

 QUARTERLY REBATE OFFSET AMOUNT.....5

 REBATE PROCESS.....6

Drug Rebate Collections.....6

 PHARMACY REBATES.....7

Fee for Service Pharmacy Program.....7

Fee for Service Supplemental Rebate Program.....7

Fee for Service Enhanced Federal Medicaid Assistance Percentage Rebate Program.....7

Fee for Service Enhanced Federal Medicaid Assistance Percentage Supplemental Rebate Program.....7

Fee for Service Breast and Cervical Cancer Rebate Program.....8

Medicaid Buy-In for Children Rebate Program.....8

Managed Care Organization Pharmacy Program.....8

Managed Care Organization Supplemental Rebate Program.....8

Managed Care Organization Enhanced Federal Medicaid Assistance Percentage Rebate Program.....8

Managed Care Organization Enhanced Federal Medicaid Assistance Percentage Supplemental Rebate Program.....9

 MEDICAL REBATE PROGRAMS.....9

Fee for Service Clinician Administered Drug Rebate Program.....9

Fee for Service Enhanced Federal Medicaid Assistance Percentage Clinician Administered Drug Rebate Program.....9

Managed Care Organization Clinician Administered Drug Drug Rebate Program9

Managed Care Organization Enhanced Federal Medicaid Assistance Percentage Clinician Administered Drug Rebate Program.....10

 HEALTH AND HUMAN SERVICES COMMISSION - CHILDREN'S HEALTH INSURANCE PROGRAM REBATE PROGRAMS.....10

Children's Health Insurance Program – National & State Funded.....10

Children's Health Insurance Program – State Funded.....10

 DEPARTMENT OF STATE HEALTH SERVICES PROGRAMS.....11

Children with Special Health Care Needs Services Program.....11

Kidney Healthcare Program.....11

Texas Women's Health Program.....11

Conclusion.....11

 SUMMARY OF REBATE COLLECTIONS.....11

TABLES.....	13
<i>Rebate Collections by Calendar Year for All Programs (All Funds)</i>	13
<i>Total Rebate Collections by Program (All Funds)</i>	14
Appendix 1	15
SUMMARY BY CALENDAR YEAR, 2010 - 2014.....	15
Appendix 2	16
SUMMARY BY PROGRAM, 2010 - 2014.....	16
Appendix 2 (cont.)	17
Appendix 3	18
FEE FOR SERVICE PHARMACY REBATES.....	18
Appendix 4	19
FEE FOR SERVICE SUPPLEMENTAL REBATES.....	19
Appendix 5	20
FEE FOR SERVICE ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE REBATES.....	20
Appendix 6	21
FEE FOR SERVICE ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE SUPPLEMENTAL REBATES.....	21
Appendix 7	22
FEE FOR SERVICE BREAST & CERVICAL CANCER REBATES.....	22
Appendix 8	23
MEDICAID BUY-IN FOR CHILDREN REBATES.....	23
Appendix 9	24
MANAGED CARE ORGANIZATION PHARMACY REBATES.....	24
Appendix 10	25
MANAGED CARE ORGANIZATION SUPPLEMENTAL REBATES.....	25
Appendix 11	26
MANAGED CARE ORGANIZATION ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE REBATES.....	26
Appendix 12	27
MANAGED CARE ORGANIZATION ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE SUPPLEMENTAL REBATES.....	27
Appendix 13	28
FEE FOR SERVICE CLINICIAN ADMINISTERED DRUG REBATES.....	28

Appendix 14	29
FEE FOR SERVICE ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE CLINICIAN ADMINISTERED DRUG REBATES.....	29
Appendix 15	30
MANAGED CARE ORGANIZATION CLINICIAN ADMINISTERED DRUG REBATES.....	30
Appendix 16	31
MANAGED CARE ORGANIZATION ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE CLINICIAN ADMINISTERED DRUG REBATES.....	31
Appendix 17	32
CHILDREN'S HEALTH INSURANCE PROGRAM - NATIONAL & STATE FUNDED REBATES.....	32
Appendix 18	33
CHILDREN'S HEALTH INSURANCE PROGRAM - STATE FUNDED REBATES.....	33
Appendix 19	34
CHILDREN WITH SPECIAL HEALTH CARE NEEDS SERVICES PROGRAM REBATES.....	34
Appendix 20	35
KIDNEY HEALTH CARE PROGRAM REBATES.....	35
Appendix 21	36
TEXAS WOMAN'S HEALTH PROGRAM REBATES.....	36

Executive Summary

The *Annual Performance Report for the Prescription Drug Rebate Program*, also referred to as the Rider 24 report, is submitted by the Health and Human Services Commission (HHSC). The Rider 24 report details the outstanding prescription drug rebate balances for the Texas Medicaid Program, Children's Health Insurance Program (CHIP), Department of State Health Services' (DSHS) Kidney Health Care (KHC) Program, DSHS' Children with Special Health Care Needs (CSHCN) Services Program and the Texas Woman's Health Program (TWHP). HHSC's Vendor Drug Program (VDP) operates the formularies and oversees the contractor responsible for administration of the rebate programs for Medicaid, CHIP, KHC, CSHCN and TWHP. This report is required by Senate Bill (S.B.) 1, 83rd Legislature, Regular Session, 2013 (Article II, HHSC, Rider 24) and is submitted to the legislature on an annual basis.

The Rider 24 report includes the rebate principal and interest outstanding, age of receivables, annual collection rates, amounts billed, dollar value of pricing and utilization adjustments, and dollars collected. This report includes a separate rebate collection report for each managed care and fee-for-service rebate program.

For calendar years 1991 through 2014, HHSC collected a total of \$14,436,283,734 (all funds) in principal in rebates and \$10,973,563 (all funds) in interest - a collection rate of 99.47 percent. In the five-year period from calendar years 2010 through 2014, HHSC collected \$7,347,694,928 (all funds) in principal in rebates and \$180,199 (all funds) in interest - a collection rate of 99.04 percent.

Over the lifespan of the HHSC rebate program, about 29 percent of the amount paid to pharmacies and other providers for rebatable products was expended from rebates billed to manufacturers. The percentage of provider payments expended from rebate revenue has increased over time. For calendar years 2010 through 2014, the percentage increased to 38 percent of expenditures.

The average collection rate has increased over time as shown in Table 1, which is due in part to HHSC staff working with the contracted entity to collect on outstanding balances for rebate programs that are no longer in effect. Other targeted collection efforts involved ensuring compliance with national drug code reporting on medical claims and encounters, which is required in order to collect rebates.

Table 1 and Table 2 include information from calendar years 1991 through 2014, which encompasses the lifespan of the HHSC rebate program. To ensure readability and relevance, the 21 appendices include detailed rebate information for only the most recent five-year period, from calendar years 2010 through 2014. The appendices include rebate data collected in May 2015, whereas the tables include rebate data collected as in July 2015. As such, the calculations in the tables and appendices will reflect the separate data collection dates.

Introduction

Rider 24 requires the Texas Health and Human Services Commission (HHSC) to report annually on the outstanding prescription drug rebate balances for Medicaid, Children's Health Insurance Program (CHIP), Department of State Health Services' (DSHS) Kidney Health Care (KHC) Program, and DSHS' Children with Special Health Care Needs (CSHCN) Services Program. The report also includes rebate information about the Texas Woman's Health Program (TWHP). The report's rebate information is calculated by program for the most currently reportable five-year period for each rebate program (calendar years 2010 through 2014) as shown in the appendices described below. Rebate information for the entire lifespan of the HHSC rebate program is included in Tables 1 and 2. HHSC's Vendor Drug Program (VDP) operates the formularies and oversees the contractor responsible for administration of the rebate programs for Medicaid, CHIP, KHC, CSHCN and TWHP.

This report details the outstanding prescription drug rebate balances as specified in Rider 24. There are 19 different rebate programs. Rebate programs are established based on the level of each program's federal funding match rates, and to accommodate state and/or federal reporting requirements. The following rebate programs are included in this report:

HHSC programs

- Medicaid pharmacy programs
 1. Summary by Calendar (Appendix 1)
 2. Summary by Program (Appendix 2)
 3. Fee for Service (FFS) Pharmacy (Appendix 3)
 4. FFS Supplemental (Appendix 4)
 5. FFS Enhanced Federal Medical Assistance Percentage (EFMAP) (Appendix 5)
 6. FFS EFMAP Supplemental (Appendix 6)
 7. FFS Breast and Cervical Cancer (BCCP) (Appendix 7)
 8. Medicaid Buy-In for Children (MBIC) (Appendix 8)
 9. Managed Care Organization (MCO) (Appendix 9)
 10. MCO Supplemental (Appendix 10)
 11. MCO EFMAP (Appendix 11)
 12. MCO EFMAP Supplemental (Appendix 12)
- Medicaid medical (J-Code) programs
 13. FFS Clinician Administered Drugs (CAD) (Appendix 13)
 14. FFS EFMAP CAD (Appendix 14)
 15. MCO CAD (Appendix 15)
 16. MCO EFMAP CAD (Appendix 16)
- CHIP
 17. CHIP – National & State Funded (CNSF) (Appendix 17)
 18. CHIP – State Funded (CSF) (Appendix 18)

DSHS programs

19. CSHCN (Appendix 19)
20. KHC (Appendix 20)
21. TWHP (Appendix 21)

Each of the rebate programs include the following information for calendar years 2010 through 2014, as specified in appendices 1 through 21:

- Amounts billed.
- Cumulative dollar value of pricing and utilization adjustments.
- Dollars collected.
- Outstanding principal and interest.
- Annual collection rates.

Rebate collections are reported on an accrual basis and are based on the calendar quarter in which the claims were originally paid. However, rebate collections are subject to change due to manufacturers providing late or updated pricing information to the Centers for Medicare & Medicaid Services (CMS) or HHSC. This results in retroactive changes to rebate rates. Additionally, collection rates can temporarily exceed 100 percent when manufacturers report pricing changes after rebate invoices are sent.

Background

All rebates received by CMS are returned to their respective state program to be used as the first source of funding for the corresponding pharmacy program. Rebate collections are reported on an accrual basis and are based on the calendar quarter in which the claims were originally paid. Collection amounts are subject to change because rebate programs allow retroactive adjustments to pricing and utilization data.

For calendar years 1991 through 2014, HHSC collected a total of \$14,436,283,734 (all funds) in principal in rebates and \$10,973,563 (all funds) in interest - a collection rate of 99.47 percent. In the five-year period from 2010 through 2014, HHSC collected \$7,347,694,928 (all funds) in principal in rebates and \$180,199 (all funds) in interest - a collection rate of 99.04 percent. Over 50 percent of the total collections have been received in the last 5 years.

Over the 23 years of the rebate program's existence, about 29 percent of the amount paid to pharmacies and other providers for rebatable products was expended from rebates billed to manufacturers. The percentage of provider payments expended from rebate revenue has increased over time. For calendar years 2010 through 2014, the percentage increased to 38 percent of expenditures.

The average collection rate has increased over time as shown in Table 1, which is due in part to HHSC staff working with the contracted entity to collect on outstanding balances for rebate programs that are no longer in effect. Other targeted collection efforts involved ensuring compliance with national drug code (NDC) reporting on medical claims and encounters, which is required in order to collect rebates.

Table 1 and Table 2 include information from calendar years 1991 through 2014, which encompasses the lifespan of the HHSC rebate program. To ensure readability and relevance, the 21 appendices include detailed rebate information for only the most recent five-year period, from calendar years 2010 through 2014. The appendices include rebate data collected in May 2015,

whereas the tables include rebate data collected in July 2015. As such, the calculations in the tables and appendices will reflect the separate data collection dates. VDP participates in the following rebate programs:

Pharmacy Rebate Programs

Omnibus Budget Reconciliation Act of 1990 (OBRA '90) Rebate Programs

OBRA '90 required drug manufacturers to enter into a contract known as a national rebate agreement with CMS to be added to a state's Medicaid formulary. Once the rebate agreement is established between the drug manufacturer and CMS, the drug manufacturer's covered outpatient products are eligible to be added to the Texas Drug Code Formulary. As part of this agreement, contracted manufacturers report their current product and pricing information to CMS within 30 days of the end of the calendar quarter and pay the agreed-upon rebate amount on quantities of products dispensed to a Medicaid client in an outpatient setting. The rebate amount is based on the manufacturers' reported product and pricing information. Medicaid pharmacy programs are required to include all of the contracted manufacturers' drug products in their Medicaid formularies and to submit invoices to manufacturers for rebate collection. States may also collect Medicaid rebates for drugs dispensed through CMS-approved Medicaid waivers. States share the rebate revenue with CMS at the same rate as the Federal Medical Assistance Percentage (FMAP).

The Affordable Care Act (ACA) requires drug manufacturers to pay rebates for drugs dispensed to Medicaid clients that receive care from Medicaid MCOs and allows Medicaid to collect supplemental rebates, which are described below, on these managed care encounters. Senate Bill (S.B.) 7, 82nd Legislature, First Called Session, 2011, directed HHSC to include covered outpatient pharmacy benefits in the array of services provided by MCOs. S.B. 7 also required MCOs to follow HHSC's Medicaid and CHIP formularies and Medicaid preferred drug list (PDL). Pharmacy services were included into the array of services provided by Medicaid MCOs starting March 1, 2012. Rebate programs for managed care began in August 2012.

As a result of the shift in 2012 from a FFS to a managed care delivery model for covered outpatient drugs, the rebate amounts reported for FFS programs are decreasing as the amounts for managed care are increasing. Currently, over 90 percent of the Medicaid population receives services through an MCO.

Supplemental Rebate Program

In addition to the federally-mandated Medicaid OBRA '90, rebates, Texas implemented a Medicaid supplemental rebate program in January 2004, through which drug manufacturers provide services in lieu of cash (i.e. Program Benefit Agreement) to the Medicaid program. Drug manufacturers enter into supplemental rebate contracts with the Texas Medicaid Program to have their products considered for preferred status on the PDL. The HHSC Pharmaceutical and Therapeutics Committee determines which products are assigned a "preferred" or "non-preferred" PDL status based on the safety, clinical effectiveness, and cost (including rebates) of the product. Drugs categorized as non-preferred are supplied by drug manufacturers that do not

enter into supplemental rebate contracts with the Texas Medicaid Program. As such, non-preferred drugs require prior authorization before they can be dispensed, while preferred products do not. Non-preferred status and requiring prior authorization both serve as an incentive to encourage drug manufacturers to participate in the Medicaid supplemental rebate program.

HHSC invoices and collects Medicaid supplemental rebates from manufacturers for their preferred products based on pharmacy claims submitted for clients in FFS and managed care. These rebate dollars are also shared with CMS at the FMAP rate.

Medical Rebate Programs

The medical rebates are sometimes referred to as Physician-Administered Drugs, Clinician Administered Drugs (CAD) or 'J-Code Drugs,' which refers to the most common series of Healthcare Common Procedure Codes Set (HCPCS) used to bill for these types of drugs administered in the outpatient setting. The Deficit Reduction Act of 2005 (DRA) updated the definition of a 'covered outpatient drug' in the Social Security Act to include drugs administered by a physician in an outpatient (office/professional or institutional) setting. Like OBRA '90 rebates, medical rebates are collected for both FFS and managed care, for all Medicaid programs (including waivers) and are shared with CMS at the program's FMAP.

Other State Rebate Programs

A number of manufacturers also voluntarily participate in separate CHIP, KHC, CSHCN, and TWHP rebate programs. While CHIP rebates are shared with CMS at an enhanced FMAP rate, rebate dollars collected for the KHC and CSHCN programs are returned to the respective state program budgets for use in their pharmacy programs. Drug rebates collected for the TWHP program are returned to state General Revenue.

Quarterly Rebate Offset Amount

The ACA also initiated the Quarterly Rebate Offset Amount (QROA), which increased the minimum federal Medicaid OBRA '90 rebate amount and required the state to remit 100 percent of the additional rebates collected to CMS as QROA. As of July 2015, the QROA amount was \$414,757,169. All collections in this report include the QROA amounts that are returned to CMS.

QROA Payments Associated with Rebate Invoices

Year	QROA
2010	\$85,428,307
2011	88,606,808
2012	80,710,525
2013	80,808,703
2014	79,202,827
Total	\$414,757,169

Rebate Process

CMS uses pricing data submitted by manufacturers to calculate the rebate rate and QROA and sends this data to states quarterly. In compliance with federal law, HHSC matches the CMS rate and utilization based on claims paid during the quarter. HHSC sends invoices to the manufacturers within 60 days after the end of the calendar quarter. Manufacturers have 37 days to pay the balance before interest accrues. The following chart illustrates the rebate process timeline:

<u>Claims Paid</u>	<u>Invoices Sent</u>	<u>Payment Due</u>
January – March	May 30	July 7
April – June	August 29	October 5
July – September	November 29	January 5
October – December	March 1	April 7

Manufacturers are required to calculate and pay rebates based on their most current pricing and sales information. The rebate rate can change between the time HHSC submits the invoices and the time the manufacturer makes payment. In those cases, the payments will include price adjustments and will differ from the invoiced amounts, which will appear as an under or overpayment in the rebate reporting system. For Medicaid rebates, the difference will remain in the system until CMS receives the pricing changes from the manufacturer and transmits the changes to the state with their next quarterly update.

Manufacturers can make retroactive price adjustments for up to 12 calendar quarters after their original submission to CMS. For CHIP and CSHCN, HHSC relies on manufacturers to provide rebate pricing information. If the data submitted by a manufacturer contains errors, the rebate amount per unit can be overstated or understated, and may result in large rebate adjustments when corrected. Retroactive changes can be made to utilization data as well. If a claim has been reversed, or research shows that a pharmacy made an error in a claim affecting an earlier invoice, the invoice is changed retroactively.

Since manufacturers have the right to dispute the number of units a state invoices, they may withhold payment pending resolution of the dispute. The most common reasons manufacturers cite for disputes are: (1) the state did not reimburse pharmacies at a rate that should cover the pharmacies' product cost, and (2) the manufacturer's sales records do not substantiate the number of units invoiced.

In appendices 1 through 21, the principal outstanding represents the total receivables, which is the difference between the adjusted billed amount and cumulative rebates collected, and is aged based on the calendar year.

Drug Rebate Collections

The following rebate collection amounts reflect principal collected for calendar years 2010 through 2014 as shown in the appendices.

Pharmacy Rebates

FFS Pharmacy Program

The rebates reported under the Medicaid OBRA '90 heading are based on FFS pharmacy claims and are subject to CMS' federal Medicaid drug rebate program. As shown in Appendix 3, the collections totaled \$3,430,818,545 for the FFS Pharmacy Medicaid rebate program, which is a 102.66 percent collection rate. A collection rate over 100 percent generally indicates that there was a shift between the regular CMS rebates and the state supplemental rate. Several manufacturers had not adjusted their payments (due to rate changes) between Medicaid OBRA '90 rebates and their Medicaid supplemental rebates, resulting in the overpayment of FFS Pharmacy rebates and the underpayment of the FFS Supplemental rebates.

FFS Supplemental Rebate Program

The Medicaid supplemental rebate rate is particularly volatile because it is dependent on the Medicaid OBRA '90 rebate rate. The Medicaid OBRA '90 rebate rate is affected by manufacturer price updates that may retroactively change the rate. This causes a change in the amount owed in the Medicaid supplemental rebate program. Retroactive pricing adjustments will cause manufacturers to reallocate their payments between the Medicaid OBRA '90 rebates and Medicaid supplemental rebates. The debits and credits will balance.

HHSC has collected \$352,649,262 in Medicaid supplemental rebates (see Appendix 4). Collection rates for Medicaid supplemental rebates are expected to run at the same rate as the federal Medicaid OBRA '90 rebates. The current collection rate is 95.46 percent because of the overpayments in the FFS Pharmacy program.

FFS EFMAP Rebate Program

This year, the rebate program for the Medicaid waiver for Qualified Aliens (QA) (established in 2011) was combined with the "MCHIP" program and renamed the EFMAP rebate program because they both qualify for the CMS enhanced federal match. The MCHIP program, required by the ACA, shifted CHIP children ages 6 to 18 with incomes between 100 and 133 percent federal poverty level to Medicaid in 2014. Both the MCHIP and QA programs cover many of the consumers previously covered under CHIP.

As shown in Appendix 5, the collections totaled \$3,540,131 for the EFMAP rebate program, which is a 92.36 percent collection rate. It is expected that the collection rate for this new combined program will increase as drug manufacturers update their systems to include this program.

FFS EFMAP Supplemental Rebate Program

Since the EFMAP programs are Medicaid programs covered by CMS, they are also covered by the state's PDL and are subject to supplemental drug rebates. Like the base EFMAP program,

manufacturers have been slow to update their systems for this new program, resulting in a 94.48 percent collection rate, as shown in Appendix 6.

FFS BCCP Rebate Program

CMS approved Texas' election to add BCCP as an optional coverage group in Medicaid in 2002. BCCP qualifies for enhanced federal match, but must be reported on federal reports differently than the EFMAP programs listed above. Prior to 2013, pharmacy claims were claimed at the regular Medicaid FMAP. As a cost containment measure in 2013, the claims were separated so that the state could claim the enhanced match from CMS and a new rebate program created so that the rebate funds could be returned to CMS at the EFMAP.

As shown in Appendix 7, the rebate collections totaled \$2,862,744 for the BCCP pharmacy program, which is a 28.99 percent collection rate. Last quarter, HHSC re-sent information to drug manufacturers explaining the program, and it is expected that the collection rate for this new program will increase as drug manufacturers update their systems.

MBIC Rebate Program

CMS approved the MBIC Medicaid program effective January 1, 2011. Since these consumers were newly eligible, the American Recovery and Reinvestment Act of 2009 (ARRA) enhanced funding was not available. Therefore, these rebates run as a separate program. The federal match rate for both MBIC and regular Medicaid reverted to the same FMAP percentage on July 1, 2011, when ARRA funding expired. Therefore, the MBIC rebate program will only show rebate activity for 2011. MBIC rebates for subsequent years will be included in the Medicaid program.

As shown in Appendix 8, the collections totaled \$131,215 for the Medicaid MBIC rebate program in 2011.

MCO Pharmacy Program

The rebates reported under the Medicaid OBRA '90 heading are based on managed care pharmacy encounters and are subject to CMS' federal Medicaid drug rebate program. As shown in Appendix 9, the collections totaled \$2,865,466,926 for the MCO OBRA '90 Medicaid rebate program, which is a 97.33 percent collection rate.

MCO Supplemental Rebate Program

HHSC has collected \$303,369,187 in Medicaid managed care supplemental rebates (see Appendix 10). The current collection rate is 93.49 percent.

MCO EFMAP Rebate Program

As shown in Appendix 11, the collections totaled \$5,116,229 for the managed care EFMAP rebate program. Because this is a relatively new rebate program, the collection rate is 90.19 percent.

MCO EFMAP Supplemental Rebate Program

As shown in Appendix 12, the collections totaled \$633,232 for the MCO EFMAP Supplemental rebate program. The collection rate is 92.73 percent.

Medical Rebate Programs

HHSC has been invoicing and collecting federal Medicaid rebates for outpatient drugs provided in a physician's office, clinic, or hospital outpatient setting since 2003. VDP pays for pharmacy-dispensed drugs, identified by their NDC. However, Texas' acute care claims administrator vendor pays for drugs administered in an outpatient medical setting. Physician-administered drugs, or CAD, are identified by HCPCS codes that generally start with the letter "J" and are commonly referred to as "J-codes". A drug product identified by a single HCPCS code may refer to one or many NDCs. In addition, the unit of measure for the HCPCS code is different than that used for NDCs, so in many cases the HCPCS units have to be converted into NDC units for rebate invoicing. Typically, this causes drug manufacturers to dispute a larger portion of their invoices and results in a lower collection rate.

FFS CAD Rebate Program

Beginning January 1, 2008, as part of the DRA of 2005, physicians' offices, hospitals, and clinics were required to submit the NDC of the specific drug administered, in addition to the HCPCS code. HHSC made significant system changes and created a NDC-to-HCPCS crosswalk that has assisted with the enforcement of the DRA requirement.

HHSC has collected \$178,124,315 in rebates for clinician-administered drugs (see Appendix 13), and the collection rate is 91.68 percent. The collection rate for CAD rebate programs is lower than other programs because of the differences between HCPCS units and NDC units.

FFS EFMAP CAD Rebate Program

With the ACA, many clients previously covered by CHIP became eligible for the MCHIP program. When they moved from CHIP to Medicaid, the clients were covered by FFS while they chose an MCO.

HHSC has collected \$14,950 in rebates for clinician-administered drugs (see Appendix 14), and the collection rate is 93.12 percent.

MCO CAD Drug Rebate Program

The ACA requires drug manufacturers to pay rebates for drugs dispensed to Medicaid beneficiaries who receive care through a Medicaid MCO. In March 2015, CMS provided guidance that states can pursue rebates for claims once covered under a capitated arrangement between the MCO and the provider. HHSC is working on a project to retroactively bill, back to 2010, for these claims not previously invoiced for rebates.

MCO CAD rebates brought in \$39,101,074 in rebates (see Appendix 15) and the collection rate is 70.68 percent. This amount is significantly lower than collections for FFS CAD rebates for the same period, especially in light of the numbers of clients in managed care. HHSC expects that most of the difference is due to the fact MCOs capitated their provider payments and until the recent CMS guidance, these claims were not eligible for rebates.

MCO EFMAP CAD Rebate Program

MCO EFMAP CAD rebates resulted in collections of \$33,480 (see Appendix 16). Because this is a relatively new rebate program, the current collection rate is 75.13 percent.

HHSC CHIP Rebate Programs

The CHIP rebate program is a voluntary state rebate program that began in March 2002. Because of the Medicaid ‘best price’ requirements included in Section 1927 of the Social Security Act, CHIP rebate rates are below the Medicaid rates to protect manufacturer’s Medicaid ‘best price’ and entice participation.

For the CHIP rebate program, manufacturers are required to report rebate pricing to HHSC on a quarterly basis. If a manufacturer fails to comply with price reporting requirements, HHSC mails an invoice that reports the utilization of each NDC, but does not calculate an amount due because the current rate in the system is zero. Pursuant to the terms of the contract, the manufacturer is responsible for calculating the rebate amount and paying. As a result, it appears in the rebate system as though HHSC has been overpaid (greater than 100 percent collections) until the manufacturer corrects and provides the pricing data from the previous quarter. If a manufacturer’s pricing file contains errors, it could result in large price adjustments when corrected.

CHIP is divided into two subprograms, depending on the funding source: the federally-matched federal-state funded (FSF) program and the state funded only (SF) program for qualified aliens – most of whom moved into the Medicaid QA Waiver in 2011. The ACA further reduced the number of children eligible for CHIP, and moved them into Medicaid and the EFMAP programs in 2014.

CNSF

On March 1, 2012, pharmacy services were added to the array of services provided by CHIP MCOs. This report combines rebates for encounters paid by MCOs and claims paid in FFS. For the CNSF program, HHSC has collected \$120,712,491 in rebates (see Appendix 17), and the collection rate is 101.18 percent.

CSF

The General Revenue funded CSF rebate program covered prescriptions for legal immigrants, all of who were moved into the Medicaid QA waiver in 2011. Therefore, this rebate program ended prior to the October 2012, but still falls within the five-year reporting period. Collections for this

rebate program are \$505,422 (see Appendix 18). Because of the fact that some manufacturers are delinquent in providing the contracted unit rebate information, the collection rate is 38.73 percent.

DSHS Programs

CSHCN Services Program

Like KHC, CSHCN began collecting voluntary rebates in 1997, and HHSC's VDP administers the program. However, the CSHCN program does not qualify as a State Pharmaceutical Assistance Program (SPAP). Therefore, its rates are limited, as is the case in CHIP. HHSC continues to send zero-rate utilization invoices for which the manufacturers are responsible for calculation and payment. If a manufacturer fails to submit rates but pays the invoice, the outstanding balance in the system appears to be a credit to the manufacturer (a greater than 100 percent collections rate) until the manufacturer submits the required rates.

Total collections for the CSHCN rebate program were \$4,287,169 (see Appendix 19). Collections have averaged 89.76 percent of the amount invoiced.

KHC Program

The KHC rebate program is a voluntary DSHS program that is administered by HHSC's VDP. Because KHC qualifies as a SPAP under Section 1927 of the Social Security Act, it is able to use the same rebate rates as Medicaid for participating manufacturers, without jeopardizing the manufacturers' Medicaid rate. The increase in the Medicaid rate as a result of changes from the ACA has increased the KHC rebates. However, KHC has had a declining client base.

HHSC has collected \$40,061,778 in KHC drug rebates (see Appendix 20). Collections have averaged 92.73 percent of the amount invoiced.

TWHP

HHSC fully implemented the General Revenue-funded TWHP on January 1, 2013. The program covers contraception and certain other medications for women who meet specific eligibility criteria. In 2013, HHSC reached out to the manufacturers of long acting reversible contraception products to seek drug rebates to help offset costs. To date, HHSC has collected \$229,031 in rebates (see Appendix 21) and the collection rate is 101.24 percent.

Conclusion

Summary of Rebate Collections

For calendar years 1991 through 2014, HHSC collected a total of \$14,436,283,734 (all funds) in rebate principal and \$10,973,563 (all funds) in interest. Table 1 contains the summary breakdown by year and Table 2 contains the summary breakdown by program based on collections.

Over the lifespan of the HHSC rebate program, about 29 percent of the amount paid to pharmacies and other providers for rebatable products was expended from rebates billed to manufacturers. The percentage of provider payments expended from rebate revenue has increased over time. For calendar years 2010 through 2014, the percentage increased to 38 percent of expenditures.

The average collection rate calculated for all programs throughout the lifespan of the HHSC rebate program is 99.47 percent. This percentage has also increased over time, as shown in Table 1, which is due in part to HHSC staff working with the contracted entity to collect on outstanding balances for rebate programs that are no longer in effect and other targeted efforts. HHSC's contractor is including additional information related to the CMS approval for the EFMAP programs to increase the rebate collections for these programs.

It is important to note that collection rates are subject to change because rebate programs allow retroactive adjustments to pricing and utilization data. Manufacturers regularly provide late and/or updated pricing information to the CMS or HHSC. These updates to pricing information may retroactively change the rebate rates. Additionally, collection rates can exceed 100 percent when manufacturers report pricing changes after rebate invoices are sent.

The provisions in S.B. 7, 82nd Legislature, First Called Session, 2011, that allow HHSC to define a single state-wide formulary for Medicaid and CHIP and a Medicaid PDL will expire on August 31, 2018, unless the legislature modifies the statute. If MCOs develop their own formularies and PDLs, HHSC will experience a significant decrease in Medicaid OBRA '90 and Medicaid supplemental rebates.

The table below provides the total rebates billed and collected for each calendar year for all FFS and MCO programs combined. Rebates are tracked on an accrual basis and are tied to the calendar year.

Tables

Table 1
Rebate Collections by Calendar Year for All Programs (All Funds)
Calendar Years 1991-2014
As of July 9, 2015

Year	Current Invoice Amount	Principal Collected	Outstanding Principal	Outstanding Interest	Collection Rate
1991	\$43,710,487	\$40,836,453	\$760,012	\$25,752,959	93.42%
1992	79,232,018	76,066,046	405,682	274,074,142	96.00%
1993	96,912,842	92,642,548	1,401,680	1,148,472	95.59%
1994	100,617,105	100,076,285	604,786	790,684	99.46%
1995	110,757,743	110,260,183	516,277	1,422,307	99.55%
1996	122,159,825	121,182,306	1,026,156	743,895	99.20%
1997	142,172,472	141,610,227	558,476	416,002	99.60%
1998	171,627,766	171,869,889	(206,388)	746,680	100.14%
1999	215,825,480	215,551,021	300,560	418,162	99.87%
2000	254,207,243	257,771,995	(3,517,024)	3,076,916	101.40%
2001	308,644,986	310,249,108	(1,778,381)	3,255,595	100.52%
2002	371,696,918	384,049,818	(12,413,453)	9,038,325	103.32%
2003	444,337,570	483,363,832	(39,107,445)	1,768,166	108.78%
2004	629,290,233	698,219,038	(68,963,985)	2,518,516	110.95%
2005	841,921,834	837,580,525	4,581,852	6,763,156	99.48%
2006	557,131,393	551,793,248	5,670,524	2,690,299	99.04%
2007	689,670,389	682,300,157	7,320,939	3,215,452	98.93%
2008	826,061,159	807,247,140	20,275,270	3,646,088	97.72%
2009	960,018,529	955,029,904	5,333,181	3,511,627	99.48%
2010	1,202,596,575	1,186,232,323	14,329,478	7,944,059	98.64%
2011	1,381,667,242	1,358,954,773	19,362,122	3,833,679	98.36%
2012	1,548,672,646	1,533,011,703	15,646,248	1,462,737	98.99%
2013	1,571,623,462	1,542,776,094	28,850,804	374,155	98.16%
2014	1,843,027,088	1,777,609,119	65,426,760	15,397	96.45%
Total	\$14,513,583,007	\$14,436,283,734	\$66,384,132	\$358,627,471	99.47%

Table 2
Total Rebate Collections by Program (All Funds)
Calendar Years 1991-2014
As of July 9, 2015

Program	Current Invoice Amount	Principal Collected	Outstanding Principal	Outstanding Interest	Collection Rate
PHARMACY REBATES					
FFS Pharmacy	\$9,476,133,889	\$9,442,472,036	\$25,941,637	\$318,770,391	99.64%
FFS Pharmacy Supplemental	1,133,139,118	1,090,687,610	39,697,476	17,737,449	96.25%
FFS EFMAP Pharmacy	744,571	5,951	182,504	25,302	0.80%
FFS EFMAP Pharmacy Supplemental	11,252	39,564	(28,312)	-	351.62%
FFS BCCP	10,694,284	2,944,140	7,750,144	169	27.53%
FFS MBIC	134,534	131,215	3,319	167	97.53%
MCO Pharmacy	2,938,919,238	2,899,292,033	39,626,956	759,331	98.65%
MCO Pharmacy Supplemental	330,124,554	316,166,793	13,957,762	246,397	95.77%
MCO EFMAP Pharmacy	5,669,331	5,243,723	425,608	1,406	92.49%
MCO EFMAP Pharmacy Supplemental	673,285	653,664	19,621	88	97.09%
MEDICAL REBATES					
FFS EFMAP CAD	253,310,894	337,118,226	(83,817,024)	19,280,114	133.08%
FFS CAD	16,055	15,572	483	-	96.99%
MCO CAD	55,289,350	39,169,395	16,119,956	72,440	70.84%
MCO EFMAP CAD	45,312	34,949	10,363	67	77.13%
CHIP REBATES					
CHIP - NSF	212,797,998	213,098,204	(2,807)	1,384,258	100.14%
CHIP - SF	2,497,164	1,622,726	873,605	11,517	64.98%
DSHS REBATES					
KHC	83,811,497	78,683,607	4,967,403	189,850	93.88%
CSHCN	9,344,450	8,675,297	658,241	148,524	92.84%
TWHP	226,229	229,031	(2,802)	-	101.24%
TOTALS	\$14,513,583,007	\$14,436,283,734	\$66,384,132	\$358,627,471	99.47%

Appendix 1
Summary by Calendar Year, 2010 - 2014
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010	\$677,927,944	\$480,295,578	(\$88,214,611)	(\$23,075)	\$1,069,985,836	\$1,188,640,362	\$1,188,651,621	\$41,170	\$1,188,692,792	(\$118,665,786)	\$1,796,190	111.09%
2011	1,205,542,150	26,636,149	161,195,600	(7,671,626)	1,385,702,273	1,362,858,207	1,362,264,368	57,046	1,362,321,414	23,437,905	3,821,613	98.31%
2012	1,584,889,821	(4,076,189)	(39,272,574)	(2,915)	1,541,538,143	1,529,712,877	1,532,465,575	62,776	1,532,528,351	9,072,568	1,466,213	99.41%
2013	2,010,541,595	(38,061,636)	(396,452,994)	0	1,576,026,964	1,527,534,656	1,542,585,526	17,990	1,542,603,516	33,441,438	374,095	97.88%
2014	1,843,409,535	28,273,729	(26,340,119)	(43)	1,845,343,102	397,174,077	1,721,727,837	1,217	1,721,729,054	123,615,264	13,962	93.30%
TOTAL	\$7,322,311,044	\$493,067,631	(\$389,084,698)	(\$7,697,659)	\$7,418,596,319	\$6,005,920,178	\$7,347,694,928	\$180,199	\$7,347,875,127	\$70,901,390	\$7,472,073	99.04%

Appendix 2
Summary by Program, 2010 - 2014
As of May 15, 2015

Program	Amounts Billed					Amounts Collected				Outstanding Balances		Collect. Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Out. Interest	
Medicaid	\$ 2,348,989,234	\$ 845,324,819	\$ 152,557,180	(\$5,030,664)	\$ 3,341,840,568	\$ 3,152,244,484	\$ 3,430,818,545	\$ 100,874	\$ 3,430,919,419	(\$88,977,976)	\$ 4,186,504	102.66%
Medicaid Supplemental	760,464,139	(391,994,361)	3,256,648	(2,318,268)	369,408,157	328,398,062	352,649,262	2,157	352,651,418	16,758,896	701,829	95.46%
EFMAP	3,101,392	(15,404)	747,151	(147)	3,832,992	3,372,988	3,540,131	30	3,540,161	292,862	5,951	92.36%
EFMAP Supplemental	10,227	29,731	0	0	39,958	0	37,751	1	37,752	2,207	0	94.48%
BCCP	9,896,774	72,490	(95,025)	0	9,874,239	71,846	2,862,744	81	2,862,825	7,011,495	169	28.99%
MBIC	112,554	(50)	23,395	(0)	135,899	120,861	131,215	3	131,218	4,684	167	96.55%
MCO	3,387,628,132	15,128,548	(458,604,081)	(249)	2,944,152,351	1,984,281,938	2,865,466,926	40,882	2,865,507,807	78,685,425	759,555	97.33%
MCO Supplemental	329,537,487	(7,871,353)	2,816,288	0	324,482,421	219,458,554	303,369,187	18,782	303,387,969	21,113,235	246,397	93.49%
MCO EFMAP	5,600,496	117,747	(45,254)	0	5,672,989	3,290,732	5,116,229	133	5,116,361	556,760	1,406	90.19%
MCO EFMAP Supplemental	657,029	20,882	4,974	0	682,886	361,189	633,232	13	633,245	49,654	88	92.73%

Appendix 2 (Cont'd.)

Program	Amounts Billed					Amounts Collected				Outstanding Balances		Collect. Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Out. Interest	
J-Code	224,981,460	31,527,234	(62,230,072)	(10)	194,278,613	148,537,058	178,124,315	12,007	178,136,322	16,154,298	637,101	91.68%
MCO J-Code	53,202,691	(35,608,141)	37,723,137	0	55,317,687	25,312,655	39,101,074	1,264	39,102,337	16,216,614	72,440	70.68%
EFMAP J-Code	16,055	0	0	0	16,055	1	14,950	0	14,950	1,105	0	93.12%
MCO EFMAP J-Code	38,326	(2,109)	8,348	0	44,565	18,372	33,480	0	33,481	11,085	67	75.13%
CHIP - NSF	162,954,484	25,341,129	(68,982,075)	(7,767)	119,305,771	104,468,841	120,712,491	2,189	120,714,680	(1,406,719)	742,911	101.18%
CHIP - SF	777,476	720,328	139,929	(332,892)	1,304,841	501,878	505,422	55	505,477	799,419	2,168	38.73%
KHC	30,318,485	9,343,583	3,541,615	0	43,203,683	32,007,837	40,061,778	1,532	40,063,310	3,141,905	39,585	92.73%
CSHCN	3,795,574	932,556	55,946	(7,663)	4,776,413	3,472,882	4,287,169	192	4,287,361	489,245	75,734	89.76%
TWHP	\$229,031	\$0	(\$2,802)	\$0	\$226,229	\$0	\$229,031	\$4	\$229,035	(\$2,802)	\$0	101.24%
TOTAL	\$4,973,321,810	(\$352,257,187)	(\$541,641,877)	(\$2,666,996)	\$4,076,755,750	\$2,853,675,694	\$3,916,876,384	\$79,325	\$3,916,955,709	\$159,879,367	\$3,285,568	96.08%

Appendix 3
Summary by Calendar Year, 2010 - 2014

FFS Pharmacy Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	Collection Rate
2010	\$0	\$854,096,783	\$11,798,777	(\$32,835)	\$865,862,724	\$990,409,432	\$990,546,290	\$29,760	\$990,576,050	(\$124,683,567)	\$1,322,506	114.40%
2011	1,027,286,314	(9,619,655)	162,279,098	(4,997,620)	1,174,948,137	1,160,362,213	1,159,039,400	50,049	1,159,089,449	15,908,737	2,438,996	98.65%
2012	585,598,385	218,614	(21,028,468)	(208)	564,788,322	566,719,587	567,757,770	17,020	567,774,791	(2,969,448)	382,649	100.53%
2013	348,365,118	(224,692)	(5,308,292)		342,832,133	335,999,054	335,702,091	2,943	335,705,033	7,130,042	39,436	97.92%
2014	387,739,417	853,770	4,816,066		393,409,253	98,754,197	377,772,993	1,102	377,774,095	15,636,260	2,917	96.03%
TOTAL	\$2,348,989,234	\$845,324,819	\$152,557,180	(\$5,030,664)	\$3,341,840,568	\$3,152,244,484	\$3,430,818,545	\$100,874	\$3,430,919,419	(\$88,977,976)	\$4,186,504	102.66%

Appendix 4
Summary by Calendar Year, 2010 - 2014
FFS Supplemental Rebate Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010	\$549,273,020	(\$421,540,017)	(\$2,315,458)	\$338,824	\$125,756,369	\$116,780,085	\$117,025,653	\$1,127	\$117,026,780	\$8,730,716		93.06%
2011	88,306,039	30,100,250	8,127,964	(2,657,092)	123,877,161	123,654,216	122,925,450	586	122,926,035	951,712	540,935	99.23%
2012	55,040,849	(24,509)	(1,530,085)		53,486,255	51,731,247	52,008,499	154	52,008,653	1,477,756	159,880	97.24%
2013	34,446,774	(228,742)	(413,981)		33,804,052	30,447,099	32,403,883	284	32,404,167	1,400,169	1,014	95.86%
2014	33,397,456	(301,343)	(611,791)		32,484,321	5,785,416	28,285,778	6	28,285,784	4,198,543		87.08%
TOTAL	\$760,464,139	(\$391,994,361)	\$3,256,648	(\$2,318,268)	\$369,408,157	\$328,398,062	\$352,649,262	\$2,157	\$352,651,418	\$16,758,896	\$701,829	95.46%

Appendix 5
Summary by Calendar Year, 2010 - 2014
FFS EFMAR Rebate Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010												
2011	\$2,680,342	\$(33,113)	\$744,101	\$(147)	\$3,391,183	\$3,147,468	\$3,152,602	\$24	\$3,152,626	\$238,582	\$5,892	92.96%
2012	60,406	148	(1,083)		59,471	56,882	56,903	3	56,907	2,568	19	95.68%
2013	128,207	10,847	(146)		138,907	117,469	117,242	2	117,244	21,665	36	84.40%
2014	232,437	6,715	4,280		243,431	51,169	213,383	1	213,384	30,047	4	87.66%
TOTAL	\$3,101,392	(\$15,404)	\$747,151	(\$147)	\$3,832,992	\$3,372,988	\$3,540,131	\$30	\$3,540,161	\$292,862	\$5,951	92.36%

Appendix 6
Summary by Calendar Year, 2010 - 2014
FFS EFMAP Supplemental Rebate Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010					\$0				\$0	\$0		
2011		4,830			4,830		4,467		4,467	363		92.48%
2012		365			365		365		365	0		100.00%
2013		12,412			12,412		12,419	1	12,420	(7)		100.06%
2014	10,227	12,124			22,350		20,499	1	20,500	1,851		91.72%
TOTAL	\$10,227	\$29,731	\$0	\$0	\$39,958	\$0	\$37,751	\$1	\$37,752	\$2,207	\$0	94.48%

Appendix 7
Summary by Calendar Year, 2010 - 2014
FFS BCCP Rebate Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010												
2011												
2012												
2013	130,688	226	(25,661)		105,252	71,846	72,183	10	72,193	33,069	169	68.58%
2014	9,766,086	72,265	(69,364)		9,768,986		2,790,561	71	2,790,632	6,978,425	0	28.57%
TOTAL	\$9,896,774	\$72,490	(\$95,025)	\$0	\$9,874,239	\$71,846	\$2,862,744	\$81	\$2,862,825	\$7,011,495	\$169	28.99%

Appendix 8
Summary by Calendar Year, 2010 - 2014
MBIC Rebate Program
As of May 15, 2015

	Amounts Billed					Amounts Collected				Outstanding Balances		
Year	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	Collection Rate
2010												
2011	\$112,554	(\$50)	\$23,395	(\$0)	\$135,899	\$120,861	\$131,215	\$3	\$131,218	\$4,684	\$167	96.55%
2012												
2013												
2014												
TOTAL	\$112,554	(\$50)	\$23,395	(\$0)	\$135,899	\$120,861	\$131,215	\$3	\$131,218	\$4,684	\$167	96.55%

Appendix 9
Summary by Calendar Year, 2010 - 2014
MCO Pharmacy Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010												
2011												
2012	\$761,046,389	(\$322,152)	(\$5,603,646)	(\$249)	\$755,120,343	\$754,650,663	\$755,062,487	\$27,441	\$755,089,928	\$57,856	\$462,047	99.99%
2013	1,438,870,798	(4,568,005)	(429,555,681)		1,004,747,112	976,420,583	991,172,196	9,410	991,181,606	13,574,916	288,002	98.65%
2014	1,187,710,945	20,018,705	(23,444,754)		1,184,284,896	253,210,693	1,119,232,243	4,031	1,119,236,274	65,052,653	9,506	94.51%
TOTAL	\$3,387,628,132	\$15,128,548	(\$458,604,081)	(\$249)	\$2,944,152,351	\$1,984,281,938	\$2,865,466,926	\$40,882	\$2,865,507,807	\$78,685,425	\$759,555	97.33%

Appendix 10
Summary by Calendar Year, 2010 - 2014
MCO Supplemental Rebate Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010												
2011												
2012	\$101,267,167	(\$8,669,679)	(\$86,003)		\$92,511,484	\$88,916,904	\$89,761,547	\$14,608	\$89,776,155	\$2,749,938	\$245,372	97.03%
2013	110,407,276	(181,848)	2,923,692		113,149,120	109,900,060	110,932,896	4,090	110,936,986	2,216,224	1,025	98.04%
2014	117,863,044	980,174	(21,401)		118,821,817	20,641,591	102,674,744	85	102,674,828	16,147,074		86.41%
TOTAL	\$329,537,487	(\$7,871,353)	\$2,816,288	\$0	\$324,482,421	\$219,458,554	\$303,369,187	\$18,782	\$303,387,969	\$21,113,235	\$246,397	93.49%

Appendix 11
Summary by Calendar Year, 2010 - 2014
MCO EFMAP Rebate Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010												
2011												
2012	\$890,036	\$447	(\$27,821)		\$862,663	\$822,452	\$821,709	\$54	\$821,763	\$40,953	\$445	95.25%
2013	1,996,444	17,198	14,921		2,028,563	1,947,897	1,906,915	59	1,906,974	121,648	916	94.00%
2014	2,714,015	100,102	(32,354)		2,781,763	520,382	2,387,604	20	2,387,625	394,159	46	85.83%
TOTAL	\$5,600,496	\$117,747	(\$45,254)	\$0	\$5,672,989	\$3,290,732	\$5,116,229	\$133	\$5,116,361	\$556,760	\$1,406	90.19%

Appendix 12
Summary by Calendar Year, 2010 - 2014
MCO EFMAP Supplemental Rebate Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010												
2011												
2012	\$98,463	(\$1,292)	\$2,003		\$99,175	\$92,360	\$94,101	\$6	\$94,107	\$5,074	\$55	94.88%
2013	231,885	6,676	6,843		245,405	223,358	231,537	3	231,540	13,868	34	94.35%
2014	326,681	15,498	(3,872)		338,306	45,471	307,595	3	307,598	30,711	0	90.92%
TOTAL	\$657,029	\$20,882	\$4,974	\$0	\$682,886	\$361,189	\$633,232	\$13	\$633,245	\$49,654	\$88	92.73%

Appendix 13
Summary by Calendar Year, 2010 - 2014
FFS CAD Rebate Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010	\$43,775,649	\$32,303,788	(\$30,837,290)	\$40	\$45,242,186	\$48,349,035	\$47,991,805	\$7,174	\$47,998,979	(\$2,749,618)	\$357,499	106.08%
2011	63,547,994	(886,592)	(13,935,801)	(49)	48,725,552	43,360,291	44,534,080	3,485	44,537,565	4,191,472	143,959	91.40%
2012	41,342,405	(55,021)	(10,792,505)		30,494,878	26,627,055	26,617,000	835	26,617,834	3,877,879	119,831	87.28%
2013	25,310,385	51,312	(1,586,013)		23,775,684	23,009,151	23,039,686	290	23,039,976	735,998	15,210	96.90%
2014	51,005,028	113,748	(5,078,462)		46,040,313	7,191,526	35,941,745	223	35,941,968	10,098,568	602	78.07%
TOTAL	\$224,981,460	\$31,527,234	(\$62,230,072)	(\$10)	\$194,278,613	\$148,537,058	\$178,124,315	\$12,007	\$178,136,322	\$16,154,298	\$637,101	91.68%

Appendix 14
Summary by Calendar Year, 2010 - 2014
FFS EFMAD CAD Rebate Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010												
2011												
2012												
2013	\$1				\$1	\$1	\$1		\$1	\$0		100.00%
2014	16,054				16,054		14,949		14,949	1,105		93.12%
TOTAL	\$16,055	\$0	\$0	\$0	\$16,055	\$1	\$14,950	\$0	\$14,950	\$1,105	\$0	93.12%

Appendix 15
Summary by Calendar Year, 2010 - 2014
MCO CAD Drug Rebate Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010	\$867,414	\$13,649	(\$745,221)		\$135,841	\$70,982	\$69,908	\$4	\$69,912	\$65,933	\$5,215	51.46%
2011	2,052,439	959,082	(1,126,423)		1,885,097	905,715	962,105	164	962,269	922,993	11,421	51.04%
2012	11,128,174	32,884	169,824		11,330,882	7,980,932	8,104,539	557	8,105,096	3,226,343	32,872	71.53%
2013	17,912,188	(36,674,026)	40,649,908		21,888,070	13,460,210	13,287,685	296	13,287,981	8,600,385	22,554	60.71%
2014	21,242,477	60,271	(1,224,951)		20,077,797	2,894,816	16,676,837	242	16,677,079	3,400,960	378	83.06%
TOTAL	\$53,202,691	(\$35,608,141)	\$37,723,137	\$0	\$55,317,687	\$25,312,655	\$39,101,074	\$1,264	\$39,102,337	\$16,216,614	\$72,440	70.68%

Appendix 16
Summary by Calendar Year, 2010 - 2014
FFS EFMAD CAD Rebate Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010												
2011												
2012	\$6,404	\$14	\$2,394		\$8,812	\$4,398	\$4,415	\$0	\$4,415	\$4,397	\$44	50.10%
2013	11,421	(42)	813		12,192	10,301	10,305	0	10,305	1,887	21	84.52%
2014	20,501	(2,081)	5,142		23,561	3,673	18,761	0	18,761	4,801	2	79.62%
TOTAL	\$38,326	(\$2,109)	\$8,348	\$0	\$44,565	\$18,372	\$33,480	\$0	\$33,481	\$11,085	\$67	75.13%

Appendix 17
Summary by Calendar Year, 2010 - 2014
CNSF
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010	\$82,776,932	\$5,765,763	(\$67,321,779)	(\$4)	\$21,220,911	\$22,871,369	\$22,857,598	\$2,392	\$22,859,990	(\$1,636,686)	\$32,423	107.71%
2011	15,020,331	5,552,716	2,091,499	(7,763)	22,656,783	23,087,549	23,287,953	2,352	23,290,304	(631,169)	655,156	102.79%
2012	20,555,839	4,522,397	(129,672)		24,948,564	24,833,856	24,857,499	1,695	24,859,194	91,066	51,393	99.63%
2013	23,287,778	3,584,952	(3,024,977)		23,847,753	27,460,165	24,551,469	408	24,551,877	(703,716)	3,940	102.95%
2014	21,313,603	5,915,301	(597,146)		26,631,758	6,215,902	25,157,972	(4,657)	25,153,314	1,473,787	0	94.47%
TOTAL	\$162,954,484	\$25,341,129	(\$68,982,075)	(\$7,767)	\$119,305,771	\$104,468,841	\$120,712,491	\$2,189	\$120,714,680	(\$1,406,719)	\$742,911	101.18%

Appendix 18
Summary by Calendar Year, 2010 - 2014
CSF
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010	\$239,373	\$449,657	\$7,839	(\$325,508)	\$371,361	\$97,158	\$98,034	\$21	\$98,054	\$273,327	\$587	26.40%
2011	538,102	270,671	132,090	(7,384)	933,479	404,379	407,047	35	407,082	526,432	1,581	43.61%
2012					0	342	341		341	(341)		
2013												
2014												
TOTAL	\$777,476	\$720,328	\$139,929	(\$332,892)	\$1,304,841	\$501,878	\$505,422	\$55	\$505,477	\$799,419	\$2,168	38.73%

Appendix 19
Summary by Calendar Year, 2010 - 2014
CSHCN Services Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010	\$995,087	(\$14,299)		(\$3,592)	\$977,196	\$974,411	\$974,415	\$49	\$974,464	\$2,781	\$65,281	99.72%
2011	517,794	326,338	97,203	(1,570)	939,765	757,550	775,857	74	775,931	163,908	6,452	82.56%
2012	618,537	190,196	(20,079)	(2,458)	786,196	769,474	767,321	58	767,379	18,875	3,829	97.60%
2013	899,266	125,876	(11,720)		1,013,422	733,565	739,384	9	739,393	274,038	171	72.96%
2014	764,890	304,445	(9,458)	(43)	1,059,834	237,881	1,030,192	2	1,030,194	29,642		97.20%
TOTAL	\$3,795,574	\$932,556	\$55,946	(\$7,663)	\$4,776,413	\$3,472,882	\$4,287,169	\$192	\$4,287,361	\$489,245	\$75,734	89.76%

Appendix 20
Summary by Calendar Year, 2010 - 2014
KHC Program
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010	\$468	\$9,220,255	\$1,198,523		\$10,419,247	\$9,087,890	\$9,087,919	\$643	\$9,088,561	\$1,331,328	\$12,678	87.22%
2011	5,480,240	(38,328)	2,762,475		8,204,386	7,057,965	7,044,193	275	7,044,469	1,160,192	17,053	85.86%
2012	7,236,768	31,398	(227,433)		7,040,733	6,506,726	6,551,081	344	6,551,425	489,653	7,780	93.05%
2013	8,543,366	6,221	(122,701)		8,426,886	7,733,896	8,405,633	186	8,405,820	21,253	1,567	99.75%
2014	9,057,644	124,038	(69,250)		9,112,431	1,621,360	8,972,952	83	8,973,035	139,479	506	98.47%
TOTAL	\$30,318,485	\$9,343,583	\$3,541,615	\$0	\$43,203,683	\$32,007,837	\$40,061,778	\$1,532	\$40,063,310	\$3,141,905	\$39,585	92.73%

Appendix 21
Summary by Calendar Year, 2010 - 2014
TWHP
As of May 15, 2015

Year	Amounts Billed					Amounts Collected				Outstanding Balances		Collection Rate
	Original	Pricing Adjustments since billing	Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices	Collections Prior to Current FY	Total Principal Collected	Total Interest Collected	Total Collections	Outstanding Principal	Outstanding Interest	
2010												
2011												
2012												
2013												
2014	\$229,031		(\$2,802)		\$226,229		\$229,031	\$4	\$229,035	(\$2,802)	\$0	101.24%
TOTAL	\$229,031	\$0	(\$2,802)	\$0	\$226,229	\$0	\$229,031	\$4	\$229,035	(\$2,802)	\$0	101.24%