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# **RIDER 24 REPORT**

## **Annual Performance Report for the Prescription Drug Rebate Program**

**As Required By  
Rider 24, S.B. 1,  
83rd Legislature, Regular Session, 2013**

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**Health and Human Services Commission  
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## **Executive Summary**

The *Annual Performance Report for the Prescription Drug Rebate Program*, submitted by the Health and Human Services Commission (HHSC), 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, and DSHS' Children with Special Health Care Needs (CSHCN) Services Program. This report is required by the 2014-15 General Appropriations Act, S.B. 1, 83<sup>rd</sup> Legislature, Regular Session, 2013 (Article II, Health and Human Services Commission, Rider 24). This report must include rebate principal and interest outstanding, age of receivables, and annual collection rates. It must also specify amounts billed, dollar value of pricing and utilization adjustments, and dollars collected. The required information is provided in this report for each rebate program for the most currently reportable five-year period for each rebate program (calendar year 2009 through calendar year 2013). HHSC's Vendor Drug Program (VDP) operates the formularies and oversees the contractor responsible for administration of the rebate programs for Medicaid, CHIP, KHC, and CSHCN.

The federal Medicaid drug rebate program, which was initiated in the Omnibus Budget Reconciliation Act of 1990 (OBRA '90), requires drug manufacturers to enter into a contract known as a national rebate agreement with the Centers for Medicare & Medicaid Services (CMS) for a drug to be included on a state's Medicaid formulary. The contracted manufacturers must report their current product and pricing information to CMS and pay the agreed-upon rebate amount for each outpatient drug dispensed to a Medicaid client. The rebate amount is based on the manufacturers' reported product and pricing information. States also may collect Medicaid rebates for drugs dispensed through CMS-approved Medicaid waivers and drugs administered by physicians in their offices. States share the rebates with CMS at the same rate as the Federal Medical Assistance Percentage (FMAP).

Since January 2004, Texas has operated a supplemental rebate program for Medicaid. Drug manufacturers who enter into supplemental rebate contracts with the Texas Medicaid Program have their products considered for preferred status on the Preferred Drug List (PDL). The HHSC Pharmaceutical and Therapeutics (P&T) Committee determines which products are assigned a "preferred" or "non-preferred" PDL status based on a products' safety, clinical effectiveness, and cost (including rebates). Non-preferred drugs require prior authorization before they can be dispensed, while preferred products do not require prior authorization. This provides an incentive for manufacturers to participate in the Medicaid supplemental rebate program. The rebate dollars collected from the supplemental rebate program are also shared with the CMS at the FMAP rate. All rebates received 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 and are subject to change because rebate programs allow retroactive adjustments to pricing and utilization data. For calendar years 2009 through 2013, for all programs, HHSC invoiced \$6,544,654,841<sup>1</sup> and collected \$6,461,756,280<sup>2</sup> in principal and \$144,905<sup>3</sup> in interest – a collection rate of 98.73 percent.

The Affordable Care Act (ACA) initiated the Quarterly Rebate Offset Amount (QROA), which increased the minimum federal Medicaid OBRA '90 rebate amount paid by drug manufacturers. All of the increased revenues collected due to these changes will be remitted to the CMS through a quarterly rebate offset process. For this period, the QROA amount was \$309,723,573. The ACA requires drug manufacturers to pay rebates for drugs dispensed to Medicaid clients who receive care from Medicaid managed care organizations (MCOs) and allows Medicaid to collect supplemental rebates on these encounters.

S.B. 7, 82<sup>nd</sup> Legislature, First Called Session, 2011, directed HHSC to include pharmacy benefits in the array of services provided by MCOs and required MCOs to comply with HHSC's Medicaid and CHIP formularies and Medicaid PDL. Since pharmacy services transitioned from fee-for-service to managed care, the rebate collection rates for the Medicaid OBRA '90 Rebate Program and the Supplemental Rebate Program have generally remained the same. The collection rate for the Physician-Administered Drug Rebate Program has decreased since the transition. In calendar year 2011, the collection rate in this program in FFS was 99.72 percent. In calendar year 2013, the collection rate was 61.28 percent for managed care. HHSC is working with the MCOs to increase collection rates, and has made one significant change. As of January 1, 2014, providers are required to include the national drug code (NDC) on all managed care physician-administered outpatient drug claims. This change should increase rebate collections in this program.

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<sup>1</sup> Amount for 2008-2012 was \$5,055,177,459.

<sup>2</sup> Amount for 2008-2012 was \$5,014,829,956.

<sup>3</sup> Amount for 2008-2012 was \$109,393.

## **Introduction**

The *Annual Performance Report for the Prescription Drug Rebate Program* is required pursuant to the 2014-15 General Appropriations Act, S.B. 1, 83<sup>rd</sup> Legislature, Regular Session, 2013 (Article II, Health and Human Services Commission, Rider 24). Rider 24 requires HHSC to report annually, the outstanding prescription drug rebate balances for Medicaid, CHIP, KHC, and CSHCN. This report must include rebate principal and interest outstanding, age of receivables, and annual collection rates. This report must also specify amounts billed, dollar value of pricing and utilization adjustments, and dollars collected. HHSC's Vendor Drug Program (VDP) operates the formularies and oversees the contractor responsible for administration of the rebate programs for Medicaid, CHIP, KHC, and CSHCN.

This report details the outstanding prescription drug rebate balances as specified in Rider 24. The following rebate programs for Medicaid fee-for-service (FFS) and Medicaid managed care are included in this report:

- Medicaid Fee-for-Service (FFS)
  - OBRA '90 Pharmacy rebates (Appendix 3)
  - Buy-In for Children rebates (Appendix 4)
  - Supplemental rebates (Appendix 5)
  - Qualified Alien rebates (Appendix 6)
  - Physician-administered drug rebates (Appendix 7)
- Medicaid Managed Care Organization (MCO)
  - OBRA '90 Pharmacy rebates (Appendix 8)
  - Qualified Alien rebates (Appendix 9)
  - Supplemental rebates (Appendix 10)
  - Qualified Alien supplemental rebates (Appendix 11)
  - Physician-administered drug rebates (Appendix 12)
  - Qualified Aliens physician-administered drug rebates (Appendix 13)
- Children's Health Insurance Program
  - Federal-State Funded (Appendix 14)
  - State Funded (Appendix 15)
- Department of State Health Services (DSHS)
  - Kidney Health Care (Appendix 16)
  - Children with Special Health Care Needs (Appendix 17)

For each of the rebate programs, appendices 1 through 17 include the following information for calendar years 2009 through 2013.

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

## ***Background***

### **Rebate Programs**

The federal Medicaid drug rebate program, which was initiated in the Omnibus Budget Reconciliation Act of 1990 (OBRA '90), requires drug manufacturers to enter into a contract known as a national rebate agreement with the Centers for Medicare & Medicaid Services (CMS). The contracted manufacturers agree to provide these federal rebates on all quantities of products dispensed to Medicaid clients in an outpatient setting. As part of this agreement, manufacturers must report their current product and pricing information to CMS within 30 days of the end of the calendar quarter. Rebates are calculated and paid to state Medicaid programs by the drug manufacturers based on the reported 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. Texas also collects rebates for outpatient drugs administered by physicians in their offices or clinics for FFS clients. States are required to share all Medicaid rebates with the CMS at the same rate as the Federal Medical Assistance Percentage (FMAP).

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 cash, or services in lieu of cash (i.e. Program Benefit Agreement), to the Medicaid program. Drug manufacturers that enter into supplemental rebate contracts with the Texas Medicaid Program have their products considered for preferred status on the Preferred Drug List (PDL). The HHSC Pharmaceutical and Therapeutics (P&T) Committee applies clinical, safety, and cost effectiveness criteria to determine which products are assigned a "preferred" or "non-preferred" PDL status. Non-preferred drugs require prior authorization before they can be dispensed. Preferred products require no prior authorization, which provides an incentive for manufacturers to participate in the Medicaid supplemental rebate program. HHSC invoices and collects Medicaid supplemental rebates from manufacturers for their preferred products based on claims submitted for clients in FFS and managed care. These rebate dollars are also shared with the CMS at the FMAP rate. All rebates received are returned to HHSC's Vendor Drug Program (VDP) to be used as the first source of funding for the corresponding pharmacy program.

A number of manufacturers also voluntarily participate in separate CHIP, KHC, and CSHCN 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.

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 CMS or HHSC. This results in rebate rates changing retroactively. Additionally, collection rates can temporarily exceed 100 percent when manufacturers report pricing changes after rebate invoices are sent.

### **Recent State and Federal Legislation**

The Affordable Care Act (ACA) 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. For this period, the QROA amount was \$309,723,573. The ACA requires drug manufacturers to pay rebates for drugs dispensed to Medicaid clients who receive care from a Medicaid MCO and allows Medicaid to collect supplemental rebates on these encounters.

**QROA Payments Associated with Rebate Invoices**

<b>Year</b>	<b>QROA</b>
2010	\$84,638,843
2011	86,424,508
2013	79,848,964
2013	58,811,258
Total	\$309,723,573

Senate Bill (S.B.) 7, 82<sup>nd</sup> Legislature, First Called Session, 2011, directed HHSC to include 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 PDL. In March 2012, pharmacy services were added to the array of services provided by the Texas Medicaid and CHIP MCOs. This resulted in an approximate 80 percent drop in FFS utilization.

***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:

<b>Claims Paid</b>	<b>Invoices Sent</b>	<b>Payment Due</b>
January – March	May 30	July 7
April – June	August 28	October 6
July – September	November 30	January 7
October – December	February 28	April 5

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 the 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 17, the principal outstanding (column K) represents the total receivables, which is the difference between the adjusted billed amount (column F) and cumulative rebates collected (column H), and is aged based on the calendar year.

### **HHSC Medicaid Programs – Drug Rebate Collections**

The following rebate collection amounts are for calendar year 2009 through calendar year 2013. This timeframe is also reflected in the appendices.

#### ***Medicaid FFS – OBRA '90 Rebate 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 \$3,814,188,509 for the FFS OBRA '90 Medicaid rebate program, which is a 99.2 percent collection rate.

#### ***Medicaid FFS – MBIC Rebate Program***

CMS approved the Medicaid Buy-In for Children (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, they run as a separate rebate 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 5, the collections totaled \$121,295 for the Medicaid MBIC rebate program in 2011.

### ***Medicaid FFS – QA Rebate Program***

The Medicaid waiver qualified aliens (QA) drug rebate program also began in 2011, and is covered under the existing CMS national rebate agreements. While it is a Medicaid waiver program, it does qualify for the CMS-enhanced match rate and covers many of the consumers previously covered under the CHIP.

As shown in Appendix 6, the collections totaled \$3,317,136 for the Medicaid QA rebate program, which is a 94.78 percent collection rate.

### ***Medicaid FFS – Supplemental Rebate Program***

Manufacturers who offer a supplemental rebate to the Texas Medicaid program have their products considered for preferred status on the PDL. A supplemental rebate is cash or a Program Benefit Agreement (PBA), which is services provided in lieu of cash.

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 \$443,683,771 in Medicaid supplemental rebates (see Appendix 8). Several manufacturers had not adjusted their payments (due to rate changes) between Medicaid OBRA '90 rebates and their Medicaid supplemental rebates, resulting in a portion of the outstanding balances. Additionally, some manufacturers have chosen to provide PBAs that run for a full year. Rebate balances are settled with the PBA benefits at the end of the agreement period. Until that time, the rebate system shows the balances as unpaid. 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 103.06 percent.

### ***Medicaid FFS – Physician-Administered Drug Rebate Program***

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 National Drug Code (NDC). However, Texas' acute care claims administrator vendor pays for drugs administered in an outpatient medical setting. Physician-administered drugs are identified by Healthcare Common Procedure Coding System (HCPCS) codes that generally start with the letter "J" and are commonly referred to as "J-codes".

Beginning January 1, 2008, as part of the Deficit Reduction Act of 2005 (DRA), physicians' offices, hospitals, and clinics were required to submit the NDC of the specific drug administered, in addition to the HCPCS code.

Medicaid rebate billing is based on NDCs, not on HCPCS codes. A drug product identified by a single HCPCS code may refer to one or many NDCs. HCPCS codes for single-source drugs (e.g. brand) may refer to one NDC from one manufacturer, while multi-source drugs (e.g. generic) may refer to multiple NDCs from several manufacturers.

HHSC has collected \$173,416,768 in rebates for physician-administered drugs (see Appendix 7), and the collection rate is 95.16 percent.

### **HHSC MCO Programs – Drug Rebate Collections**

On March 1, 2012, pharmacy services were included in the array of services provided by Medicaid MCOs. The rebate system was able to invoice for encounter rebates paid by MCOs through the MCO OBRA '90, MCO Supplemental, MCO Qualified Aliens and MCO Qualified Aliens Supplemental rebate programs beginning in August 2012.

The following rebate collection amounts are for calendar year 2009 through calendar year 2013. This timeframe is also reflected in the appendices.

#### ***Medicaid MCO – OBRA '90 Rebate 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 3, the collections totaled \$1,655,907,354 for the MCO OBRA '90 Medicaid rebate program, which is a 98.45 percent collection rate.

#### ***Medicaid MCO – QA Rebate Program***

As shown in Appendix 6, the collections totaled \$2,539,094 for the Medicaid QA rebate program. Since this is a relatively new rebate program, the collection rate is 89.08 percent.

#### ***Medicaid MCO – Supplemental Rebate Program***

HHSC has collected \$190,805,919 in Medicaid supplemental rebates (see Appendix 8). The current collection rate is 91.89 percent.

#### ***Medicaid MCO – Physician-Administered Drug Rebate Program***

ACA requires drug manufacturers to pay rebates for drugs dispensed to Medicaid beneficiaries who receive care from a Medicaid MCO. Therefore, HHSC sent rebate invoices to manufacturers for MCO-related physician-administered claim encounters dating back to the start of the quarter after the March 23, 2010 effective date of ACA.

MCO physician-administered drug rebates face the same challenges as the FFS rebates due to the differences between NDCs and HCPCS units of measure which can drastically overstate the amount invoiced. HHSC is working with the MCOs to increase these rebate collections. As of January 1, 2014, providers are required to include the national drug code (NDC) on all managed care physician-administered outpatient drug claims. Including the NDC was previously only required on single source drugs and highly utilized multi-source drugs. Rebates can only be pursued on claims that have an NDC. Therefore, rebate collection rates beginning in calendar year 2014 should increase.

MCO physician-administered and MCO qualified alien physician-administered drug rebates resulted in collections of \$22,050,909 (see Appendices 12 and 13). Because of the challenges with collecting physician-administered drug claims and because this is a relatively new rebate program, current collection rates are 65.43 percent and 68.9 percent.

### **HHSC CHIP Programs – Drug Rebate Collections**

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 encourage 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 Qualified Aliens (QA) Waiver in 2011.

#### ***Children’s Health Insurance Program (CHIP) – Federal-State Funded (FSF)***

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 CHIP-FSF program, HHSC has collected \$111,222,587 in rebates (see Appendix 14), and the collection rate is 101.42 percent.

#### ***Children’s Health Insurance Program (CHIP) – State Funded (SF)***

The CHIP-SF rebate program covers prescriptions for legal immigrants, all of who were moved into the Medicaid QA waiver in 2011. Therefore, this rebate program has ended. This program was funded entirely from general revenue. Total collections for this rebate program are \$580,131 (see Appendix 15). Because of the fact that some manufacturers are delinquent in providing the contracted unit rebate information, the collection rate is 56.88 percent.

## **DSHS Programs – Drug Rebate Collections**

### ***Kidney Health Care (KHC) Program***

The KHC rebate program is a voluntary DSHS program that is administered by HHSC's VDP. Because KHC qualifies as a State Pharmaceutical Assistance Program (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.<sup>4</sup>

HHSC has collected \$39,761,808 in KHC drug rebates (see Appendix 16). Collections have averaged 91.34 percent of the amount invoiced.

### ***Children with Special Health Care Needs (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 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 (principal and interest) for the CSHCN rebate program were \$3,784,336 (see Appendix 17). Collections have averaged 91.35 percent of the amount invoiced.

## **Conclusion**

### ***Summary of Rebate Collections***

From calendar year 2009 through calendar year 2013, HHSC collected a total of \$6,461,756,280 in rebates and \$144,905 in interest. Appendix 1 contains the summary breakdown by year. Appendix 2 contains the summary breakdown by program. The average collection rate calculated for all programs in this time period is 98.73 percent.

In March 2012, pharmacy services were added to the array of services provided by the Texas Medicaid and CHIP MCOs, at the direction of the Texas Legislature (S.B. 7, 82<sup>nd</sup> Legislature,

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<sup>4</sup> KHC had 3,575 newly approved applicants in fiscal year 2013, and 4,131 newly approved applicants in fiscal year 2010.

First Called Session, 2011). The collection rates for the Medicaid OBRA '90 Rebate Program have generally remained the same since pharmacy services transitioned to the MCOs. The Supplemental Rebate Program collection rate in managed care in calendar year 2013 has remained very similar to the collection rates prior to the transition to managed care. In calendar year 2013, the managed care rate was 96 percent, and in calendar years 2011 and 2010, the rates were 132 percent and 93 percent, respectively, in FFS.

The collection rate for the Physician-Administered Drug Rebate Program has decreased since the transition to managed care. In calendar year 2011, the collection rate in this program in FFS was 99.72 percent. In calendar year 2013, the collection rate was 61.28 percent for managed care. HHSC is working with the MCOs to increase collection rates, and has made one significant change. As of January 1, 2014, providers are required to include the national drug code (NDC) on all managed care physician-administered outpatient drug claims. Including the NDC was previously only required on single source drugs and highly utilized multi-source drugs. Rebates can only be pursued on claims that have an NDC. Therefore, rebate collection rates beginning in calendar year 2014 should increase for this program.

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, 82<sup>nd</sup> 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. If MCOs develop their own formularies and PDLs, HHSC will experience a significant decrease in Medicaid OBRA '90 and Medicaid supplemental rebate revenue.

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.

**Table 1**  
**Rebate Collections by Calendar Year for All Programs (All Funds)**  
**As of December 31, 2013**

<b>Year</b>	<b>Current Value of Invoices</b>	<b>Total Collections</b>	<b>Outstanding Principal</b>	<b>Outstanding Interest</b>	<b>Collection Rate</b>
2009	\$959,402,869	\$954,477,806	\$4,951,863	\$1,659,534	99.48%
2010	1,198,956,149	1,186,112,818	12,872,037	3,303,569	98.93%
2011	1,341,847,660	1,362,133,989	-20,251,895	3,081,730	101.51%
2012	1,549,745,830	1,530,351,889	19,436,353	1,432,441	98.75%
2013	1,494,702,333	1,428,824,682	65,890,200	170,139	95.59%
<b>TOTAL</b>	<b>\$6,544,654,841</b>	<b>\$6,461,901,184</b>	<b>\$82,898,561</b>	<b>\$9,647,413</b>	<b>98.86%</b>

**Table 2**  
**Total Rebate Collections by Program (All Funds)**  
**Calendar Years 2009-2013**

Program	Current Value of Invoices	Total Collections	Outstanding Principal	Outstanding Interest	Collection Rate
<b>Medicaid FFS</b>					
OBRA '90	\$3,843,328,604	\$3,814,267,603	\$29,140,096	\$6,282,829	99.24%
Buy In for Children	134,151	121,298	12,856	168	90.42%
Qualified Alien	3,499,851	3,317,162	182,715	1,886	94.78%
Supplemental	430,528,122	443,686,579	-13,155,650	1,721,350	103.06%
Physician-Administered Drugs	182,232,313	173,427,966	8,815,545	590,362	95.16%
<b>Medicaid MCO</b>					
OBRA '90	1,681,952,045	1,655,939,088	26,044,691	512,241	98.45%
Qualified Alien	2,850,496	2,539,162	311,401	955	89.08%
Supplemental	207,639,056	190,813,417	16,833,136	257,143	91.89%
Qualified Alien Supplemental	324,649	304,823	19,835	89	93.89%
Physician-Administered Drugs	33,682,109	22,038,192	11,644,901	30,792	65.43%
Qualified Alien Physician-Administered Drugs	19,887	13,702	6,185	52	68.90%
<b>CHIP</b>					
Federal State Funded	109,665,612	111,232,391	-1,556,976	139,439	101.42%
State Funded	1,019,899	580,195	439,768	2,429	56.88%
<b>DSHS</b>					
Kidney Health Care Program	43,530,264	39,763,204	3,768,456	67,713	91.34%
Children w/ Special Health Care Needs	4,142,560	3,784,546	358,224	39,794	91.35%
<b>TOTAL</b>	<b>\$6,544,654,841</b>	<b>\$6,461,901,184</b>	<b>\$82,898,561</b>	<b>\$9,647,413</b>	<b>98.73%</b>

**Appendix 1**  
**Summary by Calendar Year, 2009-2013**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009	\$1,064,101,29	\$8,468,890	-\$113,213,330	\$46,023	\$959,402,869	\$954,377,682	\$954,451,006	\$26,800	\$954,477,806	\$4,951,863	\$1,659,534	99.48%
2010	677,927,944	609,334,096	-88,286,408	-19,483	1,198,956,149	1,187,012,984	1,186,084,112	28,707	1,186,112,818	12,872,037	3,303,569	98.93%
2011	1,205,542,150	-11,583,075	155,558,641	-7,670,055	1,341,847,660	1,370,203,874	1,362,099,553	34,436	1,362,133,989	-20,251,893	3,081,730	101.51%
2012	1,584,890,162	1,928,126	-37,072,002	-457	1,549,745,830	1,257,676,697	1,530,309,477	42,413	1,530,351,889	19,436,353	1,432,441	98.75%
2013	2,010,541,357	1,687,431	-517,526,456	0	1,494,702,333	380,770,644	1,428,812,132	12,550	1,428,824,682	65,890,200	170,139	95.59%
<b>TOTAL</b>	<b>\$6,543,002,899</b>	<b>\$609,835,469</b>	<b>-\$600,539,555</b>	<b>-\$7,643,973</b>	<b>\$6,544,654,841</b>	<b>\$5,150,041,882</b>	<b>\$6,461,756,280</b>	<b>\$144,905</b>	<b>\$6,461,901,184</b>	<b>\$82,898,561</b>	<b>\$9,647,413</b>	<b>98.73%</b>

**Appendix 2**  
**Summary by Program, Calendar Years 2009-2013**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
<b>Medicaid FFS</b>												
OBRA '90	\$2,733,876,152	\$973,306,611	\$141,176,505	\$-5,030,664	\$3,843,328,604	\$3,324,594,069	\$3,814,188,509	\$79,094	\$3,814,267,603	\$29,140,096	\$6,282,829	99.24%
Buy In for Children	112,554	-1,798	23,395		134,151	121,297	121,295	2.96	121,298	12,856	168	90.42%
Supplemental	852,329,065	-422,272,120	2,743,422	-2,272,245	430,528,122	418,955,774	443,683,771	2,807.49	443,686,579	-13,155,650	1,721,350	103.06%
Qualified Alien	2,868,955	-111,832	742,875	-147	3,499,851	3,213,774	3,317,136	26	3,317,1612	182,715	1,886	94.78%
Physician Administered	310,794,580	33,436,438	-161,998,695	-10	182,232,313	138,105,406.87	173,416,768	11,198	173,427,966	8,815,545	590,361	95.16%
Qualified Alien Physician Administered	1				1		1		1			100.00%
<b>Medicaid MCO</b>												
OBRA '90	2,199,917,187	1,067,830	-519,032,72	-249	1,681,952,045	1,005,531,906	1,655,907,354	31,735	1,655,939,088	26,044,691	512,241	98.45%
Qualified Alien	2,886,480	34,125.44	-70,110		2,850,496	1,296,281	2,539,094	6	2,539,162	311,401	955	89.08%
Supplemental	211,674,443	-958,222	-3,077,165.28		\$207,639,056	111,806,070	190,805,919	7,497	190,813,417	16,833,136	257,143	91.89%
Qualified Alien Supplemental	330,110.84	-1,324	-4,138		\$324,649	149,707	304,815	9	304,823	19,835	89	93.89%
Physician Administered	31,960,214	27,186	1,694,708		33,682,109	11,813,526	22,037,207	985	22,038,192	11,644,90	30,792	65.43%

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
Qualified Alien Physician Administered	17,825	3	2,060		19,887	4,052	13,702		13,702	6,185	52	68.90%
<b>CHIP</b>												
Federal State Funded	160,155,316	15,194,874	-65,676,812	-7,767	109,665,612	96,694,981	111,222,587	9,803	111,232,391	-1,556,976	139,439	101.42%
State Funded	844,500	368,932	139,358	-332,892	1,019,899	549,676	580,131	64	580,195	439,768	2,429	56.88%
<b>DSHS</b>												
Kidney Health Care Program	31,520,497	8,831,899	3,177,868		43,530,264	33,926,409	39,761,808	1,396	39,763,204	3,768,456	67,713	91.34%
Children w/ Special Health Care Needs	3,584,330	912,650	-354,420		4,142,560	3,247,107	3,784,336	209	3,784,546	358,224	39,794	91.35%
<b>TOTAL</b>	<b>\$6,543,002,899</b>	<b>\$609,835,469</b>	<b>-\$600,539,555</b>	<b>-\$7,643,973</b>	<b>\$6,544,654,841</b>	<b>\$5,150,041,882</b>	<b>\$6,461,756,280</b>	<b>\$144,905</b>	<b>\$6,461,901,184</b>	<b>\$82,898,561</b>	<b>\$9,647,411</b>	<b>98.73%</b>

**Appendix 3  
Medicaid FFS  
OBRA '90 Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009	\$772,626,335	\$6,918,426	-\$7,775,593	\$0	\$771,769,169	\$770,844,248	\$770,730,212	\$19,133	\$770,749,346	\$1,038,956	\$1,546,095	99.87%
2010		983,066,159	11,717,072	-32,835	994,750,396	987,329,997	987,859,322	20,072	987,879,395	6,891,074	1,527,286	99.31%
2011	1,027,286,314	-16,555,636	162,012,636	-4,997,620	1,167,745,694	1,167,329,422	1,159,995,308	28,775	1,160,024,083	7,750,386	2,758,030	99.34%
2012	585,598,385	-515,579	-20,977,701	-208	564,104,888	316,349,234	567,433,531	9,277	567,442,808	-3,328,643	424,532	100.59%
2013	348,365,118	393,241	-3,799,900		344,958,458	82,741,168	328,170,135	1,836	328,171,971	16,788,323	26,886	95.13%
<b>TOTAL</b>	<b>\$2,733,876,152</b>	<b>\$973,306,611</b>	<b>\$141,176,505</b>	<b>-\$5,030,664</b>	<b>\$3,843,328,604</b>	<b>\$3,324,594,069</b>	<b>\$3,814,188,509</b>	<b>\$79,094</b>	<b>\$3,814,267,603</b>	<b>\$29,140,095</b>	<b>\$6,282,829</b>	<b>99.24%</b>

**Appendix 4  
Medicaid FFS  
Buy-In for Children Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009												
2010												
2011	\$112,554	-\$1,798	\$23,395	\$0	\$134,151	\$121,297	\$121,295	\$3	\$121,298	\$12,856	\$168	90.42%
2012												
2013												
<b>TOTAL</b>	<b>\$112,554</b>	<b>-\$1,798</b>	<b>\$23,395</b>	<b>\$0</b>	<b>\$134,151</b>	<b>\$121,297</b>	<b>\$121,295</b>	<b>\$3</b>	<b>\$121,298</b>	<b>\$12,856</b>	<b>\$168</b>	<b>90.42%</b>

**Appendix 5  
Medicaid FFS  
Supplemental Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009	\$125,262,382	-\$885,895	-\$956,025	\$46,023	\$123,466,486	\$120,723,584	\$120,757,165	\$730	\$120,757,895	\$2,709,320	\$45,507	97.81%
2010	549,273,020	-421,518,533	-2,315,197	338,824	125,778,114	116,793,284	116,799,038	1,127	116,800,165	8,979,076	1,370,560	92.86%
2011	88,306,039	355,081	8,133,944	-2,657,092	94,137,972	123,486,744	123,822,338	586	123,822,924	-29,684,366	144,339	131.53%
2012	55,040,849	-11,509	-1,776,184		53,253,155	50,983,403	51,682,760	139	51,682,899	1,570,395	159,929	97.05%
2013	34,446,774	-211,263	-343,117		33,892,395	6,968,758	30,622,470	226	30,622,695	3,269,925	1,014	90.35%
<b>TOTAL</b>	<b>\$852,329,065</b>	<b>-\$422,272,120</b>	<b>\$2,743,422</b>	<b>-\$2,272,245</b>	<b>\$430,528,122</b>	<b>\$418,955,774</b>	<b>\$443,683,771</b>	<b>\$2,807</b>	<b>\$443,686,579</b>	<b>-\$13,155,650</b>	<b>\$1,721,350</b>	<b>103.06%</b>

**Appendix 6  
Medicaid FFS  
Qualified Alien Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009												
2010												
2011	\$2,680,342	-\$112,124	\$744,101	-\$147	\$3,312,172	\$3,130,915	\$3,146,695	\$21	\$3,146,716	\$165,478	\$1,848	95.00%
2012	60,406	-61	-1,083		59,262	56,763	56,882	3	56,885	2,380	17	95.98%
2013	128,207	353	-143		128,417	26,095	113,559	1	113,561	14,858	21	88.43%
<b>TOTAL</b>	<b>\$2,868,955</b>	<b>-\$111,832</b>	<b>\$742,875</b>	<b>-\$147</b>	<b>\$3,499,851</b>	<b>\$3,213,774</b>	<b>\$3,317,136</b>	<b>\$26</b>	<b>\$3,317,162</b>	<b>\$182,715</b>	<b>\$1,886.23</b>	<b>94.78%</b>

**Appendix 7  
Medicaid FFS  
Physician Administered Drug Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009	\$136,818,14	\$173,405	-\$103,692,219	\$0	\$33,299,334	\$33,302,672	\$33,456,066	\$2,376	\$33,458,442	-\$156,732	\$3,904	100.47%
2010	43,775,649	34,644,988	-30,877,077	40	47,543,600	49,766,690	48,377,276	5,126	48,382,401	-833,676	333,790	101.75%
2011	63,547,994	-1,396,687	-19,047,397	-49	43,103,861	43,941,824	42,984,592	2,673	42,987,265	119,269	132,432	99.72%
2012	41,342,405	24,140	-7,734,710		33,631,835	5,754,017	25,859,888	776	25,860,664	7,771,947	108,345	76.89%
2013	25,310,385	-9,408	-647,293		24,653,684	5,340,203	22,738,946	248	22,739,194	1,914,738	11,891	92.23%
<b>TOTAL</b>	<b>\$310,794,580</b>	<b>\$33,436,438</b>	<b>-\$161,998,695</b>	<b>-\$9</b>	<b>\$182,232,313</b>	<b>\$138,105,407</b>	<b>\$173,416,762</b>	<b>\$11,198</b>	<b>\$173,427,966</b>	<b>\$8,815,545</b>	<b>\$590,362</b>	<b>95.16%</b>

**Appendix 8  
Medicaid MCO  
OBRA '90 Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009												
2010												
2011												
2012	\$761,046,389	-\$1,200,323	-\$6,284,083	-\$249	\$753,561,734	\$756,744,972	\$755,431,956	\$25,743	\$755,457,699	-\$1,870,222	\$395,977	100.25%
2013	1,438,870,798	2,268,152	-512,748,640		928,390,311	248,786,934	900,475,397	5,992	900,481,390	27,914,913	116,264	96.99%
<b>TOTAL</b>	<b>\$2,199,917,187</b>	<b>\$1,067,830</b>	<b>-\$519,032,723</b>	<b>-\$249</b>	<b>\$1,681,952,045</b>	<b>\$1,005,531,906</b>	<b>\$1,655,907,353</b>	<b>\$31,735</b>	<b>\$1,655,939,089</b>	<b>\$26,044,691</b>	<b>\$512,241</b>	<b>98.45%</b>

**Appendix 9  
Medicaid MCO  
Qualified Alien Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009												
2010												
2011												
2012	\$890,036.12	\$2,555	-\$28,541	\$0	\$864,051	\$820,199	\$822,277	\$50	\$822,327	\$41,773	\$410	95.17%
2013	1,996,444	31,570	-41,569		1,986,445	476,082	1,716,817	18	1,716,835	269,628	545	86.43%
<b>TOTAL</b>	<b>\$2,886,480</b>	<b>\$34,125</b>	<b>-\$70,110</b>	<b>\$0</b>	<b>\$2,850,496</b>	<b>\$1,296,281</b>	<b>\$2,539,094</b>	<b>\$68</b>	<b>\$2,539,162</b>	<b>\$311,401</b>	<b>\$955</b>	<b>89.08%</b>

**Appendix 10  
Medicaid MCO  
Supplemental Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009												
2010												
2011												
2012	\$101,267,167	\$34,848	\$139,768	\$0	\$101,441,783	\$86,865,715	\$88,811,252	\$3,860	\$88,815,113	\$12,630,530	\$256,118	87.55%
2013	110,407,276	-993,070	-3,216,933		106,197,273	24,940,355	101,994,666	3,637	101,998,304	4,202,606	1,025	96.04%
<b>TOTAL</b>	<b>\$211,674,443</b>	<b>-\$958,222</b>	<b>-\$3,077,165</b>	<b>\$0</b>	<b>\$207,639,056</b>	<b>\$111,806,070</b>	<b>\$190,805,919</b>	<b>\$7,497</b>	<b>\$190,813,417</b>	<b>\$16,833,136</b>	<b>\$257,143</b>	<b>91.89%</b>

**Appendix 11  
Medicaid MCO  
Qualified Alien  
Supplemental Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009												
2010												
2011												
2012	\$98,463	-\$66	-\$505	\$0	\$97,892	\$92,398	\$92,358	\$6	\$92,364	\$5,534	\$55	94.35%
2013	231,648	-1,258	-3,633		226,757	57,309	212,457	3	212,460	14,300	34	93.69%
<b>TOTAL</b>	<b>\$330,111</b>	<b>-\$1,324</b>	<b>-\$4,138</b>	<b>\$0</b>	<b>\$324,649</b>	<b>\$149,707</b>	<b>\$304,815</b>	<b>\$9</b>	<b>\$304,824</b>	<b>\$19,834</b>	<b>\$89</b>	<b>93.89%</b>

**Appendix 12  
Medicaid MCO  
Physician Administered Drug Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009												
2010	\$867,414	\$1,245	-\$660,547	\$0	\$208,113	\$71,976	\$70,982	\$4	\$70,986	\$137,131	\$232	34.11%
2011	2,052,439	709	-1,110,647		942,500	915,461	903,656	164	903,820	38,844	365	95.88%
2012	11,128,174	24,372	35,712		11,188,258	7,368,155	7,983,881	557	7,984,438	3,204,377	22,854	71.36%
2013	17,912,188	860	3,430,190		21,343,238	3,457,935	13,078,689	260	13,078,949	8,264,549	7,341	61.28%
<b>TOTAL</b>	<b>\$31,960,215</b>	<b>\$27,186</b>	<b>\$1,694,708</b>	<b>\$0</b>	<b>\$33,682,109</b>	<b>\$11,813,527</b>	<b>\$22,037,208</b>	<b>\$985</b>	<b>\$22,038,193</b>	<b>\$11,644,901</b>	<b>\$30,792</b>	<b>65.43%</b>

**Appendix 13  
Medicaid MCO  
Qualified Alien  
Physician Administered Drug Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009												
2010												
2011												
2012	\$6,404	-\$1	\$2,394	\$0	\$8,796	\$3,227	\$4,398	\$0	\$4,398	\$4,398	\$39	50.00%
2013	11,421	4	334		11,091	825	9,304		9,304	1,787	13	83.89%
<b>TOTAL</b>	<b>\$17,825</b>	<b>\$3</b>	<b>\$2,060</b>	<b>\$0</b>	<b>\$19,887</b>	<b>\$4,052</b>	<b>\$13,702</b>	<b>\$0</b>	<b>\$13,702</b>	<b>\$6,185</b>	<b>\$52</b>	<b>68.90%</b>

**Appendix 14  
CHIP  
Federal and State Funded Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009	\$18,514,436	\$2,024,614	-\$273,847	\$0	\$20,265,202	\$19,388,159	\$19,387,687	\$4,018	\$19,391,704	\$877,516	\$31,999	95.67%
2010	82,776,932	4,347,043	-67,320,923	-4	19,803,049	22,778,781	22,824,284	2,063	22,826,348	-3,021,236	32,471	115.26%
2011	15,020,331	5,299,282	2,091,499	-7,763	22,403,349	23,274,037	23,020,700	1,830	23,022,530	-617,351	19,626	102.76%
2012	20,555,839	3,310,360	-125,764		23,740,435	25,336,865	24,851,480	1,601	24,853,082	-1,111,046	51,401	104.68%
2013	23,287,778	213,575	-47,777		23,453,577	5,917,139	21,138,436	291	21,138,727	2,315,141	3,943	90.13%
<b>TOTAL</b>	<b>\$160,155,316</b>	<b>\$15,194,874</b>	<b>-\$65,676,812</b>	<b>-\$7,767</b>	<b>\$109,665,612</b>	<b>\$96,694,981</b>	<b>\$111,222,587</b>	<b>\$9,803</b>	<b>\$111,232,391</b>	<b>-\$1,556,976</b>	<b>\$139,439</b>	<b>95.67%</b>

**Appendix 15  
CHIP  
State Funded Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009	\$66,684	\$4,140	-\$571	\$0	\$70,253	\$68,745	\$68,692	\$8	\$68,700	\$1,561	\$212	97.78%
2010	239,373	116,255	7,839	-325,508	37,959	95,907	90,551	20	90,571	-52,593	48	238.55%
2011	538,102	248,459	132,090	-7,384	911,268	384,787	420,545	36	420,581	490,722	587	46.15%
2012	341	79			420	237	342		342	78	1,581	81.51%
2013												
<b>TOTAL</b>	<b>\$844,500</b>	<b>\$368,932</b>	<b>\$139,358</b>	<b>-\$332,892</b>	<b>\$1,019,899</b>	<b>\$549,676</b>	<b>\$580,131</b>	<b>\$64</b>	<b>\$580,195</b>	<b>\$439,768</b>	<b>\$2,429</b>	<b>56.88%</b>

**Appendix 16  
DSHS  
Kidney Health Care Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009	\$10,259,655	\$164,850	-\$482,343	\$0	\$9,942,163	\$9,446,290	\$9,446,112	\$514	\$9,446,625	\$496,051	\$29,724	95.01%
2010	468	8,654,672	1,198,523		9,853,663	9,205,590	9,087,878	245	9,088,123	765,785	12,107	92.23%
2011	5,480,240	17,057	2,762,681		8,259,978	6,909,043	6,978,298	275	6,978,572	1,281,680	17,723	84.48%
2012	7,236,768	-9,381	-226,868		7,000,520	6,528,534	6,500,833	343	6,501,176	499,687	7,340	92.86%
2013	8,543,366	4,700	-74,126		8,473,940	1,836,952	7,748,688	20	7,748,708	725,253	820	91.44%
<b>TOTAL</b>	<b>\$10,259,655</b>	<b>\$164,850</b>	<b>-\$482,343</b>	<b>\$0</b>	<b>\$9,942,163</b>	<b>\$9,446,290</b>	<b>\$9,446,112</b>	<b>\$514</b>	<b>\$9,446,625</b>	<b>\$496,051</b>	<b>\$29,724</b>	<b>95.01%</b>

Appendix 17

**DSHS  
Children with Special Health Care Needs Services Rebates**

A	B	C	D	E	F	G	H	I	J	K	L	M
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =B+C+D+E	Collections Prior to Current SFY	Total Principal Collected =G+CY	Total Interest Collected	Total Collections =H+I	Outstanding Principal	Outstanding Interest	Collection Rates for Principal =H/F
2009	\$553,646	\$69,349	-\$32,732		\$590,263	\$603,984	\$605,073	\$21	\$605,094	-\$14,810	\$2,093	102.51%
2010	995,087	22,268	-36,099		981,256	970,759	974,780	49	974,829	6,476	27,075	99.34%
2011	517,794	562,583	-183,662		896,715	710,344	706,125	74	706,199	190,589	6,612	78.75%
2012	618,537	268,693	-94,428		792,802	772,978	777,637	58	777,695	15,166	3,843	98.09%
2013	899,266	-10,243	-7,499		881,524	189,043	720,721	7	720,728	160,803	171	81.76%
<b>TOTAL</b>	<b>\$3,584,330</b>	<b>\$912,650</b>	<b>-\$354,420</b>	<b>\$0</b>	<b>\$4,142,560</b>	<b>\$3,247,107</b>	<b>\$3,784,336</b>	<b>\$209</b>	<b>\$3,784,546</b>	<b>\$358,224</b>	<b>\$39,794</b>	<b>91.35%</b>