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# **RIDER 24 REPORT**

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

**As Required By  
Rider 24, S.B. 1,  
81st Legislature, Regular Session, 2009**

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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 program (KHC), and DSHS Children with Special Health Care Needs (CSHCN) program. This report is required by the 2010-11 General Appropriations Act (Article II, Health and Human Services Commission, Rider 24, S.B. 1, 81<sup>st</sup> Legislature, Regular Session, 2009).

The federal Medicaid drug rebate program requires drug manufacturers to enter into a national rebate agreement with the U.S. Department of Health and Human Services in order for a drug to be included in a state's Medicaid formulary. The contracted drug manufacturers must report their current product and pricing information to the federal government and pay the agreed-upon rebate amount for each outpatient drug dispensed to a Medicaid patient. The rebate amount is based on the manufacturers' reported product and pricing information. States also may collect Medicaid rebates for drugs administered by physicians in their offices, and new federal rebate requirements for Medicaid physician-administered drugs took effect January 1, 2008. States share the rebates with the federal government at the same rate as the Federal Medical Assistance Percentage (FMAP).

In January 2004, Texas implemented a supplemental rebate program. Supplemental rebates are cash or services provided in lieu of cash (Program Benefit Agreement). Manufacturers who enter into supplemental rebate contracts with the Texas Medicaid program have their products considered for the Preferred Drug List (PDL). The HHSC Pharmaceutical and Therapeutics Committee determines which products are assigned a "preferred" or "non-preferred" PDL status based on products' safety, clinical effectiveness, and cost (including rebates). Non-preferred products require prior authorization before the drugs can be dispensed, while preferred products don't require prior authorization. This provides an incentive for manufacturers to participate in the supplemental rebate program. The rebate dollars collected from the supplemental rebate program are also shared with the federal government at the FMAP rate.

A number of manufacturers also voluntarily participate in separate CHIP, KHC, and CSHCN rebate programs. While CHIP rebates are shared with the federal government at an enhanced FMAP rate, collected rebate dollars for the KHC and CSHCN programs are returned entirely to the state program budgets.

Rebate collection rates are subject to change because rebate programs allow retroactive adjustments to pricing and utilization data. When manufacturers provide late or updated pricing information to the Centers for Medicare & Medicaid Services (CMS) or HHSC, rebate rates are changed retroactively. Additionally, collection rates can temporarily exceed 100 percent when manufacturers report pricing changes after rebate invoices are sent.

For all programs for calendar year 2009, HHSC invoiced \$955,288,651 and collected \$934,695,644 – a collection rate of 97.84 percent as of May 7, 2010. For all programs for all years, through May 7, 2010, HHSC collected a total of \$7,017,972,000 in rebates or 99.0 percent of the adjusted amounts billed.

Effective January 1, 2010, the Affordable Care Act increases the amount of federal rebates that will be paid by drug manufacturers for most drugs. All of the increased revenues collected due to these changes will be remitted to the federal government. Because of the inverse relation between the two, this increase in OBRA '90 rebates will result in a decrease in the state supplemental rebates. Texas originally estimated that the loss in the state's share of supplemental rebate revenues would be approximately \$60.2 million from fiscal year 2011 to fiscal year 2013. CMS has issued a more restrictive interpretation of the Act and states may experience greater total losses than originally estimated. Texas cannot at this time determine the full impact the changes in federal rebates will have for its rebate program because only CMS has access to all the confidential drug pricing information needed to estimate the states' rebate losses.

## **Introduction**

### ***Summary***

The *Annual Performance Report for the Prescription Drug Rebate Program* is required pursuant to the 2010-11 General Appropriations Act (Article II, Health and Human Services Commission, Rider 24, S.B. 1, 81<sup>st</sup> Legislature, Regular Session, 2009). Rider 24 requires the following:

“The Commission shall report on an annual basis the following information to the Legislative Budget Board, the State Auditor’s Office and the Governor: the outstanding prescription drug rebate balances for the Medicaid, CHIP, Kidney Health, and Children with Special Health Care Needs programs. The report shall include rebate principal and interest outstanding, age of receivables, and annual collection rates. The reports shall specify amounts billed, the dollar value of pricing and utilization adjustments, and dollars collected. The Commission shall report these data on each year for which the Prescription Drug Rebate program has collected rebates and also on a cumulative basis for all years.”

This 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, and Children with Special Health Care Needs (CSHCN) program. These programs include the following rebate programs:

- Medicaid
  - OBRA ’90 rebates (Appendix A-3)
  - Medicaid supplemental rebates (Appendix A-4)
  - Medicaid physician-administered rebates (Appendix A-5)
- Children’s Health Insurance Program
  - Federal-State Funded (Appendix A-6)
  - State Funded (Appendix A-7)
- DSHS – Kidney Health Care (Appendix A-8)
- DSHS – Children with Special Health Care Needs (Appendix A-9)

For each of the rebate programs, appendices A-1 through A-9 include the following information, through May 7, 2010:

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

### ***Background***

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 national rebate agreement with the U.S. Department of Health and Human Services. The contracted manufacturers must report their current product and pricing information to the federal

government. Rebates are calculated and paid to state Medicaid programs by the drug manufacturers based on the reported pricing information. State drug programs are required to include all of the contracted manufacturers' drug products in their Medicaid formularies. States are also required to invoice and collect rebates from these manufacturers for all quantities of their products dispensed to Medicaid recipients in an outpatient setting. Therefore, states may collect Medicaid rebates for products dispensed by community and long-term care pharmacies and for products administered by physicians in their offices or clinics. States are required to share all Medicaid rebates with the federal government at the same rate as the Federal Medical Assistance Percentage (FMAP).

In addition to the federally-mandated Medicaid rebates, Texas implemented a supplemental rebate program in January 2004. Manufacturers who enter into supplemental rebate contracts with the Texas Medicaid program have their products considered for the Preferred Drug List (PDL). The HHSC Pharmaceutical and Therapeutics Committee applies clinical, safety, and cost effectiveness criteria to determine which products are assigned a "preferred" or "non-preferred" PDL status. Non-preferred products require prior authorization before the drugs can be dispensed. Preferred products require no prior authorization, which provides an incentive for manufacturers to participate in the supplemental rebate program. HHSC invoices and collects supplemental rebates from manufacturers for their preferred products. These rebate dollars are also shared with the federal government at the FMAP rate.

A number of manufacturers also voluntarily participate in separate CHIP, KHC, and CSHCN rebate programs. While CHIP rebates are shared with the federal government at an enhanced FMAP rate, collected rebate dollars for the KHC and CSHCN programs are returned entirely to the state program budgets.

On February 13, 2006, HHSC contracted with a vendor to oversee HHSC's rebate administration. The vendor is responsible for rebate billing, collections, dispute resolution, and data integrity. Invoices are processed every calendar quarter using paid claims data and the contractual rebate rates for each program.

***Rebate Process***

Manufacturers submit their Medicaid rebate pricing to the Centers for Medicare & Medicaid Services (CMS) 30 days after the end of the calendar quarter. CMS uses the pricing data from the manufacturers to calculate the rebate rate and sends the data to the states. In compliance with federal law, HHSC matches the rate from CMS and the utilization based on claims paid during the quarter. HHSC sends invoices within 60 days after the end of the quarter. Manufacturers have 38 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 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; although CMS recently made some exceptions and approved retroactive price changes for periods more than 12 calendar quarters past. The net result of these exceptions will be that the manufacturers granted the retroactive price changes will reduce their current quarter payments by about 25 percent until they have recovered the overpayments from Texas. 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. For some of HHSC's older rebate data and for drugs administered in a physician's office, some outstanding balances were due to incorrect product package sizes and unit conversions. The rebate administration vendor corrected the unit conversions for most of the drugs, which went as far back as 1991.

Since manufacturers have the right to dispute the number of units that 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' cost for their product, and (2) the manufacturer's sales records do not substantiate the number of units invoiced.

In appendices A-1 through A-9, the principal outstanding (column H) represents the total receivables, which is the difference between the adjusted billed amount (column E) and cumulative rebates collected (column G), and is aged based on the calendar year.

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

#### **Medicaid – OBRA '90 Rebate Program**

The federal Medicaid drug rebate program, which began as part of OBRA '90, requires a drug manufacturer to enter into a national rebate agreement with the U.S. Department of Health and Human Services in order for a drug to be included in a state's Medicaid formulary. The manufacturer pays the state an agreed-upon rebate amount for each outpatient drug dispensed to a Medicaid patient.

In January 2006, approximately 30 percent of Medicaid clients moved into Medicare Part D prescription drug plans, resulting in a decrease in rebate revenues. Rebate revenues have climbed as Medicaid enrollment and utilization have increased in subsequent years.

As shown in Appendix A-3, as of May 7, 2010, Texas has collected \$5,993,537,193 for the federal Medicaid rebate program, which is a 99.5 percent collection rate.

#### Medicaid – Supplemental Rebate Program

Texas implemented a supplemental rebate program in January 2004. Manufacturers who offer a supplemental rebate to the Texas Medicaid program have their products considered for the Preferred Drug List (PDL). A supplemental rebate is cash or a Program Benefit Agreement (PBA), which is services provided in lieu of cash. Products included in the PDL do not require prior authorization. HHSC submitted the first supplemental rebate invoices to manufacturers at the end of May 2004.

The supplemental Medicaid rebate rate is particularly volatile, because it is dependent on the regular Medicaid rebate rate. Manufacturers often provide updated pricing information to CMS that retroactively changes the regular Medicaid OBRA '90 rebate rate. This causes a change in the amount owed in the supplemental Medicaid rebate program. As manufacturers adjust their payments to these retroactive price adjustments, the OBRA '90 rebates and supplemental Medicaid rebates debits and credits will balance.

As of May 7, 2010, HHSC has collected \$737,273,490 in supplemental rebates (see Appendix A4). Several manufacturers had not adjusted their payments (due to rate changes) between OBRA '90 Medicaid rebates and their 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 supplemental rebates are expected to run at the same rate as federal Medicaid rebates. The current collection rate is 94 percent.

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

In fiscal year 2003, HHSC began invoicing and collecting federal Medicaid rebates on outpatient drugs provided in a physician's office, clinic, or hospital outpatient setting. CMS guidance allowed HHSC to bill manufacturers for drugs reimbursed in prior quarters – back to 1991. The Vendor Drug Program pays for pharmacy-dispensed drugs, identified by their National Drug Code (NDC). However, Texas' acute care claims administrator vendor pays for drugs administered in physicians' offices. 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”.

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. For single-source, physician-administered drugs paid from 1991 through 2008, HHSC converted (i.e., mapped) physician-HCPCS codes into NDCs in order to bill and collect rebates. For multiple source drugs, HCPCS does not provide a sufficient means to identify the specific NDC dispensed. As a result, those drugs were not eligible for rebates.

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, for all single-source drugs and the top 20 multiple-source drugs. Hospitals were granted an extension until January 1, 2009. Due to the addition of the NDC on claims submitted by providers, the rebate amounts invoiced and collected increased slightly in calendar years 2008 and 2009. The first invoice for claims containing NDCs was sent in May 2008.

HHSC has collected \$152,660,380 in rebates for physician-administered drugs as of May 7, 2010, (see Appendix A-5). However, rebate invoices on drugs provided in physicians' offices have been subject to numerous disputes, resulting in a lower average collections rate (92 percent) than other programs. The following issues continue to cause disputes:

- Manufacturers dispute a large portion of their physician-administered drug invoices because they question the cross-walk procedure used to map the HCPCS to a specific NDC. This should decrease over time because of the DRA requirement that providers include the NDC on invoices.
- The quantities of billable units of physician-administered drugs must be converted from the dosage-based unit of measure used to pay the claims (HCPCS units) to the rebate unit of measure, based on NDC. For example, a claim for a single 5 ml dose of penicillin should be billed by the physician as a HCPCS quantity of “1” dose, but converted and billed to the manufacturer as an NDC quantity of “5” ml. Manufacturers often dispute the conversion process because they understand that the conversion process can inflate physician’s occasional billing mistakes; e.g. submitting 5 instead of 1, in this example.
- Physicians do not consistently submit claims using the correct HCPCS unit of measure. This results in the incorrect conversion to rebate units and can cause tens of millions of dollars in disputes.

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

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

The CHIP rebate program is a voluntary state rebate program that began in March 2002. CHIP is divided into two subprograms, depending on the funding source: the federally matched federal-state funded (FSF) and the state funded only (SF). For the CHIP-FSF program, HHSC has collected \$90,636,487 in rebates as of May 7, 2010 (see Appendix A-6).

HHSC cannot receive equal or higher rebate levels for CHIP drugs than it does for Medicaid drugs because of the federal Medicaid “best price” requirements included in Section 1927 of the federal Social Security Act. Because of this federal law, if manufacturers paid higher CHIP

rebates, they might have to pay higher federal Medicaid rebates nationwide. Therefore, manufacturers are only willing to pay a certain level of CHIP rebates.

For CHIP, 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/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. In 2005, there were two manufacturers whose rebate amounts per unit were overstated, causing invoices to be overstated by approximately \$16 million. The rates were subsequently corrected (see column B in Appendix A-6 for the pricing adjustment).

#### Children's Health Insurance Program (CHIP) – State Funded

The CHIP-SF rebate program covers prescriptions for legal immigrants. This program is funded entirely from general revenue. This program is much smaller than the CHIP-FSF program. Total collections for this rebate program are \$1,103,554 as of May 7, 2010 (see Appendix A-7). Like CHIP-FSF, CHIP-SF faces challenges related to manufacturer data.

With the implementation of the CHIP Reauthorization Act, some clients who were previously covered by this program will be moving into the Medicaid program, but the state will continue to receive the higher CHIP FMAP rate for these clients. As a result, rebate revenues for the CHIP-SF program will be slightly lower in the coming years, but higher in the Medicaid program.

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

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

In 1997, KHC approached drug manufacturers to participate in its new, voluntary drug rebate program. Because KHC qualifies as a State Pharmaceutical Assistance Program (SPAP), it is able to use the same rebate rates as Medicaid for participating manufacturers, without jeopardizing the manufacturers' Medicaid rate. HHSC's Vendor Drug Program administers this program for DSHS.

HHSC has collected \$38,392,930 in KHC drug rebates as of May 7, 2010, (see Appendix A-8). Collections have averaged 99 percent of the amount invoiced.

##### Children with Special Health Care Needs (CSHCN) Program

Like KHC, CSHCN began collecting voluntary rebates in 1997 and HHSC's Vendor Drug Program administers this program for DSHS. Prior to June 2003, the CSHCN program was considered an SPAP. In June 2003, CMS issued new guidance clarifying what type of programs qualified as an SPAP.

With the clarification, CSHCN no longer qualified as an SPAP and was no longer eligible to receive Medicaid-level rebate rates. At that time, DSHS contacted the manufacturers that had existing contracts and requested that these manufacturers re-contract at a new rate for CSHCN rebates. Many manufacturers did not respond to the request from DSHS to re-contract, nor did they cancel their existing contracts with Texas. As a result, HHSC continues to send zero-rate, utilization invoices and 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 through May 7, 2010 were \$4,367,966 (see Appendix A-9).

## Conclusion

### *Summary of Rebate Collections*

From 1991 through May 7, 2010, HHSC collected a total of \$7,017,972,000 in rebates. Appendix A-1 contains the summary breakdown by year. Appendix A-2 contains the summary breakdown by program.

The table below shows the total collections for all years (calendar year 1991 through calendar year 2009), totaling \$7,017,972,000 in rebate revenue. The outstanding principle is \$75,712,975. The average collection rate calculated for all programs is 98.7 percent for this period.

**Table 1**  
**Total Rebate Collections by Program (All Funds)**  
**As of May 7, 2010**

<b>Program</b>	<b>Current Value of Invoices</b>	<b>Total Collections</b>	<b>Outstanding Principal</b>	<b>Outstanding Interest</b>	<b>Collection Rate</b>
<b>Medicaid - OBRA '90</b>	\$6,019,804,580	\$5,993,537,193	\$13,989,457	\$10,733,447	99.5%
<b>Medicaid - Supplemental</b>	\$783,490,860	\$737,273,490	\$46,423,061	\$3,300,586	94.1%
<b>Medicaid - Physician Administered</b>	\$164,502,069	\$152,660,380	\$12,409,432	\$3,904,502	92.5%
<b>CHIP - Federal/State Funded</b>	\$93,401,585	\$90,636,487	\$2,830,430	\$853,676	97.0%
<b>CHIP - State Funded</b>	\$1,149,047	\$1,103,554	\$47,050	\$16,416	95.9%
<b>DSHS - Kidney Health Care Program</b>	\$38,374,785	\$38,392,930	\$95,751	\$239,929	99.8%
<b>DSHS - Children w/ Special Health Care Needs</b>	\$4,267,957	\$4,367,966	(\$82,206)	\$86,997	91.7%
<b>Total</b>	<b>\$7,104,990,883</b>	<b>\$7,017,972,000</b>	<b>\$75,712,975</b>	<b>\$19,135,553</b>	<b>98.7%</b>

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

**Table 2**  
**Rebate Collections by Calendar Year for All Programs (All Funds)**  
**As of May 7, 2010**

<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>
<b>1991</b>	\$41,599,634	\$41,112,402	\$754,455	\$753,621	98.2%
<b>1992</b>	\$76,030,171	\$76,787,532	\$(104,354)	\$617,718	100%
<b>1993</b>	\$93,762,581	\$92,813,451	\$1,360,856	\$1,124,205	98.6%
<b>1994</b>	\$100,608,902	\$100,534,559	\$586,773	\$764,445	99.4%
<b>1995</b>	\$110,823,900	\$110,660,678	\$632,140	\$594,031	99.5%
<b>1996</b>	\$122,327,342	\$121,509,471	\$1,046,125	\$424,267	99.1%
<b>1997</b>	\$142,104,153	\$141,745,551	\$745,425	\$356,626	99.6%
<b>1998</b>	\$171,497,605	\$172,278,997	\$875,237	\$313,705	100.3%
<b>1999</b>	\$215,663,022	\$215,574,189	\$680,424	\$627,788	99.9%
<b>2000</b>	\$257,543,368	\$258,084,443	\$(116,824)	\$826,956	99.9%
<b>2001</b>	\$310,573,071	\$309,433,655	\$1,461,115	\$744,731	99.6%
<b>2002</b>	\$384,941,932	\$382,819,953	\$2,894,157	\$1,321,135	99.4%
<b>2003</b>	\$486,368,684	\$482,156,547	\$4,891,171	\$1,718,181	99.0%
<b>2004</b>	\$702,062,102	\$696,142,119	\$7,343,768	\$3,256,324	99.1%
<b>2005</b>	\$842,052,889	\$839,404,847	\$17,178,821	\$3,254,211	99.6%
<b>2006</b>	\$558,357,191	\$553,168,617	\$(29,617,675)	\$1,635,187	99.0%
<b>2007</b>	\$690,448,126	\$684,267,046	\$6,311,810	\$537,954	99.1%
<b>2008</b>	\$842,937,559	\$804,782,299	\$38,191,357	\$220,465	95.5%
<b>2009</b>	\$955,288,651	\$934,695,644	\$20,598,194	\$44,003	97.8%
<b>Total</b>	<b>\$7,104,990,883</b>	<b>\$7,017,972,000</b>	<b>\$75,712,975</b>	<b>\$19,135,553</b>	<b>98.7%</b>

It is important to note that collection rates for all years 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 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.

### ***Upcoming Challenges – Implementation of the Affordable Care Act***

OBRA '90 specified the methodologies used to calculate the federal rebate percentages for certain drugs. Effective January 1, 2010, the Affordable Care Act increased these rebate percentages, which will result in drug manufacturers paying higher rebates for most, but not all, drugs. All of the increased revenues collected due to these changes will be remitted to the federal government. Because of the inverse relation between the two, this increase in OBRA '90 rebates will result in a decrease in the state supplemental rebates.

Texas Medicaid is concerned that CMS will implement policies and/or regulations that are more restrictive than the Act. In its guidance to states, CMS indicated that it will retain the difference between the old rebate and new rebate percentages across the board for all drugs, not just for those drugs for which there is an actual increase in the federal rebate amount.

Texas originally estimated that the loss in the state's share of supplemental rebate revenues would be approximately \$60.2 million from fiscal year 2011 to fiscal year 2013. Based on the more restrictive CMS interpretation, states may also experience significant losses in their share of current federal rebates, resulting in greater total losses than originally estimated. HHSC has requested additional information and a clarification of CMS policy from the Secretary of the U.S. Department of Health and Human Services

At this time, Texas cannot determine the full impact the changes in federal rebates will have for its rebate program because only CMS has access to all the confidential, federally-negotiated manufacturer pricing data used to determine the federal rebate amount, which is the primary factor for estimating the state's rebate losses.

Finally, a provision of the Act requires states to collect federal rebates for outpatient drugs reimbursed through the Medicaid managed care service delivery model. For states where the pharmacy benefit is "carved in" and administered by managed care organizations, this gives them access to federal rebate savings for the first time. For states like Texas, where the pharmacy benefit is "carved out" from managed care, it means that one of the barriers to carving in the drug benefit has been removed. HHSC is studying the potential costs or savings of carving in the drug benefit for clients enrolled in Medicaid managed care organizations.

**Appendix A1  
Summary by Calendar Year**

	A	B	C	D	E	F	G	H	I	J	K	L
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Calendar Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	For Principal = G/E	Current Value of Invoices =A+B+C+D	Collections Prior to Current SFY	Total Principal Collected =F+ CY Collections	Total Interest Collected	Total Collections =G+H	Outstanding Principal	Outstanding Interest	Collection Rates for Principal = G/E
1991	\$ 176,786,863	\$( 4,326,765)	\$ (128,708,942)	\$(2,151,522)	\$ 41,599,634	\$ 40,866,246	\$ 40,857,370	\$ 255,032	\$41,112,402	\$ 754,455	\$ 753,621	98.22%
1992	517,266,130	22,911,372	(460,941,034)	(3,206,298)	76,030,171	76,021,656	76,136,000	651,531	76,787,532	(104,354)	617,718	100.14%
1993	144,986,906	(11,551,580)	(36,460,309)	(3,212,436)	93,762,581	92,431,041	92,470,400	343,051	92,813,451	1,360,856	1,124,205	98.62%
1994	101,905,749	810,544	(2,150,398)	43,561	100,608,902	100,103,807	100,020,619	513,940	100,534,559	586,773	764,445	99.42%
1995	110,950,595	1,103,724	(1,069,597)	(155,435)	110,823,900	110,250,946	110,286,451	374,226	110,660,678	632,140	594,031	99.52%
1996	120,089,623	2,630,764	(461,468)	70,229	122,327,342	121,288,579	121,251,170	258,301	121,509,471	1,046,125	424,267	99.12%
1997	139,466,176	6,225,309	(3,464,476)	(120,020)	142,104,153	141,718,019	141,475,768	269,783	141,745,551	745,425	356,626	99.56%
1998	169,385,898	6,873,704	(3,386,903)	(1,361,080)	171,497,605	171,920,612	172,045,328	233,669	172,278,997	875,237	313,705	100.32%
1999	206,162,824	20,796,250	(10,822,493)	(473,559)	215,663,022	215,053,838	215,447,094	127,095	215,574,189	680,424	627,788	99.90%
2000	257,121,092	15,429,419	(14,947,156)	(59,987)	257,543,368	257,718,675	257,320,617	326,409	258,084,443	(116,824)	826,956	99.91%
2001	323,093,010	12,838,736	(25,549,207)	190,532	310,573,071	309,669,641	309,191,699	241,956	309,433,655	1,461,115	744,731	99.56%
2002	471,942,841	14,253,065	(104,541,056)	3,287,082	384,941,932	385,986,317	382,440,520	379,434	382,819,953	2,894,157	1,321,135	99.35%
2003	511,745,564	6,291,652	(138,438,018)	106,769,486	486,368,684	482,288,108	481,645,266	511,279	482,156,547	4,891,171	1,718,181	99.03%
2004	734,780,579	(3,915,734)	(290,502,179)	261,699,436	702,062,102	694,658,345	695,627,413	514,705	696,142,119	7,343,768	3,256,324	99.08%
2005	862,850,323	143,631,076	(444,926,078)	280,497,568	842,052,889	834,203,457	838,717,441	687,406	839,404,847	17,178,821	3,254,211	99.60%
2006	469,182,474	124,914,936	(84,933,116)	49,192,897	558,357,191	553,368,609	552,813,565	355,052	553,168,617	(29,617,675)	1,635,187	99.01%
2007	678,178,863	18,789,923	(10,075,851)	3,555,191	690,448,126	681,647,034	684,135,933	131,113	684,267,046	6,311,810	537,954	99.09%
2008	872,764,204	(404,621,542)	373,356,880	1,438,017	842,937,559	794,173,038	804,746,194	36,104	804,782,299	38,191,357	220,465	95.47%
2009	1,064,101,285	2,652,863	(111,515,454)	49,957	955,288,651	240,047,138	934,690,452	5,194	934,695,644	20,598,194	44,003	97.84%
<b>Totals</b>	<b>\$ 7,932,760,999</b>	<b>\$ (24,262,284)</b>	<b>\$ (1,499,536,855)</b>	<b>\$ 696,053,619</b>	<b>\$ 7,104,990,883</b>	<b>\$ 6,303,415,106</b>	<b>\$ 7,011,319,300</b>	<b>\$ 6,215,280</b>	<b>\$ 7,017,972,000</b>	<b>\$ 75,712,975</b>	<b>\$ 19,135,553</b>	<b>98.68%</b>

	A	B	C	D	E	F	G	H	I	J	K	L
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Program	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	For Principal = G/E	Current Value of Invoices =A+B+C+D	Collections Prior to Current SFY	Total Principal Collected =F+ CY Collections	Total Interest Collected	Total Collections =G+H	Outstanding Principal	Outstanding Interest	For Principal = G/E
Medicaid - OBRA '90	\$6,451,815,221	\$(283,519,091)	\$(157,650,274)	\$9,158,724	\$6,019,804,580	\$5,440,485,580	\$5,988,269,331	\$5,267,859	\$5,993,537,193	\$13,989,457	\$10,733,447	99.48%
Medicaid - Supplemental	788,797,065	(16,030,059)	(4,975,853)	15,699,707	783,490,860	633,668,405	737,067,797	205,693	737,273,490	46,423,061	3,300,586	94.07%
Medicaid - Physician Administered	566,535,247	272,086,010	(1,323,116,381)	649,021,789	164,502,069	118,472,091	152,117,236	543,145	152,660,380	12,409,432	3,904,502	92.47%
CHIP - Federal/State Funded	79,580,121	(572,263)	(7,307,702)	21,701,429	93,401,585	76,651,205	90,571,154	65,330	90,636,487	2,830,430	853,676	96.97%
CHIP - State Funded	923,075	(54,855)	(9,504)	290,331	1,149,047	1,056,337	1,101,996	1,557	1,103,554	47,050	16,416	95.91%
DSHS - Kidney Health Care Program	41,169,797	2,904,171	(5,709,204)	10,021	38,374,785	29,264,410	38,279,038	113,893	38,392,930	95,751	239,929	99.75%
DSHS - Children w/ Special Health Care Needs	3,940,473	923,803	(767,937)	171,618	4,267,957	3,817,078	3,912,748	17,803	4,367,966	(82,206)	86,997	91.68%
<b>TOTALS</b>	<b>\$ 7,932,760,999</b>	<b>\$ (24,262,284)</b>	<b>\$ (1,499,536,855)</b>	<b>\$ 696,053,619</b>	<b>\$ 7,104,990,883</b>	<b>\$ 6,303,415,106</b>	<b>\$ 7,011,319,300</b>	<b>\$ 6,215,280</b>	<b>\$ 7,017,972,000</b>	<b>\$ 75,712,975</b>	<b>\$ 19,135,553</b>	<b>98.68%</b>

**Appendix A2  
Summary by Program**

**Appendix A3  
Medicaid OBRA '90 Rebates**

	A	B	C	D	E	F	G	H	I	J	K	L
	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 =A+B+C+D	Collections Prior to Current SFY	Total Principal Collected =F+ CY Collections	Total Interest Collected	Total Collections =G+H	Outstanding Principal	Outstanding Interest	For Principal = G/E
1991	\$ 176,786,852	\$ (4,326,774)	\$ (128,708,933)	\$ (2,151,522)	\$ 41,599,623	\$ 40,866,237	\$ 40,857,361	\$ 255,032	\$ 41,112,393	\$ 754,453	\$ 753,621	98.22%
1992	517,265,213	22,911,355	(460,940,416)	(3,206,298)	76,029,854	76,021,358	76,135,702	651,524	76,787,226	(104,373)	617,717	100.14%
1993	144,986,034	(11,551,580)	(36,459,867)	(3,212,435)	93,762,152	92,430,743	92,470,103	343,048	92,813,151	1,360,724	1,124,172	98.62%
1994	101,661,514	803,602	(2,025,465)	43,007	100,482,658	99,977,434	99,894,383	512,217	100,406,600	586,211	764,075	99.41%
1995	110,186,725	1,084,725	(690,740)	(160,822)	110,419,888	109,833,507	109,869,122	369,172	110,238,295	640,071	592,471	99.50%
1996	119,577,513	2,626,324	(1,294,187)	68,422	120,978,072	119,935,001	119,875,081	249,144	120,124,225	1,071,137	384,227	99.09%
1997	136,299,762	6,217,410	(2,375,001)	(121,214)	140,020,957	139,586,007	139,311,420	256,271	139,567,691	823,741	295,105	99.49%
1998	162,081,065	6,807,233	801,333	(1,374,964)	168,314,667	168,720,932	168,747,431	213,122	168,960,553	976,179	203,027	100.26%
1999	190,677,554	20,027,012	80,395	(441,347)	210,343,614	209,958,878	210,199,403	98,215	210,297,618	608,706	440,759	99.93%
2000	232,465,787	15,626,470	2,302,249	(90,148)	250,304,358	250,753,000	250,534,329	289,767	250,824,097	(132,131)	349,808	100.09%
2001	288,664,579	12,116,489	574,037	(63,133)	301,291,972	300,950,659	300,474,478	210,017	300,684,496	897,235	421,765	99.73%
2002	355,795,071	11,080,757	(2,214,033)	(372,288)	364,289,507	365,202,516	361,502,494	273,998	361,776,492	3,179,761	619,580	99.23%
2003	424,274,933	1,893,472	33,844,362	(167,767)	459,845,000	459,401,601	457,419,101	446,961	457,866,063	2,593,650	907,001	99.47%
2004	546,162,427	(11,343,676)	26,450,339	(909,086)	560,360,004	562,764,081	558,484,705	272,452	558,757,158	2,784,381	978,885	99.67%
2005	626,874,634	12,744,064	553,580	(13,843,377)	626,328,901	629,268,709	629,334,645	459,043	629,793,687	10,837,628	1,166,987	100.48%
2006	357,849,385	6,758,558	19,272,100	35,161,299	419,041,342	419,317,999	417,969,668	240,677	418,210,345	(34,089,626)	845,863	99.74%
2007	542,460,661	20,759,442	(7,569,639)	384	555,650,848	554,861,599	553,213,012	94,512	553,307,523	2,437,453	208,654	99.56%
2008	645,119,177	(402,907,906)	407,933,014	6	650,144,291	639,928,449	642,976,843	28,820	643,005,663	7,167,442	55,555	98.90%
2009	772,626,335	5,153,932	(7,183,402)	7	770,596,872	200,706,870	759,000,050	3,867	759,003,917	11,596,815	4,175	98.50%
<b>Totals</b>	<b>\$ 6,451,815,221</b>	<b>\$ (283,519,091)</b>	<b>\$ (157,650,274)</b>	<b>\$ 9,158,724</b>	<b>\$ 6,019,804,580</b>	<b>\$ 5,440,485,580</b>	<b>\$ 5,988,269,331</b>	<b>\$ 5,267,859</b>	<b>\$ 5,993,537,193</b>	<b>\$ 13,989,457</b>	<b>\$ 10,733,447</b>	<b>99.48%</b>

**Appendix A4  
Medicaid Supplemental Rebates**

	A	B	C	D	E	F	G	H	I	J	K	L
	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 =A+B+C+D	Collections Prior to Current SFY	Total Principal Collected =F+ CY Collections	Total Interest Collected	Total Collections =G+H	Outstanding Principal	Outstanding Interest	For Principal = G/E
2004	\$ 112,973,266	\$ (1,616,663)	\$ (782,483)	\$ 1,268,888	\$ 111,843,008	\$ 110,250,027	\$ 112,735,827	\$ 55,956	\$ 112,791,783	\$ (892,819)	\$ 1,021,016	100.80%
2005	190,687,412	(3,818,325)	(5,401,558)	2,803,346	184,270,875	177,579,594	178,373,146	104,447	178,477,593	5,897,728	1,622,741	96.80%
2006	91,323,978	1,204,552	4,472,017	10,152,911	107,153,458	104,673,015	104,466,460	31,789	104,498,249	2,686,997	429,183	97.49%
2007	114,437,630	(6,731,134)	(1,166,302)	(7)	106,540,187	102,132,689	104,988,724	12,770	105,001,494	1,551,463	111,349	98.54%
2008	154,112,397	(3,179,969)	(1,386,317)	1,424,569	150,970,680	113,310,117	120,575,394	634	120,576,028	30,395,286	114,582	79.87%
2009	125,262,382	(1,888,520)	(711,210)	50,000	122,712,652	25,722,963	115,928,246	97	115,928,343	6,784,406	1,715	94.47%
<b>Totals</b>	<b>\$ 788,797,065</b>	<b>\$ (16,030,059)</b>	<b>\$ (4,975,853)</b>	<b>\$ 15,699,707</b>	<b>\$ 783,490,860</b>	<b>\$ 633,668,405</b>	<b>\$ 737,067,797</b>	<b>\$ 205,693</b>	<b>\$ 737,273,490</b>	<b>\$ 46,423,061</b>	<b>\$ 3,300,586</b>	<b>94.07%</b>

**Appendix A5  
Medicaid Physician-Administered Rebates**

	A	B	C	D	E	F	G	H	I	J	K	L
	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 =A+B+C+D	Collections Prior to Current SFY	Total Principal Collected =F+ CY Collections	Total Interest Collected	Total Collections =G+H	Outstanding Principal	Outstanding Interest	For Principal = G/E
1991	\$ 11	\$ 9	\$ (9)	-	\$ 11	\$ 9	\$ 9	-	\$ 9	\$ 2	-	85.33%
1992	917	17	(618)	-	317	298	298	7	306	19	1	94.13%
1993	872	-	(442)	(1)	429	298	297	3	300	132	33	69.14%
1994	244,235	6,942	(124,933)	554	126,244	126,373	126,236	1,723	127,959	562	370	99.99%
1995	763,870	18,999	(378,857)	5,387	404,012	417,439	417,329	5,054	422,383	(7,931)	1,560	103.30%
1996	512,110	4,440	832,719	1,807	1,349,270	1,353,578	1,376,089	9,157	1,385,246	(25,012)	40,040	101.99%
1997	3,125,968	6,530	(1,089,003)	2,837	2,043,496	2,092,498	2,124,834	13,421	2,138,255	(78,502)	61,267	103.98%
1998	6,783,031	5,435	(4,180,285)	14,014	2,608,181	2,632,685	2,730,787	19,398	2,750,185	(108,591)	101,291	104.70%
1999	13,883,666	(41,387)	(10,518,122)	(26,266)	3,297,891	3,120,437	3,273,057	21,251	3,294,308	24,834	153,732	99.25%
2000	21,860,808	(183,273)	(17,223,996)	32,161	4,485,700	4,189,177	4,446,684	29,093	4,475,777	39,016	470,195	99.13%
2001	31,972,781	(44,251)	(26,017,009)	251,586	6,163,107	5,721,775	5,712,028	28,692	5,740,720	451,079	288,708	92.68%
2002	105,399,279	(548,086)	(95,771,181)	149,132	9,229,144	9,706,534	9,912,866	73,220	9,986,086	(683,722)	537,685	107.41%
2003	76,819,805	255,166	(172,113,100)	107,007,929	11,969,800	8,772,298	9,968,033	36,957	10,004,990	2,001,768	632,096	83.28%
2004	63,407,919	8,983,320	(315,491,919)	261,659,429	18,558,749	10,852,645	13,375,662	135,930	13,511,592	5,183,087	1,122,904	72.07%
2005	33,466,451	151,358,945	(439,413,200)	273,467,707	18,879,903	14,307,510	17,651,079	78,923	17,730,002	1,228,824	288,443	93.49%
2006	13,663,504	111,418,511	(107,884,903)	2,900,683	20,097,795	18,322,928	19,150,215	72,605	19,222,820	947,580	160,619	95.29%
2007	6,965,571	493,620	330,298	3,554,830	11,344,319	10,027,174	11,148,193	15,744	11,163,937	196,125	22,894	98.27%
2008	50,846,302	312,013	(30,972,216)	1	20,186,100	19,661,146	19,548,970	1,719	19,550,688	637,130	6,868	96.84%
2009	136,818,147	39,060	(103,099,605)	(1)	33,757,601	7,167,289	31,154,570	248	31,154,817	2,603,032	15,796	92.29%
<b>Totals</b>	<b>\$ 566,535,247</b>	<b>\$ 272,086,010</b>	<b>\$ (1,323,116,381)</b>	<b>\$ 649,021,789</b>	<b>\$ 164,502,069</b>	<b>\$ 118,472,091</b>	<b>\$ 152,117,236</b>	<b>\$ 543,145</b>	<b>\$ 152,660,380</b>	<b>\$ 12,409,432</b>	<b>\$ 3,904,502</b>	<b>92.47%</b>

**Appendix A6**  
**CHIP - Federal/State Funded Rebates**

	A	B	C	D	E	F	G	H	I	J	K	L
	Amounts Billed					Collections				Outstanding Balances		Collection Rates
Year	Original	Dollar Value of Pricing Adjustments since billing	Dollar Value of Utilization Adjustments since billing	Other Adjustments	Current Value of Invoices =A+B+C+D	Collections Prior to Current SFY	Total Principal Collected =F+ CY Collections	Total Interest Collected	Total Collections =G+H	Outstanding Principal	Outstanding Interest	For Principal = G/E
2002	\$7,687,147	\$ 2,922,809	\$ (6,238,429)	\$3,419,640	\$7,791,167	\$7,521,629	\$7,488,291	\$14,676	\$7,502,967	\$302,876	\$127,803	96.11%
2003	6,860,401	2,857,088	461,575	(89,873)	10,089,191	9,973,852	10,003,151	8,802	10,011,954	86,040	108,626	99.15%
2004	9,150,732	(14,228)	(403,641)	(316,399)	8,416,464	8,264,190	8,253,396	10,240	8,263,636	163,067	87,162	98.06%
2005	8,645,936	(16,466,139)	(385,088)	17,752,349	9,547,058	9,734,997	9,724,110	14,066	9,738,177	(177,052)	128,514	101.85%
2006	4,055,097	5,160,787	(211,016)	935,777	9,940,645	9,067,700	9,065,520	7,077	9,072,597	875,125	177,250	91.20%
2007	9,767,166	4,133,761	(124,813)	(17)	13,776,097	11,733,524	11,632,508	6,587	11,639,096	2,143,589	175,355	84.44%
2008	14,899,206	1,471,613	(231,289)	1	16,139,531	15,982,098	15,964,235	3,312	15,967,547	175,296	35,582	98.91%
2009	18,514,436	(637,954)	(175,001)	(49)	17,701,432	4,373,215	18,439,943	570	18,440,513	(738,511)	13,384	104.17%
<b>Totals</b>	<b>\$79,580,121</b>	<b>\$(572,263)</b>	<b>\$(7,307,702)</b>	<b>\$21,701,429</b>	<b>\$ 93,401,585</b>	<b>\$ 76,651,205</b>	<b>\$90,571,154</b>	<b>\$ 65,330</b>	<b>\$ 90,636,487</b>	<b>\$ 2,830,430</b>	<b>\$ 853,676</b>	<b>96.97%</b>

**Appendix A7  
CHIP - State Funded Rebates**

	A	B	C	D	E	F	G	H	I	J	K	L
	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 =A+B+C+D	Collections Prior to Current SFY	Total Principal Collected =F+ CY Collections	Total Interest Collected	Total Collections =G+H	Outstanding Principal	Outstanding Interest	For Principal = G/E
2002	\$ 96,728	\$ (42,149)	\$(264)	\$41,530	\$95,845	\$102,655	\$88,999	\$240	\$89,239	\$6,845	\$1,607	92.86%
2003	\$119,278	\$56,532	\$40	\$(3,849)	\$172,001	\$157,614	\$157,353	\$125	\$157,478	\$14,648	\$3,062	91.48%
2004	\$241,068	\$(28,479)	\$(3,146)	\$(4,938)	\$204,505	\$204,027	\$203,326	\$408	\$203,734	\$1,178	\$2,553	99.42%
2005	\$170,990	\$ (159,789)	\$(162)	\$239,401	\$250,440	\$246,774	\$245,667	\$237	\$245,904	\$4,774	\$4,863	98.09%
2006	\$48,103	\$63,223	\$(4,007)	\$18,187	\$125,506	\$118,859	\$118,928	\$481	\$119,410	\$6,578	\$1,655	94.76%
2007	\$103,308	\$44,946	\$(1,009)	-	\$147,245	\$119,885	\$121,891	\$47	\$121,938	\$25,355	\$2,421	82.78%
2008	\$76,916	\$11,149	\$(504)	-	\$87,561	\$91,251	\$99,196	\$14	\$99,211	\$(11,636)	\$216	113.29%
2009	\$66,684	\$ (288)	\$(452)	-	\$65,944	\$15,272	\$66,636	\$5	\$66,640	\$(692)	\$39	101.05%
<b>Total</b>	<b>\$923,075</b>	<b>\$(54,855)</b>	<b>\$ (9,504)</b>	<b>\$290,331</b>	<b>\$1,149,047</b>	<b>\$1,056,337</b>	<b>\$1,101,996</b>	<b>\$ 1,557</b>	<b>\$1,103,554</b>	<b>\$ 47,050</b>	<b>\$16,416</b>	<b>95.91%</b>

**Appendix A8  
Kidney Health Care Program Rebates**

	A	B	C	D	E	F	G	H	I	J	K	L
	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 =A+B+C+D	Collections Prior to Current SFY	Total Principal Collected =F+ CY Collections	Total Interest Collected	Total Collections =G+H	Outstanding Principal	Outstanding Interest	For Principal = G/E
1997	\$ 33,803	\$ 848	\$ (4)	\$ (1,636)	\$ 33,011	\$ 33,061	\$ 33,061	\$ 88	\$ 33,149	\$ (50)	\$ 195	100.15%
1998	450,016	50,134	(1,515)	(112)	498,523	491,342	491,344	1,090	492,434	7,180	7,840	98.56%
1999	1,369,917	231,870	161,108	(5,612)	1,757,283	1,716,403	1,716,403	6,792	1,723,195	40,881	25,808	97.67%
2000	2,350,455	(28,268)	(10,975)	(697)	2,310,515	2,339,128	2,339,128	7,073	2,346,201	(28,612)	4,297	101.24%
2001	2,003,143	749,858	(68,270)	2,766	2,687,497	2,575,781	2,575,806	480	2,576,285	111,693	26,045	95.84%
2002	2,530,553	886,530	(307,218)	13,171	3,123,036	3,024,936	3,020,909	15,440	3,036,349	102,126	23,330	96.73%
2003	3,418,245	1,186,647	(591,638)	2,433	4,015,687	3,719,359	3,832,139	16,904	3,849,043	183,548	56,536	95.43%
2004	2,610,790	93,687	(262,058)	(38)	2,442,381	2,095,588	2,344,215	36,250	2,380,465	98,165	35,198	95.98%
2005	2,720,624	10,159	(267,634)	(1,667)	2,461,482	2,754,923	3,075,006	28,530	3,103,536	(613,523)	28,208	124.92%
2006	2,072,727	125,226	(552,873)	1,413	1,646,493	1,503,460	1,676,402	565	1,676,967	(29,909)	10,910	101.82%
2007	4,124,463	(78,153)	(1,531,122)	-	2,515,188	2,345,944	2,599,144	214	2,599,358	(83,956)	6,509	103.34%
2008	7,225,406	(331,410)	(1,950,543)	-	4,943,453	4,730,891	5,087,417	77	5,087,494	(143,964)	6,656	102.91%
2009	10,259,655	7,043	(326,462)	-	9,940,236	1,933,594	9,488,064	390	9,488,454	452,172	8,397	95.45%
<b>Totals</b>	<b>\$ 41,169,797</b>	<b>\$ 2,904,171</b>	<b>\$ (5,709,204)</b>	<b>\$ 10,021</b>	<b>\$ 38,374,785</b>	<b>\$ 29,264,410</b>	<b>\$ 38,279,038</b>	<b>\$ 113,893</b>	<b>\$ 38,392,930</b>	<b>\$ 95,751</b>	<b>\$ 239,929</b>	<b>99.75%</b>

**Appendix A9**  
**Children with Special Health Care Needs Services Rebates**

	A	B	C	D	E	F	G	H	I	J	K	L
	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 =A+B+C+D	Collections Prior to Current SFY	Total Principal Collected =F+ CY Collections	Total Interest Collected	Total Collections =G+H	Outstanding Principal	Outstanding Interest	For Principal = G/E
1997	\$ 6,643	\$ 521	\$ (468)	\$ (7)	\$ 6,689	\$ 6,453	\$ 6,453	\$ 3	\$ 6,456	\$ 236	\$ 59	96.47%
1998	71,786	10,902	(6,436)	(18)	76,234	75,653	75,766	59	75,825	469	1,547	99.38%
1999	231,687	578,755	(545,874)	(334)	264,234	258,120	258,231	837	259,068	6,003	7,489	97.66%
2000	444,042	14,490	(14,434)	(1,303)	442,795	437,370	476	476	438,368	4,903	2,656	98.61%
2001	452,507	16,640	(37,965)	(687)	430,495	421,426	429,387	2,767	432,154	1,108	8,213	99.58%
2002	434,063	(46,796)	(9,931)	35,897	413,233	428,047	426,961	1,860	428,820	(13,729)	11,130	113.15%
2003	252,902	42,747	(39,257)	20,613	277,005	263,384	265,489	1,530	267,019	11,517	10,860	103.54%
2004	234,377	10,305	(9,271)	1,580	236,991	227,787	230,282	3,469	233,751	6,709	8,606	97.88%
2005	284,276	(37,839)	(12,016)	79,809	314,230	310,950	313,788	2,160	315,948	442	14,455	133.86%
2006	169,680	184,079	(24,434)	22,627	351,952	364,648	366,372	1,858	368,229	(14,420)	9,707	111.25%
2007	320,064	167,441	(13,264)	1	474,242	426,219	432,461	1,239	433,700	41,781	10,772	91.19%
2008	484,800	2,968	(35,265)	13,440	465,943	469,086	494,139	1,528	495,668	(28,197)	1,006	106.05%
2009	553,646	(20,410)	(19,322)	-	513,914	127,935	612,943	17	612,960	(99,028)	497	119.27%
<b>Totals</b>	<b>\$ 3,940,473</b>	<b>\$ 923,803</b>	<b>\$ (767,937)</b>	<b>\$ 171,618</b>	<b>\$ 4,267,957</b>	<b>\$ 3,817,078</b>	<b>\$ 3,912,748</b>	<b>\$ 17,803</b>	<b>\$ 4,367,966</b>	<b>\$ ( 82,206)</b>	<b>\$ 86,997</b>	<b>105.86%</b>