

Chartbook: Medicaid Pharmacy
Benefit Use and Reimbursement in
2008

March 31, 2012

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CHARTBOOK: MEDICAID PHARMACY BENEFIT USE AND REIMBURSEMENT IN 2008

INTRODUCTION AND OVERVIEW

This chartbook, prepared for the Centers for Medicare & Medicaid Services (CMS) by Mathematica Policy Research, Inc., presents highlights and key comparisons from the Statistical Compendium on Medicaid pharmacy benefit use and reimbursement in 2008. The 57 exhibits in the chartbook are summarized below.

Because coverage of most prescription drugs for dual eligible beneficiaries shifted from Medicaid to Medicare in 2006, Medicaid-only prescription drug use and reimbursement for dual eligibles shown in this chartbook for 2006 through 2008 is substantially lower than in prior years.

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BENEFICIARY CHARACTERISTICS AND ILLUSTRATIVE USE
AND REIMBURSEMENT MEASURES

EXHIBIT 1

DISTRIBUTION OF MEDICAID STUDY POPULATION
BENEFICIARY CHARACTERISTICS, 2008

Beneficiary Characteristics	Percent of Beneficiaries			
	Among All Medicaid Beneficiaries ^a	Among Nondual Beneficiaries ^b	Among Dual Eligibles ^b	Among Beneficiaries Who Resided in Nursing Facilities All Year ^c
Age				
5 and younger	21	25	< 1	16 ^e
6–14	20	24	< 1	16 ^e
15–20	13	15	< 1	16 ^e
21–44	26	28	15	16 ^e
45–64	11	8	25	16 ^e
65–74	4	< 1	24	14
75–84	3	< 1	21	28
85 and older	2	< 1	15	42
Sex				
Male	40	41	38	30
Female	60	59	62	70
Race				
African American	23	23	18	14
White	43	41	56	73
Other/Unknown	34	36	26	13
Dual Eligibility Status^b				
Dual Eligibles	15	0	100	90
Nondual Beneficiaries	85	100	0	10
Basis of Eligibility^d				
Children	48	57	< 1	< 1
Adults	25	30	1	< 1
Disabled	18	12	46	19
Aged	9	1	52	80
Number of Beneficiaries in Study Population				
	43,630,390	36,944,523	6,685,877	773,672

Source: Medicaid Analytic eXtract (MAX), 2008. This table is based on information contained in Tables 2, ND.2, D.2, ND.8, and D.8 in the Statistical Compendium Volume, United States (hereafter “the Compendium”).

^aMedicaid beneficiaries featured in this chartbook include those who had fee-for-service (FFS) Medicaid pharmacy benefit coverage for at least one month during calendar year 2008. Beneficiaries who received prescription drugs through capitated managed care arrangements for the entire year are excluded. For more details on how we determined the study population, see Table 1 of the Compendium.

EXHIBIT 1 (continued)

^bDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefit coverage for at least one month during their Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefit coverage. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^cThis group includes beneficiaries who resided in nursing facilities throughout their Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined all-year nursing facility residency.

^dMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness. The children's group includes children receiving foster care and adoptive services.

^eThe percentage represents all ages below 65.

EXHIBIT 2

ILLUSTRATIVE MEASURES OF MEDICAID STUDY POPULATION PHARMACY BENEFIT USE AND REIMBURSEMENT, 2008^a

Measures of Pharmacy Benefit Use and Reimbursement	Among All Medicaid Beneficiaries ^b	Among Nondual Beneficiaries ^b	Among Dual Eligibles ^b	Among Beneficiaries Who Resided in Nursing Facilities All Year ^b
Total Medicaid Pharmacy Reimbursement (\$ in millions)	\$22,506	\$21,265	\$1,241	\$541
Average Annual Pharmacy Reimbursement per Beneficiary ^c	\$516	\$576	\$186	\$700
Average Pharmacy Reimbursement per Benefit Month ^d	\$64	\$76	\$18	\$68
Average Annual Number of Prescriptions per Beneficiary	6.5	6.8	4.9	12.1
Average Number of Prescriptions per Benefit Month	0.8	0.9	0.5	1.2

Source: Medicaid Analytic eXtract (MAX), 2008. This table is based on information contained in Tables 3, 4, 6, ND.3, ND.4, ND.6, ND.8, ND.9, D.3, D.4, D.6, D.8, D.9, and N.1a in the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bSee footnotes to Exhibit 1 for how these groups were defined. Annual or monthly measures reflect use and reimbursement among beneficiaries in FFS settings, and may thus be higher or lower than if use and reimbursement in capitated managed care settings were included.

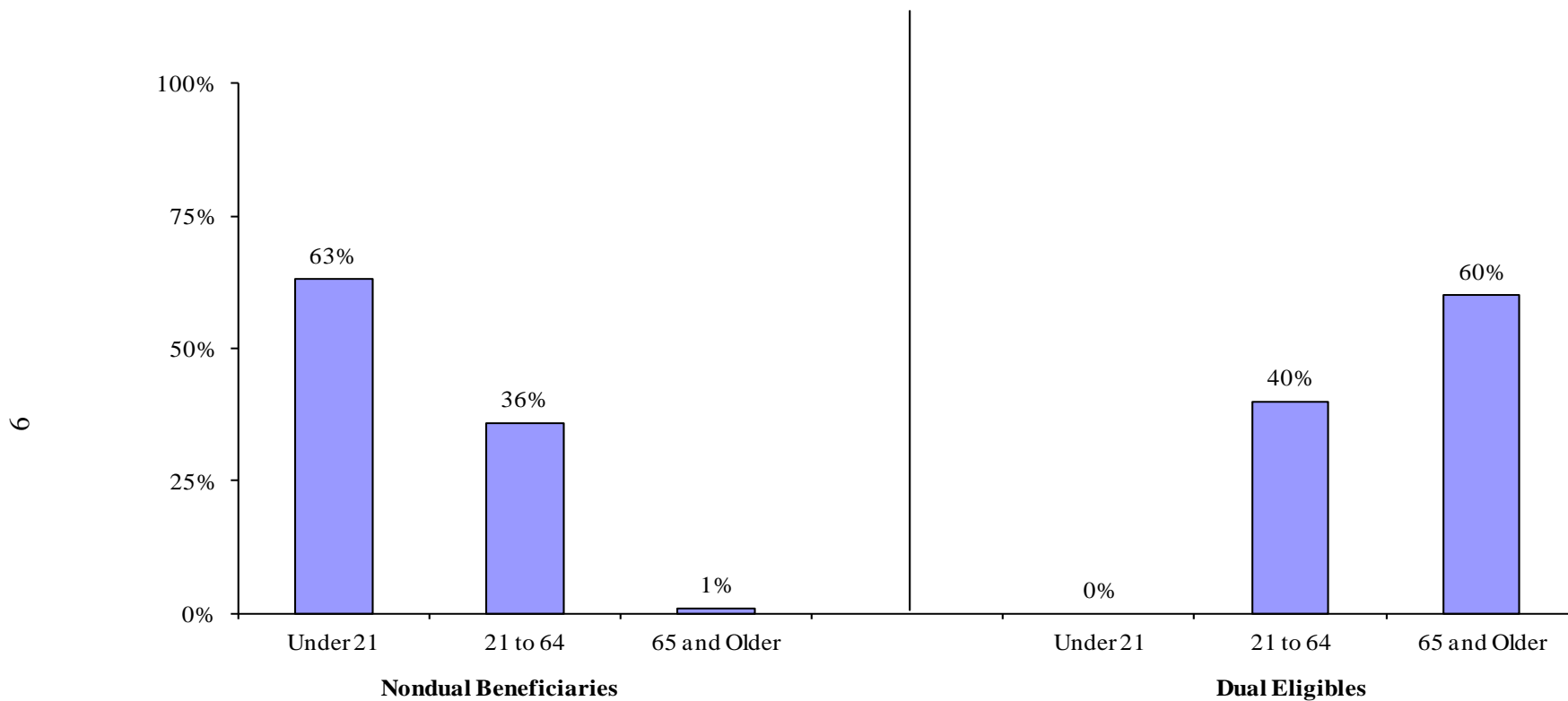
^cAnnual per-beneficiary use and reimbursement include all use and reimbursement during the year for the number of months of Medicaid FFS pharmacy benefit coverage. Thus, some beneficiaries may have had only one month of coverage, while others were covered for twelve months. Medicaid beneficiaries in the study population had, on average, 8.0 months of coverage. The comparable number was 7.6 months among nondual beneficiaries and 10.5 months among dual eligible beneficiaries, and 10.2 months among beneficiaries who resided in nursing facilities throughout their Medicaid enrollment in 2008.

^dMonthly use and reimbursement amounts were calculated by dividing total use and reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.

STUDY POPULATION CHARACTERISTICS

EXHIBIT 3

DISTRIBUTION OF MEDICAID STUDY POPULATION BY AGE GROUP,
NONDUAL AND DUAL ELIGIBLE BENEFICIARIES, 2008^a

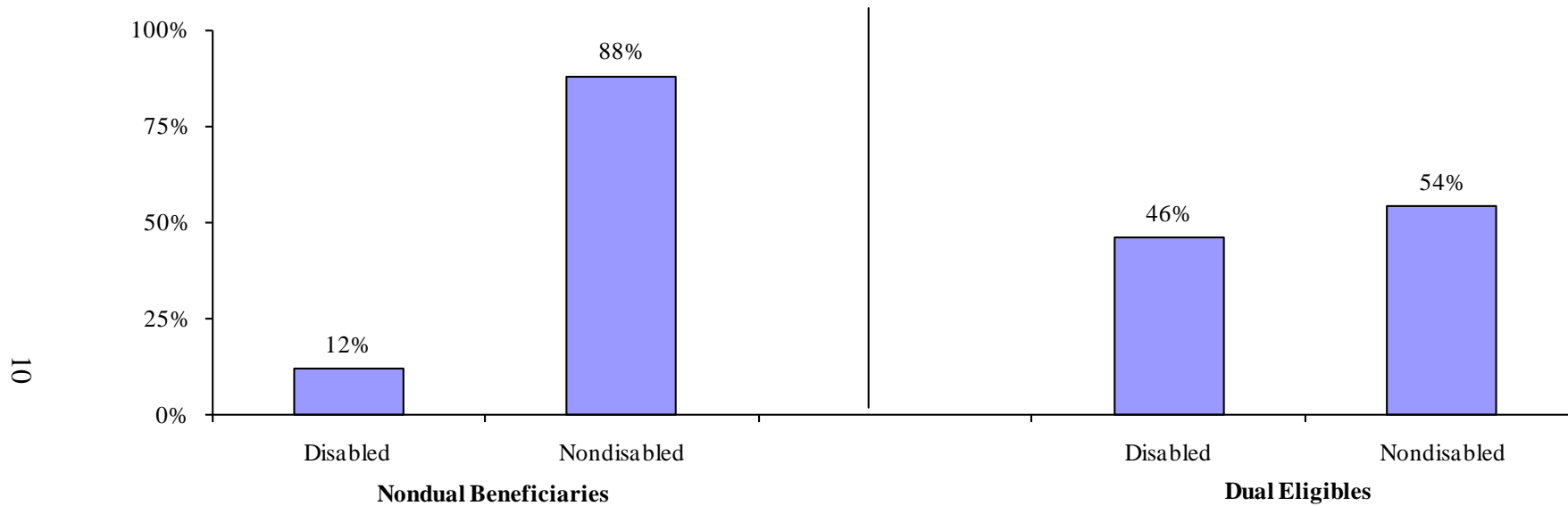


Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND.2 and D.2 of the Compendium.

^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 4

DISTRIBUTION OF MEDICAID STUDY POPULATION BY DISABILITY STATUS,
NONDUAL AND DUAL ELIGIBLE BENEFICIARIES, 2008^{a,b}



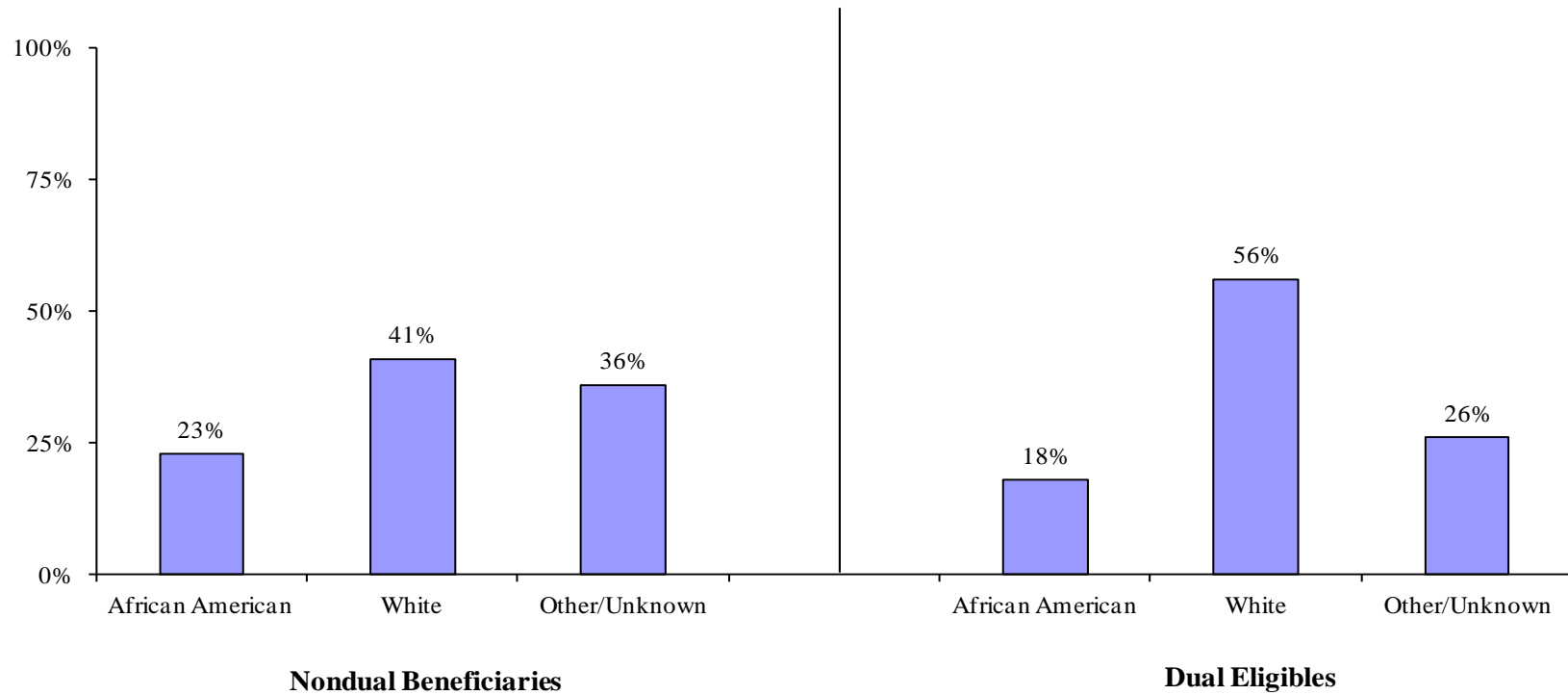
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND.2 and D.2 of the Compendium.

^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^bThe disabled eligibility group includes beneficiaries of any age who were determined to be eligible for Medicaid because of disability or blindness.

EXHIBIT 5

DISTRIBUTION OF MEDICAID STUDY POPULATION BY RACE,
NONDUAL AND DUAL ELIGIBLE BENEFICIARIES, 2008^a



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Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND.2 and D.2 of the Compendium.

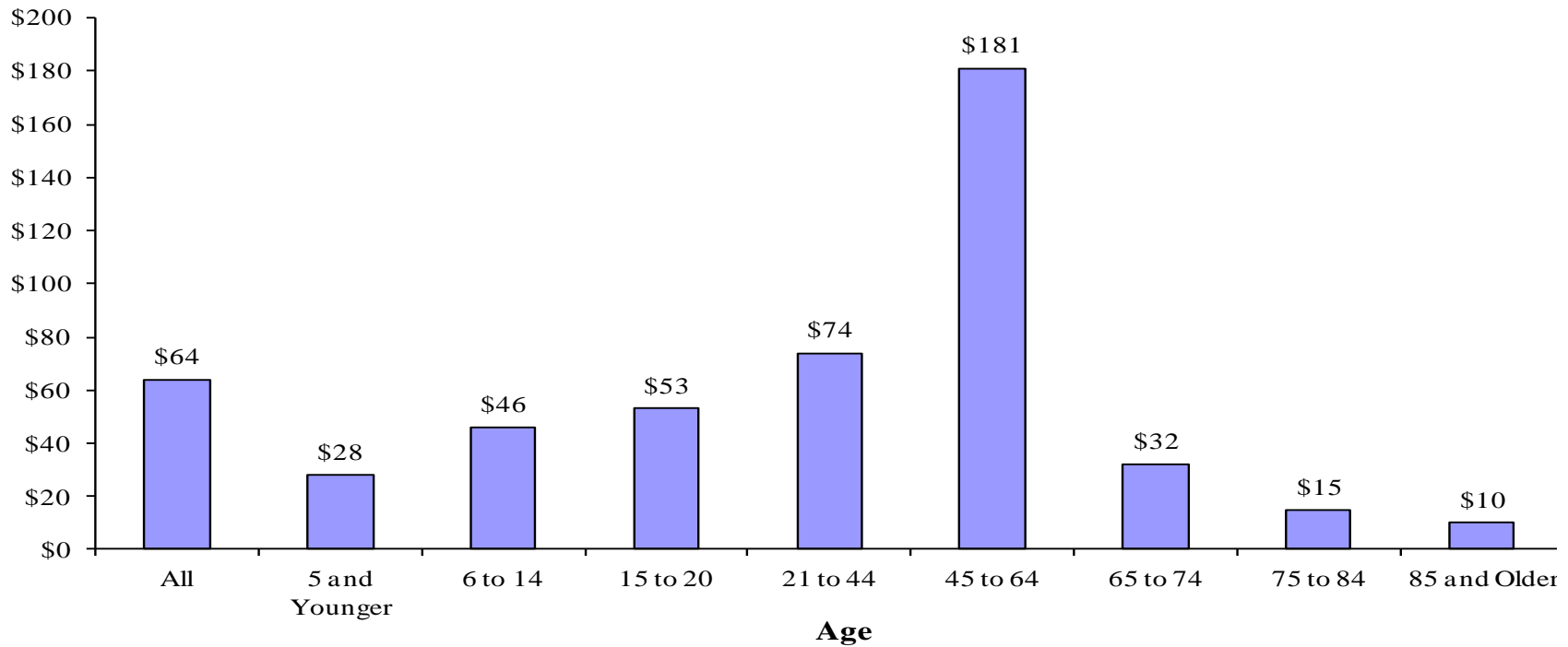
^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

MEDICAID PHARMACY USE AND REIMBURSEMENT,
BY TYPE OF BENEFICIARY

EXHIBIT 6

AVERAGE MONTHLY MEDICAID PHARMACY REIMBURSEMENT,
BY AGE GROUP, 2008^{a,b}

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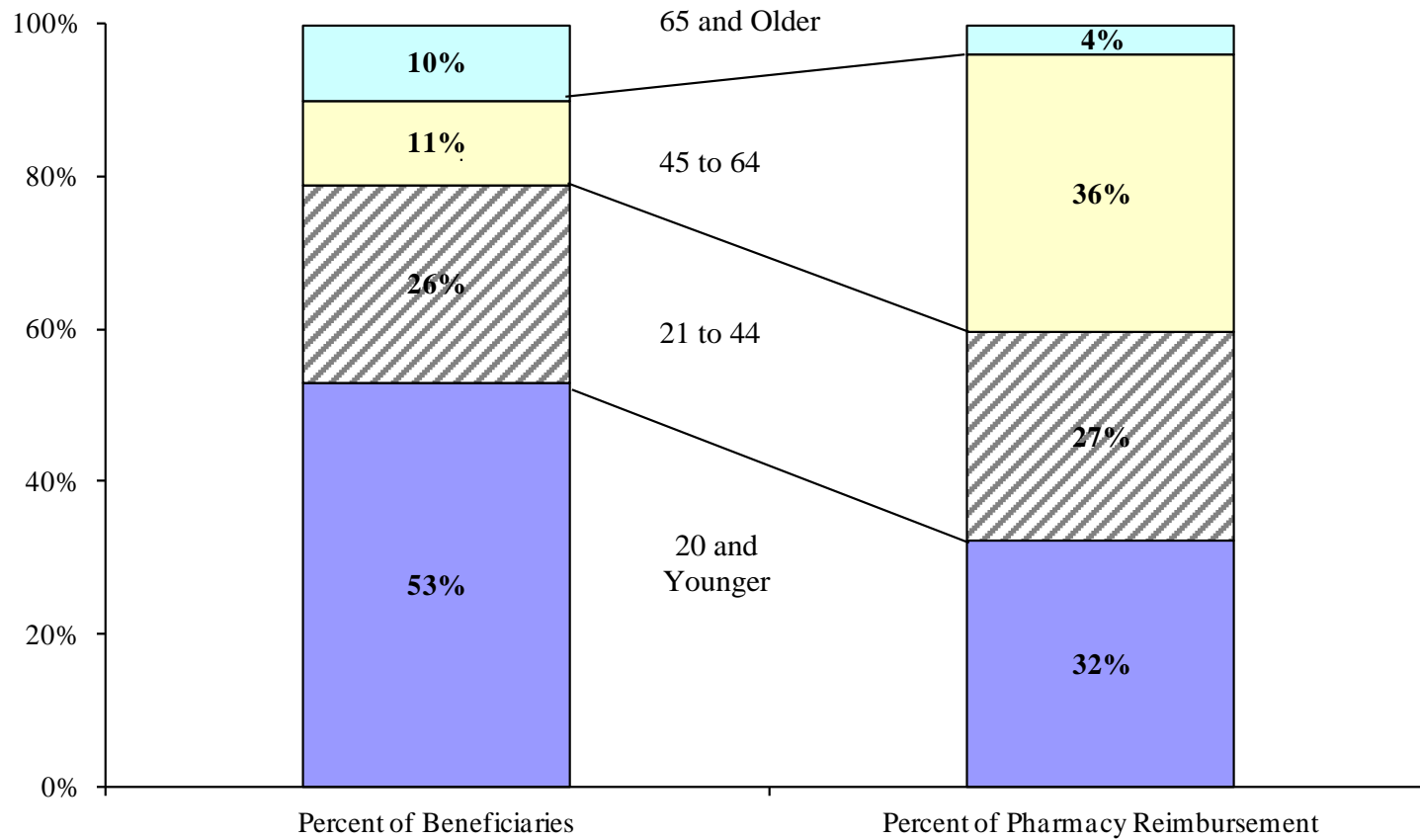
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table 4 of the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bMonthly reimbursement amounts were calculated by dividing the total reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.

EXHIBIT 7

DISTRIBUTION OF MEDICAID AGE GROUPS AND TOTAL PHARMACY REIMBURSEMENT, 2008^a



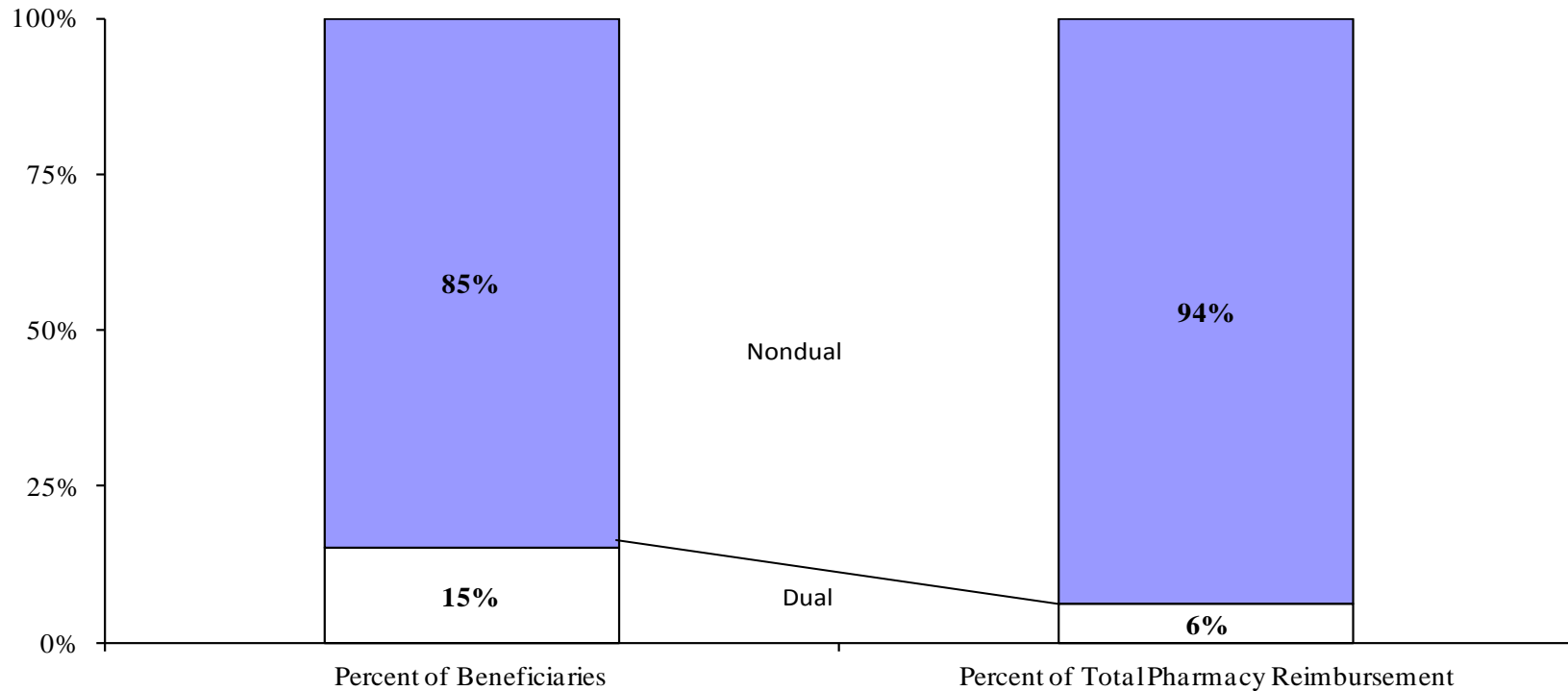
14

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables 2, 3, and 6 of the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

EXHIBIT 8

DISTRIBUTION OF MEDICAID DUAL ELIGIBILITY STATUS AND TOTAL PHARMACY REIMBURSEMENT, 2008^{a,b}



15

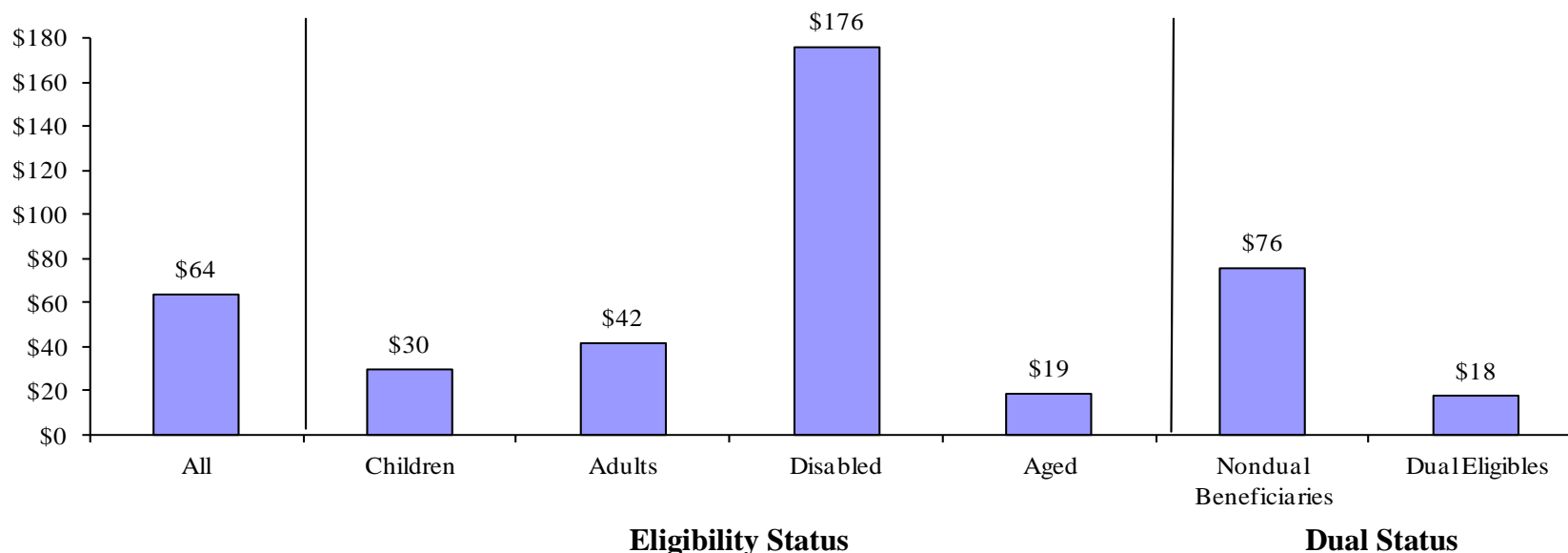
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables 2, ND.2, D.2, 6, ND.6, and D.6 of the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 9

AVERAGE MONTHLY MEDICAID PHARMACY REIMBURSEMENT,
BY BASIS OF ELIGIBILITY AND DUAL STATUS, 2008^{a,b,c,d}



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Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables 4, ND.4, and D.4 of the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

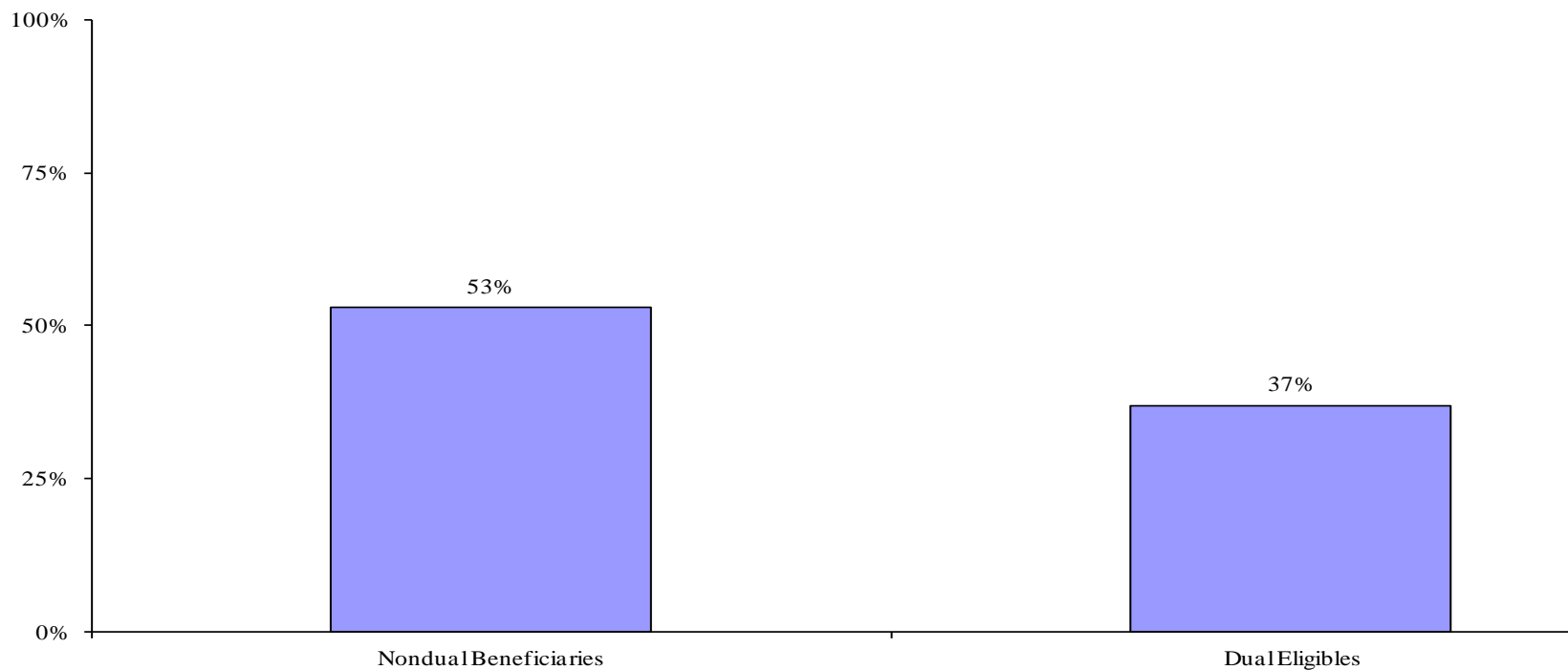
^bMonthly reimbursement amounts were calculated by dividing the total reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.

^cMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

^dDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 10

PERCENTAGE OF MEDICAID BENEFICIARIES WITH AT LEAST ONE PRESCRIPTION DRUG CLAIM,
BY DUAL ELIGIBILITY STATUS, 2008^a



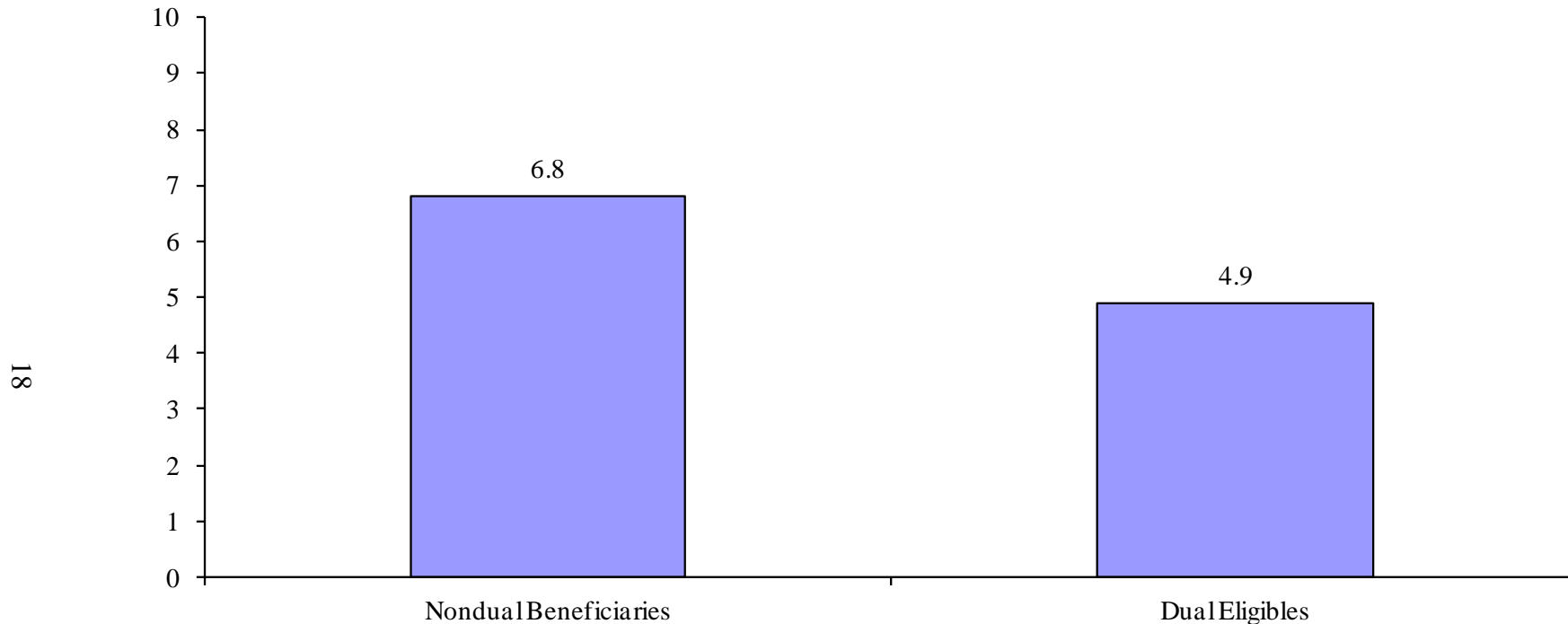
17

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND.3 and D.3 of the Compendium.

^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 11

AVERAGE ANNUAL NUMBER OF MEDICAID PRESCRIPTION DRUG CLAIMS PER BENEFICIARY,
BY DUAL ELIGIBILITY STATUS, 2008^{a,b}



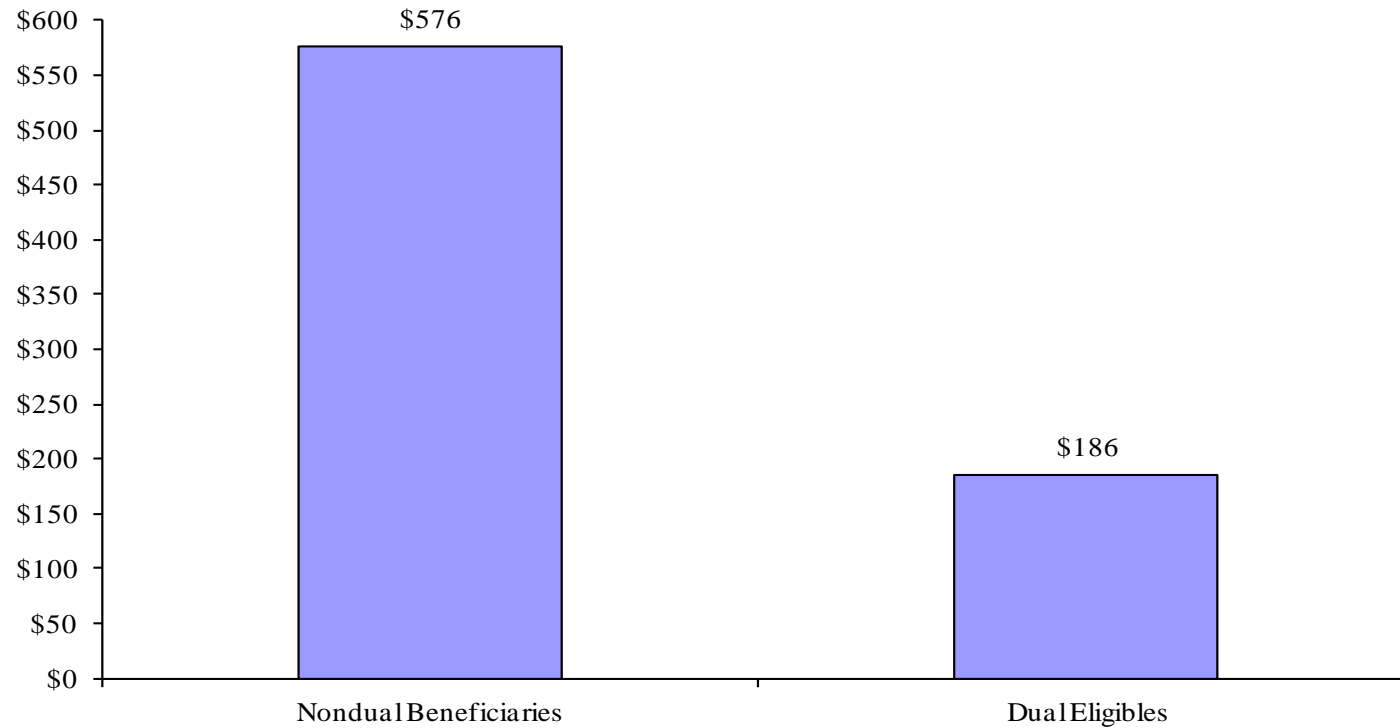
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND.3 and D.3 of the Compendium.

^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^bNondual beneficiaries, on average, had fewer months of Medicaid eligibility in 2008 than dual eligible beneficiaries: 7.6 months for nonduals and 10.5 months for duals.

EXHIBIT 12

AVERAGE ANNUAL MEDICAID PRESCRIPTION DRUG REIMBURSEMENT PER BENEFICIARY,
BY DUAL ELIGIBILITY STATUS, 2008^{a,b}



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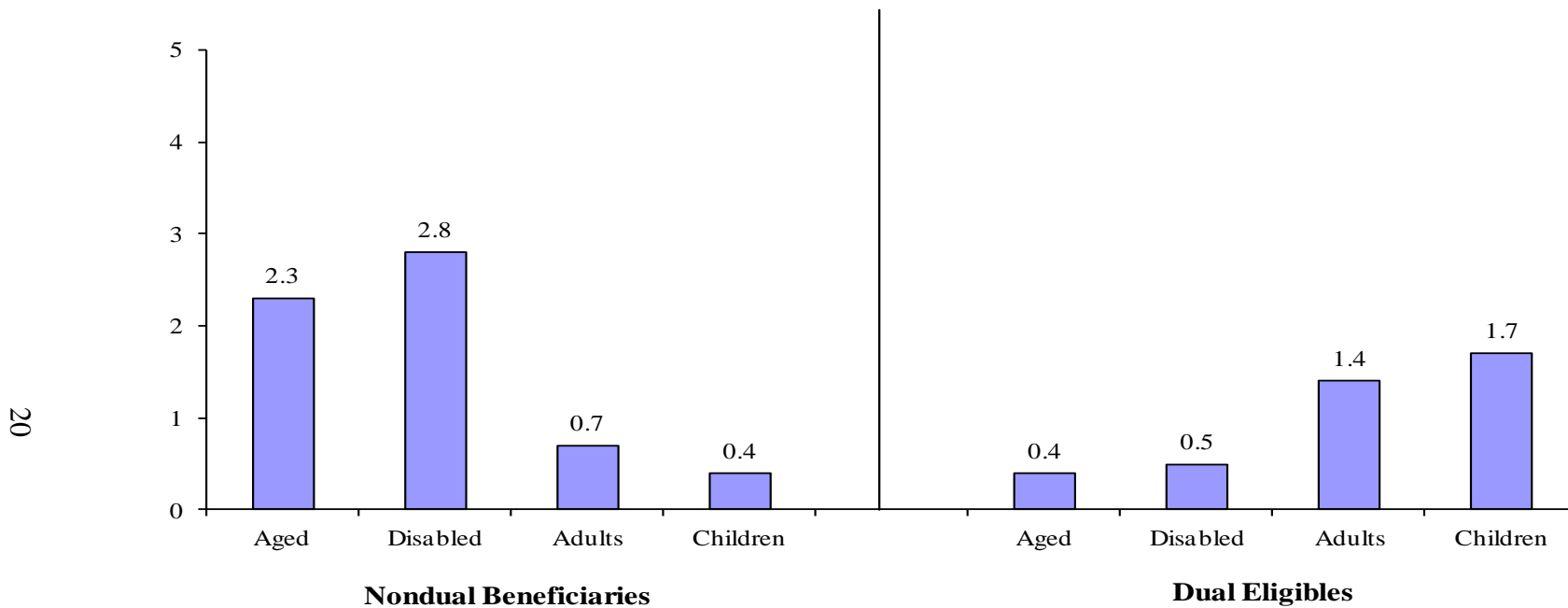
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND.3 and D.3 of the Compendium.

^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^bNonduals, on average, had fewer months of Medicaid eligibility in 2008 than dual eligible beneficiaries: 7.6 months for nonduals and 10.5 months for duals.

EXHIBIT 13

NUMBER OF MEDICAID PRESCRIPTIONS PER BENEFIT MONTH, BY BASIS OF ELIGIBILITY AND DUAL ELIGIBILITY STATUS, 2008^{a,b,c}



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND.4 and D.4 of the Compendium.

^aData are based on small numbers of cases for aged nonduals (259,815 beneficiaries), and adult and children duals (95,753 and 1,479, respectively).

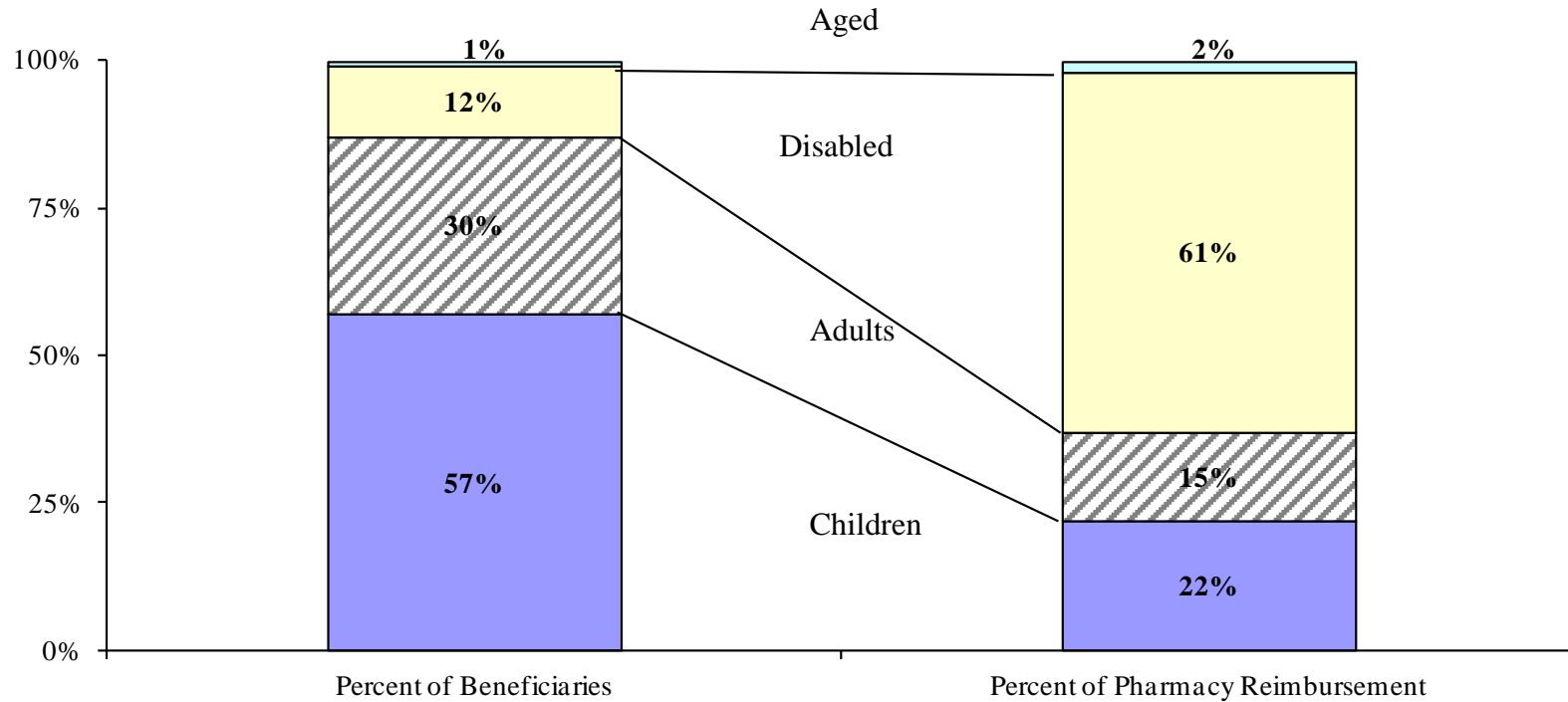
^bMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

^cDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

MEDICAID PHARMACY USE AND REIMBURSEMENT,
NONDUAL BENEFICIARIES

EXHIBIT 14

DISTRIBUTION OF MEDICAID BENEFICIARIES AND TOTAL PHARMACY REIMBURSEMENT AMONG NONDUAL BENEFICIARIES, BY BASIS OF ELIGIBILITY, 2008^{a,b,c}



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND.2, ND.3, and ND.6 of the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

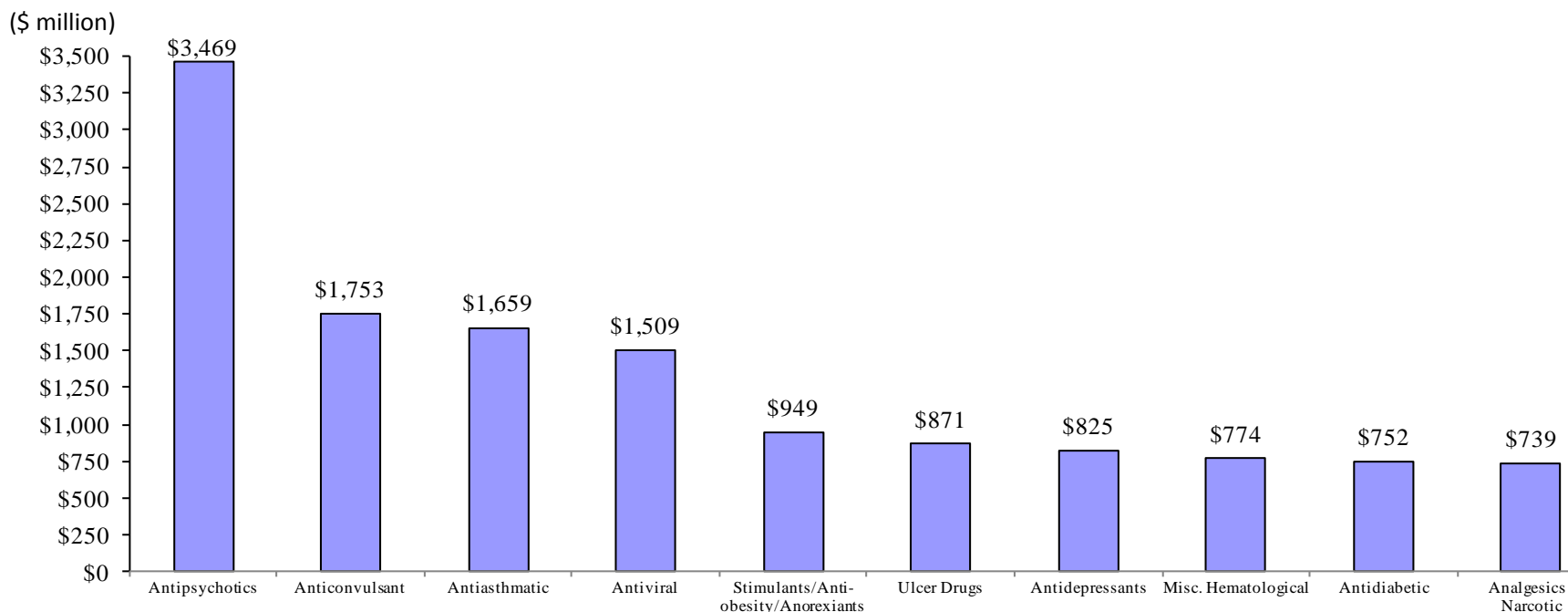
^bMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

^cDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 15

TOTAL ANNUAL MEDICAID REIMBURSEMENT FOR TOP 10 DRUG GROUPS AMONG NONDUAL BENEFICIARIES, 2008^{a,b,c,d}

The top 10 drug groups (out of over 90 drug groups) accounted for 63 percent of total Medicaid FFS pharmacy reimbursement for nondual beneficiaries in 2008.



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table ND.7 of the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

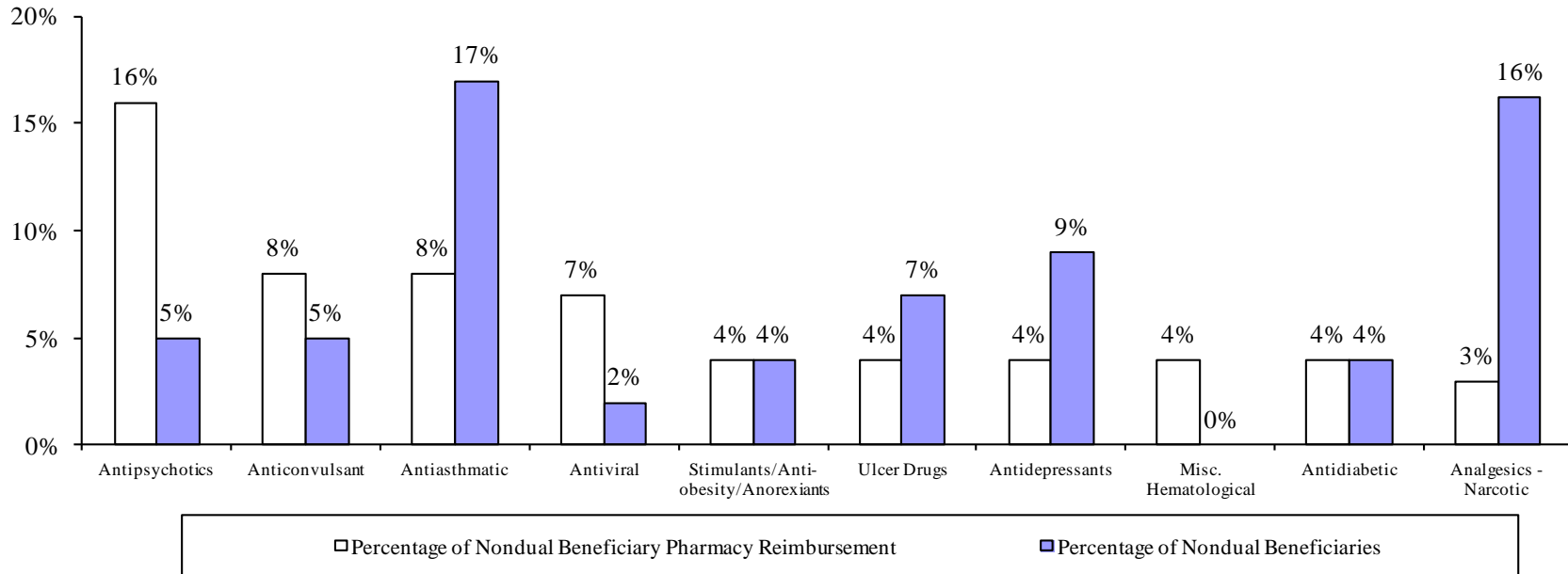
^bAnnual per-beneficiary reimbursement includes all reimbursement during the year for the number of months of Medicaid FFS pharmacy benefit coverage. Thus, some beneficiaries may have had only one month of coverage, while others were covered for twelve months. At the national level, nondual eligible Medicaid beneficiaries in the study population had, on average, 7.5 months of coverage.

^cThe top 10 drug groups were determined based on total Medicaid reimbursement in 2008. For information about these drug groups, see Wolters Kluwer Health, [<http://www.medi-span.com/master-drug-database.aspx>] (January 27, 2012).

^dDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status

EXHIBIT 16

PERCENTAGE OF MEDICAID PHARMACY USE AND REIMBURSEMENT FOR TOP 10 DRUG GROUPS AMONG NONDUAL BENEFICIARIES, 2008^{a,b,c,d}



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Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND.2, ND.6, and ND.7 of the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bA user is a beneficiary who had at least one prescription filled in a given therapeutic category during 2008. A beneficiary who used drugs from two or more categories was counted as a user for each category. Therefore, the sum of users across categories may exceed the total number of individual users. For information about these drug groups, see Wolters Kluwer Health, [<http://www.medi-span.com/master-drug-database.aspx>] (January 27, 2012).

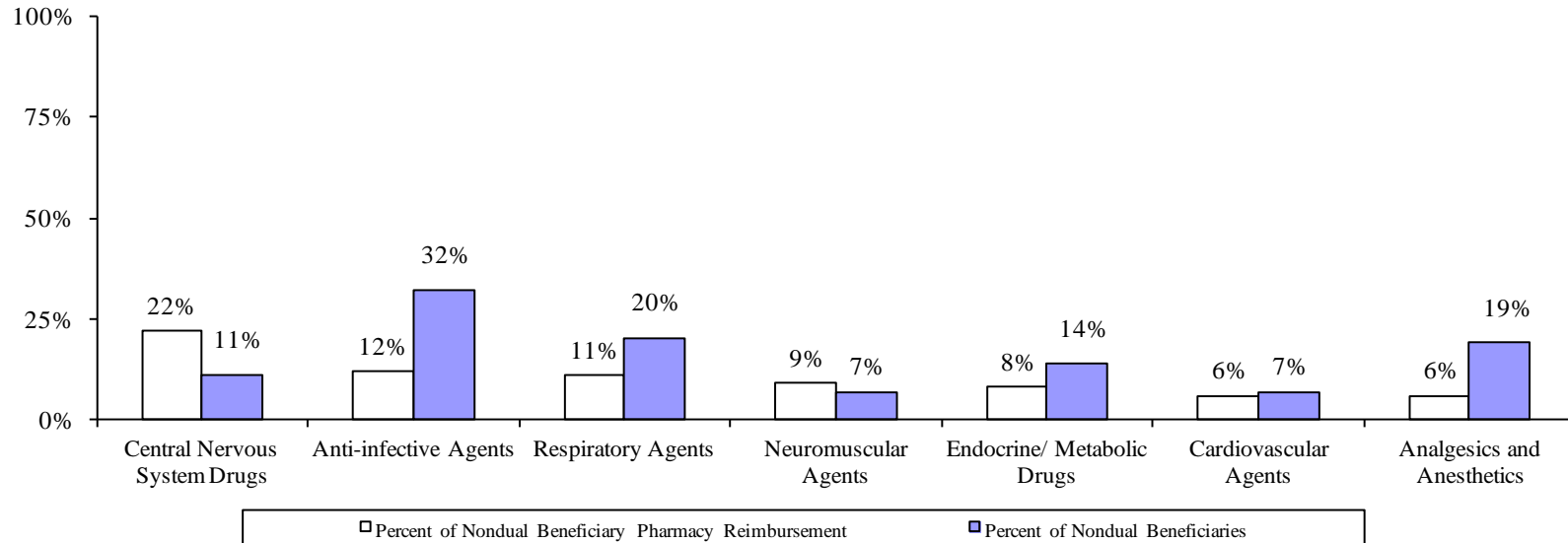
^cThe top 10 drugs groups were determined based on total Medicaid reimbursement in the state for 2008. For information about these drug groups, see Wolters Kluwer Health, [<http://www.medi-span.com/master-drug-database.aspx>] (January 27, 2012).

^dDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 17

PERCENTAGE OF PHARMACY MEDICAID USE AND REIMBURSEMENT FOR TOP 7 THERAPEUTIC CATEGORIES AMONG NONDUAL BENEFICIARIES, 2008^{a,b,c,d}

The top 7 therapeutic categories (out of 18 therapeutic categories) accounted for 73 percent of total Medicaid FFS pharmacy reimbursement for nondual beneficiaries in 2007



25

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table ND.6 of the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

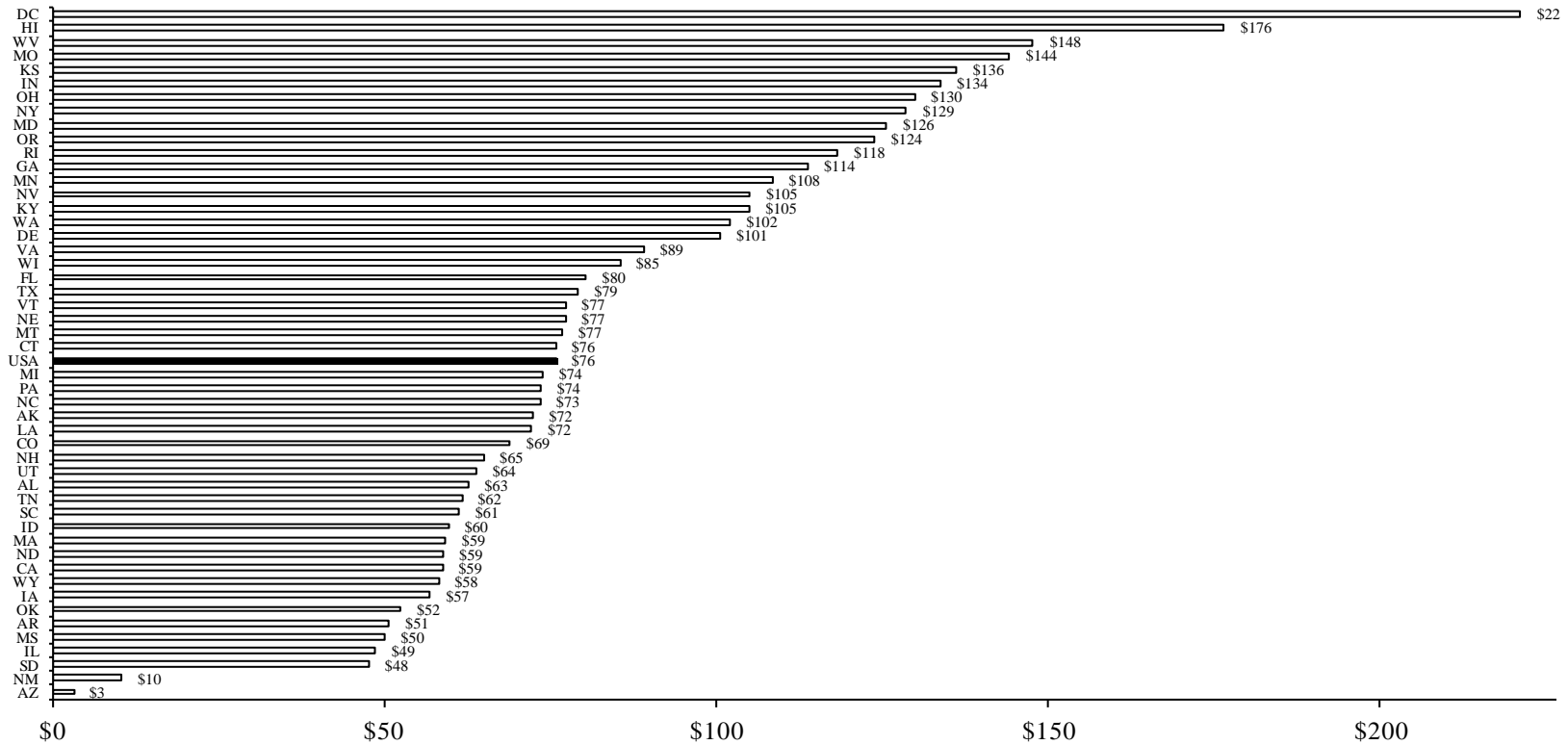
^bA user is a beneficiary who had at least one prescription filled in a given therapeutic category during 2008. A beneficiary who used drugs from two or more categories was counted as a user for each category. Therefore, the sum of users across categories may exceed the total number of individual users. For information about these therapeutic categories, see Wolters Kluwer Health, [<http://www.medi-span.com/master-drug-database.aspx>] (January 27, 2012) .

^cTop 7 categories were determined based on total Medicaid reimbursement in 2008. For information about these therapeutic categories, see Wolters Kluwer Health, [<http://www.medi-span.com/master-drug-database.aspx>] (January 27, 2012).

^dDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 18

AVERAGE MONTHLY MEDICAID PHARMACY REIMBURSEMENT AMONG NONDUAL BENEFICIARIES, BY STATE, 2008^{a,b,c}



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table N.2 of the Compendium for the nation. The Compendium was prepared for 49 states and the District of Columbia. FFS pharmacy reimbursement information for Maine is not included because Maine did not submit complete data to CMS for 2008.

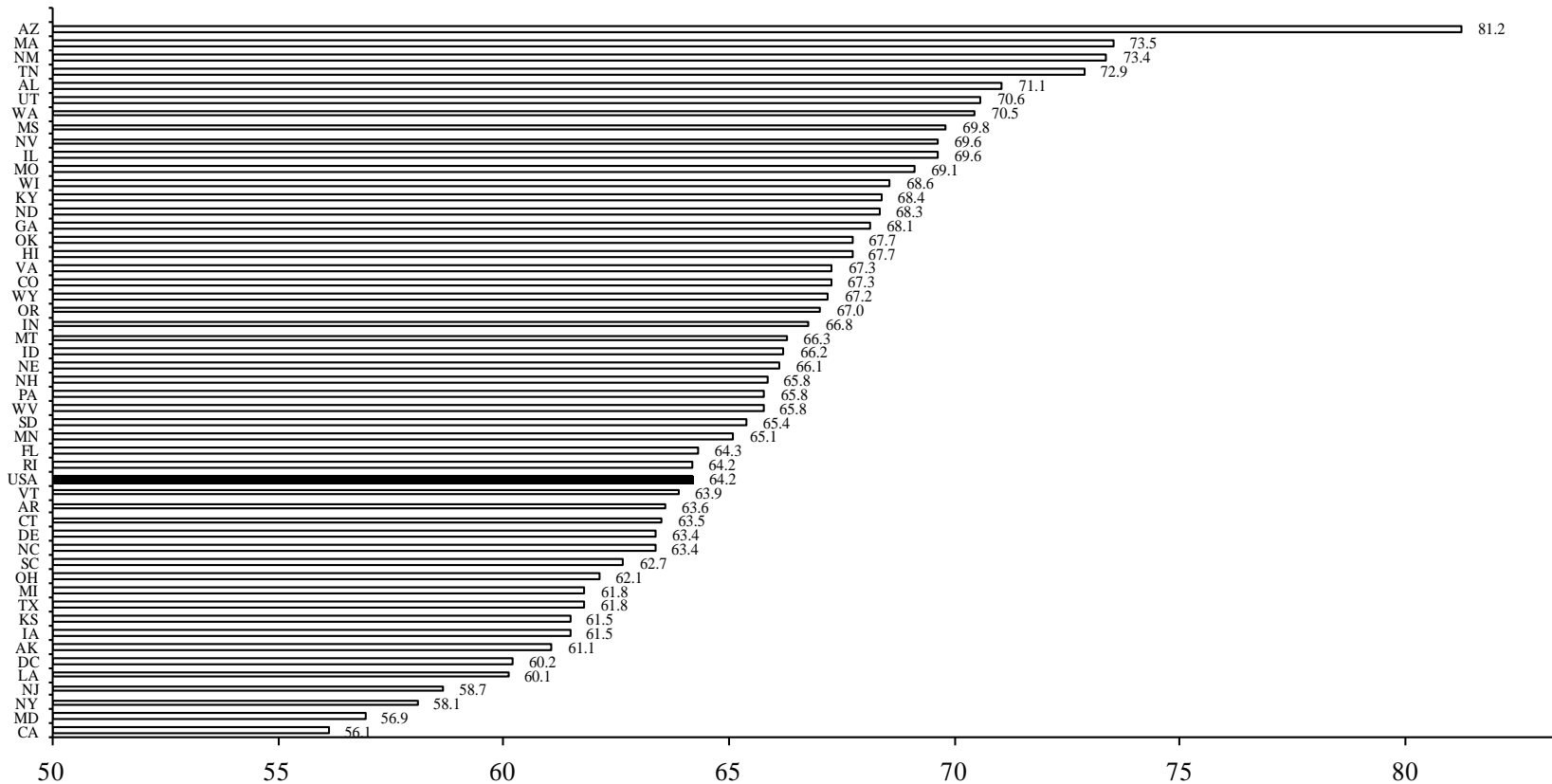
^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bMonthly reimbursement amounts were calculated by dividing the total reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.

^cDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 19

GENERIC PRESCRIPTIONS AS PERCENTAGE OF ALL MEDICAID PRESCRIPTIONS
AMONG NONDUAL BENEFICIARIES, BY STATE, 2008^{a,b}



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table N.2 of the Compendium for the nation. The Compendium was prepared for 49 states and the District of Columbia. FFS pharmacy reimbursement information for Maine is not included because Maine did not submit complete data to CMS for 2008.

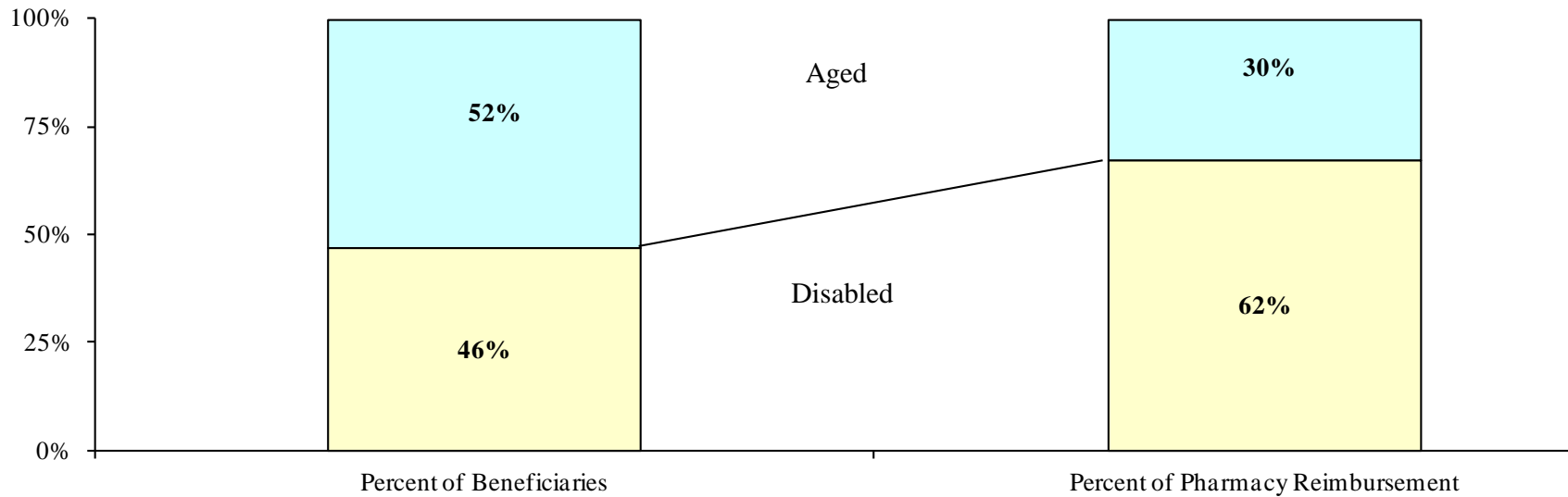
^aBrand-name drugs, sometimes called “innovator single-source drugs,” are drugs whose patents have not yet expired. Off-patent brand-name drugs, sometimes called “innovator multiple-source drugs,” are brand-name drugs whose patents have expired. Generic drugs, sometimes called “non-innovator multiple-source drugs,” are off-patent drugs manufactured and sold by companies other than the original patent holder. For information about this classification method, see Wolters Kluwer Health, [http://www.medi-span.com/master-drug-database.aspx] (January 27, 2012).

^bDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

MEDICAID PHARMACY USE AND REIMBURSEMENT,
DUAL ELIGIBLE BENEFICIARIES

EXHIBIT 20

DISTRIBUTION OF MEDICAID BENEFICIARIES AND TOTAL PHARMACY REIMBURSEMENT AMONG DUAL ELIGIBLES, BY BASIS OF ELIGIBILITY, 2008^{a,b,c,d}



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables D.2, D.3, and D.6 of the Compendium.

^aBecause children and adults comprise less than 1 percent each of dual eligible beneficiaries both in percentage of beneficiaries and in percentage of pharmacy reimbursement these beneficiaries are excluded from the exhibit.

^bThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

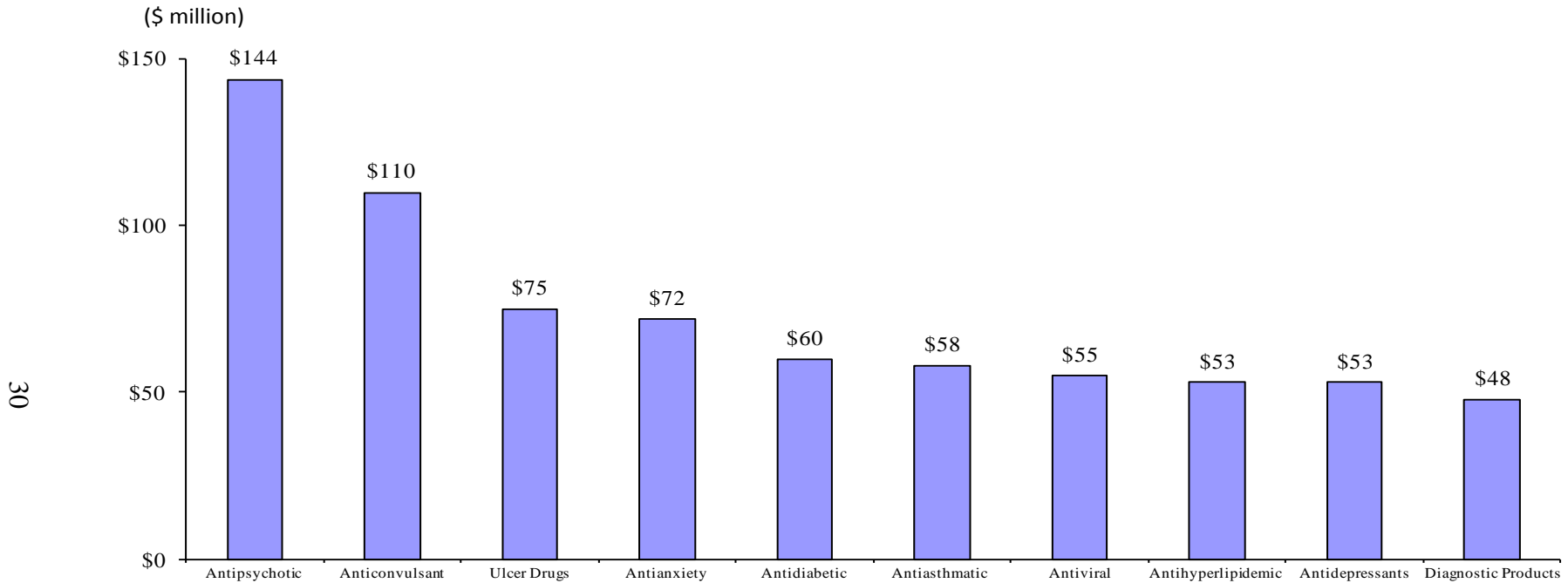
^cMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children’s group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

^dDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 21

TOTAL ANNUAL MEDICAID REIMBURSEMENT FOR TOP 10 DRUG GROUPS AMONG DUAL ELIGIBLES, 2008^{a,b,c,d}

The top 10 drug groups (out of over 90 drug groups) accounted for 59 percent of total Medicaid FFS pharmacy reimbursement for dual eligibles in 2008.



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table D.7 of the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

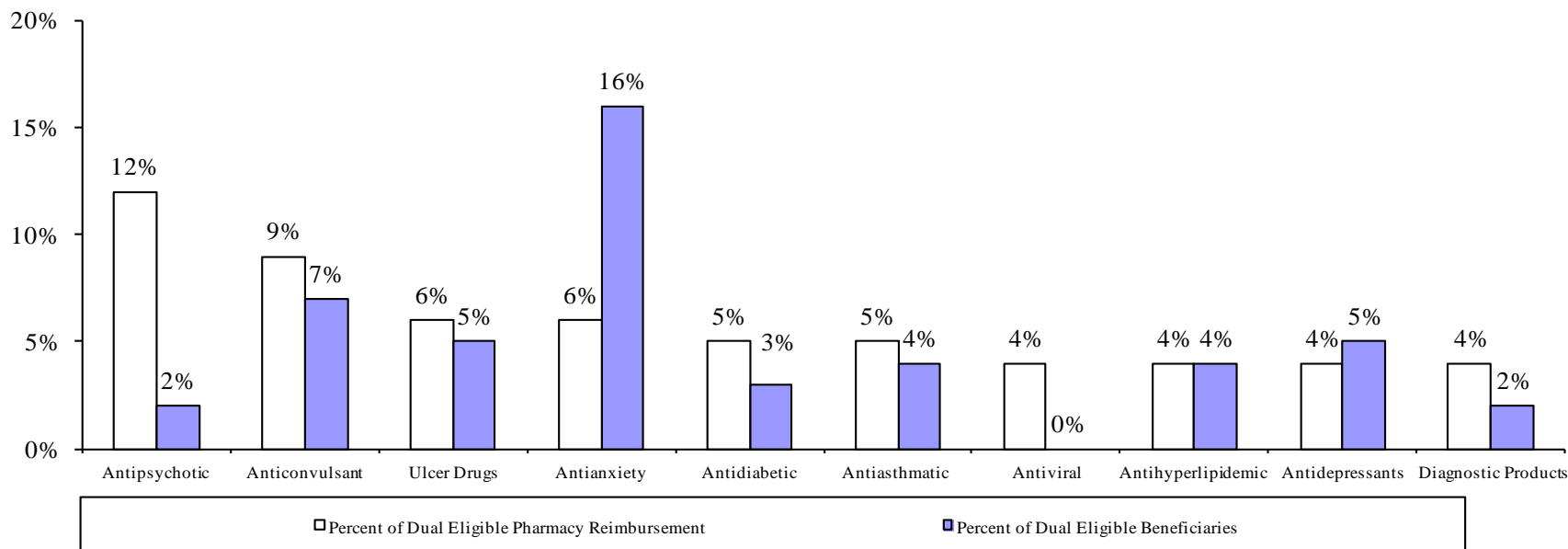
^bAnnual per-beneficiary reimbursement includes all reimbursement during the year for the number of months of Medicaid FFS pharmacy benefit coverage. Thus, some beneficiaries may have had only one month of coverage, while others were covered for twelve months. At the national level, dual eligible Medicaid beneficiaries in the study population had, on average, 10.5 months of coverage.

^cThe top 10 drug groups were determined based on total Medicaid reimbursement in 2008. For information about these drug groups, see Wolters Kluwer Health, [<http://www.medi-span.com/master-drug-database.aspx>] (January 27, 2012).

^dDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 22

PERCENTAGE OF MEDICAID PHARMACY USE AND REIMBURSEMENT FOR TOP 10 DRUG GROUPS
AMONG DUAL ELIGIBLES, 2008^{a,b,c,d,e}



31

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables D.2, D.6, and D.7 of the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bA user is a beneficiary who had at least one prescription filled in a given therapeutic category during 2008. A beneficiary who used drugs from two or more categories was counted as a user for each category. Therefore, the sum of users across categories may exceed the total number of individual users. For information about these drug groups, see Wolters Kluwer Health, [<http://www.medi-span.com/master-drug-database.aspx>] (January 27, 2012).

^cThe top 10 drugs groups were determined based on total Medicaid reimbursement in 2008. For information about these drug groups, see Wolters Kluwer Health, [<http://www.medi-span.com/master-drug-database.aspx>] (January 27, 2012).

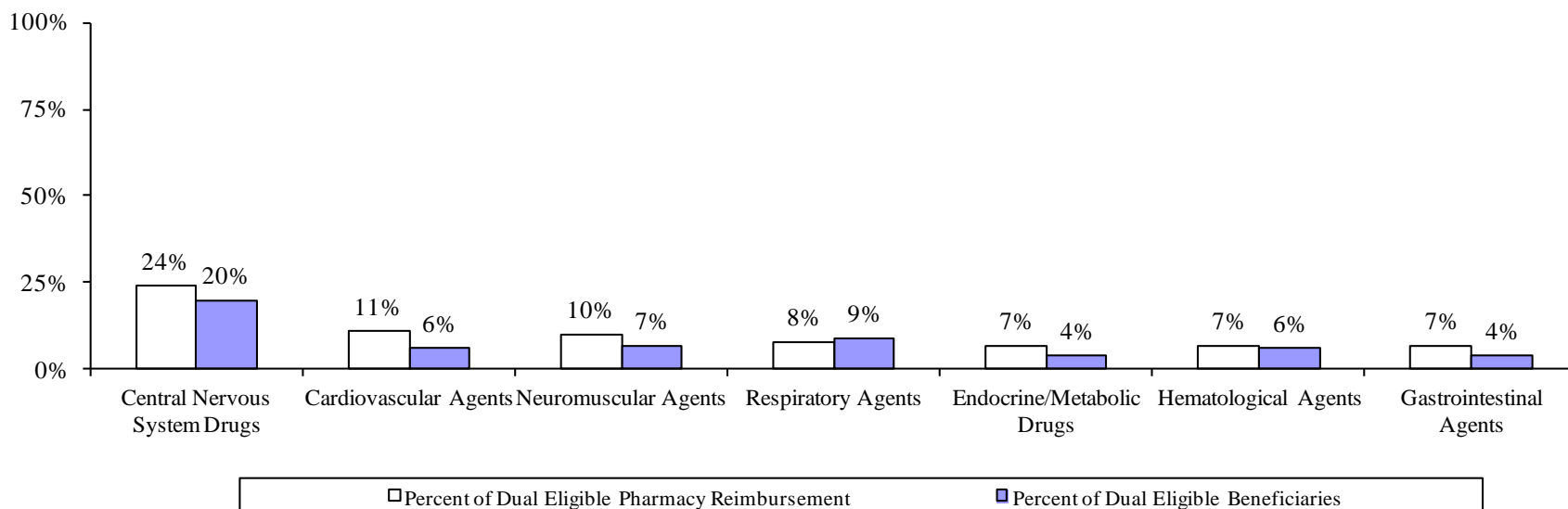
^dDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^eThe majority of drugs are not covered by the Part D program and thus coverage has moved primarily to Medicaid.

EXHIBIT 23

PERCENTAGE OF MEDICAID PHARMACY USE AND REIMBURSEMENT FOR TOP 7 THERAPEUTIC CATEGORIES AMONG DUAL ELIGIBLES, 2008^{a,b,c,d}

The top 7 therapeutic categories (out of 18 therapeutic categories) accounted for 74 percent of total Medicaid FFS pharmacy reimbursement for dual beneficiaries in 2008



32

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table D.6 of the Compendium.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

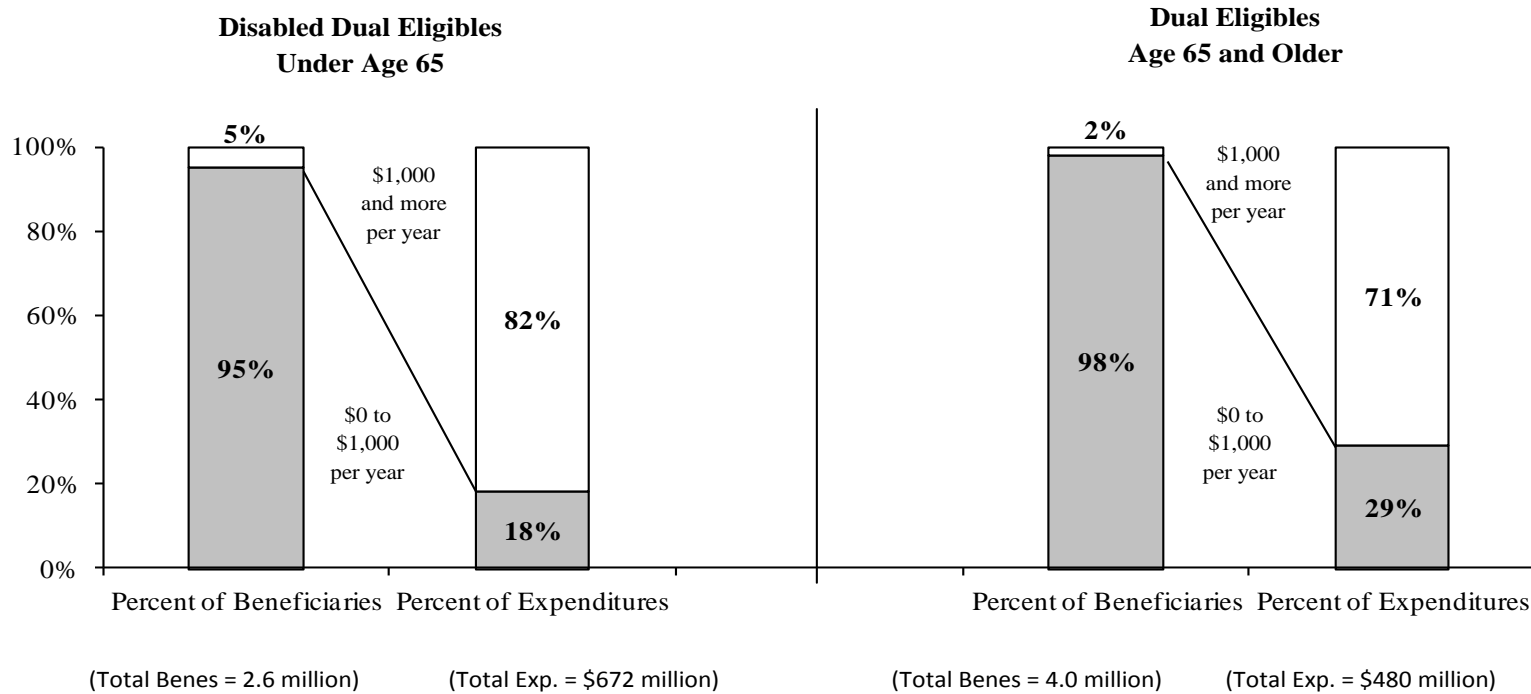
^bA user is a beneficiary who had at least one prescription filled in a given therapeutic category during 2008. A beneficiary who used drugs from two or more categories was counted as a user for each category. Therefore, the sum of users across categories may exceed the total number of individual users. For information about these therapeutic categories, see Wolters Kluwer Health, [<http://www.medi-span.com/master-drug-database.aspx>] (January 27, 2012).

^cTop 7 categories were determined based on total Medicaid reimbursement in 2008. For information about these therapeutic categories, see Wolters Kluwer Health, [<http://www.medi-span.com/master-drug-database.aspx>] (January 27, 2012).

^dDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 24

DISTRIBUTION OF ANNUAL MEDICAID PHARMACY REIMBURSEMENT FOR DUAL ELIGIBLES, UNDER-AGE-65 DISABLED VS. AGE 65 AND OLDER, 2008^{a,b,c}



33

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Supplemental Tables 1A and 1B of the Compendium for the nation.

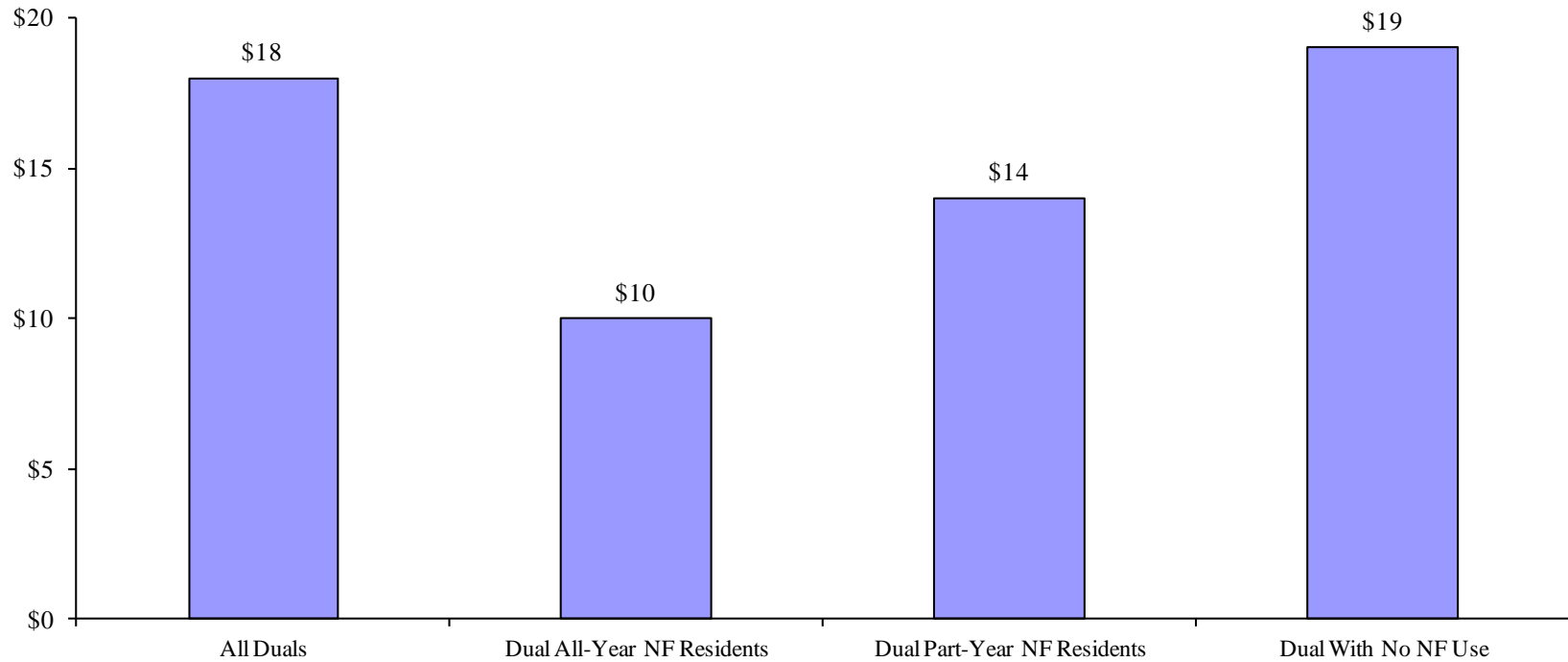
^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bAnnual per-beneficiary reimbursement includes all reimbursement during the year for the number of months of Medicaid FFS pharmacy benefit coverage. Thus, some beneficiaries may have had only one month of coverage, while others were covered for twelve months. At the national level, dual eligible Medicaid beneficiaries in the study population had, on average, 10.5 months of coverage in 2008.

^cDual eligibles include beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefit coverage during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 25

AVERAGE MONTHLY MEDICAID PHARMACY REIMBURSEMENT AMONG DUAL ELIGIBLES,
BY BENEFICIARY NURSING FACILITY RESIDENCE, 2008^{a,b,c}



34

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table D.4 of the Compendium.

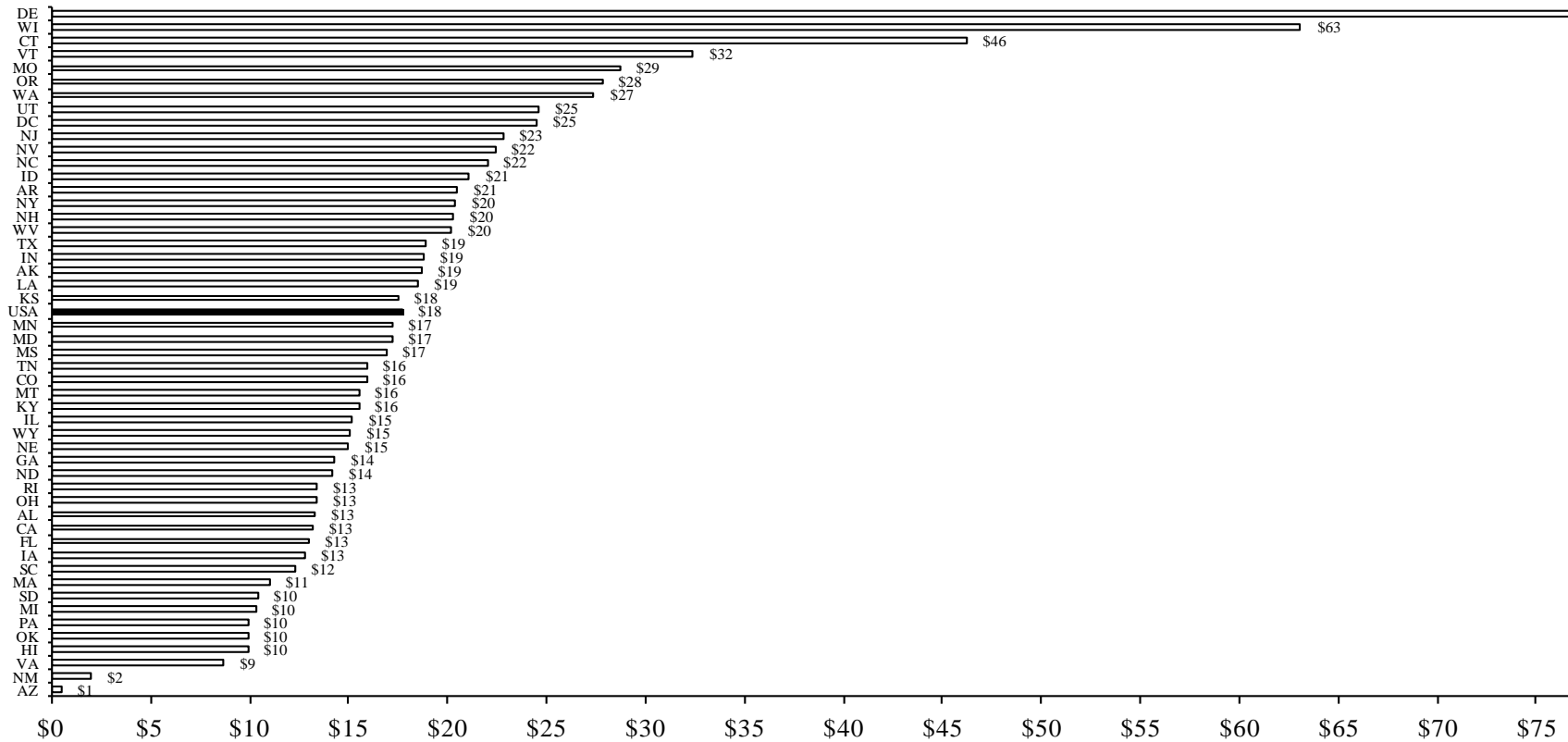
^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bMonthly reimbursement amounts were calculated by dividing the total reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.

^cDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 26

AVERAGE MONTHLY MEDICAID PHARMACY REIMBURSEMENT AMONG DUAL ELIGIBLES, BY STATE, 2008^{a,b}



35

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table N.5 of the Compendium for the nation. The Compendium was prepared for 49 states and the District of Columbia. FFS pharmacy reimbursement information for Maine is not included because Maine did not submit complete data to CMS for 2008.

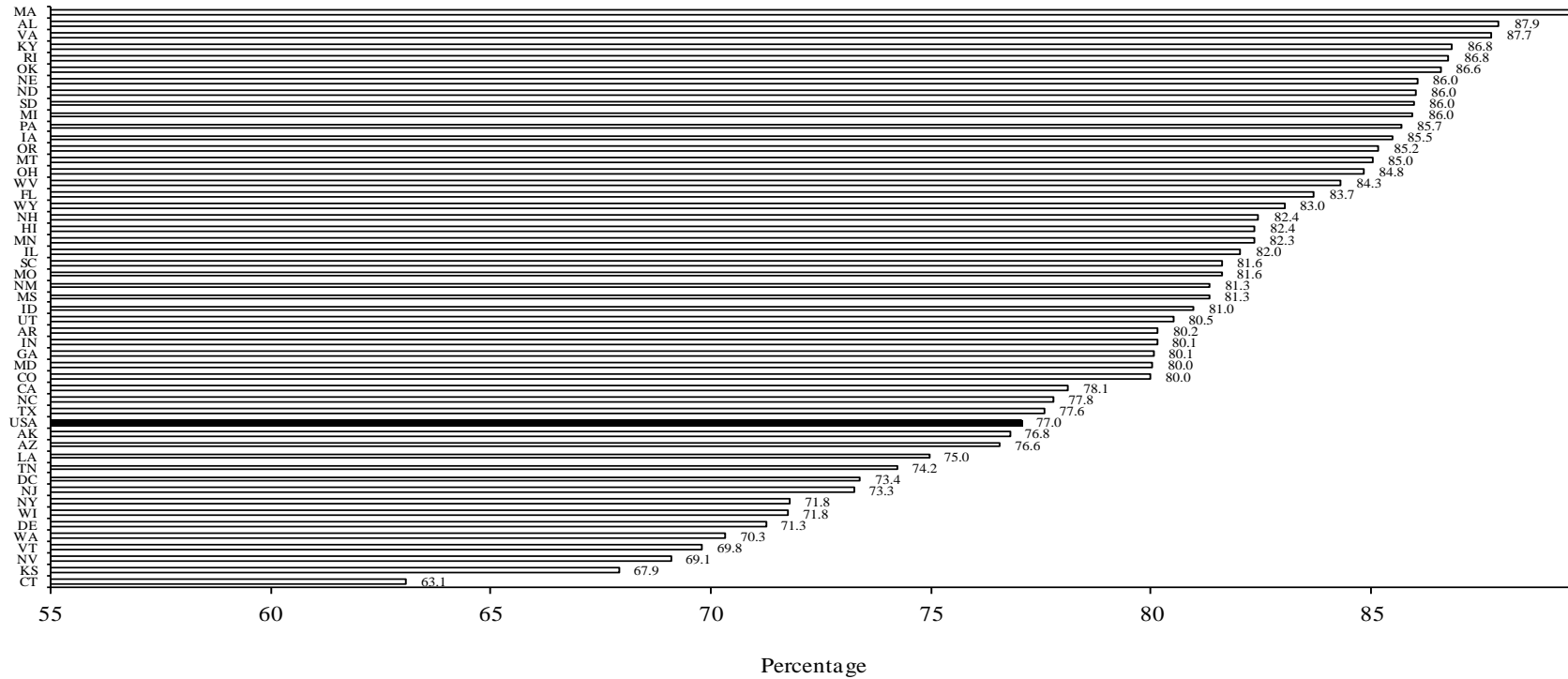
^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bMonthly use and reimbursement amounts were calculated by dividing the total use and reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.

^cDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 27

GENERIC PRESCRIPTIONS AS A PERCENTAGE OF ALL MEDICAID PRESCRIPTIONS AMONG DUAL ELIGIBLES, BY STATE, 2008^{a,b}



36

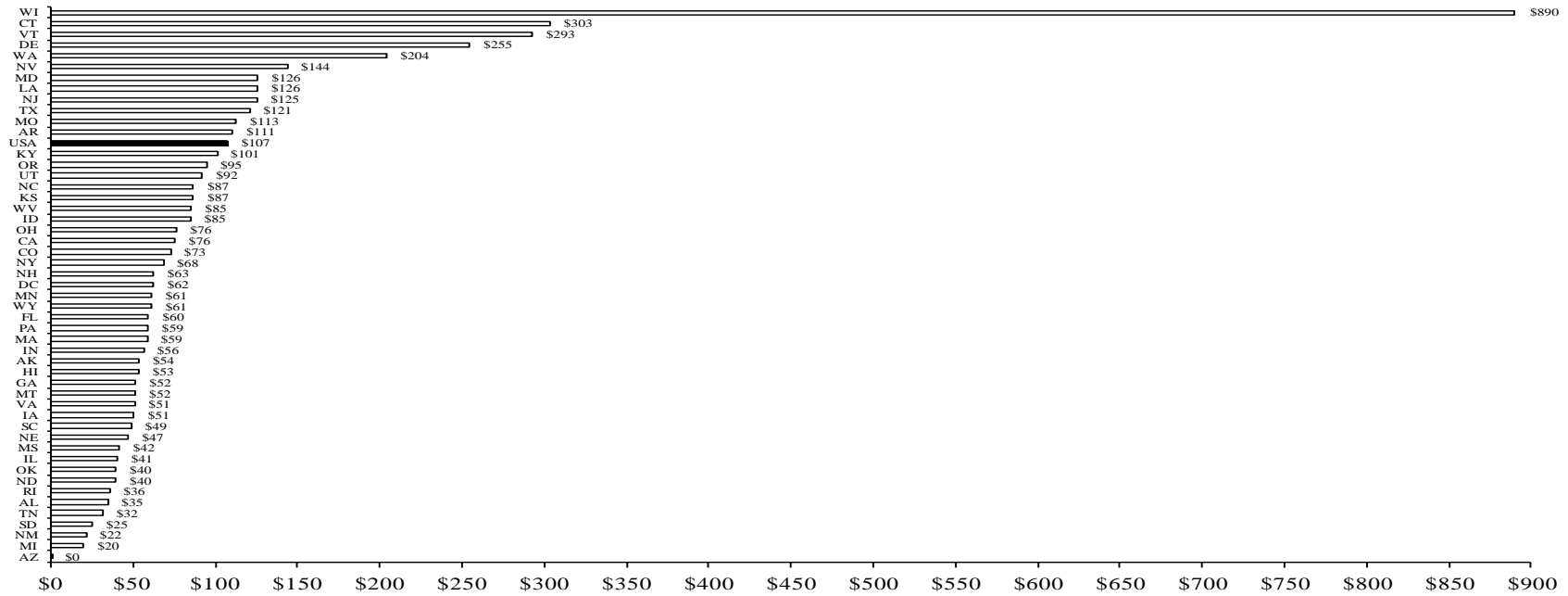
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table N.5 of the Compendium for the nation. The Compendium was prepared for 49 states and the District of Columbia. FFS pharmacy reimbursement information for Maine is not included because Maine did not submit complete data to CMS for 2008.

^aBrand-name drugs, sometimes called “innovator single-source drugs,” are drugs whose patents have not yet expired. Off-patent brand-name drugs, sometimes called “innovator multiple-source drugs,” are brand-name drugs whose patents have expired. Generic drugs, sometimes called “non-innovator multiple-source drugs,” are off-patent drugs manufactured and sold by companies other than the original patent holder. For information about this classification method, see Wolters Kluwer Health, [http://www.medicspan.com/master-drug-database.aspx] (January 27, 2012).

^bDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 28

AVERAGE ANNUAL MEDICAID PHARMACY REIMBURSEMENT AMOUNT PER BENEFICIARY
FOR AGED DUAL ELIGIBLES, BY STATE, 2008^{a,b,c,d}



Source: Medicaid Analytic eExtract (MAX), 2008. This graph is based on the information contained in State Tables D.3 of the Compendium. The Compendium was prepared for 49 states and the District of Columbia. FFS pharmacy reimbursement information for Maine is not included because Maine did not submit complete data to CMS for 2008.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

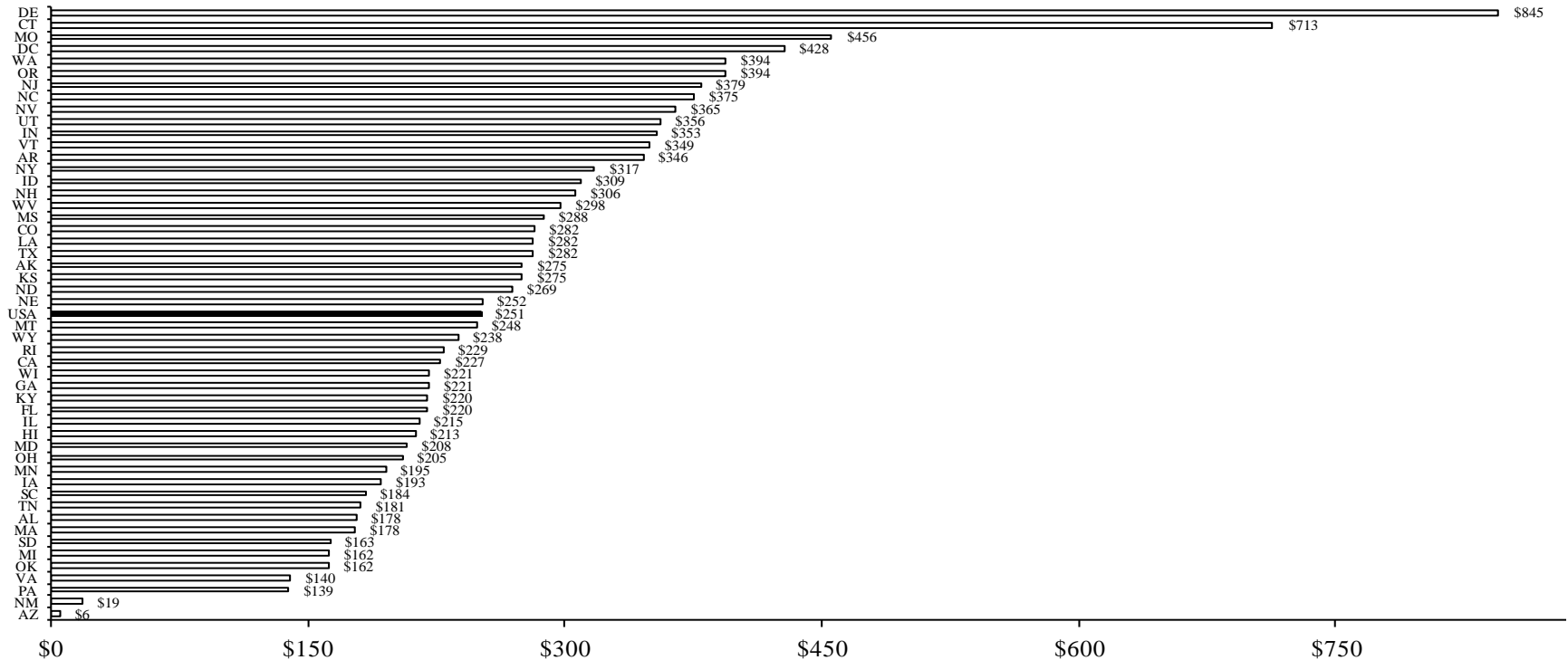
^bAnnual per-beneficiary reimbursement includes all reimbursement during the year for the number of months of Medicaid FFS pharmacy benefit coverage. Thus, some beneficiaries may have had only one month of coverage, while others were covered for twelve months. At the national level, aged dual eligible Medicaid beneficiaries in the study population had, on average, 10.5 months of coverage.

^cDual eligibles include beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefit coverage during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^dPharmacy reimbursement in Wisconsin was higher than in other states because the state had a Section 1115 waiver in 2008 (“Pharmacy Plus”) that permitted Medicaid funding for their Senior Care state pharmaceutical assistance program, which included dual eligibles.

EXHIBIT 29

AVERAGE ANNUAL MEDICAID PHARMACY REIMBURSEMENT AMOUNT PER BENEFICIARY FOR UNDER-AGE-65 DISABLED DUAL ELIGIBLE BENEFICIARIES, BY STATE, 2008^{a,b,c}



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in State Tables D.3 of the Compendium. The Compendium was prepared for 49 states and the District of Columbia. FFS pharmacy reimbursement information for Maine is not included because Maine did not submit complete data to CMS for 2008.

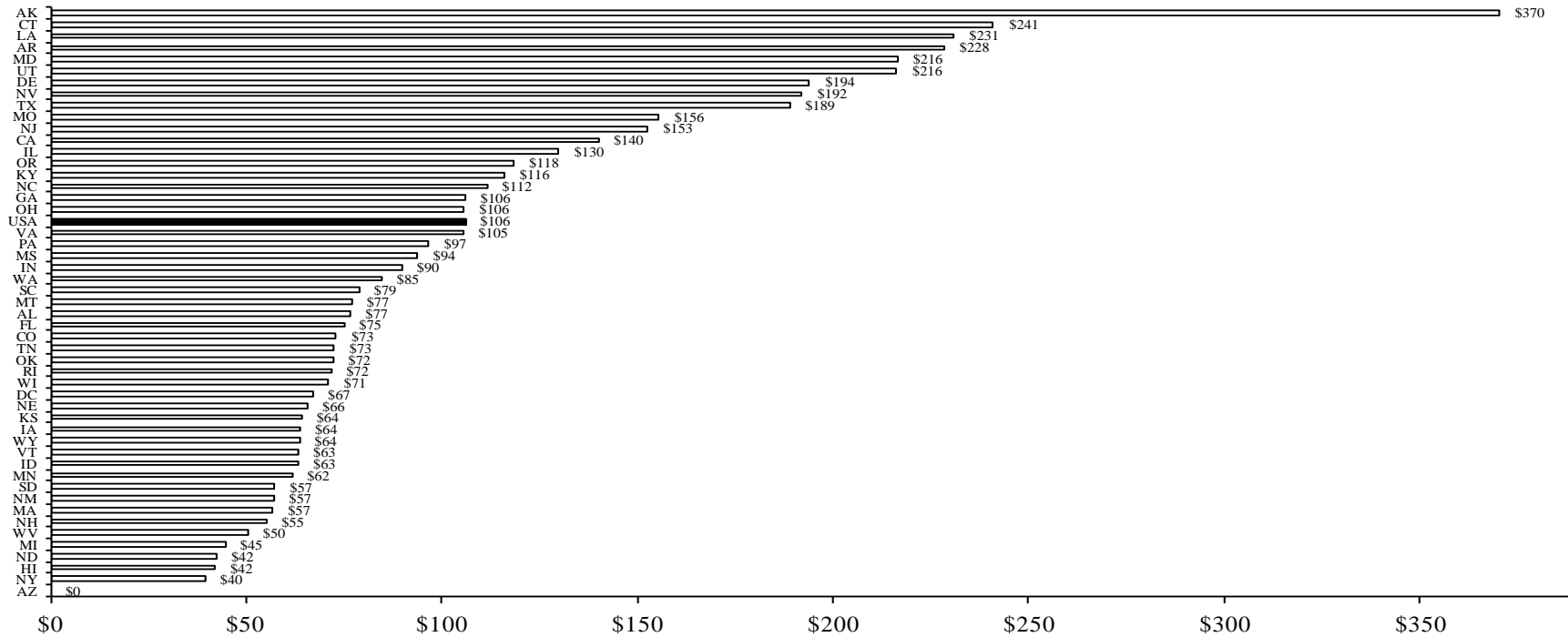
^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bAnnual per-beneficiary reimbursement includes all reimbursement during the year for the number of months of Medicaid FFS pharmacy benefit coverage. Thus, some beneficiaries may have had only one month of coverage, while others were covered for twelve months. At the national level, disabled dual eligible Medicaid beneficiaries in the study population had, on average, 10.5 months of coverage.

^cDual eligibles include beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefit coverage during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 30

AVERAGE ANNUAL MEDICAID PHARMACY REIMBURSEMENT AMOUNT PER BENEFICIARY FOR DUAL ELIGIBLE ALL-YEAR NURSING FACILITY RESIDENTS, BY STATE, 2008^{a,b,c}



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in State Tables D.3 of the Compendium. The Compendium was prepared for 49 states and the District of Columbia. FFS pharmacy reimbursement information for Maine is not included because Maine did not submit complete data to CMS for 2008.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

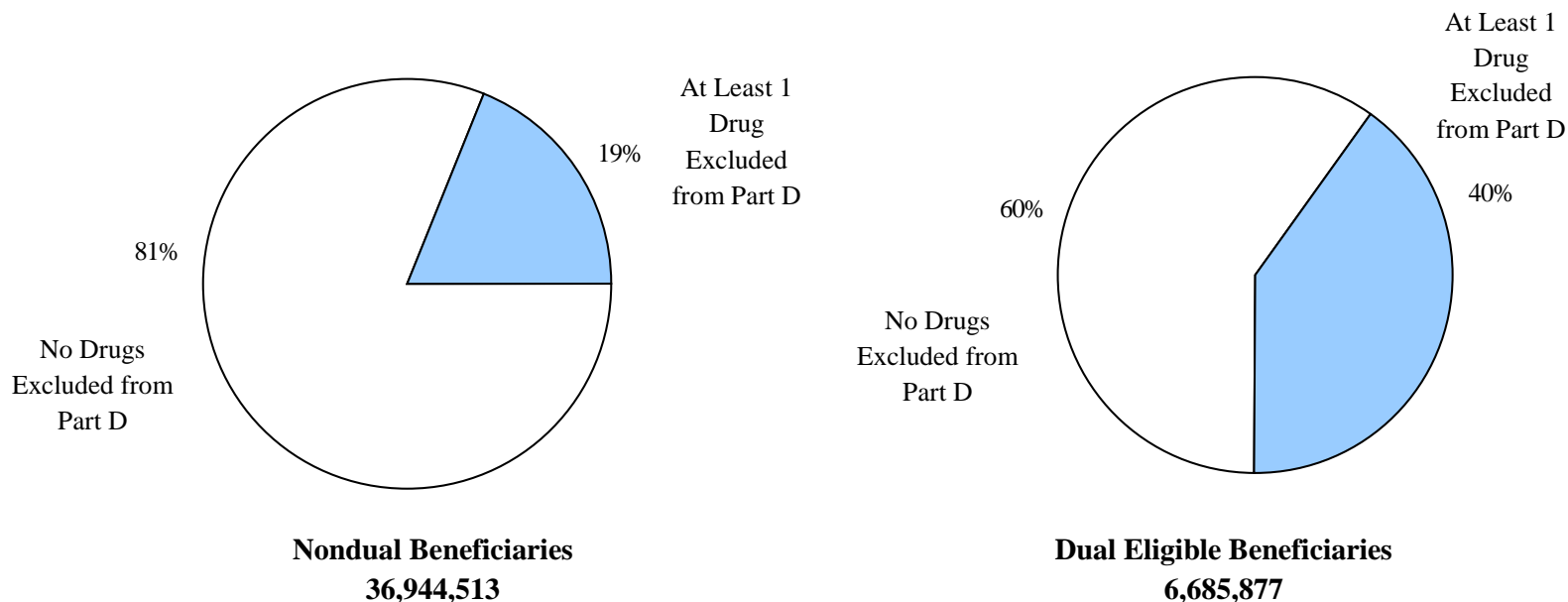
^bAnnual per-beneficiary reimbursement includes all reimbursement during the year for the number of months of Medicaid FFS pharmacy benefit coverage. Thus, some beneficiaries may have had only one month of coverage, while others were covered for twelve months. At the national level, dual eligible Medicaid beneficiaries in the study population who resided in nursing facilities full-year had, on average, 10.2 months of coverage.

^cDual eligibles include beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefit coverage during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

**MEDICAID PHARMACY USE AND REIMBURSEMENT,
DRUGS EXCLUDED BY STATUTE FROM MEDICARE PART D**

EXHIBIT 31

PERCENTAGE OF MEDICAID BENEFICIARIES USING AT LEAST ONE DRUG EXCLUDED FROM MEDICARE PART D, 2008^{a,b}



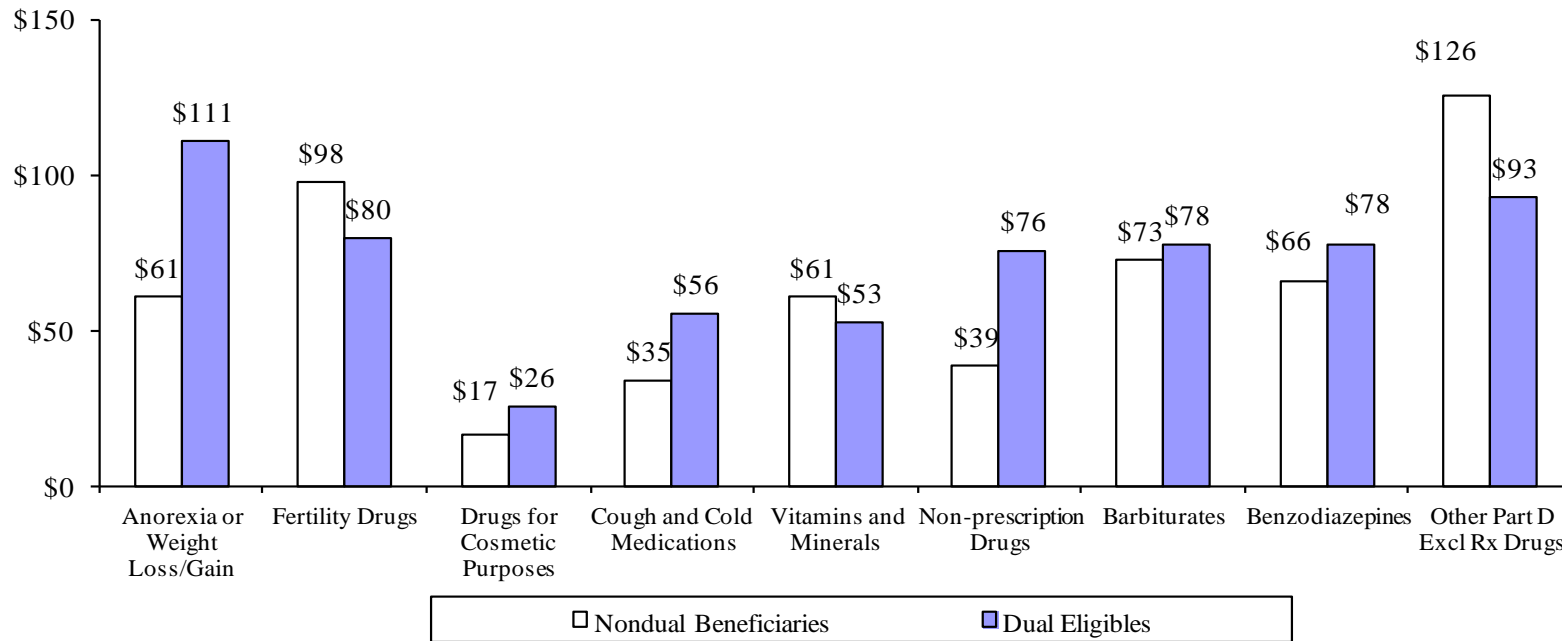
Source: Medicaid Analytic eXtract (MAX), 2008. These graphs are based on the information contained in Tables ND.11 and D.11 of the Compendium.

^aThe statute that established the Medicare Part D drug benefit excluded several types of drugs from Part D coverage. State Medicaid programs are required to continue covering these drugs for dual eligibles if they are covered for any other Medicaid beneficiaries. Drugs excluded from the Medicare Part D drug benefit include benzodiazepines; barbiturates; nonprescription (OTC) medications; prescription vitamins and minerals (not including prenatal vitamins and fluoride preparations); and drugs used for anorexia, weight loss, or weight gain. Other excluded drugs include those that promote fertility; those used for cosmetic purposes or hair growth, for symptomatic relief of coughs and colds; or drugs for which the manufacturer requires that associated tests or monitoring services be purchased exclusively from the manufacturer.

^bDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 32

ANNUAL MEDICAID PHARMACY REIMBURSEMENT PER BENEFICIARY FOR DRUGS EXCLUDED FROM MEDICARE PART D, NONDUAL AND DUAL ELIGIBLE BENEFICIARIES, 2008^{a,b}



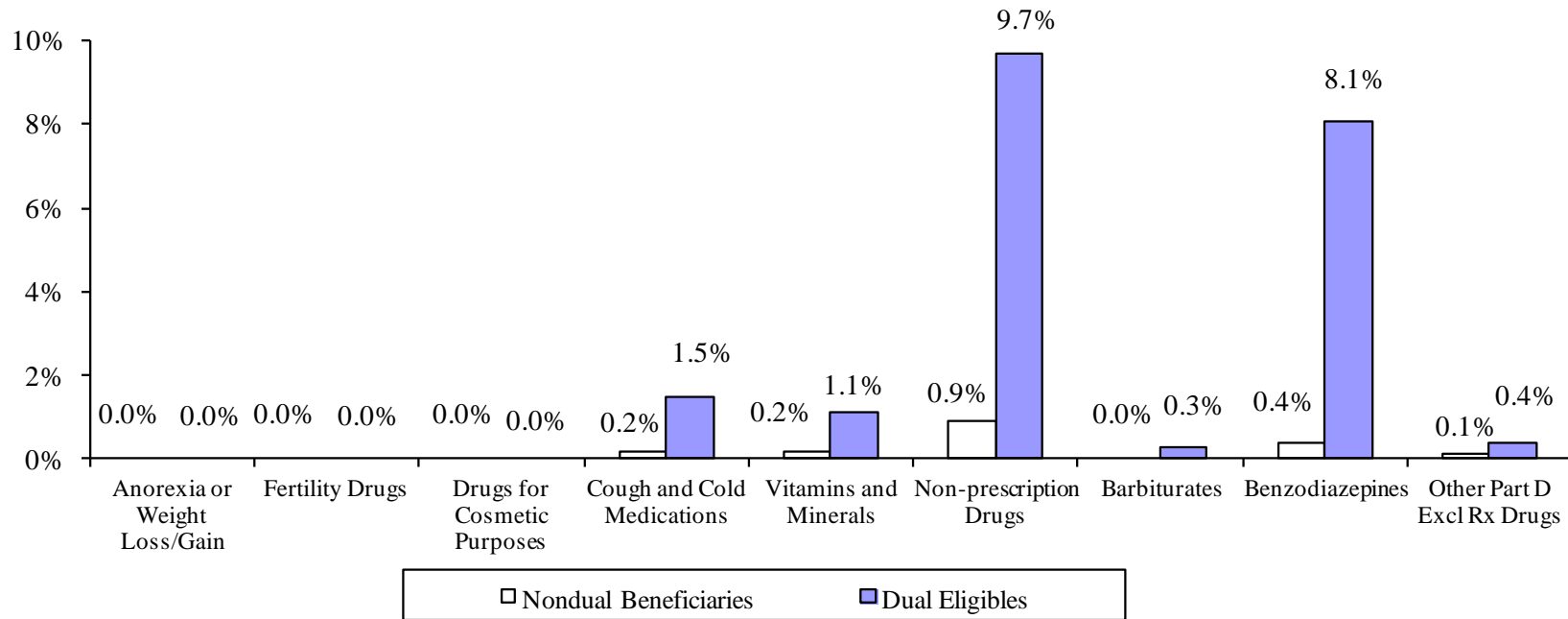
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND.13 and D.13 of the Compendium.

^aThe statute that established the Medicare Part D drug benefit excluded several types of drugs from Part D coverage. State Medicaid programs are required to continue covering these drugs for dual eligibles if they are covered for any other Medicaid beneficiaries. Drugs excluded from the Medicare Part D drug benefit include benzodiazepines; barbiturates; nonprescription (OTC) medications; prescription vitamins and minerals (not including prenatal vitamins and fluoride preparations); and drugs used for anorexia, weight loss, or weight gain. Other excluded drugs include those that promote fertility; those used for cosmetic purposes or hair growth, for symptomatic relief of coughs and colds; or drugs for which the manufacturer requires that associated tests or monitoring services be purchased exclusively from the manufacturer.

^bDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 33

ANNUAL MEDICAID PHARMACY REIMBURSEMENT FOR DRUGS EXCLUDED FROM MEDICARE PART D FOR NONDUAL AND DUAL ELIGIBLE BENEFICIARIES AS A PERCENTAGE OF TOTAL ANNUAL MEDICAID REIMBURSEMENT, 2008^{a,b}



43

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND.13 and D.13 of the Compendium.

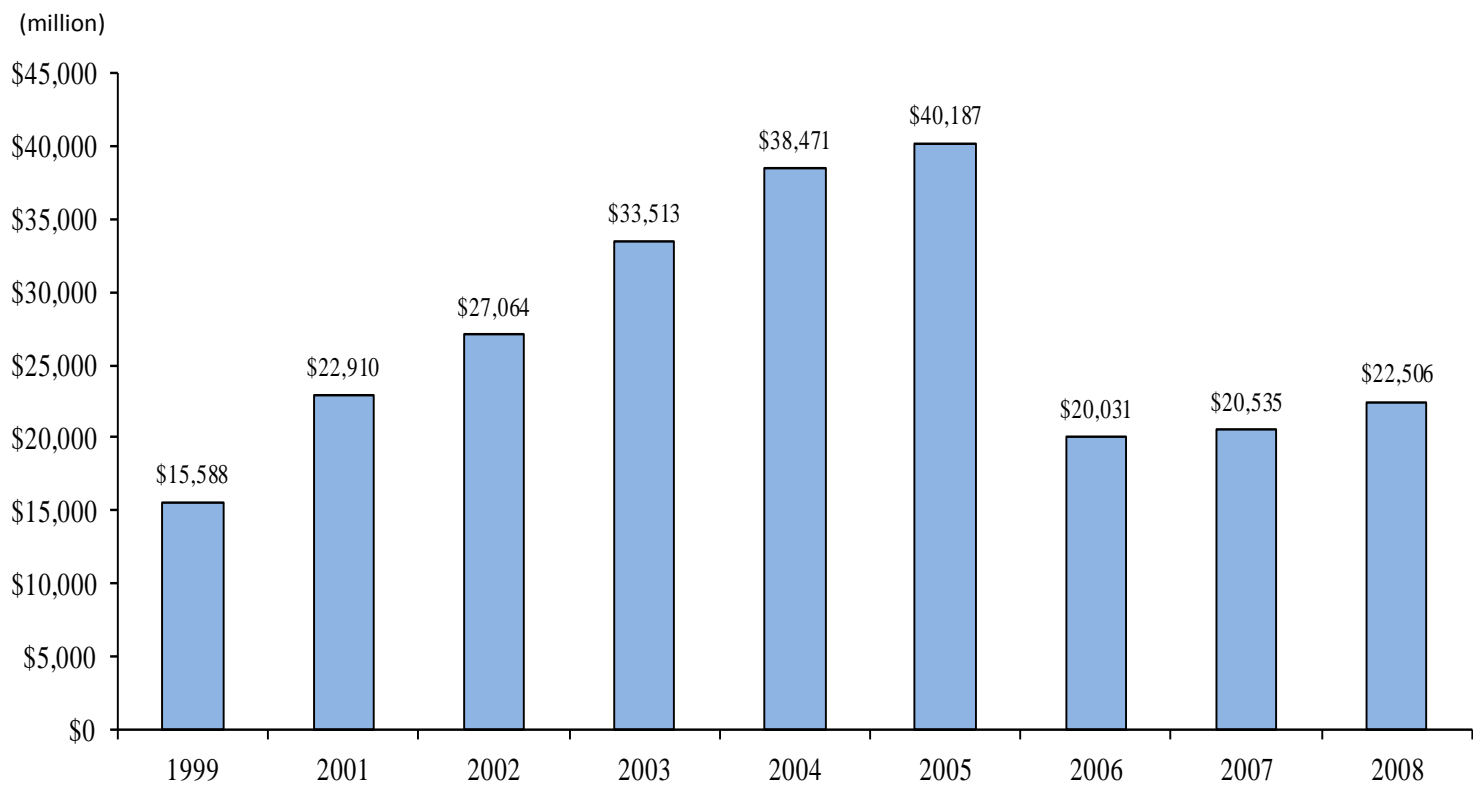
^aThe statute that established the Medicare Part D drug benefit excluded several types of drugs from Part D coverage. State Medicaid programs are required to continue covering these drugs for dual eligibles if they are covered for any other Medicaid beneficiaries. Drugs excluded from the Medicare Part D drug benefit include benzodiazepines; barbiturates; nonprescription (OTC) medications; prescription vitamins and minerals (not including prenatal vitamins and fluoride preparations); and drugs used for anorexia, weight loss, or weight gain. Other excluded drugs include those that promote fertility; those used for cosmetic purposes or hair growth, for symptomatic relief of coughs and colds; or drugs for which the manufacturer requires that associated tests or monitoring services be purchased exclusively from the manufacturer.

^bDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

MEDICAID PHARMACY USE AND REIMBURSEMENT,
1999 AND 2001-2008

EXHIBIT 34

TOTAL MEDICAID PHARMACY REIMBURSEMENT, 1999 AND 2001-2008^a



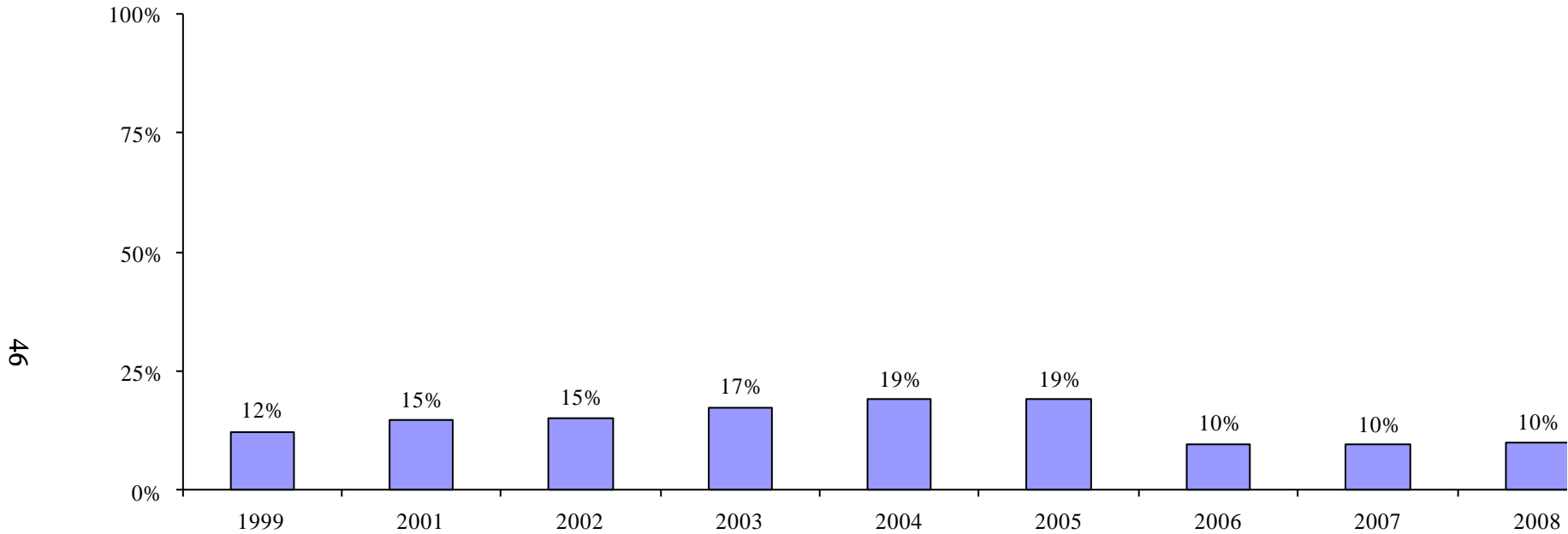
45

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table 6 of the 1999 and 2001-2008 Compendiums.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

EXHIBIT 35

MEDICAID PHARMACY REIMBURSEMENT AS A PERCENTAGE OF COSTS OF ALL SERVICES,
1999 AND 2001-2008^{a,b}



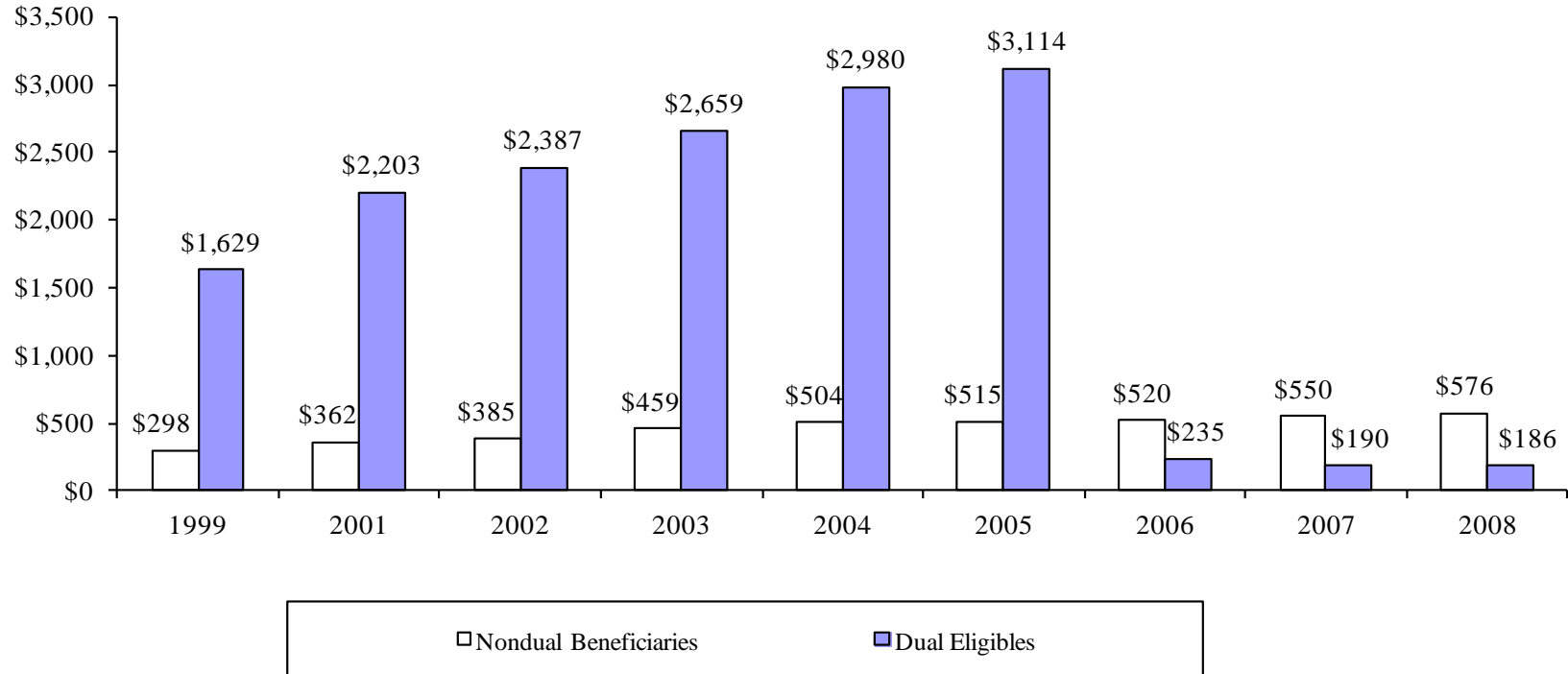
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table 4 of the 1999 and 2001-2008 Compendiums.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bIn 7 states in 2004 (DE, IA, NE, NY, TX, UT, and WV), 8 states in 2005 (DE, IA, IL, NE, NY, TX, UT, and WV), 10 states in 2006 (DE, IA, IL, NC, NE, NY, TN, TX, UT, and WV), 8 states in 2007 (DE, IA, IL, NE, NY, TN, TX, and WV), and 12 states in 2008 (CT, DE, IA, IL, NE, NJ, NY, OR, TN, TX, UT, WI, and WV) expenditures for Medicaid services include only Rx drug expenditures for those enrolled in capitated managed care plans, and not expenditures for other services covered by the plans or for long-term-care services not covered by the plans. As a result, pharmacy reimbursement as a percentage of the costs of all Medicaid services is higher in 2004, 2005, 2006, 2007, and 2008 than it would otherwise be.

EXHIBIT 36

AVERAGE ANNUAL PRESCRIPTION DRUG REIMBURSEMENT PER MEDICAID BENEFICIARY, NONDUAL BENEFICIARIES AND DUAL ELIGIBLES, 1999 AND 2001-2008^{a,b}



47

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND3 and D3 of the 1999 and 2001-2008 Compendiums.

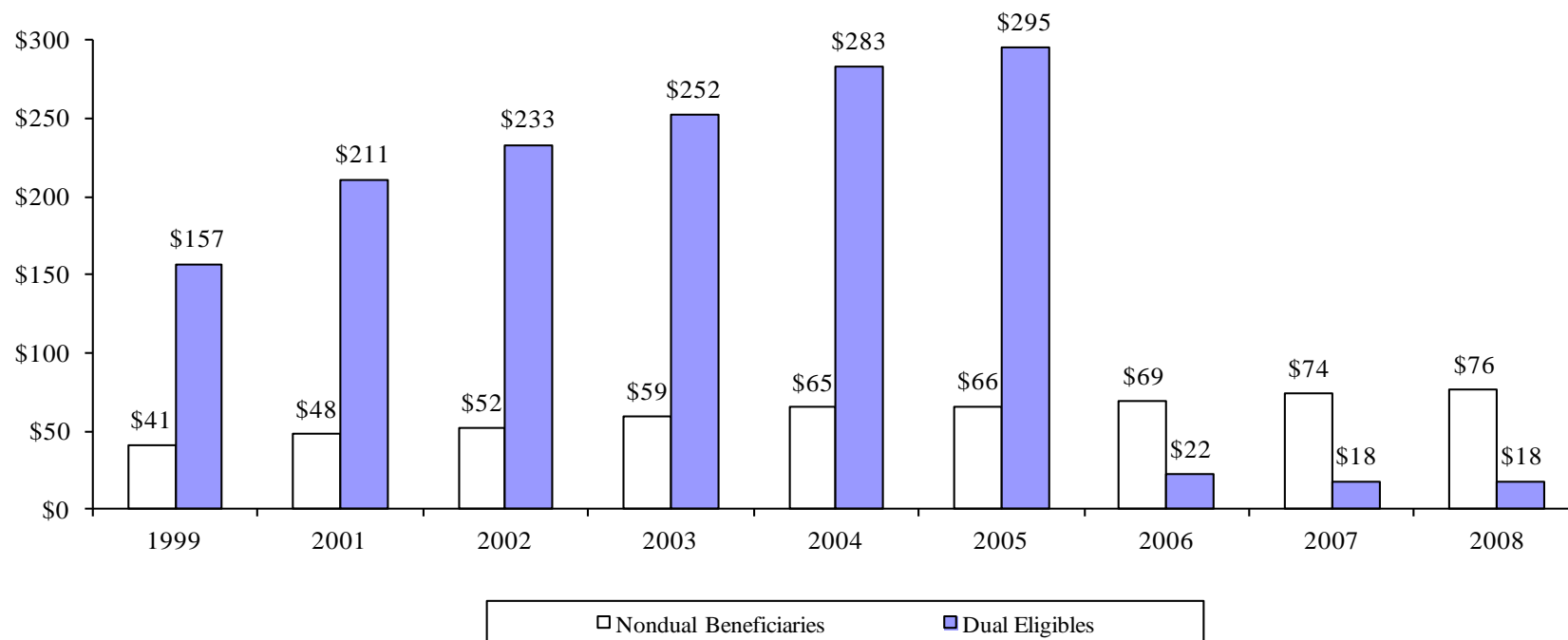
^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^bThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

EXHIBIT 37

AVERAGE MONTHLY PHARMACY REIMBURSEMENT PER MEDICAID BENEFICIARY, NONDUAL BENEFICIARIES AND DUAL ELIGIBLES, 1999 AND 2001-2008^{a,b,c}

48



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND4 and D4 of the 1999 and 2001-2008 Compendiums.

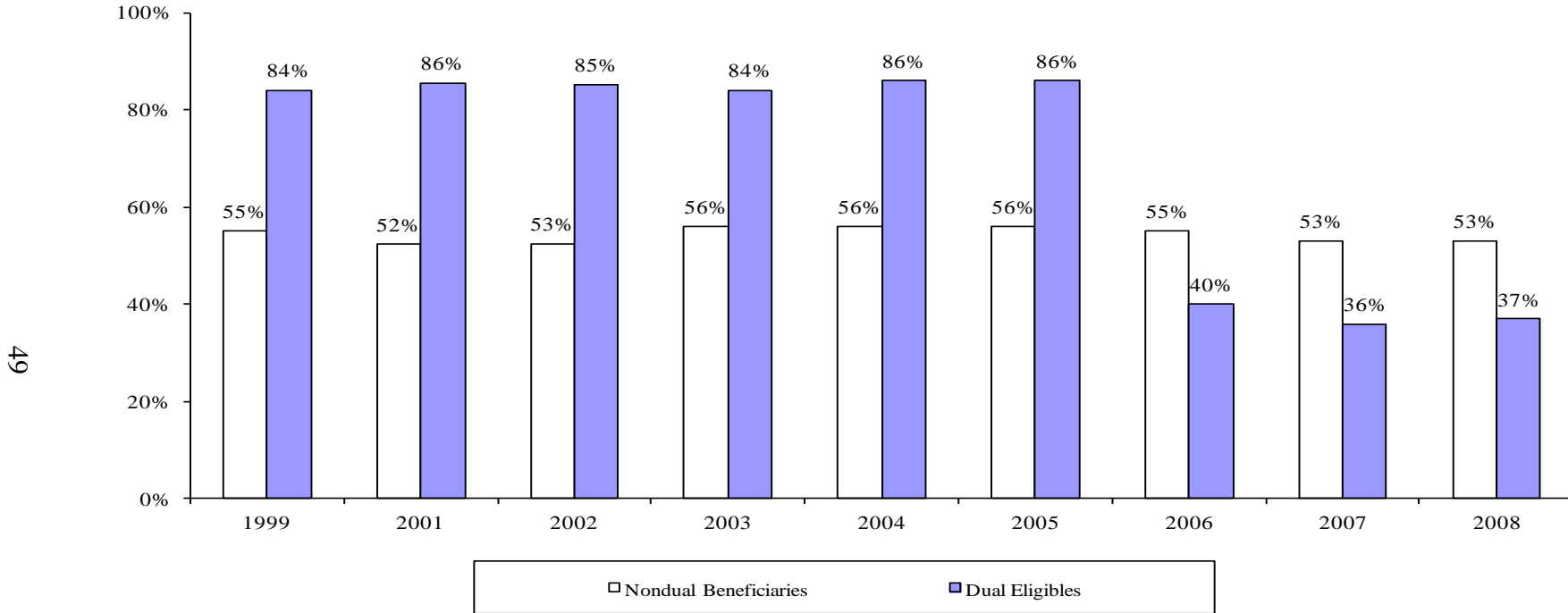
^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^bThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^cMonthly reimbursement amounts were calculated by dividing the total reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.

EXHIBIT 38

PERCENTAGE OF MEDICAID BENEFICIARIES WITH AT LEAST ONE PRESCRIPTION FILLED, NONDUAL BENEFICIARIES AND DUAL ELIGIBLES, 1999 AND 2001-2008^a

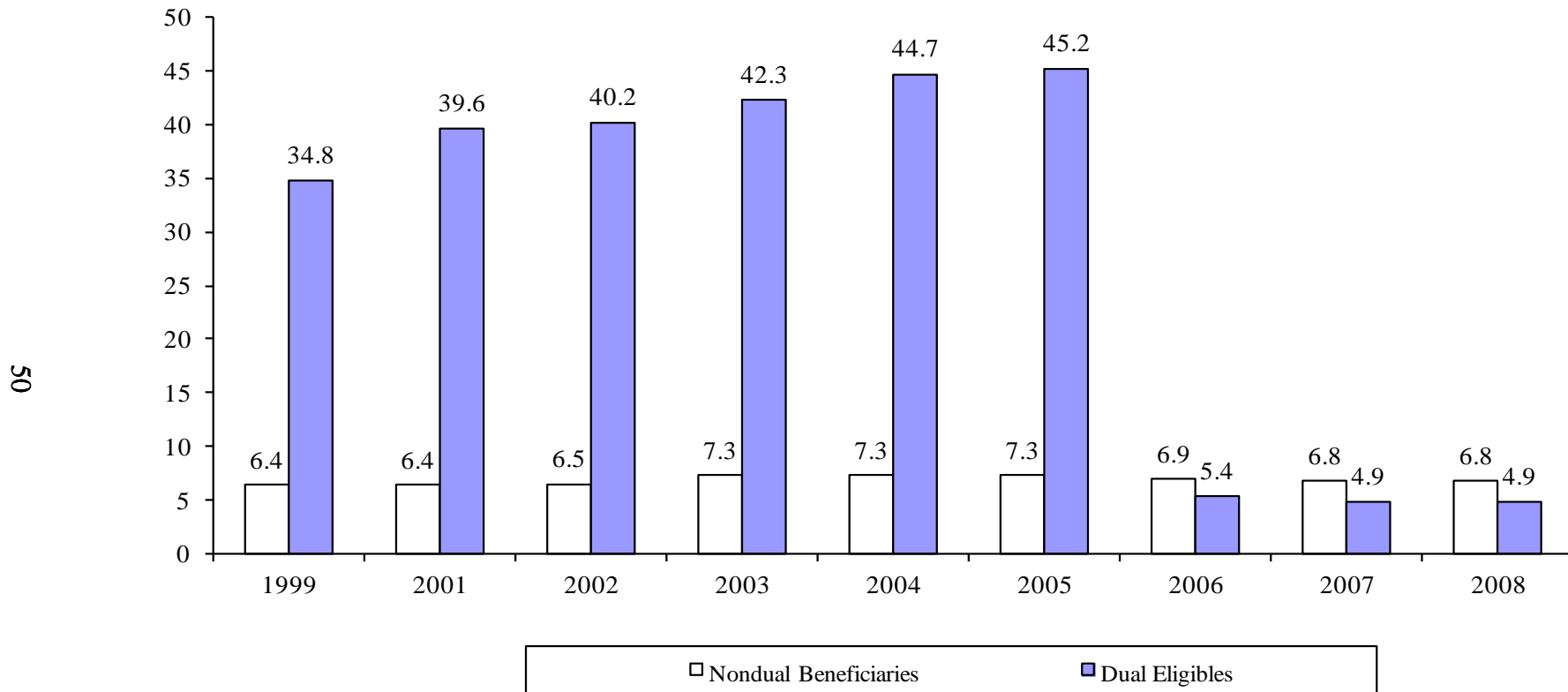


Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND3 and D3 of the 1999 and 2001-2008 Compendiums.

^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 39

AVERAGE ANNUAL NUMBER OF PRESCRIPTION CLAIMS PER MEDICAID BENEFICIARY, NONDUAL BENEFICIARIES AND DUAL ELIGIBLES, 1999 AND 2001-2008^a

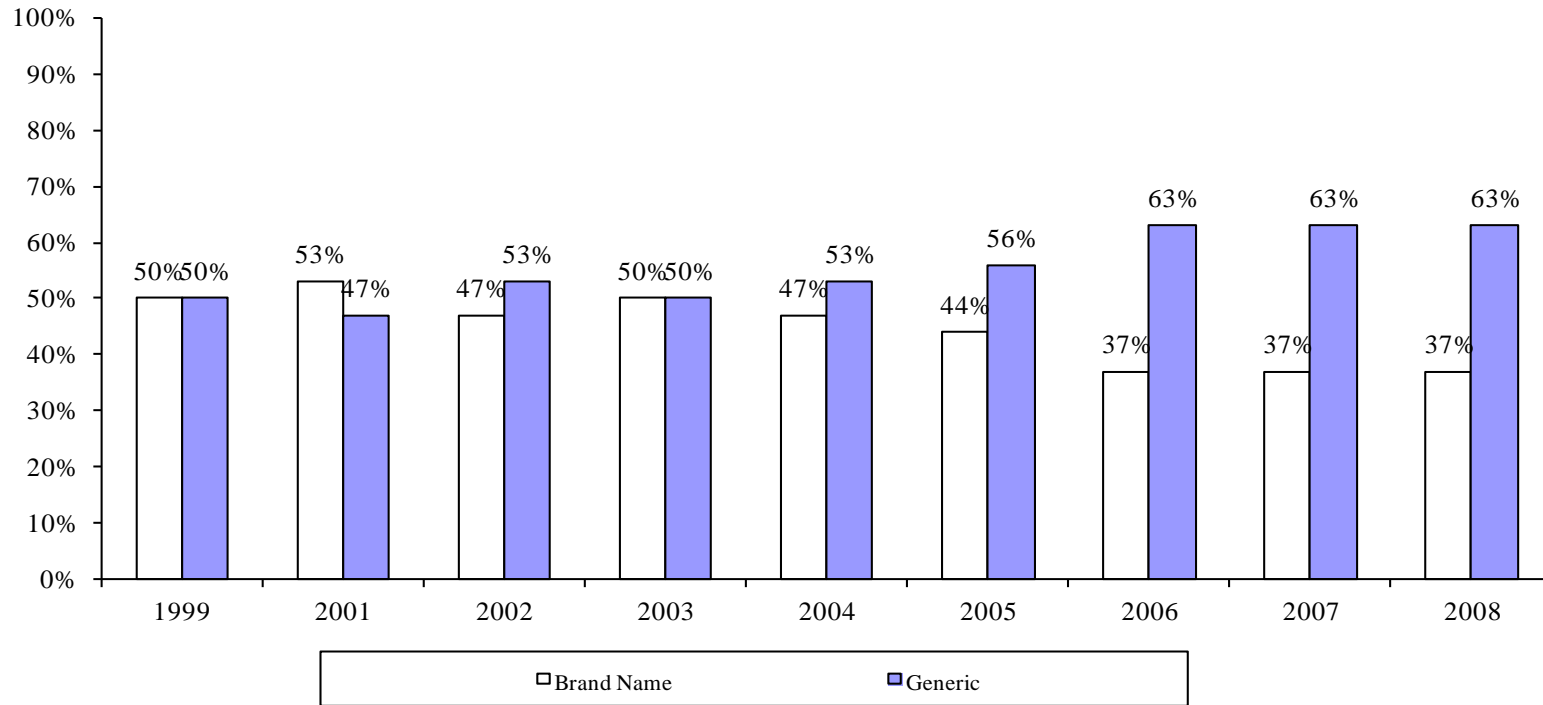


Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Tables ND3 and D3 of the 1999 and 2001-2008 Compendiums.

^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Nondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 40

BRAND NAME AND GENERIC DRUGS AS A PERCENTAGE OF ALL MEDICAID CLAIMS, 1999 AND 2001-2008^a



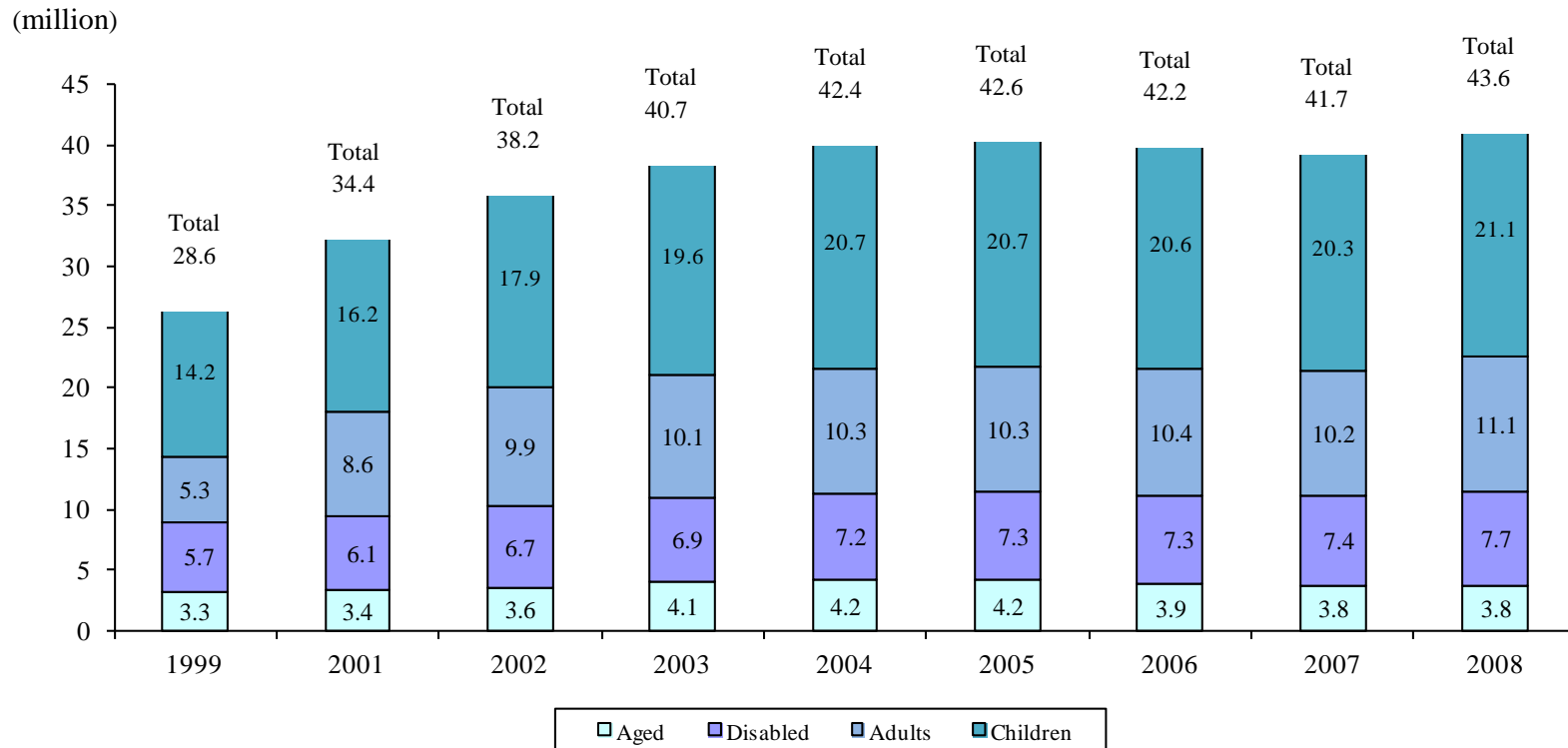
51

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table 5 of the 1999 and 2001-2008 Compendiums.

^aBrand-name drugs, sometimes called “innovator single-source drugs,” are drugs whose patents have not yet expired. Off-patent brand-name drugs, sometimes called “innovator multiple-source drugs,” are brand-name drugs whose patents have expired. Generic drugs, sometimes called “non-innovator multiple-source drugs,” are off-patent drugs manufactured and sold by companies other than the original patent holder. For information about this classification method, see Wolters Kluwer Health, [<http://www.medi-span.com/master-drug-database.aspx>] (January 27, 2012).

EXHIBIT 41

NUMBER OF MEDICAID BENEFICIARIES BY BASIS OF ELIGIBILITY, 1999 and 2001-2008^a



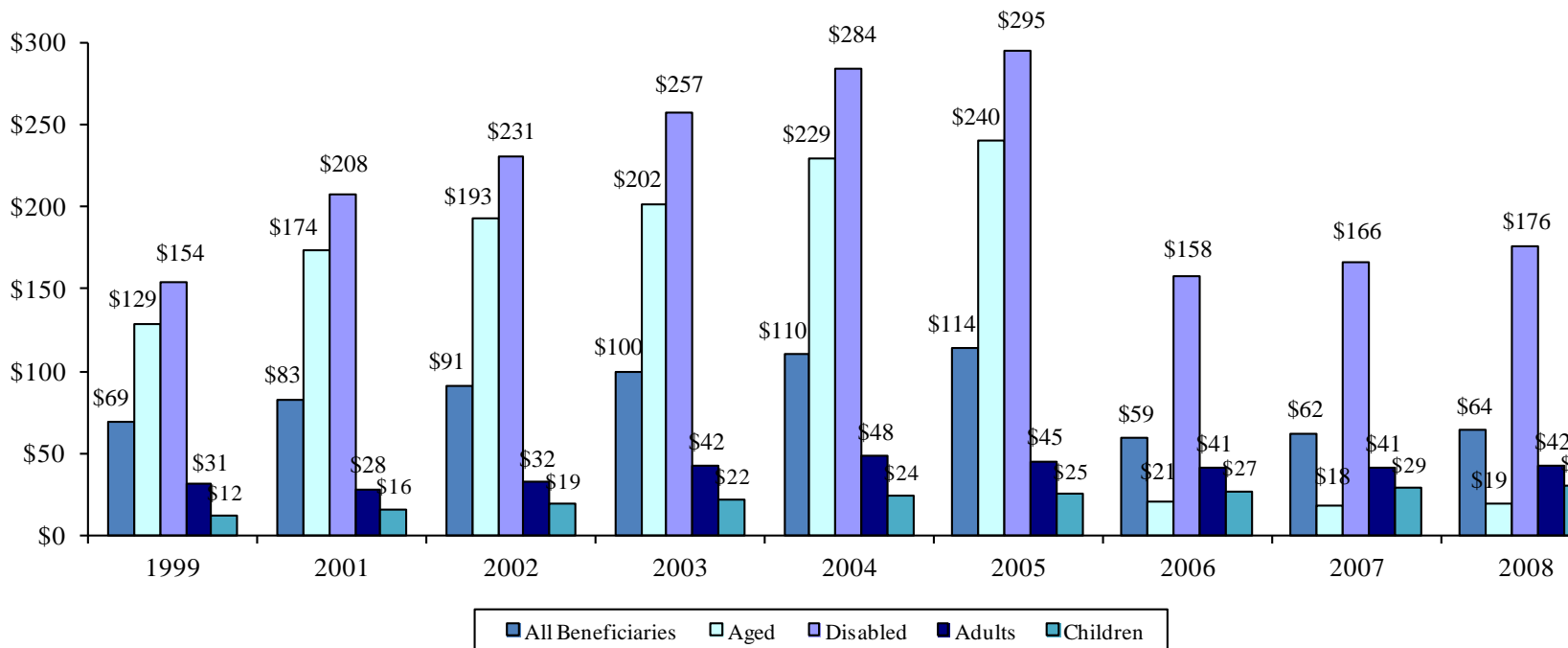
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table 2 of the 1999 and 2001-2008 Compendiums.

^aMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

EXHIBIT 42

AVERAGE MONTHLY MEDICAID PHARMACY REIMBURSEMENT BY BASIS OF ELIGIBILITY, 1999 AND 2001-2008^{a,b,c}

53



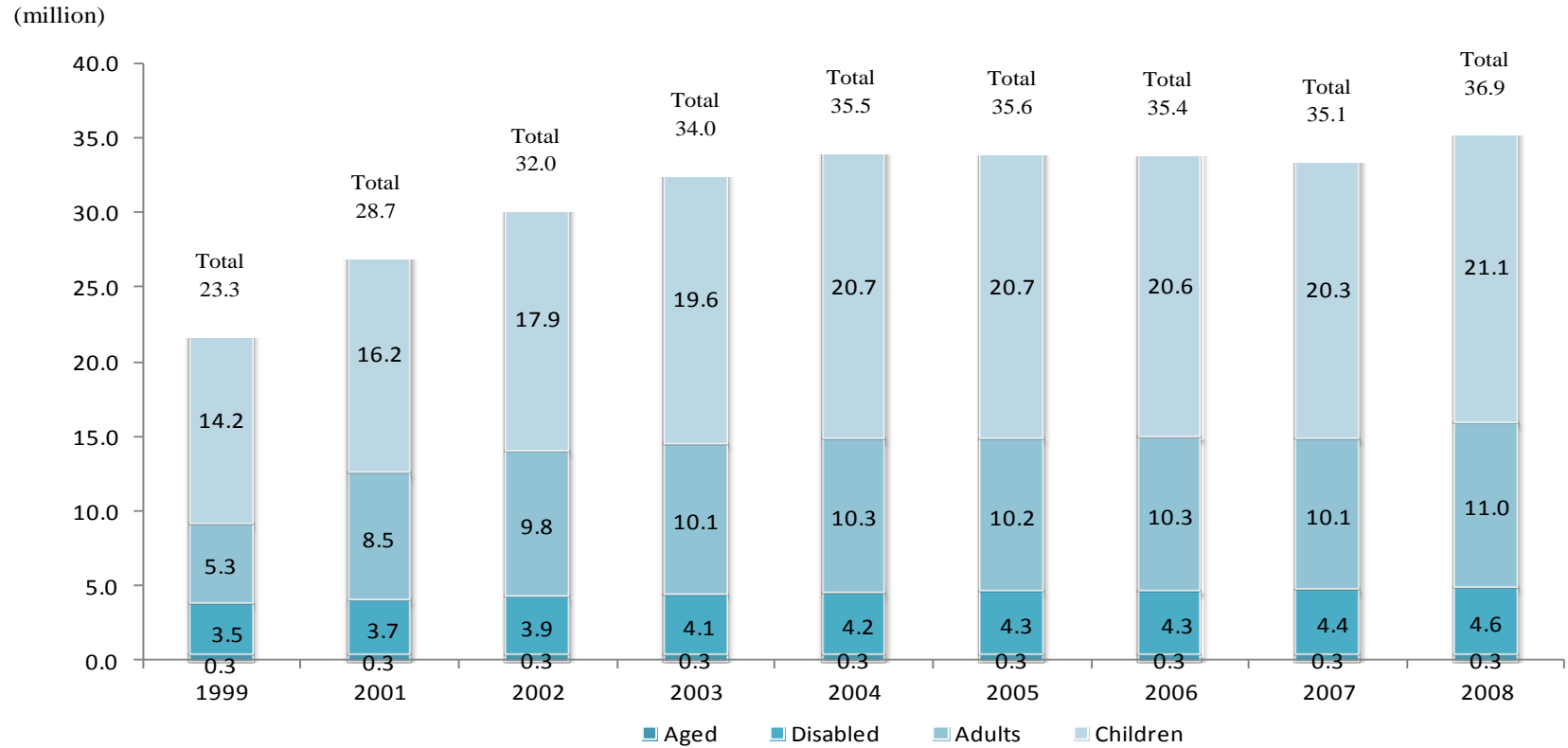
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table 4 of the 1999 and 2001-2008 Compendiums.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bMonthly reimbursement amounts were calculated by dividing the total reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.

^cMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

EXHIBIT 43
NUMBER OF NONDUAL MEDICAID BENEFICIARIES BY BASIS OF ELIGIBILITY, 1999 AND 2001-2008^{a,b}



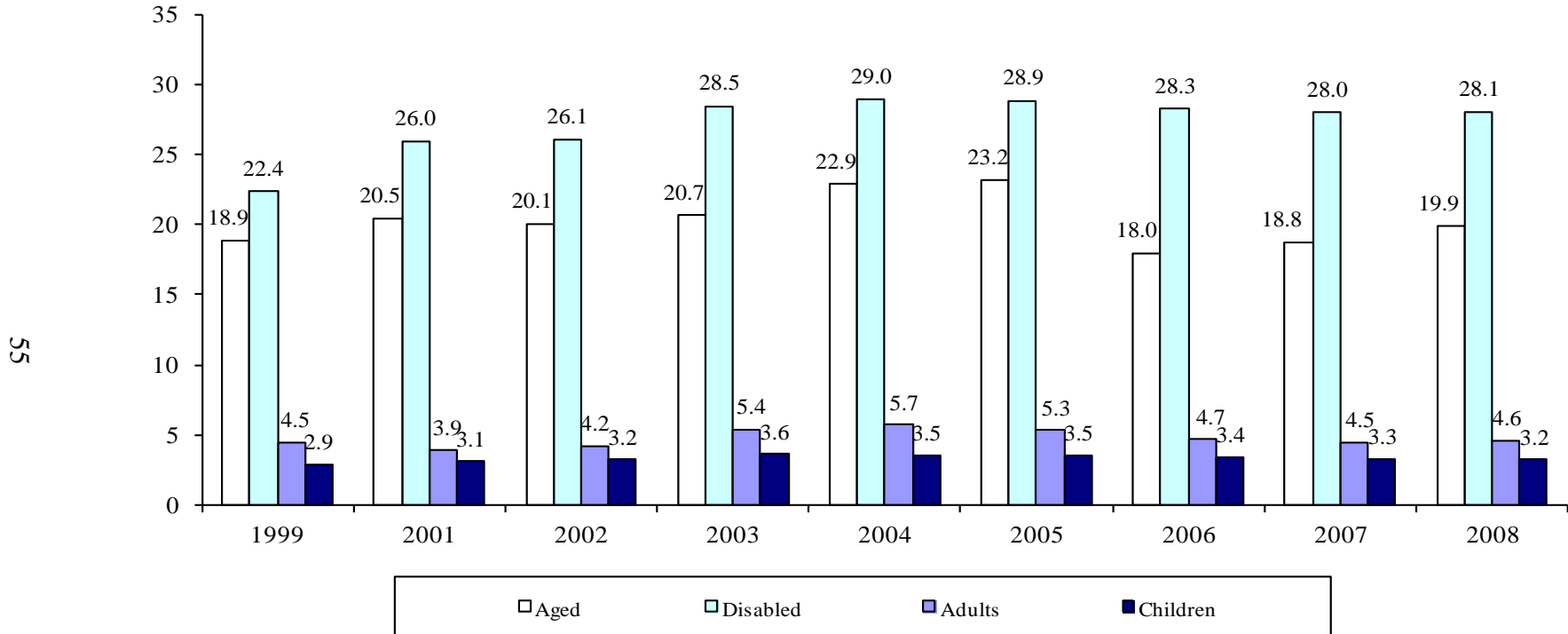
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table ND2 of the 1999 and 2001-2008 Compendiums.

^aMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

^bNondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 44

AVERAGE ANNUAL NUMBER OF MEDICAID PRESCRIPTION CLAIMS BY BASIS OF ELIGIBILITY,
NONDUAL BENEFICIARIES, 1999 AND 2001-2008^{a,b}



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table ND3 of the 1999 and 2001-2008 Compendiums.

^aMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

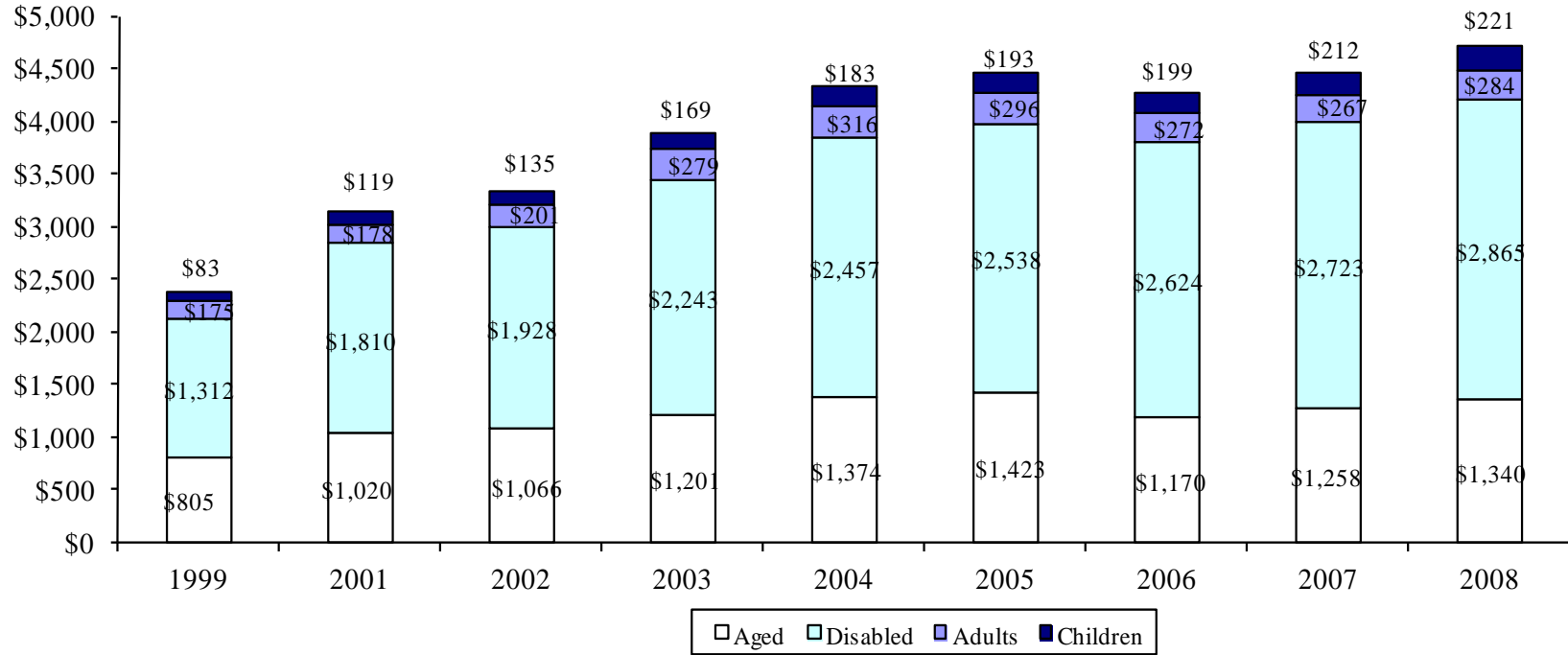
^bNondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 45

AVERAGE ANNUAL MEDICAID PRESCRIPTION REIMBURSEMENT BY BASIS OF ELIGIBILITY,
NONDUAL BENEFICIARIES, 1999 AND 2001-2008^{a,b,c}

(Total Reimbursements)

56



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table ND3 of the 1999 and 2001-2008 Compendiums.

^aMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

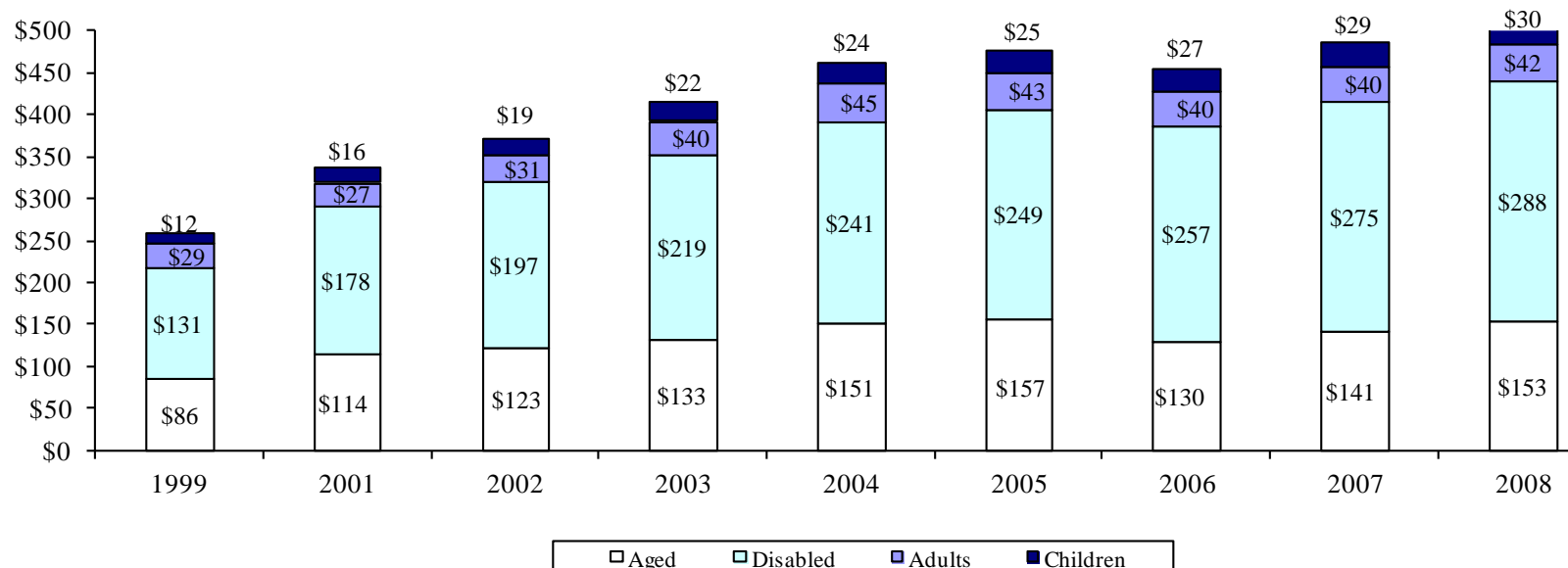
^bNondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^cThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

EXHIBIT 46

AVERAGE MONTHLY MEDICAID PRESCRIPTION REIMBURSEMENT BY BASIS OF ELIGIBILITY, NONDUAL BENEFICIARIES, 1999 and 2001-2008^{a,b,c,d}

(Total Reimbursements)



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table ND4 of the 1999 and 2001-2008 Compendiums.

^aMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

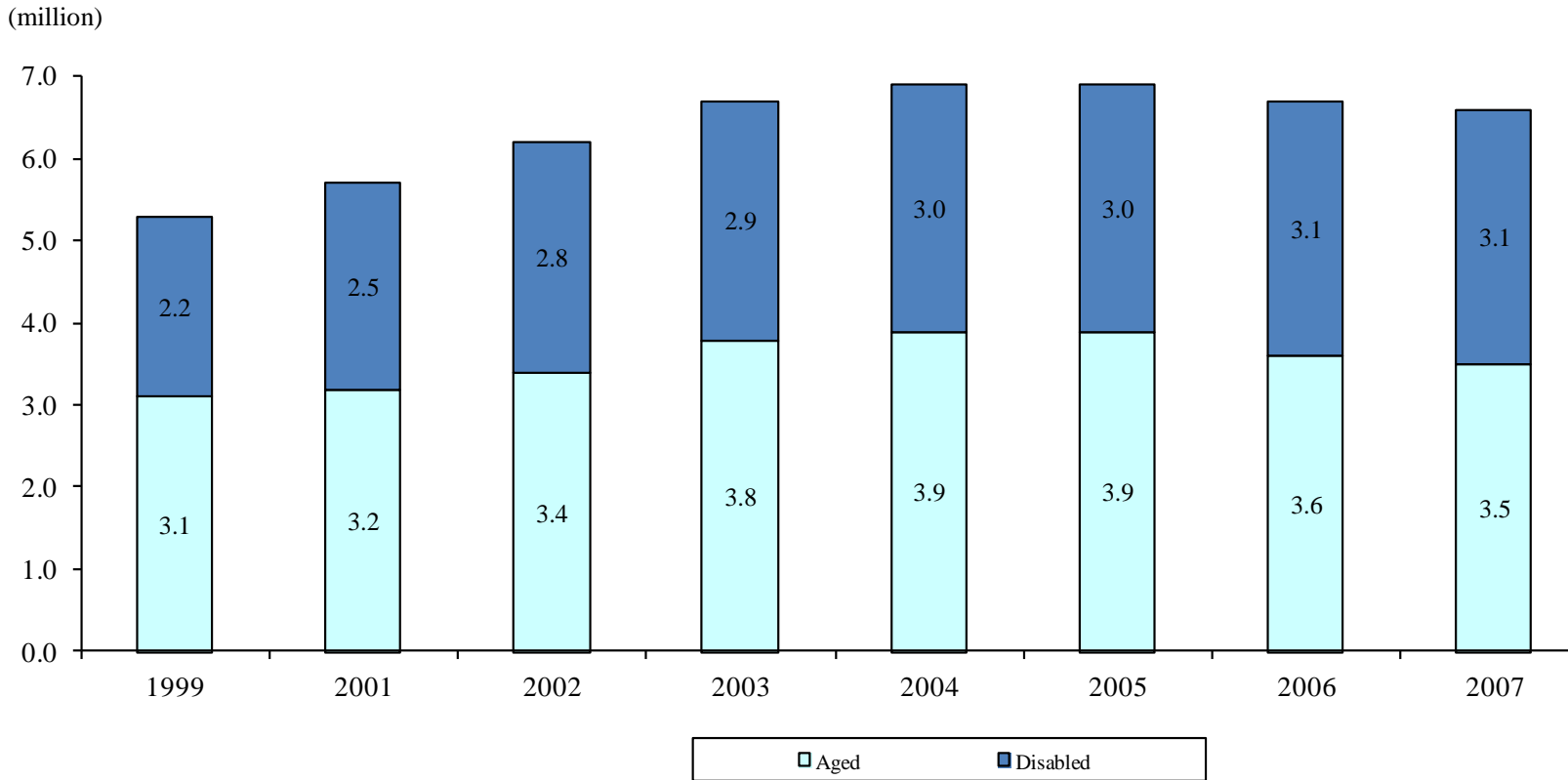
^bNondual beneficiaries include beneficiaries who were never dually eligible or were dually eligible but never had Medicaid FFS pharmacy benefits. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^cThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^dMonthly reimbursement amounts were calculated by dividing the total reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.

EXHIBIT 47

NUMBER OF DUAL MEDICAID BENEFICIARIES BY BASIS OF ELIGIBILITY, 1999 AND 2001-2008^{a,b}



58

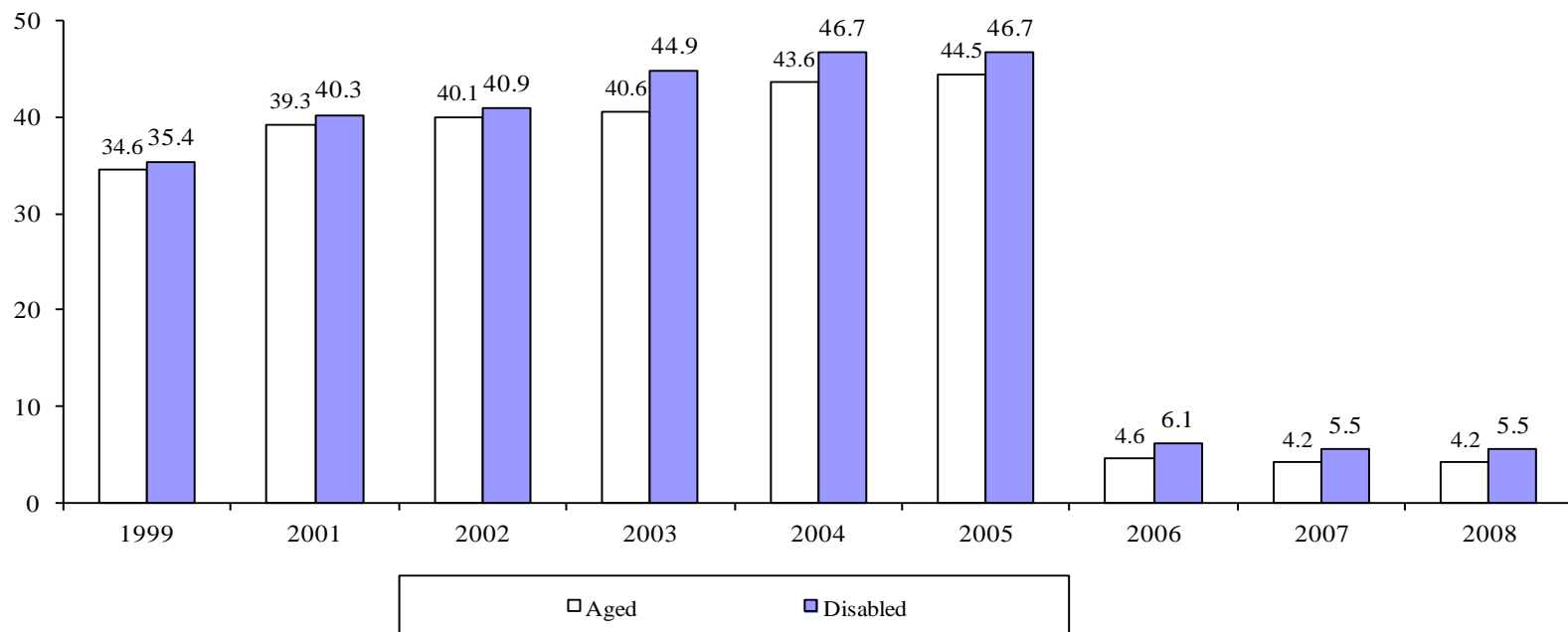
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table D2 of the 1999 and 2001-2008 Compendiums.

^aMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

^bDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2007. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 48

AVERAGE ANNUAL NUMBER OF MEDICAID PRESCRIPTION CLAIMS BY BASIS OF ELIGIBILITY, DUAL ELIGIBLE BENEFICIARIES, 1999 AND 2001-2008^{a,b}



59

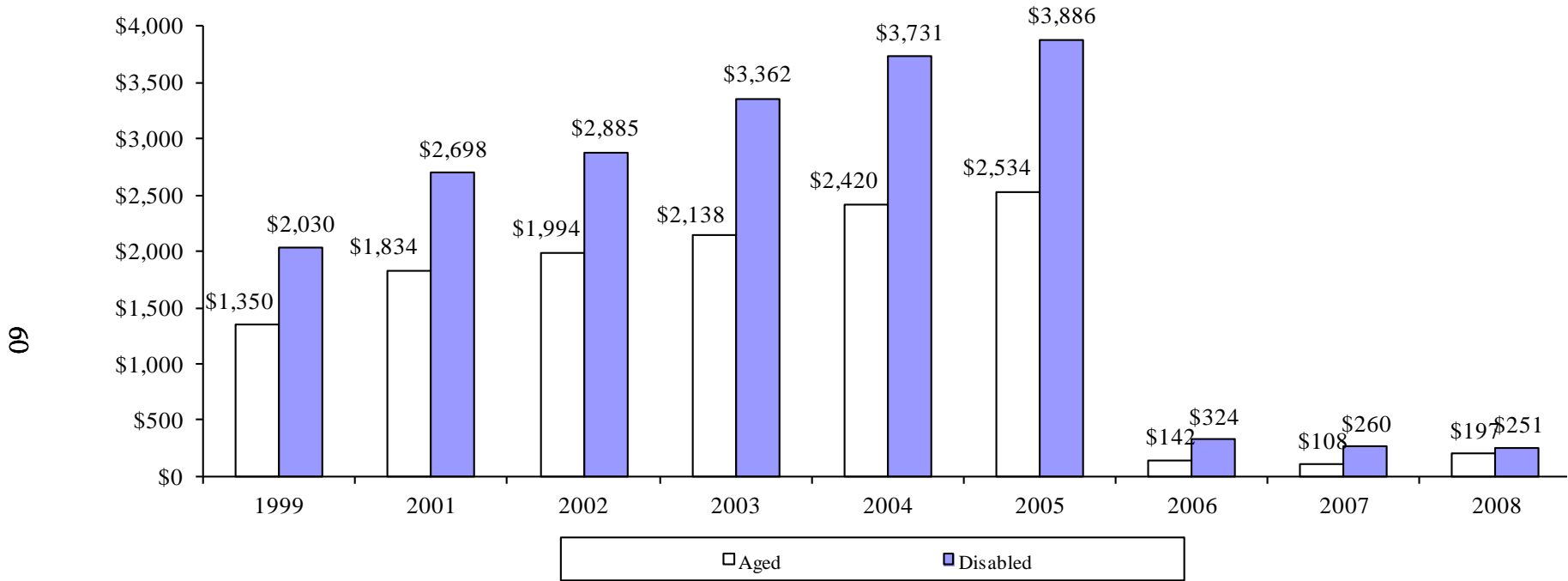
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table D3 of the 1999 and 2001-2008 Compendiums.

^aMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

^bDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 49

AVERAGE ANNUAL MEDICAID PRESCRIPTION REIMBURSEMENT BY BASIS OF ELIGIBILITY,
DUAL ELIGIBLE BENEFICIARIES, 1999 AND 2001-2008^{a,b,c}



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table D3 of the 1999 and 2001-2008 Compendiums.

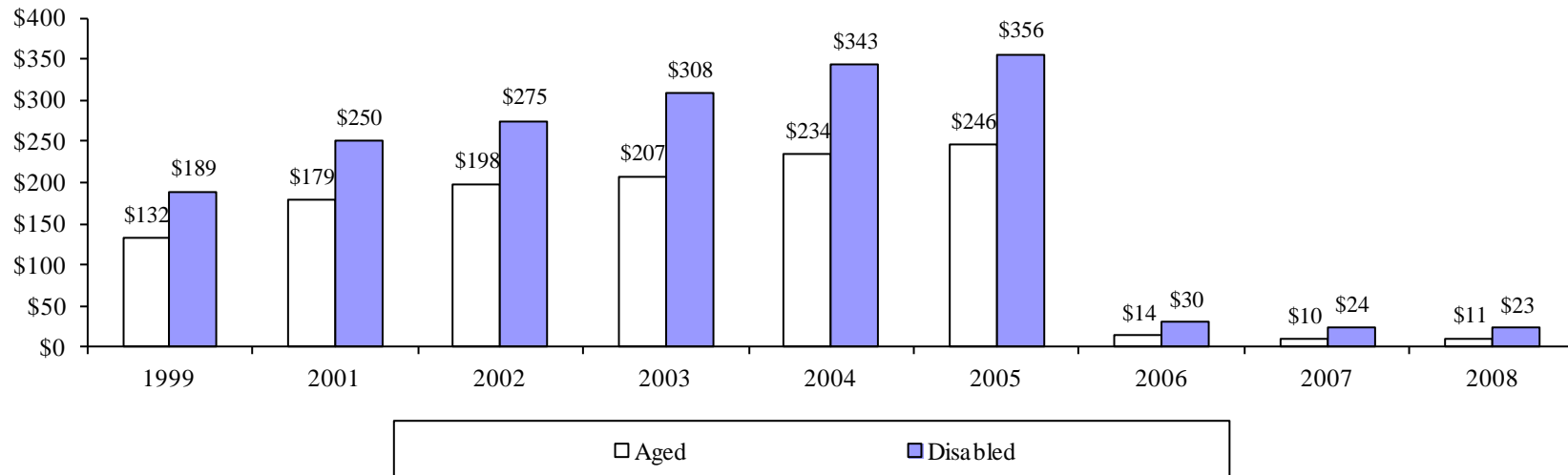
^aMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children’s group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

^bDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^cThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

EXHIBIT 50

AVERAGE MONTHLY MEDICAID PRESCRIPTION REIMBURSEMENT BY BASIS OF ELIGIBILITY,
DUAL ELIGIBLE BENEFICIARIES, 1999 AND 2001-2008^{a,b,c,d}



19

Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table D4 of the 1999 and 2001-2008 Compendiums.

^aMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness, and thus includes a large number of dual eligibles. The children’s group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

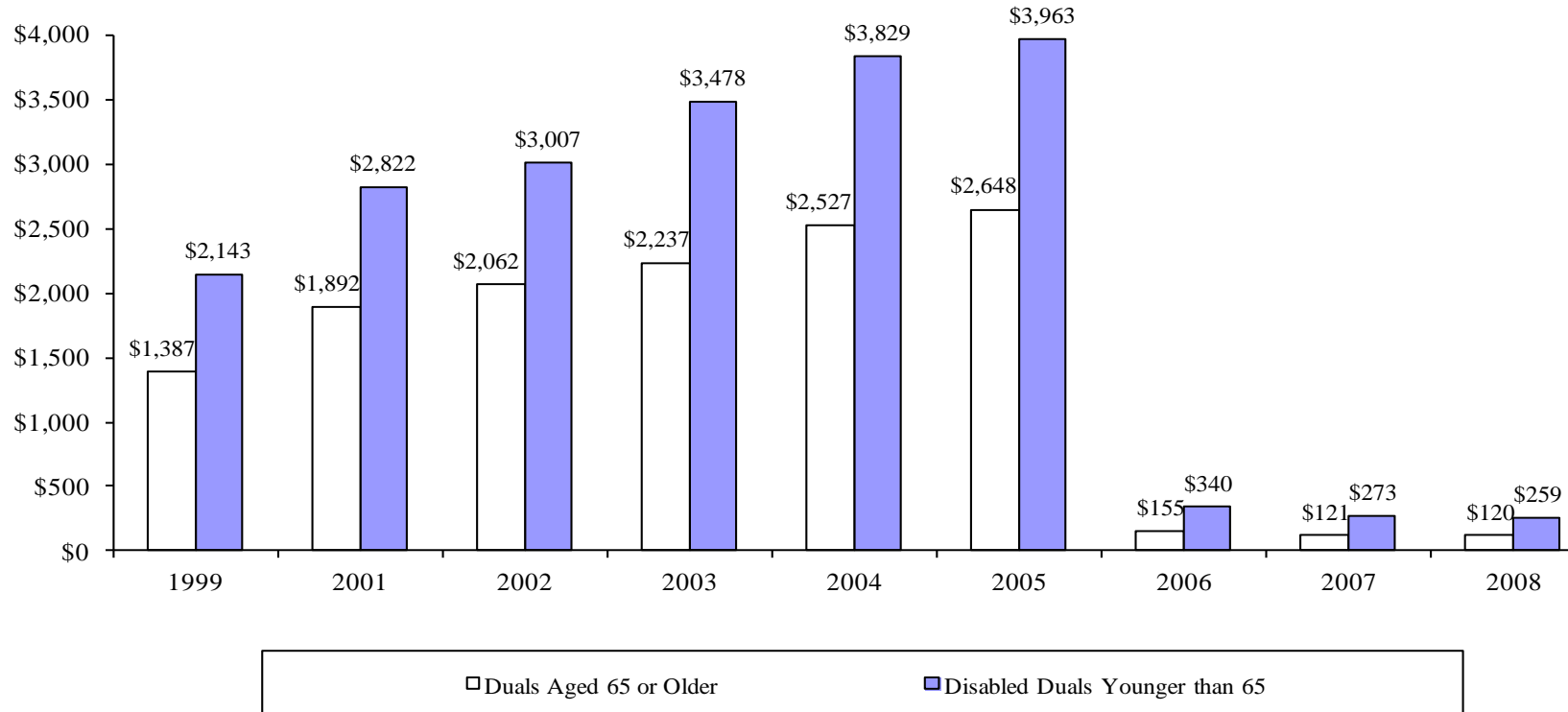
^bDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^cThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^dMonthly reimbursement amounts were calculated by dividing the total reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.

EXHIBIT 51

AVERAGE ANNUAL MEDICAID DRUG REIMBURSEMENT AMONG DUAL ELIGIBLE BENEFICIARIES
BY AGE GROUP AND DISABILITY STATUS, 1999 AND 2001-2008^{a,b}



62

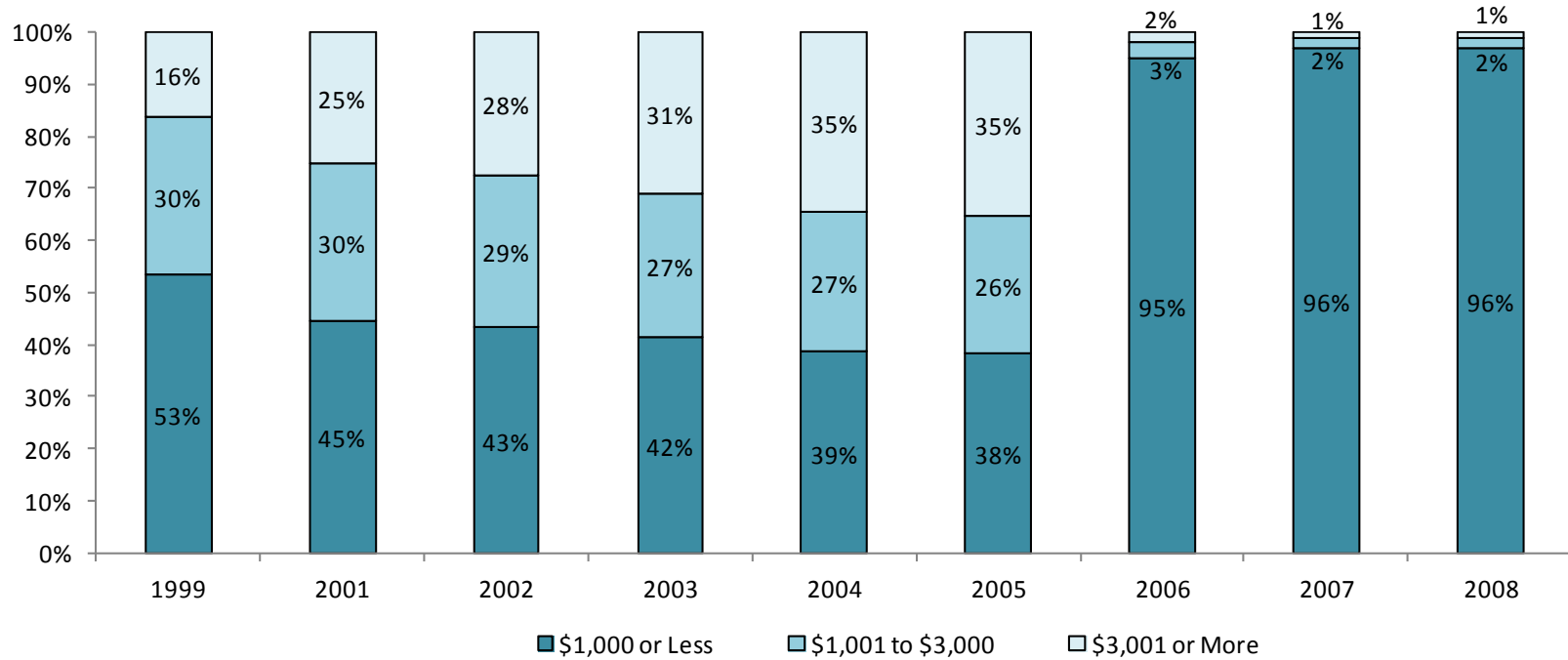
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Supplemental Tables 1A and 1B of the 1999 and 2001-2008 Compendiums.

^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^bThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

EXHIBIT 52

PERCENTAGE OF DUAL ELIGIBLE BENEFICIARIES WITH ANNUAL DRUG COSTS IN SPECIFIED RANGES, 1999 AND 2001-2008^a

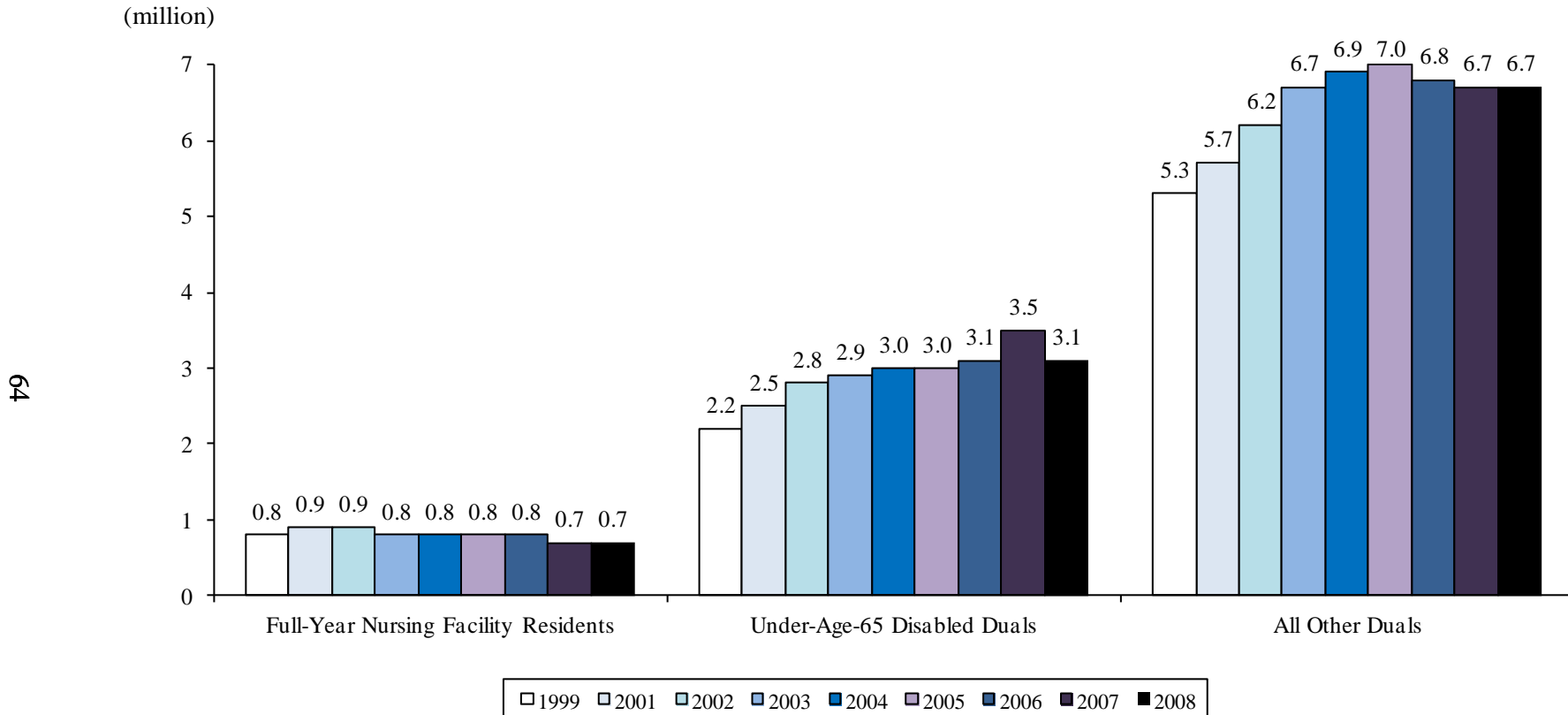


Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Supplemental Table 1 of the 1999 and 2001-2008 Compendiums.

^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

EXHIBIT 53

NUMBER OF DUAL ELIGIBLE FULL-YEAR NURSING FACILITY RESIDENTS AND UNDER-AGE-65 DISABLED DUAL ELIGIBLE BENEFICIARIES COMPARED TO ALL DUALS, 1999 AND 2001-2008^{a,b}



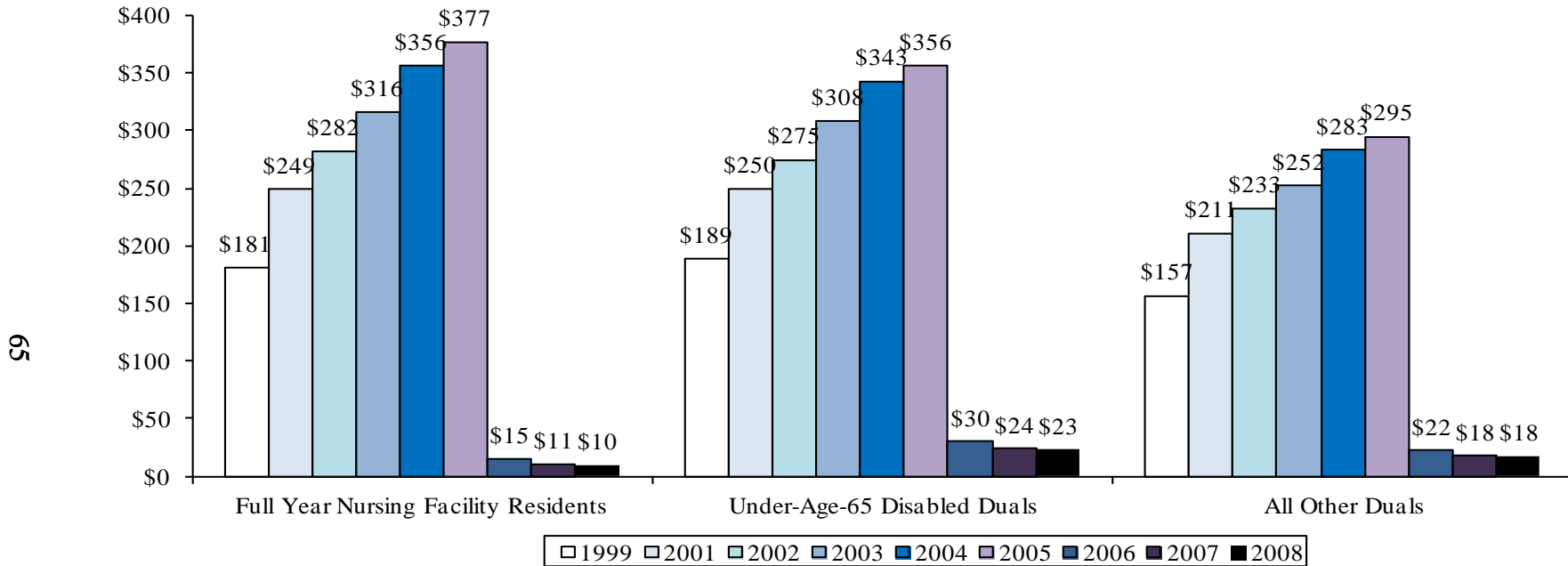
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table 11 of the 1999 Compendium and Table D.2 of the 2001-2008 Compendiums.

^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^bFull-year nursing facility residents and under-age-65 disabled duals are shown separately in this exhibit because their prescription drug use and expenditures are unusually high, compared to other dual eligibles.

EXHIBIT 54

AVERAGE MONTHLY MEDICAID PHARMACY REIMBURSEMENT FOR DUAL ELIGIBLE FULL-YEAR NURSING FACILITY RESIDENTS AND UNDER-AGE-65 DISABLED DUAL ELIGIBLE BENEFICIARIES COMPARED TO ALL DUALS, 1999 AND 2001-2008^{a,b,c,d}



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table 13 of the 1999 and D.4 of the 2001-2008 Compendiums.

^aDual eligibles are beneficiaries who had Medicare as well as Medicaid FFS pharmacy benefits during any month of Medicaid enrollment in 2008. Refer to Table 1 in the Compendium for more information about how we determined dual eligibility status.

^bThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

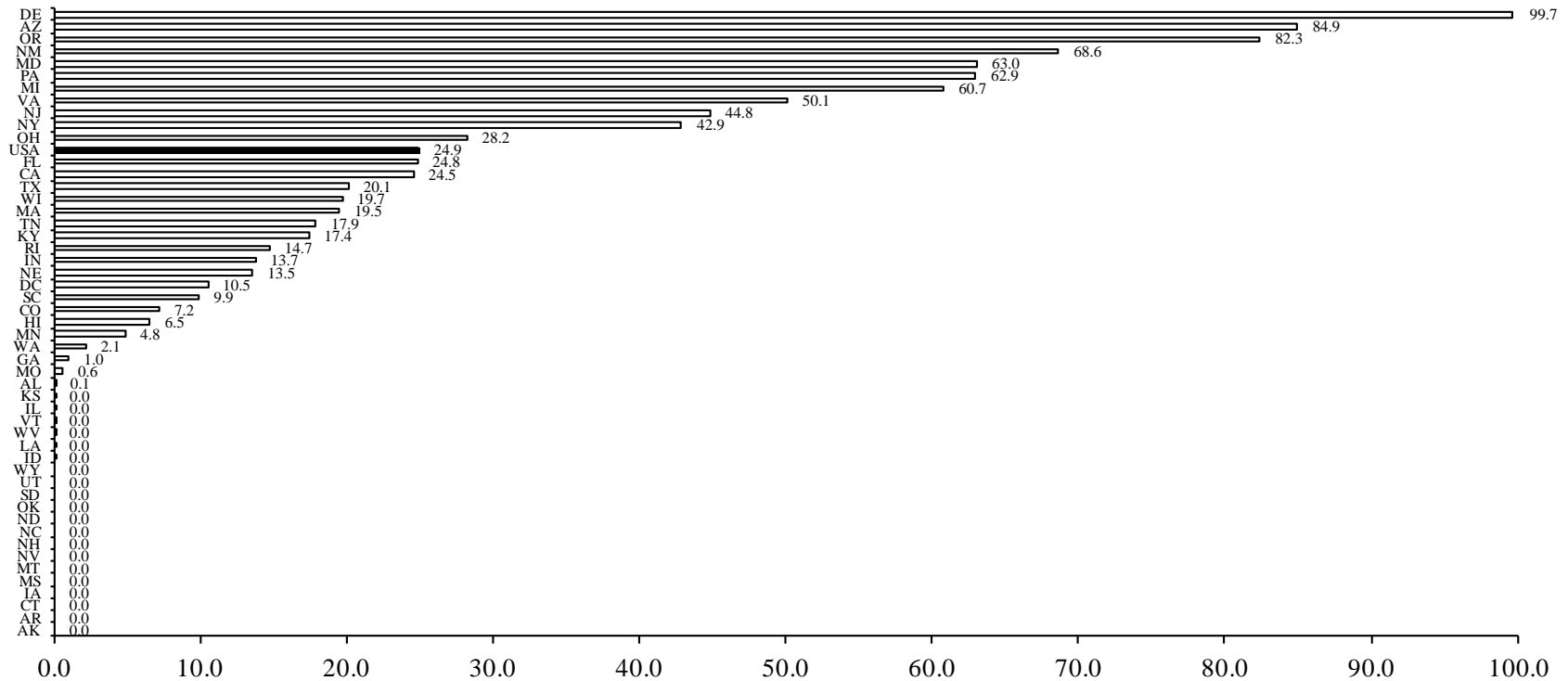
^cMonthly reimbursement amounts were calculated by dividing the total reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.

^dFull-year nursing facility residents and under-age-65 disabled duals are shown separately in this exhibit because their prescription drug use and expenditures are unusually high, compared to other dual eligibles.

COMPREHENSIVE MANAGED CARE PENETRATION RATES

EXHIBIT 55

COMPREHENSIVE MANAGED CARE PENETRATION RATES FOR NONDUAL AGED/DISABLED BENEFICIARIES,
BY STATE, 2008^{a,b}



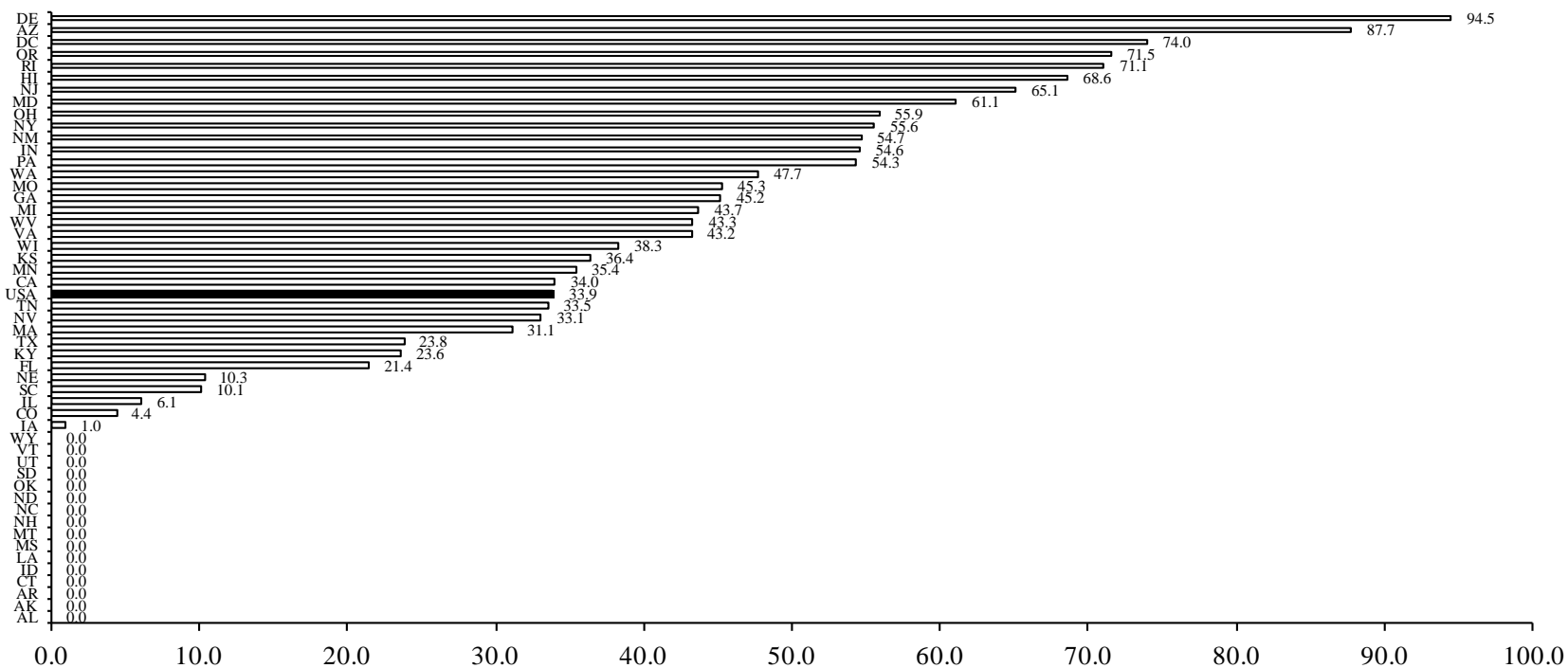
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table A.3 of the 2008 Compendium.

^aComprehensive managed care (MC) in this table means enrollment in a capitated comprehensive managed care plan that covers all, or almost all, Medicaid benefits. (Comprehensive plans in some states do not include some or all prescription drugs, but we still classify them as comprehensive plans for purposes of this table.) This table does not include enrollees in primary care case management (PCCM), less-than-comprehensive prepaid health plans (PHPs), prepaid ambulatory health plans (PAHPs), or prepaid inpatient health plans (PIHPs), unless the beneficiary is simultaneously enrolled in a comprehensive managed care plan (MC).

^bMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

EXHIBIT 56

COMPREHENSIVE MANAGED CARE PENETRATION RATES FOR NONDUAL ADULT/CHILDREN BENEFICIARIES,
BY STATE, 2008^{a,b}



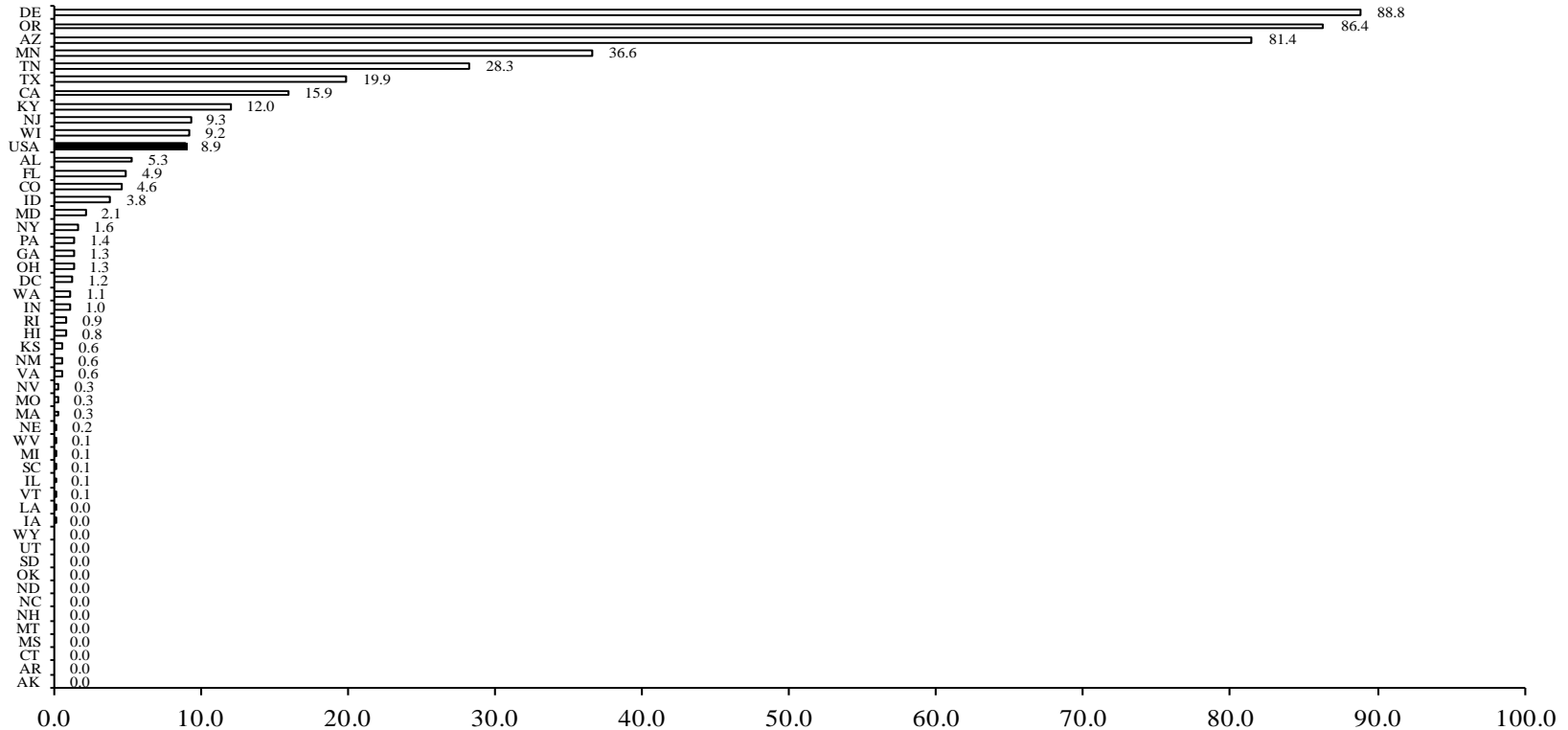
Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table A.3 of the 2008 Compendium.

^aComprehensive managed care (MC) in this table means enrollment in a capitated comprehensive managed care plan that covers all, or almost all, Medicaid benefits. (Comprehensive plans in some states do not include some or all prescription drugs, but we still classify them as comprehensive plans for purposes of this table.) This table does not include enrollees in primary care case management (PCCM), less-than-comprehensive prepaid health plans (PHPs), prepaid ambulatory health plans (PAHPs), or prepaid inpatient health plans (PIHPs), unless the beneficiary is simultaneously enrolled in a comprehensive managed care plan (MC).

^bMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.

EXHIBIT 57

COMPREHENSIVE MANAGED CARE PENETRATION RATES FOR DUAL ELIGIBLE BENEFICIARIES, BY STATE, 2008^{a,b}



Source: Medicaid Analytic eXtract (MAX), 2008. This graph is based on the information contained in Table A.6 of the 2008 Compendium.

^aComprehensive managed care (MC) in this table means enrollment in a capitated comprehensive managed care plan that covers all, or almost all, Medicaid benefits. (Comprehensive plans in some states do not include some or all prescription drugs, but we still classify them as comprehensive plans for purposes of this table.) This table does not include enrollees in primary care case management (PCCM), less-than-comprehensive prepaid health plans (PHPs), prepaid ambulatory health plans (PAHPs), or prepaid inpatient health plans (PIHPs), unless the beneficiary is simultaneously enrolled in a comprehensive managed care plan (MC).

^bMedicaid basis of eligibility is classified as: aged, disabled, adults, and children. The disabled group includes beneficiaries of any age who were determined to be eligible because of disability or blindness. The children's group includes children receiving foster care and adoptive services. The total includes some beneficiaries with unknown basis of eligibility and some whose age categories are not consistent with basis of eligibility.