



House Budget Committee

Review of FY 18 Savings/Cost Containment Strategies
September 14, 2017

One-Time Cash

\$14.6M – Identified fund balances during the Department Request budget preparation

Projection Adjustments

\$4.6M – Changes to projections based on:

- Governor withhold impacts on managed care rates; and
- Other program savings due to managed care extension not previously identified

Pharmacy

\$1.9M – Pharmacy pricing adjustments, including:

- Discontinue paying for certain non-rebate eligible products;
- Limit dispensing fees; and
- Adjusting some 340b pricing.

Standardized pricing based on Medicare rates

\$2.6M – Based on MHD clinical staff review of policies and rates compared to Medicare and other states.

- Standardizing how lab codes are paid. Most changes will occur January 1, 2018. Still working out concerns with Missouri Hospital Association over fee schedule.
- Working with FQHC's on place of service edit to understand impact.
- Lowers some durable medical equipment rates to the Medicare maximum.

Change in hospital reimbursement

\$2.4M – related to both inpatient and outpatient hospital reimbursement, MHA and the Division are still discussing best methods for implementation, including:

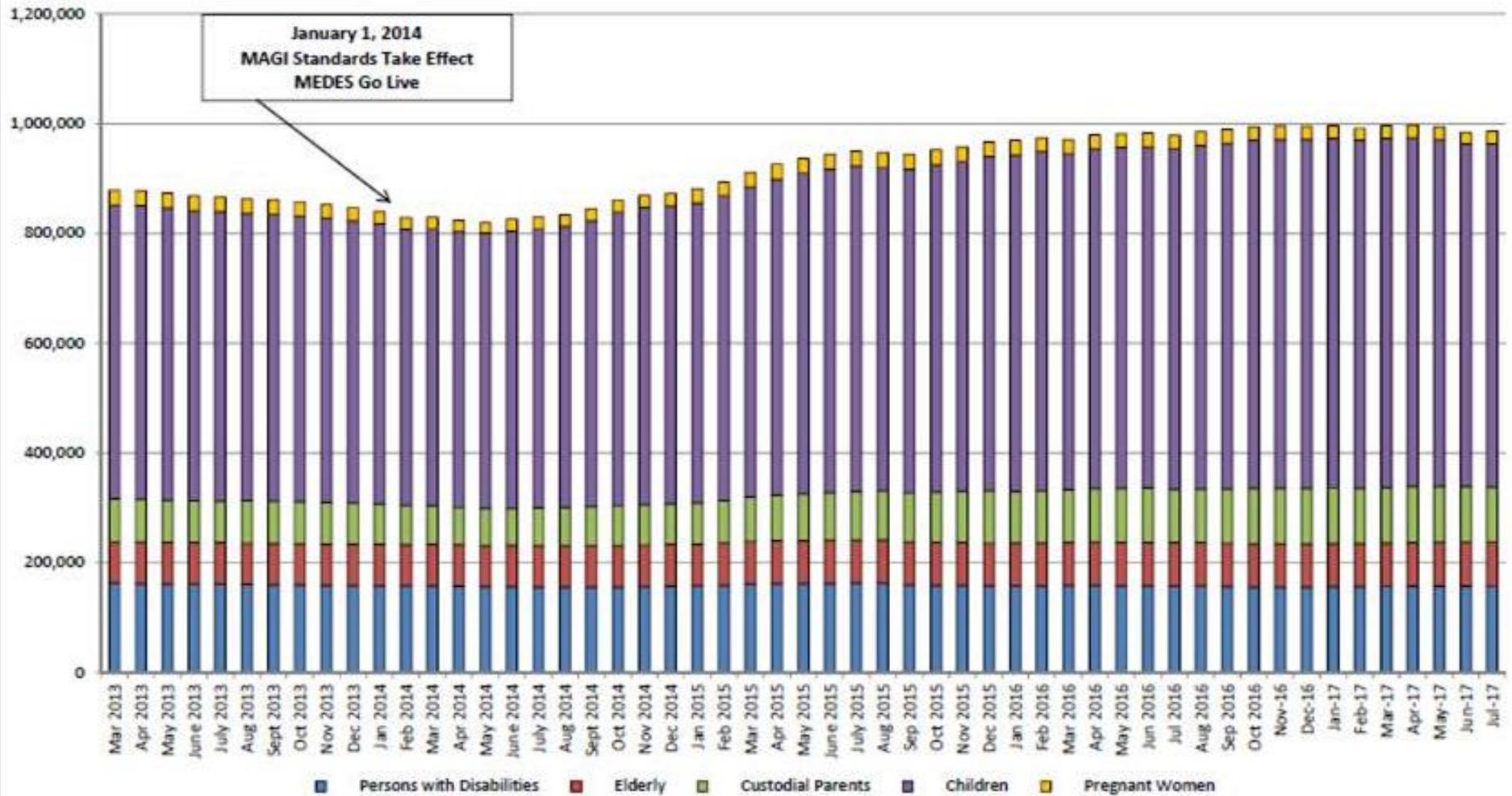
- Changing pricing for certain outpatient procedures, starting with Bariatric procedures.
- Limiting overnights for outpatient stays.
- Edit inpatient claims to limit initial visit charges.
- Limiting how rural health clinics bill for radiology services.

Other

- \$1.1M – moving Blind Pension participants to Medicaid.
- \$440k – begin to reimburse for Silver Diamine Fluoride Treatment.

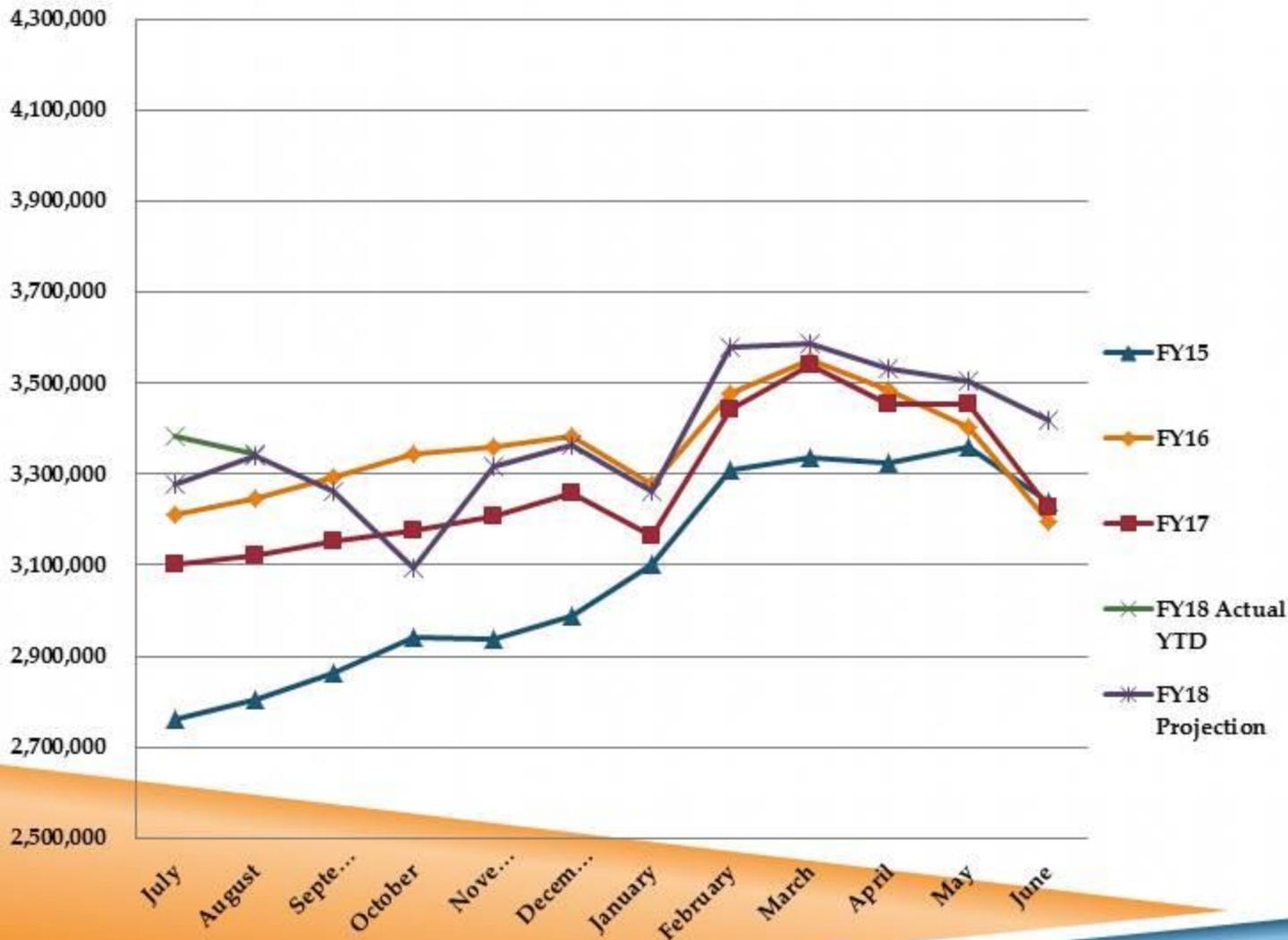
\$27.6M total savings identified.

Medicaid Caseload



PHARMACY COST PER DAY

(FY15-FYTD18)



Pharmacy Watch List

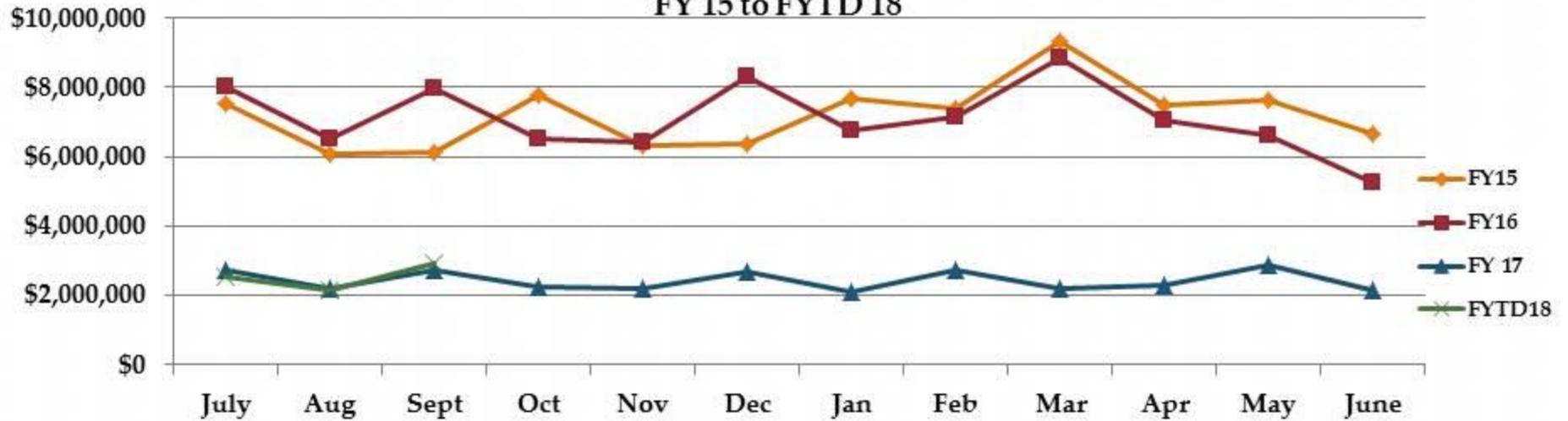
- Hemophilia Pricing.
- New drug spend for Exondys, Spinraza, and Ocrevus.
- Hep C Drugs spend increase in first three months of FY 18.

PHARMACY PROGRAM

TOP 4 DRUG CLASSES PER FY

HICL Description	FY 2015
ARIPIPRAZOLE	\$86,374,428
INSULIN GLARGINE,HUMAN RECOMBINANT ANALO	\$25,257,027
ALBUTEROL SULFATE	\$22,062,737
METHYLPHENIDATE HCL	\$21,837,776
HICL Description	
	FY 2016
ARIPIPRAZOLE	\$83,230,287
LURASIDONE HCL	\$30,817,059
INSULIN GLARGINE,HUMAN RECOMBINANT ANALO	\$25,943,693
METHYLPHENIDATE HCL	\$24,797,607
HICL Description	
	FY 2017
LURASIDONE HCL	\$34,874,852
PALIPERIDONE PALMITATE	\$29,395,238
ALBUTEROL SULFATE	\$26,081,437
METHYLPHENIDATE HCL	\$25,333,080
HICL Description	
	FYTD 2018 July 17-Sept 17
LURASIDONE HCL	\$8,885,707
PALIPERIDONE PALMITATE	\$8,863,674
ADALIMUMAB	\$7,230,360
SOMATROPIN	\$6,958,552

**Abilify Brand/Generic Expenditures
FY 15 to FYTD 18**



**Abilify Brand/Generic Claim Count
FY 15 to FYTD 18**

