

**EXHIBIT 28.** Medicaid Gross Spending and Rebates for Drugs by Delivery System, FY 2022 (millions)

| State                    | Gross spending    |                   |                   | Rebates            |                    |                    |
|--------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
|                          | Total             | Fee for service   | Managed care      | Total              | Fee for service    | Managed care       |
| <b>Total<sup>1</sup></b> | <b>\$91,708.2</b> | <b>\$32,918.3</b> | <b>\$58,789.9</b> | <b>-\$48,495.2</b> | <b>-\$21,317.5</b> | <b>-\$27,177.7</b> |
| Alabama                  | 1,007.0           | 1,007.0           | –                 | -547.7             | -547.7             | –                  |
| Alaska                   | 196.7             | 196.7             | –                 | -120.1             | -120.1             | –                  |
| Arizona                  | 1,814.0           | 28.8              | 1,785.2           | -1,171.4           | -65.6              | -1,105.8           |
| Arkansas <sup>2</sup>    | 473.2             | 381.4             | 91.8              | -320.4             | -320.4             | –                  |
| California <sup>3</sup>  | 10,756.3          | 9,324.0           | 1,432.3           | -4,223.7           | -2,442.2           | -1,781.5           |
| Colorado                 | 1,378.2           | 1,327.4           | 50.7              | -932.5             | -902.3             | -30.2              |
| Connecticut <sup>4</sup> | 1,650.2           | 1,650.2           | –                 | -1,142.1           | -1,277.7           | 135.6              |
| Delaware                 | 296.2             | 1.6               | 294.7             | -226.9             | -11.1              | -215.8             |
| District of Columbia     | 244.0             | 148.1             | 95.9              | -144.1             | -74.7              | -69.4              |
| Florida                  | 3,645.6           | 265.5             | 3,380.0           | -2,369.3           | -151.3             | -2,218.0           |
| Georgia                  | 1,380.3           | 868.5             | 511.8             | -749.3             | -540.3             | -209.0             |
| Hawaii                   | 222.8             | 0.1               | 222.8             | -119.0             | -0.8               | -118.2             |
| Idaho                    | 528.1             | 528.1             | –                 | -339.5             | -339.5             | –                  |
| Illinois                 | 3,252.9           | 128.0             | 3,124.9           | -2,047.2           | -114.7             | -1,932.6           |
| Indiana                  | 2,485.5           | 479.2             | 2,006.3           | -1,360.9           | -315.6             | -1,045.3           |
| Iowa                     | 757.7             | 5.2               | 752.5             | -494.1             | -15.7              | -478.4             |
| Kansas                   | 287.5             | 0.4               | 287.1             | -207.1             | -2.7               | -204.4             |
| Kentucky                 | 1,960.8           | 76.5              | 1,884.3           | -1,302.0           | -96.5              | -1,205.5           |
| Louisiana                | 2,358.4           | 49.3              | 2,309.1           | -1,214.4           | -46.3              | -1,168.1           |
| Maine                    | 439.5             | 439.5             | –                 | -312.7             | -312.7             | –                  |
| Maryland                 | 1,598.9           | 544.3             | 1,054.6           | -810.7             | -315.8             | -494.9             |
| Massachusetts            | 2,122.9           | 990.0             | 1,132.8           | -1,457.5           | -749.4             | -708.1             |
| Michigan                 | 3,289.6           | 1,418.9           | 1,870.7           | -2,263.4           | -903.8             | -1,359.6           |
| Minnesota                | 1,318.6           | 168.2             | 1,150.4           | -899.7             | -513.1             | -386.7             |
| Mississippi              | 509.9             | 150.0             | 359.8             | -363.2             | -125.9             | -237.3             |

## EXHIBIT 28. (continued)

| State                  | Gross spending |                 |              | Rebates  |                 |              |
|------------------------|----------------|-----------------|--------------|----------|-----------------|--------------|
|                        | Total          | Fee for service | Managed care | Total    | Fee for service | Managed care |
| Missouri               | \$1,437.4      | \$1,437.4       | –            | -\$926.3 | -\$926.3        | –            |
| Montana                | 388.2          | 388.2           | –            | -259.5   | -259.5          | –            |
| Nebraska               | 411.9          | 0.0             | \$411.9      | -207.7   | -0.2            | -\$207.5     |
| Nevada                 | 549.5          | 295.0           | 254.5        | -503.8   | -243.3          | -260.4       |
| New Hampshire          | 261.6          | 2.8             | 258.8        | -166.3   | -91.3           | -74.9        |
| New Jersey             | 1,803.5        | 12.1            | 1,791.4      | -787.2   | -11.4           | -775.8       |
| New Mexico             | 488.6          | 99.9            | 388.7        | -218.0   | -30.1           | -187.9       |
| New York <sup>4</sup>  | 7,109.8        | 721.4           | 6,388.4      | -4,307.6 | -4,307.6        | 0.0          |
| North Carolina         | 2,319.6        | 846.8           | 1,472.8      | -1,461.9 | -673.3          | -788.6       |
| North Dakota           | 97.6           | 93.2            | 4.4          | -79.5    | -76.2           | -3.4         |
| Ohio                   | 4,301.9        | 316.1           | 3,985.8      | -2,535.0 | -204.2          | -2,330.8     |
| Oklahoma               | 811.9          | 811.9           | –            | -500.6   | -500.6          | –            |
| Oregon                 | 817.9          | 139.3           | 678.6        | -448.3   | -100.0          | -348.2       |
| Pennsylvania           | 4,253.0        | 27.6            | 4,225.4      | -2,638.6 | -41.3           | -2,597.3     |
| Rhode Island           | 327.8          | 6.5             | 321.3        | -149.2   | -6.7            | -142.5       |
| South Carolina         | 740.9          | 117.7           | 623.3        | -372.1   | -18.6           | -353.5       |
| South Dakota           | 166.6          | 166.6           | –            | -54.9    | -54.9           | -0.0         |
| Tennessee <sup>2</sup> | 1,467.3        | 1,331.9         | 135.4        | -990.5   | -990.5          | –            |
| Texas                  | 3,882.2        | 43.9            | 3,838.4      | -2,108.5 | -51.0           | -2,057.4     |
| Utah                   | 491.9          | 209.7           | 282.2        | -269.9   | -141.8          | -128.1       |
| Vermont                | 194.9          | 194.8           | 0.0          | -155.6   | -155.6          | –            |
| Virginia <sup>5</sup>  | 5,312.1        | 12.5            | 5,299.6      | -1,261.5 | -33.9           | -1,227.5     |
| Washington             | 1,533.9        | 99.5            | 1,434.5      | -1,046.0 | -198.8          | -847.3       |
| West Virginia          | 845.8          | 822.0           | 23.8         | -613.5   | -600.1          | -13.4        |
| Wisconsin <sup>4</sup> | 1,932.9        | 1,932.9         | –            | -1,254.3 | -1,254.3        | 0.0          |
| Wyoming                | 43.6           | 43.6            | –            | -40.2    | -40.2           | –            |

**EXHIBIT 28.** (continued)

**Notes:** FY is fiscal year. Amounts include federal and state funds. Gross spending reflects expenditures before the application of manufacturer rebates. The gross drug expenditures in this exhibit use information from the state drug utilization data that states submit to CMS for rebate purposes and are different from the CMS-64 Financial Management Report (FMR) and Transformed Medicaid Statistical Information System (T-MSIS) data that serve as our usual sources of expenditure data. Spending shown in the drug utilization data may differ from these other sources due to differences in timing and run-out of data used. In addition, the drug rebate data may include physician-administered drugs for which rebates are available; the spending for these drugs are typically reported under the physician services category instead of the outpatient prescription drug category in other data. The state drug utilization data provide both fee-for-service (FFS) and managed care drug utilization and spending information at the national drug code (NDC) level, which is not available in CMS-64 data. The state drug utilization data are available at <https://www.medicaid.gov/medicaid/prescription-drugs/state-drug-utilization-data/index.html>.

Since October 2016, CMS has suppressed all records in the state drug utilization data that are less than 11 counts, as obligated by the Privacy Act of 1974 (5 U.S.C. § 552a) and the HIPAA Privacy Rule (45 C.F.R. Parts 160 and 164). The drug rebate information comes from the CMS-64 and does allow states to separately identify FFS and managed care drug rebates. The rebate totals shown here include federal rebates, state supplemental rebates, and the rebate increases attributable to the Patient Protection and Affordable Care Act (P.L. 111-148, as amended), including rebates for opioid use disorder medication assisted treatment.

Due to the time it takes to collect the drug utilization information and invoice drug manufacturers for the rebate, the rebates collected in any particular quarter are generally attributable to drugs purchased in prior quarters; thus, the gross spending and rebate dollars for a given time period are not necessarily aligned. Changes in covered populations or benefit design (e.g., managed care expansion or pharmacy carve-in) can create distortions in the data, because changes will be reflected in gross spending before they are reflected in rebates collected.

– Dash indicates zero; \$0.0 or -\$0.0 indicates an amount between -\$0.05 and \$0.05 million that rounds to zero.

<sup>1</sup> The national total does not equal the sum of the states due to the suppression of records. Records for drugs that were suppressed at the state level were not necessarily suppressed once the individual state data were rolled up into the national file. Although the amount of suppressed spending in the FY 2022 national file is not known, comparison of totals from previous years may be instructive. A comparison of the updated FY 2014 files with data suppression to prior versions without suppression indicates that about \$370 million, or 0.9 percent of gross spending, was suppressed in the FY 2014 data.

<sup>2</sup> State generally carves out prescription drugs from the managed care program. State managed care spending may reflect physician-administered drugs; however, minimal or no rebates for these managed care expenditures have been reported in the CMS-64 data and are likely to have been reported with the FFS rebates.

<sup>3</sup> California carved prescription drugs out of managed care beginning January 1, 2022, resulting in anomalous distributions in spending and rebates between FFS and managed care.

<sup>4</sup> Connecticut, New York, and Wisconsin reported prior period adjustments for managed care that ultimately resulted in a positive managed care rebate amount.

<sup>5</sup> Virginia reports an atypical proportion of spending on generic drugs; this may indicate data anomalies in the payment amount for these drugs.

**Source:** MACPAC, 2023, analysis of Medicaid state drug rebate utilization data as of September 2023 and CMS-64 FMR net expenditure data as of May 30, 2023.