

Pharmacy Benefit Management (PBM) Reporting Task Force Additional Data Elements for Consideration

Purpose of the PBM Task Force:

1. To determine what information related to pharmaceutical costs, the Department of Managed Health Care should require to be reported by health care service plans or their contracted pharmacy benefit managers, in addition to reporting already required under state law.
2. The Task Force shall consider inclusion of information including, but not limited to, the following:
 - a. Wholesale Acquisition Costs (WAC) of pharmaceuticals.
 - b. Rebates obtained by the health care service plans or the pharmacy benefit manager from pharmaceutical manufacturers.
 - c. Payments to network pharmacies.
 - d. Exclusivity arrangements between health care service plans or contracted pharmacy benefit managers with pharmaceutical manufacturers.

Task Force Recommended Data Element	Dr. Sood Recommended Data Element	Source	Value
1. Spend by PBM by drug	<ul style="list-style-type: none"> Payments to pharmacies Claims processing expenses Rebate pass through to Plans Expenses on special programs (adherence, medical management, etc.) Admin expenses Other <p>For top 25 drug classes in terms of expenditures:</p> <ul style="list-style-type: none"> Net cost of drug to Plans (pharmacy reimbursement less rebate pass through) Net revenue of drug to PBM (retained rebate plus spread pricing) Formulary placement of drug (Tier, Average Cost sharing) 	PBM	Improve transparency on PBM expenses

Task Force Recommended Data Element	Dr. Sood Recommended Data Element	Source	Value
2. Annual revenues for PBM by line of business	For PBM line of business: <ul style="list-style-type: none"> • Revenues from manufacturers (rebates, admin fees, other) • Revenue from Plans (reimbursement to pharmacies, claims processing fees, special programs fee, admin fees, other) • Revenue from pharmacies (claw-backs from pharmacies, other) 	PBM	Improve transparency on PBM revenue sources
3. PBM revenue from the manufacturer at the drug level and what was passed to the Plan	For top 25 drugs in terms of PBM revenues and/or list price inflation: <ul style="list-style-type: none"> • Total rebates per unit • Retained rebates per unit • Spread pricing per unit • Other revenues per unit 	PBM	Improve transparency on PBM revenue sources at the drug level
4. Impact of claw-backs on pharmacy revenues	See #2 for PBM revenue from pharmacy claw-backs	PBM	Improve transparency on PBM revenue sources
5. Cost variation by generic versus brand-name drugs		PBM	
6. PBM rebate information by drug looking at average percent of rebates for drugs on each tier	See #3	PBM	Improve transparency on PBM revenue sources at the drug level

Task Force Recommended Data Element	Dr. Sood Recommended Data Element	Source	Value
7. Spread pricing data for each NDC - what the PBM paid the Plan, what the Plan paid the pharmacy	See #3	PBM	Improve transparency on PBM revenue sources at the drug level
8. Cost variation by integrated pharmacy (PBM owns the pharmacy) versus non-integrated pharmacies	<p>For top 25 drugs in terms of expenditures:</p> <ul style="list-style-type: none"> • Reimbursement to own pharmacy, competing chain pharmacy, independents <p>For top 25 drugs sold by own pharmacy:</p> <ul style="list-style-type: none"> • Market share of own PBM and other PBMs 	Plans, PBMs	Determine whether there is a difference in reimbursement to pharmacies owned by PBMs compared to those not owned by the PBMs
9. Detailed information on what the Plan actually pays the PBM (dispensing fee, MAC, etc.)	<p>Plans</p> <ul style="list-style-type: none"> • Amount sent to PBM for reimbursing pharmacies • Amount of rebate received from PBM <p>PBMs</p> <ul style="list-style-type: none"> • Amount reimbursed to pharmacies on behalf of Plans • Amount of rebate passed on to Plans 	Plans, PBMs	Improve cost transparency by collecting information from the Plan and PBM
10. Number of member months by Plan delegated to PBM by region		Plans	

Task Force Recommended Data Element	Dr. Sood Recommended Data Element	Source	Value
11. Ingredient cost per metric unit for all pharmacies in the network (preferred, non-preferred, etc.)			
12. Total member cost sharing paid at the pharmacy by PBM, Plans		Plans, PBMs	Improve transparency of member costs
13.	Expenses by line of business: <ul style="list-style-type: none"> • PBM • Specialty pharmacy • Mail order pharmacy • Retail pharmacy • Other 	Plans, PBMs	
14.	PBM should report: <ul style="list-style-type: none"> • Plans it supports and number of members supported • Include data from past 5 years so that one can see the churn in customers 	PBM	