

The Menges Group

Strategic Health Policy & Care Coordination Consulting

To: Paulyn Swanson
From: Nick Pantaleo and Joel Menges
Subject: Generics as Percentage of Medicaid Prescriptions by Major Calendar Quarter
Date: February 21, 2016

In follow-up to a request from the Senate Finance Committee during a Subcommittee hearing held on February 15, we have tabulated the progression of the percentage of Medicaid prescriptions filled with generic medications. Our tabulations were made using State Drug Utilization Data files made publically available by the Centers for Medicare and Medicaid Services (CMS).

Exhibit 1 compares Alaska with the USA overall for all Medicaid prescriptions by calendar quarter from Q1 of 2013 through Q2 of 2015. Exhibit 2 presents similar information, but excludes over the counter (OTC) medications.

These figures summarize the degree to which Alaska lags behind the nation overall in the use of generics. While the gap between Alaska and the USA diminished from 2013-2015, we do not encourage Alaska to merely reach the national average. Significant savings will occur in Alaska by moving to the national average, and much greater savings opportunities exist in implementing drug mix management efforts that further advance Alaska's Medicaid program from there.

We will provide further information on these opportunities as the project evolves.

Exhibit 1. Generics As % Of All Medicaid Prescriptions, 2013-2015

All Prescriptions			
Time Period	Generic % of Medicaid Prescriptions		
	Alaska	US Total	Difference
Q1 2013	75.2%	78.8%	3.6%
Q2 2013	75.7%	79.8%	4.1%
Q3 2013	75.6%	79.9%	4.2%
Q4 2013	77.2%	80.0%	2.8%
Q1 2014	77.7%	80.5%	2.8%
Q2 2014	77.5%	81.0%	3.5%
Q3 2014	79.1%	81.3%	2.1%
Q4 2014	78.3%	80.8%	2.4%
Q1 2015	78.9%	80.7%	1.8%
Q2 2015	79.1%	81.9%	2.8%
CY 2013	75.9%	79.6%	3.7%
CY2014	78.2%	80.9%	2.7%
2015 (Jan-Jun)	79.0%	81.4%	2.4%

Exhibit 2. Generics As % Of Non-OTC Medicaid Prescriptions, 2013-2015

Non-OTC Prescriptions			
Time Period	Generic % of Medicaid Prescriptions		
	Alaska	US Total	Difference
Q1 2013	75.0%	77.4%	2.4%
Q2 2013	75.5%	78.5%	3.0%
Q3 2013	75.4%	78.6%	3.2%
Q4 2015	77.0%	78.7%	1.7%
Q1 2014	77.4%	79.3%	1.9%
Q2 2014	77.3%	79.9%	2.6%
Q3 2014	79.0%	80.2%	1.2%
Q4 2014	78.2%	79.7%	1.5%
Q1 2015	78.8%	79.7%	0.9%
Q2 2015	78.9%	80.8%	2.0%
CY 2013	75.7%	78.3%	2.6%
CY2014	78.0%	79.8%	1.8%
2015 (Jan-Jun)	78.8%	80.3%	1.5%