

# Understanding the complexities of Medicaid pharmacy programs

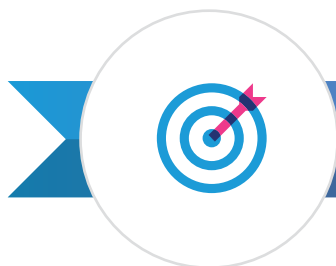
MercerRx Government

**Designing and implementing cost-saving strategies to manage health care expenditures through innovation and insights gained in our 37 years in Medicaid consulting with our state partners.**

## MercerRx Passage

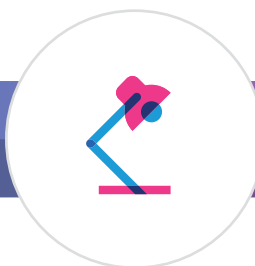
Our **proprietary** pharmacy rate-setting platform provides greater insight and transparency. This newly-released, best-in-class technology allows us to respond rapidly to market fluctuations and nimbly adjust to changes in our clients reimbursement approach. Multiple sources of data are now funneled and connected through a single source of truth. This results in more **unified, accurate, and fair** rate calculations. **MercerRx Passage** provides the balance:

Your Medicaid providers want fair and equitable reimbursement



**MercerRx Passage** is a central resource for providers to submit their invoices or rate inquiries - an easy **Passage!**

Your Medicaid beneficiaries need access to the care they require



**MercerRx Passage** is a client dashboard that highlights survey and rate metrics as well as trends to help determine coverage options - spotlight **Passage!**

You must achieve the state's financial and budgetary goals



**MercerRx Passage** is a rate calculation application that increases the accuracy and efficiency resulting in more defensible rates - your **Passage!**

[See the Demo](#)

## MercerRx Dynamics

With a few clicks, MercerRx Government's pharmacy monitoring dashboards, MercerRx Dynamics, can provide the user with overall trends for a number of key metrics like total cost, total claims, or per member per month (PMPM). It can also pinpoint the effect a recent policy change had on cost or utilization.

When high dollar products are launched, it is important to know the extent of the market penetration in your population. By selecting specific therapeutic categories or specific drug products, the change in cost or utilization can be viewed. A shift between brand or generic products can also be easily identified and monitored. The displayed data can be bookmarked or downloaded to aid in discussions with other team members.

MercerRx Dynamics provides you with actionable data you can access every day. From answering a quick question on the current cost of a drug product to determining areas for policy action, having your program's cost and utilization at your fingertips will allow you to make the decisions necessary for providing efficient care to your members.

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## Specialty drug management

Specialty pharmaceuticals tend to have extremely high ingredient costs, with average drug costs estimated to be more than \$2,000 per month per patient. A single drug used to help manage some complications caused by leukemia costs \$6,800 a month. Other specialty drugs cost as much as \$100,000 per year, with the most expensive specialty drugs costing up to \$750,000 per year. As specialty drugs make up increasingly larger portions of state Medicaid pharmacy budgets, states, like employers, must address ways to manage the cost of specialty medications. MercerRx Government offers a range of support services to assist state Medicaid programs with the clinical and fiscal management of specialty drugs, including assisting states with clearly defining specialty drugs and their reimbursement. Our approach identifies opportunities for clinical review and monitoring improvements that are also cost-effective.

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## Pharmacy reimbursement

Many states are looking at steps needed to implement the new outpatient pharmacy rule. These include changes to outpatient pharmacy reimbursement, the drug rebate program, price calculations, and drug coverage. States have come to Mercer with questions and challenges.

Whether you need help with a single issue, such as technical assistance in developing a COD survey, writing the compliance SPA, or developing your ingredient cost reimbursement strategy, MercerRx Government can help.

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## Pharmacy program efficiency

As with other modes of treatment, medications can be overused or misprescribed, resulting in unnecessary costs. MercerRx Government has developed a range of support services and tools to assist state clients with identifying clinical enhancement opportunities that are also cost-effective. Our methodologies can be incorporated to optimize both capitated and FFS programs.

State clients wishing to enhance their managed care organization (MCO) rate setting and reimburse for an efficient pharmacy program have used MercerRx Government's analytics to adjust their capitation rates. Results are dependent on the specific analysis, as well as on the recipients and category of aid covered under the Medicaid program.

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## For more information

Visit our website at [www.mercer-government.mercer.com](http://www.mercer-government.mercer.com) to view our experience, services, and client feedback.

