



15800 W. Bluemound Road  
Suite 100  
Brookfield, WI 53005  
USA  
Tel +1 262 784 2250  
Fax +1 262 923 3680

milliman.com

January 20, 2020

Mr. Thomas Wallace  
Bureau Chief  
Medicaid Program Finance  
Florida Agency for Health Care Administration  
2727 Mahan Drive – Building 3  
Tallahassee, FL 32308-5407

**Re: Data Request for Independent Analysis of PBM Pricing Practices in SMMC Program**

Dear Tom:

The Agency for Health Care Administration (Agency) is the single state agency responsible for administering the Medicaid program in Florida. The Agency contracts with 15 health plans to provide prescription benefits to members enrolled in the Statewide Medicaid Managed Care (SMMC) program. The health plans can manage their pharmacy benefit internally or subcontract with a vendor for pharmacy benefit management (PBM) services. The Agency retained Milliman to perform an independent analysis of PBM pricing practices in the SMMC program and provide a report to the Agency outlining the findings of the analysis.

To perform this analysis, Milliman and the Agency are requesting information from all SMMC health plans to gain a better understanding of the various pricing practices and disparities with regards to PBM reimbursement to pharmacy providers, spread pricing retained by PBM, and other contract pricing comparisons.

Health plan information will not be shared outside of the Agency and the Milliman team working for the Agency.

**DATA REQUEST**

We request the following information be provided by each health plan's PBM. We attached Exhibit A to provide a description of fields we deem necessary within the prescription claims history to perform the analysis. The paid claims and pharmacy remittance data files must represent 12 months of claims data that aligns with the most recent health plan to PBM fiscal year contract period.

- Paid claims data file (see Exhibit A):
  - Individual claim records in ASCII text file, flat format, either delimited with a '|' or fixed field length. If fixed length records are sent, then field lengths must be sent for each file.
  - Include all versions of a claim, if multiple versions exist as denied, reversed, or paid claims.
  - Include all pharmacy claims incurred and paid from January 2018 through June 2019.
  - Include data dictionary.

- Pharmacy payment and remittance data file:
  - Individual claim records in ASCII text file, flat format, either delimited with a '|' or fixed field length. If fixed length records are sent, then field lengths must be sent for each file.
  - Pharmacy reimbursement for paid claims – see data spec at link below [https://www.ncdp.org/members/pdf/WG45\\_5010\\_835\\_payment\\_reference\\_guide.pdf](https://www.ncdp.org/members/pdf/WG45_5010_835_payment_reference_guide.pdf).
  - Include data from the same period as the paid claims data.
  - Include all data fields as the paid claims data (see Exhibit A).
  - Include all pharmacy claims incurred and paid from January 2018 through June 2019.
  - Include data dictionary.
- 2018 and 2019 PBM contract between health plan and PBM, as well as any amendments for the covered period of January 2018 through June 2019.
- Network direct and indirect remuneration (DIR) report for the most recent 12 month covered period overlapping claims file.
- Annual Reconciliation Guarantee Report for fiscal year 2018 detailing network payments between health plan and PBM for the contract period.

#### **CAVEATS AND LIMITATION ON USE**

Milliman prepared this letter and data request for the specific purpose of collecting information from the SMMC health plans to perform an independent analysis of the PBM pricing practices in the SMMC program. It may not be appropriate for, and should not be used for, other purposes.

This letter and data request are intended solely for the use and benefit of the Agency, and are only to be relied upon by the Agency. Milliman recognizes that materials it delivers to the Agency may be public records subject to disclosure to third parties; however, Milliman does not intend to benefit, and assumes no duty or liability to, parties other than the Agency who receive this work. We understand this data request will be shared with the health plans and their PBMs. This material should only be distributed and reviewed in its entirety.

This letter and survey are subject to the terms and conditions of the October 22, 2014 contract between the Agency and Milliman.





Mr. Thomas Wallace  
Florida Agency for Health Care Administration  
January 20, 2020  
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Please contact Michael Hunter at 312 499 5734, or AJ at 630 991 0369 with any questions.

Thank you for your support with this important project.

Sincerely,

A handwritten signature in blue ink, appearing to be "AJ Ally".

AJ Ally, RPH, MBA  
Pharmacy Management Consultant

A handwritten signature in blue ink, appearing to be "Michael Hunter".

Michael Hunter, PharmD  
Pharmacy Management Consultant

Attachments

cc: John Meerschaert, FSA, MAAA  
Andrew Gaffner, FSA, MAA

**Exhibit A**  
**PBM Pharmacy Claims Data Request**

|    |   |
|----|---|
| 1  | Managed Care Organization ID (Health Plan ID)                                 |
| 2  | Carrier / Account / Group - Client hierarchy                                  |
| 3  | PBM member ID   |
| 4  | Medicaid member ID  |
| 5  | Claim ID  |
| 6  | Prescription / Rx Number  |
| 7  | Claim status (denied, paid, reversal, adjustment)                             |
| 8  | Pharmacy National Provider Identifier (NPI)                                   |
| 9  | National Council for Prescription Drug Programs (NCPDP) Provider ID           |
| 10 | Network indicator (preferred / non-preferred)                                 |
| 11 | Paid date (xxmonth / xxday / xxxyear)   |
| 12 | Date of Service (xxmonth / xxday / xxxyear)                                   |
| 13 | National Drug Code (NDC-11)   |
| 14 | Generic Product Identifier (GPI)  |
| 15 | Formulary indicator   |
| 16 | Formulary tier  |
| 17 | Brand / generic indicator   |
| 18 | Single-Source Generic (SSG) indicator   |
| 19 | Multi-source Brand indicator (MSB)  |
| 20 | Retail / mail indicator   |
| 21 | New / refill indicator  |
| 22 | Specialty drug indicator  |
| 23 | Metric quantity   |
| 24 | Days supply   |
| 25 | Average Wholesale Price (AWP)   |
| 26 | Ingredient Cost   |
| 27 | Dispensing Fee  |
| 28 | Sales Tax   |
| 29 | Copay   |
| 30 | Coinsurance   |
| 31 | Deductible  |
| 32 | Amount Billed to the Plan   |
| 33 | Amount Paid by the Plan   |
| 34 | Member Pay  |
| 35 | Copay tier  |
| 36 | Payment Type Flag (Pharmacy, Provider, Member or Subrogation)                 |
| 37 | Ancillary penalty amount (i.e., brand is dispensed when generic is available) |
| 38 | Price Type Code (MAC, Usual and Customary, AWP)                               |
| 39 | Compound drug indicator   |
| 40 | Maintenance drug indicator  |
| 41 | Dispensed as Written Code (DAW)   |
| 42 | Paper claim indicator   |
| 43 | Coordination of Benefits (COB) indicator                                      |
| 44 | 340B indicator  |
| 45 | Prior Authorization (PA) code   |
| 46 | Prescriber ID   |
| 47 | Prescriber DEA number   |

*Note: \*Please provide seriatim-historical claims data for 1/1/2018 through 06/30/2019. To avoid protected health information (PHI), we do not need any patient identifiers such as gender and date of birth.*