

Prescription Medication Adherence in Medicaid – Executive Summary

Building on our 2014 report titled *Prescription Drug Adherence in Medicaid Managed Care*,¹ this report updates analyses performed on medication adherence, assesses the impacts of Medicaid expansion and the COVID-19 pandemic on medication adherence, and offers recommendations for further improvement to Medicaid medication access and adherence. Key takeaways include:

States that adopted Medicaid expansion created substantial medication access. In this report, we estimate that among the states that adopted expansion in 2014, the Medicaid expansion population accessed an average of 13.96 prescriptions per person in 2016, a usage rate that is 57% above the average of 8.88 per person for the base (non-expansion) population. In states newly covering the Medicaid expansion population, Medicaid prescriptions for the regimented maintenance drugs we analyzed – beta-blockers, insulin, selective serotonin reuptake inhibitors (SSRIs), statins, and thyroid drugs – grew faster than the average growth of all Medicaid prescriptions, benefiting enrollees with chronic conditions.

A concerning decrease in prescriptions per Medicaid enrollee – especially with maintenance medications – occurred during the COVID-19 pandemic. The economic hardships of the pandemic caused Medicaid enrollment to increase by 17.4% from 2019 to 2021. However, the total Medicaid prescription volume only increased by 1.3% during the same period. The number of prescriptions per Medicaid enrollee averaged 10.1 during 2019 but dropped to 9.1 during 2020 and 8.7 during 2021 – an overall decrease of 13.7% from 2019 to 2021. This prescription drop-off is quite alarming when considering the consequences of untreated chronic conditions. Three out of the five classes of maintenance drugs that we analyzed *had a raw decrease in prescription volume from 2019 to 2021*, despite the large growth in Medicaid enrollment.

State policies can facilitate – or inhibit – medication access and adherence. Medicaid agencies create a more integrated system of coverage when they “carve in” the drug benefit and do the opposite when pharmacy benefits are “carved out” of the MCOs’ responsibility. Including the prescription drug benefit as an MCO-covered service can support adherence by facilitating communication across the care team, maintaining convenient access to prescription drug data, and encouraging MCOs to invest in outreach and supports since they are financially responsible for the total cost of care of the enrollee.

- **Contract requirements questions represent key points of leverage for Medicaid agencies in fostering medication adherence.** States have full control over the adherence-related contract requirements their Medicaid MCOs must comply with and can structure their Medicaid procurements to motivate health plans to compete around their adherence programs (e.g., how missed refills are identified and acted upon).

Medicaid MCOs have implemented various adherence initiatives. The report describes several important steps MCOs have taken to identify adverse medication utilization, provide a

¹ <https://themengesgroup.com/2014/10/29/prescription-drug-adherence-in-medicare-managed-care/>

comprehensive and integrated support system to close care gaps, and communicate with members to promote adherence. These measures include:

- Using data analytics to identify adherence gaps and assess the effectiveness of supports
- Promoting medication therapy management programs to support adherence
- Integrating value-based care in medication adherence
- Broadening member communication initiatives to promote medication adherence
- Increasing use of mail service and multi-month prescriptions
- Eliminating out-of-pocket costs and providing adherence supports

The Medicaid MCO industry's performance improved on 14 of 15 HEDIS measures related to medication adherence. These measures present an opportunity for MCOs to identify disparities among enrollees and track their improvements. The average level of improvement nationally across these 15 measures was 5.04 percentage points including measurement year 2020 and 3.59 percentage points if the COVID-affected measurement year 2020 is not considered.

Based on the above analyses and findings, the report offers the following recommendations:

System-wide

- Medication adherence is a key component of creating optimal health among the Medicaid population and barriers to adherence are worthy of greater focus.
- Extensive research is warranted regarding the ways in which medication adherence did (and did not) occur during the pandemic, to help inform best practices going forward.

State level

- Adopt Medicaid expansion in the ten remaining states.
- Continue certain COVID-initiated policy changes that have been effective at improving medication access and adherence, such as greater use of mail service and extended days' supply.
- Leverage MCO contract requirements and Medicaid MCO procurements to elevate medication adherence.
- Create a fully integrated system of care and coverage.

Operational level for MCOs and PBMs

- Track missed refills systematically, and "jump on" missed refills.
- Utilize a health equity lens when analyzing medication adherence data and designing adherence initiatives to elevate adherence.
- Extend days' supply for maintenance medications (beyond 30 days) on a data-driven basis.
- Utilize mail delivery of medications for enrollees who prefer this model and who have stable housing and longstanding enrollment.
- Incorporate adherence incentives in Medicaid value-based payment programs.
- Utilize value-added benefits, such as weekly pill boxes or daily pill packets, in a targeted manner to support medication adherence.
- Waive co-payments for medications.