

California Department of Managed Health Care/Department of Insurance
SB 17 - Prescription Drug Cost Reporting Form for Commercial Plans Instructions
For policies subject to CHSC 1367.243 or CIC 10123.205

INTRODUCTION

The purpose of these Prescription Drug Cost Reporting Form Instructions (Instructions) is to assist health plans/health insurers in filing out the Prescription Drug Cost Reporting Form for Commercial Contracts (Reporting Form), revised 5/15/2023 required by California Health and Safety Code (HSC) section 1367.243 and California Insurance Code (CIC) 10123.205.

GENERAL INSTRUCTIONS

- A. Data does not need to be entered into any cells shaded light blue. These are formula cells.
- B. Use actual information or a reasonable approximation when actual information is not available.
- C. The information required in these Instructions shall be submitted via the DMHC's e-filing portal for DMHC regulated health plans. CDI regulated health insurers shall submit the required filing via SERFF.
- D. Any information submitted pursuant to compliance with the reporting requirements in HSC section 1367.243(f) and CIC 10123.205(f) is confidential and not subject to public disclosure.

Cover Page

Line 1 – Reporting Year

Enter the reporting year. Data entered into the Reporting Form will be for the preceding calendar year. For example: for the filing due on October 1, 2023, health plans/health insurers will enter 2023 for the “reporting year” and data entered into the Reporting Form will cover prescription cost information for January 1, 2022 – December 31, 2022.

Line 2 – DMHC Health Plan ID/CDI NAIC No.

Enter DMHC’s licensed health plan identification if submitting to DMHC. CDI health insurers, enter NAIC No.

Line 3 – Company Legal Name

Enter DMHC health plan legal name or CDI health insurer legal name.

Line 4 – Doing Business As (dba)

Enter DMHC health plan or CDI health insurer dba, if any.

Line 5 – Market Type

Check applicable market types.

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Tab Name	Worksheet
25MostFrequent	Top 25 Most Frequently Prescribed Drugs (CHSC 1367.243(a)(2)(A)/CIC 10123.205(a)(2)(A))
25MostCostly	Top 25 Most Costly Drugs By Total Annual Plan Spending (CHSC 1367.243(a)(2)(B)/CIC 10123.205(a)(2)(B))
25HighestIncrease	The 25 Drugs With The Highest Year-Over-Year Increase In Total Annual Spending (CHSC 1367.243(a)(2)(C)/CIC 10123.205(a)(2)(C))
ImpactonPremium	Summary: Overall Impact of Drug Costs on Health Care Premium (CHSC 1367.243(b)/CIC 10123.205(b))
Glossary	Definitions

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Top 25 Most Frequently Prescribed Drugs (CHSC 1367.243(a)(2)(A)/CIC 10123.205(a)(2)(A))

No data needs to be entered in any of the cells shaded light blue. These are formula cells.

- ✓ *For each prescription drug name, calculate the total number of prescriptions across all National Drug Codes (NDC) under or associated with the prescription drug name (i.e., NDC propriety name).*
- ✓ *Next, rank according to item #4 below, and then enter the prescription drug information into the template for each category, Generic, Brand Name, and Specialty, separately.*
- ✓ *NDC, Generic, Brand Name and Specialty are defined in the “Glossary.”*

Top 25 Most Frequently Prescribed Drugs

Complete for each category (Generic, Brand Name, and Specialty)

1. Prescription Drug Name

If Medispan or First Databank is available, enter the prescription drug name by applying the field of Name without route and dosage form; however, if none of the two is available, enter the prescription drug name by utilizing the field of PROPRIETARYNAME and not including the PROPRIETARYNAMESUFFIX in the NDC Database File from the FDA website, <https://www.fda.gov/drugs/informationondrugs/ucm142438.htm>.

2. Therapy Class

Enter the Therapy Class. This can be found in either Medispan or First Databank, such as GPI-4 description from Medispan (refer to Table 1), or the USP Category from the most recent USP DC YYYY file, <https://www.usp.org/healthcare-quality-safety>, by mapping Drug Name (shown as “Example Drugs”, “Example Part D Eligible Drugs” or “Name”) and USP Category shown step by step as below:

Table 1

GPI-4	Therapy Class
58-20	Tricyclic agents

For example, to get this information as of May 31, 2019:

Step 1. Please go to the link: <https://www.usp.org/healthcare-quality-safety>

Step 2. Please select “Drug Classification Resources” which can be found three items down on the left hand side of the screen and then click on “USP Drug Classification 2019”

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- Step 3. Please click on "Download the USP DC 2019", highlighted in purple
- Step 4. Please fill out the information and then click on "Submit" button
- Step 5. Please click on the hyperlink and then save it

3. National Drug Code

Enter the 11-digit, 3-segment-number national drug code(s). If there are more than one NDC, please use a comma(s) to separate them.

4. Number of Prescriptions in Descending Order

Enter the number of prescriptions in descending order (number of prescriptions is defined in the "Glossary").

5. Total Annual Plan Spending

Enter the total annual plan spending for claims incurred in one year prior to the reporting year and paid through the end of March of the following year which is the reporting year (total annual plan spending is defined in the "Glossary").

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**Top 25 Most Costly Drugs By Total Annual Plan Spending (CHSC
1367.243(a)(2)(B)/CIC 10123.205(a)(2)(B))**

No data needs to be entered in any of the cells shaded light blue. These are formula cells.

- ✓ *For each prescription drug name, calculate the total annual plan spending across all NDCs under or associated with the prescription drug name (i.e. NDC propriety name).*
- ✓ *Next, rank according to item #4 below, and then enter the prescription drug information into the template for each category, Generic, Brand Name, and Specialty, separately.*
- ✓ *NDC, Generic, Brand Name, and Specialty are defined in the “Glossary”.*

**Top 25 Most Costly Drugs by Total Annual Plan Spending
Complete for each category (Generic, Brand Name, and Specialty)**

1. Prescription Drug Name

If Medispan or First Databank is available, enter the prescription drug name by applying the field of Name without route and dosage form; however, if none of the two is available, enter the prescription drug name by utilizing the field of PROPRIETARYNAME and not including the PROPRIETARYNAMESUFFIX in the NDC Database File from the FDA website, <https://www.fda.gov/drugs/informationondrugs/ucm142438.htm>.

2. Therapy Class

Enter the Therapy Class. This can be found in either Medispan or First Databank, such as GPI-4 description from Medispan (refer to Table 1), or the USP Category from the most recent USP DC YYYY file, <https://www.usp.org/healthcare-quality-safety>, by mapping Drug Name (shown as “Example Drugs”, “Example Part D Eligible Drugs” or “Name”) and USP Category shown step by step as below:

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Step 4. Please fill out the information and then click on "Submit" button

Step 5. Please click on the hyperlink and then save it

3. National Drug Code

Enter the 11-digit, 3-segment-number national drug code(s). If there are more than one NDC, please use a comma(s) to separate them.

4. Total Annual Plan Spending in Descending Order

For each prescription drug name, enter the total annual plan spending for claims incurred in one year prior to the reporting year and paid through the end of March of the following year which is the reporting year in descending order.

5. Number of Prescriptions

Enter the number of prescriptions (defined in the "Glossary").

6. Total Annual Plan Spending in Descending Order

For each prescription drug name, enter the total annual plan spending for claims incurred in one year prior to the reporting year and paid through the end of March of the following year which is the reporting year in descending order.

7. Number of Prescriptions

Enter the number of prescriptions (defined in the "Glossary").

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The 25 Drugs With The Highest Year-Over-Year Increase In Total Annual Spending (CHSC 1367.243(a)(2)(C)/CIC 10123.205(a)(2)(C))

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- ✓ *For each prescription drug name, calculate the year-over-year dollar increase by total annual plan spending in one year prior to the reporting year minus total annual plan spending in two years prior to the reporting year across all NDCs under or associated with the prescription drug name (i.e., NDC propriety name).*

**For example, if the reporting year is 2018, then one year prior is 2017.*

- ✓ *For new drugs from one year prior to the reporting year, set total annual plan spending in two years prior to the reporting year to zero.*
- ✓ *Next, rank the year-over-year dollar increase according to item #4 below, and then enter the prescription drug information into the template for each category, Generic, Brand Name, and Specialty, separately.*
- ✓ *NDC, Generic, Brand Name, and Specialty are defined in the “Glossary.”*

The 25 Drugs with the Highest Year-Over-Year Increase in Total Annual Spending Complete for each category (Generic, Brand Name, and Specialty)

1. Prescription Drug Name

If Medispan or First Databank is available, enter the prescription drug name by applying the field of Name without route and dosage form; however, if none of the two is available, enter the prescription drug name by utilizing the field of PROPRIETARYNAME and not including the PROPRIETARYNAMESUFFIX in the NDC Database File from the FDA website, <https://www.fda.gov/drugs/informationondrugs/ucm142438.htm>.

2. Therapy Class

Enter the Therapy Class. This can be found in either Medispan or First Databank, such as GPI-4 description from Medispan (refer to Table 1), or the USP Category from the most recent USP DC YYYY file, <https://www.usp.org/healthcare-quality-safety>, by mapping Drug Name (shown as “Example Drugs”, “Example Part D Eligible Drugs” or “Name”) and USP Category shown step by step as below:

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58-20	Tricyclic agents

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Step 3. Please click on “Download the USP DC 2019”, highlighted in purple

Step 4. Please fill out the information and then click on “Submit” button

Step 5. Please click on the hyperlink and then save it.

3. National Drug Code

Enter the 11-digit, 3-segment-number national drug code(s). If there are more than one NDC, please use a comma(s) to separate them.

4. Year-over-Year Dollar Increase in Descending Order

Enter the year-over-year dollar increase by utilizing total annual plan spending in one year prior to the reporting year minus total annual plan spending in two years prior to the reporting year.

5. Total Annual Plan Spending in One Year Prior to The Reporting Year

Enter the total annual plan spending for claims incurred in one year prior to the reporting year and paid through the end of March of the following year which is the reporting year.

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**Summary: Overall Impact of Drug Costs on Health Care Premium (CHSC
1367.243(b)/CIC 10123.205(b))**

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For each item, follow the definitions in the “Glossary” to insert the necessary information appropriately.

**Aggregate Prescription Drug Information: Top 25 Prescription Drugs Related to
25 Most Frequent**

1. Total Dollar Paid Prescription Plan Cost

Enter the prescription plan costs for Generic dispensed at pharmacy in one year prior to the reporting year.

Enter the prescription plan costs for Brand Name dispensed at pharmacy in one year prior to the reporting year.

Enter the prescription plan costs for Specialty dispensed at pharmacy in one year prior to the reporting year.

Enter the prescription plan costs for Other dispensed at pharmacy in one year prior to the reporting year.

**Aggregate Prescription Drugs Information: Top 25 Prescription Drugs Related to
25 Most Costly**

2. Total Dollar Paid Prescription Plan Cost

Enter the prescription plan costs for Generic dispensed at pharmacy in one year prior to the reporting year.

Enter the prescription plan costs for Brand Name dispensed at pharmacy in one year prior to the reporting year.

Enter the prescription plan costs for Specialty dispensed at pharmacy in one year prior to the reporting year.

Enter the prescription plan costs for Other dispensed at pharmacy in one year prior to the reporting year.

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All Prescription Drugs

3. Total Dollar Annual Plan Spending

Enter the annual plan spending for Generic dispensed at pharmacy in one year prior to the reporting year.

Enter the annual plan spending for Brand Name dispensed at pharmacy in one year prior to the reporting year.

Enter the annual plan spending for Specialty dispensed at pharmacy in one year prior to the reporting year.

Enter the annual plan spending for Other dispensed at pharmacy in one year prior to the reporting year.

4. Total Dollar Paid Prescription Plan Cost

Enter the prescription plan costs for Generic dispensed at pharmacy in one year prior to the reporting year.

Enter the prescription plan costs for Brand Name dispensed at pharmacy in one year prior to the reporting year.

Enter the prescription plan costs for Specialty dispensed at pharmacy in one year prior to the reporting year.

Enter the prescription plan costs for Other dispensed at pharmacy in one year prior to the reporting year.

5. Total Number of Prescriptions

Enter the number of prescriptions for Generic dispensed at pharmacy in one year prior to the reporting year.

Enter the number of prescriptions for Brand Name dispensed at pharmacy in one year prior to the reporting year.

Enter the number of prescriptions for Specialty dispensed at pharmacy in one year prior to the reporting year.

Enter the number of prescriptions for Other dispensed at pharmacy in one year prior to the reporting year.

6. Total Member Months for Pharmacy Benefits Carve-in

Enter the total member months for pharmacy benefits carve-in in one year prior to the reporting year.

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7. List the drug types in Other, if any

Enter the drug types if the Other column is not zero.

Component of Premium for Pharmacy Benefits Carve-in and Medical Coverage

1. Paid Prescription Plan Cost

Enter the total dollar amount of prescription plan costs for claims incurred in one year prior to the reporting year paid through the end of March in the reporting year, and for claims incurred in two years prior to the reporting year in the reporting year, separately.

2. Paid Medical Plan Cost

Enter the total dollar amount of paid plan costs for medical claims incurred in one year prior to the reporting year paid through the end of March in the reporting year, and for medical claims incurred in two years prior to the reporting year in the reporting year, separately.

3. Manufacturer Rebate

Enter the total dollar amount of manufacturer rebate related to drug claims incurred in one year prior to the reporting year and drug claims incurred in two years prior to the reporting year, separately.

4. Administrative Expenses Excluding Total Commission Expenses

Enter the total dollar amount of administrative expenses (defined in the "Glossary") excluding commissions incurred in one year prior to the reporting year and administrative expenses excluding commissions incurred in two years prior to the reporting year, separately.

5. Total Commission Expenses

Enter the total dollar amount of total commission expenses incurred in one year prior to the reporting year and total commission expenses incurred in two years prior to the reporting year, separately.

6. Taxes and Fees

Enter the total dollar amount of taxes and fees incurred in one year prior to the reporting year and taxes and fees incurred in two years prior to the reporting year, separately.

7. Profit

Enter the total dollar amount of profit incurred in one year prior to the reporting year and profit incurred in two years prior to the reporting year, separately.

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8. Other

Enter the total dollar amount of the other items not included in items #1 through #7 above (Paid Prescription Plan Cost, Paid Medical Plan Cost, Manufacturer Rebate, Administrative Expenses Excluding Total Commission Expenses, Total Commission Expenses, Taxes and Fees, and Profit) attributable to premium incurred in one year prior to the reporting year and incurred in two years prior to the reporting year, separately. Include risk adjustments and quality improvement expenses in Other category.

9. Total Member Months for Pharmacy Benefits Carve-in

Enter the total member months for pharmacy benefit carve-in in one year prior to the reporting year and in two years prior to the reporting year, separately.