

From: [DMHC Licensing eFiling](#)
Subject: APL 18-011 (OFR) - SB 17 Prescription Drug Costs
Date: Friday, July 27, 2018 11:31:45 AM
Attachments: [APL18-011 \(OFR\) - Prescription Drug Costs SB 17.pdf](#)
[3. SB 17 Instructions for Large Group Prescription Drug Cost Reporting F....docx](#)
[4. SB 17 Large Group Prescription Drug Reporting Form.xlsx](#)
[5. SB 17 Glossary.xlsx](#)
[2. SB 17 Prescription Drug Cost Reporting Form for Commercial Plans.xlsm](#)

Dear Health Plan Representative,

Please find the attached All Plan Letter regarding the annual filing of SB 17 prescription drug cost information.

Thank you.



Edmund G. Brown Jr., Governor
State of California
Health and Human Services Agency
DEPARTMENT OF MANAGED HEALTH CARE
980 9th St., Ste. 500, Sacramento, CA 95814
Telephone: 916-324-8176 | Fax: 916-255-5241
www.HealthHelp.ca.gov

ALL PLAN LETTER

DATE: July 27, 2018

TO: All Commercial Full-Service Health Plans¹

FROM: Pritika Dutt, Deputy Director, Office of Financial Review

SUBJECT: APL 18-011 (OFR) Guidance Regarding Senate Bill 17 Reporting Requirements

Health and Safety Code section 1367.243, as amended by Senate Bill 17(2017–2018 Reg. Sess.) (SB 17), requires all licensed and regulated health care service plans (Plans) that file specific premium rate information with the Department of Managed Health Care (DMHC) to report specified cost information related to covered prescription drugs, including generic drugs, brand name drugs, and specialty drugs dispensed at pharmacies for outpatient use. Information reported by Plans must include the 25 most frequently prescribed drugs, the 25 most costly drugs, and the 25 drugs with the highest year-over-year increase in total plan spending.

In addition, SB 17 amends Health and Safety Code section 1385.045 to require all large group health care service plans to report to the DMHC specified prescription drug cost information, including the percent of the premium attributable to prescription drug costs and the year-over-year increase for drug prices compared to other components of the health care premium.

This letter provides guidance regarding the annual filing of SB 17 prescription drug cost information.

A. Timing

Plans shall comply with the new reporting and filing requirements on or before **October 1, 2018**. Subsequent reports are due by **October 1** of each year.

¹ This APL does not apply to specialized, Medi-Cal, Medicare or restricted plan products.

B. Content and Submissions

1. Prescription Drug Cost Reporting for Commercial Plans

Each Plan that offers commercial products in the individual, small group and/or large group markets must annually file with the DMHC the “SB 17 - Prescription Drug Cost Reporting Form for Commercial Plans” that discloses the information required by Health and Safety Code section 1367.243. Plans should submit the following completed documents via the DMHC’s eFiling web portal:

a. Exhibit E-1, Summary of eFiling Information

Plans should provide a brief description of the filing and exhibits included in the filing, including a narrative explaining the Plan’s measures to ensure compliance with section 1367.243.

b. Exhibit HH-33, SB 17 - Prescription Drug Cost Reporting Form for Commercial Plans

The DMHC created the attached template, instructions, and glossary of terms that Plans should use to submit prescription drug cost information for commercial plans. These documents are also located on the DMHC’s website at:

<http://www.dmhc.ca.gov/LicensingReporting/SubmitFinancialReports.aspx>

Plans shall populate the template and submit as Exhibit HH-33 on the DMHC’s eFiling web portal, to demonstrate compliance with section 1367.243. Exhibit HH-33 must be submitted in Excel format (xls). Please note that Exhibit HH-33 will be automatically marked and treated as confidential, without any requirement that Plans submit a “Request for Confidential Treatment” for Exhibit HH-33.

Plans shall submit the Exhibit E-1 and Exhibit HH-33 electronically to the DMHC as a **“Report/Other”** via the DMHC’s eFiling web portal as follows:

- Select “File Documents.”
- Select “New Filing” under Filing Type.
- Enter “SB 17 Report” under Description.
- Select “Report/Other” under Type from drop-down menu.

Follow the online instructions to upload document, then:

- Click on “Create Filing” and click on “Upload Document.”
- Select “SB 17 - Prescription Drug Costs Reporting Form for Commercial Plans – Confidential.”
- Attach the form under “Select File” and click “Upload.”

2. Prescription Drug Cost Filings for Large Groups

In addition to submitting the SB 17 - Prescription Drug Cost Reporting Form for Commercial Plans as described above in section B.1., every health plan that offers large group health care service plan contracts must annually file with the DMHC the "SB 17 - Large Group Prescription Drug Cost Reporting Form" that discloses the information required by Health and Safety Code section 1385.045(c)(4). Plans should submit completed documents through SERFF.

The DMHC created the attached template, instructions, and glossary of terms Plans should use to submit prescription drug cost information for large group plans. These documents are also located on the DMHC's website at:

<http://www.dmhc.ca.gov/LicensingReporting/SubmitFinancialReports.aspx>.

Plans should populate and submit the reporting form to demonstrate compliance with section 1385.045(c)(4). The "SB 17 - Large Group Prescription Drug Cost Reporting Form" should be submitted as an Excel document under the "Supporting Documentation" tab in SERFF. Please note this document will be made public.

This reporting form must accompany (be included in the same SERFF filing as) the "SB 546 - Large Group Annual Rate Data Reporting Form" filed with the DMHC.

If you have any questions about compliance with the reporting and filing requirements of SB 17, please contact Wayne Thomas, Chief Actuary, Office of Financial Review, at Wayne.Thomas@dmhc.ca.gov.

Attachments:

- SB 17 Instructions for Prescription Drug Cost Reporting Form for Commercial Plans
- SB 17 Prescription Drug Cost Reporting Form for Commercial Plans
- SB 17 Instructions for Large Group Prescription Drug Cost Reporting Form
- SB 17 Large Group Prescription Drug Reporting Form
- SB 17 Glossary

Cover Page

This report is confidential pursuant to CHSC 1367.243(f) or CIC 10123.205(f)

Line 1 – Reporting Year

Enter the reporting year.

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 – 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.

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))

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

Enter the prescription drug name by utilizing the field of PROPRIETARYNAME in the NDC Database File from the FDA website, <https://www.fda.gov/drugs/informationondrugs/ucm142438.htm>.

2. Therapy Class

Enter the therapy class which is the same as the field of Therapeutic Category in the USP Therapeutic Categories Model Guidelines from the FDA website, <https://www.fda.gov/RegulatoryInformation/LawsEnforcedbyFDA/SignificantAmendments-to-the-FDCA-Act/Food-and-Drug-Administration-Amendments-Act-of-2007/FDA-Implementation-Chart/ucm232402.htm>.

3. National Drug Code

Enter the unique one 1-digit, 3-segment-number national drug code. 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 paid through the end of March in the reporting year (total annual plan spending is defined in the “Glossary”).

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

Enter the prescription drug name by utilizing the field of PROPRIETARYNAME in the NDC Database File from the FDA website, <https://www.fda.gov/drugs/informationondrugs/ucm142438.htm>.

2. Therapy Class

Enter the therapy class which is the same as the field of Therapeutic Category in the USP Therapeutic Categories Model Guidelines from the FDA website, <https://www.fda.gov/RegulatoryInformation/LawsEnforcedbyFDA/SignificantAmendments-to-the-FDCA-Act/Food-and-Drug-Administration-Amendments-Act-of-2007/FDA-Implementation-Chart/ucm232402.htm>.

3. National Drug Code

Enter the unique one 1-digit, 3-segment-number national drug code. 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 paid through the end of March in the reporting year in descending order.

5. Number of Prescriptions

Enter the number of prescriptions (defined in the “Glossary”).

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))

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 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

Enter the prescription drug name by utilizing the field of PROPRIETARYNAME in the NDC Database File from the FDA website, <https://www.fda.gov/drugs/informationondrugs/ucm142438.htm>.

2. Therapy Class

Enter the therapy class which is the same as the Therapeutic Category field in the USP Therapeutic Categories Model Guidelines from the FDA website, <https://www.fda.gov/RegulatoryInformation/LawsEnforcedbyFDA/SignificantAmendments-to-the-FDCA/Act/FoodandDrugAdministrationAmendmentsActof2007/FDAAImplementationChart/ucm232402.htm>.

3. National Drug Code

Enter the unique one 1-digit, 3-segment-number national drug code. If there are more than one NDC, please use comma (,) 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 paid through the end of March in the reporting year

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

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

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.

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.

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 paid through the end of March 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 paid through the end of March 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 Related to Medical Claims and Prescription Drug Coverage

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

5. Other Expenses Related to Medical Claims and Prescription Drug Coverage

Enter the total dollar amount of the other expenses (e.g. taxes & fees) not included in items #1 through #4 above (Paid Prescription Plan Cost, Paid Medical Plan Cost, Manufacturer Rebate, and Administrative Expenses Related to Medical Claims and Prescription Drug Coverage) attributable to premium

incurred in one year prior to the reporting year and incurred in two years prior to the reporting year, separately.

7. 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.

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

This report is confidential pursuant to CHSC 1367.243(f) or CIC 10123.205(f)

1.	Reporting Year	2018
2.	DMHC Health Plan ID/CDI NAIC No.	
3.	Legal Name	
4.	DBA	
5.	Market Type: Report on all commercial lines of business combined; specify by checking the appropriate box(es) which markets are included:	<input type="checkbox"/> Individual <input type="checkbox"/> Small Group <input type="checkbox"/> Large Group

* Cells highlighted in light blue are formula.

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))

California Department of Managed Health Care/Department of Insurance
 SB 17 - Prescription Drug Cost Reporting Form for Commercial Plans
 For policies subject to CHSC 1367.243 or CIC 10123.205
 Top 25 Most Frequently Prescribed Drugs (CHSC 1367.243(a)(2)(A)/CIC 10123.205(a)(2)(A))
 Company Legal Name:
 Calendar Year: 2017

Generic

Rank	Prescription Drug Name	Therapy Class	National Drug Code	Number of Prescriptions in Descending Order	Total Annual Plan Spending
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
Total of All 25 Drugs (Generic)				0	\$0

Brand Name

Rank	Prescription Drug Name	Therapy Class	National Drug Code	Number of Prescriptions in Descending Order	Total Annual Plan Spending
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
Total of All 25 Drugs (Brand Name)				0	\$0

Specialty

Rank	Prescription Drug Name	Therapy Class	National Drug Code	Number of Prescriptions in Descending Order	Total Annual Plan Spending
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
Total of All 25 Drugs (Specialty)				0	\$0

California Department of Managed Health Care/Department of Insurance
 SB 17 - Prescription Drug Cost Reporting Form for Commercial Plans
 For policies subject to CHSC 1367.243 or CIC 10123.205
Top 25 Most Costly Drugs By Total Annual Plan Spending (CHSC 1367.243(a)(2)(B)/CIC 10123.205(a)(2)(B))

Company Legal Name:
 Calendar Year: 2017

Generic

Rank	Prescription Drug Name	Therapy Class	National Drug Code	Total Annual Plan Spending in Descending Order	Number of Prescriptions
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
Total of All 25 Drugs (Generic)				\$0	0

Brand Name

Rank	Prescription Drug Name	Therapy Class	National Drug Code	Total Annual Plan Spending in Descending Order	Number of Prescriptions
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
Total of All 25 Drugs (Brand Name)				\$0	0

Specialty

Rank	Prescription Drug Name	Therapy Class	National Drug Code	Total Annual Plan Spending in Descending Order	Number of Prescriptions
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
Total of All 25 Drugs (Specialty)				\$0	0

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

Company Legal Name:
 Calendar Year: 2017

Generic

Rank	Prescription Drug Name	Therapy Class	National Drug Code	Year-over-Year Dollar Increase in Descending Order	Year-over-Year % Increase	Total Annual Plan Spending in 1 Year Prior to The Reporting Year
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
Total of All 25 Drugs (Generic)				\$0	#DIV/0!	\$0

Brand Name

Rank	Prescription Drug Name	Therapy Class	National Drug Code	Year-over-Year Dollar Increase in Descending Order	Year-over-Year % Increase	Total Annual Plan Spending in 1 Year Prior to The Reporting Year
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
Total of All 25 Drugs (Brand Name)				\$0	#DIV/0!	\$0

Specialty

Rank	Prescription Drug Name	Therapy Class	National Drug Code	Year-over-Year Dollar Increase in Descending Order	Year-over-Year % Increase	Total Annual Plan Spending in 1 Year Prior to The Reporting Year
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
Total of All 25 Drugs (Specialty)				\$0	#DIV/0!	\$0

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

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

Company Legal Name:
 Calendar Year: 2017

Aggregate Prescription Drugs Information

Top 25 Prescription Drugs Related to 25 Most Frequent		Dispensed at Pharmacy				
		Generic	Brand Name	Specialty	Other	Total
1	Total Dollar Paid Prescription Plan Cost					\$0

Top 25 Prescription Drugs Related to 25 Most Costly		Dispensed at Pharmacy				
		Generic	Brand Name	Specialty	Other	Total
2	Total Dollar Paid Prescription Plan Cost					\$0

All Prescription Drugs		Dispensed at Pharmacy				
		Generic	Brand Name	Specialty	Other	Total
3	Total Dollar Annual Plan Spending					\$0
4	Total Dollar Paid Prescription Plan Cost					\$0
5	Total Number of Prescriptions					-
6	Total Member Months for Pharmacy Benefits Carve-in					

7	List the drug types in Other, if any	
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		2017	2016
Component of Premium for Pharmacy Benefits Carve-in and Medical Coverage		Total Dollars	Total Dollars
1	Paid Prescription Plan Cost		
2	Paid Medical Plan Cost		
3	Manufacturer Rebate (Negative)		
4	Administrative Expenses Related to Medical Claims and Prescription Drug Coverage		
5	Other Expenses Related to Medical Claims and Prescription Drug Coverage		
6	Total Health Care Premium = sum((1) through (5))	\$0	\$0
7	Total Member Months for Pharmacy Benefits Carve-in		

**California Department of Managed Health Care/Department of Insurance
 SB 17 - Large Group Prescription Drug Cost Reporting Form Instructions
 For policies subject to CHSC 1385.045 or CIC 10181.45
 Date: 7/16/2018**

Cover Page

Line 1 – Reporting Year
 Enter the reporting year.

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 – 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.

Tab Name	Worksheet
PharmPctPrem	Percent of Premium Attributable to Prescription Drug Costs
YoYTotalPlanSpnd	Year-Over-Year Increase, as a Percentage, in Per Member Per Month, Total Health Plan Spending
YoYCompofPrem	Year-Over-Year Increase in Per Member Per Month Costs for Drug Prices Compared to Other Components of Health Care Premium
SpecTierForm	Specialty Tier Formulary List
PharmDocOff	Percent of Premium Attributable To Drugs Administered in Doctor’s Office
PharmBenMgr	Health Plan/Insurer Uses of Prescription Drug Benefit Manager

California Department of Managed Health Care/Department of Insurance
SB 17 - Large Group Prescription Drug Cost Reporting Form Instructions
For policies subject to CHSC 1385.045 or CIC 10181.45
Date: 7/16/2018

Percent of Premium Attributable to Prescription Drug Cost

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

*PMPM is per member **having pharmacy benefits carve-in** per month, unless specified otherwise.*

Use actual information or a reasonable approximation when actual information is not available.

Covered Prescription Drug Categories

Includes Plan Pharmacy, Network Pharmacy, and Mail Order Pharmacy for Outpatient Use

1. Generic Drugs - Excluding Specialty Generic Drugs

Enter Total Paid Dollar Amount (PMPM) which is defined in the "Glossary" for generic drugs (excluding specialty generic drugs).

2. Brand Name Drugs - Excluding Specialty Brand Name Drugs

Enter Total Paid Dollar Amount (PMPM) which is defined in the "Glossary" for brand name drugs (excluding specialty brand name drugs).

3. Generic and Brand Name Specialty Drugs

Enter Total Paid Dollar Amount (PMPM) which is defined in the "Glossary" for specialty drugs.

4. Pharmacy Manufacturer Rebate Amount

Enter Pharmacy Manufacturer Rebate Amount (PMPM) for prescription drugs. If health plans/insurers receive rebate payments, the amount entered should be negative.

Total Health Care Paid Premiums with Pharmacy Benefits Carve-in

Enter the reporting year Total Health Care Paid Premiums (PMPM).

California Department of Managed Health Care/Department of Insurance
SB 17 - Large Group Prescription Drug Cost Reporting Form Instructions
For policies subject to CHSC 1385.045 or CIC 10181.45
Date: 7/16/2018

Year-Over-Year Increase, as a Percentage, in Per Member Per Month, Total Health Plan Spending

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

*PMPM is per member **having pharmacy benefits carve-in** per month, unless specified otherwise.*

Use actual information or a reasonable approximation when actual information is not available.

Covered Prescription Drug Categories

Includes Plan Pharmacy, Network Pharmacy, and Mail Order Pharmacy for Outpatient Use

1. Generic Drugs - Excluding Specialty Generic Drugs

Enter the reporting year Total Annual Plan Spending Dollar Amount (PMPM) for generic drugs (excluding specialty generic drugs).

Enter the one year prior to the reporting year Total Annual Plan Spending Dollar Amount (PMPM) for generic drugs (excluding specialty generic drugs).

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

2. Brand Name Drugs - Excluding Specialty Brand Name Drugs

Enter the reporting year Total Annual Plan Spending Dollar Amount (PMPM) for brand name drugs (excluding specialty brand name drugs).

Enter the one year prior to the reporting year Total Annual Plan Spending Dollar Amount (PMPM) for brand name drugs (excluding specialty brand name drugs).

3. Generic and Brand Name Specialty Drugs

Enter the reporting year Total Annual Plan Spending Dollar Amount (PMPM) for specialty drugs.

Enter the one year prior to the reporting year Total Annual Plan Spending Dollar Amount (PMPM) for specialty drugs.

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4. Pharmacy Manufacturer Rebate

Enter the reporting year Pharmacy Manufacturer Rebate Dollar Amount (PMPM) for prescription drugs.

Enter the one year prior to the reporting year the Pharmacy Manufacturer Rebate Dollar Amount (PMPM) for prescription drugs.

Total Health Care Paid Premiums with Pharmacy Benefits Carve-in

Enter the reporting year Total Health Care Paid Premiums (PMPM).

Enter the one year prior to the reporting year Total Health Care Paid Premiums (PMPM).

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**Year-Over-Year Increase in Per Member Per Month Costs for Drug Prices
Compared to Other Components of Health Care Premium**

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

*PMPM is per member **having pharmacy benefits carve-in** per month, unless specified otherwise.*

Use actual information or a reasonable approximation when actual information is not available.

Components of Health Care Premium with Pharmacy Benefits Carve-in

1. Paid Plan Costs - Prescription Drugs Dispensed at Pharmacy

Enter the reporting year Paid Plan Cost - Prescription Drugs Dispensed at Pharmacy (PMPM).

Enter the one year prior to the reporting year Paid Plan Cost - Prescription Drugs Dispensed at Pharmacy (PMPM).

2. Paid Plan Cost - Prescription Drugs Administered in Doctor's Office (if available)

Covered under the medical benefit as separate from the pharmacy benefit, if available.

Enter the reporting year Paid Plan Cost - Prescription Drugs Administered in Doctor's Office (PMPM), if available.

Enter the one year prior to the reporting year Paid Plan Cost - Prescription Drugs Administered in Doctor's Office (PMPM), if available.

3. Pharmacy Manufacturer Rebate

Enter the reporting year Pharmacy Manufacturer Rebate (PMPM). If health plans/insurers receive rebate payments, the amount entered should be negative.

Enter the one year prior to the reporting year Pharmacy Manufacturer Rebate (PMPM). If health plans/insurers receive rebate payments, the amount should be negative.

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4. Paid Plan Cost - Medical Benefits Excludes Prescription Drugs

Enter the reporting year Paid Plan Cost - Medical Benefits Excludes Prescription Drugs (PMPM).

Enter the one year prior to the reporting year Paid Plan Cost - Medical Benefits Excludes Prescription Drugs (PMPM).

5. Administration Cost Excluding Total Commission Expenses

Enter the reporting year administration cost (PMPM) for medical and pharmacy benefits.

Enter the one year prior to the reporting year administration cost (PMPM) for medical and pharmacy benefits.

6. Total Commission Expenses

Enter the reporting year total commission expenses (PMPM) for medical and pharmacy benefits.

Enter the one year prior to the reporting year total commission expenses (PMPM) for medical and pharmacy benefits.

7. Taxes and Fees

Enter the reporting year taxes and fees (PMPM) for medical and pharmacy benefits.

Enter the one year prior to the reporting year taxes and fees (PMPM) for medical and pharmacy benefits.

8. Profit/Other

Enter the reporting year profit/other attributable to premium (PMPM) for medical and pharmacy benefits.

Enter the one year prior to the reporting year profit/other attributable to premium (PMPM) for medical and pharmacy benefits.

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Total Member Months

Prescription Drugs Coverage

Enter the reporting year member months for prescription benefits carve-in.

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

Medical Coverage (regardless of pharmacy benefits carve-in coverage)

Enter the reporting year member months for medical coverage.

Enter the one year prior to the reporting year member months for medical coverage.

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Specialty Tier Formulary List

Use actual information or a reasonable approximation when actual information is not available.

1. Prescription Drug Name

Enter the Prescription Drug Name for specialty tier formulary drugs by utilizing the field of PROPRIETARYNAME in the NDC Database File from the FDA website, <https://www.fda.gov/drugs/informationondrugs/ucm142438.htm>.

2. Therapy Class

Enter the Therapy Class which is the same as the field of Therapeutic Category in the USP Therapeutic Categories Model Guidelines from the FDA website, <https://www.fda.gov/RegulatoryInformation/LawsEnforcedbyFDA/SignificantAmendmentstotheFDCAct/FoodandDrugAdministrationAmendmentsActof2007/FDAImplementationChart/ucm232402.htm>.

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Percent of Premium Attributable To Drugs Administered in Doctor's Office

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

*PMPM is per member **having pharmacy benefits carve-in** per month, unless specified otherwise.*

Use actual information or a reasonable approximation when actual information is not available.

Benefits Categories

1. Drug Benefits Covered as Part of Medical Benefits Administered in Doctor's Office, if available

Covered under the medical benefit as separate from the pharmacy benefit, if available.

Enter Paid Dollar Amount (PMPM) for drugs administered in doctor's office.

2. Total Medical/Pharmacy Benefits

Enter Paid Dollar Amount (PMPM) for medical and pharmacy benefits.

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Health Plan/Insurer Uses of Prescription Drug Benefit Manager

Use actual information or a reasonable approximation when actual information is not available.

Health Plan/Insurer Uses of Prescription Drug Benefit Manager (PBM)

- A. (i) Does the health plan/insurer utilize a pharmacy benefit manager (PBM) for prescription drug services to its employees?

Indicate “Yes” or “No” by checking one of the boxes.

If yes, please provide responses to the remaining questions on this page.

- (ii) Please provide the name(s) of the PBM(s) utilized by the health plan and select the functions delegated to the PBM(s).

For each of the functions (i.e. utilization management, claim processing and provider dispute resolutions, enrollee grievances), please select either the “Yes” or “No” indicator in the drop-down boxes.

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1.	Reporting Year	2018
2.	DMHC Health Plan ID/CDI NAIC No.	
3.	Legal Name	
4.	DBA	

* Cells highlighted in light blue are formula.

Tab Name	Worksheet
PharmPctPrem	Percent of Premium Attributable to Prescription Drug Costs
YoYTotalPlanSpnd	Year-Over-Year Increase, as a Percentage, in Per Member Per Month, Total Health Plan Spending
YoYCompofPrem	Year-Over-Year Increase in Per Member Per Month Costs for Drug Prices Compared to Other Components of Health Care Premium
SpecTierForm	Specialty Tier Formulary List
PharmDocOff	Percent of Premium Attributable To Drugs Administered in a Doctor's Office
PharmBenMgr	Health Plan/Insurer Uses of Prescription Drug Benefit Manager

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Percent of Premium Attributable to Prescription Drug Costs
(Subsection (c)(4)(A)(i))

Company Legal Name:
Calendar Year: 2018

Includes Plan Pharmacy, Network Pharmacy, and Mail Order Pharmacy for Outpatient Use		
Covered Prescription Drug Categories	Total Paid Dollar Amount (PMPM)	Percent of Paid Premium Attributable to Prescriptions Drug Costs
1. Generic Drugs - Excluding Specialty Generic Drugs		#DIV/0!
2. Brand Name Drugs - Excluding Specialty Brand Name Drugs		#DIV/0!
3. Generic and Brand Name Specialty Drugs		#DIV/0!
Total (= 1+2+3)	\$0.00	#DIV/0!
4. Pharmacy Manufacturer Rebate Amount (negative)		#DIV/0!

	2018
Total Health Care Paid Premiums with pharmacy benefits carve-in (PMPM)	

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Year-Over-Year Increase, as a Percentage, in Per Member Per Month, Total Health Plan Spending
(Subsection (c)(4)(A)(ii))

Company Legal Name:
Calendar Year: 2018

Includes Plan Pharmacy, Network Pharmacy, and Mail Order Pharmacy for Outpatient Use			
Covered Prescription Drug Categories	2018 Total Annual Plan Spending Dollar Amount (PMPM)	2017 Total Annual Plan Spending Dollar Amount (PMPM)	Year-Over-Year Increase (%) in Total Annual Plan Spending
1. Generic Drugs - Excluding Specialty Generic Drugs			#DIV/0!
2. Brand Name Drugs - Excluding Specialty Brand Name Drugs			#DIV/0!
3. Generic and Brand Name Specialty Drugs			#DIV/0!
Total = (1+2+3)	\$0.00	\$0.00	#DIV/0!
Pharmacy Manufacturer Rebate Amount (negative)			#DIV/0!

	2018	2017	Year-Over-Year Increase (%)
Total Health Care Paid Premiums with pharmacy benefits carve-in (PMPM)			#DIV/0!

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Year-Over-Year Increase in Per Member Per Month Costs for Drug Prices Compared
to Other Components of Health Care Premium
(Subsection (c)(4)(A)(iii))

Company Legal Name:
Calendar Year: 2018

Components of Total Health Care Paid Premiums with pharmacy benefits carve-in (PMPM)	2018 (PMPM)	2017 (PMPM)	Year-Over-Year Increase (PMPM) in Total Annual Plan Spending
1) Paid Plan Cost - Prescription Drugs (dispensed at pharmacy)			\$0.00
2) Paid Plan Cost - Prescription Drugs, if available (administered in doctor's office)			\$0.00
3) Pharmacy Manufacturer Rebate (Negative)			\$0.00
4) Paid Plan Cost - Medical Benefits Excludes Prescription Drugs above (1) & (2)			\$0.00
5) Administration Cost Excluding Total Commission Expenses			\$0.00
6) Total Commission Expenses			\$0.00
7) Taxes and Fees			\$0.00
8) Profit/Other			\$0.00
9) Total Health Care Premium with pharmacy benefits carve-in	\$0.00	\$0.00	\$0.00
Total Member Months	2018	2017	
Prescription Drugs Coverage			
Medical Coverage (regardless of pharmacy benefits carve-in coverage)			

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Percent of Premium Attributable To Drugs Administered in a Doctor's Office
(Subsection (c)(4)(B))

Company Legal Name:
Calendar Year: 2018

Benefits Categories	Paid Dollar Amount (PMPM)	Percent of Paid Premium
(1) Drug Benefits Covered as Part of Medical Benefits Administered in Doctor's Office, if available		#DIV/0!
(2) Total Medical/Pharmacy Benefits		#DIV/0!
Total Health Care Paid Premiums with pharmacy benefits carved-in (PMPM)	\$0.00	

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Health Plan/Insurer Uses of Prescription Drug Benefit Manager
(Subsection (c)(4)(C)(I) & (c)(4)(C)(ii))

Company Legal Name:
Calendar Year: 2018

A. (i) Does the health plan utilize a pharmacy benefit manager (PBM) to prescription drug services to its enrollees?

Yes No

If yes, please provide responses to the remaining questions on this page.

(ii) Please provide the name(s) of the PBM(s) utilized by the health plan and select the functions delegated to the PBM(s).			
Name(s) of PBM(s)	Functions Delegated to PBM(s)		
	Utilization management	Claim processing and provider dispute resolutions	Enrollee grievances

SB 17 Prescription Drug Glossary

Term	Definition	Source	Link
Administrative Expenses/Costs	Business expenses associated with general administration, agents/brokers fees and commissions, direct sales salaries, workforce salaries and benefits, loss adjustment expenses, cost containment expenses, and community benefit expenditures.	Federal MLR definition: 45 CFR 158.160	https://www.ecfr.gov/cgi-bin/text-idx?SID=6ea1241a2b8614a67ad2f095f440d710&mc=true&node=se45.1.158_1160&rgn=div8
Allowed Dollar Amount	Total payments made under the policy to health care providers on behalf of covered members, including payments made by issuers and member cost sharing.	Healthcare.gov Glossary	https://www.healthcare.gov/glossary/allowed-amount/
Annual Plan Spending	Total payments made under the policy to health care providers on behalf of covered members and include payments made by issuers and member cost sharing = Allowed Dollar Amount.	Healthcare.gov Glossary	https://www.healthcare.gov/glossary/allowed-amount/
Biological Product	Biological products are regulated by the Food and Drug Administration (FDA) and are used to diagnose, prevent, treat, and cure diseases and medical conditions. Biological products are a diverse category of products and are generally large, complex molecules. These products may be produced through biotechnology in a living system.	FDA	https://www.fda.gov/Drugs/DevelopmentApprovalProcess/HowDrugsareDevelopedandApproved/ApprovalApplications/TherapeuticBiologicApplications/Biosimilars/ucm580419.htm
Biosimilar Product	A biosimilar is a biological product that is highly similar to and has no clinically meaningful differences from an existing FDA-approved reference product. Treat this as Generic, unless the plan- or insurer-negotiated monthly cost exceeds the threshold for a Specialty Drug.	FDA	https://www.fda.gov/Drugs/DevelopmentApprovalProcess/HowDrugsareDevelopedandApproved/ApprovalApplications/TherapeuticBiologicApplications/Biosimilars/ucm580419.htm
Brand Name Drug	Medications protected by patents that grant their makers exclusive marketing rights for several years. When patents expire, other manufacturers can sell generic copies at lower prices.	AARP Medicare Part D Glossary	https://www.aarp.org/health/medicare-insurance/info-11-2009/Medicare_partD_guide_glossary.html
Dispensed at Pharmacy	Dispensed at a plan pharmacy, network pharmacy, or mail order pharmacy for outpatient use.	SB 17	https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB17
Formulary	List of drugs used to treat patients in a drug benefit plan. Products listed on a formulary are covered for reimbursement at varying levels.	PBMI Drug Glossary	https://www.pbmi.com/PBMI/Services/Drug_Benefit_Glossary/PBMI/Services/Drug_Benefit_Glossary.aspx?hkey=1051fab4-063f-4ae3-a95b-70cd0476f1db
Generic Drug	A generic drug is a medication created to be the same as an already marketed brand name drug in dosage, form, safety, strength, route of administration, quality, performance characteristics, and intended use. These similarities help to demonstrate bioequivalence, which means that a generic medicine works in the same way and provides the same clinical benefit as its brand name version. In other words, you can take a generic medicine as an equal substitute for its brand name counterpart.	FDA	https://www.fda.gov/Drugs/ResourcesForYou/Consumers/QuestionsAnswers/ucm100100.htm
Interchangeable Product	An interchangeable product is a biosimilar product that meets additional requirements outlined by the Biologics Price Competition and Innovation Act.	FDA	https://www.fda.gov/Drugs/DevelopmentApprovalProcess/HowDrugsareDevelopedandApproved/ApprovalApplications/TherapeuticBiologicApplications/Biosimilars/ucm580419.htm
Mail Order	Licensed pharmacy established to dispense maintenance medications for chronic use in quantities greater than normally purchased at a retail pharmacy. The mail order pharmacy usually uses highly automated equipment so that non-pharmacists perform many routine tasks. As a result, mail order can typically dispense medication at a lower cost per prescription.	PBMI Drug Glossary	https://www.pbmi.com/PBMI/Services/Drug_Benefit_Glossary/PBMI/Services/Drug_Benefit_Glossary.aspx?hkey=1051fab4-063f-4ae3-a95b-70cd0476f1db

SB 17 Prescription Drug Glossary

Term	Definition	Source	Link
National Drug Code (NDC)	<p>Numeric system to identify drug products in the United States. A drug's NDC number is often expressed using a 3-segment-number where the first segment identifies the manufacturer, the second identifies the product and strength, and the last identifies the package size and type.</p> <p>If the NDC on the package label is less than 11 digits, then add a leading zero to the appropriate segment to create a 5-4-2 segment number. Example.</p> <p>Label Configuration Add leading zero, Remove hyphens 4-4-2 (xxxx-xxxx-xx) 0xxxxxxxx (5-4-2) 5-3-2 (xxxx-xxx-xx) xxxxx0xxxx (5-4-2) 5-4-1 (xxxx-xxxx-x) xxxxxxxx0x (5-4-2)</p>	PBMI Drug Glossary	https://www.pbmi.com/PBMI/Services/Drug_Benefit_Glossary/PBMI/Services/Drug_Benefit_Glossary.aspx?hkey=1051fab-a-063f-4ae3-a95b-70cd0476f1db
Number of Prescriptions (# of Prescriptions)	<p>30-day supply is treated as a unit. The range is as follows:</p> <ul style="list-style-type: none"> - Between 1- to 30-day supply is 1 unit - Between 31- to 60-day supply is 2 units - More than 60-day supply will be 3 units. 		
Paid Plan Claim (Paid Plan Cost)	Allowed Dollar Amount minus the member cost-sharing amount = Incurred Costs. (If this Term is related to drug cost only, excludes Manufacturer Rebate).		
Paid Dollar Amount	Allowed Dollar Amount minus the member cost-sharing amount = Incurred Costs. (If this Term is related to drug cost only, excludes Manufacturer Rebate).		
Pharmacy Benefits Carve-In	<p>Management of the drug benefit is included with the management of the medical benefit, using a single entity and contract to administer both benefits.</p> <p>Carve-Out: Management of the drug benefit is separate from the management of the medical benefit, using two different entities or two separate contracts to administer the benefits.</p>	PBMI Drug Glossary	https://www.pbmi.com/PBMI/Services/Drug_Benefit_Glossary/PBMI/Services/Drug_Benefit_Glossary.aspx?hkey=1051fab-a-063f-4ae3-a95b-70cd0476f1db
Pharmacy Benefit Manager (PBM)	Organization dedicated to administering prescription benefit management services to employers, health plans, third-party administrators, union groups, and other plan sponsors. A full-service PBM maintains eligibility, adjudicates prescription claims, provides clinical services and customer support, contracts and manages pharmacy networks, and provides management reports.	PBMI Drug Glossary	https://www.pbmi.com/PBMI/Services/Drug_Benefit_Glossary/PBMI/Services/Drug_Benefit_Glossary.aspx?hkey=1051fab-a-063f-4ae3-a95b-70cd0476f1db
Prescription Drug	"Prescription drug" or "drug" means a self-administered drug approved by the FDA for sale to the public through retail or mail order pharmacies that requires a prescription and is not provided for use on an inpatient basis or administered in a clinical setting or by a licensed health care provider. The term includes: (i) disposable devices that are medically necessary for the administration of a covered prescription drug, such as spacers and inhalers for the administration of aerosol outpatient prescription drugs; (ii) syringes for self-injectable prescription drugs that are not dispensed in pre-filled syringes; (iii) drugs, devices, and FDA-approved products covered under the prescription drug benefit of the product pursuant to sections 1367.002 and 1367.25 of the Health and Safety Code, including any such over-the-counter drugs, devices, and FDA-approved products; and (iv) at the option of the health care service plan, any vaccines or other health benefits covered under the prescription drug benefit of the product.	FDA	https://www.fda.gov/Drugs/ResourcesForYou/Consumers/QuestionsAnswers/ucm100101.htm
Reference Product	A reference product is the single biological product, already approved by FDA, against which a proposed biosimilar product is compared. A reference product is approved based on, among other things, a full complement of safety and effectiveness data. Treat this as Brand Name or Brand Name Specialty.	FDA	https://www.fda.gov/Drugs/DevelopmentApprovalProcess/HowDrugsareDevelopedandApproved/ApprovalApplications/TopicalAndInjectableBiologics/ucm100101.htm
Retail	Medications are purchased at a retail pharmacy.		
Specialty Drug	A drug with a plan- or insurer-negotiated monthly cost that exceeds the threshold for a specialty drug under the Medicare Part D program (Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173)). In 2018, the threshold amount is \$670 for a one-month supply.	SB 17	https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2018.pdf