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# CITIZENS SUMMARY

## Findings in the Audit of the Department of Social Services Prescription Drug Oversight

Prescription Drug Cost Trends	The Missouri's Medical Assistance Program (Medicaid), Children's Health Insurance Program (CHIP), and the Missouri Rx (MORx) program processed approximately 33.2 million prescription drug claims totaling \$959 million during calendar year 2016. Missouri's Medicaid and CHIP programs cover the costs of outpatient prescription drugs for participants on a fee-for-service basis. In calendar year 2016, the cost of outpatient prescription drugs for Missouri's Medicaid and CHIP participants totaled over \$953 million and represented 14 percent of all Medicaid and CHIP spending. To respond to increased demand and higher costs for prescription drugs, the Department of Social Services (DSS) has developed several processes to control the costs of drug prescriptions including, but not limited to, providing incentives to pharmacies who dispense generic drugs instead of brand name drugs, implementing processing edits in the claims processing system to require the usage of lower cost drugs before higher cost drugs, and actively seeking supplemental rebate opportunities. After peaking in 2015, prescription drug payments decreased in calendar year 2016 and decreased further in 2017.
Prescription Drug Monitoring Programs	Missouri does not have a comprehensive statewide prescription drug monitoring program (PDMP) to help the Department of Social Services identify Medicaid and CHIP prescription drug fraud and abuse. Prior to July 2017, Missouri was the only state in the nation that did not have a statewide PDMP. St. Louis County, through the County Department of Public Health, established a PDMP in March 2016 due to a lack of a statewide PDMP.
Physician-Administered Drugs	The DSS did not implement system controls to require collection of national drug codes for all physician-administered drug claims, which limits the ability of the DSS to bill the prescription drug manufacturers for rebates for those drug claims.
Excluded Drug Claims	The DSS controls are not sufficient to deny all drug claims for drugs excluded from the Medicaid program.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.