Magellan Rx Management’s Fourth Annual Medicaid Pharmacy Trend Report Details Trends in Medicaid Fee-for-Service Pharmacy Programs

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SCOTTSDALE, Ariz.--(BUSINESS WIRE)--Sep. 17, 2019-- Magellan Rx Management, the full-service pharmacy benefits management division of Magellan Health, Inc. (NASDAQ: MGLN), today released its fourth annual Medicaid Pharmacy Trend ReportTM, the industry's leading report that is developed through in-depth data analysis and supported by Magellan’s broad national experience managing fee-for-service (FFS) Medicaid pharmacy programs.

To stay ahead of trends, this year's report outlines emerging and innovative state strategies for managing high-cost Medicaid prescription drugs. The report now includes a forecast of the top key conditions in Medicaid along with a pipeline analysis of drugs expected to impact the Medicaid program.

Key findings in this year’s report include:

- Specialty net trend of 6.1 percent, up slightly over last year, continued to contribute positively to the overall net trend, but is well below the 20.5 percent net trend we saw in 2016.
- Traditional net trend declined from -5.1 percent in 2016 to -2.6 percent in 2018. Even with the negative trend, it is not declining at the same pace as the previous two years.
- The average net cost per claim was nearly flat at 0.8 percent change, compared to -4.4 percent in 2017.
- Magellan Rx’s new analytics product, MRx Predict, shows the overall gross trend is expected to marginally rise from 2018 as new, groundbreaking therapies, and specialty drugs continue to create upward pressure.

“The Medicaid Trend Report is an effective tool in providing states with data and solutions to better manage cost trends and improve budget predictability for their Medicaid FFS pharmacy benefit management program,” said Doug Brown, vice president and chief strategy officer, government markets, Magellan Health. “The report examines drug classes with the largest effect on Medicaid net spend, cost-saving opportunities and a detailed look at how recent legislative and state program innovation has and will affect the Medicaid program.”

To learn more about the current market trends and implications relating to the unique Medicaid fee-for-service population, register for our upcoming webinar here.

The Magellan Rx Management Medicaid Pharmacy Trend Report includes data derived from Magellan’s fee-for-service Medicaid pharmacy programs in 24 states and the District of Columbia. Magellan Rx Management is a full-service, next generation PBM with a value-driven approach that moves past the traditional volume-focused thinking to deliver meaningful solutions. Magellan Rx Management services expand beyond traditional core services to help their customers and members solve complex pharmacy challenges by connecting them to the people, technology and information they need to make smarter healthcare decisions. As pioneers in managing specialty spend both on the prescription and medical benefit, Magellan Rx Management is effectively-positioned to continue delivering thought-leading solutions in this complex and rapidly growing area of healthcare to help people live healthier lives.

About Magellan Health: Magellan Health, Inc., a Fortune 500 company, is a leader in managing the fastest growing, most complex areas of health, including special populations, complete pharmacy benefits and other specialty areas of healthcare. Magellan supports innovative ways of accessing better health through technology, while remaining focused on the critical personal relationships that are necessary to achieve a healthy, vibrant life. Magellan’s customers include health plans and other managed care organizations, employers, labor unions, various military and governmental agencies and third-party administrators. For more information, visit MagellanHealth.com.

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