



Department of Health Care Services
Pharmacy Benefits Division

MEMORANDUM

DATE: August 11, 2015

FROM: Harry Hendrix, Jr., Chief
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SUBJECT: Annual Report Required by Welfare and Institutions Code Section 14105.34

This memorandum serves as the annual report from the Department of Health Care Services (DHCS) for specified Medi-Cal pharmacy costs or Medi-Cal drug costs for state fiscal years 2006-07 through 2013-14. This annual report is mandated by Welfare & Institutions Code Section 14105.34, which states:

- (a) The department shall provide for an annual written report of Medi-Cal pharmacy costs or Medi-Cal drug costs, as defined in subdivision (e) of Section 14105.31.
- (b) The annual report shall be consistent with the relevant sections of the Quarterly Report of Expenditures for the Medi-Cal Assistance Program, known as the CMS-64 Report, provided to the federal Centers for Medicare and Medicaid Services. The report shall include the following expenditure and receipt information:
 - (1) The total annual rebate amounts received by the department pursuant to agreements with the federal Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services.
 - (2) The total annual rebate amounts received pursuant to state contracts with drug manufacturers.
 - (3) Total drug cost amounts upon which rebate payments were made.

The annual report for 2014-15, and ongoing years, will be posted on the DHCS [Pharmacy Benefits webpage](#) in January of the following year.

Attachment

California Department of Health Care Services
Annual Medi-Cal Drug Cost and Rebate Report
 Required by Welfare & Institutions Code Section 14105.34
 State Fiscal Years (SFYs) 2006-2007 through 2013-2014

<i>Fiscal Year</i>	<i>Prescribed Drugs*</i>			<i>Rebates</i>		
	<i>Title XIX</i>	<i>Title XXI</i>	<i>Total</i>	<i>Federal</i>	<i>State</i>	<i>Total</i>
SFY 2013-14	\$ 2,720,001,359	\$ 59,833,884**	\$ 2,779,835,243	\$ (1,929,142,334)	\$ (185,638,444)	\$ (2,114,780,778)
SFY 2012-13	\$ 2,420,238,825	\$ 18,340,510	\$ 2,438,579,335	\$ (1,763,584,928)	\$ (151,682,442)	\$ (1,915,267,370)
SFY 2011-12	\$ 2,843,905,258	\$ 10,323,849	\$ 2,854,229,107	\$ (1,655,518,708)	\$ (137,968,901)	\$ (1,793,487,609)
SFY 2010-11	\$ 3,324,691,026	\$ 12,550,332	\$ 3,337,241,358	\$ (1,562,031,944)	\$ (192,915,925)	\$ (1,754,947,869)
SFY 2009-10	\$ 3,029,420,105	\$ 9,305,804	\$ 3,038,725,909	\$ (1,231,686,940)	\$ (239,494,833)	\$ (1,471,181,773)
SFY 2008-09	\$ 3,100,078,495	\$ 15,987,642	\$ 3,116,066,137	\$ (1,076,722,778)	\$ (294,213,145)	\$ (1,370,935,923)
SFY 2007-08	\$ 2,969,247,209	\$ 18,363,899	\$ 2,987,611,108	\$ (869,695,745)	\$ (319,331,677)	\$ (1,189,027,422)
SFY 2006-07	\$ 2,651,913,364	\$ 14,969,999	\$ 2,666,883,363	\$ (735,030,207)	\$ (348,539,652)	\$ (1,083,569,859)

Source: Data as of April 5 & 6, 2015, reported quarterly to the federal Centers for Medicare and Medicaid Services on Line 7 of the CMS-64 Quarterly Expense Report

*All amounts listed under Prescribed Drugs represent amounts prior to rebates.

**The dramatic increase in Title XXI prescribed drugs from 2012-13 to 2013-14 is largely due to the transition of Healthy Families children to Medi-Cal.