



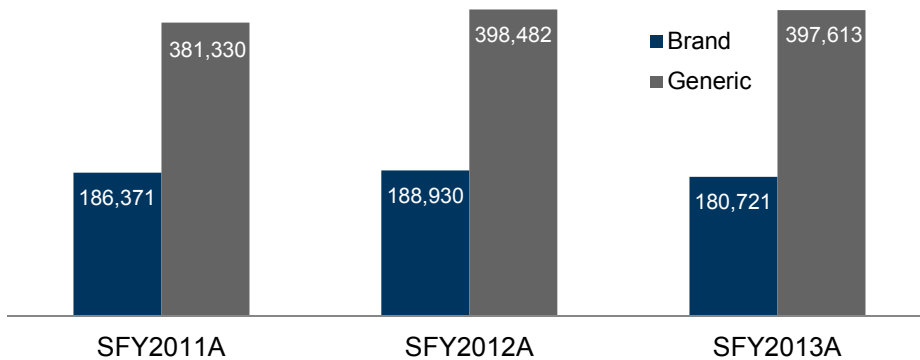
N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Pharmacy Services Overview

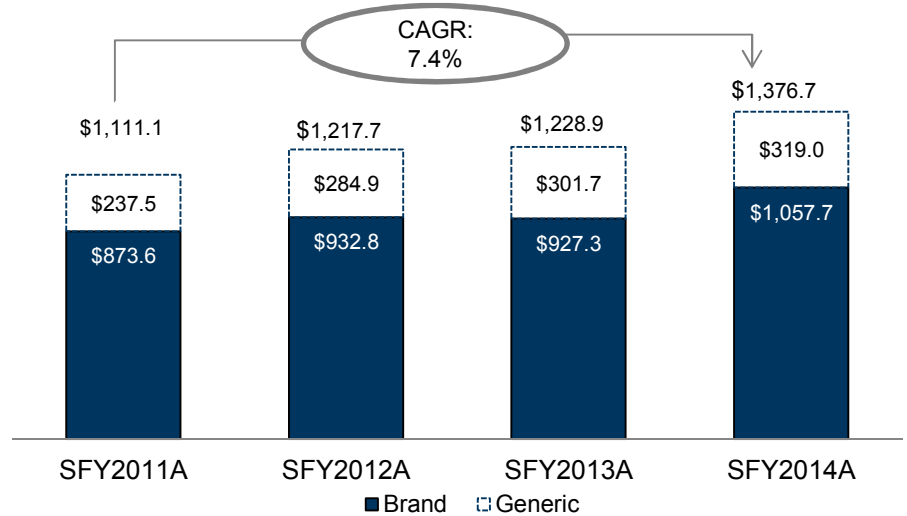
- Pharmacy services spending has increased due to increased utilization of specialty drug therapies as well as overall increased in Medicaid pharmacy pricing for both Brand and Generic drug therapies
- To contain increasing pharmacy costs, DMA promotes the use of generic prescriptions
- Generics are still cheaper relative to Branded drugs, but their comparative pricing benefit is shrinking, as the generic drug makers have consolidated (and prices have risen)

Average Monthly Recipients⁽¹⁾

CAGR	
Brand	(1.5%)
Generic	2.1%

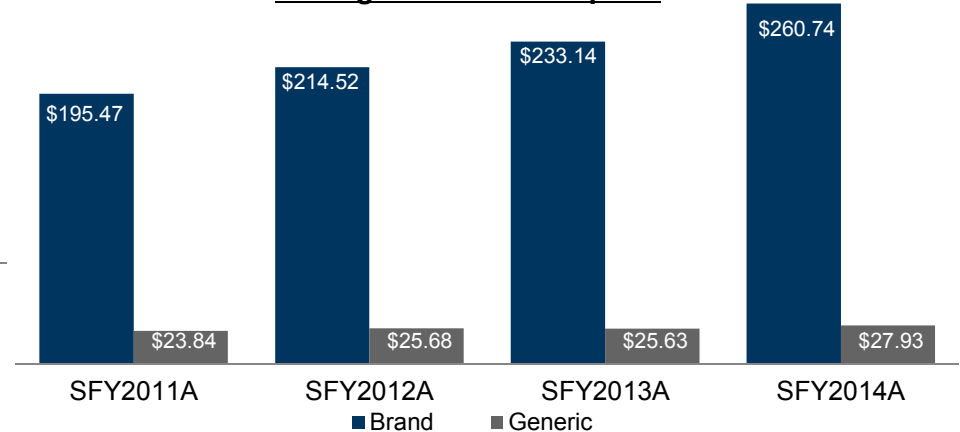


(\$millions) Historical Expenditures (Before Rebates)



Average Cost / Prescription⁽²⁾

CAGR	
Brand	10.1%
Generic	5.4%



Source: DMA Expenditure Data SFY2011-14 from BD701; DMA recipient Data SFY2011-13 from Truven;

(1) Recipient data for SFY2014 is currently not available for these accounts

(2) Prescription information from a truven report provided by the pharmacy program manager

CAGR: Compound Annual Growth Rate