ANALYSIS OF SELECTED ERIE COUNTY MEDICAID DATA

2021 AND SELECTED PRIOR PERIODS

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Hon. Mark C. Poloncarz, Esq.
Erie County Executive
95 Franklin Street, 16th Floor
Buffalo, New York 14202

Dear County Executive Poloncarz:

Since 2013, The Office of the Medicaid Inspector General for Erie County ("MIG Team") has met with you[1] to discuss Medicaid issues raised with you by citizens of Erie County. You have met with the MIG Team on several occasions and asked that the team follow-up on certain questions brought up in those discussions. You also instructed that we develop a report to answer those questions discussed and provide what we believe to be valuable Erie County Medicaid data to County decision-makers and County residents. This is that document.

In May 2013, after approval from the New York State Office of Medicaid Inspector General ("OMIG"), the MIG Team received training on and access to New York State's Medicaid Data Warehouse ("MDW"). The software used to access the MDW is provided by the Salient Management Company ("SALIENT"). The MDW contains the individual transaction records for all Medicaid claims data in New York State, although the MIG Team only has access to data for Erie County recipients. The MIG Team has complete access to all Medicaid claims data in Erie County on a real-time basis.

This database is covered by the legal and regulatory provisions of the Health Insurance Portability and Accountability Act ("HIPAA"). Much of the data is confidential in nature and cannot be released under this federal law. However, amalgamations of data are allowed as long as individual privacy is not breached.

This report is reviewed by the New York State Department of Health. As a condition of its release, we include the following disclaimer:

> "The views and opinions expressed in this publication are those of the author(s) and do not necessarily reflect the official policy or position of the New York State Department of Health. Examples of Analysis performed within this publication are only examples. They should not be utilized in real-world analytic products."

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[1] In this document, "you" and "your" refer to the County Executive. "We" and "our" and "us" refer to the MIG Team.

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MEDICAID INSPECTOR GENERAL FOR ERIE COUNTY

Since September 1, 2012, operating under agreements with OMIG, the MIG Team has completed or is in the process of completing forty-nine (49) audits. These audits cover more than $105 million in Medicaid payments. The results of those audits have been submitted to OMIG, as per the agreements, for follow-up and action by the State.

As of January 1, 2021, we are trained and authorized to perform audits on the following types of Medicaid vendors:

- o Ambulette Transportation
- o Assisted Living Programs
- o Durable Medical Equipment
- o Long-Term Home Healthcare
- o Pharmacy
- o Taxi Transportation

The MIG Team continues to work on a variety of projects and cooperate with OMIG and law enforcement agencies as required and/or necessary. Under the County's agreements with OMIG and other State agencies, the MIG Team is restricted from commenting on ongoing or recently completed Medicaid audits while OMIG reviews the results and considers State action.

The MIG Team, which features four employees, is funded through the State under a 2012 agreement.

MEDICAID

The Federal government mandates that state Medicaid covers a core set of services. States can cover or provide optional services if they so choose.

TABLE 1. Mandated and Optional State Medicaid Health Care Services[2]

Mandatory Services: States Must Cover	Optional Services: States May Cover
• Inpatient and outpatient hospital services • Physician, midwife, and certified nurse practitioner services • Laboratory and x-ray services • Nursing home and home health care for individuals over the age of 21 • Early and periodic screening, diagnosis, and treatment (EPSDT) for children under age 21 • Family planning services and supplies • Rural health clinic/federally qualified health center services	• Diagnostic, screening, preventive, rehabilitative services • Clinic services • Intermediate care facilities for the mentally retarded (ICFs/MR) • Prescribed drugs and prosthetic devices • Optometrist services and eyeglasses • Nursing facility services for children under age 21 • Transportation services (may be covered, must be assured) • Physical and occupational therapy • Home and community-based care to certain persons with chronic impairments • Dental services (for adults)

New York State covers nearly all the optional services for Medicaid.[2]

APPLYING FOR MEDICAID IN ERIE COUNTY

Qualifying for Medicaid in New York is subject to a number of rules and conditions. Income eligibility is a basic criterion

Medicaid is a flexible program. Individuals have qualified for Medicaid in New York State despite making more than the Federal 2020 Annual Poverty Guideline. The Patient Protection and Affordable Care Act of 2010 ("ACA") creates a national Medicaid minimum eligibility level that covers most Americans with household income up to 133% of the federal poverty level. This amount is $35,245 for a family of four in 2021.

Beginning in January of 2014, the ACA provided a new and simplified method for calculating eligibility for Medicaid and some other programs. The new method uses modified adjusted gross income ("MAGI"). MAGI replaces a process that used income deductions that are different in each state and often differed by eligibility group. The new method uses an individual's MAGI, deducts 5% (called a "disregard") and compares that number to the income standards. An applicant's Adjusted Gross Income ("AGI") is easily found: it's on their most currently filed

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[2] From Salient HHS, "Overview of Medicaid for Salient Users" dated October 2012, Page 34.

federal income tax return.[3]

Pregnant females, children, disabled persons, and others may be eligible for Medicaid if their income is above these levels and they have medical bills. Individuals who are certified blind or disabled, or age 65 or older who have more resources may also be eligible.

Medicaid covers some costs retroactively. Medicaid may retroactively cover the health care expenses for up to three (3) months prior to the application month, if the individual would have been eligible during the retroactive period. Coverage generally stops at the end of the month in which a person no longer meets the eligibility requirements.[4]

TABLE 2. Selected poverty guidelines as a percentage of the Federal poverty level [5]

Household Size	100%	133%	150%	200%
1	$ 12,880	$ 17,130	$ 19,320	$ 25,760
2	17,420	$ 23,169	26,130	34,840
3	21,960	$ 29,207	32,940	43,920
4	26,500	$ 35,245	39,750	53,000
5	31,040	$ 41,283	46,560	62,080

2021 Federal Annual Poverty Guidelines [A]

A - Poverty guidelines are formally referenced as "the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2)".

In Erie County, the Minimum Wage is $12.50 per hour as of December 31, 2020.[6] Individuals earning minimum wage who work 40 hours per week for 50 weeks per year earn an annual wage of $25,000.

As an example, a family of two children and two adults, with both adults working 40 hours per week for 50 weeks at the New York State Minimum Wage as of January 1, 2021, would have an income of $50,000. With no other income or adjustments to their AGI, the Disregard would be $2,500.00. ($50,000 X 5%) In this example the MAGI would be $47,500 and this family would not qualify for Medicaid under the current guidelines.

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[3] From the Department of Health and Human Services website. WWW.Medicaid.gov
[4] New York State Department of Health website. http://www.health.ny.gov/
[5] US Department of Health and Human Services website. http://www.hhs.gov/
[6] This wage can vary under certain circumstances. Please see the New York State Department of Labor website. www.labor.ny.gov

The ACA ensures that no one would lose health coverage as a result of converting to the MAGI rules.[7] This family could be covered under Medicaid should special circumstances apply, or covered under the Medicaid adult coverage group, or they would be able to purchase insurance with the benefit of a premium tax credit and possible cost-sharing reductions through the health plan marketplace run by New York State.

The family described above has children who may qualify for Child Health Plus and the adults may qualify for the Essential Plan health insurance.

If someone believes they qualify for Medicaid, or they believe their children may qualify for Child Health Plus, or they wish to purchase insurance through the health plan marketplace run by New York State, they should apply online through the NY State of Health (www.nystateofhealth.ny.gov).

At this time, changes are being considered to Medicaid qualifications as well as other Medicaid rules by the US Congress. Any interested applicant is urged to visit the NY State of Health (www.nystateofhealth.ny.gov) website or www.medicaid.gov for the most current information.

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[7] US Department of Health and Human Services website. http://www.hhs.gov/

THE FMAP PERCENTAGE

The Medicaid program is jointly funded by states and the federal government and in the case of New York State, the county governments. In states that choose to participate, the federal government pays at least half the cost of providing needed services to program beneficiaries. The federal share of those costs is determined by the FMAP. The Social Security Act requires the Secretary of Health and Human Services to calculate and publish the FMAPs each year.[8]

The ACA changed the calculation of the FMAP percentage. The FMAP is calculated annually using a formula set forth in federal statute. The FMAP is inversely proportional to a state's average personal income relative to the national average. States with lower average personal incomes have higher FMAPs. Personal income data is lagged, so data used for FY 2019 was based on 2015-2017.

The ACA provides an FMAP of at least 90 percent for the cost of covering newly eligible low-income adults. The costs of administration are generally matched at 50 percent, although some administrative activities receive a higher federal matching rate.

The FMAP for New York State for the federal government's past fiscal year (October 1, 2018 through September 30, 2019) was 50%[9]. New York State shared the lowest FMAP percentage in the nation with thirteen (13) other states. The highest FMAP percentage for federal FY 2019 was 76.39% for the state of Mississippi.[10] This means that despite the large cost of New York's Medicaid program, by percentage, the state received a lower federal contribution than many other states.

The ACA established highly enhanced FMAPs for the cost of services to low-income adults with incomes up to 138% of the Federal Poverty Level ("FPL") who are not currently covered. The federal government picked up 93% of such costs in 2019, phasing down to 90% in 2020 and beyond. [11]

This enhanced FMAP percentage has resulted in an increased reimbursement to Erie County, and as a result, a lower County share of the total Medicaid cost.

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[8] An Overview of the Federal Medicaid Matching Rate (FMAP), The Henry J. Kaiser Family Foundation. http://www.kff.org.
[9] US Department of Health and Human Services website. http://www.hhs.gov/
[10] US Department of Health and Human Services website. http://www.hhs.gov/
[11] US Department of Health and Human Services website. http://www.hhs.gov/

MEDICAID COSTS IN ERIE COUNTY FOR SELECTED YEARS

Medicaid claims must be initially submitted within 90 days of the date of service, but claims must be **finally** submitted within two (2) years.

In 2020, more than $2.4 billion dollars was spent on Medicaid in Erie County. This sums to more than eight thousand dollars per Medicaid client. To illustrate the changes in cost over time in Erie County, Table 3 was developed.

TABLE 3. Medicaid Costs, Clients and Per Client Costs for Selected Years in Erie County.

Erie County Medicaid Costs For Selected Years				
	2018	2019	2020	2021 [A B]
Medicaid Costs	$ 2,389,961,097	$ 2,422,518,941	$ 2,420,568,021	$ 2,078,647,703
Erie County's Portion of Medicaid Costs	$ 201,579,715	$ 207,965,036	$ 187,453,156	$ 175,712,277
Medicaid Clients	289,576	286,700	287,054	296,699
Medicaid Cost Per Client	$ 8,253.31	$ 8,449.66	$ 8,432.45	$ 7,005.91
A - The figures for 2021 are not final and cover the period January 1, 2021 through October 31, 2021.				
B - Erie County's portion of Medicaid Costs is a maximum figure for the full year. Federal credits may reduce this figure.				
Source: Salient NYS Medicaid Enterprise System: Includes Payment Cycles through 2308; Dates of Service October 31, 2021; Access Date November 29, 2021.				

From 2018 to the end of 2020, Medicaid costs in Erie County have increased by more than thirty million dollars. In that same period, Erie County's portion of those costs has fallen, dropping by about fourteen million dollars. <u>In 2021, Erie County's portion of Medicaid costs fell even further, to a low of just over one-hundred-seventy-five million dollars – the lowest that figure has been in over fifteen years.</u>

The 2021 cost reduction is due to enhanced Federal Medicaid Assistance Payments (e-FMAP) coming from Congress as a result of the COVID-19 pandemic. These payments will stop when the Federal Government's state of emergency is formally ended.

When Medicaid was first established, the Federal Government paid 51 percent of NY's Medicaid costs, New York State paid 35 percent and Counties, including Erie County, paid about 13 percent. However, New York State has capped County Medicaid payments. If that cap did not exist, Erie

County's portion of Medicaid costs in 2019 would have been over $300 million dollars or about $100 million dollars more than what was budgeted.

So the reader may understand the impact of the Medicaid cap on the Erie County budget, in 2020, Property Tax revenue was about $280.5 million. To raise an additional $100 million in property tax revenue would have caused property tax rates to rise more than a third.

In 2016, the most current year with available data, the Federal Government paid 54.7% of Medicaid costs within New York State, with the State and Counties picking up the remaining 45.3%.

In our 2017 report to you, we predicted that Medicaid clients in Erie County would stabilize between 282,000 and 287,000 clients. We were close in 2020, with 2020 clients rising to 287,054. 2021 has shown that prediction to be optimistic with Medicaid clients now number 296,699 with a month remaining in the year.

Based upon a historical 3.60% Medicaid growth rate, we now estimate that Medicaid costs in Erie County will cross the three-billion-dollar mark sometime in 2026.

ERIE COUNTY MEDICAID EXPENDITURES BY LOCATION, AGE AND RACE

The number of persons on Medicaid in Erie County and the claims incurred on behalf of those persons dictate Medicaid costs. The New York State Medicaid database allows for the tracking of Medicaid clients based upon the residential zip code of the Medicaid patient. For the twelve zip codes with the largest number of Medicaid recipients, that data is provided in Table 4.

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TABLE 4. Medicaid Clients by Year and Residing Zip Code.

Erie County Medicaid Clients by Year and Residing Zip Code				
Zip Code	2018	2019	2020	2021
14215	26,168	26,441	26,900	28,180
14213	14,954	14,858	14,692	15,119
14207	17,728	17,596	17,271	17,673
14211	17,937	18,522	18,906	19,959
14206	10,298	10,240	10,344	10,831
14201	7,278	7,187	7,147	7,263
14218	9,827	9,847	9,853	10,331
14210	7,749	7,601	7,635	7,882
14212	8,384	8,695	8,832	9,359
14225	10,068	10,029	10,376	10,883
14220	7,785	7,661	7,566	7,838
14150	9,139	9,095	9,345	9,730
Top Twelve Total	147,315	147,772	148,867	155,048
Overall Total	289,576	286,700	287,054	296,699
Percentage of the top twelve to the Overall Total	51%	52%	52%	52%

A 2021 data is not final and covers the period January 1, 2021 through October 31, 2021.

Source: Salient NYS Medicaid Enterprise System: Includes Payment Cycles through 2308; Dates of Service October 31, 2021; Access Date November 29, 2021.

Table Five shows that in 2020, the top five zip codes contain about thirty-one percent (31%) of the County's Medicaid population. This is also true for 2018 and 2019. Not surprisingly, these zip codes are concentrated in the City of Buffalo. The seventh-largest zip code is the City of Lackawanna, the tenth-largest is Cheektowaga, and the twelfth-largest zip code is the City of Tonawanda and part of the Town of Tonawanda.

Erie County's population on April 1, 2020 was 954,236.[12] There were 287,054 clients on Medicaid in Erie County in 2020. About 30% of all Erie County residents are covered by Medicaid.

Medicaid clients by race and age are shown in Table 5.

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[12] US Census www.census.gov

TABLE 5. Medicaid Recipients by Age and Race

Unique Erie County Medicaid Recipients by Age and Race				
Race / Ethnicity / Age [B]	2018	2019	2020	2021 [A]
Age (65 and Over)				
White	20,323	19,139	18,018	16,765
Black/African American	6,119	5,841	5,682	5,516
Hispanic/Latino	1,822	1,756	1,714	1,689
Asian/Pacific Islander	1,433	1,481	1,529	1,613
American Indian/Alaska Native	190	184	179	192
Not Available/More Than One Race	1,147	1,096	1,088	1,118
Age (21-64)				
White	76,371	73,793	74,019	76,502
Black/African American	44,702	43,437	42,607	43,862
Hispanic/Latino	15,025	14,357	14,058	14,509
Asian/Pacific Islander	8,921	9,305	9,962	1,126
American Indian/Alaska Native	1,148	1,101	1,082	1,156
Not Available/More Than One Race	11,885	11,976	12,500	13,563
Age (0-20)				
White	35,356	35,527	35,728	36,835
Black/African American	31,155	32,215	32,239	33,004
Hispanic/Latino	13,045	13,081	13,077	13,343
Asian/Pacific Islander	7,245	7,906	8,610	9,505
American Indian/Alaska Native	788	840	837	912
Not Available/More Than One Race	12,901	13,665	14,125	15,489
Totals	289,576	286,700	287,054	286,699
A - 2021 data is not final and covers the period January 1, 2021 through October 31, 2021.				
B - Medicaid clients self-identify for race and ethnicity.				
Source: Salient NYS Medicaid Enterprise System: Includes Payment Cycles through 2308; Dates of Service October 31, 2021; Access Date November 29, 2021.				

In 2020, persons less than 21 years of age made up about 37% of the persons on Medicaid.

PRESCRIPTIONS IN ERIE COUNTY PAID THROUGH MEDICAID

The MIG Team can analyze prescriptions paid through Medicaid by the type of drug, prescribing medical professional, Medicaid patient, number of refills and other criteria. The MIG Team uses this data to determine the most commonly filled prescriptions.

TABLE 6. Most commonly filled prescriptions*

The Medicaid Drugs in Erie County with the Most Filled Prescriptions are:			
2018	2019	2020	2021 [A]
1 Albuterol Sulfate	Atorvastatin Calcium	Atorvastatin Calcium	Atorvastatin Calcium
2 Atorvastatin Calcium	Albuterol Sulfate	Albuterol Sulfate	Albuterol Sulfate
3 Ibuprofen	Ibuprofen	Gabapentin	Metformin HCL
4 Omeprazole	Gabapentin	Omeprazole	Omeprazole
5 Lisinopril	Omeprazole	Ibuprofen	Amlodipine Besylate
6 Gabapentin	Lisinopril	Metformin HCL	Gabapentin
7 Metformin HCL	Metformin HCL	Amlodipine Besylate	Ibuprofen
8 Amlodipine Besylate	Amlodipine Besylate	Lisinopril	Lisinopril
9 Levothyroxine Sodium	Vitamin D	Levothyroxine Sodium	Levothyroxine Sodium
10 Aspirin	Fluticasone Propionate	Sertraline HCL	Vitamin D
11 Fluticasone Propionate	Levothyroxine Sodium	Vitamin D	Sertraline HCL
12 Vitamin D	Aspirin	Buprenorphine	Pfizer Biontech COVID 19 Vaccine
All Prescriptions Filled	3,267,784	3,273,084	3,293,194	2,946,622
Just Above Scripts Filled	639,054	742,442	704,177	638,490
Percent of Total	19.56%	22.68%	21.38%	21.67%

[A] 2021 data is not final and covers thte period January 1, 2021 through October 31, 2021.

Source: Salient NYS Medicaid Enterprise System: Includes Payment Cycles through 2308; Date of Service is October 31, 2021; Access Date November 29, 2021.

*generic drug names

Since early 2015, Hydrocodone has fallen from its prominent perch as the number one proscribed Medicaid drug in Erie County. Considering how abused this particular medication can be, such a drop is significant.

Hydrocodone–Acetaminophen is a controlled substance. It was also the most prescribed Medicaid drug in Erie County from 2008 through 2014. Hydrocodone-Acetaminophen, also known as Vicodin or Lortab, is one of the most abused prescription drugs in the U.S.

As we have watched with some satisfaction the fall of Hydrocodone–Acetaminophen as recorded on Table 6, we have been alarmed at the increase of the number of prescriptions for Gabapentin. Gabapentin is approved by the Food and Drug Administration to treat epilepsy and pain related to nerve damage, called neuropathy. Also known by its brand name, Neurontin, the drug acts as a sedative. It is widely considered non-addictive and touted by the federal Centers for Disease Control and Prevention as an alternative intervention to opiates for chronic pain. Generally, doctors prescribe no more than 1,800 to 2,400 milligrams of gabapentin per day, according to information on the Mayo Clinic's website.

Gabapentin does not carry the same risk of lethal overdoses as opioids, but drug experts say the

effects of using Gabapentin for long periods of time or in very high quantities, particularly among sensitive populations like pregnant women, are not well-known.

As per our discussions with you throughout 2018, 2019 and the first half of 2020, we will continue to monitor Gabapentin prescriptions.

A drug new to this table is Buprenorphine, the number twelve drug in 2020. It is commonly used to treat opioid addiction. The presence of Buprenorphine on this list is an indicator that the fight to end opioid addiction is not over.

In 2021, the Pfizer–Biontech COVID 19 vaccine is new to the listing. The Moderna COVID 19 vaccine is not shown, but would be the 25th item on the 2021 listing.

The pharmaceutical drugs shown in Table 6 and their commonly prescribed purpose are reported in Table 7 below:

TABLE 7. Indications for commonly prescribed medications.

Drug Name	Commonly prescribed for:
Albuterol Sulfate	Treatment for asthma or COPD
Amlodipine Besylate	High blood pressure treatment
Amoxicillin	Infection treatment (Antibiotic)
Aspirin	Over the counter pain reliever
Atorvastatin Calcium	Elevated cholesterol treatment
Buprenorphine	Used to treat opioid addiction
Clonazepam	Epilepsy treatment and treatment for bipolar disease and panic attacks
Gabapentin	Anti-epileptic medication and treatment for some kinds of nerve pain
Hydrochlorothiazide	Treatment for high blood pressure, also osteoporosis and is a diuretic
Hydrocodone-Acetaminophen	Treatment for moderate to severe pain
Ibuprofen	Over the counter pain reliever
Levothyroxine Sodium	Treatment for thyroid deficiency
Lisinopril	High blood pressure treatment
Loratadine	Treatment for allergies
Metformin HCL	Treatment for type two diabetes or pre-diabetics
Moderna COVID 19 Vaccine	Vaccine for COVID 19
Omeprazole	Treatment for acid reflux
Pfizer-Biontech COVID 19 Vaccine	Vaccine for COVID 19
Sertraline HCL	Treatment for depression
Ventolin HFA	Treatment for asthma or allergies
Vitamin D	Addresses bone loss and cognitive impairment

DRUG SCHEDULES AND DRUG USAGE

The Federal Government places drugs into five schedules:

Schedule I

Schedule I drugs, substances, or chemicals are defined as drugs with no currently accepted medical use and a high potential for abuse. Some examples of Schedule I drugs are: heroin, lysergic acid diethylamide (LSD), marijuana (cannabis), 3,4-methylenedioxymethamphetamine (ecstasy), methaqualone, and peyote

Schedule II

Schedule II drugs, substances, or chemicals are defined as drugs with a high potential for abuse, with use potentially leading to severe psychological or physical dependence. These drugs are also considered dangerous. Some examples of Schedule II drugs are: Combination products with less than 15 milligrams of hydrocodone per dosage unit (Vicodin), cocaine, methamphetamine, methadone, hydromorphone (Dilaudid), meperidine (Demerol), oxycodone (OxyContin), fentanyl, Dexedrine, Adderall, and Ritalin

Schedule III

Schedule III drugs, substances, or chemicals are defined as drugs with a moderate to low potential for physical and psychological dependence. Schedule III drugs abuse potential is less than Schedule I and Schedule II drugs but more than Schedule IV. Some examples of Schedule III drugs are: Products containing less than 90 milligrams of codeine per dosage unit (Tylenol with codeine), ketamine, anabolic steroids, testosterone

Schedule IV

Schedule IV drugs, substances, or chemicals are defined as drugs with a low potential for abuse and low risk of dependence. Some examples of Schedule IV drugs are: Xanax, Soma, Darvon, Darvocet, Valium, Ativan, Talwin, Ambien, Tramadol

Schedule V

Schedule V drugs, substances, or chemicals are defined as drugs with lower potential for abuse than Schedule IV and consist of preparations containing limited quantities of certain narcotics. Schedule V drugs are generally used for antidiarrheal, antitussive, and analgesic purposes. Some examples of Schedule V

drugs are: cough preparations with less than 200 milligrams of codeine or per 100 milliliters (Robitussin AC), Lomotil, Motofen, Lyrica, Parepectolin [13]

As part of our audit work, we review Schedule II and Schedule III prescriptions regularly.

A reminder to you that the drug usages described in Table 8 are not the only usages for these substances.

TABLE 8 – Schedule II and Schedule III Drugs and their Common Usages

Drug Name	Common Uses
Schedule Three Drugs	
BUPRENORPHINE HCL / NALOXONE HCL	Buprenorphine and naloxone is a combination medicine used to treat opiate addiction.
BUPRENORPHINE HCL	Buprenorphine is used to treat addiction to opioids.
ACETAMINOPHEN WITH CODEINE	Acetaminophen and codeine is a combination medicine used to relieve moderate to severe pain.
TESTOSTERONE CYPIONATE	is an inexpensive drug used to support normal male development
TESTOSTERONE	is an inexpensive drug used to support normal male development
BUPRENORPHINE	Buprenorphine is used to treat addiction to opioids.
DRONABINOL	is used to treat nausea and vomiting caused by chemotherapy
PERAMPANEL	Perampanel is used to treat certain types of partial onset seizures (seizures that involve only one part of the brain) in adults and children 4 years of age and older.
BUTALBITAL / ASPRIN / CAFFEINE	This combination medication is used to treat tension headaches.
BUTALBITAL / ACETAMIN / CODEINE	Acetaminophen, butalbital, caffeine, and codeine is a combination medicine used to treat tension headaches.
ESTROGEN, ESTER / ME-TESTOSTERONE	a combination medicine used to treat symptoms of menopause such as hot flashes or night sweats
SODIUM OXYBATE	is used to treat cataplexy (sudden loss of muscle strength) and reduce daytime sleepiness caused by narcolepsy in adults and children at least 7 years old.
Schedule Two Drugs	
DEXTROAMPHETAMINE / AMPHETAMINE	is a combination medicine used to treat attention deficit hyperactivity disorder (ADHD).
HYDROCODONE / ACETAMINOPHEN	is a combination medicine used to relieve moderate to moderately severe pain.
METHYLPHENIDATE HCL	is used to treat attention deficit disorder (ADD), attention deficit hyperactivity disorder (ADHD), and narcolepsy.
OXYCODONE HCL / ACETAMINOPHEN	is a combination medicine used to relieve moderate to severe pain.
OXYCODONE HCL	is used to treat moderate to severe pain.
LISDEXAMFETAMINE DIMESYLATE	is used to treat attention deficit hyperactivity disorder (ADHD) in adults and in children who are at least 6 years old.
DEXMETHYLPHENIDATE HCL	is used to treat attention deficit hyperactivity disorder (ADHD).
METHADONE HCL	is used as a pain reliever and as part of drug addiction detoxification and maintenance programs
MORPHINE SULFATE	is used to treat moderate to severe pain.
FENTANYL	used to treat moderate to severe chronic pain around the clock.
OXYMORPHONE HCL	is used to treat moderate to severe pain.
DEXTROAMPHETAMINE SULFATE	is used to treat attention deficit hyperactivity disorder (ADHD).

[13] From the DEA website

Our review of 2019 data confirmed a trend highlighted in Table 9.

TABLE 9 – Most Commonly Prescribed Schedule II Medicaid Drugs

Most Commonly Prescribed Schedule Two Medicaid Drugs					
		2021 [A]	2020	2019	2018
	Schedule II Drug Name	Medcaid Prescriptions Filled	Medcaid Prescriptions Filled	Medcaid Prescriptions Filled	Medcaid Prescriptions Filled
1	DEXTROAMPHETAMINE / AMPHETAMINE	35,535	39,694	37,529	34,569
2	HYDROCODONE / ACETAMINOPHEN	31,628	37,312	40,486	47,525
3	METHYLPHENIDATE HCL	13,037	15,781	17,164	17,939
4	OXYCODONE HCL / ACETAMINOPHEN	6,164	7,262	7,598	7,933
5	OXYCODONE HCL	6,019	6,055	5,535	6,209
6	LISDEXAMFETAMINE DIMESYLATE	3,125	3,684	3,590	3,501
7	DEXMETHYLPHENIDATE HCL	2,337	2,673	2,698	2,804
8	METHADONE HCL	1,222	1,716	2,048	2,724
9	MORPHINE SULFATE	1,489	1,787	1,768	2,302
10	FENTANYL	482	610	714	915
11	OXYMORPHONE HCL	294	336	375	545
12	DEXTROAMPHETAMINE SULFATE	572	597	496	470
	"Violet lines" are drugs that treat ADD / ADHD				
	"Gray line" drugs are used to treat opioid addiction.				
	A - Covers the period January 1,2021 through October 31, 2021 inclusive.				
	Source: Salient NYS Medicaid Enterprise System: Includes Payment Cycles through 2308; Dates of Service October 31, 2021; Access Date November 29, 2021.				

For the first time since Medicaid data has been available to us (2010) for Schedule II drugs, we see the number of Medicaid clients receiving prescriptions for ADHD exceeding that of clients receiving treatment for pain. In part, this is a reflection of the decrease in opioid prescriptions as the medical profession recognizes the problems with opioids and addiction. Still, the number of Medicaid prescriptions for ADHD medications has risen over the past five years.

Attention-deficit/hyperactivity disorder (ADHD) is a disorder marked by an ongoing pattern of inattention and/or hyperactivity-impulsivity that interferes with functioning or development. ADHD is often characterized by:

- **Inattention** - means a person wanders off task, lacks persistence, has difficulty sustaining focus, and is disorganized; and these problems are not due to defiance or lack of comprehension.
- **Hyperactivity -** means a person seems to move about constantly, including in situations in which it is not appropriate; or excessively fidgets, taps, or talks. In adults, it may be extreme restlessness or wearing others out with constant activity.
- **Impulsivity** - means a person makes hasty actions that occur in the moment without first thinking about them and that may have a high potential for harm, or a desire for immediate

rewards or inability to delay gratification. An impulsive person may be socially intrusive and excessively interrupt others or make important decisions without considering the long-term consequences.[14]

TABLE 10 - Most Commonly Prescribed Schedule III Medicaid Drugs and Common Usages

Most Commonly Prescribed Schedule Three Medicaid Drugs				
	2021 [A]	2020	2019	2018
Schedule Three Drug Name	Medcaid Prescriptions Filled	Medcaid Prescriptions Filled	Medcaid Prescriptions Filled	Medcaid Prescriptions Filled
1 BUPRENORPHINE HCL / NALOXONE HCL	35,776	42,735	41,150	36,927
2 BUPRENORPHINE HCL	5,492	6,278	5,220	4,083
3 ACETAMINOPHEN WITH CODEINE	2,963	3,778	4,134	5,248
4 TESTOSTERONE CYPIONATE	1,719	1,731	1,495	1,177
5 TESTOSTERONE	438	466	422	408
6 BUPRENORPHINE	706	304	284	276
7 DRONABINOL	140	231	236	255
8 PERAMPANEL	174	200	157	148
9 BUTALBITAL / ASPRIN / CAFFEINE	*	43	96	91
10 BUTALBITAL / ACETAMIN / CODEINE	42	68	16	71
11 ESTROGEN, ESTER / ME-TESTOSTERONE	*	20	*	22
12 SODIUM OXYBATE	30	51	21	19
"Gray line" drugs are used to treat opioid addiction.				
A - Covers the period January 1,2021 through October 31, 2021 inclusive.				
* - Department of Health policy is that any cell that has a value less than 10 should not be displayed.				
Source: Salient NYS Medicaid Enterprise System: Includes Payment Cycles through 2308; Dates of Service October 31, 2021; Access Date November 29, 2021.				

We point out to you that of the top twelve Schedule III drugs prescribed; at least three are commonly used to address opioid addiction. Buprenorphine in its various forms has more filled Schedule III drug Medicaid prescriptions than all other Schedule III Medicaid prescriptions combined.

MARIJUANA

Medical marijuana products are not a covered benefit under New York State Medicaid. As per the New York State Department of Health: "However, practitioner office visits related to patient evaluation and certification for medical marijuana is a Medicaid reimbursable service. Practitioners are prohibited from requesting payment for medical marijuana certification from the

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[14] From the National Institute of Mental Health website. https://www.nimh.nih.gov/health/topics/attention-deficit-hyperactivity-disorder-adhd/index.shtml

member, regardless whether the certification is provided during the initial office visit or subsequent to the initial visit." [15]

Oddly, under Public Health Law § 3368, insurance providers under the Public Health Law or New York State Insurance Law are not required to offer coverage for medical marijuana. However, nothing within the Public Health Law prohibits an insurer from including medical marijuana as a covered medication.[16] As of the date of this document, we have discovered no local insurer that includes medical marijuana in its formulary.

Medical marijuana is still classified by the Federal government as a Schedule I controlled substance as defined by the Controlled Substances Act. It is still illegal to use marijuana in terms of Federal law.[17]

Schedule I controlled substances cannot be prescribed by physicians in the same fashion as other medications. Physicians who prescribe controlled substances must be registered with the Drug Enforcement Administration and have a DEA number. Prescribing a Schedule I drug, even in a state where medical marijuana has been legalized, would place a physician at risk of having his or her DEA registration revoked.[18]

Marijuana for recreational use was legalized by Governor Cuomo in New York State in March of 2021.[19]

New York State has issued a report on medical marijuana. We encourage anyone with an interest to read the report in its entirety.

https://www.health.ny.gov/regulations/medical_marijuana/docs/two_year_report_2016-2018.pdf

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[15] From the New York State Department of Health website.
[16] Medical Use of Marijuana under the Compassionate Care Act – Page 14
[17] www.dea.gov/drug-information/drug-scheduling
[18] Very Well Health News.   https://www.verywellhealth.com/why-health-insurance-wont-pay-for-medical-marijuana-1738421
[19] https://www.governor.ny.gov/news/governor-cuomo-signs-legislation-legalizing-adult-use-cannabis

PRESCRIPTIONS AND THERAPEUTIC CLASS

For the years 2018 through 2020, we were able to break out the most common Medicaid prescriptions by Therapeutic Class. (Therapeutic Class would be most commonly thought of as the illness prompting the drug or substance prescribed.)

TABLE 11 – Erie County Medicaid Prescriptions by Therapeutic Class.

	Erie County Medicaid Prescriptions by Therapeutic Class					
	Year 2020		Year 2019		Year 2018	
	Therapeutic Class	Prescriptions Filled	Therapeutic Class	Prescriptions Filled	Therapeutic Class	Prescriptions Filled
	PRESCRIPTION REQUIRED	2,731,961		2,698,596		2,706,803
1	PSYCHOSTIMULANTS-ANTIDEPRESSANT	275,960	PSYCHOSTIMULANTS-ANTIDEPRESSANT	260,538	PSYCHOSTIMULANTS-ANTIDEPRESSANT	253,614
2	ANTICONVULSANTS	172,935	ANTICONVULSANTS	164,460	ANTICONVULSANTS	163,488
3	DIABETIC THERAPY	161,904	DIABETIC THERAPY	149,580	DIABETIC THERAPY	148,695
4	BRONCHIAL-DILATORS	153,151	BRONCHIAL-DILATORS	145,645	BRONCHIAL-DILATORS	146,076
5	HYPOTENSIVES, OTHER	148,152	HYPOTENSIVES, OTHER	142,258	HYPOTENSIVES, OTHER	145,966
6	CARDIOVASCULAR PREPARATIONS	141,413	CARDIOVASCULAR PREPARATIONS	136,988	CARDIOVASCULAR PREPARATIONS	139,371
7	ATARACTICS-TRANQUILIZERS	140,282	ATARACTICS-TRANQUILIZERS	129,206	ANTIARTHRITICS	129,099
8	LIPOTROPICS	132,128	ANTIARTHRITICS	127,509	ATARACTICS-TRANQUILIZERS	126,284
9	ANTI-ULCER PREPARATIONS	117,109	ANTI-ULCER PREPARATIONS	125,027	ANTI-ULCER PREPARATIONS	124,983
10	ANTIARTHRITICS	116,298	LIPOTROPICS	123,229	LIPOTROPICS	122,431
	OVER THE COUNTER	389,455		399,058		392,314
1	ANTIHISTAMINES	84,973	ANTIHISTAMINES	88,084	ANTIHISTAMINES	89,181
2	LAXATIVES	49,294	LAXATIVES	48,474	MED SUPPLIES,AND OTH NON-DRUG	48,634
3	MED SUPPLIES,AND OTH NON-DRUG	48,705	ANTICOAGULANTS	47,696	ANTICOAGULANTS	47,928
4	ANTICOAGULANTS	46,225	MED SUPPLIES,AND OTH NON-DRUG	47,484	LAXATIVES	39,526
5	ANALGESICS, NON-NARCOTIC	40,507	ANALGESICS, NON-NARCOTIC	39,747	ANALGESICS, NON-NARCOTIC	38,543
6	DIAGNOSTICS	35,889	DIAGNOSTICS	35,352	DIAGNOSTICS	36,146
7	ANTI-ULCER PREPARATIONS	15,003	ANTI-ULCER PREPARATIONS	15,030	ANTI-ULCER PREPARATIONS	16,400
8	CNS STIMULANTS	13,074	CNS STIMULANTS	14,826	CNS STIMULANTS	14,206
9	ANTIBACTERIALS AND ANTISEPTICS	10,801	NASAL & OTIC PREPARATIONS,TOPI	10,832	NASAL & OTIC PREPARATIONS,TOPI	9,911
10	NASAL & OTIC PREPARATIONS,TOPI	9,367	ANTIBACTERIALS AND ANTISEPTICS	9,555	ANTIBACTERIALS AND ANTISEPTICS	9,467
	NON-DRUG,NON-DEVICE	161,618		164,354		156,231
1	VITAMINS, FAT SOLUBLE	55,287	VITAMINS, FAT SOLUBLE	55,440	VITAMINS, FAT SOLUBLE	48,442
2	MULTIVITAMINS	33,922	MULTIVITAMINS	36,152	MULTIVITAMINS	37,487
3	HEMATINICS	25,090	HEMATINICS	25,238	HEMATINICS	24,363
4	VITAMINS, WATER SOLUBLE	20,651	ELECTROLYTES AND MISC NUTRIENT	20,332	ELECTROLYTES AND MISC NUTRIENT	21,054
5	ELECTROLYTES AND MISC NUTRIENT	17,699	VITAMINS, WATER SOLUBLE	19,759	VITAMINS, WATER SOLUBLE	19,638
	Totals of all Prescriptions Written	3,293,194		3,273,084		3,267,784
	Source: Salient NYS Medicaid Enterprise System; Includes Payment Cycles through 2300; Dates of Service September 20, 2021; Access Date October 7, 2021.					

This table also breaks out prescriptions by "Prescription Required", "Over the Counter" medications and "Non-Drug / Non-Device" classes.

This table highlights only the most significant categories. There are more than 100 categories omitted from the table, simply for reasons of space.

An explanation of the different Therapeutic Classes is included in Table 12.

TABLE 12 – Descriptions of various Therapeutic Classes.

Category	Description
ANALGESICS, NON-NARCOTIC	Pain killing drugs, not including narcotic pain killers.
ANTIARTHRITICS	Drugs that releave or prevent arthritis.
ANTIBACTERIALS AND ANTISEPTICS	These substances kill microbes (bacteria, fungi, and other pathogens).
ANTICOAGULANTS	Drugs that thin the blood or increase blood clotting time.
ANTICONVULSANTS	These drugs help prevent or treat seizures.
ANTIHISTAMINES	Drugs that figh the side effects of allergies.
ANTI-ULCER PREPARATIONS	Drugs that supress stomach acid or protectivly coat the stomach.
ATARACTICS-TRANQUILIZERS	Drugs to address anxity, fear, tension and some mental disturbances.
BRONCHIAL-DILATORS	These drugs act to improve breathing and remove mucus from the lungs.
CARDIOVASCULAR PREPARATIONS	Drugs used to address irregular heartbeats and other heart issues.
CNS STIMULANTS	CNS or "central nervous system" drugs are medicines that stimulate the brain, speeding up both mental and physical processes. Caffine is a popluar CNS stimulant.
DIABETIC THERAPY	These drugs address how the body handles suger.
DIAGNOSTICS	Drugs that are used to diagnose a medical condition. Barium, a substance that easily shows on X-rays and is used to diagnose digestive issues is a common example.
ELECTROLYTES AND MISC NUTRIENT	You lose electrolytes when you sweat. Electrolytes are minerals in your blood and other body fluids that carry an electric charge. You must replace them by drinking fluids that contain electrolytes.
HEMATINICS	Drugs that increase the amount of hemoglobin in the blood.
HYPOTENSIVES, OTHER	These drugs lower blood pressure.
LAXATIVES	Drugs that help empty the bowels.
LIPOTROPICS	Lipotropics are substances that affect fat metabolism in the body.
MED SUPPLIES,AND OTH NON-DRUG	Medical supplies such as canes, wheelchairs and sick beds.
MULTIVITAMINS	Vitamins are required in the diet to promote growth, reproduction, and health.
NASAL & OTIC PREPARATIONS,TOPICAL	Substances that clear the nose or ear.
PSYCHOSTIMULANTS-ANTIDEPRESSANT	These drugs are used to treat a number of illnesses, including Depression, Attention Deficit Disorder and Schizophrenia.
VITAMINS, FAT SOLUBLE	Fat-soluble vitamins are called such because they are absorbed and transported in a manner similar to that of fats. Vitamins are required in the diet to promote growth, reproduction, and health. Vitamins A, D, E and K are fat soluable.
VITAMINS, WATER SOLUBLE	Vitamins are required in the diet to promote growth, reproduction, and health.

HOSPITAL PRICE TRANSPARENCY

Hospital price transparency helps Americans know the cost of a hospital item or service before receiving it.

Starting January 1, 2021, each hospital operating in the United States will be required to provide clear, accessible pricing information online about the items and services they provide in two ways:[20]

> 1. As a comprehensive machine-readable file with all items and services.
>
> 2. In a display of shoppable services in a consumer-friendly format.

This information makes it easier for consumers to shop and compare prices across hospitals and estimate the cost of care before going to the hospital.

Most institutions in the United States that are licensed as hospitals or otherwise approved as meeting applicable licensing requirements must post their standard charges prominently on a publicly available website.

What standard charges must hospitals make public? A standard charge means the regular rate established by the hospital for an item or service provided to a specific group of paying patients. For purposes of complying with the Hospital Price Transparency Rule, this includes five types of standard charges:

> 1. The gross charge (the charge for an individual item or service that is reflected on a hospital's chargemaster, absent any discounts).
>
> 2. The discounted cash price (the charge that applies to an individual who pays cash, or cash equivalent, for a hospital item or service).
>
> 3. The payer-specific negotiated charge (the charge that a hospital has negotiated with a third-party payer for an item or service).
>
> 4. The de-identified minimum negotiated charge (the lowest charge that a hospital has negotiated with all third-party payers for an item or service).
>
> 5. The de-identified maximum negotiated charge (the highest charge that a hospital has negotiated with all third-party payers for an item or service).

For additional details, please refer to 45 CFR §180.20.

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[20] The Centers for Medicare and Medicaid services website - https://www.cms.gov/hospital-price-transparency.

The New York State Department of Health publishes a dataset containing information submitted by certain New York State facilities as part of the New York Statewide Planning and Research Cooperative (SPARCS) and Institutional Cost Report (ICR) data submissions. The data contains information on the volume of discharges, All Payer Refined Diagnosis Related Group (APR-DRG), the severity of illness level (SOI), medical or surgical classification the median charge, median cost, average charge and average cost per discharge. The most current data available is calendar year 2017. The data can be found at: https://health.data.ny.gov/Health/Hospital-Inpatient-Cost-Transparency-Beginning-200/7dtz-qxmr/data.

New York State adds a disclaimer to this data:

> When interpreting New York's data, it is important to keep in mind that variations in cost may be attributed to many factors. Some of these include overall volume, teaching hospital status, facility specific attributes, geographic region, and quality of care provided. Additionally, costs derived from billing data are based upon a ratio that is submitted by a facility to the state and may not necessarily reflect a final price of the service delivered. Cost data presented in this dataset was calculated using facility specific audited RCCs file.[21]

You asked that we monitor costs and charges at local hospitals using publicly available information and periodically update you.

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[21] https://health.data.ny.gov/Health/Hospital-Inpatient-Cost-Transparency-Beginning-200/7dtz-qxmr

CONCLUSIONS

- ✓ We predicted in past reports that Erie County Medicaid's population would stabilize within a range of between 282,000 and 287,000 clients. 2021 data shows that that prediction was incorrect and 2021 Medicaid clients number 296,699. That number is expected to grow.

- ✓ Medicaid costs also continue to grow. In 2020, Medicaid costs for Erie County Medicaid clients climbed to over $2.4 billion dollars. Much of that cost is paid by New York State and the Federal government.

- ✓ At the current rate of growth, Medicaid costs in Erie County may climb to over $3 billion dollars by 2025.

- ✓ About 30% of Erie County residents' health insurance is now being provided by Medicaid.

- ✓ Hydrocodone–Acetaminophen has fallen from the number one prescribed Medicaid medication in 2014 to number ten in 2019 and off Table 7 in 2020. This continues to be a positive sign in the fight against opioid abuse, but Hydrocodone–Acetaminophen still remains one of the most abused drugs in the United States.

- ✓ Buprenorphine, used to treat opioid addiction, has now appeared on Table 7, a listing of the most filled prescriptions for Erie County Medicaid clients. This is a positive sign in the fight on opioid abuse, but indicates the battle is far from over.

- ✓ Gabapentin, also known as Neurontin, is a drug that is used to treat pain related to nerve damage. It is also a candidate for abuse by those who formerly abused opioids.

- ✓ For the first time since Medicaid prescription data has been made available, a vaccine has appeared in Table 7. The Pfizer-Biontech COVID 19 vaccine is an important tool in the fight against COVID 19.

- ✓ The number of Medicaid prescriptions for ADHD medications has risen steadily over the past five years. Since 2019, of the top twelve prescriptions, there are now more Schedule II prescriptions written to address ADHD than pain.

- ✓ The fight to curb opioid abuse continues. Of the top twelve Schedule III Medicaid prescriptions written, three of those drugs address the problems of opioid abuse.

- ✓ In 2019, 2020 and 2021, there were more Schedule III Medicaid prescriptions written to address opioid addiction than for any other purpose.

- ✓ Medical marijuana products are not a covered benefit under New York State Medicaid. Potential changes to New York State law on marijuana may make Medicaid rules for medical marijuana products obsolete.

- ✓ For the years 2018 through 2020, the most common class of Medicaid prescription has been psychostimulants-antidepressants. The most common over-the-counter prescription has been for antihistamines.

- ✓ In early 2021, the Federal government decreed that hospitals provide pricing data, including in a consumer-friendly format. As directed, we will provide periodic updates on the costs of medical procedures in Western New York using this data. New York State provides some hospital cost data, but the data provided is several years old.

We gratefully acknowledge the cooperation and assistance of OMIG, the New York State Department of Health, the Erie County Department of Health, the Erie County Department of Social Services, the Erie County Department of Environment and Planning - Geographic Information Systems Team and the Erie County Department of Management and Budget. We look forward to working on additional projects with all these groups.