

Pharmacy updates

February 13, 2026

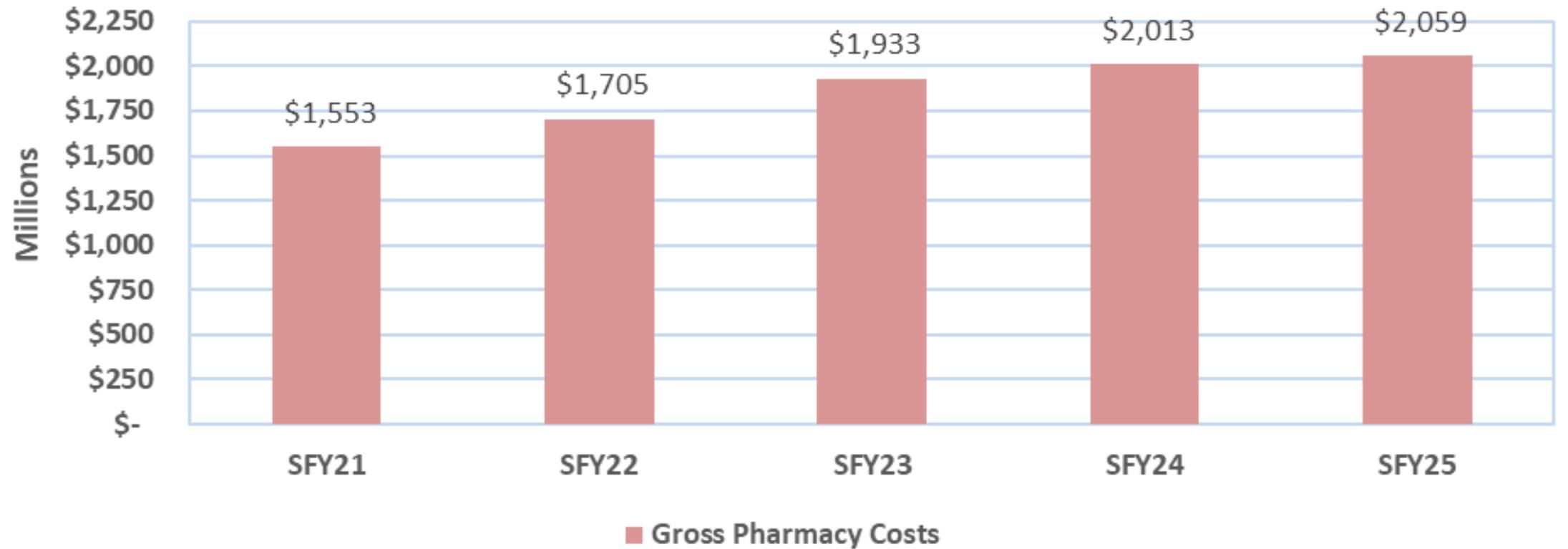
Pharmacy Updates

- Cost trends
- Initial data on clinical criteria pilot
- CMS innovation models

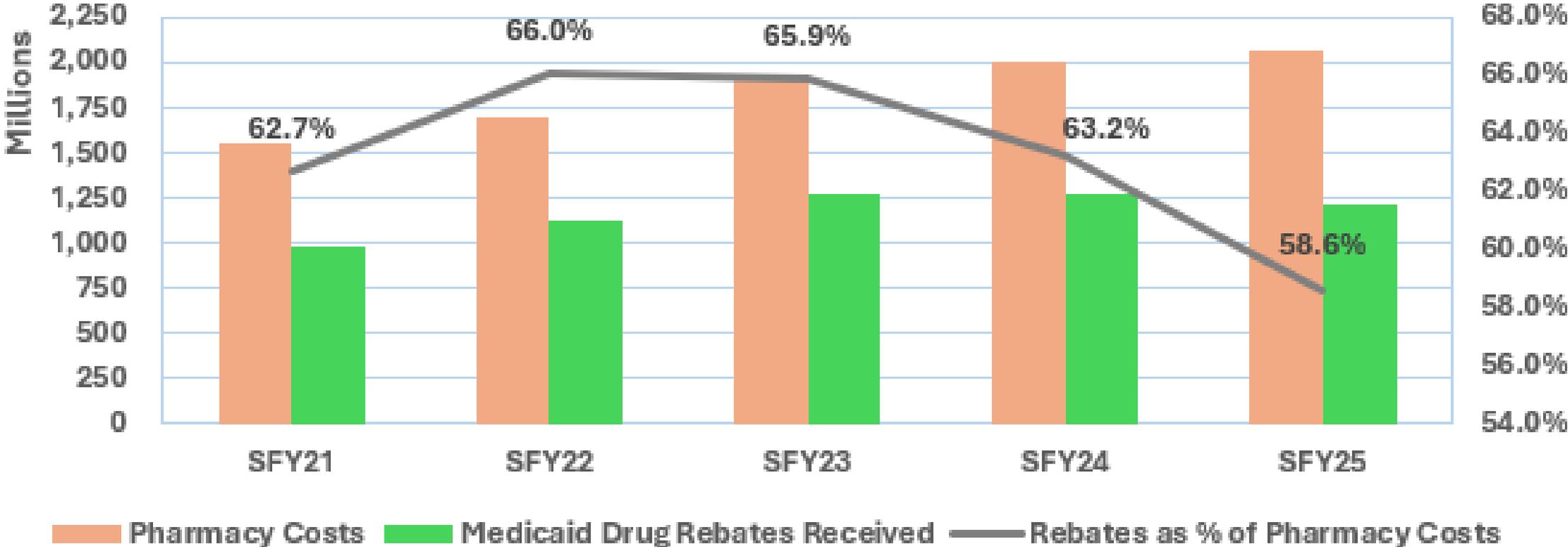
Pharmacy cost trends

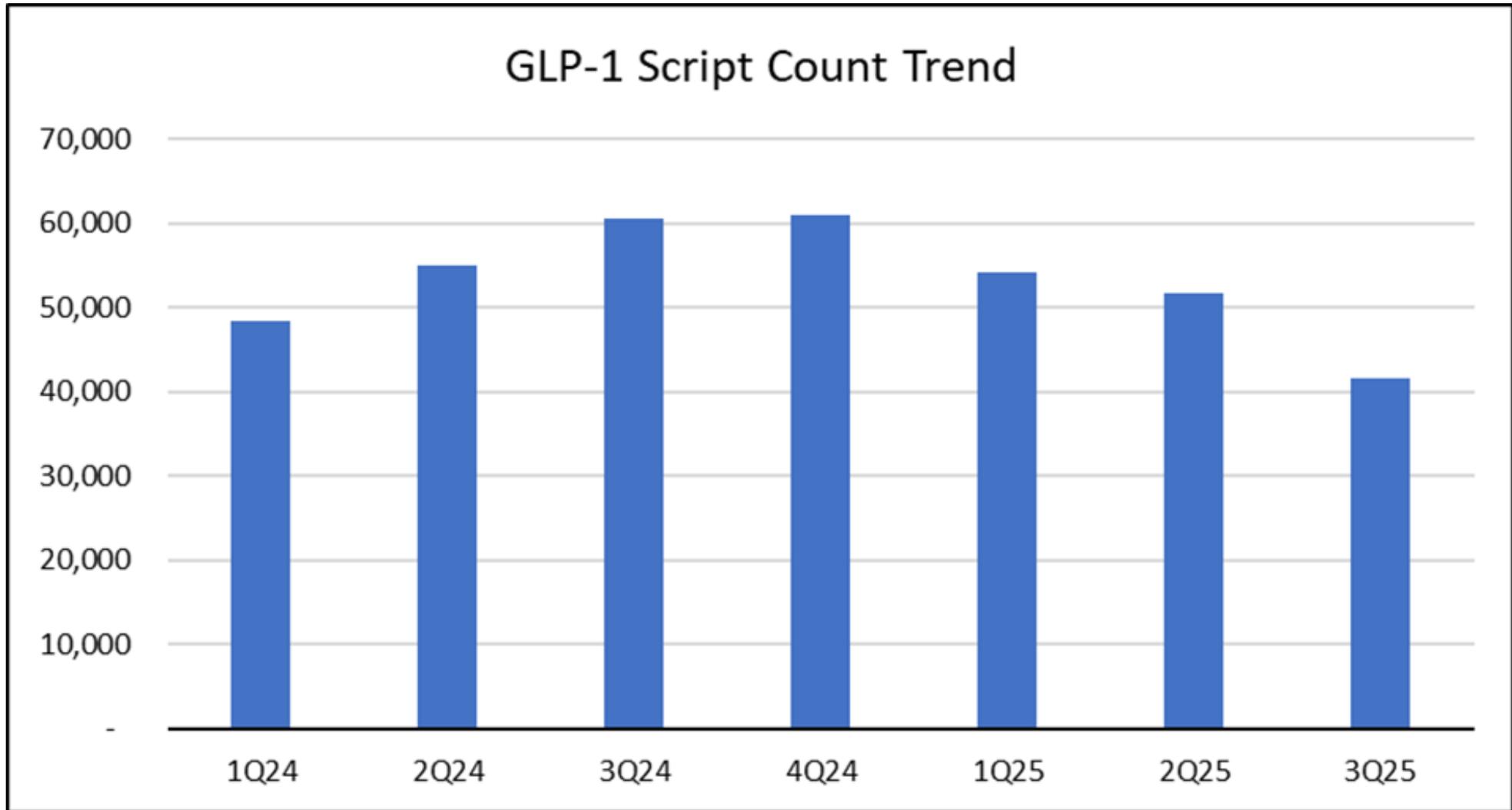
- Nationwide, pharmacy costs are rising for all payers
 - New high-cost drugs coming to market
- Rebates are declining as a percentage of overall spend
 - Manufacturers opting out of Medicaid Drug Rebate Program
 - Effects of removal of Medicaid drug rebate cap in 2024 under ARPA
- CT PMPM costs increasing
 - FY 2024 \$172  FY 2025 \$184

Gross Pharmacy Costs



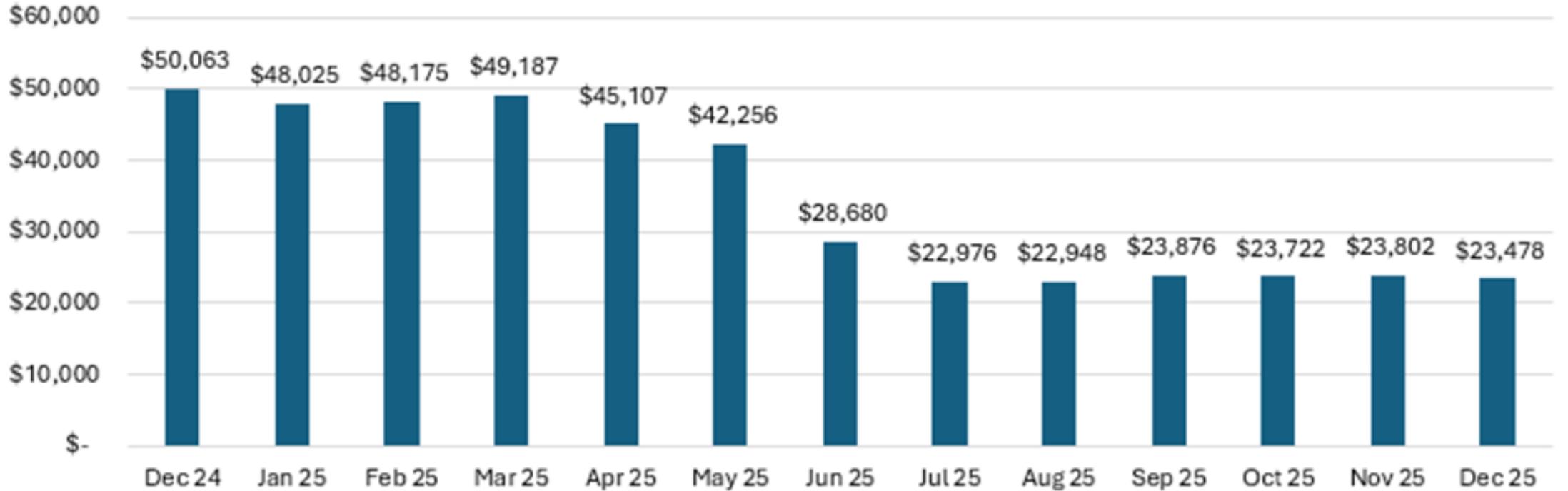
Pharmacy Costs and Drug Rebates





December 15, 2024 and **July 31, 2025** implemented restrictions on GLP-1s

Pharmacy - OTC Average Daily Expenditure



June 2025 implemented \$100 cap on over-the-counter (OTC) prescriptions

Clinical Criteria Pilot

- Implemented January 1, 2026 clinical prior authorization pilot for 11 drug classes
- Preliminary data from first month
 - Does not include denials due to missing information or other administrative issues that were then resubmitted
 - Due to short timeframe, data is incomplete and some claims may still have been open for additional data/letter of medical necessity review or may have been filled since data was pulled

	Total	PAH AGENTS, ORAL AND INHALED	CYTOKINE AND CAM ANTAGONISTS	ANTIPSORIATICS, TOPICAL	MULTIPLE SCLEROSIS AGENTS	IMMUNO-MODULATORS, ASTHMA	IMMUNO-MODULATORS, ATOPIC DERMATITIS	GROWTH HORMONE	ANTI-CONVULSANTS	BLADDER RELAXANT PREPARATIONS	ANTI-MIGRAINE AGENTS, OTHER	HYPOGLYCEMICS, INCRETIN MIMETICS/ENHANCERS
Number of PA requests	737	3	186	27	10	8	6	14	158	24	17	284
Percent approved upon initial review	79%	100%	82%	89%	89%	57%	83%	79%	90%	70%	100%	69%
Percent filled with initial request or alternate from PDL	90%	100%	90%	93%	90%	63%	100%	93%	97%	83%	100%	86%

CMS Innovation Models

- **GENEROUS (GENERating cost Reductions fOr U.S. Medicaid) Model**
 - Supplemental rebate negotiated by CMS to bring prices down to most-favored nation (MFN)/international pricing
 - Specific drugs not yet provided (mentions high-cost brand name drugs where there may be few or no supplemental rebates available)
 - CMS will negotiate with manufacturers to develop standardized coverage criteria policies
 - Manufacturers to sign on by June 30, 2026
 - State RFA by July 31, 2026 and executing a state agreement with CMS by August 31, 2026
 - Concludes December 31, 2030

CMS Innovation Models

- **BALANCE (Better Approaches to Lifestyle and Nutrition for Comprehensive hEalth)**
 - CMS negotiates directly with GLP-1 manufacturers on behalf of state Medicaid agencies
 - CMS will negotiate with manufacturers to develop standardized coverage criteria policies
 - Manufacturers to also provide lifestyle support program, provided by the manufacturer at no cost.
 - Starts May 2026 (join by January 2027), concludes in December 2031