

EXHIBIT 3

ILLUSTRATIVE MEASURES OF PHARMACY BENEFIT USE AND REIMBURSEMENT IN THE STUDY POPULATION, 2001^a

Key Measures of Pharmacy Benefit Use and Reimbursement	Among Nondual Beneficiaries ^b	Among Dual Eligibles ^b	Among All Beneficiaries Who Resided in Nursing Facilities All Year ^b
Total Medicaid Pharmacy Reimbursement (in \$million)	\$10,370	\$12,541	\$2,409
Pharmacy Reimbursement per Beneficiary ^c	\$362	\$2,203	\$2,594
Pharmacy Reimbursement per Benefit Month ^d	\$48	\$211	\$256
Number of Prescriptions per Beneficiary	6	40	57
Number of Prescriptions per Benefit Month	0.9	3.8	5.6

Source: Medicaid Analytic Extract, 2001. This table is based on the information contained in the Compendium, United States.

^aThe Medicaid pharmacy reimbursement amount is the amount Medicaid reimbursed pharmacies, including dispensing fees minus beneficiary copayment. Reimbursement amounts are gross amounts prior to the receipt of rebates from drug manufacturers to states.

^bSee footnotes to Exhibit 2 for explanations of how these groups were defined. Annual or monthly measures reflect use and reimbursement among beneficiaries in FFS settings, and may thus be higher than if use and reimbursement in capitated managed care settings were included.

^cAnnual per-beneficiary use and reimbursement include all reimbursement during the year for the number of months of Medicaid FFS pharmacy benefit coverage. Thus, some beneficiaries may have had only one month of coverage, while others were covered for twelve months. Medicaid beneficiaries in the study population had, on average, 8.0 months of coverage. The comparable number was 7.5 months for nondual beneficiaries, and 10.5 months for dual eligibles and for all-year residents of nursing facilities.

^d Monthly use and reimbursement amounts were calculated by dividing total use and reimbursement among all beneficiaries in the study population by the total number of benefit months of those beneficiaries. Benefit months are months during which beneficiaries had FFS pharmacy benefit coverage.