

PBMs Help Improve Medicaid Outcomes with Pharmacy-Centered Care Programs

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Overview

Individuals enrolled in Medicaid often experience higher rates of chronic conditions, medication adherence issues, fragmented care coordination, and disparities in healthcare access. Pharmacy benefit managers (PBMs) can improve Medicaid beneficiaries' outcomes by connecting them with local pharmacies to increase medication adherence and improve management of chronic conditions and receipt of preventive care, which may also reduce future medical spending.

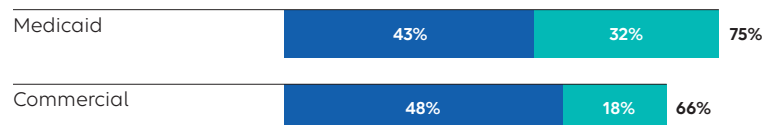
Background

As compared with the commercially insured population, individuals enrolled in Medicaid have higher rates of chronic conditions such as diabetes, hypertension, asthma, and mental health disorders.¹ (Figure 1) Fragmented care delivery systems can make it harder for individuals with multiple conditions to get coordinated care.²

Medication adherence, or the extent to which patients take medications as prescribed, is critical for managing chronic conditions and improving health outcomes. However, adherence rates often vary by insurance coverage. Medication adherence, defined as having a proportion of days covered (PDC) equal to or exceeding 80 percent of days, is often lower among Medicaid beneficiaries with chronic conditions than among their commercially insured counterparts.^{3,4}

Figure 1
Share of Nonelderly Adults with One or More Chronic Conditions by Insurance Type, 2023

■ 1–2 Chronic Conditions
■ 3 or More Chronic Conditions



Source. Kaiser Family Foundation analysis of National Health Information Survey 2023.

Individuals enrolled in Medicaid also experience more frequent emergency department use⁵ and higher rates of preventable hospital admissions for certain conditions such as asthma, chronic obstructive pulmonary disease (COPD), diabetes, and heart failure.⁶ Substantial reductions in these potentially avoidable types of healthcare utilization and costs may be realized with improved medication adherence and care management.⁷

While states have long relied on Medicaid managed care plans to improve quality of care and costs, those plans are increasingly employing their PBMs to contribute to those efforts.⁸

Beginning in 2021, Elevance Health's PBM, CarelonRx, established its Community Pharmacy Total Care (CPTC) program to support Medicaid members by delivering enhanced medication therapy management services in partnership with local community pharmacies. This paper describes how the CPTC program has grown and evaluates the program's clinical impact across multiple states.

Pharmacy-Centered Care in Medicaid

The CPTC program promotes the use of community pharmacy-centered care to simplify prescription management and increase medication adherence, improve quality of care delivered to members as measured by Medicaid and Healthcare Effectiveness Data and Information Set (HEDIS) quality metrics,⁹ enhance overall member satisfaction, and minimize health disparities by improving pharmacy access.

Community pharmacists, situated in the neighborhoods they serve, are trusted providers who deliver medication counseling and health education tailored to individuals' preferences and healthcare needs. Because Medicaid members are often prescribed multiple medications, CPTC-participating pharmacists simplify regimens by offering medication synchronization, custom prescription packaging, scheduled hand-delivery arranged at the member's convenience, regular consultations, and personalized care plan development.

PBM Data Exchange Supports Improved Outcomes

CarelonRx supports participating CPTC program pharmacies through its care management platform, which records and communicates patient data to pharmacies. CPTC-participating pharmacies can view members' medication history, insurance, prescriber, and previous pharmacy details in real time. This integration allows for timely identification of non-adherence, enabling prompt interventions such as refill reminders and provider notifications, thereby improving adherence and care quality (as measured by HEDIS metrics). The CPTC program also continuously introduces new customers to local, independent pharmacies. Since its launch in Arkansas and Iowa in 2021, the CPTC program has expanded to include contracts with over 500 high-performing pharmacies across 11 states, identifying more than 300,000 Medicaid members as eligible for engagement in 2024.

While the core components of the CPTC program have been successfully replicated across various states, there is also flexibility to tailor the approach and relevant quality metrics to align with the specific clinical performance priorities of individual state Medicaid programs. This accounts for the unique health characteristics and needs of Medicaid members in different areas of the country. For instance, a state Medicaid program may prioritize improving beneficiaries' adherence to medications for mental health conditions and the CPTC program can tailor eligible member outreach, engagement, and quality reporting accordingly.

Analysis

The purpose of this analysis was to examine the impact of the CPTC program's interventions on pharmacy-related member outcomes in Elevance Health-affiliated Medicaid plans in eight states.¹⁰

The evaluation included 497 Medicaid members engaged with the CPTC program for at least 12 months between December 2022 and April 2024. A difference-in-difference analysis was performed using a propensity-matched group of 497 non-participants to measure the program's impact.

The analysis used pharmacy claims and HEDIS data to examine medication adherence rates, defined as a PDC of 80 percent or greater, and HEDIS gap closure rates, which indicate whether people get certain healthcare services, in accordance with recommended guidelines. A higher gap closure rate means more people received the care indicated to improve or maintain their health.

Results

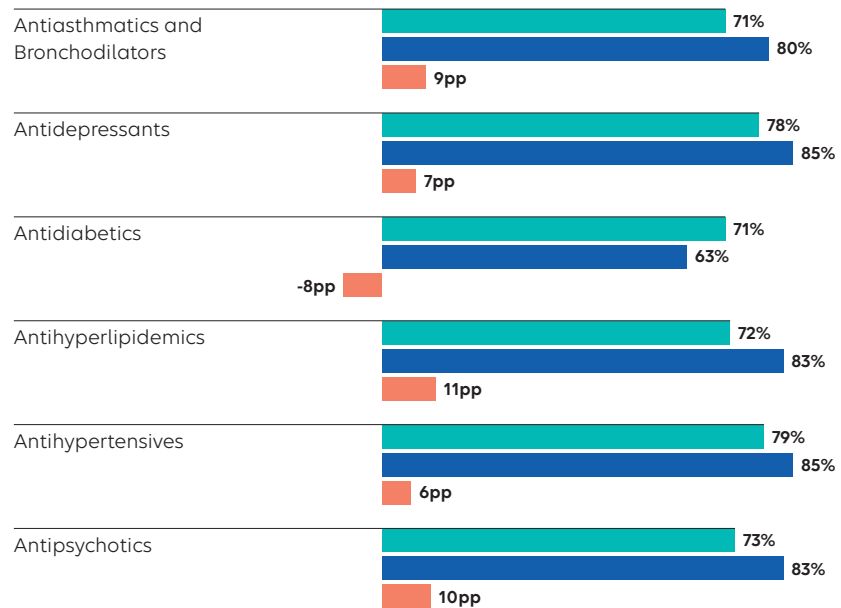
Program participants experienced improved medication adherence across almost all drug categories after program participation, relative to their adherence prior to participation. (Figure 2) The adherence rates for most drug categories improved by 6–11 percentage points, except for antidiabetics.

Members who participated in the program also exhibited a 12 to 29 percentage point improvement in adherence as compared to the nonparticipant group. (Figure 3). Among nonparticipants, adherence rates decreased for all drug categories. While program participants did not see an improvement in antidiabetics adherence post intervention, the nonparticipant group saw a much larger decrease (-8% vs. -20%).

Figure 2

**Medication Adherence
Among Program Participants
by Drug Category, 2022–2023**

■ Percent Adherent Pre-Program
■ Percent Adherent Post-Program
■ Percentage Point (pp) Change

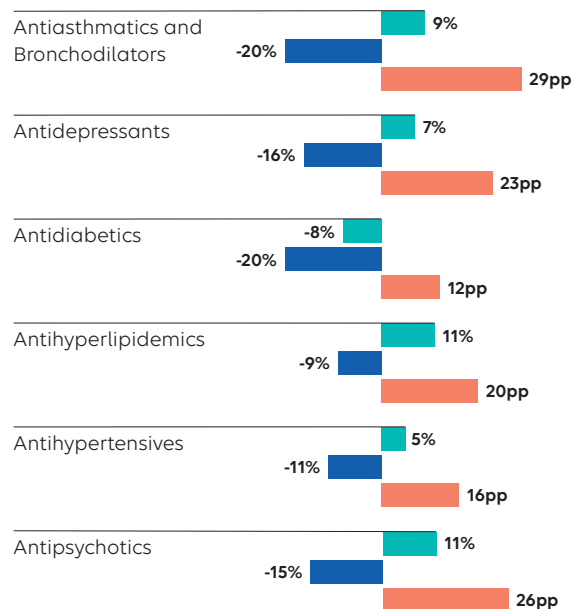


Source. Elevance Health internal claims data. Statistical significance could not be determined due to sample size of members in each drug category.

Figure 3

**Difference in Medication Adherence,
Participants vs. Nonparticipants
by Drug Category, 2022–2024**

■ Pre/Post Program, Participants
■ Pre/Post Program, Nonparticipants
■ Percentage Point (pp) Difference



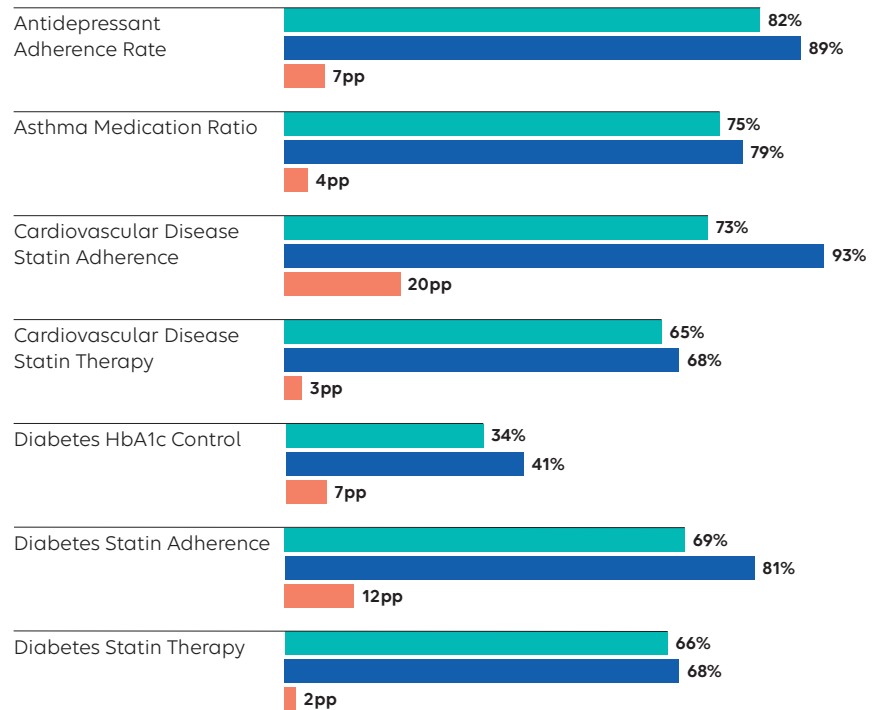
Source. Elevance Health internal claims data. Statistical significance could not be determined due to sample size of members in each drug category.

Program participants achieved improvements relative to baseline across all HEDIS measures. (see Appendix for measures descriptions) Statin adherence for cardiovascular disease showed the greatest improvement in the post-period, with a 20 percentage point increase, followed by statin adherence to statin therapy for diabetes with a 12 percentage point improvement. (Figure 4). Non-engaged members saw compliance rates decline between 2 percentage points and 43 percentage points across multiple HEDIS measures during the same period. (Data not shown)

Figure 4

**Treatment Compliance Rates
Among Program Participants
by HEDIS Measure, 2022–2024**

■ Pre-Program
■ Post-Program
■ Percentage Point (pp) Change



Source. Elevance Health internal claims data. Statistical significance could not be determined due to sample size of members in each drug category.

Numerous studies have demonstrated that improved medication adherence leads to significant reductions in healthcare costs and utilization, particularly for chronic conditions such as diabetes, hypertension, and heart disease.¹¹ According to an internal Elevance Health analysis, the HEDIS gap closures exhibited by members participating in the CPTC program were estimated to result in over \$1 million in medical cost avoidance in 2024.¹²

One limitation of this study is that while the analytic approach seeks to isolate the impact of the CPTC program, it is possible that other unknown factors also influenced the results.

Conclusion

Medicaid members experience distinct challenges—higher rates of chronic conditions and lower medication adherence—that can be addressed in part with tailored, community-based healthcare solutions. These individuals also often navigate fragmented care environments, where coordination between providers is limited, and access to culturally competent care can be inconsistent.

The CPTC program identifies Medicaid members who would benefit most from personalized, community-based care by using data to identify those with more complex health needs. It connects these members with independent community pharmacies and equips the pharmacists with real-time clinical tools and support systems to provide consistent medication management, education, and follow-up in a setting that is both familiar and accessible to the member.

Participants in the CPTC program in multiple states have demonstrated improvements in medication adherence and reduced gaps in care across the most common chronic conditions among Medicaid members. The program's flexibility to align with individual states' Medicaid priorities ensures it can continue to grow to serve more Medicaid members.

As states continue to seek scalable, outcomes-driven models, pharmacy-centered care coordination with PBMs as partners should be viewed as a key strategy to advance the health and wellbeing of Medicaid beneficiaries.

Appendix

HEDIS Measure	Measure Description
Antidepressant Adherence Rate	Antidepressant Medication Management. The percentage of members 18 years of age and older who were treated with antidepressant medication, had a diagnosis of major depression, and who remained on an antidepressant medication treatment.
Asthma Medication Ratio	The percentage of members 5–64 years of age who were identified as having persistent asthma and had a ratio of controller medications to total asthma medications of 0.50 or greater during the measurement year.
Cardiovascular Disease Adherence	Statin Adherence for Patients with Cardiovascular Disease. The percentage of males 21–75 years of age and females 40–75 years of age during the measurement year who were identified as having clinical atherosclerotic cardiovascular disease (ASCVD) who remained on a high-intensity or moderate-intensity statin medication for at least 80 percent of the treatment period.
Cardiovascular Disease Statin Therapy	Statin Therapy for Patients with Cardiovascular Disease. The percentage of males 21–75 years of age and females 40–75 years of age during the measurement year who were identified as having clinical atherosclerotic cardiovascular disease (ASCVD) who were dispensed at least one high-intensity or moderate-intensity statin medication during the measurement year.
Diabetes HbA1C Control	Hemoglobin A1c Control for Patients with Diabetes. The percentage of members 18–75 years of age in the measurement year with a diagnosis of diabetes (Type 1 and Type 2) whose hemoglobin A1c was at the following levels during the measurement year: HbA1c control (<8.0%). HbA1c poor control (>9.0%) (inverted rate).
Diabetes Statin Adherence	Statin Adherence for Patients with Diabetes. The percentage of members 40–75 years of age during the measurement year with diabetes who do not have clinical atherosclerotic cardiovascular disease (ASCVD) who remained on a statin medication of any intensity for at least 80 percent of the treatment period.
Diabetes Statin Therapy	Statin Therapy for Patients with Diabetes. The percentage of members 40–75 years of age during the measurement year with diabetes who do not have clinical atherosclerotic cardiovascular disease (ASCVD) who were dispensed at least one statin medication of any intensity during the measurement year.

Endnotes

- ¹ Kaiser Family Foundation. (2025, April 10). 5 Key Facts About Medicaid Coverage for Adults with Chronic Conditions. Retrieved April 20, 2025, from <https://www.kff.org/medicaid/issue-brief/5-key-facts-about-medicaid-coverage-for-adults-with-chronic-conditions/>.
- ² Centers for Medicare & Medicaid Services. (2023, August 4). Why Care Coordination Is Important. Retrieved April 20, 2025, from <https://www.cms.gov/priorities/innovation/key-concepts/care-coordination>.
- ³ Khanna, R., et al. (2012). Medication Adherence Among Recipients with Chronic Diseases Enrolled in a State Medicaid program. *Population Health Management* 15(5), 253-60. Retrieved May 20, 2025, from https://www.researchgate.net/publication/221687326_Medications_Adherence_Among_Recipients_with_Chronic_Diseases_Enrolled_in_a_State_Medicaid_Program.
- ⁴ Erison, S.C., et al. (2021, November 16). Adherence Trends for 3 Chronic Disease Medication Classes Among Differently Insured Populations. *American Journal of Pharmacy Benefits* 6(1). Retrieved May 20, 2025, from <https://www.pharmacytimes.com/view/adherence-trends-for-3-chronic-disease-medication-classes-among-differently-insured-populations>.
- ⁵ Kim, H., et al. (2017, August 1). Comparing Emergency Department Use Among Medicaid and Commercial Patients Using All-Payer All-Claims Data. *Population Health Management* 20(4), 271–277. Retrieved May 20, 2025, from <https://pmc.ncbi.nlm.nih.gov/articles/PMC5564052/>.
- ⁶ Medicaid and CHIP Payment and Access Commission. (2016, December 15). Potentially Preventable Events: Comparing Medicaid and Privately Insured Populations. Retrieved May 20, 2025, from <https://www.macpac.gov/wp-content/uploads/2016/12/Potentially-Preventable-Events-Comparing-Medicaid-and-Privately-Insured-Populations.pdf>.
- ⁷ Roebuck, M.C., et al. (2018, March). Impact of Medication Adherence on Health Services Utilization in Medicaid. *Medical Care* 56(3), 266-273. Retrieved May 20, 2025, from https://journals.lww.com/www-medicalcare/abstract/2018/03000/impact_of_medication_adherence_on_health_services.11.aspx.
- ⁸ Office of the Assistant Secretary for Planning and Evaluation. (2015). Innovative Medicaid Managed Care Coordination Programs for Co-morbid Behavioral Health and Chronic Physical Health Conditions. Retrieved June 1, 2025, from <https://aspe.hhs.gov/reports/innovative-medicaid-managed-care-coordination-programs-co-morbid-behavioral-health-chronic-physical-2>.
- ⁹ The Healthcare Effectiveness Data and Information Set (HEDIS) is a tool used by more than 90 percent of U.S. health plans to measure performance on important dimensions of care and service. More than 190 million people are enrolled in health plans that report quality results using HEDIS.
- ¹⁰ As of publication only eight of the 11 Medicaid states CPTC is operating in had sufficient data to perform an analysis.
- ¹¹ Sokol, M.C., et al. (2005). Impact of Medication Adherence on Hospitalization Risk and Healthcare Costs. *Medical Care* 43(6), 521-530. Retrieved June 10, 2025, from https://innovamedicaldesign.com/studies/Impact_of_Medication_Adherence.pdf.
- ¹² Internal proprietary analysis of medical cost avoidance was conducted using condition-specific modeling adapted from peer-reviewed literature.

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