



CITY OF MANCHESTER

Annual Review

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January 19, 2016



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Reporting Parameters

Reporting Period(s)

Financial Reports :

Incurred any time and paid during the following periods:

Current Period: July 1, 2014 through June 30, 2015

Compared to Prior Period: July 1, 2013 through June 30, 2014

Clinical Reports:

Incurred Period: April 2014-March 2015; paid through June 2015

Incurred Prior Period: April 2013-March 2014; paid though June 2014

Benchmarks

The Benchmark referenced in this analysis is Anthem New Hampshire Book of Business Comparisons are made to a similar group, also located within New Hampshire

PMPM

Members are defined as plan eligible Employees, Spouses and Child/Dependents

PMPM paid amount is the metric used throughout this analysis to understand paid amount trends by individual plan participants (per member) over the duration of the plan period (per month)

High Cost Claimants

High cost claimants (HCCs) are referenced in this analysis and are defined as those members with a cumulative total paid amount of medical and Rx claims \geq \$75,000 during the current reporting period

Settings

Plan expenditures and utilization are broken down into the following settings:

Inpatient facility, Outpatient facility, Professional and Pharmacy

Financial and Demographic Summary

Total Plan Expenditures:

- Paid medical claims = \$15,193,682, essentially unchanged from the prior period
- Paid Rx claims= \$3,874,315 (a 14.9% increase from the prior period)
- Total Medical and Rx PMPM= a 2.2% increase overall
- In-network utilization was excellent at 99.5%
- Member Medical Cost Share: 4.4% vs 4.0% in the prior period
- Member Rx Cost Share: 13.3% vs 14.2% in the prior period

Medical Membership:

- Current period average membership is 3,081, increasing 0.5% from the prior period
- Females account for 47.3%; Males represent 52.7% of the membership
- Subscribers represent 39.6% of total membership, Spouses 24.0% and Children 36.4%
 - Employees consume 49.7% of total medical plan costs

High Cost Claimants ≥ \$75K:

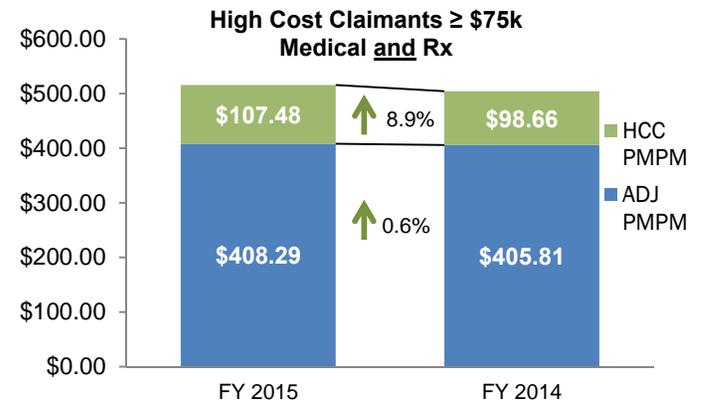
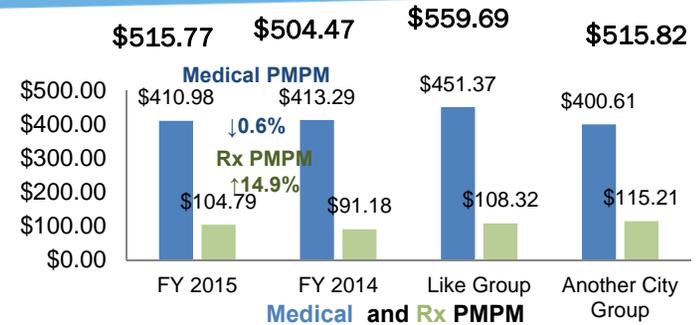
- 30 claimants accounted for \$3,967,800 (20.9% of total expenditures)
 - \$3,672,476 medical +\$295,324 pharmacy
- Care and treatments related to Cancer contributed significantly to the high costs

Spend by Relationship (medical only):

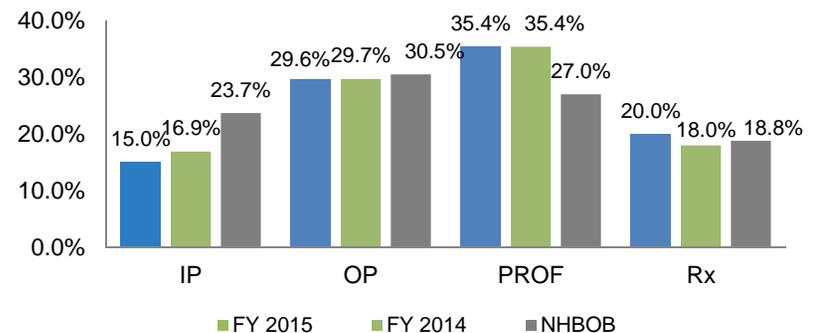
- Employee PMPM: \$515.43 (down 5.7%); **Spouse: \$548.33 (up 6.3%);** Child: \$206.08 (up 4.6%)

Medical Utilization Trends Per 1,000 by Setting:

- Inpatient admits/1,000 **decreased** 13.7%
 - Cost/admit increased 1.6%
- Outpatient visits/1,000 **decreased** 8.1%
 - Cost/visit increased 10.4%
- Professional visits/1,000 **decreased** 0.5%
 - Cost/visit increased 2.5%
- Pharmacy utilization **decreased** 1.2%
 - Cost per script increased 16.3%



Percent Of Spend By Setting



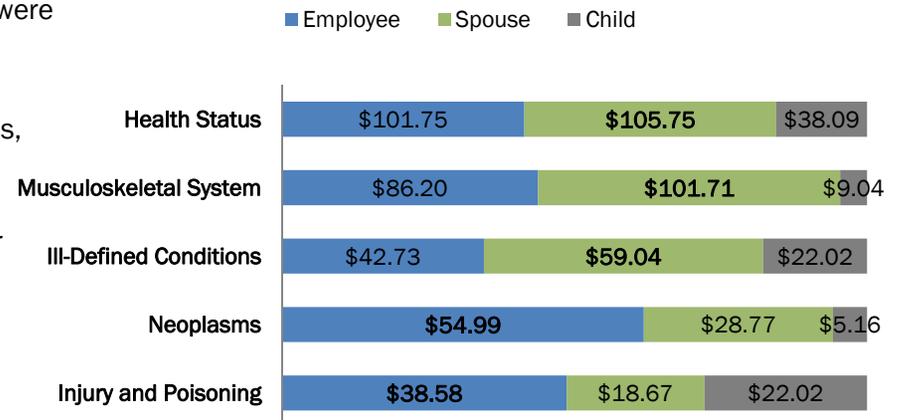
Clinical Cost Drivers

Summary:

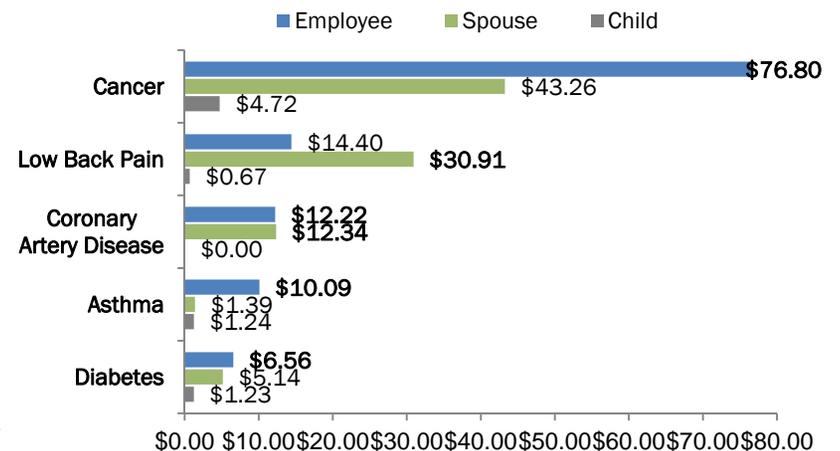
Musculoskeletal System Disorders, Neoplasms and Injuries and Poisonings were the primary clinical cost drivers

- These 3 categories represent 29.3% of the total medical expenditures
- The Employee is responsible for leading PMPM costs for the Neoplasms, Injury and Poisoning and Digestive System categories
- Top clinical diagnoses for **Inpatient** setting include joint replacement surgeries, various types of heart surgeries and surgical intervention for cancers
- Outpatient** setting costs drivers included “Other” Category (IV Therapy, Chemo, Specialty Rx, dialysis, PT/OT etc), OP Surgery, Radiology and Emergency Room
- 53% of all ER visits were considered Low Intensity and may have been appropriately redirected to a setting of lesser intensity
- Joint and Back Disorders were the most prevalent diagnoses within the Musculoskeletal Category
- General Medical Exams were the most prevalent diagnosis within the Health Status category
- Breast Cancer, Prostate Cancer and a variety of Skin Cancers are the most commonly treated type of malignancies, however Pancreatic Cancer and Multiple Myeloma were the most costly to treat
- Dislocations and Fractures were most common diagnoses within the Injury and Poisoning category
- Hypertension, Osteoarthritis, Diabetes, Asthma and Depression remain health concerns of focus for the City of Manchester population
- Low Back Problems represents the highest Lifestyle related condition by prevalence; Osteoarthritis was the most costly Lifestyle Condition during this current period

Top Health Conditions By PMPM And Relationship



Top Chronic Conditions by Relationship and PMPM Amount



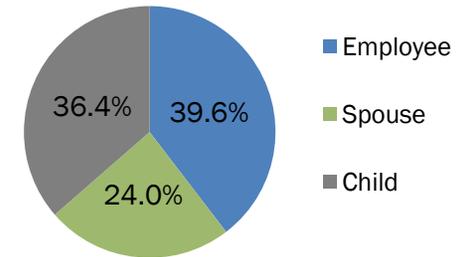
Membership Summary

Summary:

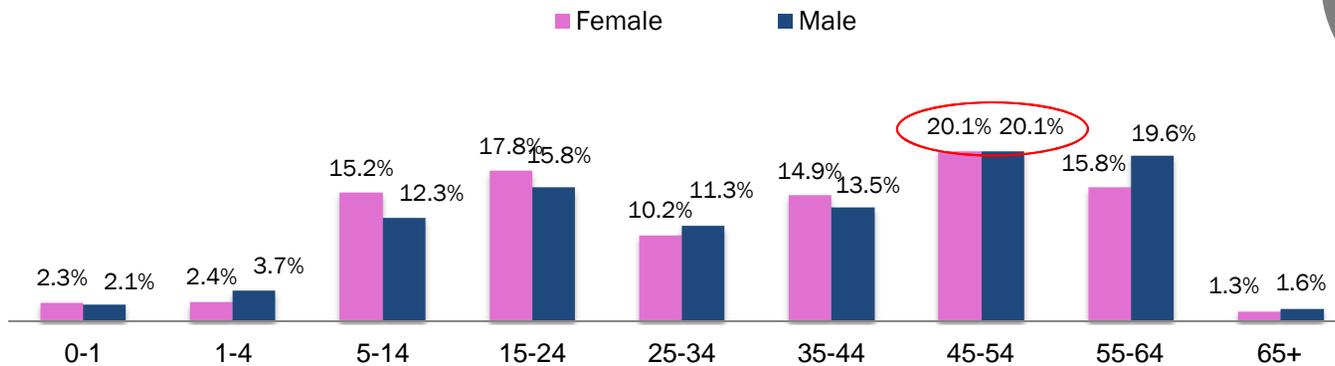
- The average age of the member is 35.2 years, unchanged from the prior period
 - Like Group Comparison : 37.1 years Anthem NH BOB: 36.7 years
- The average age of the subscriber is 47.9 years, compared to 48.0 years in the prior period
 - Like Group Comparison: 48.9 years Anthem National BOB: 45.7 years
- 37.2% of Females and 41.3% of Males are over age 45
- 172 members with continuous enrollment did not submit any claims in the current period
 - 81 members were age 45 years or older
 - 59 members were subscribers

Membership Summary				
Period	Medical Subscriber Contracts	Medical Members	Contract Size	Member Trend
FY 2015	1,220	3,081	2.5	0.5%
FY 2014	1,206	3,066	2.5	-2.5%

Medical Membership By Relationship



Member Distribution By Age & Gender



Utilization by Setting

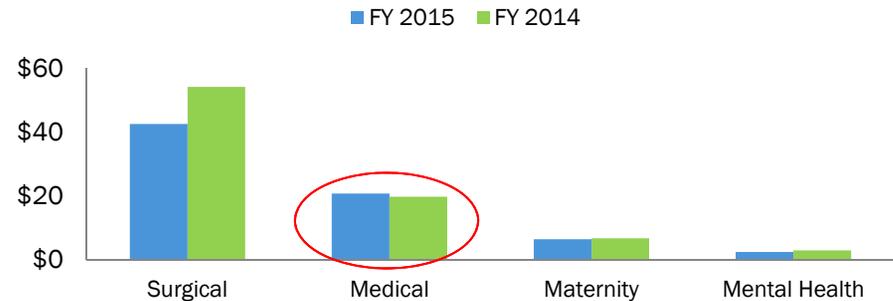
Metric	Current Period	Prior Period	Trend/ Variation	Like Group Comparison	Variation to Like Group	Another City Group
Inpatient Total Claims	\$2,844,479	\$3,130,137	-9.1%			
Total PMPM	\$76.94	\$85.09	-9.6%	\$76.15	1.0%	\$85.93
Acute Admits / 1,000	59.4	68.8	-13.7%	61.9	-4.0%	58.0
Acute Days/1000	259.7	248.9	4.3%	262.8	-1.2%	213.8
Acute ALOS	4.37	3.62	20.9%	4.24	3.1%	3.69
Average Paid / Acute Admit	\$14,997	\$14,758	1.6%	\$14,607	2.7%	\$17,607
Outpatient Total Claims	\$5,617,425	\$5,510,217	1.9%			
Total PMPM	\$151.95	\$149.78	1.4%	\$176.58	-13.9%	\$147.42
Visits / 1,000	2,474.4	2,693.1	-8.1%	2,799.5	-11.6%	2,901.4
Average Paid / Visit	\$737	\$667	10.4%	\$757	-2.6%	\$610
ER PMPM	\$22.85	\$20.56	11.1%	\$25.47	-10.3%	\$23.51
ER Visits / 1,000	152.6	162.1	-5.9%	165.2	-7.6%	179.7
ER Average Paid / Visit	\$1,797	\$1,522	18.1%	\$1,850	-2.9%	\$1,570
Professional Total Claims	\$6,731,778	\$6,563,813	2.6%			
Total PMPM	\$182.09	\$178.42	2.1%	\$198.63	-8.3%	\$167.25
Total Visits/ 1000	11,375.2	11,428.8	-0.5%	12,982.9	-12.4%	11,062.2
PCP Visits / 1,000	2,808.1	2,897.2	-3.1%	3,013.1	-6.8%	2,721.9
PCP Average Paid / Visit	\$152	\$145	4.8%	\$151	0.7%	\$151
PCP PMPM	\$35.53	\$34.96	1.6%	\$38.04	-6.6%	\$34.20
Specialist Visits / 1,000	8,567.1	8,531.6	0.4%	9,969.8	-14.1%	8,340.3
Specialist Average Paid / Visit	\$205	\$202	1.7%	\$193	6.2%	\$191
Specialist PMPM	\$146.56	\$143.46	2.2%	\$160.59	-8.7%	\$133.05

Utilization by Setting - Summary

Inpatient Summary:

- Overall Inpatient expenses decreased 9.1%, with total admits down by 24
 - Total Surgical utilization/1000 decreased 29.3%; Total Medical utilization/1000 **increased** 15.0%
 - Maternity utilization/1000 decreased 8.5%; Mental Health utilization/ 1000 decreased 31.0%
- Surgical costs account for 55.4% -surgeries for various joint replacements, heart valve replacements, back surgery, a kidney transplant, and cancer surgeries
- Medical costs represent 27.0%- respiratory diagnoses, infections, complications and cancer care

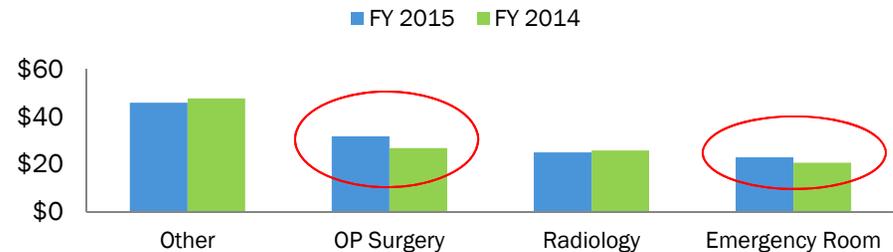
Inpatient: PMPM By Admission Type



Outpatient Summary:

- Overall Outpatient expenses **increased** 1.9%, with total OP visits down by 633 visits
- “Other” Category includes IV Therapy for Chemo, infusions of Specialty Rx, Dialysis and PT/OT/ST – PMPM decreased 3.9%
- Emergency Room PMPM trend **increased** 11.1%; yet utilization decreased 5.9%
- Top 4 service categories account for 82.3% of the OP expenditures

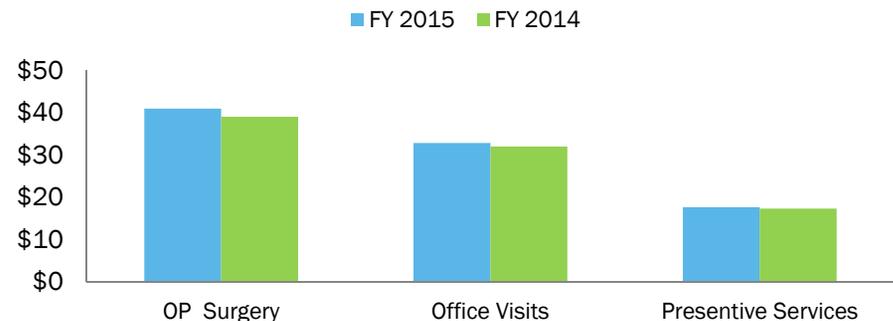
Outpatient: PMPM By Visit Type



Professional Summary:

- Overall Professional expenses **increased** 2.6% with total visits remaining static
 - PCP visits/1,000 decreased 3.1%, yet Specialty visits/1000 remained unchanged
- Health Status, Musculoskeletal System conditions, Ill-Defined Conditions, Nervous System/Sense Organs and Mental Disorders were the key categories in this setting

Professional: PMPM By Service Category



Emergency Room Summary

Emergency Room Summary:

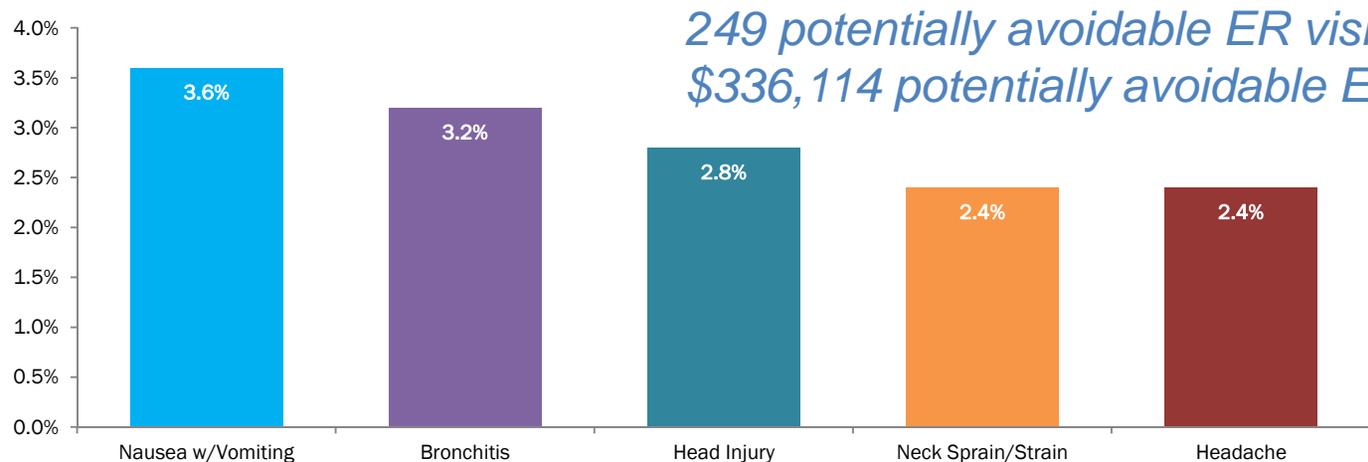
- Emergency Room facility paid was 15.0% (\$844,715) of the total Outpatient paid amount; Anthem NH BOB=14.8%
- Employees represent 31.7% of the total ER visits and 38.0% of the total ER expenses
 - Children consume 40.9% of the total ER visits, yet only 25.7% of the total ER spend
- ER admission rate is 13.0%; Anthem National Benchmark is 11-14%
- Top ER Providers included Elliot Hospital, Catholic Medical Center, Parkland Medical Center and Concord Hospital, accounting for 85.6% of total ER visits and 78.9% of the total ER expenditures
- 27.7% of all ER visits occurred on week-ends (Saturday and Sunday)
- LiveHealthOnline, 24/7 NurseLine, a call to a Provider's office, Provider visits, use of Urgent Care Centers and Walk-In Clinics are options for Emergency Room visits for non- urgent care

Low Intensity Summary:

- 53% of ER visits were potentially "low intensity" in the current period (Like Group: 51.1%)
- Low intensity ER utilization was 80.8/1,000 (Prior Period: 79.3/1000) compared to the Anthem National Benchmark of 105.6/1,000
- The average cost of a "low intensity" ER visit was \$1,350, compared to \$1,001 in the prior period

TOP 5 LOW INTENSITY DIAGNOSES BY ER VISITS

This chart represents 14.5% of the avoidable ER visits



249 potentially avoidable ER visits
\$336,114 potentially avoidable ER costs

Pharmacy



Executive Summary



Plan Performance

- ✓ Total Pharmacy Plan Cost increased 14.9% from \$3.4 M to \$3.9 M
- ✓ Total Pharmacy Plan Cost PMPM (trend) increased 14.9% from \$91.18 to \$104.79
- ✓ Generic Fill Rate increased from 81.1% to 81.9%
- ✓ Specialty Drugs Accounted for 28.9% of Pharmacy Costs
- ✓ Member Cost Share 13.3%



Clinical Cost Drivers

- ✓ Inflammatory Conditions, Diabetes, Multiple Sclerosis, Attention Disorders, Heartburn/Ulcer Disease represented 44.6% of total pharmacy spend.
- ✓ Humira, Enbrel, Nexium accounted for \$528,164 in pharmacy spend.
- ✓ 7 of the 10 top drugs were for Specialty Medications.

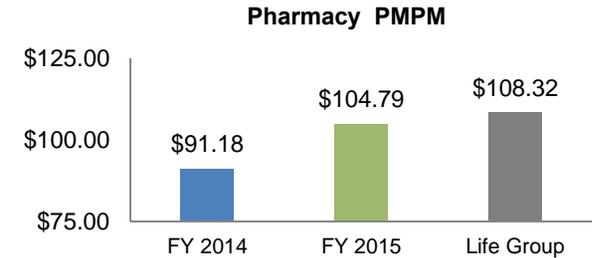


Recommendations

- ✓ Consider benefit changes to increase member cost share
- ✓ Capitalize on savings by implementing Home Delivery Complete or Home Delivery Choice.

Pharmacy Cost and Utilization

- Pharmacy Plan Costs increased 14.9% to \$3,874,315
- Pharmacy PMPM increased 14.9% to \$104.79 PMPM
 - PMPM is slightly lower than Like Group comparison
 - Primary Cost Driver is Specialty Drug spend and AWP inflation
- Average cost of a script increased 16.3%
- Utilization decreased 1.2%
- Generic Fill Rate (GFR) increased 0.9 percentage points and is now 81.9%
- Specialty Drugs account for 28.9% of total pharmacy spend for this period, an increase 3.3 percentage points



City of Manchester			
Description	7-14 - 6-15	7-13 - 6-14	Change
Avg Subscribers per Month	1,221	1,211	0.8%
Avg Members per Month	3,081	3,081	0.0%
Number of Unique Patients	2,516	2,511	0.2%
Pct Members Utilizing Benefit	81.7%	81.5%	0.2
Total Plan Cost	\$3,874,315	\$3,371,262	14.9%
Total Rxs	33,082	33,483	-1.2%
Plan Cost PMPM	\$104.79	\$91.18	14.9%
Plan Cost per Rx	\$117.11	\$100.69	16.3%
Nbr Rxs PMPM	0.89	0.91	-1.2%
Generic Fill Rate	81.9%	81.1%	0.9
Home Delivery Utilization	25.4%	26.7%	-1.3
Member Cost %	13.3%	14.2%	-0.9
Specialty Percent of Plan Cost	28.9%	25.6%	3.3

Like Group	
7-14 - 6-15	Change
\$108.32	1.7%
\$107.08	0.3%
1.01	1.3%
82.3%	2.4
26.9%	-0.6
9.0%	-0.1
14.2%	-4.2

Pharmacy Cost and Utilization Breakdown

- Specialty drug spend **increased** \$257,000 in one year (29.8%)
- Non-Specialty drugs account for 71.1% of total pharmacy spend and 99.3% of total scripts
- Specialty drugs accounts for 28.9% of total pharmacy spend, and 0.7% of total scripts
- There are 54 unique specialty patients, an decrease of 4 specialty patients over the previous period

City of Manchester						
Description	Non-Specialty			Specialty		
	7-14 - 6-15	7-13 - 6-14	Change	7-14 - 6-15	7-13 - 6-14	Change
Avg Members per Month	3,081	3,081	0.0%	3,081	3,081	0.0%
Number of Unique Patients	2,515	2,510	0.2%	54	58	-6.9%
Pct Members Utilizing Benefit	81.6%	81.5%	0.2	1.8%	1.9%	-0.1
Total Plan Cost	\$2,755,289	\$2,509,307	9.8%	\$1,119,026	\$861,955	29.8%
Percent of Total Plan Cost	71.1%	74.4%	-3.3	28.9%	25.6%	3.3
Total Rxs	32,837	33,270	-1.3%	245	213	15.0%
Percent of Total Rxs	99.26%	99.36%	-0.1	0.74%	0.64%	0.1
Plan Cost PMPM	\$74.52	\$67.87	9.8%	\$30.27	\$23.31	29.8%
Plan Cost per Rx	\$83.91	\$75.42	11.3%	\$4,567.45	\$4,046.74	12.9%
Nbr Rxs PMPM	0.89	0.9	-1.3%	0.007	0.006	15.0%
Generic Fill Rate	82.5%	81.4%	1.0	11.8%	23.9%	-12.1
Member Cost %	16.7%	17.5%	-0.8	3.4%	2.5%	0.9

Like Group	
7-14 - 6-15	Change
\$15.44	-21.7%
\$2,935.66	-15.9%
0.005	-6.9%
21.8%	-2.5
1.8%	0.6

Top Specialty Indications

- Two new specialty conditions in the top 10 this year: Growth Deficiency and HIV
- Inflammatory Conditions, the #1 Specialty Drug condition by cost, increased 47.0% year over year
 - Large increase in utilization and 3 additional patients
- Large increases in Transplant (63.8%), Blood Cell Deficiency (32.3%), Asthma (35.6%) and Pulmonary Hypertension (74.7%)

Top Specialty Indications by Plan Cost													
		7-14 - 6-15					7-13 - 6-14					%	
Overall Rank	Overall Peer Rank	Indication	Rxs	Patients	Plan Cost	PMPM	Overall Rank	Rxs	Patients	Plan Cost	PMPM	Plan Cost	Plan Cost PMPM
1	2	INFLAMMATORY CONDITIONS	92	20	\$582,328	\$15.75	1	68	17	\$396,052	\$10.71		47.0%
3	4	MULTIPLE SCLEROSIS	29	7	\$305,962	\$8.28	3	26	5	\$273,587	\$7.40		11.8%
14	27	GROWTH DEFICIENCY	10	1	\$72,204	\$1.95							
23	37	TRANSPLANT	38	4	\$36,299	\$0.98	29	25	3	\$22,159	\$0.60		63.8%
30	54	HEREDITARY ANGIOEDEMA	1	1	\$24,659	\$0.67	23	3	1	\$41,115	\$1.11		-40.0%
32	47	BLOOD CELL DEFICIENCY	5	1	\$22,636	\$0.61	33	4	1	\$17,115	\$0.46		32.3%
6	9	ASTHMA	10	1	\$16,847	\$0.46	6	8	1	\$12,423	\$0.34		35.6%
37	39	PULMONARY HYPERTENSION	7	2	\$14,406	\$0.39	45	3	1	\$8,246	\$0.22		74.7%
41	12	HIV	10	2	\$13,199	\$0.36							
43	70	THROAT/MOUTH CONDITIONS	3	3	\$8,592	\$0.23	46	6	6	\$3,529	\$0.10		143.4%
Total Top 10:			205		\$1,097,131	\$29.67		143		\$774,226	\$20.94		41.7%
Differences Between Periods:			62		\$322,906	\$8.73							

Top Specialty Drugs

- Represent 23.5% of your total Plan Cost and comprise 3 indications
 - 4 drugs each for Inflammatory Conditions and Multiple Sclerosis dominate the top 10
- 1 new drug in the utilization data this year: Nutropin AQ Nuspin

Top Specialty Drugs by Plan Cost														
7-14 - 6-15									7-13 - 6-14					%
Overall Rank	Overall Peer Rank	Brand Name	Indication	Rxs	Pts.	Plan Cost	Plan Cost / Rx	Plan Cost PMPM	Overall Rank	Rxs	Pts.	Plan Cost / Rx	Plan Cost PMPM	Plan Cost PMPM
1	1	HUMIRA PEN	INFLAMMATORY CONDITIONS	30	7	\$225,875	\$7,529	\$6.11	2	21	7	\$7,331	\$4.16	46.7%
2	3	ENBREL	INFLAMMATORY CONDITIONS	37	9	\$195,414	\$5,281	\$5.29	1	36	8	\$4,382	\$4.27	23.9%
5	7	COPAXONE	MULTIPLE SCLEROSIS	5	2	\$77,616	\$15,523	\$2.10	4	7	2	\$10,186	\$1.93	8.9%
7	50	AVONEX PEN	MULTIPLE SCLEROSIS	5	1	\$73,669	\$14,734	\$1.99	10	4	1	\$13,261	\$1.43	38.9%
8	559	NUTROPIN AQ NUSPIN	GROWTH DEFICIENCY	10	1	\$72,204	\$7,220	\$1.95						
9	27	HUMIRA	INFLAMMATORY CONDITIONS	14	3	\$64,530	\$4,609	\$1.75	26	4	1	\$7,177	\$0.78	124.8%
10	25	GILENYA	MULTIPLE SCLEROSIS	4	1	\$62,685	\$15,671	\$1.70	7	4	1	\$14,673	\$1.59	6.8%
12	108	AUBAGIO	MULTIPLE SCLEROSIS	12	2	\$54,755	\$4,563	\$1.48	60	3	1	\$4,647	\$0.38	292.8%
16	137	REMICADE	INFLAMMATORY CONDITIONS	5	1	\$47,626	\$9,525	\$1.29	40	2	1	\$9,464	\$0.51	151.6%
20	11	TECFIDERA	MULTIPLE SCLEROSIS	3	2	\$37,238	\$12,413	\$1.01	20	5	1	\$6,901	\$0.93	7.9%
			Total Top 10:	125		\$911,611	\$7,293	\$24.66		86		\$6,870	\$15.98	54.3%
			Difference Between Periods:	39		\$320,807	\$423	\$8.68						

Top 10 Non-Specialty Indications

- Diabetes continues to be the #1 non-specialty indication by cost
 - Industry note: Diabetes continues to be the most expensive traditional therapy class for the 4th consecutive year
- The largest increase is in Mental/Neuro Disorders, at 39.0%
 - Few scripts filled, but Drug price inflation yields higher costs
- The largest decrease is in Heartburn/Ulcer Disease, at -17.3%
 - Many Generics and OTC versions now available
- Most prevalent conditions are Pain/Inflammation, High Blood Pressure/Heart Disease and Depression

REPRESENT

64.1%

**OF YOUR TOTAL
PLAN COST**

Top Indications by Plan Cost

7-14 - 6-15										7-13 - 6-14					%
Rank	Peer Rank	Indication	Rx	Patients	Plan Cost	Peer			Rank	Rx	Patients	Generic Fill Rate	Plan Cost PMPM	% Plan Cost	
						Generic Fill Rate	Generic Fill Rate	Plan Cost PMPM							
1	1	DIABETES	1,517	149	\$372,157	49.9%	51.4%	\$10.07	1	1,345	136	44.6%	\$7.55	33.3%	
2	11	ATTENTION DISORDERS	1,058	135	\$225,099	52.7%	69.8%	\$6.09	3	946	122	51.0%	\$5.32	14.5%	
3	10	HEARTBURN/ULCER DISEASE	1,752	382	\$197,642	82.9%	84.1%	\$5.35	2	1,827	389	79.4%	\$6.46	-17.3%	
4	9	ASTHMA	1,362	414	\$180,043	23.1%	41.2%	\$4.87	4	1,245	384	24.7%	\$4.52	7.8%	
5	5	PAIN/INFLAMMATION	3,192	882	\$174,205	93.5%	92.6%	\$4.71	7	3,360	869	91.9%	\$3.70	27.5%	
6	14	DEPRESSION	2,845	478	\$138,492	97.8%	95.5%	\$3.75	6	2,888	469	93.9%	\$3.73	0.3%	
7	3	HIGH BLOOD CHOLESTEROL	1,836	381	\$136,368	85.3%	81.2%	\$3.69	5	1,893	407	83.7%	\$3.82	-3.5%	
8	13	MENTAL/NEURO DISORDERS	250	53	\$129,321	58.4%	66.6%	\$3.50	10	261	55	65.5%	\$2.52	39.0%	
9	8	HIGH BLOOD PRESS/HEART DISEASE	3,691	539	\$117,790	97.4%	94.5%	\$3.19	8	3,975	544	94.0%	\$3.10	2.8%	
10	16	CONTRACEPTIVES	1,583	261	\$94,531	89.8%	78.1%	\$2.56	9	1,642	284	87.6%	\$2.59	-1.3%	
Total Top 10:			19,086		\$1,765,648	81.6%		\$47.76		19,382		80.3%	\$43.31	10.3%	
Differences Between Periods:			-296		\$164,286	1.3%		\$4.44							

Top 10 Non-Specialty Drugs

- Represent 21.9% of your total Plan Cost and comprise 7 indications
- Largest increase is in Duloxetine HCL, at 107.7%
 - Generic version of Cymbalta released December 2013
 - Increase in utilization during the current period
- Largest decrease is in Nexium, at -14.6%
 - Primarily due to decreased utilization
 - 20 mg version is available OTC along with many other OTC alternatives

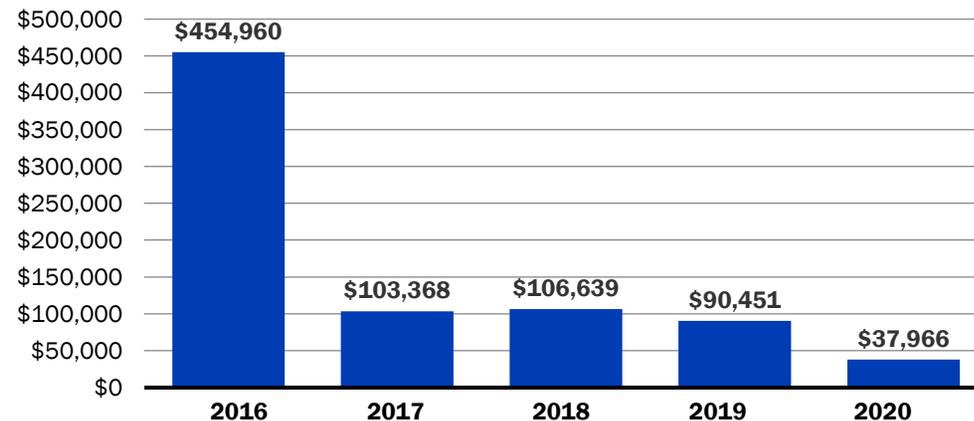
Top Drugs by Plan Cost													
		7-14 - 6-15						7-13 - 6-14				%	
Rank	Peer Rank	Brand Name	Indication	Rxs	Pts.	Plan Cost	Plan Cost / PMPM	Rank	Rxs	Pts.	Plan Cost / PMPM	Plan Cost / PMPM	Chang
1	4	NEXIUM	HEARTBURN/ULCER DISEASE	242	56	\$106,875	\$2.89	1	310	66	\$3.39		-14.6%
2	8	ABILIFY	MENTAL/NEURO DISORDERS	69	17	\$77,785	\$2.10	4	57	15	\$1.51		39.0%
3	60	ADVAIR DISKUS	ASTHMA	230	61	\$75,230	\$2.03	2	204	49	\$1.77		15.1%
4	5	CRESTOR	HIGH BLOOD CHOLESTEROL	183	41	\$58,138	\$1.57	5	194	51	\$1.48		6.4%
5	12	DULOXETINE HCL	DEPRESSION	210	39	\$54,034	\$1.46	19	98	26	\$0.71		105.9%
6	24	VYVANSE	ATTENTION DISORDERS	264	42	\$52,434	\$1.42	6	252	33	\$1.39		2.3%
7	9	LANTUS SOLOSTAR	DIABETES	92	23	\$48,422	\$1.31	7	93	26	\$1.35		-2.7%
8	65	VICTOZA 3-PAK	DIABETES	43	10	\$44,731	\$1.21	9	54	15	\$1.04		16.0%
9	30	DEXTROAMPHETAMINE-AMPHET ER	ATTENTION DISORDERS	208	32	\$44,616	\$1.21	8	208	29	\$1.17		3.2%
10	17	SYMBICORT	ASTHMA	132	34	\$39,820	\$1.08	10	122	33	\$1.03		4.4%
Total Top 10:				1,673		\$602,084	\$16.28		1,592		\$14.83		9.8%
Differences Between Periods:				81		\$53,803	\$1.46						

Upcoming Patent Expirations

Based on your current utilization, \$793,384 in brand drugs are losing patent protection by 2020

Top Drugs Scheduled to Lose Patent Protection through 2020					
Drug Name	Indication	Scheduled Release Year	Plan Cost Rank	Plan Cost PMPM	Plan Cost / Rx
HUMIRA PEN	INFLAMMATORY CONDITIONS	2016	1	\$6.11	\$7,529.16
HUMIRA	INFLAMMATORY CONDITIONS	2016	9	\$1.75	\$4,609.26
GILENYA	MULTIPLE SCLEROSIS	2019	10	\$1.70	\$15,671.27
COPAXONE	MULTIPLE SCLEROSIS	2017	5	\$1.59	\$14,708.46
CRESTOR	HIGH BLOOD CHOLESTEROL	2016	11	\$1.57	\$317.69
REMICADE	INFLAMMATORY CONDITIONS	2018	16	\$1.29	\$9,525.19
LIALDA	INFLAMMATORY CONDITIONS	2020	31	\$0.67	\$855.78
CIALIS	IMPOTENCE	2018	36	\$0.61	\$208.95
STRATTERA	ATTENTION DISORDERS	2017	42	\$0.58	\$427.74
VIAGRA	IMPOTENCE	2017	50	\$0.48	\$150.14

Spend on Brand Drugs Losing Patent Protection



Expiration dates based on current status and may change due to litigation, patent challenges, etc.

For every **1%** increase in GFR the plan could save approximately **2.1%** of total plan cost

Top 10 Health Condition Categories

Summary:

- Top five health condition categories accounted for 58.2% of total paid medical claims; top 10 represents **84.8%**
- Employees drove **52.3%** of the expenditures in the top ten health condition categories, the Spouses drove **33.0%**, Children drove **14.7%**
 - Spouses had the highest PMPM costs for Health Status category, Musculoskeletal System conditions, Ill-Defined Conditions, Circulatory System, GU System and Respiratory System diagnoses
- Overall, PMPM trend for Genitourinary System has increased the most dramatically, ($\uparrow 29.4\%$) due to 2 High Cost Claimants who had complicated kidney transplants
- Neoplasms represented the highest cost per claimant for the top 10 health categories, yet Pregnancy and Complications showed the highest cost/claimant at \$7,161 overall

Health Status is a category of encounters related to circumstances other than an acute disease or injury. This category contains screenings, wellness visits, immunizations, newborn birth status, aftercare of a chronic illness, encounters for chemotherapy, radiation therapy or rehabilitation

Health Condition	Inpatient	Outpatient	Professional	Total	% of Total	Unique Claimants	Paid Amount per Unique Claimant
Health Status	\$417,733	\$1,409,471	\$1,114,915	\$2,942,119	19.4%	2,470	\$1,191
Musculoskeletal	\$455,727	\$633,483	\$1,198,673	\$2,287,883	15.1%	1,044	\$2,191
Ill-Defined Conditions	\$74,008	\$806,433	\$566,359	\$1,446,800	9.5%	1,235	\$1,171
Neoplasms	\$281,446	\$429,511	\$419,249	\$1,130,206	7.4%	337	\$3,354
Injury and Poisoning	\$281,833	\$311,601	\$433,525	\$1,026,959	6.8%	734	\$1,399
Digestive System	\$213,461	\$424,043	\$332,751	\$970,255	6.4%	339	\$2,862
Circulatory System	\$351,714	\$354,790	\$217,765	\$924,269	6.1%	415	\$2,227
Nervous System/ Sense Organs	-\$174	\$224,820	\$499,521	\$724,168	4.8%	1,046	\$692
Genitourinary System	\$66,589	\$369,477	\$281,233	\$717,298	4.7%	465	\$1,543
Respiratory System	\$128,795	\$222,301	\$342,207	\$693,303	4.6%	881	\$787

Top 5 Health Conditions With Top 3 Diagnoses

Summary:

- The top three health condition categories with the top three diagnoses account for \$3.5 M of total medical costs (23.1%)
- PMPM costs for Health Status Category increased slightly (1.3%) during this period
 - General Medical Exams were the most prevalent diagnoses within Health Status category, followed by Special Examinations
- Ill-Defined Conditions are typically treated in the OP setting; often in the ER, with Radiology or Laboratory Services to determine an accurate diagnosis
 - These PMPM costs have increased 7.8%
- PMPM costs for the Musculoskeletal System increased 6.6% during this period
 - Joint Disorders were the most prevalent diagnoses within the Musculoskeletal System category

Health Conditions with Top 3 Diagnoses

Diagnoses	Inpatient	Outpatient	Professional	Total	Unique Claimants	% of Total Claimants
HEALTH STATUS						
Encounter After Procedure/Aftercare	\$35,957	\$786,240	\$19,000	\$841,197	106	3.5%
Screening for Malignant Neoplasms	\$0	\$208,834	\$208,299	\$417,133	522	17.2%
Special Investigations and Examinations	\$0	\$150,135	\$137,671	\$287,806	1,075	35.4%
MUSCULOSKELETAL SYSTEM						
Osteoarthritis	\$272,657	\$19,142	\$234,038	\$525,837	136	4.5%
Joint Disorders	\$0	\$91,465	\$228,987	\$320,452	410	13.5%
Intervertebral Disorders	\$120,590	\$104,180	\$88,022	\$312,792	123	4.1%
ILL-DEFINED CONDITIONS						
Respiratory/Chest Symptoms	\$22,152	\$255,138	\$91,405	\$368,695	337	11.1%
Abdominal/Pelvic Symptoms	\$14,181	\$114,716	\$91,490	\$220,387	223	7.3%
General Symptoms	\$0	\$132,451	\$84,717	\$217,169	259	8.5%

Top 5 Health Conditions With Top 3 Diagnoses

Summary:

- PMPM costs for Neoplasms increased 3.8% during the current period
 - Although Breast and Prostate Cancers were the most prevalent, treating Pancreatic Cancer was the most costly per claimant

- Injury and Poisoning PMPM costs increased 28.8% during the current period
 - Dislocations, Strains, Sprains and Fractures were the most prevalent conditions

Health Conditions with Top 3 Diagnoses

Diagnoses	Inpatient	Outpatient	Professional	Total	Unique Claimants	% of Total Claimants
NEOPLASMS						
Cancer of the Pancreas	\$166,732	\$27,414	\$1,756	\$195,902	*	*
Cancer of the Breast	\$0	\$107,395	\$67,484	\$174,879	13	0.4%
Cancer of the Tongue	\$51,416	\$2,806	\$47,600	\$101,823	*	*
INJURY AND POISONING						
Complications Peculiar to Specific Procedures	\$144,099	\$14,988	\$21,953	\$181,041	23	0.8%
Sprains and Strains of Shoulder and Upper Arm	\$0	\$43,323	\$65,640	\$108,963	47	1.6%
Dislocation of the Knee	\$0	\$23,318	\$71,746	\$95,064	38	1.3%

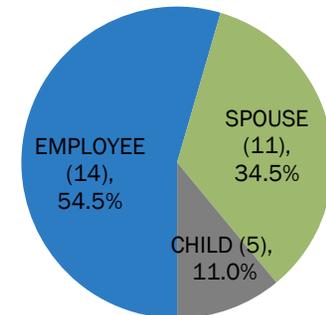
* Count <5

High Cost Claimants \$75K+

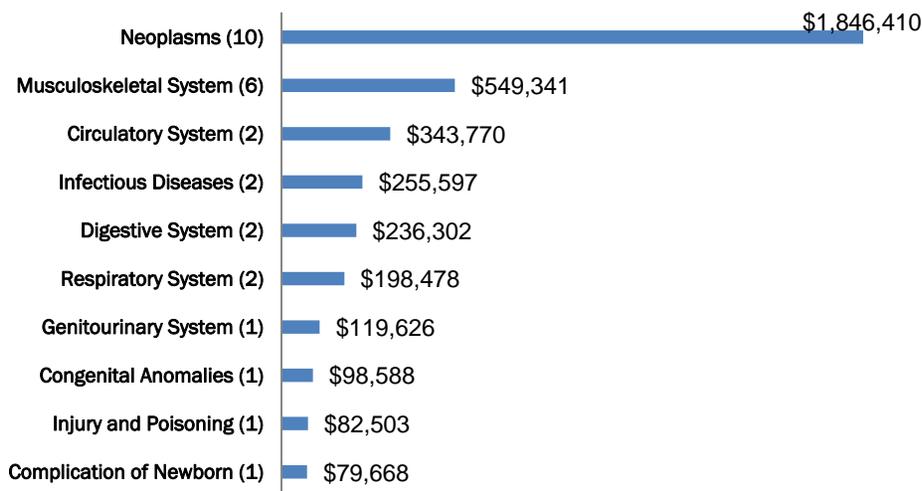
High Cost Claimant Summary:

- At the \$75K level, Medical and Rx claims total \$3,967,800 representing 20.9% of total spend, and include 30 members
 - In the prior period, there were 26 members whose Medical and Rx claims totaled \$3,633,131 representing 19.6% of the total expenditures
- Medical claims represent 92.6% of total HCC expenditures, while Pharmacy costs represent 7.4%
 - IP-\$1,555,731- **39.2%** OP-\$1,308,462- **33.0%**
 - Professional-\$808,284- **20.4%** Pharmacy-\$295,324- **7.4%**
- Neoplasms and the Musculoskeletal System categories account for over 62% of the HCC members and 60.4% of the HCC expenditures
- Only 2 members of the current High Cost Claimants were included in the prior period's HCC roster
- 25 of the 26 members were active on the Plan, as of June 30, 2015
 - An additional 4 members have terminated since June 30, 2015

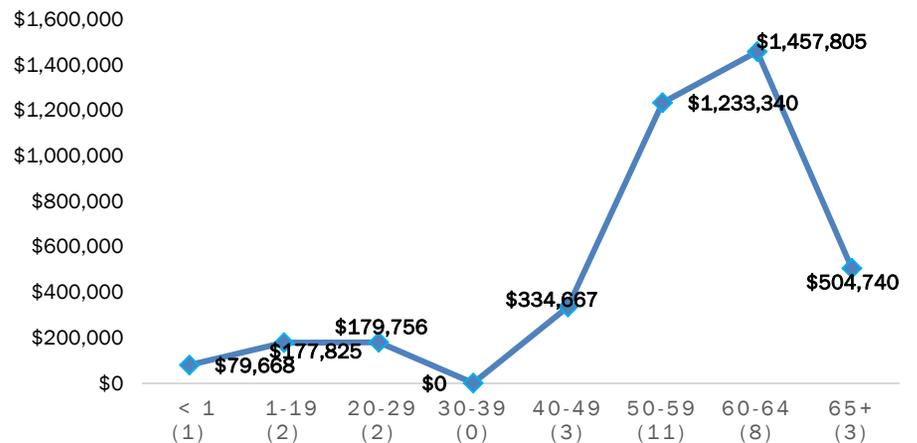
Percent Of Cost By Relationship



Top 10 HCC Health Conditions By Paid Amount



HCC's ≥ \$75k by Age Bands



Top Targeted Chronic Conditions

Summary:

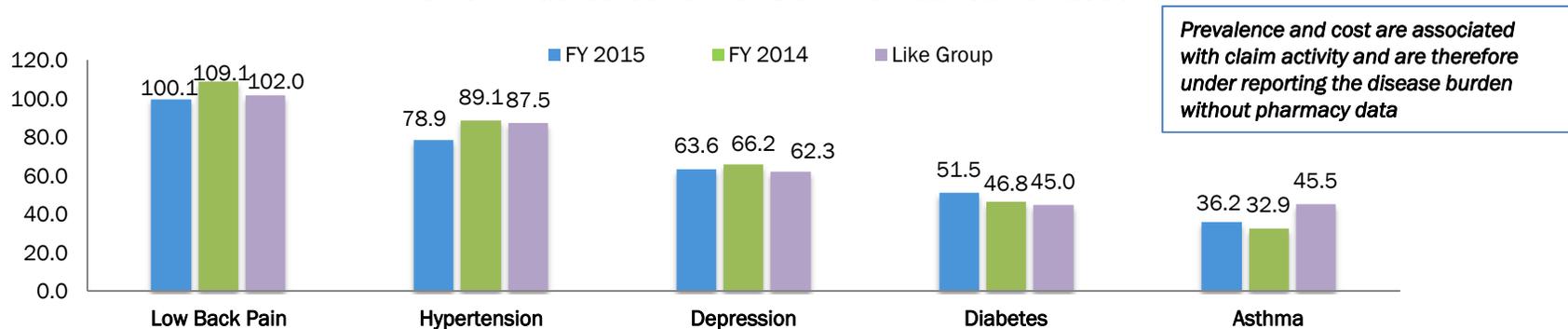
- Top 5 conditions accounted for 17.6% of medical spend in the current period
- For all chronic conditions, employees account for 53.5% of total paid medical claims
- Prevalence of top 5 target program conditions is 4.0% lower compared to the prior period, and 3.5% lower than the Like Group

Opportunities

- Encourage members to select a PCP to allow proper primary care which includes wellness care and tailored care based on patient needs with chronic conditions
- Anthem's ConditionCare program engages members and manages members by a nurse coach for specific chronic conditions; continue to promote participation and engagement
- Reinforce wellness strategy supporting weight loss/exercise, proper nutrition and smoking cessation programs through incentive based programs
- My Health Advantage allows members to keep track and receive health maintenance reminders

Top 5 Conditions by Paid Amount	Paid Amount	Unique Members	FY 2015 PMPM	FY 2014 PMPM	Like Group PMPM	Prevalence per 1000
Cancer	\$1,565,608	73	\$42.53	\$47.31	\$44.73	23.8
Low Back Pain	\$492,777	307	\$13.38	\$11.07	\$9.11	100.1
Coronary Artery Disease	\$287,431	45	\$7.81	\$6.15	\$7.08	14.7
Asthma	\$175,830	111	\$4.78	\$3.83	\$2.03	36.2
Diabetes	\$157,558	158	\$4.28	\$3.91	\$2.82	51.5

TOP 5 TARGETED CONDITIONS BY PREVALENCE PER 1000



Top Ten Lifestyle Conditions

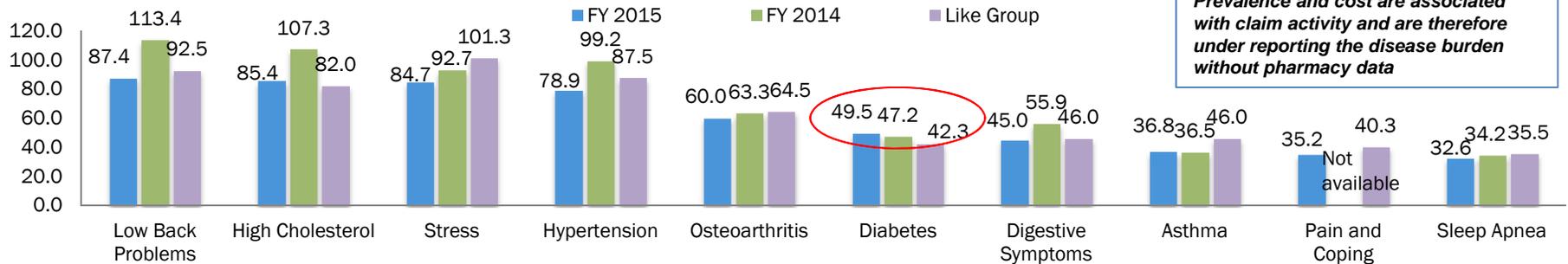
Summary

- A lifestyle related condition is one that is partially or completely caused by a lifestyle risk factor such as obesity, tobacco use, poor nutritional intake or lack of physical activity. Targeted education programs can reduce the future risk of Lifestyle Conditions
- Lifestyle conditions drove **24.7%** of medical costs in the current period
- Osteoarthritis represents the #1 lifestyle condition by paid amount and represents 3.7% of the total paid medical claims
- Low Back Problems represents the highest Lifestyle Related Condition per 1,000 with 268 unique claimants

Top 10 Lifestyle Conditions by Paid Amount	Paid Amount	Unique Claimants	Current PMPM	Current Prevalence / 1,000
Osteoarthritis Except Low Back	\$557,056	184	\$15.13	60.0
Low Back Problems	\$545,434	268	\$14.82	87.4
Coronary Artery Disease	\$282,473	44	\$7.67	14.3
Pancreatitis	\$217,005	*	\$5.89	1.3
Asthma	\$176,496	113	\$4.79	36.8
Cancer - Breast	\$175,581	17	\$4.77	5.5
Cancer - Gallbladder/Pancreas/Liver	\$171,913	*	\$4.67	1.0
Renal Stones	\$145,386	31	\$3.95	10.1
Stress/Anxiety/Depression	\$131,818	260	\$3.58	84.7
Sleep Apnea	\$119,131	100	\$3.24	32.6

* Count < 5

TOP 10 LIFESTYLE CONDITIONS BY PREVALENCE PER 1000



Prevalence and cost are associated with claim activity and are therefore under reporting the disease burden without pharmacy data



APPENDIX

Terminology

CERTAIN CONDITIONS ORIGINATING IN THE PERINATAL PERIOD (760 – 779)

Definition: Infant illness occurring in the period shortly before and after birth which is not due to a congenital abnormality.

Examples: Prolapsed cords, premature birth, birth trauma, respiratory distress syndrome, jaundice, fetal drug or alcohol withdrawal

COMPLICATIONS OF PREGNANCY, CHILDBIRTH, & PUERPERIUM (630 – 676)

Definition: Includes normal pregnancy, labor and delivery, and illness affecting the mother which develops as a result.

Examples: Normal pregnancy/labor/delivery, abortion, miscarriage, excessive vomiting, pregnancy-induced hypertension or diabetes, threatened labor and pelvic disproportion.

CONGENITAL ANOMOLIES (740 – 759)

Definition: Birth Defects.

Examples: Cleft palate and/or lip, Down's syndrome, hydrocephalus, congenital cataracts, abnormal fetal development of the eyes, ears, nose, face, heart, lungs, etc.

DISEASE OF THE BLOOD & BLOOD FORMING ORGANS (280 – 289)

Definition: Illness caused by disorders of red and white blood cells, and platelets.

Examples: Anemia, hemophilia, blood and spleen disorders.

DISEASE OF THE CIRCULATORY SYSTEM (390 – 459)

Definition: Illness caused by heart and blood vessel disorders.

Examples: High or low blood pressure, hemorrhoids, varicose veins, heart attack, heart valve disease, stroke, aneurysm.

DISEASE OF THE DIGESTIVE SYSTEM (520 – 579)

Definition: Illness caused by disorders of the teeth, mouth, jaw, salivary glands, esophagus, stomach, intestine, rectum, gallbladder, and liver.

Examples: Dental cavities, ulcers, appendicitis, hernias, noninfectious colitis, anal fissure, gall stones, cirrhosis of the liver.

DISEASE OF THE GENITOURINARY SYSTEM (580 – 629)

Definition: Illness caused by disorders of the kidney, bladder, prostate, testes, breast, ovaries, and uterus.

DISEASE OF THE MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUES (710 – 739)

Definition: Illness caused by disorders of the joints, muscles, ligaments, and bone (excluding fractures).

Examples: Arthritis, back pain, bursitis, ganglions, bunions.

Terminology

DISEASE OF THE NERVOUS SYSTEM & SENSE ORGANS (320 – 389)

Definition: Nervous system - illness caused by brain, spinal cord, and nerve disorders. Sense organs - illness caused by disorders of the eyes and ears.

Examples: Migraine headache, meningitis, encephalitis, Alzheimer's disease, Parkinson's disease, cerebral palsy, muscular dystrophy, quadriplegia, epilepsy, cataract, retinal detachment, glaucoma, color blindness, otitis media, hearing loss

DISEASE OF THE RESPIRATORY SYSTEM (460 – 519)

Definition: Illness caused by nose, larynx, bronchus, and lung disorders.

Examples: Common cold, laryngitis, tonsillitis, deviated nasal septum, viral pneumonia, emphysema, asthma, lung disease.

DISEASE OF THE SKIN & SUBCUTANEOUS TISSUE (680 – 709)

Definition: Illness caused by disorders of the skin and the fat layer directly underneath the skin.

Examples: Acne, cellulitis, abscess, dermatitis, skin allergies, psoriasis.

ENDOCRINE, NUTRITIONAL, & METABOLIC DISEASES (240 – 279)

Definition: Endocrine - illness caused by increased, decreased, or imbalanced hormones. Nutritional - illness caused by the body's inability to ingest and/or absorb food. Metabolic - illness caused by the body's inability to turn food into energy.

Examples: Thyroid disease, diabetes, parathyroid disease, ovarian and testicular hormonal disease, vitamin and mineral excess or deficiency, obesity.

INFECTIOUS & PARASITIC DISEASE (001 – 139)

Definition: A disease caused by bacteria, germs, virus, or parasites (e.g., worms, ticks). The illness may be contagious.

Examples: Infectious diarrhea, chicken pox, measles, herpes, viral hepatitis, bacterial meningitis, food poisoning, blood poisoning, tuberculosis, AIDS.

INJURY & POISONING (800 – 999)

Definition: Injury is damage inflicted to the body by an external force. Poisoning is illness caused by the ingestion, inhalation or absorption of a toxic substance. Either may be intentional or accidental for purposes of this classification.

Examples: Lacerations, fractured bones, dislocations, burns, internal trauma such as a ruptured spleen, lead poisoning.

Terminology

MENTAL DISORDERS (290 – 319)

Definition: Illness caused by psychiatric or psychological conditions.

Examples: Drug and alcohol abuse, anorexia nervosa, bulimia, depression, paranoia, schizophrenia.

NEOPLASMS (140 – 239)

Definition: A tumor or uncontrolled cell growth. The tumor may be benign (non-cancer) or malignant (cancer). Examples: Breast tumor, intestinal polyp, thyroid tumor, Hodgkin's disease, leukemia.

INJURY AND POISONING (E800 – E999)

Definition: Environmental events, circumstances, and conditions as the cause of injury, poisoning, and other adverse effects.

Examples: Transport accidents involving aircraft and spacecraft, watercraft, motor vehicle, railway, and other road vehicles.

SUPPLEMENTARY / HEALTH STATUS (V01 – V83)

Definition: Occasions when circumstances other than a disease or injury exists that are not classifiable to the other ICD-9 categories. This occurs in one of two ways: 1) when a person is not currently sick but encounters health services for some specific purpose, such as organ donation, vaccination, or to discuss a problem which itself is not an injury or disease; 2) some circumstance or problem is present which influences the persons health status but it is not a current illness or injury.

Examples: Personal or family history of diseases (heart disease, cancer, etc.), supervision of high-risk pregnancies, contraceptive management, live born infants, donors.

SYMPTOMS, SIGNS & ILL-DEFINED CONDITIONS (780 – 799)

Definition: This classification will be utilized when 1) cases for which no more specific ICD-9-CM diagnosis code can be made even after all of the facts bearing on a case have been investigated; 2) signs or symptoms existing at the time of the initial visit proved to be short term, and the cause has not or could not be determined; and 3) the symptoms represent important medical problems, and the physician desired to classify the symptom and an additional ICD-9-CM diagnosis code.

Examples: 'Symptoms' include fainting, convulsions, fever, edema, headache, shock, chest pain, nausea, etc. 'Signs' include nonspecific abnormal blood tests, urine tests, x-rays, EEG, EKG, etc. 'Ill-defined conditions' include senility, crib death, nervousness, etc.

WELL CARE EXAMS & TESTS

Definition: Routine examinations with no associated medical condition.

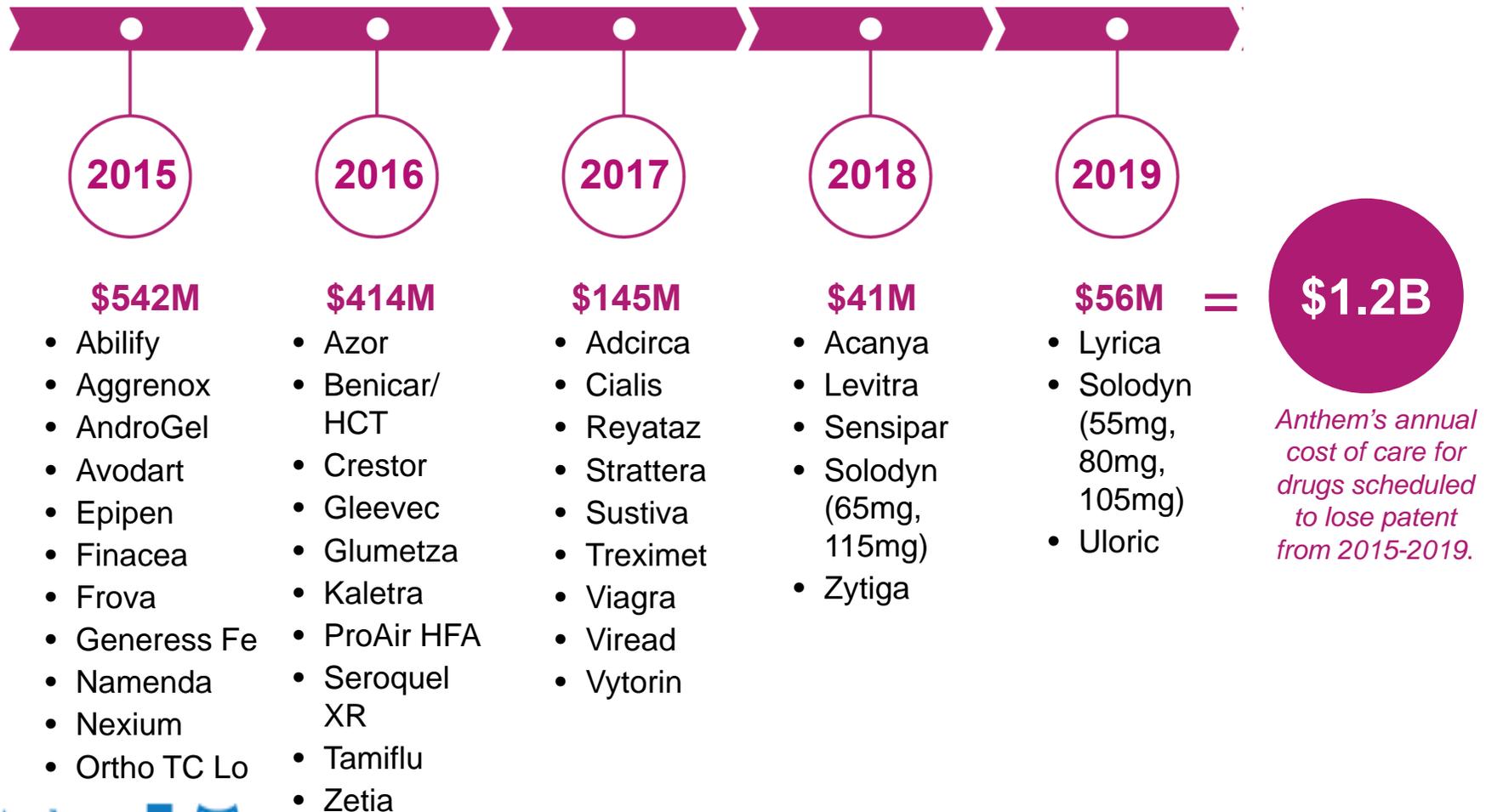
Examples: Well baby care, immunizations, routine physicals.

Pharmacy Appendix



Generic Fill Pipeline

A 1% increase in generic utilization results in approximately 1-2% reduction in total drug spend.



Glossary

- **% Change:** Difference between current period and previous period. $(\text{Current period} - \text{Previous period}) / \text{Previous period}$
- **Acute Drug:** Acute prescriptions are generally short-term medications processed through retail pharmacies.
- **Administrative Fee:** A claim processing fee associated with a prescription that is charged to the plan post-adjudication.
- **Average Employee Age:** The average age of employees/subscribers.
- **Average Employees per Month:** The average monthly count of employees/subscribers.
- **Average Member Age:** The average age of members.
- **Average Members per Month:** The average monthly count of members.
- **AWP (Average Wholesale Price):** The published suggested wholesale price of a drug.
- **Days of Therapy per Eligible:** The average number of days of therapy dispensed per eligible during the specified time period $(\text{Total Days} / \text{Average Eligibles})$
- **Days of Therapy per Member:** The average number of days of therapy dispensed per members during the specified time period $(\text{Total Days} / \text{Average Members})$
- **Discount:** The reduction in AWP due to contact negotiated prices.
- **Drug Mix:** The Cost impact related to the introduction of new drugs and the resulting changes in existing therapies.
- **Employees:** The average monthly count of employees/subscribers.
- **Formulary Compliance Rate:** The percentage of formulary prescriptions. $(\text{Formulary Rx count} / \text{Total Rx count})$
- **Formulary:** A formulary is a list of drugs that are designated as preferred by the plan and incorporated into the benefit design. A formulary is also referred to as a preferred drug list.
- **Generic Conversion Rate:** Measures the dispensing of generics relative to the total dispensing of generics and their multisource brand equivalents $(\text{Total Generic Rx} / \text{Total Generic Rx} + \text{Total Multi-source Rx})$
- **Generic Dispensing Rate:** See Generic Conversion Rate
- **Generic Fill Rate:** The percentage of generic prescriptions. $(\text{Generic Rx count} / \text{total Rx count})$.
- **Generic Substitution Rate:** See Generic Conversion Rate
- **Gross Cost PMPM:** The per employee/subscriber per month gross cost or the average gross cost per month for each eligible employee/subscriber.
- **Gross Cost:** The prescription drug cost, not including any post-adjudication administrative fees or rebates, after all pharmacy discounts have been applied. $(\text{Ingredient cost} + \text{dispensing fee} + \text{tax})$
- **Home Delivery Utilization:** The percentage of Home Delivery days of therapy. $(\text{Home Delivery Days} / \text{Total Days})$
- **Home Delivery:** Prescriptions processed at a Home Delivery pharmacy.
- **Indication:** Drug classification defined by the most common condition that the drug is prescribed for treating.
- **Inflation:** AWP price changes by the manufacturers.
- **Ingredient Cost:** The total calculated ingredient cost $(\text{AWP} - \text{Discount})$.
- **Intensity:** Utilization measurement of Days/Patient.
- **Maintenance Drug:** Maintenance prescriptions are generally long-term medications.

Glossary

- **Market Share:** Percentage of prescriptions for a drug within a drug indication.
- **Member Cost Share:** Total value of member payment through deductible, copay/coinsurance divided by total Gross Cost (Total Member Cost/Total Gross Cost).
- **Member Cost:** Total value of member payment through deductible, copay/coinsurance.
- **Members Utilizing Benefit:** Patients per member (Patients/Members)
- **Members:** The average monthly count of members.
- **Multi-Source Brand:** A brand prescription with many sources available (generic equivalent).
- **Non-Preferred Brand:** A brand prescription that is not on the formulary.
- **Non-Specialty:** Traditional drugs, drugs that are not specialty drugs.
- **Number of Unique Patients:** Total number of members with at least one Rx in the period.
- **Patients:** Number of members with at least one Rx in the period.
- **PEPM:** The per employee/subscriber per month cost or utilization
- **Plan Cost PEPM:** The per employee/subscriber per month cost to the plan or the average plan cost per month for each eligible employee/subscriber.
- **Plan Cost Per Rx:** The average cost to the plan per prescription, not including administrative fees or rebates ($[\text{gross cost} - \text{member contribution}]/\text{Rx}$)
- **Plan Cost PMPM:** The per member per month cost to the plan or the average plan cost per month for each member
- **Plan Cost:** The plan's share of the prescription gross cost not including any post-adjudication administrative fees or rebates. (Gross Cost - Member Cost)
- **PMPM Trend:** Difference between current period Plan Cost PMPM and previous period Plan Cost PMPM. ($[\text{Current period plan cost PMPM} - \text{Previous period plan cost PMPM}] / \text{Previous period plan cost PMPM}$)
- **PMPM:** The per member per month cost or utilization
- **Preferred Brand:** A brand prescription that is on the formulary.
- **Prevalence:** Utilization measurement of Patients/Members.
- **Retail:** Prescriptions processed at a pharmacy defined as retail.
- **Rxs PEPM:** The per employee/subscriber per month rate of prescription usage or the average number of prescriptions per month for each eligible employee/subscriber.
- **Rxs PMPM:** The per member per month rate of prescription usage or the average number of prescriptions per month for each member.
- **Rxs:** The total number of prescriptions.
- **Single-Source Brand:** A brand prescription with one source available.
- **Specialty Percent of Plan Cost:** The percentage of the total plan cost attributed to specialty drug prescriptions. ($\text{Specialty Plan Cost} / \text{Total Plan Cost}$)
- **Specialty:** Medications that are used to treat complex diseases. These drugs are often very expensive and may require special handling/administration or limited distribution
- **Subscribers:** The average monthly count of employees/subscribers.
- **Utilization:** The measurement of the number of people using the plan and when they do, for how long (Days/Member or Days/Employee or Subscriber).