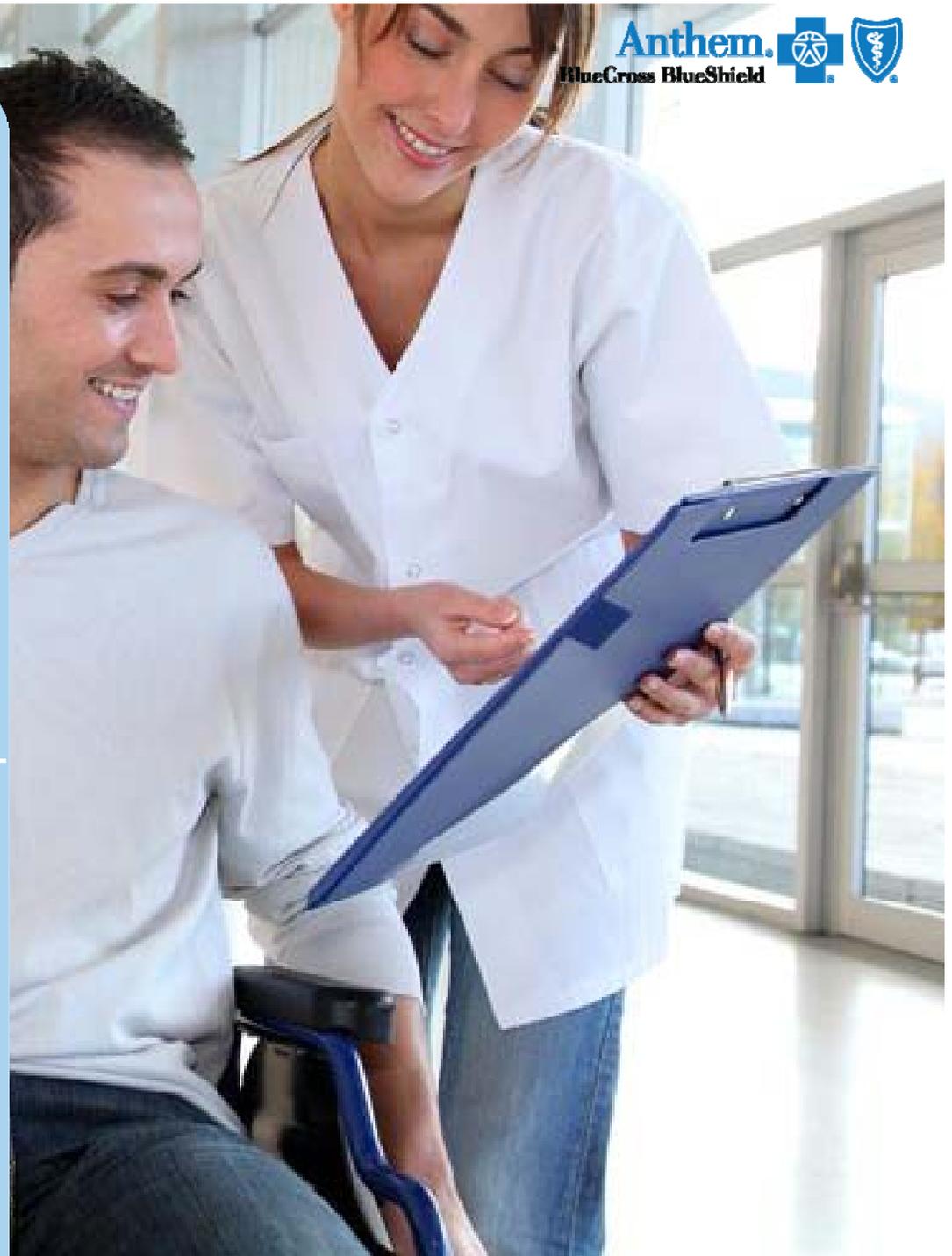


# City of Manchester

## ANNUAL ANALYTIC REVIEW

PRESENTED BY  
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AND  
AMY L. DREW  
PHARMACY ACCOUNT MANAGER  
OCTOBER 15, 2013



# Data Definitions

Reporting Period(s)	<p><b>Financial Reports</b>  <b>Periods Reviewed:</b>  <i>Current Paid Period (CP): July 1, 2012 – June 30, 2013</i>  <i>Prior Paid Period (PP): July 1, 2011 – June 30, 2012</i></p> <p><b>Clinical Reports Are Incurred With Three Months of Runout</b>  <b>Periods Reviewed:</b>  <i>Current Incurred Period (CP): April 2012– March 2013 Paid Thru June 2013</i>  <i>Prior Incurred Period (PP): April 2011– March 2012 Paid Thru June 2013</i></p>
BOB	<p>The <b>Book of Business (BOB)</b> referenced in this analysis is Anthem New Hampshire Book of Business. In many instances, two individual “Like Groups” were used as comparisons to the City of Manchester’s experience.</p>
PMPM	<p><b>PMPM</b> 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). Members are defined as all participants in the plan including employees, spouses, and dependents.</p>
High Cost Claimants	<p><b>High cost claimants (HCC)</b> are referenced in this analysis and are defined as those members with a cumulative total paid amount of medical and pharmacy claims in excess of \$75,000 during the reporting period.</p>
Settings	<p>Plan expenditures and utilization are broken down into the following settings: Inpatient, Outpatient, Professional and Pharmacy.</p>

# Framework For Our Discussion

## Plan Performance

- ✓ Total Plan Health Costs **decreased** 12.0%
- ✓ Total Plan Medical and Pharmacy PMPM trend **decreased** 8.4%
- ✓ High Cost Claimant PMPM trend **decreased** 16.7%
- ✓ Non-High Cost Claimant trend **decreased** 6.4%

## Demographics

- ✓ Membership **decreased** 3.9%
- ✓ A younger population than the Anthem NH BOB comparison, and two “Like Group” comparisons
- ✓ Males outnumber females at 51.8% of the total membership
  - ✓ average cost of a claim **decreased** 8.1% from the prior period

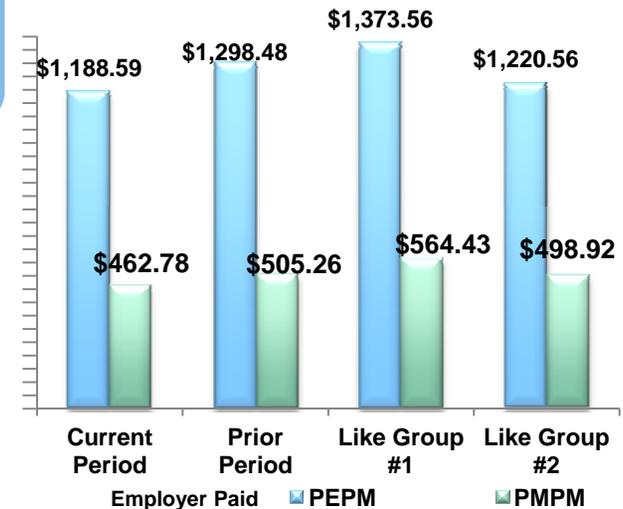
## Clinical Insights

- ✓ Orthopedics, Cardiology, Cancers, Gastroenterology and Behavioral Health Conditions were key clinical cost drivers
- ✓ Inpatient PMPM costs decreased 7.6%, admits/1000 decreased 11.3%
- ✓ Outpatient PMPM decreased 3.3%; visits/1000 decreased 8.2%
- ✓ Professional PMPM costs decreased 11.3%, services/1000 decreased by 3.2%
- ✓ Pharmacy PMPM costs decreased 10.7%, while utilization decreased 5.8%
- ✓ Various Cancers, Osteoarthritis, Hypertension, Diabetes, Asthma and Depression are common themes within this population
- ✓ Lipid Metabolism Disorders is the #1 lifestyle condition by prevalence

# Financial Highlights

## Paid Amount

- Total paid amount for current period was \$17,468,728 a 12.0% decrease from the prior period
- Total employer paid medical and pharmacy PMPM was \$462.78; an 8.4% decrease from FY 2012
- Total employer paid medical and pharmacy PEPM costs decreased 8.5% from the prior period
- Member Cost share has increased from the prior period; presently it is 6.5% compared to 3.5% in the prior period, and 3.2% in the prior prior period



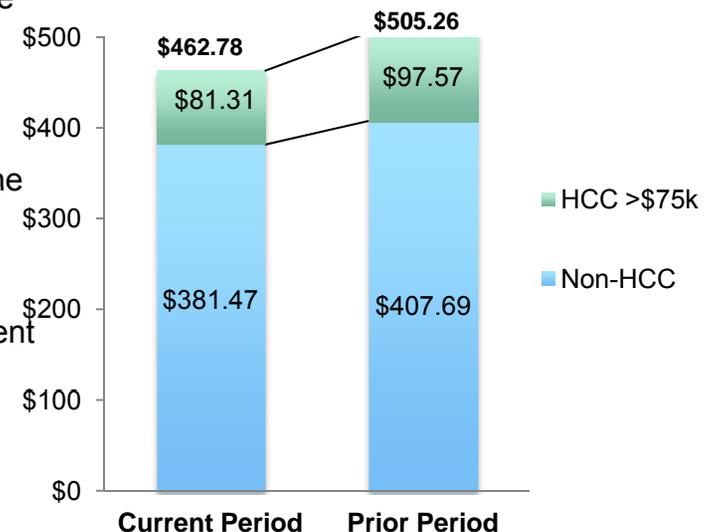
## Utilization of Health Plan

- 95% of members utilized the Health Plan in the most current period; comparable to the prior period (94%)

## High Cost Claimants (HCCs) > \$75,000

- Total HCC paid in the current period was \$3,069,374, representing 17.6% of the total expenditures, compared to \$3,833,414 in the prior period, accounting for 19.3% of the total spend in the prior period. Anthem NH Norm is 24.1%
  - Like Group Comp #1: 19.8%, Like Group Comp #2: 21.6%
- There were 17 claimants with total claims paid greater than \$75,000 in the current period, compared to 21 claimants in the prior period
- High cost claimant trend is down 16.7%
- Adjusted trend, when removing all catastrophic claims greater than \$75K, is up also down: 6.4%

## Impact of HCC on PMPM



## PLAN DESIGN DRIVES UTILIZATION AND DRIVES COSTS

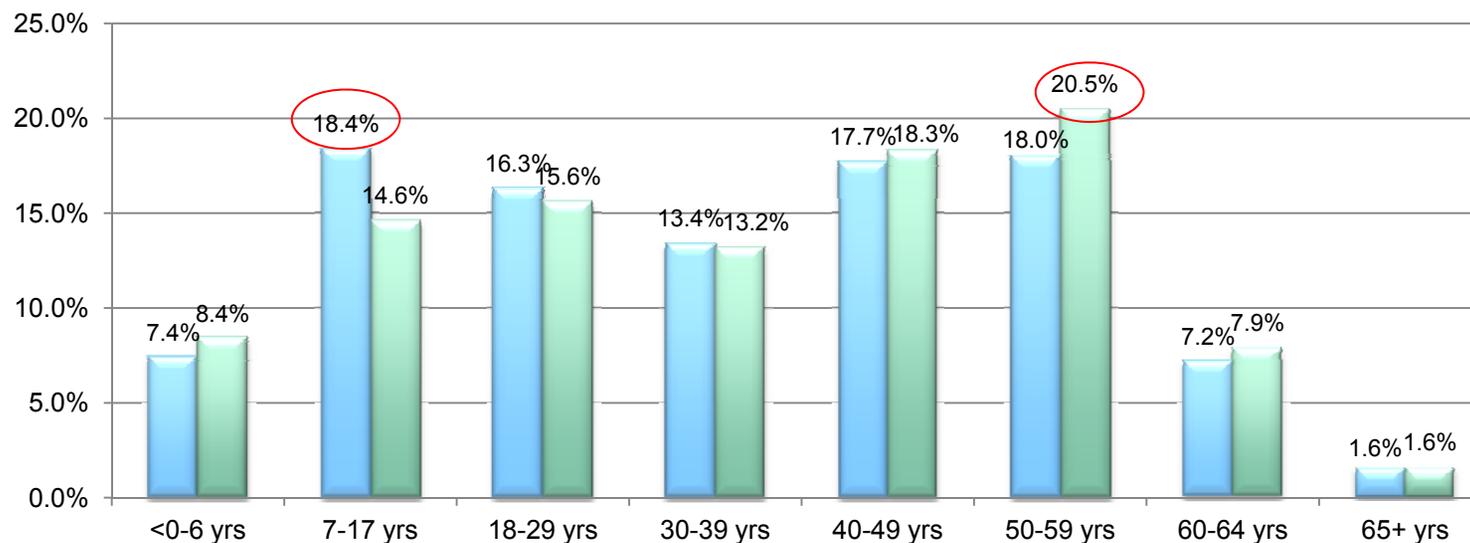
	City of Manchester**	Client #1	Client # 2	Client #3	Client #4	Like Group ** #1	Like Group ** #2
COST SHARE Employer Member	<b>93.5%</b> <b>6.5%</b>	84.8% 15.2%	86.2% 16.8%	81.0% 19.0%	82.6% 17.4%	96.6% 3.4%	94.9% 5.1%
Emergency Room Visit	<b>\$50 - \$150</b> <b>HDHP Subject to Deductible</b>	Subject to \$1500 or \$1750 deductible + 20% coinsurance	\$75	\$150	\$150 HDHP Subject to Deductible	\$50 - \$150 HDHP Subject to Deductible	\$100
Prescriptions 30-day retail	<b>\$5/15/25</b> <b>or \$10/30/50</b> <b>HDHP Subject to Deductible</b>	\$10/30/50 HDHP Subject to Deductible	\$10/20/50	\$10/30/50	\$10/25/40 HDHP Subject to Deductible	\$5/15/25 or \$10/30/50 HDHP Subject to Deductible	\$5/\$15/\$35
Inpatient Admission	<b>\$0 - \$250</b> <b>HDHP Subject to Deductible</b>	Subject to \$1500 or \$1750 deductible + 20% coinsurance	Subject to \$1000 deductible + 10% coinsurance	Subject to \$2000 deductible + 10% coinsurance	Subject to \$1000 or \$2000 Deductible	\$0 - \$300 HDHP Subject to Deductible	\$250
Office Visits PCP Specialist	<b>\$5-\$20</b> <b>\$5-\$20</b> <b>HDHP Subject to Deductible</b>	HDHP Subject to Deductible and Coinsurance	\$15	\$25 \$50	\$20 \$30 HDHP Subject to Deductible	\$5-\$25 \$5-\$35 HDHP Subject to Deductible	\$20 \$20

\*\* Bargained

# Demographic Highlights

- 3,146 total average members in the current period, compared to 3,275 in the prior period
  - membership has decreased 3.9%
- Current contract ratio was 2.6, consistent with the previous period
- Average age of a member is 34.7 years, compared to the prior period of 34.5 years
  - Anthem NH BOB: 36.8 yrs, Like Group #1: 37.1 yrs, Like Group #2: 36.1 yrs
- Highest concentration of membership for females is located in the 7-17 yr age band; followed by the 50-59 yr age band
- Highest concentration of membership for males is located in the 50-59 yr age band, followed by the 40-49 year age band
- Average cost of a claim in the current period is \$5,478, compared to \$5,963 in the prior period (- 8.1%)
- Employees represent 49.8% of the total expenditures, Spouses represent 30.7% and Children with 20.5%
  - Subscriber PMPM costs decreased 14.0%, Spouses PMPM costs decreased 20.1%, and Children's PMPM costs increased 57.1%

Female: 48.2%      Male: 51.8%



# Medical Financial & Demographic Details

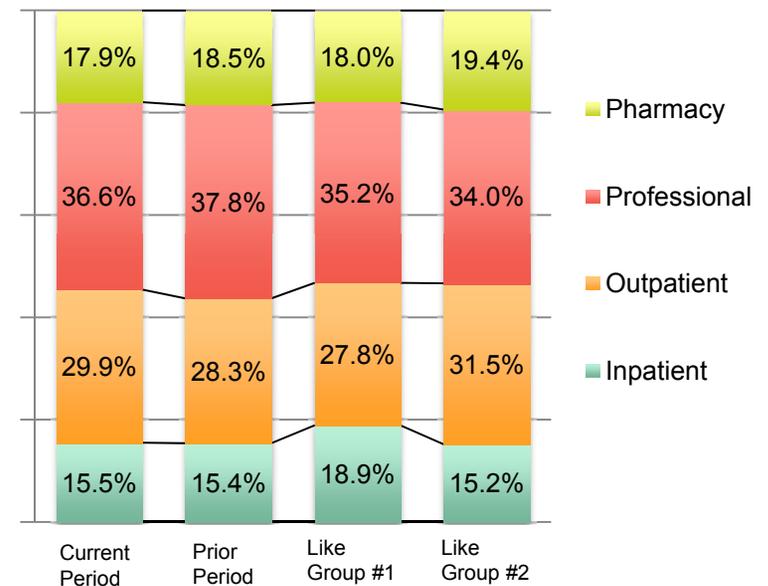
Financials	July 2012 – June 2013	July 2011- June 2012	Trend / % Change	Like Group #1	Like Group #2	Anthem NH Book of Business
Total Claims	\$17,468,728	\$19,851,142				
High Cost Claimant Paid	\$3,069,374	\$3,833,414	-\$764,040			
HCC Paid as % of Total	17.6%	19.3%	1.7%	19.8%	21.6%	24.1%
Total (Medical and Rx) PMPM	\$462.78	\$505.26	-8.4%	\$564.46	\$498.92	
Non-HCC PMPM	\$381.47	\$407.69	-6.4%	\$452.77	\$391.22	
HCC PMPM	\$81.31	\$97.57	-16.7%	\$111.69	\$107.70	
Top 1% of Claimants	22.9%	23.6%	-0.7%	22.4%	23.2%	29.5%
Average Cost / Claimant	\$5,478	\$5,963	-8.1%	\$6,449	\$5,875	\$4,669
% of Members with No Claims	6.0%	5.0%	-1.0%	4.1%	5.7%	12.5%
Cost Share	93.5% / 6.5%	96.5% / 3.5%		96.6% / 3.4%	94.9% / 5.1%	80.7% / 19.3%
Total In Network Utilization	99.7%	98.8%	+0.9%	98.0%	99.5%	
<b>Demographics</b>						
Membership	3,146	3,275	-3.9%	4,162	4,518	
Contract Size	2.6	2.6	n/c	2.4	2.5	2.1
HCC's as % of Members	0.5% / 17	0.6% / 21	-4 members	0.7% / 31	0.9% / 41	
Average Member Age	34.7 yrs	34.5 yrs	+0.2 yrs	37.1 yrs	36.1 yrs	36.8 yrs

# Cost and Utilization by Setting

Metric	Current Period	Prior Period	Variation/ Trend from Prior Period	Like Group #1	Like Group #2
<b>Inpatient</b>	<b>\$2,707,217</b>	<b>\$3,049,950</b>	-11.2%		
PMPM	\$71.72	\$77.63	-7.6%	\$106.79	\$75.63
Acute Admissions/1000:	58.5	66.0	-11.3%	78.8	70.2
Acute Admissions:	184	216			
Acute Days/1000:	230.8	255.3	-9.6%	381.1	345.6
ALOS:	3.9	3.9	n/c	4.8	4.9
Expense/Admit:	\$14,713	\$14,120	4.2%	\$16,260	\$12,933
<b>Outpatient</b>	<b>\$5,227,597</b>	<b>\$5,625,497</b>	-7.1%		
PMPM	\$138.49	\$143.18	-3.3%	\$157.15	\$157.12
Visits/1000:	3,036.0	3,307.5	-8.2%	3,699.4	3,623.4
Expense/Visit:	\$547.39	\$519.48	5.4%	\$509.76	\$520.35
Emergency Dept PMPM	\$21.97	\$23.79	-7.6%	\$25.50	\$18.71
Emergency Dept Visits/1000	185.7	203.1	-8.6%	207.6	202.1
Emer. Dept. Exp / Visit	\$1,420.07	\$1,405.30	1.1%	\$1,474.05	\$1,110.85
<b>Professional</b>	<b>\$6,400,025</b>	<b>\$7,510,618</b>	-14.8%		
PMPM	\$169.55	\$191.16	-11.3%	\$198.65	\$169.49
Professional Services/1000	18,581.6	19,196.8	-3.2%	22,077.0	18,773.2
Expense/Service:	\$109.50	\$119.50	-8.4%	\$107.98	\$108.34

- Inpatient costs and utilization decreased
  - **Surgical** costs increased 10.4%; utilization decreased 17.0%
  - **Behavioral Health** costs increased 34.3%, and admits/1000 increased 50.0%
- Outpatient costs and utilization decreased
  - **Radiology** costs increased 16.8%; utilization decreased 4.0%
  - **OP Pharmacy** costs increased 4.0%; utilization increased 6.0%
- In the Professional setting, costs and utilization also decreased
  - **Office Visits and Outpatient Surgical Services** were the top drivers
  - **IP Professional visits** realized the greatest increase in cost and utilization trends

**% Costs by Setting**



# Costs by Setting -Top 5 Health Conditions

Inpatient (\$2,707,217) 184 admissions

- Surgical, Medical and Maternity/Newborn admissions are the key drivers of inpatient costs
- Neonatology- Sick and Well Newborns
- Neoplasms- Multiple Myeloma, Ovarian and Prostate Cancers
- Orthopedics -Total Knee and Total Hip Replacements, Back and Neck Surgery
- Hematology–Leukemia
- *Prior Period: Neonatology, Orthopedics, Obstetrics, Cardiology and Gastroenterology*
- Top 5 health conditions account for **68.1%** of total Inpatient costs

Outpatient (\$5,227,597) 9,550 total visits

- OP Surgery, Radiology, Emergency Department and Laboratory Services are top cost drivers
- *Prior Period: Cardiology, Orthopedics, Neoplasms, Gastroenterology and Endocrinology*
- Top 5 health conditions represent **54.9%** of total Outpatient costs

Professional (\$6,400,025) 58,450 total services

- Physician Non-Specialty Office Visits and Physician Non-Specialty Outpatient Surgery are the key drivers
- *Prior Period: Orthopedics, Preventive, Cancer, Behavioral Health and Gastroenterology*
- Top 5 health conditions total **46.8%** of the total Professional costs

Inpatient Top 5 Health Conditions	Paid Amount	% of Total Paid
Neonatology	\$504,328	18.7%
Malignant Neoplasms	\$390,331	14.4%
Orthopedics and Rheumatology	\$377,108	13.9%
Hematology	\$289,556	10.7%
Cardiology	\$280,315	10.4%

Outpatient Top 5 Health Conditions	Paid Amount	% of Total Paid
Cardiology	\$765,022	14.6%
Orthopedics and Rheumatology	\$711,173	13.6%
Malignant Neoplasms	\$580,058	11.1%
Gastroenterology	\$466,237	8.9%
Neurology	\$352,766	6.7%

Professional Top 5 Health Conditions	Paid Amount	% of Total Paid
Orthopedics and Rheumatology	\$1,307,402	20.4%
Preventive	\$549,811	8.6%
Gastroenterology	\$400,223	6.3%
Otolaryngology	\$378,155	5.9%
Behavioral Health	\$355,375	5.6%



**PHARMACY HIGHLIGHTS  
PRESENTED BY AMY DREW**

# Framework For Our Discussion - Pharmacy

## Pharmacy Performance

- ✓ Total Pharmacy Costs **decreased** 14.1%
- ✓ Total Pharmacy Plan Costs PMPM **decreased** 10.7%
- ✓ Utilization **decreased** 5.8%

## Key Statistics

- ✓ Generic Fill Rate **increased** 5.3% to 79.5% of total scripts filled as generic
- ✓ Home Delivery (Mail Order) utilization **decreased** slightly
- ✓ Member cost share **increased** 5.6% to 16.0%
  - ✓ Increase driven primarily by increase in GFR
- ✓ Specialty Drugs make up 24.5% of all drug spend, a 4.1% **increase** from the prior period
  - ✓ Utilization decreased slightly

## Clinical Insights

- ✓ Inflammatory Conditions, Diabetes, Ulcer Disease, Attention Disorders and Asthma as top drivers by cost
  - ✓ Top Specialty Drivers: Inflammatory Conditions, Multiple Sclerosis and Cancer
  - ✓ Top Non-Specialty Drivers: Diabetes, Ulcer Disease, and Attention Disorders
- ✓ Most prevalent conditions are Pain, High Blood Pressure, Depression, High Blood Cholesterol and Ulcer Disease
- ✓ Two of the Top 10 Drugs, Nexium and Cymbalta, will become available as generics in the next 9 months

# Key Statistics

- Pharmacy responsible for 17.9% of overall health care spend compared to 18.5% in the prior period
- Pharmacy Plan Costs **deceased** 14.1% to \$3,109,004
  - Utilization **deceased** by 5.8%
- Plan Costs PMPM is \$82.26 PMPM, a 10.7% **decrease** from the prior period.
- Generic Fill Rate (GFR) **increased** 5.3% to 79.5%
  - Maximum potential GFR is 88.4%
  - Increase in GFR saved \$343,650 in pharmacy costs
  - 0.8% of scripts filled as brand when a generic is available
- Member Cost Share is 16.0%, a 5.6% **increase** over the prior period
- Specialty Percent of Plan Cost is 24.5%, a 4.1% **increase** from the prior period

CITY OF MANCHESTER							
	7/12 - 6/13	7/11 - 6/12	% Change	NH BOB	Like Group #1	Like Group #2	Like Group #3
Avg Members Per Month	3,149	3,275	-3.8%				
Number of Unique Utilizers	2,621	2,709	-3.2%				
Pct Mbrs Utilizing Benefit	83.2%	82.7%	0.5%	68.1%	87.9%	87.5%	84.7%
Total Pharmacy Plan Costs	\$3,109,004	\$3,620,576	-14.1%				
Total Rxs	34,259	37,805	-9.4%				
Plan Costs PMPM	\$82.26	\$92.11	-10.7%	\$72.23	\$92.08	\$101.26	\$113.34
Plan Costs per Rx	\$90.75	\$95.77	-5.2%	\$83.86	\$87.35	\$96.48	\$90.32
Number of Rxs PMPM	0.91	0.96	-5.8%	0.86	1.05	1.05	1.26
Generic Fill Rate	79.5%	74.2%	5.3%	81.0%	78.5%	77.4%	78.5%
Home Delivery Utilization	12.5%	13.7%	-1.2%	5.4%	7.1%	12.6%	10.0%
Member Cost Share	16.0%	10.4%	5.6%	17.5%	15.9%	8.8%	8.5%
Specialty Percent of Plan Cost	24.5%	20.4%	4.1%	29.0%	28.4%	15.5%	19.6%

# Specialty Key Statistics

- Specialty Drug spend is responsible for nearly 25% of total drug spend
  - Industry-wide, specialty trend expected to be ~20% over the next several years, compared to less than 5% for traditional medications
- \$24,852 more dollars spent on specialty drugs in the current period vs. prior period
- Plan Cost PMPM for Specialty **increased** 7.5% to \$20.17 in the current period vs. \$18.76 in the prior period
- Average cost of specialty drug per fill is \$1,342.13 for the current period vs. \$1,264.97 in the prior period

CITY OF MANCHESTER							
	All Drugs	Non-Specialty	Specialty	NH BOB	Like Group #1	Like Group #2	Like Group #3
Number of Unique Utilizers	2,621	2,616	182				
Pct Members Utilizing	83.2%	83.1%	5.8%	4.3%	6.5%	5.9%	6.4%
Total Plan Costs	\$3,109,004	\$2,346,675	\$762,329				
Total Rxs	34,259	33,691	568				
Plan Cost PMPM	<b>\$82.26</b>	<b>\$62.09</b>	<b>\$20.17</b>	<b>\$18.36</b>	<b>\$26.11</b>	<b>\$22.27</b>	<b>\$15.68</b>
Plan Cost per Rx	<b>\$90.75</b>	<b>\$69.65</b>	<b>\$1,342.13</b>	<b>\$1,628.09</b>	<b>\$1,471.25</b>	<b>\$1,270.40</b>	<b>\$953.14</b>
PMPM Trend	<b>-10.7%</b>	<b>-15.4%</b>	<b>7.5%</b>	<b>20.8%</b>	<b>47.0%</b>	<b>10.2%</b>	<b>12.5%</b>
Member Cost Share	16.0%	19.5%	3.0%	3.0%	2.0%	1.4%	2.1%

# Top Specialty Indications

- Inflammatory Conditions continues to be the top specialty conditions year over year
  - \$125,000 more spend on this one condition this period vs. the prior period
- Significant increase year over year in Nausea/Vomiting (180.3%)
  - Due to increase in scripts and ingredient costs
- Significant decrease year over year in Cancer (-52.2%)
  - Due to decrease in ingredient costs and fewer scripts filled

Top Specialty Indications by Ingredient Cost											
07/12 - 06/13						07/11 - 06/12					% Change
Overall Rank	Indication	Rxs	Patients	Ing Cost	Ing Cost / PMPM	Overall Rank	Rxs	Patients	Ing Cost	Ing Cost / PMPM	Ing Cost / PMPM
1	INFLAMMATORY CONDITIONS	66	19	\$415,300	\$10.99	2	74	16	\$290,248	\$7.38	48.8%
6	MULTIPLE SCLEROSIS	16	5	\$203,509	\$5.38	5	26	7	\$262,059	\$6.67	-19.2%
26	CANCER	175	31	\$32,056	\$0.85	16	165	32	\$69,672	\$1.77	-52.2%
31	TRANSPLANT	44	7	\$26,940	\$0.71	35	49	9	\$17,846	\$0.45	57.0%
13	SKIN CONDITIONS	4	1	\$25,345	\$0.67	14	4	1	\$22,887	\$0.58	15.2%
28	ANTICOAGULANT	18	12	\$22,553	\$0.60	28	19	11	\$24,052	\$0.61	-2.5%
5	ASTHMA	11	1	\$16,291	\$0.43	4	11	1	\$15,173	\$0.39	11.7%
39	NAUSEA/VOMITING	157	101	\$10,228	\$0.27	50	145	100	\$3,796	\$0.10	180.3%
46	BLOOD CELL DEFICIENCY	2	1	\$8,171	\$0.22						
33	PAIN/CRAMPS	3	2	\$5,658	\$0.15	36	5	1	\$3,797	\$0.10	55.0%
<b>Totals:</b>		<b>496</b>		<b>\$766,051</b>	<b>\$20.27</b>		<b>498</b>		<b>\$709,528</b>	<b>\$18.05</b>	<b>12.3%</b>
<b>Difference Between Periods:</b>		<b>-2</b>		<b>\$56,523</b>	<b>\$2.22</b>						

BoB = Express Scripts Book of Business NO BOOK OF BUSINESS market segment

# Top Specialty Drugs

- Two new medications in the Top 10 (Avonex Pen and Xtandi)
- Multiple Sclerosis medications dominate the Top 10.
  - Patients shifting to different medications this period

Top Specialty Drugs by Ingredient Cost														
07/12 - 06/13									07/11 - 06/12					% Change
Overall Rank	Brand Name	Indication	Rxs	Patients	Ing Cost	Ing Cost / Rx	Ing Cost / PMPM	Overall Rank	Rxs	Patients	Ing Cost / Rx	Ing Cost / PMPM	Ing Cost / PMPM	
1	HUMIRA	INFLAMMATORY CONDITIONS	36	10	\$241,350	\$6,704	\$6.39	1	39	10	\$4,111	\$4.08		56.6%
2	ENBREL	INFLAMMATORY CONDITIONS	25	8	\$158,224	\$6,329	\$4.19	5	22	5	\$4,362	\$2.44		71.5%
8	AVONEX PEN	MULTIPLE SCLEROSIS	5	1	\$58,355	\$11,671	\$1.54							
9	GILENYA	MULTIPLE SCLEROSIS	4	1	\$56,401	\$14,100	\$1.49	25	3	1	\$9,757	\$0.74		100.4%
11	REBIF	MULTIPLE SCLEROSIS	4	1	\$49,078	\$12,270	\$1.30	8	8	2	\$9,222	\$1.88		-30.8%
16	COPAXONE	MULTIPLE SCLEROSIS	3	2	\$39,675	\$13,225	\$1.05	4	11	4	\$10,837	\$3.03		-65.4%
28	STELARA	SKIN CONDITIONS	4	1	\$25,345	\$6,336	\$0.67	38	4	1	\$5,722	\$0.58		15.2%
33	XTANDI	CANCER	1	1	\$23,266	\$23,266	\$0.62							
38	enoxaparin sodium	ANTICOAGULANT	14	10	\$20,477	\$1,463	\$0.54	67	13	9	\$1,108	\$0.37		47.9%
45	PROGRAF	TRANSPLANT	14	3	\$16,871	\$1,205	\$0.45	111	7	3	\$1,110	\$0.20		125.8%
<b>Totals:</b>			<b>110</b>		<b>\$689,042</b>		<b>\$18.23</b>		<b>107</b>			<b>\$13.32</b>		<b>36.9%</b>
<b>Difference Between Periods:</b>			<b>3</b>		<b>\$165,460</b>		<b>\$4.91</b>							

BoB = Express Scripts Book of Business NO BOOK OF BUSINESS market segment

# Top Non-Specialty Indications

- The largest **increase** – Diabetes at 20.5%
  - Increased utilization, despite a decrease in patients
  - Change in delivery model – More expensive prefilled pens replacing traditional vial/syringe insulin
- The largest **decrease** – High Blood Cholesterol at -47.8%
  - Generic Fill Rate for this condition increased from 64% to 82.4%
- Most prevalent indications are: Pain, High Blood Pressure, Depression, and High Blood Cholesterol

Top Non-Specialty Indications by Ingredient Cost											
07/12 - 06/13						07/11 - 06/12					% Change
Overall Rank	Indication	Rxs	Patients	Ing Cost	Ing Cost / PMPM	Overall Rank	Rxs	Patients	Ing Cost	Ing Cost / PMPM	Ing Cost / PMPM
2	DIABETES	1,531	142	\$302,069	\$7.99	6	1,654	151	\$260,625	\$6.63	20.5%
3	ULCER DISEASE	1,896	407	\$262,173	\$6.94	3	2,129	426	\$285,681	\$7.27	-4.6%
4	ATTENTION DISORDERS	921	126	\$237,842	\$6.29	8	1,039	127	\$227,300	\$5.78	8.8%
5	ASTHMA	1,303	378	\$192,559	\$5.09	4	1,461	410	\$264,793	\$6.74	-24.4%
7	DEPRESSION	2,820	469	\$186,483	\$4.93	7	3,005	482	\$246,227	\$6.26	-21.2%
8	HIGH BLOOD CHOLESTEROL	2,032	433	\$175,592	\$4.65	1	2,456	469	\$349,542	\$8.89	-47.8%
9	HIGH BLOOD PRESS/HEART DISEASE	3,323	520	\$156,330	\$4.14	9	3,641	541	\$184,234	\$4.69	-11.8%
10	PAIN	2,298	660	\$101,067	\$2.67	12	2,465	734	\$107,233	\$2.73	-2.0%
11	CONTRACEPTIVES	1,695	284	\$99,186	\$2.62	11	1,746	295	\$105,846	\$2.69	-2.5%
12	MENTAL/NEURO DISORDERS	289	51	\$89,662	\$2.37	10	336	63	\$124,095	\$3.16	-24.9%
<b>Totals:</b>		<b>18,108</b>		<b>\$1,802,962</b>	<b>\$47.70</b>		<b>19,932</b>		<b>\$2,155,576</b>	<b>\$54.84</b>	<b>-13.0%</b>
<b>Difference Between Periods:</b>		<b>-1,824</b>		<b>-\$352,614</b>	<b>-\$7.14</b>						

BoB = Express Scripts Book of Business NO BOOK OF BUSINESS market segment

# Top Non-Specialty Drugs

- The largest **increase** – Suboxone at 50.2%
  - Increase in utilization and ingredient cost per script
- Other large increases in Cymbalta, Abilify, and dextroamphetamine
- The largest **decrease** - Nexium at -6.5%
  - Utilization decreased period over period

Top Non-Specialty Drugs by Ingredient Cost													
07/12 - 06/13									07/11 - 06/12				% Change
Overall Rank	Brand Name	Indication	Rxs	Patients	Ing Cost	Ing Cost / Rx	Ing Cost / PMPM	Overall Rank	Rxs	Patients	Ing Cost / Rx	Ing Cost / PMPM	Ing Cost / PMPM
3	NEXIUM	ULCER DISEASE	364	72	\$132,395	\$364	\$3.50	2	427	83	\$345	\$3.75	-6.5%
4	ADVAIR DISKUS	ASTHMA	203	55	\$69,327	\$342	\$1.83	6	236	70	\$325	\$1.95	-6.1%
5	lansoprazole	ULCER DISEASE	285	63	\$66,068	\$232	\$1.75	9	329	81	\$208	\$1.74	0.5%
6	CYMBALTA	DEPRESSION	228	33	\$63,446	\$278	\$1.68	14	184	36	\$264	\$1.23	36.0%
7	CRESTOR	HIGH BLOOD CHOLESTEROL	189	50	\$59,869	\$317	\$1.58	10	258	62	\$238	\$1.56	1.2%
10	ABILIFY	MENTAL/NEURO DISORDERS	64	15	\$50,089	\$783	\$1.33	16	58	16	\$687	\$1.01	30.7%
12	VYVANSE	ATTENTION DISORDERS	232	40	\$48,129	\$207	\$1.27	15	251	41	\$180	\$1.15	10.5%
13	SUBOXONE	CHEMICAL DEPENDENCE	139	8	\$46,462	\$334	\$1.23	22	106	8	\$304	\$0.82	50.2%
14	valacyclovir	VIRAL INFECTIONS	239	86	\$45,252	\$189	\$1.20	13	290	83	\$171	\$1.26	-5.0%
15	dextroamphetamine-amf	ATTENTION DISORDERS	183	32	\$44,775	\$245	\$1.18	19	142	26	\$261	\$0.94	25.8%
<b>Totals:</b>			<b>2,126</b>		<b>\$625,814</b>		<b>\$16.56</b>		<b>2,281</b>			<b>\$15.43</b>	<b>7.3%</b>
<b>Difference Between Periods:</b>			<b>-155</b>		<b>\$19,397</b>		<b>\$1.13</b>						

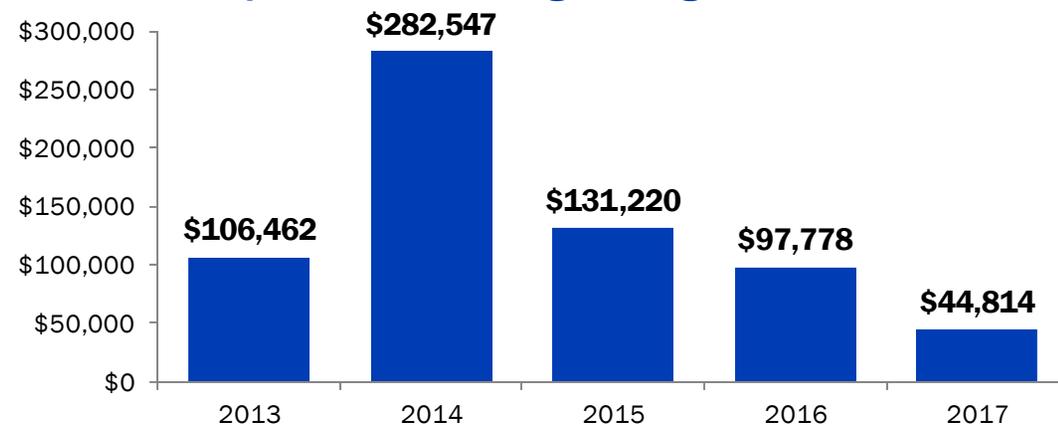
BoB = Express Scripts Book of Business NO BOOK OF BUSINESS market segment

# Upcoming Patent Expirations

Top Drugs Scheduled to Lose Patent Protection through 2017					
Drug Name	Indication	Scheduled Release	Ing Cost Rank	Ing Cost PMPM	Ing Cost / Rx
NEXIUM	ULCER DISEASE	2014	3	\$3.50	\$363.72
CYMBALTA	DEPRESSION	2013	6	\$1.68	\$278.27
CRESTOR	HIGH BLOOD CHOLESTEROL	2016	7	\$1.58	\$316.77
ABILIFY	MENTAL/NEURO DISORDERS	2015	10	\$1.33	\$782.64
DIOVAN	HIGH BLOOD PRESS/HEART DISEASE	2014	23	\$0.82	\$234.13
ANDROGEL	HORMONAL SUPPLEMENTATION	2014	25	\$0.80	\$386.52
CELEBREX	PAIN AND INFLAMMATION	2015	32	\$0.62	\$323.80
NASONEX	ALLERGIES	2014	40	\$0.49	\$176.62
INTUNIV	ATTENTION DISORDERS	2014	42	\$0.47	\$301.09
ZETIA	HIGH BLOOD CHOLESTEROL	2016	51	\$0.42	\$300.48

Based on your current utilization, \$662,821 in brand drugs are losing patent protection by 2017

## Spend on Brand Drugs Losing Protection



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

# Value of Generics

## Generic Fill Rate Potential

Every 1% increase in GFR leads to  
Plan Cost savings of

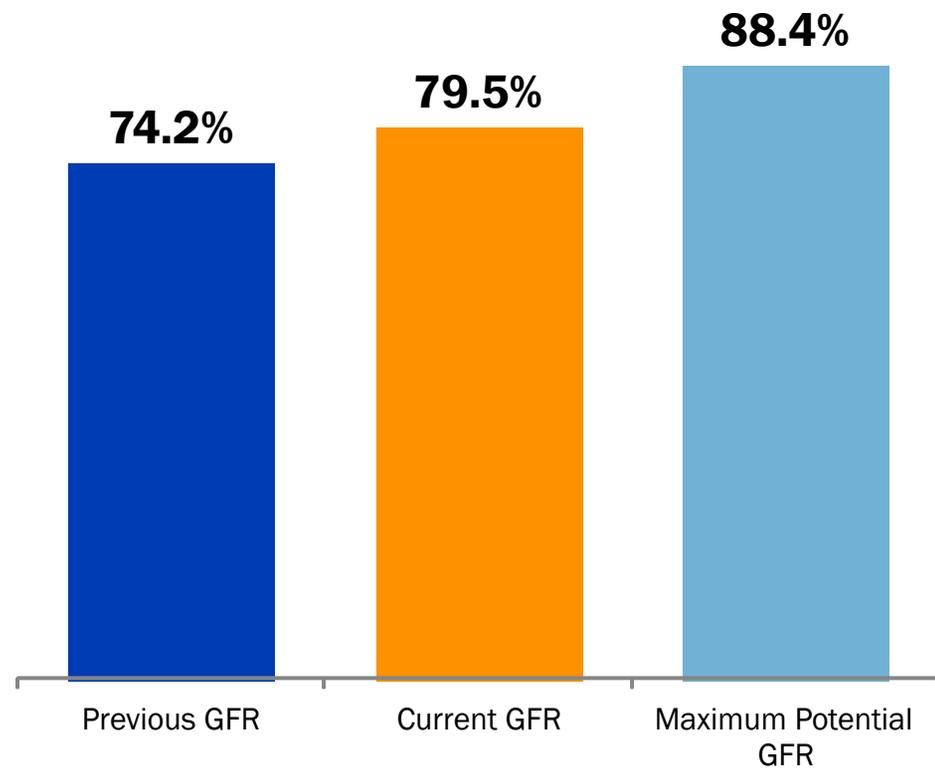
**2.4%**

Increased GFR this period saved  
you

**\$343,650**

Improve your GFR to your  
maximum potential of

**88.4%**

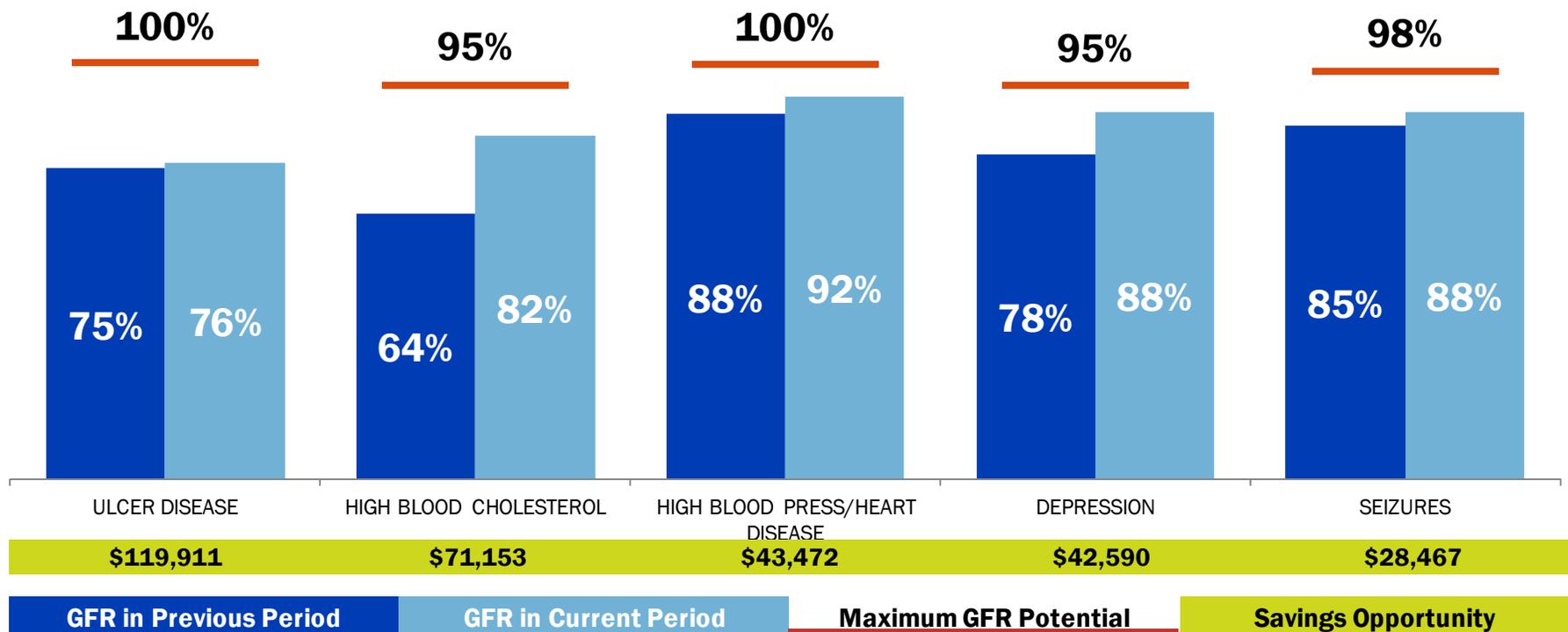


\*Excludes specialty drugs

# Generic Fill Rate Opportunity

Achieving the GFR Potential in these Indications would have saved \$305,592 in Gross Cost

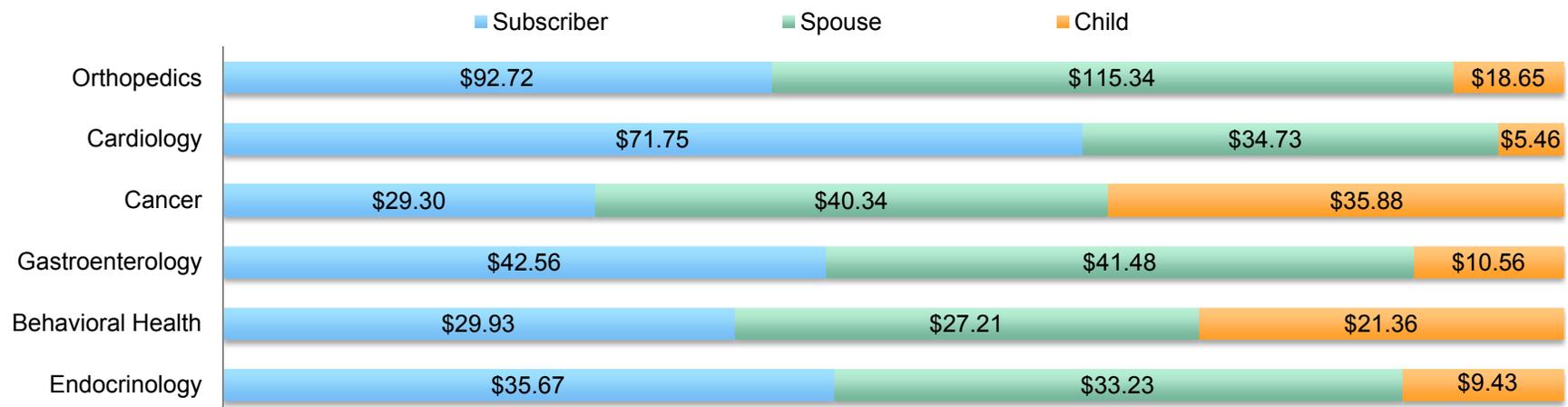
Maximum Generic Fill Rate Potential by Indication



# Top Health Conditions

- **Orthopedics**-15.2% of the total paid, includes 1,356 claimants **(\$2,685,601)**
  - Top drivers within this category include Joint Degeneration, Adult Rheumatoid Arthritis, Minor Orthopedic Trauma
- **Cardiology**-8.3% of the total paid, includes 723 claimants **(\$1,450,644)**
  - Focus of care is related to Hypertension, Conduction Disorders, Heart Disease and Valvular Disorders
- **Neoplasms**- 7.6% of total paid, includes 106 claimants **(\$1,298,912)**
  - Key drivers include Multiple Myeloma, Breast Cancer, Ears Nose and Throat (ENT) Cancer, Prostate and Lung Cancers
- **Gastroenterology**-6.5% of the total paid, includes 601 claimants **(\$1,154,539)**
  - Key drivers include Inflammation of the Esophagus, Inflammation of the Intestines, Appendicitis and GI Signs and Symptoms
- **Behavioral Health** -5.6% of the total paid, includes 887 claimants **(\$986,334)**
  - Key drivers include Depression, Alcohol/Drug Dependence and ADHD
- **Endocrinology**-5.5% of the total paid, includes 923 claimants **(\$961,512)**
  - Primary drivers are Diabetes, Hyperlipidemia and Obesity

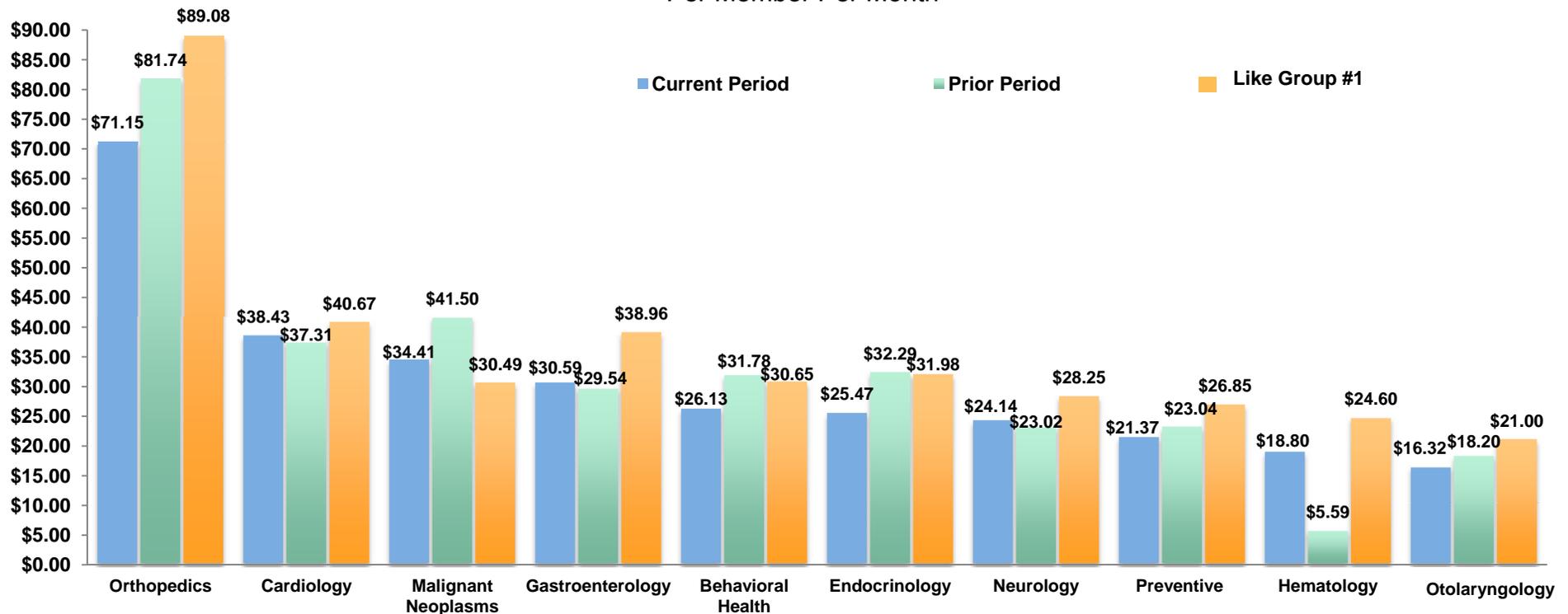
**Top Health Conditions by PMPM and Relationship**



In the prior period, Orthopedics and Rheumatology, Neonatology, Cancer, Cardiology, Endocrinology and Behavioral Health were the top drivers of costs

# Top Ten Health Condition Categories:

Per Member Per Month

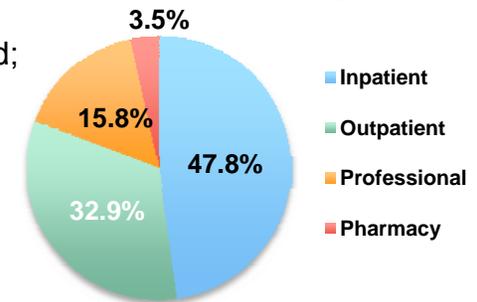


- The top ten health condition categories accounted for 66.3% of total medical and pharmacy claims paid for the total plan
- Hematology costs increased 236.3%, Neurology costs increased 4.9%, Gastroenterology costs increased 3.6% and Cardiology costs increased 3.0%
- The Employees drove 48.8% of the total expenses in the top ten health condition categories
  - Spouse: 30.4% and Children 20.8%
- Neonatology was #2 cost driver in the prior period; now #11

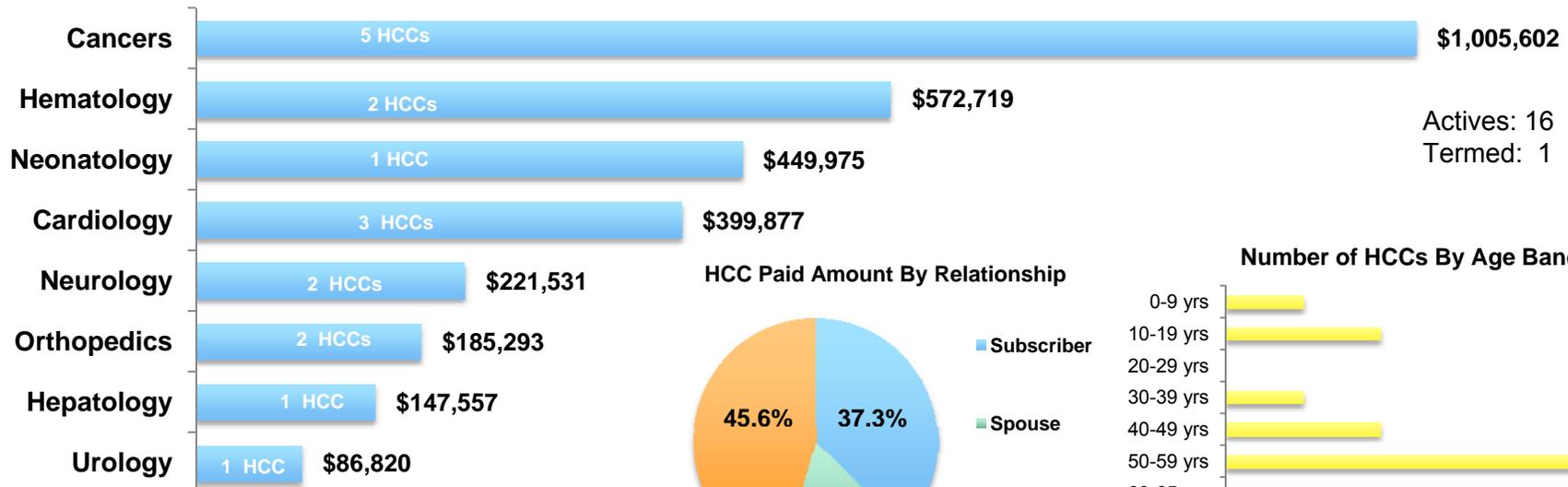
# High Cost Claimant Summary >\$75K

- There were **17** High Cost Claimants (over \$75K), totaling \$3,069,374 in the current period; *17.6% of the total plan expenditures*
- Employees (9) contributed to 37.3% of total HCC expense
- Spouses (5) represented 17.1% of the total HCC expense
- Children (3) accounted for 45.6% of the total HCC expense*
- 6 members were listed on both time periods HCC rosters
  - Their costs in current period totaled **\$1,086,662** and in the prior period totaled **\$707,452**, showing a **53.6% increase**

HCC Paid Amount By Setting

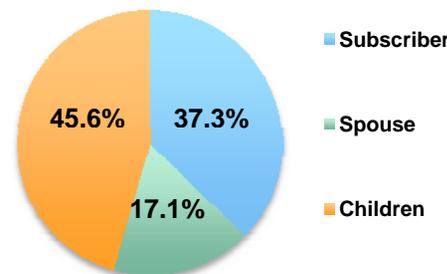


Top HCC Health Conditions

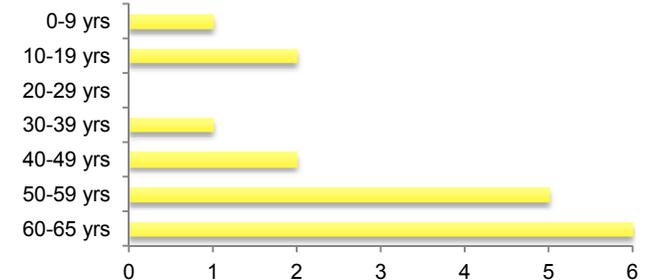


Actives: 16  
Termed: 1

HCC Paid Amount By Relationship

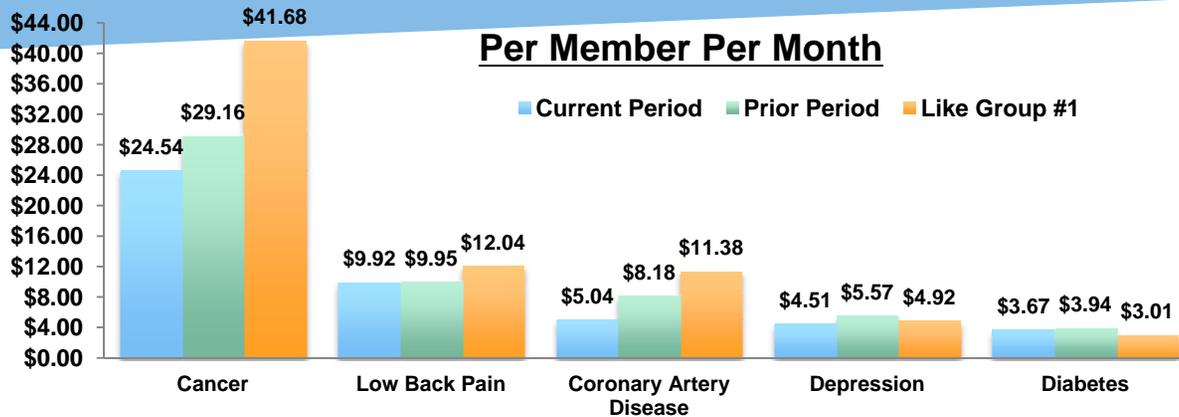


Number of HCCs By Age Bands



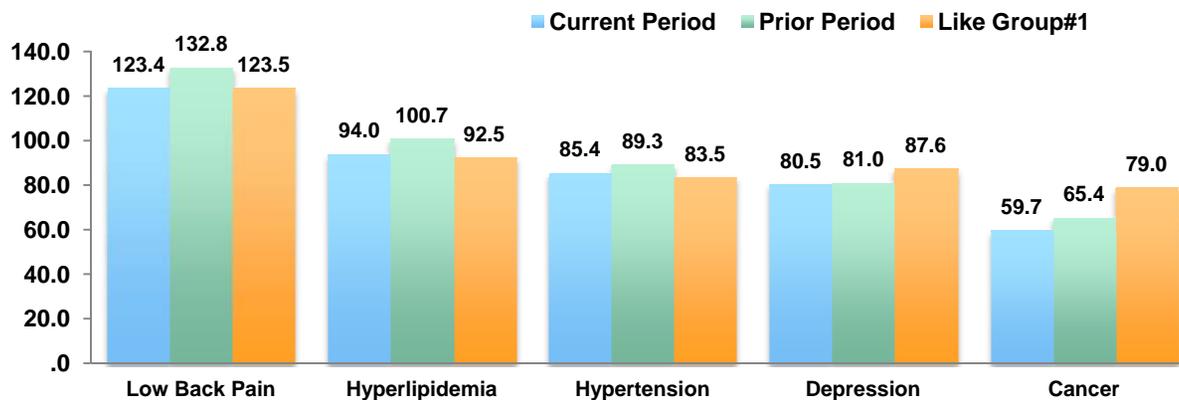
# CHRONIC CONDITIONS

Current Period: April 2012- March 2013, Paid Thru June 2013  
Prior Period: April 2011- March 2012, Paid Thru June 2013



- For the top 5 chronic conditions the employee accounts for 55.3% of the total paid claims costs
- The Employee was the key PMPM cost driver for Low Back Pain, Coronary Artery Disease and Diabetes
- The Spouse was the top driver of PMPM costs for Cancer and Depression
- All top 5 chronic conditions showed a decrease in PMPM costs
- Total PMPM costs for all chronic conditions decreased 12.2% compared to the prior period

## Prevalence Per 1000



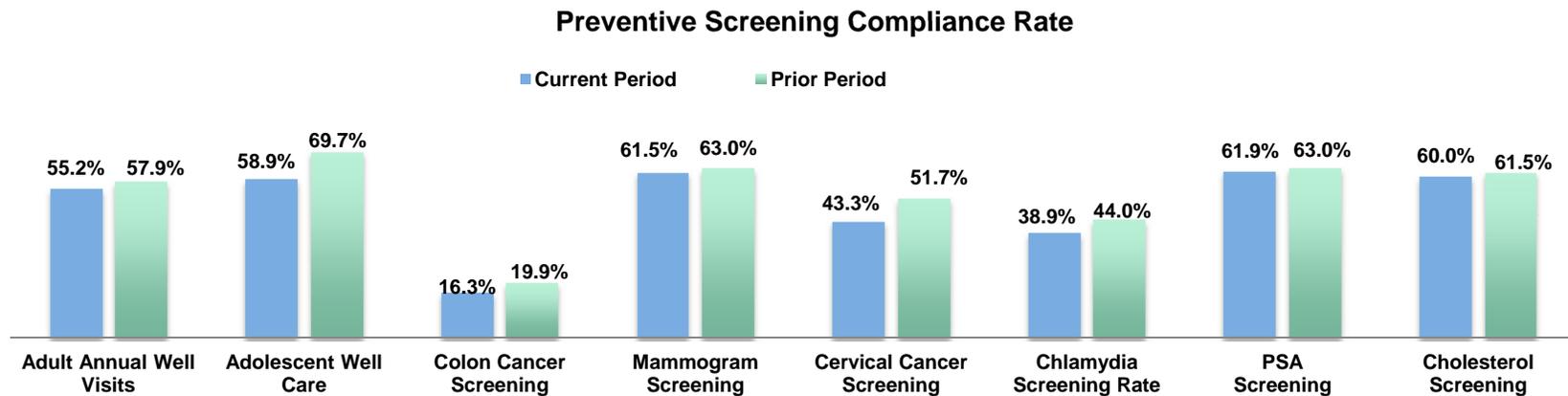
- Both the Employee and the Spouse are equal drivers of prevalence for the top chronic conditions; except for Depression for which the spouse is the clear driver
- Prevalence rate for top 5 chronic conditions has decreased overall

# Preventive Screenings

Current Period: April 2012- March 2013, Paid Thru June 2013  
 Prior Period: April 2011- March 2012 , Paid Thru June 2013

Category	Eligible Members	Members Receiving Care	Current Percent Compliance	Prior Percent Compliance
Adult Annual Well Visits	2,031	1,121	55.2%	57.9%
Adolescent Well Care	474	279	58.9%	69.7%
Colon Cancer Screening Rate	888	145	16.3%	19.9%
Mammogram Screening Rate	682	419	61.5%	63.0%
Cervical Cancer Screening Rate	1,022	443	43.3%	51.7%
Chlamydia Screening Rate	167	65	38.9%	44.0%
PSA Screening Rate	481	298	61.9%	63.0%
Cholesterol Screening Rate	1,460	876	60.0%	61.5%

Routine Child Well Visits Rates of Compliance have decreased from the prior period; Routine Baby/Well Visits have improved



# 360° Program Summary

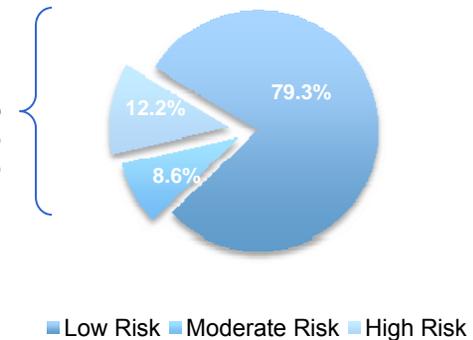
For the period ending June 30, 2013 prevalence rates were higher than the Anthem Reference Population for Asthma and COPD

- The prevalence rates for **Asthma, Diabetes and Heart Failure increased**, compared to the prior period
  - 74 new members were identified during this reporting period
  - Of the 584 members under management during the current period, 20.7% (121 members) were targeted for outreach by a nurse case manager, **above** our Anthem reference population rate of 18.5% for moderate and high risk
  - Of those enrolled, 68.1% were engaged during the reporting period
  - Of the 604 outbound calls made to members, 53.3% were for clinical intervention, 43.0% were for enrollment and 3.7% were for other purposes
  - Eight members were enrolled in the Future Moms Program, 87.5% registered during first trimester and none were managed as high risk
  - Thirty-two unique members utilized the 24/7 NurseLine

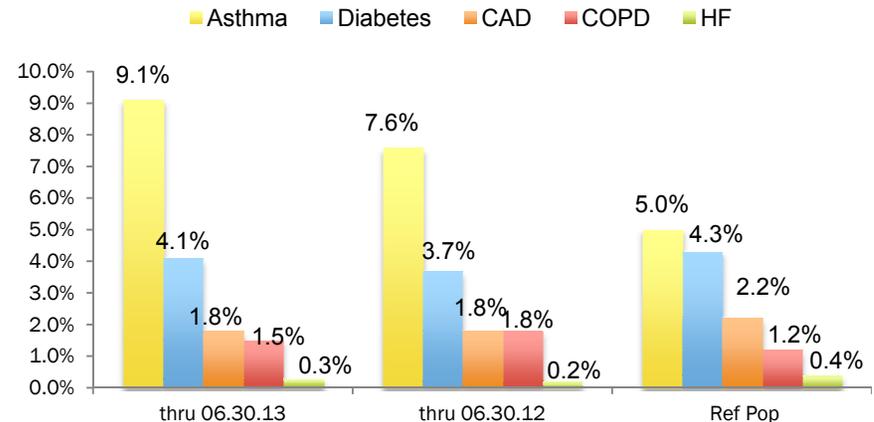
Condition	Total Members Under Management During The Reporting Period
Asthma	298 (271)
Diabetes	145 (136)
Coronary Artery Disease (CAD)	71 (65)
Chronic Obstructive Pulmonary Disease (COPD)	60 (62)
Heart Failure (HF)	10 (10)
<b>Total as of 06.30.13 (as of 06.30.12)</b>	<b>584 (544)</b>

City of Manchester  
Case Risk Stratification  
N =584

Reference Population:  
Low Risk = 81.5%  
Moderate Risk = 9.4%  
High Risk = 9.1%



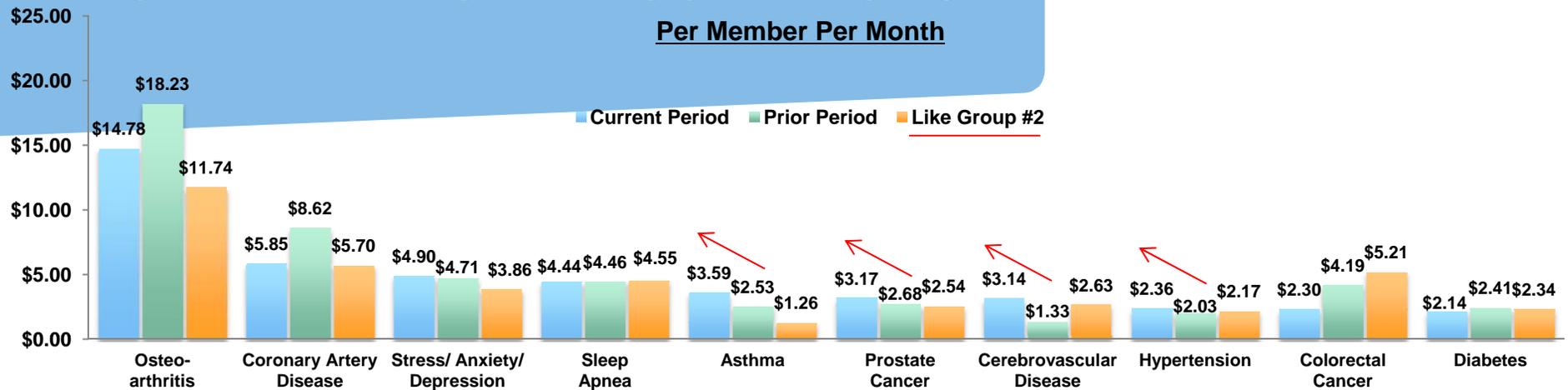
ConditionCare Programs - Prevalence



Current Period: April 2012- March 2013, Paid Thru June 2013  
 Prior Period: April 2011- March 2012, Paid Thru June 2013

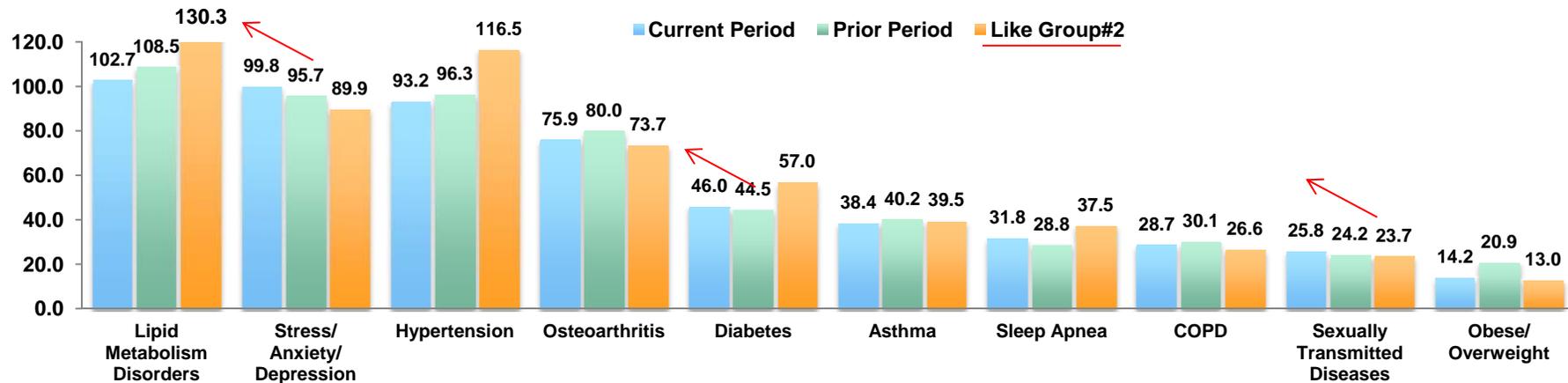
# TOP TEN LIFESTYLE CONDITIONS

## Per Member Per Month



Two cancers are included the top 10 lifestyle conditions by cost (5 in top 20)  
 Lipid Metabolism Disorders is the top condition by prevalence, followed by Stress/Anxiety/Depression and then Hypertension

## Prevalence/1000



A photograph showing several hands of different skin tones (white, light brown, dark brown) reaching up and holding each other in a circle. The background is a clear, bright blue sky. The hands are positioned around the perimeter of the frame, with fingers interlocking or resting on each other's wrists. The lighting is bright, suggesting an outdoor setting.

# RECOMMENDATIONS

## RECOMMENDATIONS AND OPPORTUNITIES

### Promote importance of annual physical exams and preventive screenings to detect health issues early

- Compliance rates for many preventive and screening metrics have decreased compared to the prior period; this is an area of continuing opportunity
- Neoplasms is noted as a top clinical health condition overall; top chronic condition, lifestyle related condition and top HCC condition
- Focus on younger population to teach sound lifestyle choices and lifelong practices

### Focus on members with chronic conditions

- Promote enrollment and engagement of Anthems 360° Health Programs
- Prevalence of cancer, diabetes and asthma is noted within this population
- All three major conditions are noted on the Lifestyle Conditions roster and Chronic Conditions report
- Hypertension is the #3 driver of lifestyle conditions by prevalence; almost \$370K spent for management of hypertension

### Encourage enrollment and participation in the Future Moms Program

- 58 unique claimants noted within the Obstetrics category; 43 inpatient admissions for Maternity in the current period
- 8 members registered for Future Moms Program

### Include the spouse in any wellness initiative

- Both the spouse and the employee are significant contributors to the overall costs and prevalence for most conditions
- The Spouse is the key cost driver for Orthopedics, Cancers, and Neurology
- Spouses costs represent 30.7% of total expenditures
- Spouses and their costs account for approximately 17.1% of the total HCC spend

### Review Pharmacy Opportunities

- Continue to educate members on the Value of Generic Drugs
- Educate members about Curascript Specialty Pharmacy and their CareLogic Program

### Promote employee awareness of Employee Assistance Program and other available resources

- Stress/Anxiety and Depression has been identified as the # 2 lifestyle condition by prevalence, in City of Manchester's population; also included in the top 5 chronic conditions
- Depression is often a co-morbid condition associated with chronic, progressive and catastrophic conditions
- 16 Behavioral Health IP admissions in the current period; admits/1000 increased 50%, PMPM costs increased 34.3%
- Behavioral Health is the #5 health category for this population

# City of Manchester Wellness Initiatives

2011	2012	2013	2013 / 2014- In Progress
<p><b>Spring Know Your Numbers Campaign</b> incented employees to participate in biometric screenings</p> <p><b>Health &amp; Wellness Promotion Activity at Employee BBQ</b></p> <p><b>Mayor Creates Wellness Committee</b> in latter half of 2011 with mission to “Promote Health &amp; Wellness of City employees through departmental collaboration”</p> <p><b>Fall Wellness Challenge</b> encouraged healthy lifestyle activities to improve nutrition, increase exercise, and reduce stress</p>	<p><b>Spring Know Your Numbers Campaign</b> incented employees to participate in biometric screenings and provided year over year comparison of results</p> <p><b>Health &amp; Wellness Promotion Activity at Employee BBQ</b></p> <p><b>Wellness Committee launches Wellness Page on City’s Website</b> to provide an avenue promote wellness initiatives and encourage employee feedback</p> <p><b>Fall Couch to 5K Challenge</b> encouraged employee participation in various wellness activities concluding with the Santa Shuffle 5K</p>	<p><b>Stairwell Promotion Campaign</b> currently underway at several City locations</p> <p><b>Spring Know Your Numbers Campaign</b> incented employees to participate in biometric screenings and Health Risk Assessments</p> <p><b>Incorporate map of City’s Trails with other Healthy Points of Interest</b> into a health &amp; wellness activity</p> <p><b>Developing a monthly health &amp; wellness calendar</b> for targeted promotions throughout the year</p>	<p><b>Walking Works Campaign</b> currently in research/planning stages to introduce this new program</p> <p><b>Health &amp; Wellness Promotion Activity at Employee BBQ</b></p> <p><b>Z-Card City Trail Map</b> we are getting ready to release city trail maps to encourage activity between members/dependents</p> <p><b>Spring Know Your Number Campaign</b> starting to plan our next Know Your Numbers campaign</p>



**MEDICAL  
APPENDIX**

# Top Providers

Top Inpatient Providers	Paid Amount
MARY HITCHCOCK MEMORIAL HOSPITAL	\$691,897
CATHOLIC MEDICAL CENTER	\$576,089
ELLIOT HOSPITAL	\$390,368
MEMORIAL HOSPITAL FOR CANCER	\$253,063
CONCORD HOSPITAL	\$186,761
LAHEY CLINIC HOSPITAL INC	\$37,265
SOUTHERN NH MEDICAL CENTER	\$34,918
ST JOSEPH HOSPITAL	\$27,162
MEMORIAL SLOAN-KETTERING	\$17,497
PARKLAND MEDICAL CENTER	\$15,253
WENTWORTH DOUGLASS HOSPITAL	\$14,112
S NAVAL HOSPITAL	\$14,019
NEW ENGLAND BAPTIST HOSPITAL	\$10,759
ELLIOT HOSPITAL PSYCH DPU	\$10,520

Top Outpatient Providers	Paid Amount
ELLIOT HOSPITAL	\$1,996,176
CATHOLIC MEDICAL CENTER	\$1,426,457
MARY HITCHCOCK MEMORIAL HOSPITAL	\$527,182
CONCORD HOSPITAL	\$183,837
SOUTHERN NH MEDICAL CENTER	\$80,770
PARKLAND MEDICAL CENTER	\$67,776
MEMORIAL SLOAN-KETTERING	\$57,458
ST JOSEPH HOSPITAL	\$41,707
WENTWORTH DOUGLASS HOSPITAL	\$33,224
EXETER HOSPITAL	\$32,302
THE GENERAL HOSPITAL CORPORATIO	\$30,837
MAINE MEDICAL CENTER	\$27,594
PORTSMOUTH REGIONAL HOSPITAL	\$25,676
HOME HEALTH & HOSPICE CARE	\$24,535
LAKES REGION GENERAL HOSPITAL	\$23,224

# Lifestyle Condition Risk Factors

Lifestyle Condition Description	Obesity	Lack of Physical Activity	Tobacco Use	Alcohol Use	Poor Nutrition Practice	Noncontrolled Lipids	Noncontrolled Hypertension	Excessive Sun Exposure	Stress/Anxiety/Depression	Unsafe Sexual Behavior
Lifestyle Dx: Cancer - Breast	X	X		X	X					
Lifestyle Dx: Coronary Artery Disease	X	X	X	X	X	X	X		X	
Lifestyle Dx: Cerebrovascular Disease	X	X	X	X	X		X			
Lifestyle Dx: Cancer - Skin								X		
Lifestyle Dx: Diabetes Mellitus, Non-Insulin Depen	X	X			X					
Lifestyle Dx: Lipid Metabolism Disorders	X	X			X	X				
Lifestyle Dx: Overweight/Obese	X	X			X				X	
Lifestyle Dx: Cancer - Larynx			X	X						
Lifestyle Dx: Cancer – Lip/Oral Cavity/Pharynx			X	X						
Lifestyle Dx: Oral Disease			X	X	X					
Lifestyle Dx: Cancer - Colorectal	X	X		X	X					
Lifestyle Dx: Cancer - Esophagus			X	X						
Lifestyle Dx: Constipation					X				X	
Lifestyle Dx: Diverticular Disease					X					
Lifestyle Dx: Cancer - Cervix	X		X							X
Lifestyle Dx: Cancer - Ovary	X									
Lifestyle Dx: Cancer - Uterine	X									

# Lifestyle Condition Risk Factors

Lifestyle Condition Description	Obesity	Lack of Physical Activity	Tobacco Use	Alcohol Use	Poor Nutrition Practice	Noncontrolled Lipids	Noncontrolled Hypertension	Excessive Sun Exposure	Stress/Anxiety/Depression	Unsafe Sexual Behavior
Lifestyle Dx: Cancer - Gallbladder/Biliary Tract	X		X							
Lifestyle Dx: Cancer - Liver				X						
Lifestyle Dx: Cancer - Pancreas			X		X					
Lifestyle Dx: Cholecystitis/ Cholelithiasis	X									
Lifestyle Dx: Pancreatitis				X		X				
Lifestyle Dx: HIV Infection										X
Lifestyle Dx: Cancer - Prostate	X	X			X					
Lifestyle Dx: Sleep Apnea	X									
Lifestyle Dx: Hypertension	X	X		X	X		X		X	
Lifestyle Dx: Malnutrition				X	X				X	
Lifestyle Dx: Sexually Transmitted Diseases										X
Lifestyle Dx: Osteoarthritis	X	X								
Lifestyle Dx: Osteoporosis		X	X		X					
Lifestyle Dx: Alcohol Abuse				X						
Lifestyle Dx: Alcohol Withdrawal Syndrome				X						
Lifestyle Dx: Alcoholic Cardiomyopathy				X						
Lifestyle Dx: Alcoholic Liver Damage				X						
Lifestyle Dx: Alcoholic Polyneuropathy				X						
Lifestyle Dx: Alcoholic Psychosis				X						

# Lifestyle Condition Risk Factors

Lifestyle Condition Description	Obesity	Lack of Physical Activity	Tobacco Use	Alcohol Use	Poor Nutrition Practice	Noncontrolled Lipids	Noncontrolled Hypertension	Excessive Sun Exposure	Stress/Anxiety/Depression	Unsafe Sexual Behavior
Lifestyle Dx: Stress/Anxiety/Depression									X	
Lifestyle Dx: Tobacco Use			X							
Lifestyle Dx: Cancer - Bladder/Kidney/Oth Urinary			X							
Lifestyle Dx: Asthma			X							
Lifestyle Dx: Bronchitis, Acute			X							
Lifestyle Dx: Cancer - Trachea/Bronchus/Lung			X							
Lifestyle Dx: COPD			X							
Lifestyle Dx: Pneumonia			X	X						
Lifestyle Dx: Peripheral Vascular Disease		X	X			X	X			
Lifestyle Dx: Venous Embolism/Thrombosis	X									