

Building
Healthy
Communities
Together

FY 2016 Annual Review
CITY OF MANCHESTER

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Observations and Remarks

- Overall, costs for FY 2016 were lower than expected
- As a result, the overall trend declined compared to FY 2015
- A glance at the claims data from July, August and September 2016 has already shown an upward trend as compared to the same 3 month period during 2015
- Based on what has been demonstrated in the Anthem NH Book of Business, it is unlikely that this decline will continue

Summary of Plan Performance

Total Health Plan
PMPM Trend:

-3.4%

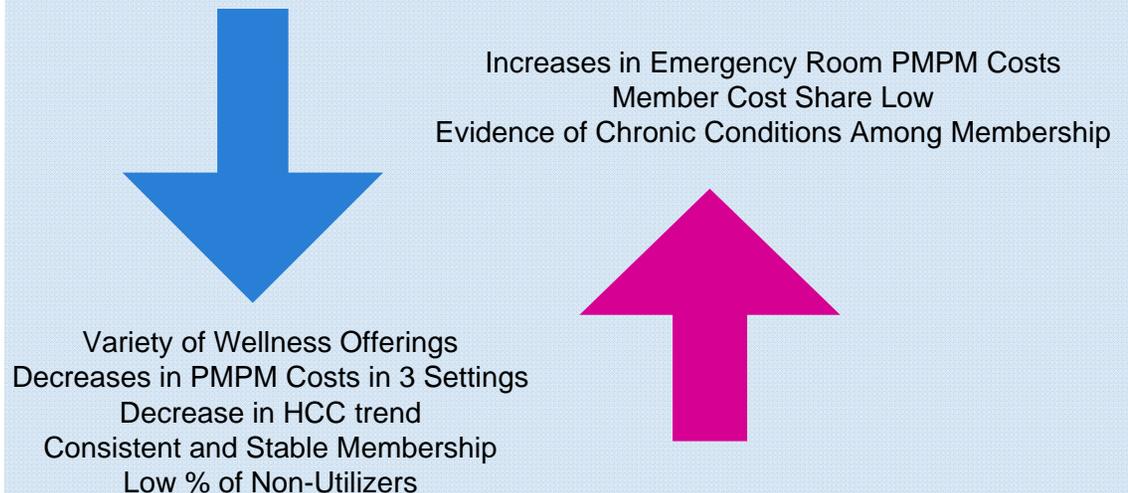
Total Current Plan PMPM:

\$499.61

Total Adjusted PMPM
Trend:

-0.2%

Contributing Factors to PMPM Trend



Executive Summary: Financials and Demographics

Cost and Utilization

Medical Plan Expenditures:

- Paid Medical claims = \$14,552,425 (4.6% decrease from FY 2015)
- Paid Rx claims = \$3,931,405 (1.5% increase from FY 2015)
- In-Network utilization was 99.1%
- Member Medical Cost Share: 5.3% vs 4.4%
- Member Rx Cost Share: 12.6% vs 13.3%

Medical Membership:

- FY 2016 average membership is 3,083, remaining constant from the prior period
- Males account for 53.4%; Females represent 46.6% of the membership
 - Employees consume 42.8% of the total plan costs

High Cost Claimants ≥ \$75K:

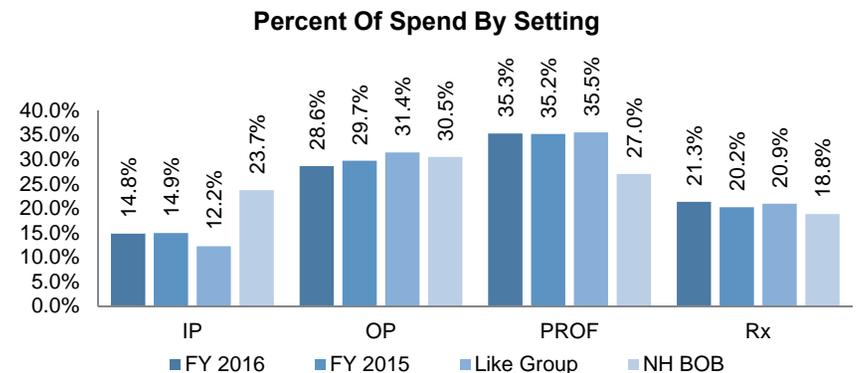
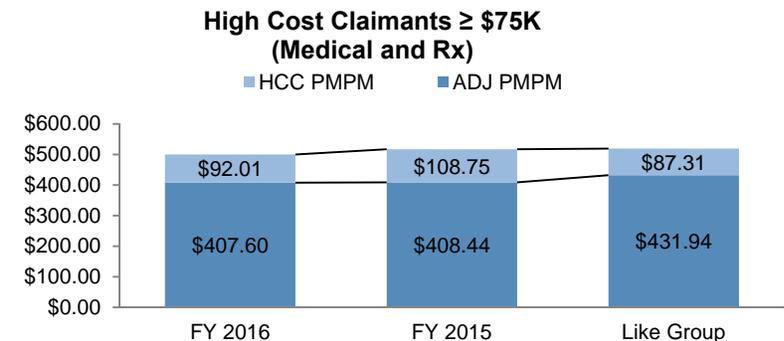
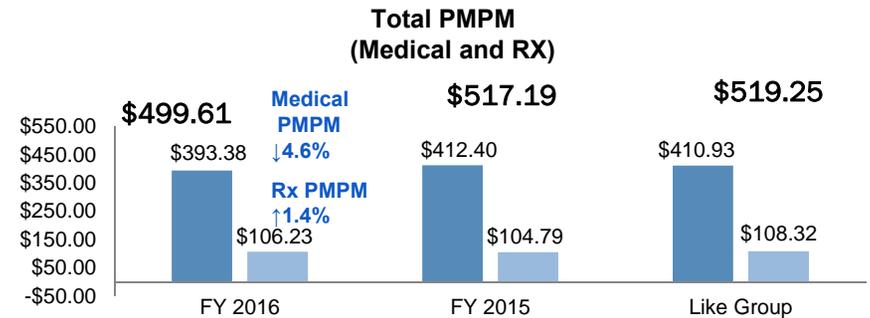
- 22 claimants accounted for 18.4% (\$3,403,908) of the total expenditures
- HCC trend decreased 15.4%; Non-HCC trend decreased 0.2%
- Genitourinary System, Injury and Poisoning, Circulatory, Digestive and Musculoskeletal Systems were predominant health condition categories

Medical Spend by Relationship:

- Employee PMPM: \$421.26; Spouse: \$616.41; Child: \$213.61

Utilization Trends Per 1,000 by Setting:

- Inpatient acute admits/1,000 increased 2.7%
 - Cost/acute admit decreased 5.5%
- Outpatient visits/1,000 decreased 3.0%
 - Cost/visit decreased 3.9%
- Professional visits/1,000 decreased 1.3%
 - Cost/visit decreased 1.8%
- Pharmacy utilization decreased 3.0%
 - Cost/script increased 4.5%



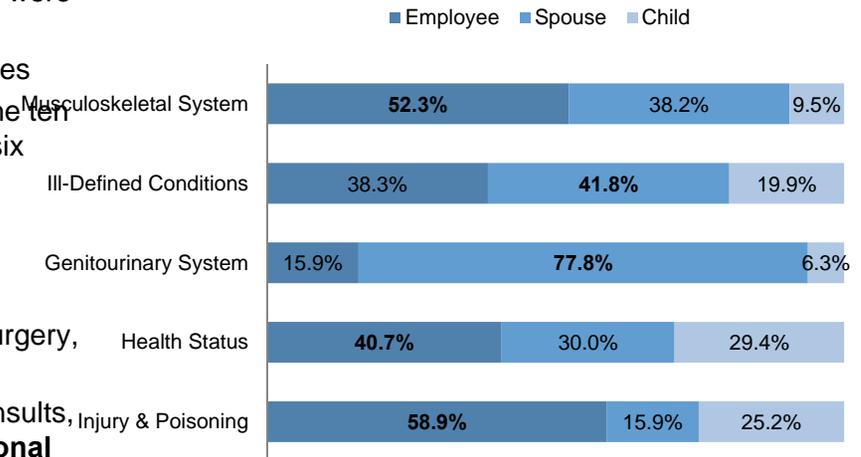
Executive Summary: Clinical Cost Drivers

Summary:

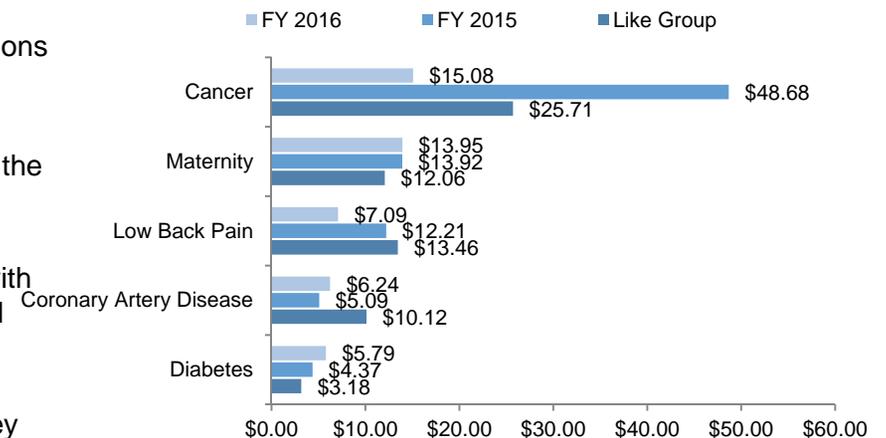
Musculoskeletal System, Genitourinary System and Injury and Poisoning were the primary clinical cost drivers

- These 3 categories represent **30.0%** of the total medical expenditures
- The Employee is responsible for leading PMPM costs for three of the ten top Health Condition categories; Spouses were the key drivers for six categories, and Children were the top PMPM cost drivers for the Behavioral Health category
- Top clinical diagnoses for **Inpatient** setting include Circulatory and Musculoskeletal conditions
- Outpatient** setting costs drivers included Emergency Room, OP Surgery, Lab and Pathology and Radiology
- Musculoskeletal health issues (PT, Chiro), Physician Specialist Consults, and Primary Care Visits were most frequently seen in the **Professional Setting**
- 53.1% of all ER visits were considered Low Intensity and may have been appropriately redirected to a setting of lesser intensity
- Back Disorders (Dorsalgia) and Joint Disorders are the most prevalent diagnoses within the Musculoskeletal System category
- Abdominal and Pelvic Pain were the most common Ill-Defined Conditions
- Chronic Kidney Disease represents the most costly Genitourinary diagnosis
- Dislocations, Sprains and Strains are most commonly reported within the Injury and Poisoning category
- Back and Joint Disorders, Hypertension, Diabetes, Asthma and Depression remain health concerns of focus for City Of Manchester with significant increases in PMPM costs for Coronary Artery Disease and Diabetes during FY 2016
- Low Back Pain represents the highest Lifestyle related condition by prevalence (315 unique members have this diagnosis); Chronic Kidney Disease was the most costly Lifestyle Condition during FY 2016 (\$18.69

% of Spend By Relationship And Health Condition



Target Program Conditions By PMPM



Financials and Demographic Highlights: Medical Only

Summary:

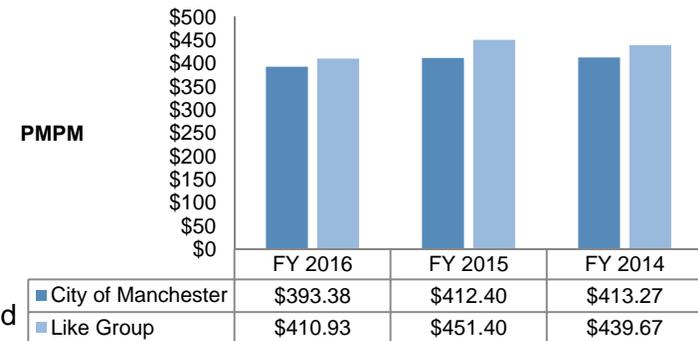
Significant decreases are noted over the last 2 years for City of Manchester

- Total Medical Paid **decreased** 4.6% compared to FY 2015
- Medical PMPM **decreased** 4.6%
- HCC Medical PMPM (\$75K threshold) **decreased** 18.7%

Membership has **remained static** over the past year

- Greatest concentration of membership for males:
 - 55-64 and then 45-54 age bands
- Greatest concentration of membership for females:
 - 45-54 and then 15-24 age bands
- Males represent 53.4% of the membership; Females represent 46.6%
- 40.4% of males are > 45 years old; 37.8% of females are > 45 years old
- 217 Non-Utilizers with Continuous Enrollment
 - 105 Employees total; 52 of the Employees > 45 years old

Medical PMPM Trend: -4.6%



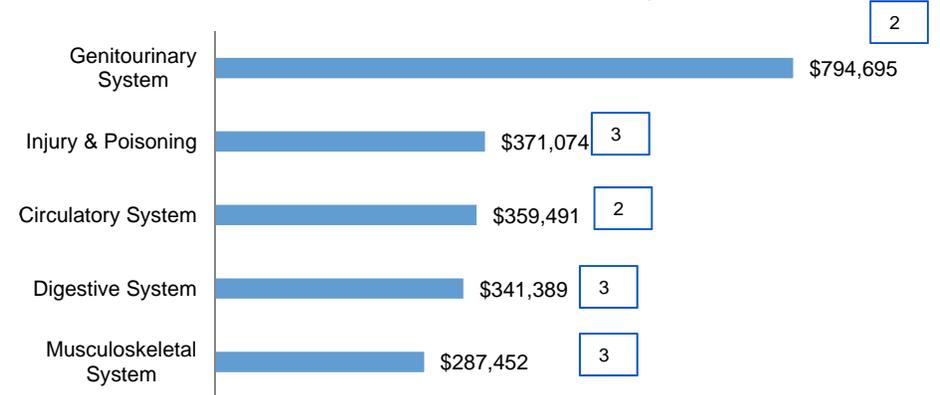
Metric	FY 2016	FY 2015	Trend	Like Group
Medical Paid Amount	\$14,552,425	\$15,246,431	-4.6%	\$19,239,446
HCC Medical Paid Amount	\$3,030,439	\$3,725,226	-18.7%	\$3,560,153
Medical PMPM	\$393.38	\$412.40	-4.6%	\$410.93
Medical Non-HCC PMPM	\$311.46	\$311.64	-0.1%	\$334.89
Medical HCC PMPM	\$81.92	\$100.76	-18.7%	\$76.04
Medical PEPM	\$985.14	\$1,041.71	-5.4%	\$1,018.77
Demographics:				
Employees	1,231	1,220	1.0%	1,574
Membership	3,083	3,081	0.1%	3,902
Contract Size	2.5	2.5	n/c	2.5
Average Age of Member	35.2	35.2	0.0%	37.0
Average Age of Employee	47.3	47.9	-1.2%	48.7

High Cost Claimants \$75k+

Summary:

- In FY 2016, 22 members (0.7% of membership) drove 18.4% of all costs (\$3,403,908)
- In FY 2015, 30 members (1.0% of membership) drove 21.1% of all costs (\$4,020,550)
 - Anthem National Benchmark was 0.7% of members driving 30.5% of all costs
- IP: \$1,227,213 (36.1%) OP: \$1,174,534 (34.5%)
PROF: \$628,692 (18.4%) Rx : \$373,469 (11.0%)
- 81.8% of members with claims paid >\$75k remain Active status in the plan (4 Termed)
- By Relationship:
 - 13 Employees are responsible for 49.9% of HCC costs
 - 7 Spouses are responsible for 42.4% of HCC costs
 - 2 Children are responsible for 7.7% of HCC costs

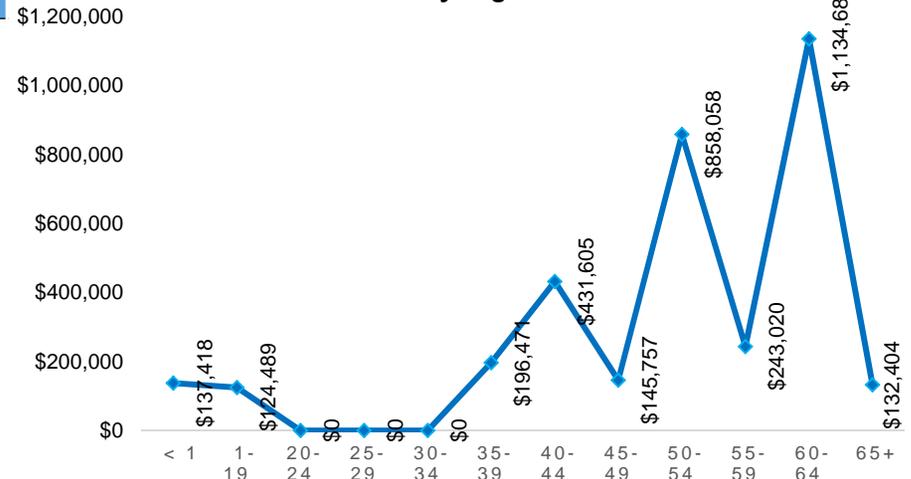
Top Five HCC Health Conditions By Paid Amount



Top Ten High Cost Claimants

Case	Active Status Yes/No	Relationship	Diagnosis	Paid Amount
1	Yes	Spouse	CHRONIC KIDNEY DISEASE	\$431,605
2**	Yes	Spouse	CHRONIC KIDNEY DISEASE	\$363,091
3	Yes	Employee	HYPERTENSIVE CHRONIC KIDNEY DISEASE	\$218,311
4**	Yes	Employee	NON-FOLLICULAR LYMPHOMA	\$193,348
5	Yes	Employee	FRACTURE LOWER LEG INCLUDING ANKLE	\$183,132
6	Yes	Employee	OTHER SEPSIS	\$180,664
7**	Yes	Spouse	ENCOUNTER FOR OTHER AFTERCARE	\$168,809
8	Yes	Employee	SARCOIDOSIS	\$145,757
9	Yes	Spouse	ACUTE PANCREATITIS	\$144,917
10	No	Employee	MYOCARDIAL INFARCTION	\$141,180

HCC's ≥ \$75k by Age Bands



** Included on HCC in FY 2015

Utilization By Setting: Three Periods

Summary:

- Greatest % of expenditures is noted in the Professional setting where PMPM costs have decreased 3.1% while visits have decreased 1.3%
- Maintain focus on increasing utilization in Professional Setting - Lowest Cost / Service - Improve the quality of the outcome with early identification, enhanced treatment and improved management of disease (both acute and chronic)

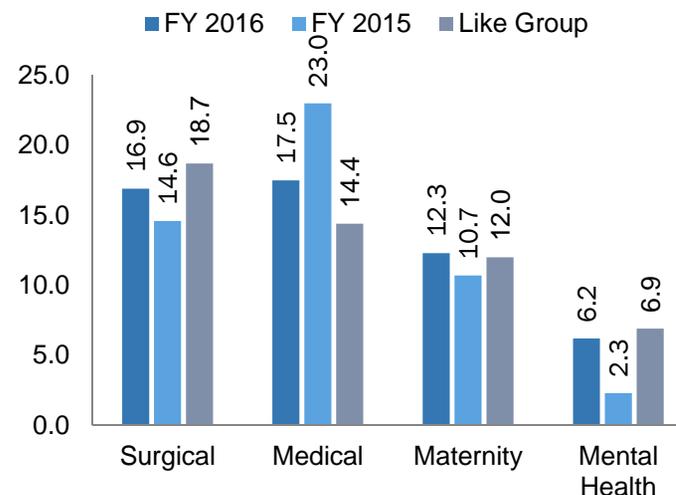
	Unique Claimants	FY 2016	FY 2015	Trend	FY 2014	Like Group	Variance to Like Group
Inpatient Facility (14.8% vs14.9%)	157					198	
Acute Admissions per 1000		60.7	59.1	2.7%	69.1	61.5	-1.3%
Acute Days per 1000		263.1	265.2	-0.8%	244.9	270.7	-2.8%
Average Length of Stay - Acute		4.3	4.5	-3.4%	3.5	4.4	-2.3%
Paid Amount per Acute Admit		\$14,534	\$15,385	-5.5%	\$14,611	\$12,136	19.8%
Inpatient Paid Amount		\$2,739,568	\$2,844,479		\$3,130,137		
Paid Amount PMPM		\$74.06	\$76.94	-3.7%	\$85.07	\$63.51	16.6%
Outpatient Facility (28.6% vs 29.7%)	1,950					2,650	
ER Annual Visits per 1000		161.2	146.7	9.9%	155.9	140.2	15.0%
ER Paid Amount per Visit		\$1,978	\$1,833	7.9%	\$1,532	\$2,003	-1.2%
Total Outpatient Visits per 1000		2,414.1	2,489.3	-3.0%	2,705.2	2,843.7	-15.1%
Total Paid Amount per Visit		\$710	\$739	-3.9%	\$664	\$689	3.0%
Total Outpatient Paid Amount		\$5,284,644	\$5,669,324		\$5,510,217		
Total Outpatient PMPM		\$142.86	\$153.35	-6.8%	\$149.75	\$163.33	-12.5%
Professional (35.3% vs 35.2%)	2,981					3,913	
Primary Care							
Annual Visits per 1000		2,716.7	2,808.0	-3.3%	2,896.6	2,882.4	-5.7%
Paid Amount per Visit		\$151	\$152	-0.6%	\$145	\$146	3.4%
Specialty Care							
Annual Visits per 1000		8,513.5	8,568.1	-0.6%	8,530.7	9,228.8	-7.8%
Paid Amount per Visit		\$201	\$205	-2.3%	\$202	\$194	3.6%
Total Professional Paid Amount		\$6,528,214	\$6,732,628		\$6,566,341		
Total Professional PMPM		\$176.47	\$182.11	-3.1%	\$178.45	\$184.09	-4.1%
Total							
Paid Amount		\$14,552,425	\$15,246,431		\$15,206,696		
Total Medical PMPM		\$393.38	\$412.40	-4.6%	\$413.27	\$410.93	-4.3%

Inpatient Facility Metrics

Summary:

- Surgical costs account for 54.0% of the IP expenditures – a transplant, orthopedic surgical procedures and various cardiac procedures were the key cost drivers in this setting
 - Overall, PMPM costs decreased 7.7% while there were 6 more admits, yet 144 fewer days noted
- Medical costs account for 28.4% of the IP expenditures – care of a gastric ulcer, sepsis, pneumonia, cardiac conditions and diabetes were key cost drivers in this setting
 - PMPM costs decreased 5.5% while there were 17 fewer admits and 22 fewer days noted
- Maternity costs account for 14.3% of the IP expenditures
 - PMPM costs increased 47.3% with the 5 more admits and 29 more days
- Mental Health / Substance Abuse account for 2.4% of IP expenditures
 - Although PMPM costs decreased 24.6%, there were 12 more admits and 128 more days noted
 - Opioid and alcohol related admissions accounted for 9 of the 19 IP admissions

Admits/1000 by Admit Type



Inpatient Service Category	Average LOS	Admits/ 1000	Days/ 1000	Paid Amount	FY 2016 PMPM	FY 2015 PMPM	Trend	Like Group PMPM	Variance
Surgical	3.94	16.5	65.9	\$1,480,625	\$40.02	\$43.34	-7.7%	\$34.71	15.3%
Medical	4.87	17.5	85.0	\$778,314	\$21.04	\$22.27	-5.5%	\$15.69	34.1%
Maternity	3.24	12.3	39.9	\$350,609	\$9.48	\$6.43	47.3%	\$6.40	48.1%
Mental Health/Substance Abuse	8.25	6.2	52.2	\$66,975	\$1.81	\$2.40	-24.6%	\$3.55	-49.0%
Well New Born	2.27	7.1	16.2	\$41,410	\$1.12	\$1.29	-13.2%	\$1.15	-2.6%
Skilled Nursing	*	1.0	14.6	\$21,635	\$0.58	\$0.22	162.1%	\$0.53	9.4%
Rehabilitation	0.00	0.0	0.0	\$0.00	\$0.00	\$0.98	-	\$0.77	n/c
Other	0.00	0.0	0.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.71	n/c
Total	*	60.7	273.8	\$2,739,568	\$74.06	\$76.94	-3.7%	\$63.51	16.6%

Top 10 Inpatient Facility Providers

In-Network Facilities

Facility Name / Location	Unique Claimants	Paid Amount In-Network	Paid Amount Per Claimant	Percent of Total In-Network
Elliot Hospital - Manchester, NH	77	\$774,316	\$10,056	28.3%
Catholic Medical Center - Manchester, NH	37	\$660,300	\$17,846	24.1%
The General Hospital Corporation - Boston, MA	*	\$328,470	*	12.0%
Concord Hospital - Concord, NH	7	\$167,791	\$23,970	6.1%
Southern NH Medical Center - Nashua, NH	*	\$121,053	*	4.4%
Lee Memorial Hospital - Fort Myers, FL	*	\$101,658	*	3.7%
The Childrens Hospital Corp - Boston, MA	*	\$93,824	*	3.4%
Mary Hitchcock Memorial Hospital - Lebanon, NH	*	\$80,343	*	2.9%
Brigham And Womens Hospital Inc - Boston, MA	*	\$69,704	*	2.5%
New England Baptist Hospital - Boston, MA	*	\$53,227	*	1.9%
Subtotal				
Total Inpatient Facility In-Network	157	\$2,739,568	\$17,449	100.0%

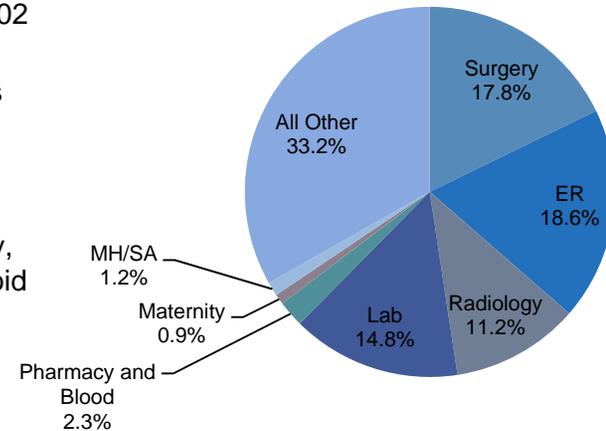
* Facility had less than 5 unique claimants

Outpatient Metrics

Summary:

- Emergency Room, OP Surgery, Lab and Pathology and Radiology represent 62.4% of total Outpatient spend
- Emergency Room PMPM costs increased 18.6% with 45 more visits and 402 more services being provided
- OP Surgery PMPM costs decreased 19.7% with 54 less visits and 592 less services
 - Screenings for malignancies and tissue biopsies were the most prevalent types of OP surgeries
- “Other” category includes chemotherapy, radiation therapy, adjunct therapy, dialysis services or medications to treat specialty conditions (ex: Rheumatoid Arthritis, Crohn’s Disease, Psoriatic Arthritis, Multiple Sclerosis, etc.)

Outpatient Facility Percent Of Spend By Treatment Type



Outpatient Service Category	Visits per 1,000	FY 2016 PMPM	FY 2015 PMPM	Trend	FY 2014 PMPM	Like Group PMPM	Percent Variance
Emergency Room	161.2	\$26.57	\$22.41	18.6%	\$19.90	\$23.40	13.5%
Surgery	83.0	\$25.41	\$31.66	-19.7%	\$26.70	\$34.48	-26.3%
Lab & Pathology	1,029.9	\$21.17	\$20.69	2.3%	\$20.86	\$22.12	-4.3%
Radiology	338.0	\$15.94	\$17.19	-7.2%	\$18.25	\$18.09	-11.9%
Pharmacy & Blood	15.6	\$3.24	\$4.99	-35.1%	\$6.48	\$8.86	-63.4%
Mental Health/Substance Abuse	55.8	\$1.77	\$3.04	-41.7%	\$2.06	\$4.64	-61.9%
Maternity	37.3	\$1.33	\$0.96	38.7%	\$1.25	\$1.39	-4.3%
Other	693.2	\$47.42	\$52.41	-9.5%	\$54.25	\$50.35	-5.8%
Total	2,414.1	\$142.86	\$153.35	-6.8%	\$149.75	\$163.33	-12.5%

Emergency Room Summary

Emergency Room Summary:

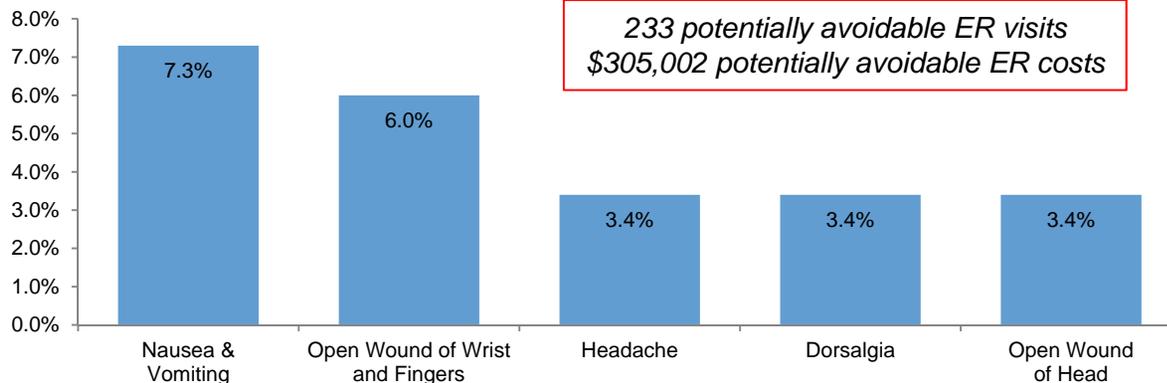
- Emergency Room facility paid amount was 6.8% (\$982,973) of the total medical plan paid amount and 18.6% of the total OP expenditures
- Average paid per ER facility visit was \$1,978; 7.9% higher than FY 2015 (\$1,833)
- ER utilization was 161.2/1,000, compared to 146.7/1,000 (9.9% higher than FY 2015)
- ER Visits By Relationship (497 total): Employee: **172**; Spouse: **148**; Children: **177**
- Live Health Online, 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:

- 53.1% of ER visits were potentially "low intensity" in the current period compared to 61.4% in the prior period
- Low Intensity ER utilization was 75.6/1,000 compared to FY 2015 of 80.2/1000 (5.7% lower)
- Average cost of a "Low Intensity" ER visit was \$1,309, compared to \$1,356 in FY 2015 (3.5% lower)
- Low Intensity Visits by Relationship (233 total): Employee: **93**; Spouse: **42**; Children: **98**

Top 5 Low Intensity Diagnoses by ER Visits

This chart represents 23.5% of the avoidable ER visits



Day of the Week	ER Visit Count	Paid Amount
Sunday	80	\$123,289
Monday	73	\$118,130
Tuesday	80	\$168,983
Wednesday	46	\$107,824
Thursday	79	\$164,471
Friday	69	\$139,706
Saturday	70	\$160,569
Total	497	\$982,973

Top 10 Outpatient Facility Providers

In-Network Facilities

Facility Name / Location	Unique Claimants	Visits	Paid Amount In-Network	Paid Amount Per Claimant	Percent of Total In-Network
Elliot Hospital - Manchester, NH	1,111	3,201	\$1,993,288	\$1,794	37.7%
Catholic Medical Center - Manchester, NH	451	1,233	\$1,151,212	\$2,553	21.8%
Manchester Kidney Center - Manchester, NH	*	186	\$592,136	*	11.2%
Mary Hitchcock Memorial Hospital - Lebanon, NH	521	1,195	\$331,968	\$637	6.3%
Concord Hospital - Concord, NH	75	155	\$168,057	\$2,241	3.2%
Parkland Medical Center - Derry, NH	37	54	\$113,517	\$3,068	2.1%
Southern NH Medical Center - Nashua, NH	62	148	\$98,593	\$1,590	1.9%
The General Hospital Corporation- Boston, MA	20	72	\$87,716	\$4,386	1.7%
St Joseph Hospital - Nashua, NH	50	136	\$87,667	\$1,753	1.7%
Lahey Clinic Hospital Inc - Burlington, MA	*	4	\$55,401	*	1.0%
Subtotal					
Total Outpatient Facility In-Network	1,950	7,442	\$5,291,535	\$2,714	100.0%

* Facility had less than 5 unique claimants

Professional Cost and Utilization Breakdown

Summary:

- Office Visits and Preventive Services represent **26.5%** of the total Professional spend
- Primary Care PMPM costs decreased 3.8%; 127 fewer unique claimants are noted in FY 2016
 - 999 fewer visits were made when compared to FY 2015
- Specialty Care PMPM costs decreased 2.9%; 46 fewer unique claimants are noted in FY 2016
 - 2,419 fewer visits were made when compared to FY 2015

Professional Service Categories	Visits Per 1,000	Total Paid	FY 2016 PMPM	FY 2015 PMPM	Trend	FY 2014 PMPM	Like Group PMPM	Variance to Like Group
OP Surgery	659.2	\$1,427,235	\$38.58	\$41.13	-6.2%	\$38.96	\$42.51	-9.2%
Office/Home Visits	2,772.2	\$1,063,972	\$28.76	\$30.17	-4.7%	\$29.12	\$30.00	-4.1%
Preventive Services	1,222.6	\$665,887	\$18.00	\$17.41	3.4%	\$17.06	\$19.24	-6.4%
Professional Other	2,143.9	\$621,435	\$16.80	\$16.09	4.4%	\$15.77	\$15.72	6.9%
Radiology	840.5	\$448,381	\$12.12	\$14.47	-16.3%	\$14.39	\$13.84	-12.4%
Mental Health / Substance Abuse	1,486.0	\$423,184	\$11.44	\$12.99	-11.9%	\$10.74	\$13.86	-17.5%
IP Surgery	62.0	\$338,679	\$9.16	\$7.70	18.9%	\$9.80	\$9.23	-0.8%
Therapeutic Injections	40.9	\$256,457	\$6.93	\$6.52	6.4%	\$5.45	\$3.40	103.8%
Maternity	168.7	\$221,075	\$5.98	\$4.95	20.7%	\$5.67	\$5.24	14.1%
Lab & Pathology	518.7	\$200,489	\$5.42	\$5.60	-3.2%	\$6.41	\$5.90	-8.1%
Medical	322.8	\$198,672	\$5.37	\$7.46	-28.0%	\$8.55	\$8.79	-39.0%
IP Visits	253.7	\$130,007	\$3.51	\$4.14	-15.1%	\$3.17	\$2.42	45.0%
Other	739.3	\$532,740	\$14.40	\$13.50	6.7%	\$13.36	\$13.92	3.5%
Total	11,230.2	\$6,528,214	\$176.47	\$182.11	-3.1%	\$178.45	\$184.09	-4.1%



Pharmacy

Pharmacy trend: Contributing factors and performance summary

- Formulary and network strategies
- Clinical programs and edits
- Benefit design strategies
- OTC drugs
- Rebates
- Generics
- Biosimilars
- Price protection
- Provider incentives



Other factors that could impact trend:

- Distribution channel (retail, mail, specialty)
- Member contribution

We look at the big picture –
and the impact on total costs.
Not just pharmacy costs alone.



- Specialty drug pipeline
- Brand and generic AWP increases
- Generic patent cliff
- Breakthrough therapies (HepC, PCSK9)
- Increased utilization
- Drug waste
- Gaps in care
- Wrong site of care

Total Pharmacy plan-paid PMPM trend: 1.4%

Current plan-paid PMPM: \$106.23

Adjusted (non-specialty) PMPM trend: 2.0%

Key Statistics: Specialty Detailed

- Specialty drugs are medications used to treat rare, chronic and/or progressive conditions
 - Medications often require specialty handling and are usually much more expensive than traditional medications
 - Delivery methods vary – oral, injected, infused, inhaled
 - Members fill medications and participate in care management programs through a participating Specialty Pharmacy
- Non-Specialty drugs accounted for 71.6% of total pharmacy spend, and 99.2% of total scripts
- Specialty drugs accounts for 28.4% of total pharmacy spend, and 0.8% of total scripts
- Specialty Drug PMPM is \$30.19 and is lower than NH BOB Norm
- There are 48 unique specialty patients and 252 total specialty scripts

Description	City of Manchester					
	Non-Specialty			Specialty		
	7-15 - 6-16	7-14 - 6-15	Change	7-15 - 6-16	7-14 - 6-15	Change
Avg Subscribers per Month	1,231	1,221	0.8%	1,231	1,221	0.8%
Avg Members per Month	3,084	3,081	0.1%	3,084	3,081	0.1%
Number of Unique Patients	2,498	2,515	-0.7%	48	54	-11.1%
Pct Members Utilizing Benefit	81.0%	81.6%	-0.6	1.6%	1.8%	-0.2
Total Plan Cost	\$2,814,121	\$2,755,289	2.1%	\$1,117,284	\$1,119,026	-0.2%
Percent of Total Plan Cost	71.6%	71.1%	0.5	28.4%	28.9%	-0.5
Total Rx's	31,875	32,837	-2.9%	252	245	2.9%
Percent of Total Rx's	99.22%	99.26%	0.0	0.78%	0.74%	0.0
Plan Cost PMPM	\$76.04	\$74.52	2.0%	\$30.19	\$30.27	-0.3%
Plan Cost per Rx	\$88.29	\$83.91	5.2%	\$4,433.67	\$4,567.45	-2.9%
Nbr Rx's PMPM	0.86	0.89	-3.0%	0.007	0.007	2.8%
Member Cost %	16.0%	16.7%	-0.7	2.5%	3.4%	-0.9

NH BOB Norm - Specialty	
7-15 - 6-16	Change
\$36.15	18.5%
\$4,084.12	10.4%
0.009	7.3%
2.8%	-0.2

Top 10 Indications

REPRESENT
62.2%
OF YOUR TOTAL
PLAN COST

- 2 of the top 10 Indications by cost are specialty conditions
- Inflammatory Conditions is the top overall condition by cost again this year, with a 7.7% decrease year over year
 - Decrease in patients and scripts filled for these conditions
- The largest increase is in Diabetes at 18.0%
 - Utilization decreased slightly, though drug costs increased
- The largest decrease is in Heartburn/Ulcer Disease at -29.5%
 - Utilization decreased slightly, while generic fill rate increased
- Most prevalent conditions are Pain/Inflammation, Depression and Asthma

Top Indications by Plan Cost															
7-15 - 6-16									7-14 - 6-15					% Change	
Rank	Peer Rank	Indication	Rxs	Patients	Plan Cost	Generic Fill Rate	Peer Generic Fill Rate	Plan Cost PMPM	Rank	Rxs	Patients	Generic Fill Rate	Plan Cost PMPM	Plan Cost PMPM	
1	1	INFLAMMATORY CONDITIONS	121	23	\$579,077	10.7%	19.4%	\$15.65	1	149	34	12.1%	\$16.96	-7.7%	
2	2	DIABETES	1,497	154	\$439,562	46.6%	51.0%	\$11.88	2	1,517	149	49.9%	\$10.07	18.0%	
3	4	MULTIPLE SCLEROSIS	18	6	\$269,527	11.1%	3.4%	\$7.28	3	29	7	0.0%	\$8.28	-12.0%	
4	11	ATTENTION DISORDERS	1,134	141	\$236,260	61.8%	73.9%	\$6.38	4	1,058	135	52.7%	\$6.09	4.9%	
5	8	ASTHMA	1,331	383	\$228,257	27.1%	40.9%	\$6.17	6	1,372	414	22.9%	\$5.33	15.8%	
6	6	PAIN/INFLAMMATION	2,889	816	\$151,036	96.6%	94.3%	\$4.08	7	3,192	882	93.5%	\$4.71	-13.4%	
7	15	DEPRESSION	2,985	486	\$145,285	98.0%	95.8%	\$3.93	8	2,845	478	97.8%	\$3.75	4.8%	
8	12	HEARTBURN/ULCER DISEASE	1,676	377	\$139,536	91.2%	94.5%	\$3.77	5	1,752	382	82.9%	\$5.35	-29.5%	
9	5	HIGH BLOOD CHOLESTEROL	1,763	366	\$137,989	86.9%	84.7%	\$3.73	9	1,836	381	85.3%	\$3.69	1.1%	
10	14	MENTAL/NEURO DISORDERS	222	45	\$118,722	82.9%	84.5%	\$3.21	10	250	53	58.4%	\$3.50	-8.3%	
Total Top 10:			13,636		\$2,445,252	78.7%		\$66.07		14,000		75.6%	\$67.71	-2.4%	
Differences Between Periods:			-364		-\$57,949	3.2%		-\$1.63							

Top 10 Specialty Drugs

- Represent 22.1% of your total Plan Cost and comprise 4 indications
- 2 new drugs in the current period account for \$140,000, or 12.5% of total specialty drug spend
 - Harvoni for Hepatitis C
 - Plegridy Pen for Multiple Sclerosis
- Largest increase is for Remicade at 60.2%
 - Increase in utilization
- Largest decrease is in Avonex Pen, at -56.0%
 - Utilization decreased

Top Specialty Drugs by Plan Cost														
7-15 - 6-16									7-14 - 6-15					% Change
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	26	5	\$186,586	\$7,176	\$5.04	1	30	7	\$7,529	\$6.11	-17.5%
2	2	ENBREL	INFLAMMATORY CONDITIONS	29	4	\$186,001	\$6,414	\$5.03	2	37	9	\$5,281	\$5.29	-4.9%
3	17	HARVONI	HEPATITIS C	3	1	\$98,399	\$32,800	\$2.66						
4	128	REMICADE	INFLAMMATORY CONDITIONS	7	1	\$76,392	\$10,913	\$2.06	16	5	1	\$9,525	\$1.29	60.2%
5	7	TECFIDERA	MULTIPLE SCLEROSIS	4	1	\$72,755	\$18,189	\$1.97	20	3	2	\$12,413	\$1.01	95.2%
7	808	NUTROPIN AQ NUSPIN	GROWTH DEFICIENCY	12	1	\$69,695	\$5,808	\$1.88	8	10	1	\$7,220	\$1.95	-3.6%
10	5	COPAXONE	MULTIPLE SCLEROSIS	4	1	\$63,412	\$15,853	\$1.71	5	5	2	\$15,523	\$2.10	-18.4%
19	21	HUMIRA	INFLAMMATORY CONDITIONS	4	1	\$42,092	\$10,523	\$1.14	9	14	3	\$4,609	\$1.75	-34.8%
21	150	PLEGRIDY PEN	MULTIPLE SCLEROSIS	3	1	\$40,341	\$13,447	\$1.09						
27	57	AVONEX PEN	MULTIPLE SCLEROSIS	2	1	\$32,410	\$16,205	\$0.88	7	5	1	\$14,734	\$1.99	-56.0%
			Total Top 10:	94		\$868,083	\$9,235	\$23.46		109		\$7,286	\$21.48	9.2%
			Differences Between Periods:	-15		\$73,912	\$1,949	\$1.98						

Top 10 Non-Specialty Drugs

- 3 generic drugs on the Top 10 list
 - Duloxetine, the generic of Cymbalta
 - Aripiprazole, the generic of Abilify
 - Esomeprazole Magnesium, the generic of Nexium
- Largest increase is for Aripiprazole, at 1,326.6%
 - Newly available generic released in early 2015, utilization increased in the most recent year
- Largest decrease is for Nexium, at -54.6%
 - Decrease in utilization, increase in utilization for the generic

Top Drugs by Plan Cost													
7-15 - 6-16								7-14 - 6-15				% Change	
Rank	Peer Rank	Brand Name	Indication	Rxs	Pts.	Plan Cost	Plan Cost PMPM	Rank	Rxs	Pts.	Plan Cost PMPM	Plan Cost PMPM	% Change
6	40	ADVAIR DISKUS	ASTHMA	178	48	\$71,486	\$1.93	6	230	61	\$2.03	\$2.03	-5.1%
8	22	VYVANSE	ATTENTION DISORDERS	289	41	\$64,646	\$1.75	14	264	42	\$1.42	\$1.42	23.2%
9	6	LANTUS SOLOSTAR	DIABETES	106	28	\$64,049	\$1.73	15	92	23	\$1.31	\$1.31	32.1%
11	74	DULOXETINE HCL	DEPRESSION	258	41	\$57,342	\$1.55	13	210	39	\$1.46	\$1.46	6.0%
12	3	CRESTOR	HIGH BLOOD CHOLESTEROL	157	40	\$57,191	\$1.55	11	183	41	\$1.57	\$1.57	-1.7%
13	73	VICTOZA 3-PAK	DIABETES	49	9	\$55,864	\$1.51	17	43	10	\$1.21	\$1.21	24.8%
14	16	ARIPIPRAZOLE	MENTAL/NEURO DISORDERS	55	9	\$55,661	\$1.50	176	6	4	\$0.11	\$0.11	1326.6%
15	20	NEXIUM	HEARTBURN/ULCER DISEASE	106	23	\$48,597	\$1.31	3	242	56	\$2.89	\$2.89	-54.6%
16	13	ESOMEPRAZOLE MAGNESIUM	HEARTBURN/ULCER DISEASE	118	31	\$45,984	\$1.24	44	57	28	\$0.56	\$0.56	120.3%
17	23	SYMBICORT	ASTHMA	135	35	\$44,266	\$1.20	19	132	34	\$1.08	\$1.08	11.1%
Total Top 10:				1,451		\$565,086	\$15.27		1,459		\$13.64	\$13.64	148.3%
Differences Between Periods:				-8			\$1.63						

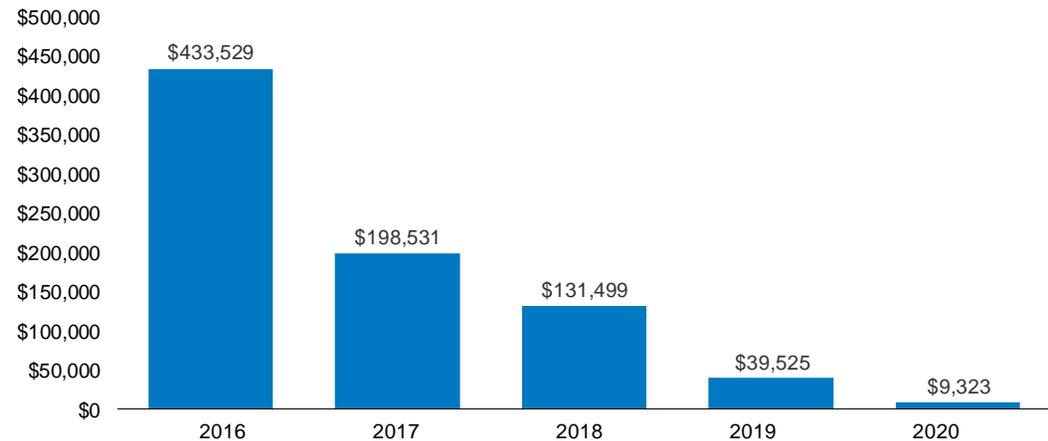
Upcoming Patent Expirations

- Based on your current utilization, \$812,406 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	\$5.04	\$7,176.39
REMICADE	INFLAMMATORY CONDITIONS	2018	4	\$2.06	\$10,913.11
ADVAIR DISKUS	ASTHMA	2017	6	\$1.93	\$401.61
COPAXONE	MULTIPLE SCLEROSIS	2017	10	\$1.71	\$15,852.94
CRESTOR	HIGH BLOOD CHOLESTEROL	2016	12	\$1.55	\$364.27
HUMIRA	INFLAMMATORY CONDITIONS	2016	19	\$1.14	\$10,522.92
CIALIS	IMPOTENCE	2018	23	\$1.07	\$259.54
VIAGRA	IMPOTENCE	2017	25	\$0.96	\$263.37
ZETIA	HIGH BLOOD CHOLESTEROL	2016	41	\$0.64	\$462.36
ASACOL HD	INFLAMMATORY CONDITIONS	2016	43	\$0.61	\$1,080.46

For every 1% increase in GFR the plan could save approximately 2.2% of total plan cost

Spend on Brand Drugs Losing Patent Protection



GFR Savings calculation excludes Specialty drugs

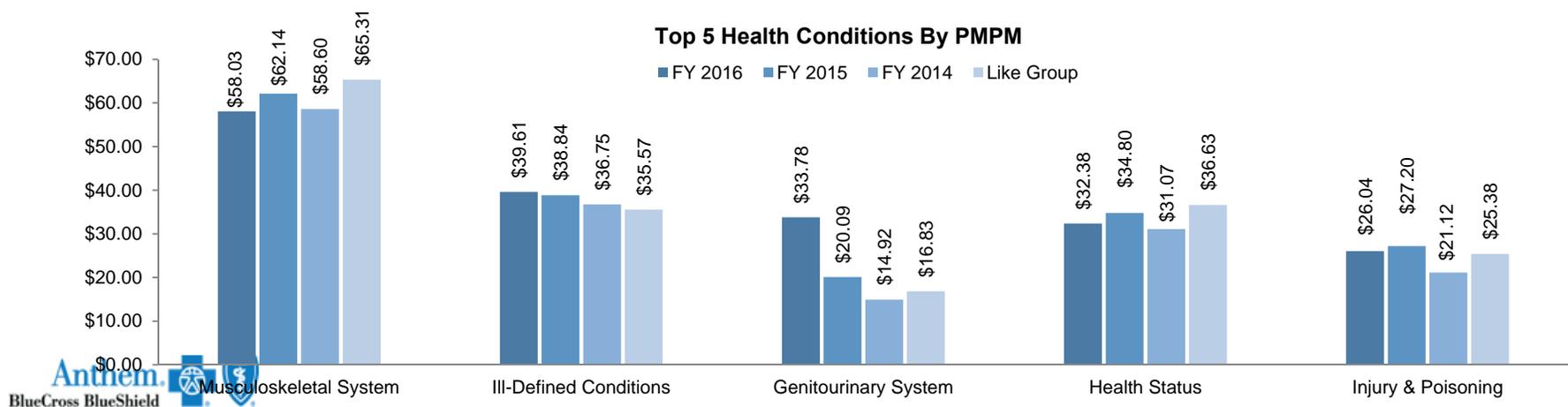
Expiration dates based on current status and may change due to litigation, patent challenges, etc.

Top Five Health Conditions

Summary:

- Top five health condition categories accounted for **48.3%** of claims paid for the total plan
- Two of the five top conditions have PMPMs higher than the prior period
 - Genitourinary System PMPM costs increased 68.1%; while PMPM costs for Ill-Defined Conditions increased only slightly at 2.0%
- Employees drove 41.8% of the expense in the top five health condition categories, the spouses drove 41.6% and children drove 16.6%
- 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	Unique Claimants	Inpatient	Outpatient	Professional	Total	% of Total	Paid Amount per Unique Claimant
Musculoskeletal System	1,060	\$432,268	\$579,946	\$1,134,602	\$2,146,816	14.8%	\$2,025
Ill-Defined Conditions	1,251	\$27,832	\$862,278	\$575,315	\$1,465,424	10.1%	\$1,171
Genitourinary System	494	\$67,280	\$918,309	\$264,025	\$1,249,613	8.6%	\$2,530
Health Status	2,283	\$22,488	\$343,870	\$831,611	\$1,197,969	8.2%	\$525
Injury & Poisoning	680	\$220,365	\$289,211	\$453,585	\$963,160	6.6%	\$1,416



Top Health Conditions By Relationship and PMPM

Summary:

The Top Health Conditions experienced an overall **-3.5%** PMPM trend compared to the prior 12 month period

The Employee is responsible for 45.1% of spend; the Spouse is responsible for 38.1% and the Child 16.8%

- Musculoskeletal System: Employee represents 52.3% of the of spend for this category
- Ill-Defined Conditions: Employee represents 38.3% of the of spend for this category
- Genitourinary System: Employee represents 15.9% of the spend in this category

	Employee		Spouse		Child		Total	Total	PMPM
	Paid	PMPM	Paid	PMPM	Paid	PMPM	Paid Amount	PMPM	Trend
Musculoskeletal System	\$1,121,820	\$75.94	\$820,967	\$92.30	\$204,029	\$15.31	\$2,146,816	\$58.03	-6.6%
Ill-Defined Conditions	\$561,404	\$38.00	\$612,884	\$68.90	\$291,136	\$21.85	\$1,465,424	\$39.61	2.0%
Genitourinary System	\$198,327	\$13.43	\$972,622	\$109.34	\$78,664	\$5.90	\$1,249,613	\$33.78	68.1%
Health Status	\$487,148	\$32.98	\$359,046	\$40.36	\$351,775	\$26.40	\$1,197,969	\$32.38	-6.9%
Injury & Poisoning	\$566,987	\$38.38	\$153,061	\$17.21	\$243,113	\$18.24	\$963,160	\$26.04	-4.3%
Circulatory System	\$667,896	\$45.21	\$261,438	\$29.39	\$15,415	\$1.16	\$944,750	\$25.54	2.5%
Digestive System	\$378,616	\$25.63	\$432,903	\$48.67	\$77,491	\$5.82	\$889,009	\$24.03	-8.3%
Respiratory System	\$258,899	\$17.53	\$195,266	\$21.95	\$141,704	\$10.63	\$595,870	\$16.11	-17.4%
Behavioral Health	\$169,443	\$11.47	\$108,066	\$12.15	\$271,941	\$20.41	\$549,450	\$14.85	-19.3%
Neoplasms - Malignant	\$340,411	\$23.04	\$101,462	\$11.41	\$99,417	\$7.46	\$541,289	\$14.63	-37.1%
Subtotal	\$4,750,951	\$321.62	\$4,017,715	\$451.68	\$1,774,685	\$133.17	\$10,543,350	\$285.01	-3.5%
All Other	\$1,471,919	\$99.64	\$1,465,257	\$164.73	\$1,071,899	\$80.44	\$4,009,075	\$108.37	-7.4%
Total	\$6,222,870	\$421.26	\$5,482,972	\$616.41	\$2,846,584	\$213.61	\$14,552,425	\$393.38	-4.6%

Top 5 Health Conditions With Top 3 Diagnoses

Summary:

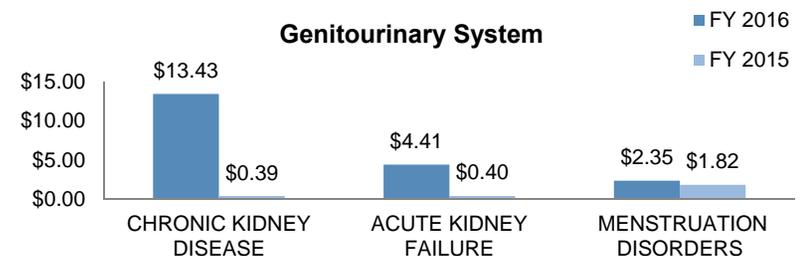
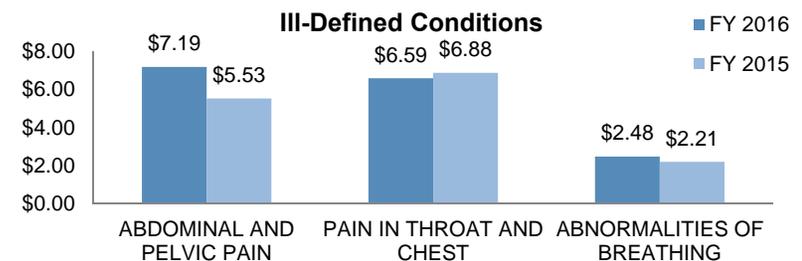
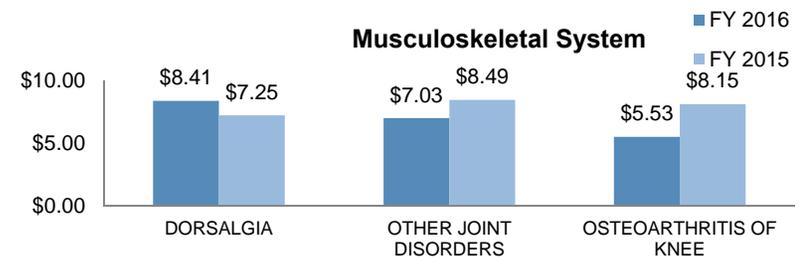
- The top five health conditions with the top three diagnoses account for \$7M of total medical costs and affects 92.2% of unique claimants
- Although back and joint disorders are the most prevalent conditions, osteonecrosis is the most costly per unique claimant to treat
- 41.7% of all claimants have an ill-defined condition which oftentimes brings them to the ER for evaluation
- Disorders of the Urinary System and Disorders of Menstruation are the most common GU diagnoses, however Chronic Kidney Disease is the most costly to treat, affecting 10 members

Opportunities:

- Encourage members to select a PCP (preferably Enhanced Personal Care) to allow proper primary care which includes wellness care and tailored care based on patient needs
- Continue to encourage utilization of Blue Distinction Centers of Excellence (COE)
- Shared Decision Support Tool

Health Conditions with Top 3 Diagnoses

Diagnoses	Total	Unique Claimants	% of Total Claimants	Benchmark % of Total Claimants
Musculoskeletal System				
DORSALGIA	\$311,240	377	12.6%	9.5%
OTHER JOINT DISORDER NOT ELSEWHERE CLASSIFIED	\$259,905	361	12.0%	9.2%
OSTEOARTHRITIS OF KNEE	\$204,581	74	2.5%	1.6%
Ill-Defined Conditions				
ABDOMINAL AND PELVIC PAIN	\$265,968	222	7.4%	7.4%
PAIN IN THROAT AND CHEST	\$243,753	142	4.7%	5.1%
ABNORMALITIES OF BREATHING	\$91,572	104	3.5%	3.1%
Genitourinary System				
CHRONIC KIDNEY DISEASE	\$496,673	10	0.3%	0.5%
ACUTE KIDNEY FAILURE	\$163,147	6	0.2%	0.2%
EXCESSIVE FREQUENT AND IRREGULAR MENSTRUATION	\$86,851	65	2.2%	1.7%

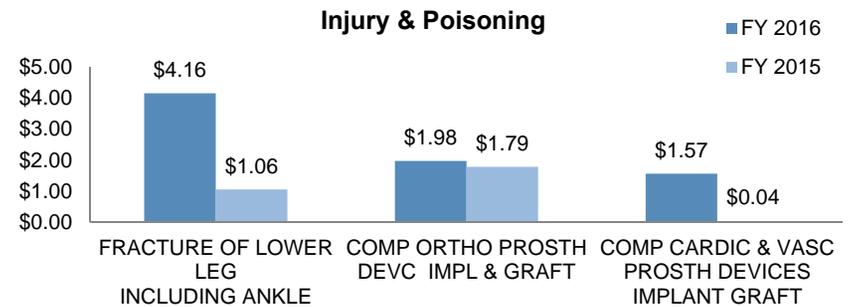
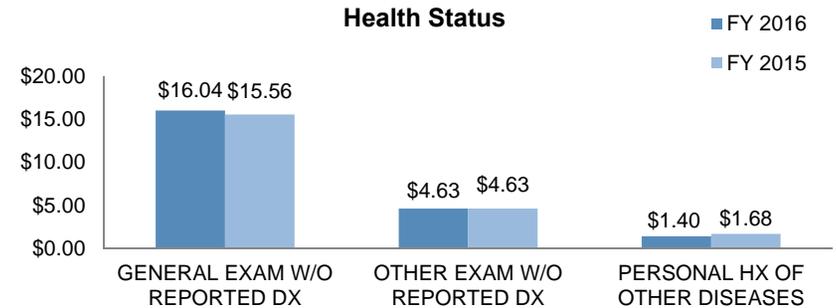


Top 5 Health Conditions With Top 3 Diagnoses (con't)

- 57.8% of all claimants have been seen by a provider for a General Medical Exam
- Dislocations, sprains, strains and fractures are the most prevalent diagnoses within the Injury and Poisoning health condition category

Health Conditions with Top 3 Diagnoses

Diagnoses	Total	Unique Claimants	% of Total Claimants	Benchmark % of Total Claimants
Health Status				
GENERAL EXAM W/O COMPLAINT SPCT/REPORTED DX	\$593,405	1,735	57.8%	33.9%
OTHER EXAM W/O COMPLAINT SUSPCT/REPORTED DX	\$171,307	767	25.5%	16.4%
PERSONAL HISTORY OF CERTAIN OTHER DISEASES	\$51,841	42	1.4%	0.9%
Injury and Poisoning				
FRACTURE OF LOWER LEG INCLUDING ANKLE	\$153,706	16	0.5%	0.4%
COMPLICATION ORTHOPEDIC PROSTHETIC DEVICE IMPLANT OR GRAFT	\$73,141	8	0.3%	0.2%
COMPLICATION CARDIAC OR VASCULAR PROSTHETIC DEVICES IMPLANTS OR GRAFT	\$58,206	*	***	0.1%



Mental Health and Substance Abuse

Summary:

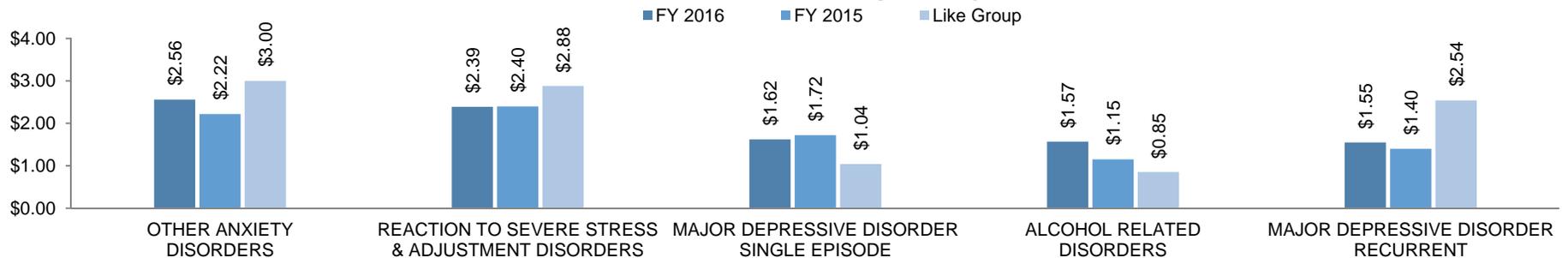
- Mental disorders overall accounted for **3.8%** of claims paid for the total medical plan in the current period, there is a -19.3% PMPM trend
- 76.6% of all Mental Health claims were provided in the Professional Setting
- Anxiety Disorders were the most prevalent Behavioral Health condition

Opportunities:

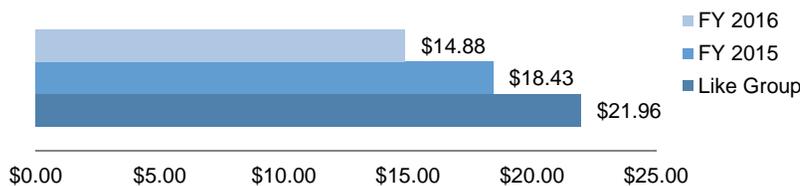
- Promotion of EAP
- Promote awareness of BH Resource
- Encourage stress management courses through EAP

Mental Condition	Unique Claimants	Paid Amount per Unique Claimant	Inpatient	Outpatient	Professional	Total	% of Total
OTHER ANXIETY DISORDERS	194	\$489	\$00	\$8,257	\$86,562	\$94,819	17.2%
REACTION TO SEVERE STRESS & ADJUSTMENT DISORDERS	139	\$635	\$00	\$394	\$87,924	\$88,318	16.0%
MAJOR DEPRESSIVE DISORDER SINGLE EPISODE	93	\$646	\$11,152	\$7,749	\$41,162	\$60,063	10.9%
ALCOHOL RELATED DISORDERS	17	\$3,420	\$27,017	\$18,327	\$12,792	\$58,136	10.6%
MAJOR DEPRESSIVE DISORDER RECURRENT	63	\$912	\$8,245	\$524	\$48,677	\$57,446	10.4%

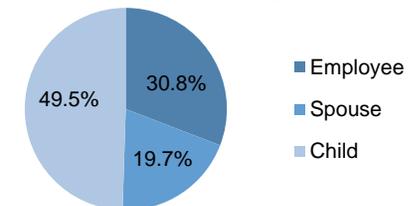
Top 5 Behavioral Health Diagnoses By PMPM



Behavioral Health PMPM



Behavioral Health Cost By Relationship



Top 5 Targeted Health Conditions

Summary:

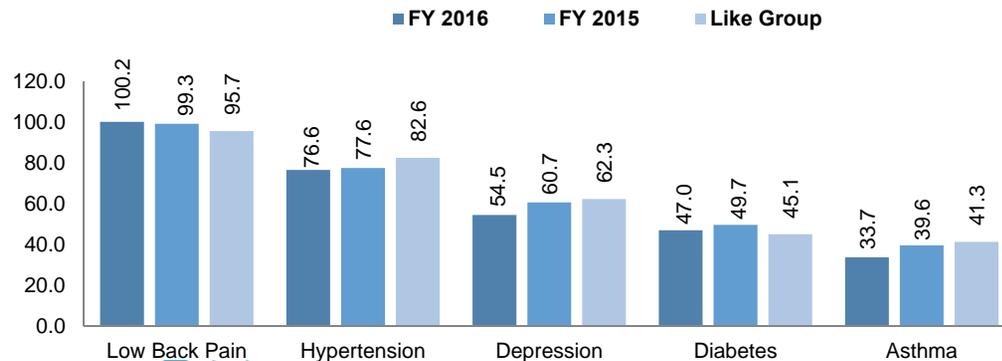
- For the top 5 target program conditions listed above, employees account for 45.2% of total paid claims
- Compared to the prior period, PMPM decreased 37.5%, for all targeted conditions
- Prevalence for the top health conditions decreased 4.6%
 - Prevalence for Low Back Pain has increased compared to FY 2015, however very slightly

Opportunities:

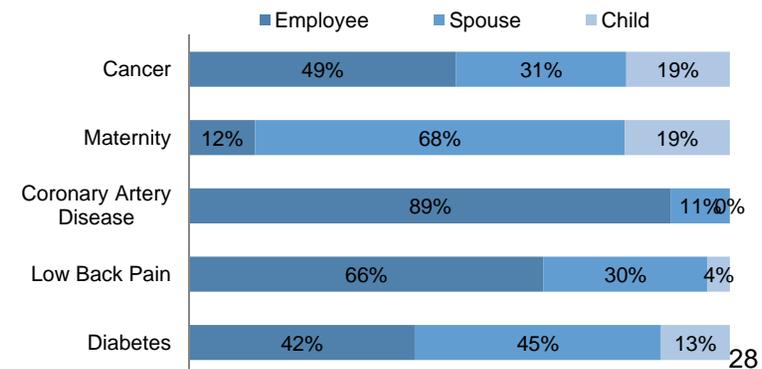
- Encourage members to select a PCP (preferably Enhanced Health Care Provider) to allow proper primary care which includes wellness care and tailored care based on patient needs with chronic condition
- Anthem's Condition Care program engages members and manages members by a nurse coach for specific chronic conditions

Type	Number of Claimants	Paid Amount	Inpatient Facility	Outpatient Facility	Professional	Prevalence per 1,000
Cancer	84	\$557,975	\$159,408	\$251,537	\$147,029	27.2
Maternity	64	\$516,016	\$236,401	\$61,037	\$218,578	20.8
Low Back Pain	309	\$262,345	\$0	\$79,826	\$182,519	100.2
Coronary Artery Disease	45	\$230,668	\$174,041	\$19,984	\$36,643	14.6
Diabetes	145	\$214,121	\$48,286	\$40,516	\$125,319	47.0

Top Five Targeted Health Conditions By Prevalence



Top Five Targeted Health Conditions by Paid Amount and Relationship



Preventive Screenings

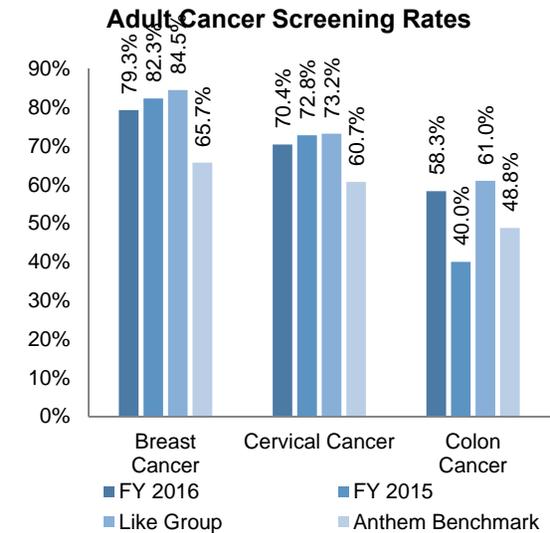
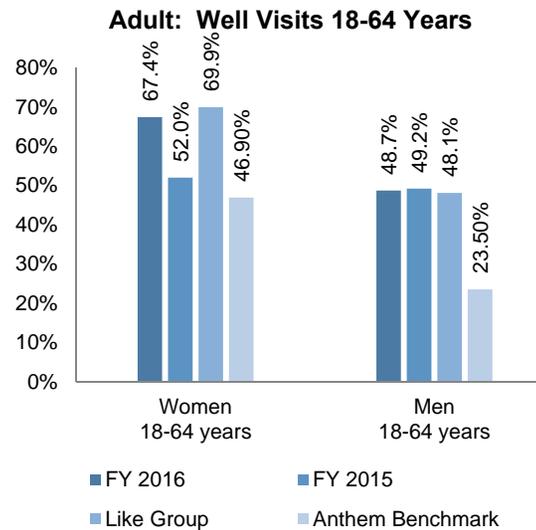
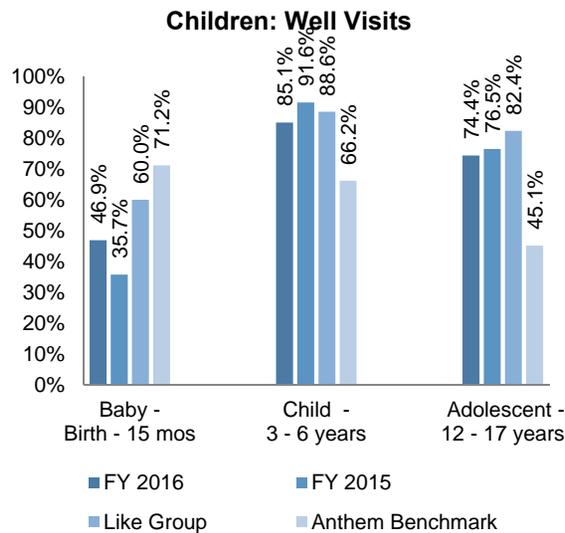
Summary:

- Screening compliance rates improved from the prior period for 37.5% of the Preventive Care Screenings
- Membership compliance with Preventive Care Screenings and Immunizations had the greatest difference from the Anthem Benchmark for these categories:

Well Adolescent Visits - 12 through 17 years	+29.3% variance from the Benchmark
Well Adult Visits - Men 18 through 64 years	+25.1% variance from the Benchmark
Well Baby Visits - Birth through 15 months	-24.3% variance from the Benchmark

Opportunities

- Continue to promote importance of prevention/early detection screenings
- Encourage all members to select a PCP, preferably participating in Enhanced Personal Care
- My Health Advantage prevention/wellness reminder
- Communicate importance of Annual Well Visits via email reminders, posters and fliers
- Healthy Tips On The Go



Top Ten Lifestyle Conditions

Summary:

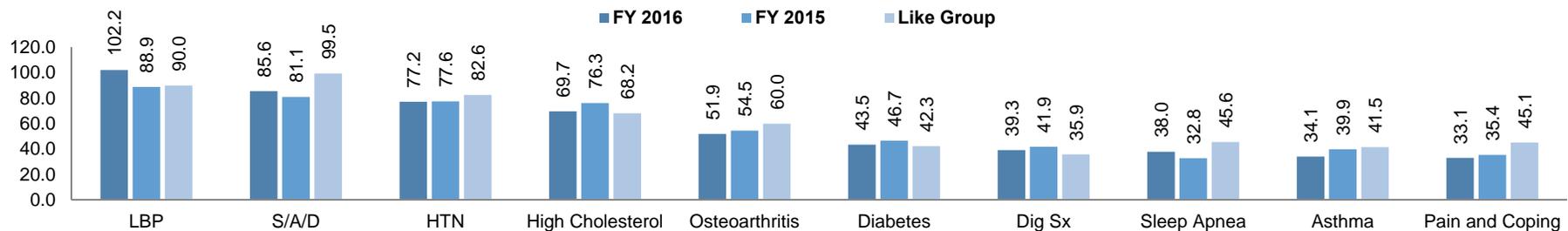
- Claims attributed to specific Lifestyle conditions make up 25.6% of the total dollars spent
- Chronic Kidney Disease represents the primary Lifestyle Related Condition by paid amount and is 4.8% of the total medical paid claims amount in the current period
- Low Back Problems represents the highest Lifestyle Related Condition per 1000

Opportunities:

- Reinforce wellness strategy supporting weight loss/exercise and smoking cessation programs through incentive-based programs
- My Health Advantage allows members to keep track and receive health maintenance reminders

Top 10 Lifestyle Conditions by Paid Amount	Paid Amount	Unique Members	FY 2016 PMPM	FY 2015 PMPM	Like Group PMPM
Chronic Kidney Disease	\$691,581	9	\$18.69	Not included in top 20	\$1.79
Osteoarthritis Except Low Back	\$443,531	160	\$11.99	\$14.54	\$16.60
Low Back Problems	\$280,549	315	\$7.58	\$13.71	\$13.61
Coronary Artery Disease	\$230,043	44	\$6.22	\$4.97	\$9.93
Asthma	\$163,503	105	\$4.42	\$5.04	\$1.32
Diabetes Mellitus, Type 2	\$158,848	134	\$4.29	\$2.56	\$1.99
Stress/Anxiety/Depression	\$154,396	264	\$4.17	\$3.60	\$4.03
Sleep Apnea	\$141,622	117	\$3.83	\$3.15	\$4.20
Digestive Symptoms	\$121,241	121	\$3.28	\$2.22	\$1.75
Cancer- Prostate	\$121,163	19	\$3.28	Not included in top 20	Not included in top 20

Top 10 Lifestyle Conditions by Prevalence per 1,000



APPENDIX

Health Condition Descriptions

AFTERCARE (ICD-10: Z51)

Definition: Encounter for other aftercare (typically cancer).

Examples: Chemotherapy, radiotherapy, immunotherapy.

BEHAVIORAL HEALTH DISORDERS (ICD-9: 290-319) (ICD-10: F01-F99 excluding F49)

Definition: Illness caused by psychiatric or psychological conditions.

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

CANCER SCREENINGS (ICD-10: Z08, Z12)

Definition: Screening for cancer and cancer precursors in asymptomatic individuals so that early detection and treatment can be provided for those who test positive for disease.

Examples: Colon cancer screening, breast cancer screening, prostate cancer screening.

CIRCULATORY SYSTEM (ICD-9: 390-459) (ICD-10: I00-I02, I05-I15, I20-I28, I30-I52, I60-I89, I95-I99)

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.

CONGENITAL ABNORMALITIES (ICD-9: 740-759) (ICD-10: Q00-Q07, Q10-Q18, Q20-Q28, Q30-Q45, Q50-Q56, Q60-Q99)

Definition: Congenital malformations, deformations and chromosomal abnormalities .

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

DIGESTIVE SYSTEM (ICD-9: 520-579) (ICD-10: K00-K14, K20-K31, K35-K38, K40-K46, K50-K52, K55-K68, K70-K77, K80-K87, K90-K95)

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.

DISEASES OF THE BLOOD (ICD-9: 280-289) (ICD-10: D50-D53, D55-D78, D80-D89)

Definition: Diseases of the blood and blood-forming organs and certain disorders involving the immune mechanism .

Examples: Anemia, hemophilia, blood and spleen disorders.

Health Condition Descriptions

DISEASES OF THE EAR (ICD-10: H60-H62, H65-H75, H80-H83, H90-H95)

Definition: Disease of the auditory and mastoid processes.

Examples: Otitis media, hearing loss, middle ear mastoid

DISEASES OF THE EYE (ICD-10: H00-H05, H10-H11, H15-H22, H25-H28, H30-H36, H40-H44, H46-H47, H49-H57, H59)

Definition: Disease of the visual sensory and adnexa processes.

Examples: Retinal detachments and breaks, glaucoma, cataracts, corneal scars and opacities.

ENDOCRINE/METABOLIC (ICD-9: 240 – 279) (ICD-10: E00-E13, E15-E16, E20-E36, E40-E46, E50-E68, E70-E89)

Definition: Endocrine - illness caused by increased, decreased, or imbalanced hormones. 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.

GENITOURINARY SYSTEM (ICD-9: 580 – 629) (ICD-10: N00-N08, N10-N23, N25-N53, N60-N65, N70-N77, N80-N99)

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

HEALTH STATUS (ICD-9: V01-V83) (ICD-10: Z00-Z04, Z18, Z20-Z23, Z28, Z30, Z40-Z49, Z52-Z53, Z55-Z57, Z59-Z60, Z62-Z93, Z95-Z99)

Definition: Occasions when circumstances other than a disease or injury exists that are not classifiable to the other ICD-9 OR ICD-10 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: General medical exam, contraceptive management, personal history of disease, post-procedural aftercare

ILL-DEFINED CONDITIONS (ICD-9: 780-799) (ICD-10: R00-R23, R25-R94, R97, R99)

Definition: This classification will be utilized when 1) cases for which no more specific ICD-10 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-10 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.

Health Condition Descriptions

INFECTIOUS/PARASITIC (ICD-9: 001-139) (ICD-10: A00-A09, A15-A28, A30-A99, B00-B10, B15-B20, B25-B83, B85-B97, B99)

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 (ICD-9: 800-999) (ICD-10: S00-S99, T07, T14-T88)

Definition: Injury, poisoning and certain other consequences of external causes.

Examples: Procedural complications, dislocations & sprains, fractures, open wounds.

INJURY & POISONING - EXTERNAL (ICD-9: V00-V99, W00-W74, W85-W99, X00-X08, X10-X19, X30-X39, X52-X58, X71-X83, X92-X99, Y00-Y09, Y21-Y33, Y35-Y38, Y62-Y84, Y90-Y99) (ICD-10: E000-E019, E029, E030, E800-E807, E810-E838, E840-E857, E860-E876, E878-E888, E890-E907, E909-E960, E962-E989, E991-E999)

Definition: External causes of morbidity.

Examples: Burns, falls, transportation accidents.

MATERNAL COMPLICATION OF PREGNANCY (ICD-10: O10-O16, O20-O48, O60-O77, O85-O92, O94, O98, O99, O9A)

Definition: Pregnancy, childbirth and the puerperium.

Examples: Abnormality of pelvic region, perineal laceration during delivery, obstetric trauma.

MATERNAL OUTCOME OF DELIVERY (ICD-10: O00-O08, O80-O82, Z37, Z3A)

Definition: Pregnancy, childbirth and the puerperium/Factors influencing health status and contact with health services.

Examples: Full-term uncomplicated delivery, ectopic pregnancy, hydatidiform mole.

MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUES (ICD-9: 710-739) (ICD-10: M00-M02, M05-M19, M1A, M20-M27, M30-M36, M40-M43, M45-M51, M53-M54, M60-M63, M65-M67, M70-M96, M99)

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

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

NEOPLASMS, BENIGN (ICD-10: D10-D36, D3A)

Definition: A tumor or cell growth that does not spread beyond its origin (non-Cancer).

Examples: Benign neoplasm of meninges (brain), benign neoplasm of colon, leiomyoma of uterus.

Health Condition Descriptions

NEOPLASMS, MALIGNANT (ICD-10: C00-C26, C30-C41, C43-C49, C4A, C50-C58, C60-C79, C7A, C7B, C80-C96, D00-D09)

Definition: A tumor or uncontrolled cell growth (Cancer).

Examples: Hodgkin lymphoma, lymphoid leukemia, malignant neoplasm of breast, multiple myeloma.

NEOPLASMS, UNCERTAIN/UNSPECIFIED (ICD-10: D37-D49)

Definition: A tumor or uncontrolled cell growth whose behavior is unknown or not specified.

NERVOUS SYSTEM (ICD-9: 320-389) (ICD-10: G00-G14, G20-G26, G30-G32, G35-G37, G40-G47, G50-G65, G70-G73, G80-G83, G89-G99)

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.

NEWBORN INITIAL RECORD (ICD-10: Z38)

Definition: Code used to designate the birth of a newborn infant.

NON-CANCER RELATED SCREENING AND TESTING (ICD-10: Z09-Z11, Z13-Z17, Z32)

Definition: Diagnostic codes related to the treatment of various (non-cancer) diseases and conditions.

Examples: Genetic carrier testing, pregnancy testing, infectious and parasitic disease testing.

PROCREATIVE MANAGEMENT (ICD-10: Z31)

Definition: Services related to the treatment of infertility.

RESPIRATORY SYSTEM (ICD-9: 460-519) (ICD-10: J00-J06, J09-J18, J20-J22, J30-J47, J60-J70, J80-J86, J90-J99)

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

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

SHORT GESTATION, LOW BIRTH WEIGHT (ICD-10: P07)

Definition: Services related to the occurrence and care of a low birth weight infant.

Health Condition Descriptions

SUPERVISION OF PREGNANCY (ICD-10: O09, Z33-Z34, Z36, Z39)

Definition: Services related to pregnancy and related care.

Examples: Supervision of normal pregnancy, supervision of high risk pregnancy, postpartum care and examination.

TRANSPLANT EXCLUDES COMPLICATIONS (ICD-10: Z94)

Definition: Care related to the identification, preparation, and surgical removal of a healthy organ from one person and its transplantation into another person whose organ has failed or was injured.

Examples: Heart transplant, kidney transplant, bone marrow transplant, liver transplant.

Terminology

Adult Annual Well Visit: is the number of adult patients who received a well visit provided under medical coverage, expressed as a percentage of the average number of members for whom this test is appropriate. Candidates are members aged 21 or older with greater than 12 months of continuous enrollment, and a procedure code, or any diagnosis code equal to Well Visit.

Adolescent Annual Well Visit: is the number of adolescent patients who received a well visit provided under medical coverage, expressed as a percentage of the average number of members for whom this test is appropriate. Candidates are members aged 12 to 20 with greater than 12 months of continuous enrollment, and a procedure code, or any diagnosis code equal to Well Visit.

Admissions Per 1,000 (IP Admits): is the average number of admissions per 1,000 members per year.

Allowed Amount: is the amount of submitted charges eligible for payment.

Average Length of Stay: is the average number of days per Inpatient admission.

Baby Routine Well Visits: is the average number of Outpatient professional well child visits provided to children aged 0 through 15 months under medical coverage, per 1,000 members aged 0 through 15 months with medical coverage per year. The number of visits is based on the count of unique patient, service date, and provider combinations.

Cervical Cancer Screening Rate: is the number of patients who received facility or professional cervical Cancer screening services provided under medical coverage, expressed as a percentage of the average number of members for whom this test is appropriate. Candidates for cervical Cancer screening tests are defined as females aged 21 to 64 years.

Child Routine Well Visits: is the average number of Outpatient professional well child visits provided to children aged 3 through 6 years under medical coverage, per 1,000 members aged 3 through 6 years with medical coverage per year. The number of visits is based on the count of unique patient, service date, and provider combinations.

Terminology

Childhood Immunization Services: is the average number of immunization services provided to children aged 0 through 23 months under medical coverage, per 1,000 members aged 0 through 23 months with medical coverage per year.

Cholesterol Screening Rate: is the number of patients who received facility or professional cholesterol screening services provided under medical coverage, expressed as a percentage of the average number of members for whom this test is appropriate. Candidates are defined as males aged 35 years and older , and females aged 45 years and older.

Claimant: A subscriber or dependent who received medical services covered under the health plan.

Colon Cancer Screening Rate: is the number of patients who received facility or professional colon Cancer screening services provided under medical coverage, expressed as a percentage of the average number of members for whom this test is appropriate. Candidates for colorectal Cancer screening tests and procedures are defined as adults aged 50 to 75 years of age.

Contract Size: is the average number of family members per employee or subscriber.

Cost Share: is the amount paid out-of-pocket by the member for healthcare services. This generally includes coinsurance, copayment, and deductible amounts.

Days Per 1,000: is the average number of days from admissions per 1,000 members per year.

Discount Savings: Savings resulted from discounts for network providers.

High Cost Claimants (HCC): are individuals with \$75,000 or more in claims during the analyzed period.

Mammogram Screening Rate: is the number of patients who received facility or professional mammography services provided under medical coverage, expressed as a percentage of the average number of members for whom this test is appropriate. Candidates for breast Cancer screening procedures are defined as females aged 40 to 69 years.

Terminology

OP Facility Visits Per 1,000: is the average number of Outpatient facility visits, per 1,000 members with medical coverage per year.

Out-of-Pocket (OOP): is the amount paid out-of-pocket by the member healthcare services. This generally includes coinsurance, copayment, and deductible amounts.

Paid Amount: is the amount the plan paid. It represents the amount after all pricing guidelines have been applied, and all third party, copayment, coinsurance, and deductible amounts have been subtracted.

PEPM/PEPY: Per Employee Per Month and Per Employee Per Year.

PMPM/PMPY: Per Member Per Month and Per Member Per Year. Members are defined as all participants in the plan including employees, spouses, and dependents.

PSA Screening Rate: is the number of patients who received facility or professional Prostate Specific Antigen (PSA) screening services provided under medical coverage, expressed as a percentage of the average number of members for whom this test is appropriate. Candidates for prostate Cancer screening tests are defined as males aged 50 to 70 years.

Visits Per 1,000 ER: is the average number of emergency room facility visits per 1,000 members with medical coverage.

Visits Per 1,000 OP Facility: is the average number of OP Facility visits, per 1,000 members with medical coverage per year.

Visits Per 1,000 Professional Office: is the average number of Professional Office visits, per 1,000 members with medical coverage per year.

PHARMACY APPENDIX

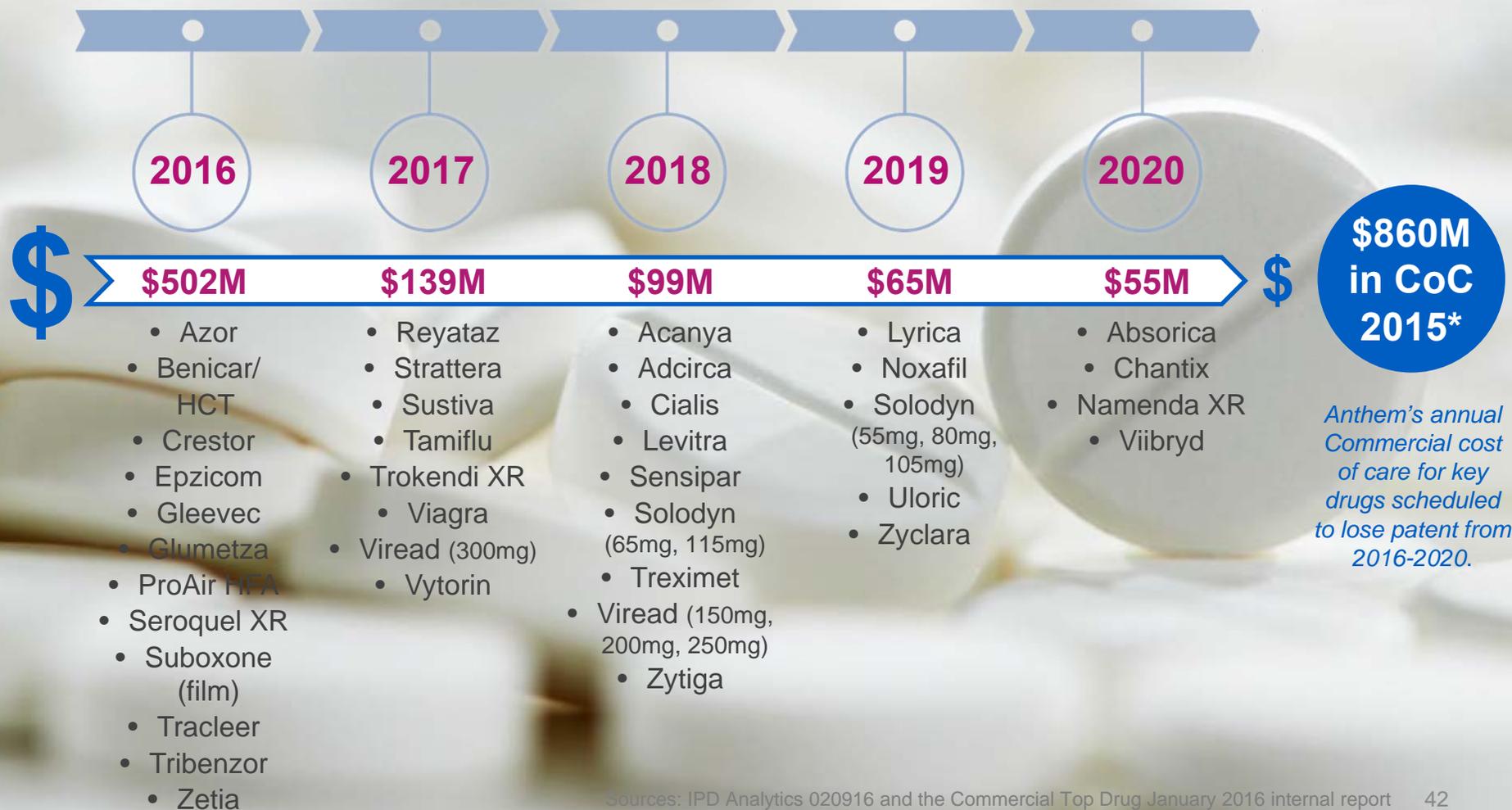
Benefit Design & Program Enrollment

Program	Program Description	2015 Savings
Step Therapy	Encourages use of specific drugs to try when a customer begins therapy.	\$21,113
Prior Authorization	Ensures drugs are used appropriately as recommended by the FDA.	\$91,193
Quantity Limits/Dose Opt	Establishes a maximum covered amount a customer may receive within a time period.	\$148,515
Half Tablet	Members pay half the regular copay or save on coinsurance by taking one-half of a tablet that is double their normal dosage for select medications	\$33,997
TOTAL		\$294,818

Commercial Generic Drug Pipeline

Generic opportunities are declining!

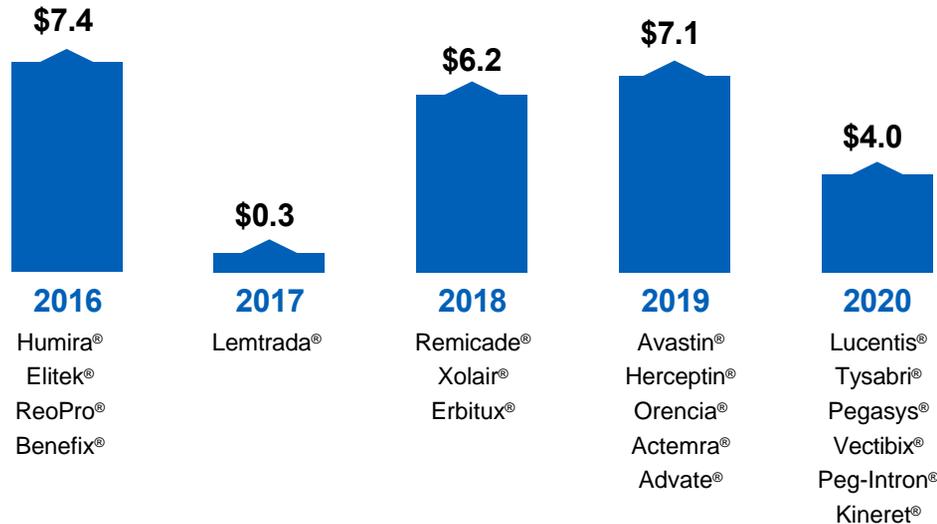
A 1% increase in generic utilization results in approximately 1-2% reduction in total drug spend.



Biosimilar Drug Pipeline

54 biotech products with patent expirations through 2020

Overall U.S. market opportunity (in \$ billions)



Issues facing biosimilars

- Legal delays to launch
- Unknown savings around pricing
- Prescriber and member comfort levels

Source: U.S. Drug spend estimates are based on IMS Health data for 2014 and Express Scripts
 The availability of biosimilars is highly variable due to litigation, patent challenges, FDA's establishment of 351(k) pathway, or other factors.

Our Comprehensive Approach

Managing specialty drugs

Clinical management

- Clinical edits
- Clinical pathways
- Medication adherence
- Specialty Split Fill
- Specialty IVR

Coordinating patient care

- Specialty Pharmacy
- Health plan
- Coordination of care



Steering benefits and lower-cost sites of care

- Site of Care Redirection
- Right Drug Right Channel

Managing cost and negotiating discounts

- Preferred product
- Reimbursement
- Network management

Integrated reporting and analytics