

CITY OF MANCHESTER

July 2011- June 2012 Anthem Blue Cross and Blue Shield Medical Cost & Utilization Analytic Review

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Data Definitions

Reporting Period

- For this analysis we used **claims paid during the current period of July 1, 2011 through June 30, 2012**

Comparison

- We did a year over year comparison with claims **paid during the prior period of July 1, 2010 through June 30, 2011, and in some cases we provided a comparison to the period of July 1, 2009 through June 30, 2010**
- We used **benchmark** comparison data we have for the Anthem New Hampshire Book of Business, as well as a Like Group comparison

PMPM

- PMPM cost is the metric we've used throughout this analysis to understand cost trends by individual plan participant (per member) over the duration of the plan period (per month)
- We define **members** as all participants in the plan including **subscribers, spouses, and dependents.**

Outliers

- High dollar claimants are defined as those members with cumulative claims **greater than \$75,000** during the reporting period
 - The **adjusted PMPM cost** is derived by removing high dollar claimants (>\$75,000) from the actual total PMPM for the current and prior periods.

Settings

- Cost and utilization are broken down into the following settings: **inpatient facility, outpatient facility, professional and pharmacy**

Highlights

Total Costs

- Year over year paid claims increased by 1.7%, with a similar increase in PMPM paid claims, while membership remained stable
- Removal of \$1.3M high claimant from equation results in a 5% decrease in PMPM year over year
- High Cost Claimant trend (net \$1.3M claimant) is down 32%; actual HCC trend reflects a 6.5% increase

Utilization by Setting

- Last year 25% of all emergency department services could have been treated effectively in another less costly setting; this year PMPM costs have remained essentially unchanged
- Year over year emergency room utilization is down 8% with the top 10 diagnoses appropriate to that setting
- Inpatient utilization has decreased; largest cost associated with maternity and neonatal high dollar claimants

Pharmacy

- Generic Fill rate increased from 70% to 74%; Maximum Potential = 87%
- 14% reduction in cholesterol lowering drug cost since Lipitor brand patent expiration; continued patent expiration will provide additional cost saving opportunity
- Year over year increase in specialty medication utilization with 5.8% of members driving nearly 20% of drug costs

Highlights

Cost Drivers

- Chronic conditions continue to be prevalent with Asthma, Diabetes, CAD and COPD diagnoses increasing from the prior period. With an aging population (almost half of membership is over age 40, and just over a quarter is age 50+) this trend is expected to continue.
- Out of the 544 of members identified with an eligible condition 15% are considered moderate to high risk members and were targeted for outreach by a nurse case manager
- High Blood Pressure /Heart Disease is the most prevalent pharmacy indication year over year
- Top Health Conditions by PMPM
 - Orthopedics and Rheumatology: 16.2% of total paid (1,422 members)
 - Neonatology: 9.3% of total paid (75 members)
 - Malignant Neoplasm: 7.8% of total paid (109 members)
 - Cardiology: 7.3% of total paid (760 members)
 - Endocrinology :6.7% of total paid (1,005 members)
 - Behavioral Health: 6.3% of total paid (966 members)

Preventive Care

- Routine preventive care has improved for some important metrics; year over year increase in adult annual well visits, baby well visits, prostate cancer & cholesterol screening rates
- Cancer continues to be top driver of overall cost and utilization, yet PMPM costs have decreased 5.8% from the prior period

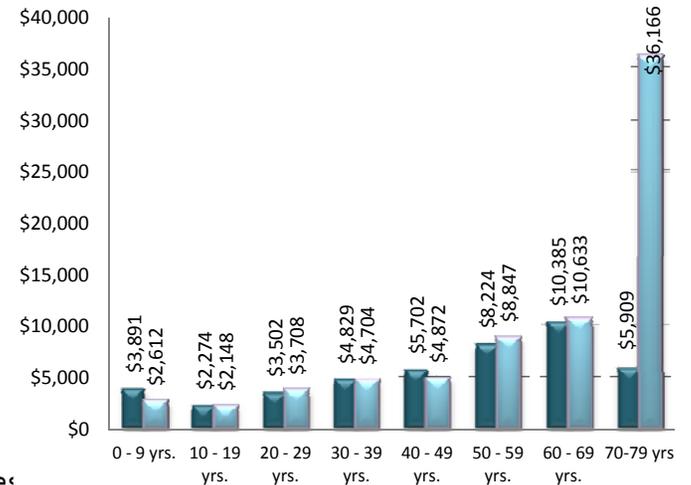
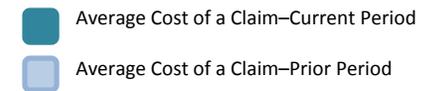
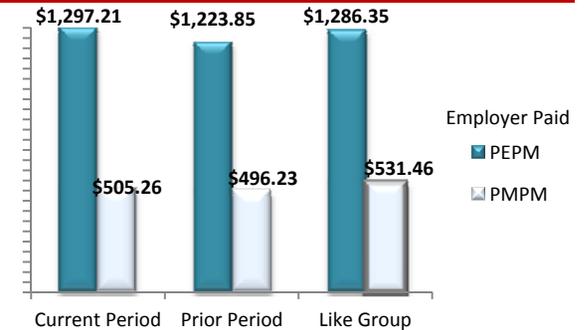


Considerations / Opportunities

- Provide utilization data to Wellness Committee to aid in ongoing development of targeted member engagement strategy based upon identified key chronic & lifestyle conditions
- Consider adopting programs designed to promote appropriate, safe and cost effective use of clinical services such as radiology & sleep medicine
- Consider adopting targeted pharmacy programs that help members make good health care choices
- Continued and ongoing promotion of available health & wellness and clinical programs as well as cost saving opportunities for members

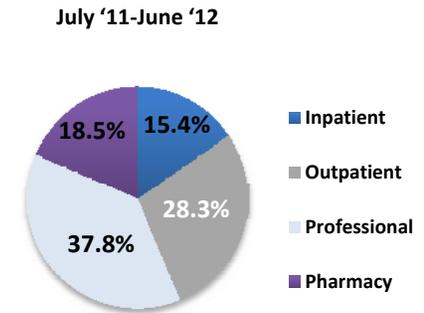
Plan Performance Observations

- Total plan expenditures (medical and pharmacy paid claims):
 - Paid claims = \$19,851,142 > a 1.7% **increase** from the prior period
 - The total annual cost per employee was \$15,566 for the current period, reflecting a 6.0% **increase** from the prior period; yet quite comparable to the Like Group
 - The total annual cost per member was \$6,059 for the current period, a 1.8% **increase** from the prior period, yet is 24.6% **higher** than the Anthem NH Norm, and 4.9% lower than the Like Group
- Plan Design:
 - The employer shoulders the majority of the cost burden at 96.5% of the total costs, comparable to other municipalities
 - The member has minimal responsibility for their health care costs
- Catastrophic claims (>\$75k)
 - 21 claimants accounted for 19.3% of total plan paid, showing a ↑6.5% trend in total HCC paid from the previous period with 20 claimants, which represented 18.5% of the total spend
 - Total PMPM (\$505.26) increased 1.8% from the prior period, yet when removing the catastrophic claims from the total PMPM, the adjusted total PMPM was \$407.69 revealing an adjusted trend of ↑0.8% from the prior period. HCC (raw dollar) variance was +\$232,050
- Spend by relationship:
 - Subscriber PMPM: \$688.14 (↑20.9% from the prior period); Spouse: \$728.22 (↓2.6% from prior period); Child: \$156.57 (↓27.4% from prior period)
 - Subscriber consumes 53.0% of total plan costs; spouse costs account for 35.8%; children represent 11.2%
- Demographics:
 - Membership has remained essentially flat from prior period; 3,266 members currently
 - Average age is 34.5 years and is comparable to the prior period; a slightly younger population compared to the Anthem NH Norm, as well as the Like Group (36.4 yrs)
 - 46.9% of the membership is over age 40, 27.7% over age 50 and 8.9% over age 60
 - Males outnumber females comprising 51.7% of the population
 - Greatest concentration of membership is found in the 40-59 year old age bands
 - Highest average costs, in the current period, are noted among males as well as females: the 60-69 year old age band, followed by the 50-59 year olds

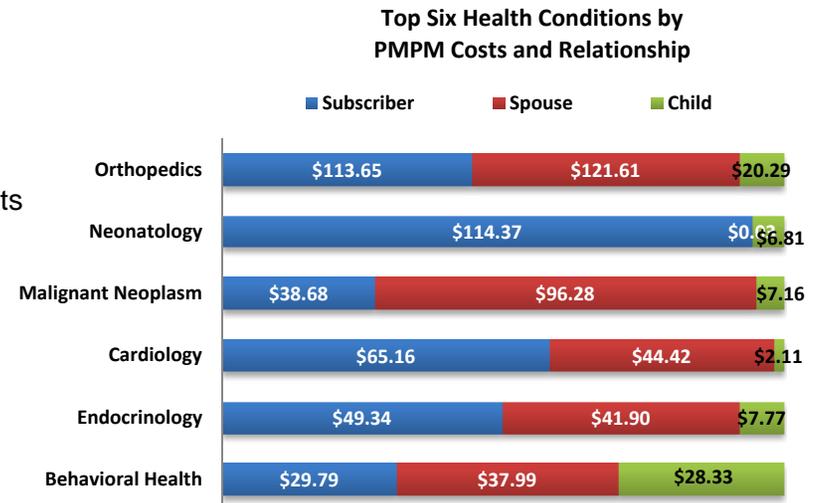


Clinical Observations

- Key cost drivers by setting:**
 - Inpatient PMPM costs have **decreased 1.6%** from prior period; while admits/1000 **decreased 2.2%**
 - Maternity costs and utilization have increased the most significantly
 - Outpatient PMPM costs have **decreased 3.7%** from the prior period; and visits /1000 **decreased 6.8%**
 - Outpatient Surgery, Emergency Department and Radiology were the top drivers
 - Professional PMPM costs have **increased 7.0%** from the prior period and services/1000 have **decreased 1.6%**
 - Office and outpatient surgery visits were the key drivers
 - Pharmacy PMPM costs have **increased 2.1%** and utilization has **increased 0.2%**
 - Top indications for Rx are for Inflammatory Conditions, High Blood Cholesterol, Multiple Sclerosis, Ulcer Disease, Asthma and Diabetes



- Overall key cost drivers**
 - Orthopedics:** PMPM costs decreased **1.9%**
 - Joint Degeneration is the key driver
 - Neonatology:** PMPM costs **increased 1614.6%**
 - Perinatal Disorders drive costs
 - Malignant Neoplasm:** PMPM costs decreased **5.8%**
 - Colon, Breast and Lung Cancers are the clear leader of costs
 - Cardiology:** PMPM costs **increased 4.0%**
 - Hypertension and Heart Disease are the top drivers
 - Endocrinology:** PMPM costs decreased **6.7%**
 - Diabetes is the primary driver of costs
 - Behavioral Health:** PMPM costs have **increased 6.4%**
 - Depression is the key driver



Plan Expenditures at a Glance

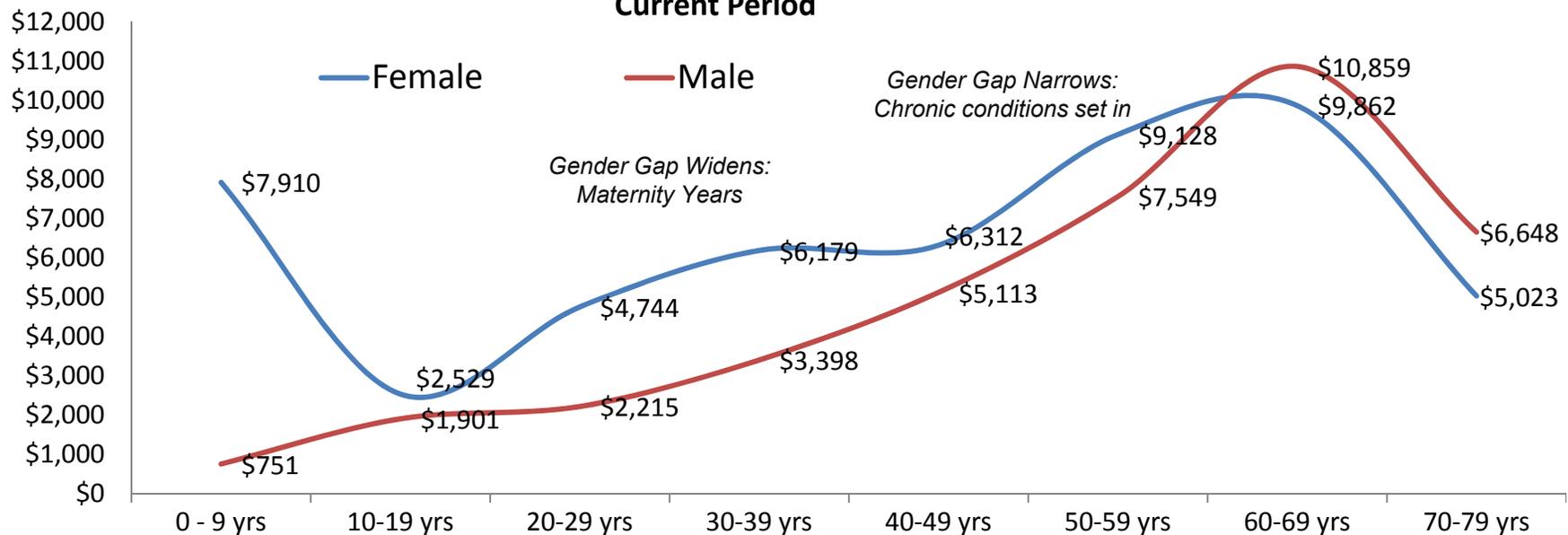
	July '11- June '12	July '10- June '11	Variance Current vs Prior Period	July '09- June '10	Like Group Comparison	Anthem NH Norm
Claims Total-Employer Paid	\$19,851,142	\$19,514,322	1.7%	\$16,784,181		
Claims Total- Member Paid	\$716,492	\$654,902	9.4%	\$579,816		
Total PMPM	\$505.26	\$496.23	1.8%	\$413.33	\$531.46	
** Catastrophic Claims Paid	\$3,833,414	\$3,601,364	6.4%	\$2,394,776		
HCC PMPM	\$97.57	\$91.58	6.5%			
% of Total	19.3%	18.5%	0.8%	14.3%	24.8%	23.0%
# of members	21	20		15		
Total PMPM (#1 HCC excluded)	\$470.09	\$496.23	↓5.3%			
HCC PMPM (#1 HCC excluded)	\$62.40	\$91.58	↓31.9%			
Top 1% of Claimants	23.6%	22.9%	0.7%	21.3%	25.3%	28.6%
Average Cost Per Paid Claim	\$5,963	\$5,830	2.3%	\$4,963	\$6,199	\$4,305
% of Members with No Claims	5.0%	4.1%	0.9%	4.9%	4.8%	13.7%
Employer/Member Cost Share	96.5%/3.5%	96.8%/3.2%	↓0.3%/↑0.3%	96.7%/3.3%	95.9%/4.1%	90.9%/9.1%
Annual Cost per Employee	\$15,566	\$14,686	6.0%	\$12,344	\$15,436	Approx
Annual Cost per Member	\$6,059	\$5,955	1.8%	\$4,960	\$6,373	\$4,860
Inpatient Costs	15.4%	15.9%	↓0.5%	12.6%	15.9%	19.2%
Outpatient Costs	28.3%	30.0%	↓1.7%	31.2%	33.1%	36.0%
Professional Costs	37.8%	36.0%	1.8%	37.1%	32.0%	34.7%
Pharmacy Costs	18.5%	18.1%	0.4%	19.1%	19.0%	10.1%



Average Paid Claims By Gender and Age

- In current period, the average costs for females were highest in the 0-9 age band and the 60-69 age band
 - one high cost claimant was responsible for the large increase in the youngest age band
 - six female high cost claimants are between 50-65 years old
- In the current period, the average costs for males were *higher* in the 40+ age bands
 - of the 18 adult high cost claimants, 11 are male and all are over age 45
 - young males tend to be low utilizers of health services and as they age they often wait until the point of event to touch the health plan

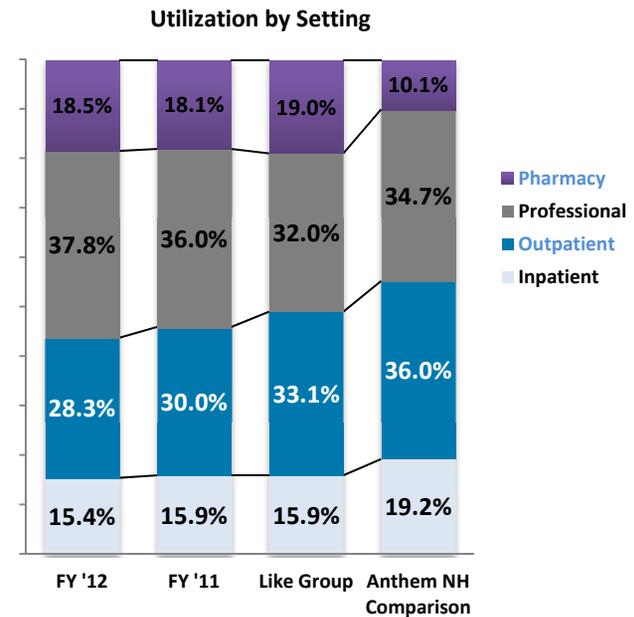
Average Cost by Demographic Cohort
Current Period



Cost and Utilization by Setting

Metric	Current Period	Prior Period	% Change from Prior Period	Like Group
Inpatient	\$3,049,950	\$3,103,514	-1.7%	
PMPM	\$77.63	\$78.92	-1.6%	\$84.71
Acute Admissions/1000:	66.3	67.7	-2.2%	69.6
Acute Days/1000:	255.6	250.5	+2.0%	291.03
ALOS:	3.9	3.7	+4.3%	4.2
Total Admits	217	222	-2.3%	
Expense/Admit:	\$14,055	\$13,980	+0.5%	\$14,608
Outpatient	\$5,625,497	\$5,847,455	-3.8%	
PMPM	\$143.18	\$148.70	-3.7%	\$175.79
Visits/1000:	3,317.9	3,559.0	-6.8%	3,849.7
Total Visits	10,863	11,663	-6.9%	
Expense/Visit:	\$517.86	\$501.37	+3.3%	\$547.97
Professional	\$7,510,618	\$7,025,398	+6.9%	
PMPM	\$191.16	\$178.65	+7.0%	\$169.80
Services/1000:	19,274.7	19,589.1	-1.6%	18,790.7
Total Services	63,107	64,195	-1.7%	
Expense/Service:	\$119	\$109	+8.7%	\$108

- Overall, Inpatient costs and utilization decreased, however, **maternity** costs increased 89.4% and utilization increased 51.2%
- Outpatient costs and utilization decreased, however **behavioral health** costs and utilization increased dramatically
- In the Professional setting, **maternity** services realized the greatest increase in cost and utilization trends



Utilization by Setting – Top 5 Health Conditions

Inpatient Utilization (\$3,049,950)

- Surgical, Medical, Maternity and Behavioral Health admissions are the drivers of inpatient costs
- Neonatology-Well and Complex Newborns
- Orthopedics-Joint Degeneration
- Obstetrics-Pregnancies and Deliveries
- *Prior Period: Orthopedics, Infectious Diseases, Malignant Neoplasm, Cardiology and Obstetrics*
- Top 5 health conditions account for **99.9%** of total Inpatient costs

Inpatient Top 5 Health Conditions	Paid Amount	Claimants	Average cost/claim	% of Total Paid
Neonatology	\$1,682,228	49	\$34,331	55.2%
Orthopedics and Rheumatology	\$617,886	27	\$22,885	20.3%
Obstetrics	\$369,928	46	\$8,042	12.1%
Malignant Neoplasm	\$226,741	15	\$15,116	7.4%
Cardiology	\$150,925	14	\$10,780	4.9%

Outpatient Utilization (\$5,625,497)

- OP Surgery, Emergency Department and Radiology are top drivers
- *Prior Period: Cancer, Orthopedics, Cardiology, Gastroenterology and Endocrinology*
- Top 5 health conditions represent **57.4%** of total Outpatient costs

Outpatient Top 5 Health Conditions	Paid Amount	Claimants	Average cost/claim	% of Total Paid
Cardiology	\$839,133	410	\$2,047	14.9%
Orthopedics and Rheumatology	\$807,363	562	\$1,437	14.4%
Malignant Neoplasm	\$791,599	80	\$9,895	14.1%
Gastroenterology	\$455,952	247	\$1,846	8.1%
Endocrinology	\$332,163	590	\$563	5.9%

Professional Utilization (\$7,510,618)

- Office visits/OP visits, Outpatient Surgery, Other and Radiology are the key drivers
- *Prior Period: Orthopedics, Prevention, Malignant Neoplasm, Gastroenterology and Otolaryngology*
- Top 5 health conditions total **48.2%** of the total Professional costs

Professional Top 5 Health Conditions	Paid Amount	Claimants	Average cost/claim	% of Total Paid
Orthopedics and Rheumatology	\$1,507,351	1,280	\$1,178	20.1%
Preventive	\$594,850	2,186	\$272	7.9%
Malignant Neoplasm	\$571,790	101	\$5,661	7.6%
Behavioral Health	\$495,073	671	\$738	6.6%
Gastroenterology	\$449,214	474	\$948	6.0%



Pharmacy Data Overview and Opportunities

- Key Statistics
- Trend Analysis
- Specialty Indications and Medications
- Opportunities & Recommendations

Key Statistics

- Pharmacy costs are responsible for 18.5% of your total health care costs
- Plan Costs PMPM is \$92.14 PMPM, a 2.1% **increase** over prior period
- Generic Fill Rate (GFR) **increased** from 70.1% to 74.2%
- Home Delivery Utilization **decreased** 12.4% from the prior period
- Specialty Percent of Plan Cost **increased** from 16.8% to 19.6%

City of Manchester				
	07/11-06/12	07/10-06/11	% Change	NH BOB
Total Pharmacy Plan Costs	\$3,619,648	\$3,545,304	2.1%	
Total Rxs	37,784	37,726	0.2%	
Plan Costs PMPM	\$92.14	\$90.21	2.1%	\$71.25
Plan Costs per Rx	\$95.80	\$93.98	1.9%	\$83.32
Number of Rxs PMPM	0.96	0.96	0.2%	0.86
Generic Fill Rate	74.2%	70.1%	5.8%	77.8%
Home Delivery Utilization	13.7%	15.7%	-12.4%	5.2%
Member Cost Share	10.4%	9.7%	6.7%	18.0%
Specialty Percent of Plan Cost	19.6%	16.8%	16.7%	27.9%

Specialty Key Statistics

- Specialty Drug spend is responsible for 19.6% of total drug spend
 - Specialty trend expected to be ~25% over the next several years, compared to less than 5% for traditional medications
- 19.2% Plan Cost PMPM trend on specialty drugs vs. -1.3% Plan Cost PMPM trend on non-specialty drugs
- 5.8% of members driving nearly 20% of drug costs
- Average cost of specialty drug (per 30 day supply) is \$1,272.57

City of Manchester				
	All Drugs	Non-Specialty	Specialty	NH BOB
Number of Unique Utilizers	2,706	2,695	189	
Pct Members Utilizing	82.7%	82.3%	5.8%	5.2%
Total Plan Costs	\$3,619,648	\$2,909,555	\$710,094	
Total Rxs	37,784	37,226	558	
Plan Cost PMPM	\$92.14	\$74.07	\$18.08	\$19.90
Plan Cost per Rx	\$95.80	\$78.16	\$1,272.57	\$1,340.46
PMPM Trend	2.1%	-1.3%	19.2%	20.3%
Member Cost Share	10.4%	12.2%	2.1%	5.4%

Top 10 Indications

- Two Specialty Indications in the Top 10 – Inflammatory Conditions & Multiple Sclerosis
- The largest trend **increase** is in Inflammatory Conditions, at 48.0%
 - Increase in patients, scripts and ingredient costs drove the increase
- The largest trend **decrease** is in High Blood Cholesterol, at -13.8%
 - Fewer patients and scripts, along with large increase in generic utilization drove the decrease
- High Blood Pressure /Heart Disease is your most prevalent indication year over year

Top Indications by Ingredient Cost												
07/11 - 06/12						07/10 - 06/11					% Change	
Rank	Indication	Rxs	Patients	Ing Cost	Generic Fill Rate	Ing Cost / PMPM	Rank	Rxs	Patients	Generic Fill Rate	Ing Cost / PMPM	Ing Cost / PMPM
1	HIGH BLOOD CHOLESTEROL	2,455	469	\$349,525	64%	\$8.90	1	2,641	498	38%	\$10.33	-13.8%
2	INFLAMMATORY CONDITIONS	131	29	\$319,246	17%	\$8.13	6	116	26	24%	\$5.49	48.0%
3	ULCER DISEASE	2,129	426	\$285,681	75%	\$7.27	2	2,024	414	71%	\$7.59	-4.2%
4	ASTHMA	1,472	410	\$279,973	5%	\$7.13	5	1,502	428	7%	\$6.36	12.1%
5	MULTIPLE SCLEROSIS	26	7	\$262,059	0%	\$6.67	9	21	6	0%	\$4.73	40.9%
6	DIABETES	1,654	151	\$260,625	40%	\$6.63	4	1,547	144	40%	\$6.43	3.2%
7	DEPRESSION	3,001	481	\$245,475	78%	\$6.25	3	3,032	488	72%	\$6.44	-3.0%
8	ATTENTION DISORDERS	1,037	126	\$226,954	28%	\$5.78	8	895	120	28%	\$4.74	21.9%
9	HIGH BLOOD PRESS/HEART DISEASE	3,641	541	\$184,234	88%	\$4.69	7	3,624	535	84%	\$4.77	-1.6%
10	MENTAL/NEURO DISORDERS	336	63	\$124,095	34%	\$3.16	10	341	66	27%	\$3.12	1.4%
Totals:		15,882		\$2,537,867		\$64.60		15,743			\$59.98	7.7%
Difference Between Periods:		139		\$180,683		\$4.62						

Top 10 Drugs

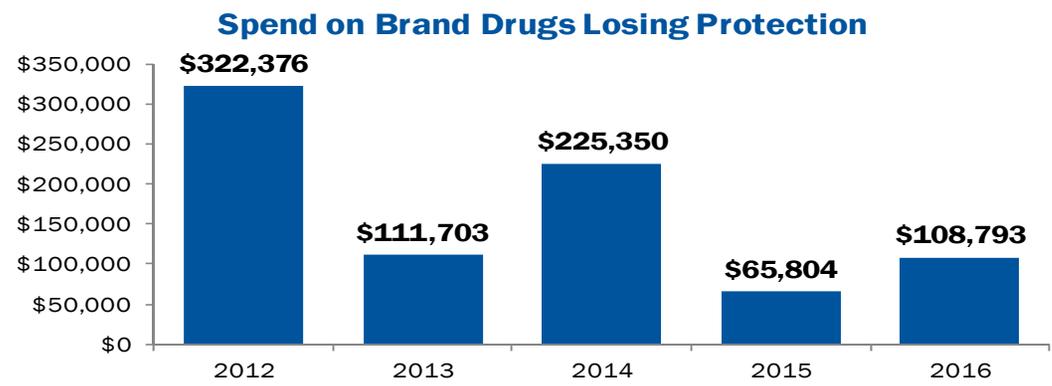
- 4 Specialty medications and 6 non-specialty medications make up your Top 10 Drugs
- Largest trend **increase** for Humira
 - Additional patients, scripts and increased drug costs driving the trend
 - Other large increases for Copaxone and Singulair
- Largest trend **decrease** for Lipitor, primary due to members switching over to generic

Top Drugs by Ingredient Cost												
07/11 - 06/12							07/10 - 06/11				% Change	
Rank	Brand Name	Indication	Rxs	Patients	Ing Cost	Ing Cost / PMPM	Rank	Rxs	Patients	Ing Cost / PMPM	Ing Cost / PMPM	% Change
1	HUMIRA	INFLAMMATORY CONDITIONS	39	10	\$160,315	\$4.08	3	27	8	\$2.38		71.4%
2	NEXIUM	ULCER DISEASE	427	83	\$147,336	\$3.75	2	479	94	\$3.80		-1.4%
3	LIPITOR	HIGH BLOOD CHOLESTEROL	489	166	\$122,883	\$3.13	1	990	196	\$5.66		-44.7%
4	COPAXONE	MULTIPLE SCLEROSIS	11	4	\$119,203	\$3.03	5	8	3	\$2.08		46.2%
5	ENBREL	INFLAMMATORY CONDITIONS	22	5	\$95,961	\$2.44	6	19	6	\$1.99		22.9%
6	ADVAIR DISKUS	ASTHMA	236	70	\$76,789	\$1.95	7	239	71	\$1.83		6.6%
7	SINGULAIR	ASTHMA	331	89	\$74,610	\$1.90	11	322	88	\$1.39		36.5%
8	REBIF	MULTIPLE SCLEROSIS	8	2	\$73,776	\$1.88	10	7	2	\$1.48		26.8%
9	lansoprazole	ULCER DISEASE	329	81	\$68,383	\$1.74	12	372	87	\$1.38		26.5%
10	CRESTOR	HIGH BLOOD CHOLESTEROL	258	62	\$61,497	\$1.57	9	262	58	\$1.56		0.3%
Totals:			2,150		\$1,000,751	\$25.48		2,725		\$23.55		8.2%
Difference Between Periods:			-575		\$75,349	\$1.93						

Upcoming Patent Expirations

Top Drugs Scheduled to Lose Patent Protection through 2016					
Drug Name	Indication	Scheduled Release	Ing Cost Rank	Ing Cost PMPM	Ing Cost / Rx
NEXIUM	ULCER DISEASE	2014	2	\$3.75	\$345.05
SINGULAIR	ASTHMA	2012	7	\$1.90	\$225.41
CRESTOR	HIGH BLOOD CHOLESTEROL	2016	10	\$1.57	\$238.36
LEXAPRO	DEPRESSION	2012	12	\$1.41	\$170.94
CYMBALTA	DEPRESSION	2013	14	\$1.24	\$263.70
ABILIFY	MENTAL/NEURO DISORDERS	2015	16	\$1.01	\$687.39
DIOVAN	HIGH BLOOD PRESS/HEART DISEASE	2012	20	\$0.94	\$208.59
SEROQUEL	MENTAL/NEURO DISORDERS	2012	28	\$0.73	\$439.53
PLAVIX	BLOOD MODIFYING	2012	31	\$0.68	\$298.84
ACTOS	DIABETES	2012	33	\$0.65	\$607.28

Based on your current utilization, \$834,026 in brand drugs are losing patent protection by 2016



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

Value of Generics

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

2.0%

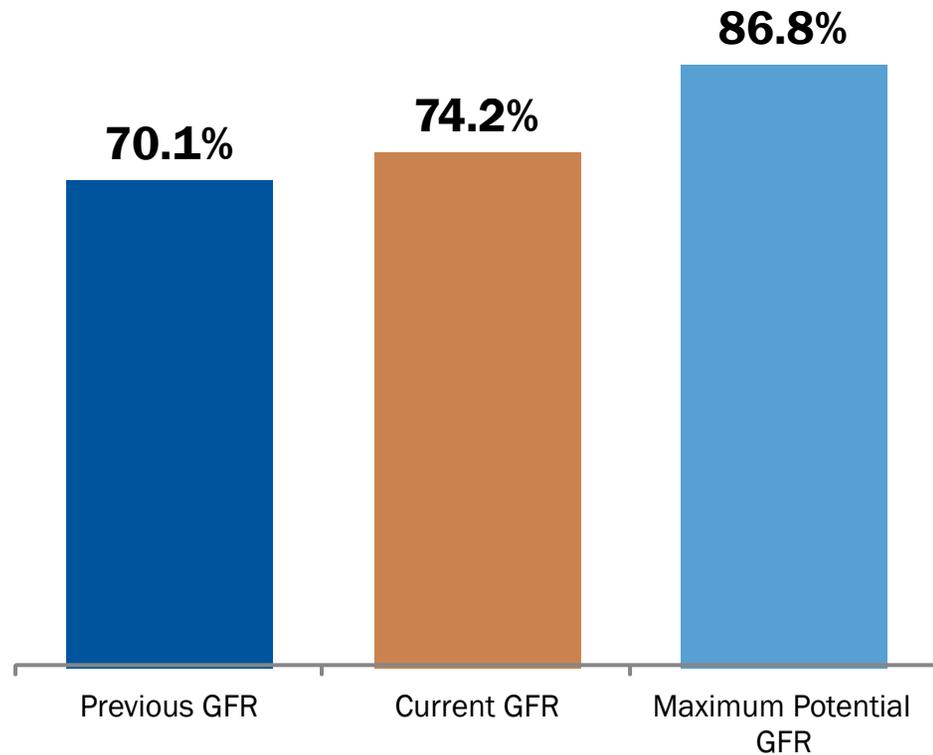
Increased GFR this period saved
you

\$261,603

Improve your GFR to your
maximum potential of

86.8%

Generic Fill Rate Potential



Observations and Recommendations

- Target top indications with programs designed to drive down costs
- Consider adding Generics Preferred Program, Clinically Equivalent Benefit and/or Refill by Mail benefit options to mitigate pharmacy spend*
- Continue to Encourage Generic & Home Delivery Utilization
 - Available marketing materials include: Flier, Payroll Stuffer, Email, Poster

Percent of Utilizers by Indication					
Indication	Current Rank	Percent of Total Ingredient Cost	Ingredient Cost PMPM	Generic Fill Rate	Percent of Total Utilizers
HIGH BLOOD CHOLESTEROL	1	8.8%	\$8.90	63.9%	17.3%
INFLAMMATORY CONDITIONS	2	8.0%	\$8.13	16.8%	1.1%
ULCER DISEASE	3	7.2%	\$7.27	74.7%	15.7%
ASTHMA	4	7.0%	\$7.13	4.7%	15.2%
MULTIPLE SCLEROSIS	5	6.6%	\$6.67	0.0%	0.3%
DIABETES	6	6.5%	\$6.63	39.9%	5.6%
DEPRESSION	7	6.2%	\$6.25	78.3%	17.8%
ATTENTION DISORDERS	8	5.7%	\$5.78	27.7%	4.7%
HIGH BLOOD PRESS/HEART DISEASE	9	4.6%	\$4.69	87.7%	20.0%
MENTAL/NEURO DISORDERS	10	3.1%	\$3.16	33.9%	2.3%

* Potential Savings Data included in the appendix.

Top Health Condition Categories By PMPM

These top six health conditions account for **\$10,652,314 or 53.6%** of the total plan spend in the current period compared to 46.2% during the prior period, 43.7% for the Like Group Comparison and 46.0% for the Anthem NH Norm

Orthopedics and Rheumatology: 16.2% of total paid (1,422 members)
 - Joint Degeneration (51.2%), Closed Fractures (8.2%), Joint Derangement (7.5%), Minor Ortho Trauma (7.2%) and Adult Rheumatoid Arthritis (4.9%)

Neonatology: 9.3% of total paid (75 members)
 - Neonatal Disorders-Perinatal (96.7%) and Uncomplicated Neonatal Management (2.6%)

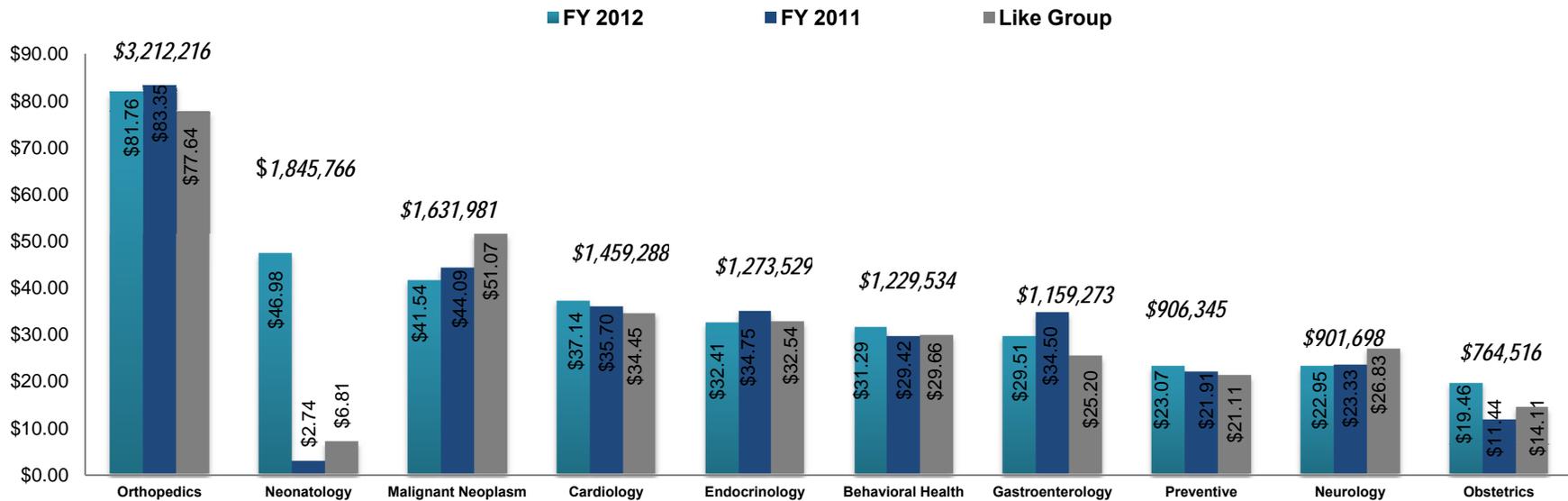
Malignant Neoplasm: 7.8% of total paid (109 members)
 Colon Cancer (15.2%), Breast Cancer (14.5%), Lung Cancer (10.3%), Prostate Cancer (10.2%) and Ovarian Cancer (7.8%)

Cardiology: 7.3% of total paid (760 members)
 - Hypertension (32.6%), Ischemic Heart Disease (32.6%), and Conduction Disorders (14.4%)

Endocrinology: 6.7% of total paid (1,005 members)
 - Diabetes (32.8%), Hyperlipidemia (21.1%), and Obesity (12.3%)

Behavioral Health: 6.3% of total paid (966 members)
 - Depression (39.4%), Substance Abuse/Drug Dependence (14.9%), and ADHD (13.0%)

Top Ten Major Practice Categories by PMPM



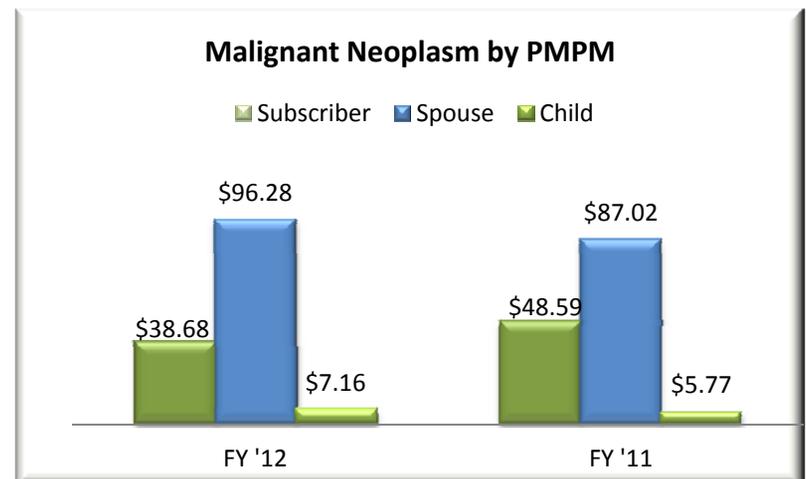
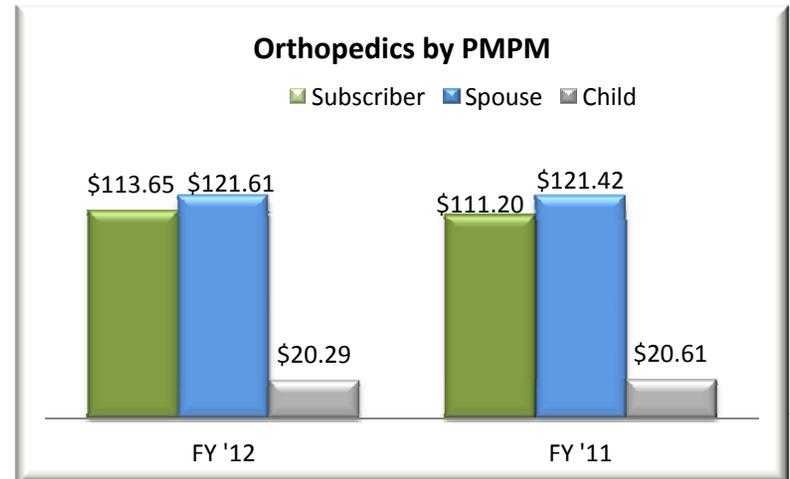
Top Major Practice Categories by Relationship and PMPM

PMPM: Subscriber = \$688.14 / \$569.04 (↑20.9%)

PMPM: Spouse = \$728.22 / \$747.99 (↓2.6%)

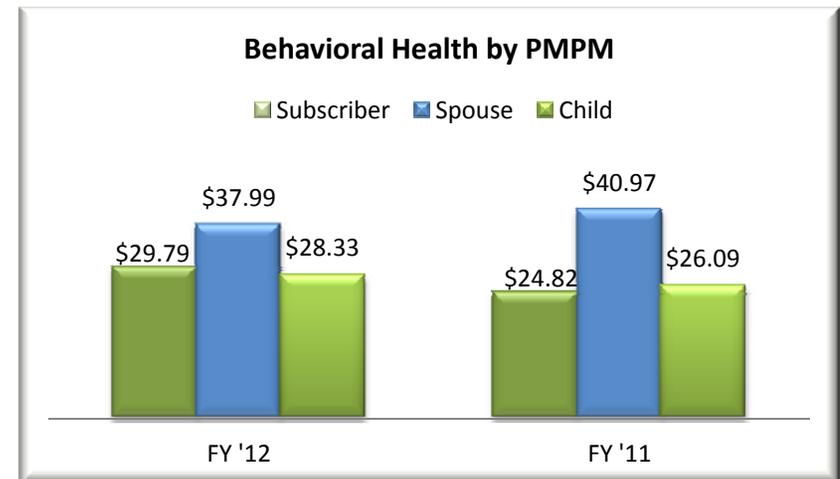
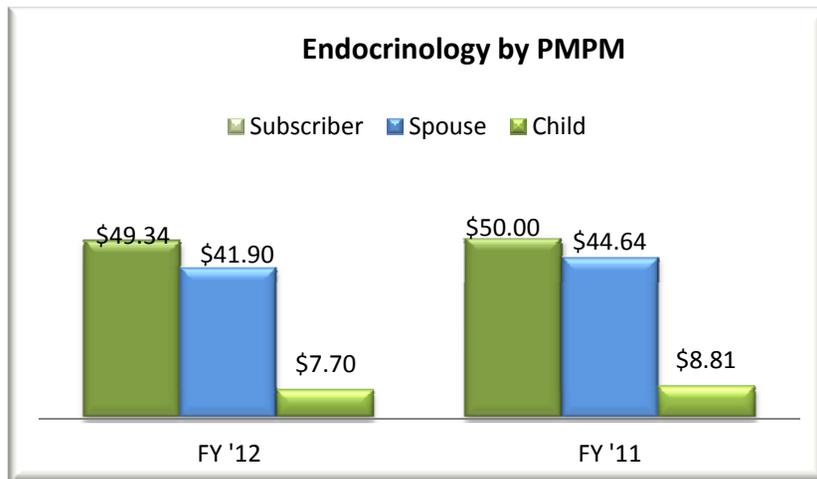
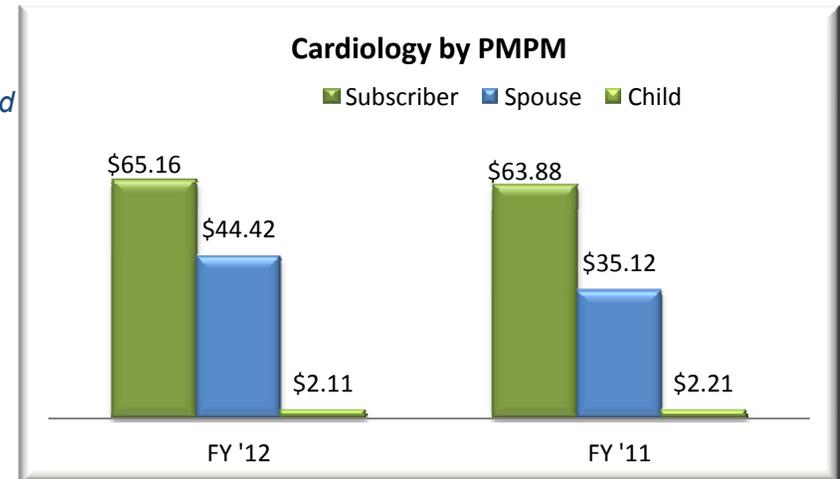
PMPM: Child = \$156.57 / \$215.54 (↓27.4%)

- Orthopedics related paid PMPM *increased 2.2% for the subscriber, remained flat for the spouse and for the children* from prior period to the current period
 - The spouse is the primary driver of costs
- Neonatology related costs *have increased dramatically from the prior period due to the related care and services provided to a very small number of complex newborns*
 - These complex newborns are high cost claimants; significantly impacting the high cost claimant trend in the current period*
- Malignant Neoplasm paid PMPM *decreased 20.4% for the subscriber and increased 10.6% the spouse*
 - The spouse is the clear driver of costs



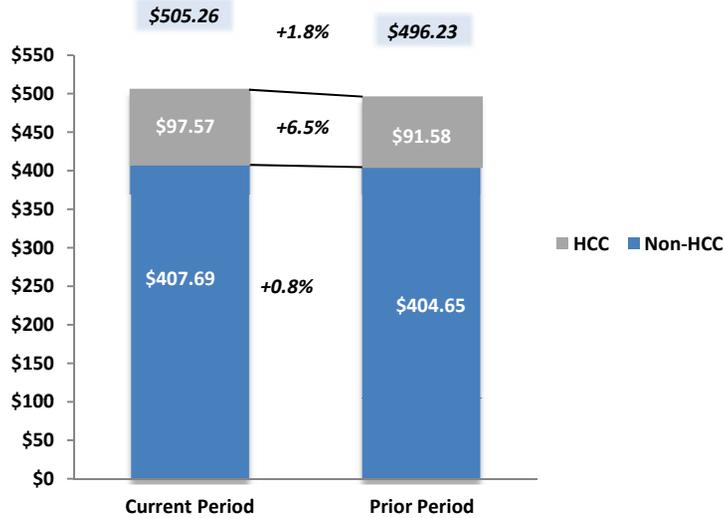
Top Major Practice Categories by Relationship and PMPM

- Cardiology related paid PMPM *increased 2.0% for the subscriber, increased 26.5% for the spouse* and children's cost have *decreased 4.5%*
- Endocrinology related paid PMPM *decreased 1.3% for the subscriber, decreased 6.1% for the spouse and decreased 12.6% for the children*
- All members contribute to the Behavioral Health spend
 - Subscriber costs have increased 20.0%,*
 - Spouse PMPM costs have decreased 7.3%*
 - Children's costs have increased 8.6%*



High Cost Claimants > \$75,000

Top 1% drives 23.6% of total spend in current period compared to 28.6% in prior period



Adjusting PMPM to remove claims >\$75,000, yields an adjusted trend **+0.8%**

The actual total PMPM trend is +1.8%

The number of HCC's **increased** by 1 member from the prior period; but the complexity of the conditions represented and the intensity of services provided **increased** in comparison to the prior period

5% members had \$0 expenditures in the current period; 4.1% had no claims in the prior period

Paid Claim Distribution

Current Period \$19,851,141

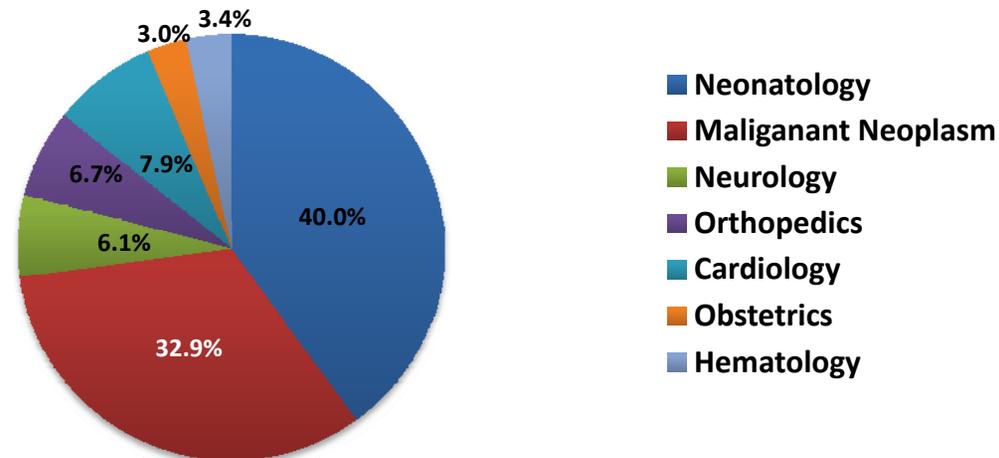
Annual Paid Range	% of Total Claimants	Paid Amount
<\$1 to \$999	33.8%	\$-102,485
\$1,000 to \$9,999	52.2%	\$6,400,931
\$10,000 to \$24,999	9.9%	\$5,058,504
\$25,000 to \$49,999	2.8%	\$3,176,230
\$50,000 to \$74,999	0.6%	\$1,484,548
\$75,000 to \$99,999	0.3%	\$868,913
\$100,000+	0.4%	\$2,964,500

Prior Period \$19,514,322

Annual Paid Range	% of Total Claimants	Paid Amount
<\$1 to \$999	34.1%	\$491,618
\$1,000 to \$9,999	53.3%	\$6,412,311
\$10,000 to \$24,999	8.4%	\$4,191,865
\$25,000 to \$49,999	2.6%	\$2,917,829
\$50,000 to \$74,999	1.0%	\$1,899,335
\$75,000 to \$99,999	0.2%	\$493,148
\$100,000+	0.4%	\$3,108,216

High Cost Claimant (HCC) Detail (>\$75K)

High Cost Claimant Totals By Major Diagnostic Category



- There were 21 High Cost Claimants (compared to 20 in the prior period);
 - Total HCC paid amount: \$3,833,414 (\$3,601,364 in the prior period)
 - These claimants drove 19.3% of paid amount, compared to 18.5% in the previous period
- The Subscriber contributed to 31.8% of total HCC expense and made up 52.4% of the HCCs
- The Spouse contributed to 26.0% of the total HCC expense and represents 33.3% of the HCCs
- Children contribute to 42.2% of the total HCC expense and represent 14.3% of the HCCs
- Top Health Condition for HCC in Current Period : Neonatology
 - Two complex newborns represent 40% of the total high cost claimant spend
- Nine members on this roster have various types of Malignant Neoplasms
- Four claimants was present (>\$75k) in the current as well as the prior periods
- Inpatient costs contributed the most significantly to the total HCC costs

Top Five Chronic Conditions By Paid Amount

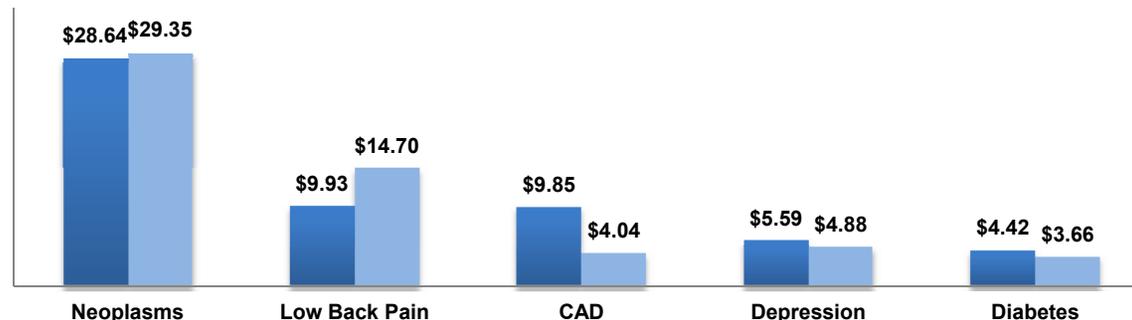
Incurred July 2011- June 2012; Paid Through September 30, 2012

Chronic Conditions	Number of Claimants	Paid Amount Current PMPM	Paid Amount Prior PMPM	Prevalence / 1000
Neoplasms (includes BOTH malignant and non-malignant)	302	\$28.64	\$29.35	78.8
Low Back Pain	512	\$9.93	\$14.70	133.6
Coronary Artery Disease	94	\$9.85	\$4.04	24.5
Depression	310	\$5.59	\$4.88	80.9
Diabetes	303	\$4.42	\$3.66	79.1

- The total Chronic Conditions PMPM was \$70.26 compared to \$66.99 in the PP (+4.9%)
- For the top five chronic conditions, employees account for 52.5% of total paid claims
- PMPM costs have increased for Coronary Artery Disease, Depression and Diabetes compared to the prior period:
 - Coronary Artery Disease increased 143.8%, Depression increased 14.5% and Diabetes increased 20.8%
 - Neoplasms decreased 2.1%,
 - Low Back Pain decreased 32.4%
- Low Back Pain is the top chronic condition by prevalence

Top Five Chronic Conditions by PMPM

■ FY '12 ■ FY '11



Note:

▪ Condition includes all members who have a diagnosis. For example, a member with a diagnosis of breast cancer is included here as long as that diagnosis takes place during the time period.

Preventive Screenings

Current Period: July 2011-June 2012 Paid Through September 2012

Prior Period: July 2010-June 2011 Paid Through September 2012

Category	Eligible Members	Visits/ Services	Current Rate per 1,000	Prior Rate per 1,000
Child Routine/Well Visits	158	129	814.5	862.5
Baby Routine/Well Visits	51	261	5,092.7	4,617.2
	Eligible Members	Members Receiving Care	Current Percent Compliance	Prior Percent Compliance
Adult Annual Well Care	2,125	1,259	59.2%	56.4%
Adolescent Well Care	523	336	64.2%	70.4%
Colon Cancer Screening Rate	1,002	196	19.6%	19.9%
Mammogram Screening Rate	740	458	61.9%	64.0%
Cervical Cancer Screening Rate	1,065	551	51.8%	51.4%
Chlamydia Screening Rate	183	79	43.2%	44.7%
PSA Screening Rate	521	343	65.8%	64.2%
Cholesterol Screening Rate	1,692	1,150	68.0%	60.9%

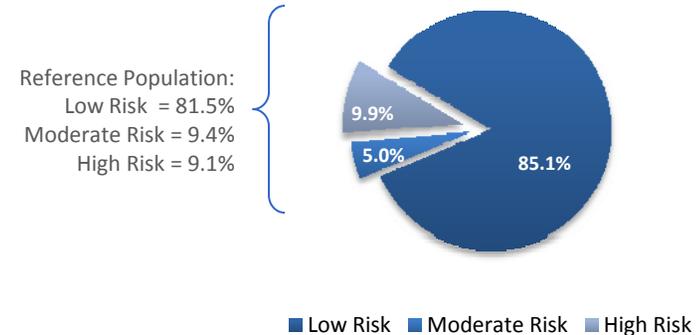
Highlights

- Screening Rates improved for half of the categories
- A noticeable increase is noted with cholesterol screening rates, PSA Screening and Adult Annual Well Care as well as Baby Routine Well Visits
- Still, great opportunity exists to promote routine visits and preventive screenings in general

360° Program Summary

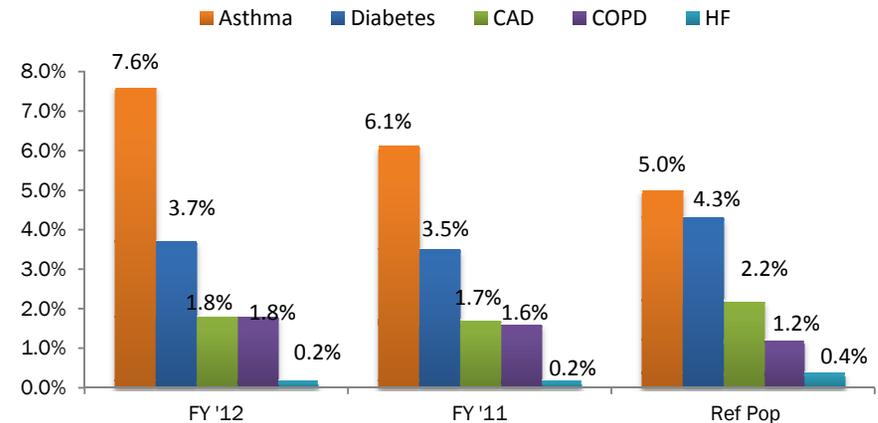
- For the period ending June 30, 2012, prevalence rates were higher than the Anthem Reference Population for Asthma and COPD
- The prevalence rates for **Asthma, Diabetes, CAD and COPD have increased** from the prior period. Heart Failure has remained static.
 - Ninety-three new members were identified during this reporting period
 - Of the 544 members under management during the current period, 14.9% (81 members) were targeted for outreach by a nurse case manager, below our Anthem reference population rate of 18.5% for moderate and high risk
 - There were 162 alerts sent to members; 98.1% were for overdue testing
 - Of the 429 outbound calls made to members, 76.2% were for clinical intervention and 22.8% were for enrollment and 1.0% were for other purposes

**City of Manchester
Case Risk Stratification
N = 544**



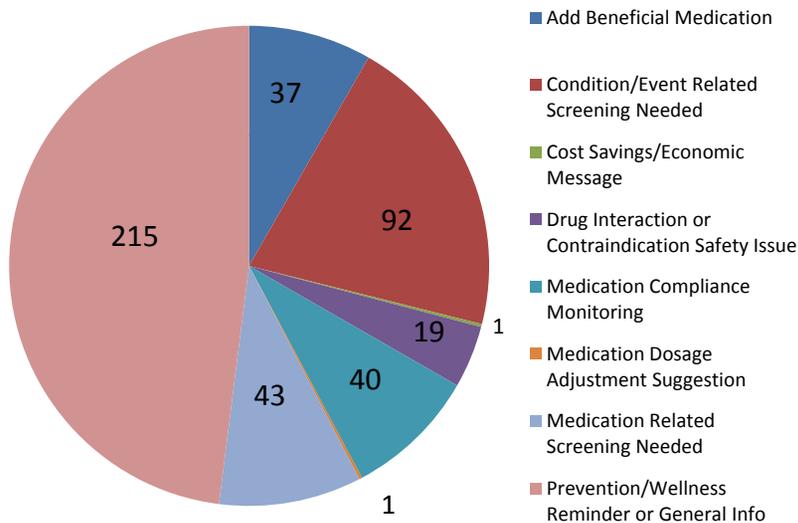
Condition	Total Members Under Management During The Reporting Period
Asthma	271 (202)
Diabetes	136 (116)
Coronary Artery Disease (CAD)	65 (57)
Chronic Obstructive Pulmonary Disease (COPD)	62 (54)
Heart Failure (HF)	10 (7)
Total as of 06.30.12 (as of 06.30.11)	544 (436)

ConditionCare Programs - Prevalence



My Health Advantage- 07/1/11-06/30/12

Types of Alerts-Q2 2012
N=448



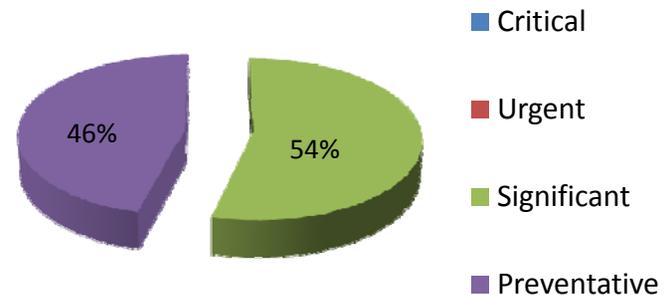
48%-Prevention/Wellness Reminder or General Info
21% -Condition/Event Related Screening Needed

Of Early Risk Management mailings sent in the current quarter, 14% contained 4 Care Alerts

07/01/2011 - 06/30/2012 Activity :

- 1,549 notes sent to members
- 699 notifications sent to providers
- 1,598 Care Alerts/1000 members (768/1000 for Reference population)

Care Alerts by Response Category Q2 2012



**A significant alert=clinically important.
Refers to such issues as medication compliance and receiving important tests

Top 10 Lifestyle Conditions by Cost

Current Period: Incurred July 2011- June 2012 Paid Through September 30, 2012

City of Manchester						
Lifestyle Condition	Paid Amount	Unique Claimants	Avg Paid/ Claimant	Paid PMPM	Prevalence per 1000	Prevalence Trend
Osteoarthritis	\$768,211	323	\$2,378	\$18.49	93.3	+18.6%
Coronary Artery Disease	\$440,727	112	\$,3935	\$10.61	32.3	+104.1%
Colorectal Cancer	\$212,121	2	\$106,060	\$5.11	.6	-36.8%
Stress/Anxiety/Depression	\$208,470	336	\$620	\$5.02	97.0	+8.3%
Sleep Apnea	\$202,921	116	\$1,749	\$4.88	33.5	+15.7%
Cerebrovascular Disease	\$188,559	48	\$3,928	\$4.54	13.9	+127.4%
Breast Cancer	\$138,700	22	\$6,305	\$3.34	6.4	+30.3
Diabetes Mellitus, Non-Insulin Dependent	\$126,943	238	\$5338	\$3.06	68.7	+60.0%
Cholecystitis/Cholelithiasis	\$113,776	18	\$6,321	\$2.74	5.2	+21.8%
Asthma	\$112,628	139	\$810	\$2.71	40.1	+4.5%

Highlights

- Osteoarthritis is the #1 Lifestyle condition by PMPM
- Hypertension is the Lifestyle Condition with the highest prevalence rate
- Lipid Metabolism Disorders, Stress/Anxiety/Depression, Osteoarthritis and Diabetes follow in terms of prevalence
- Of the top 10 Lifestyle conditions , the greatest increase in prevalence trend from the prior period was noted for Lung Cancer (+152.7%), followed by Cerebrovascular Disease (+127.4%), and Coronary Artery Disease (+104.1%)

Note:

• Condition includes all members who have a diagnosis. For example, a member with a diagnosis of breast cancer is included here as long as that diagnosis takes place during the time period.



Top Lifestyle Conditions: *Contributing Factors*

Lifestyle Condition	Obesity	Lack of Physical Activity	Tobacco Use	Alcohol Use	Poor Nutrition Practice	Noncontrolled Lipids	Noncontrolled Hypertension	Stress/ Anxiety/ Depression
Osteoarthritis	X	X						
Coronary Artery Disease	X	X	X	X	X	X	X	X
Overweight/Obesity	X	X			X	X	X	X
Breast Cancer	X	X	X	X	X			
Cholecystitis/Cholelithiasis	X							
Sleep Apnea	X							
Pneumonia			X	X				
Hypertension	X	X		X	X			X
Diabetes Mellitus; Non-Insulin Dependent	X	X			X			X
Stress/Anxiety/Depression								X

Lifestyle conditions include diseases associated with one or more lifestyle factor: Obesity, Lack of Physical Activity, Tobacco Use, Alcohol Use, Poor Nutrition Practice, Non Controlled Lipids, Non Controlled Hypertension, Excessive Sun Exposure, Stress/Anxiety/Depression, Unsafe Sexual Behavior

Appendix

- Emergency Department Details
- Top Providers
- Wellness Activities & Resources

Hospital Outpatient - Emergency Department (ER/ED)

	Current Period	Prior Period	Variation
Total Dollars	\$934,525	\$938,049	-0.4%
% of Outpatient Spend	16.6%	16.0%	Anthem NH Norm=14.2%
PMPM	\$23.79	\$23.85	-0.3%
Cost/Visit	\$1,403	\$1,287	+9.0%
Visits/1000	203.4	222.5	-8.6%
Visits	666	729	-8.6%

Potentially Avoidable Visits	Visit Count	Total Paid
GI Signs and Symptoms	17	\$10,628
Minor Orthopedic Trauma	60	\$25,836
Tonsillitis, Adenoiditis and Pharyngitis	34	\$14,305
Routine Exam	17	\$11,589
Otitis Media	11	\$2,876
Acute Bronchitis	13	\$10,896
Joint Degeneration- various sites	16	\$14,074
Infection of the Lower GU System	16	\$7,673
Infections of the Oral Cavity	8	\$3,986
Other infection of Ears/Nose/Throat	6	\$4,159

Top Diagnoses By ED Cost

	Visit Count	Total Paid
Hypertension	67	\$77,475
Mood Disorders- Depression	67	\$60,850
Asthma	60	\$45,893
Other Drug Dependence	38	\$43,732
Diabetes	14	\$46,193
Other Metabolic Disorders	17	\$26,279
Other Conduction Disorders	19	\$22,677
Anxiety Disorders	20	\$16,263
Kidney Stones	12	\$15,923
Open Wound- Hand and Forearm	33	\$14,796

- 51 Emergency Dept visits warranted an IP admission in the current period
- 26.3% visits occurred on Saturday or Sunday
- Top Providers: Elliot Hospital, Catholic Medical Center, Concord Hospital, Parkland Medical Center, and Exeter Hospital (78.0% of total ED spend)
- *There are opportunities to promote Urgent Care utilization, Walk-in Centers, 24/7 NurseLine and a Call to the Provider's Office*

Emergency Department

- Emergency Department visits are increasing:
 - 119.2 million visits to ER's in the US in 2006->227/minute
 - 42.4 million injury related visits
 - 40.5 visits/year/ per 100 persons
 - Injury and poisoning was the most commonly diagnosed condition
 - 11% of visits are related to ambulatory medical care
 - 2.6 hours was the median time spent in the emergency department
 - 13% of visits to an ER resulted in a hospital admission
 - 1.9% of visits to an ER resulted in transfer to a different hospital
 - One out of five Americans visited an ER at least once in 2007
 - 5.1% of Americans with private insurance made two or more visits
 - Adults in fair or poor health are more likely to visit an ER
 - Among the under 65 population, the uninsured were no more likely than the insured to have had at least one ER visit in a 12-month period
- Average expenses for a visit to the Emergency Department were \$1,038 in 2007
 - For people 45-64, the cost was substantially higher on the average->\$1,539
- Emergency Department is the **2nd highest outpatient cost driver**
- **60% of people who visit an ER do not belong there!**
- Alternatives to Emergency Department –Retail Health Clinics, Urgent Care Centers, Walk in Centers
 - Bronchitis-ER cost \$646; Urgent Care-\$97 and Retail Health Clinic-\$52
- Top diagnoses that could be treated in a setting other than an Emergency Department
 - Sinus Pain Otitis media/ear pain Urinary Tract Infections Mild asthma Colds, minor fevers, coughs Sore throats Bumps, cuts and scrapes Sprains and strains Minor headaches Back pain Rashes
 - Minor burns

Sources: National Statistics , Anthem Blue Cross Blue Shield data, Medical Expenditure Panel Survey of 2007

Emergency Department (ED): Decision Tree

	Retail Health Clinic	Walk-in Doctor's Office	Urgent Care Center	Emergency Department
Animal bites			o	o Any life-threatening or disabling condition
Stitches			o	
X-rays			o	o Sudden or unexplained loss of consciousness
Back pain			o	
Mild asthma		o	o	o Chest pain, numbness in face, arm or leg; difficulty speaking
Minor headaches		o	o	
Sprains, strains		o	o	o Severe shortness of breath
Nausea, vomiting, diarrhea		o	o	
Bumps, cuts, scrapes	o	o	o	o High fever with stiff neck, mental confusion or difficulty breathing
Burning with urination	o	o	o	
Coughs, sore throat	o	o	o	o Coughing up or vomiting blood
Ear or sinus pain	o	o	o	
Eye swelling, irritation, redness or pain	o	o	o	o Cut or wound that won't stop bleeding
Minor allergic reactions	o	o	o	
Minor fevers, colds	o	o	o	o Major injuries o Possible broken bones
Rashes, minor bumps	o	o	o	
Vaccinations	o	o	o	
Who usually provides care?	Physician assistant or nurse practitioner	Family practice doctor	Internal medicine, family practice, pediatric and ED doctors	ED doctors and nurses

Top Providers July 2011-June 2012

Provider Name	Paid Amount
MARY HITCHCOCK MEMORIAL HOSPITAL	\$808,059.32
CATHOLIC MEDICAL CENTER	\$616,580.73
ELLIOT HOSPITAL	\$574,960.21
CONCORD HOSPITAL	\$344,167.05
THE CHILDRENS HOSPITAL CORP	\$117,395.37
LAHEY CLINIC HOSPITAL INC	\$112,154.26
THE GENERAL HOSPITAL CORPORATIO	\$76,444.03
LAKES REGION GENERAL HOSPITAL	\$64,581.10
ST JOSEPH HOSPITAL	\$58,323.07
NEW ENGLAND BAPTIST HOSPITAL	\$51,721.44

Provider Name	Paid Amount
ELLIOT HOSPITAL	\$2,054,900.51
CATHOLIC MEDICAL CENTER	\$1,844,165.21
MARY HITCHCOCK MEMORIAL HOSPITAL	\$444,517.28
CONCORD HOSPITAL	\$175,952.67
ST JOSEPH HOSPITAL	\$136,038.54
THE GENERAL HOSPITAL CORPORATIO	\$102,282.99
EXETER HOSPITAL	\$86,862.20
SOUTHERN NH MEDICAL CENTER	\$81,858.31
MAINE MEDICAL CENTER	\$75,385.42
PARKLAND MEDICAL CENTER	\$74,262.37

Provider Name	Paid Amount
DELPHI MANAGEMENT GROUP	\$149,125.00
DANNY M SIMS	\$111,392.25
DOUGLAS J WECKSTEIN	\$103,679.92
BEDFORD AMBULATORY SURG CTR	\$90,799.05
STEVEN B BIRNBAUM	\$86,878.55
ELLIOT ONE DAY SURGERY CENTER	\$86,487.01
HITCHCOCK CLINIC	\$75,927.42
FREDERICK M BRICCETTI	\$74,622.13
PETER H CROW	\$72,546.91
TODD A NOCE	\$67,766.32

Provider Name	Paid Amount
EXPRESS SCRIPTS	\$879,030.06
CURASCRIPT SP SPECIALTY PHARMACY	\$628,908.91
BROOKS PHARMACY	\$592,919.07
CVS PHARMACY	\$526,879.95
RITE AID PHARMACY	\$257,053.17
ALEXANDERS SHOP N SAVE PHY	\$233,668.68
KENS PHARMACY	\$68,716.14
SHAWS PHARMACY	\$52,681.61
WALGREEN DRUG STORE	\$36,278.50
HOWES PHARMACY	\$35,518.57

City of Manchester Wellness Initiatives

2010	2011	2012	2013 In Progress
<p>Fall Fitness Challenge with employees following the Marathon Route via 30 minute exercise sessions</p>	<p>Spring Know Your Numbers Campaign incented employees to participate in biometric screenings</p> <p>Health & Wellness Promotion Activity at Employee BBQ</p> <p>Mayor Creates Wellness Committee in latter half of 2011 with mission to “Promote Health & Wellness of City employees through departmental collaboration”</p> <p>Fall Wellness Challenge encouraged healthy lifestyle activities to improve nutrition, increase exercise, and reduce stress</p>	<p>Spring Know Your Numbers Campaign incented employees to participate in biometric screenings and provided year over year comparison of results</p> <p>Health & Wellness Promotion Activity at Employee BBQ</p> <p>Wellness Committee launches Wellness Page on City’s Website to provide an avenue promote wellness initiatives and encourage employee feedback</p> <p>Fall Couch to 5K Challenge encouraged employee participation in various wellness activities concluding with the Santa Shuffle 5K</p>	<p>Stairwell Promotion Campaign currently underway at several City locations</p> <p>Spring Know Your Numbers Campaign to incent employees to participate in biometric screenings and Health Risk Assessments</p> <p>Incorporate map of City’s Trails with other Healthy Points of Interest into a health & wellness activity</p> <p>Developing a monthly health & wellness calendar for targeted promotions throughout the year</p>



Anthem Wellness Resources

<http://wellnesscalendar.anthem.com/nh>



A Year of Better Health

Click on the links in the calendar to learn about each month's topic and the health and wellness solutions that your employees can utilize. Distribute these materials to your employees or hang them in high traffic areas to help promote wellness in your workplace.

Also click on the links below to learn more.

- ▶ 360° HEALTH SITE
- ▶ TIME WELL SPENT™ SITE
- ▶ HOW TO USE THIS CALENDAR
- ▶ EMPLOYER GUIDE TO WELLNESS IN THE WORKPLACE
- ▶ PRINT PDF OF CALENDAR

2013 Health and Wellness Calendar

Click on the links below to download valuable resources.

JANUARY	FEBRUARY	MARCH
<p style="text-align: center;">Smoking Cessation</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ ConditionCare: COPD Flyer ▶ Stop Smoking Resources ▶ Condition Kit - Lung Disease COPD ▶ January Wellness Email 	<p style="text-align: center;">Heart Health</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ ConditionCare: Heart Failure Flyer ▶ Chronic Conditions Resources ▶ Condition Kit - Heart Disease ▶ February Wellness Email 	<p style="text-align: center;">Nutrition and Healthy Eating</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ ConditionCare: CAD Flyer ▶ Childhood Obesity Flyer ▶ Healthy Eating Resources ▶ March Wellness Email
APRIL	MAY	JUNE
<p style="text-align: center;">Cancer</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ ComplexCare Flyer ▶ Cancer Prevention Flyer ▶ Cancer Resources ▶ April Wellness Email 	<p style="text-align: center;">Asthma and Allergy</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ ConditionCare: Asthma Flyer ▶ Asthma Flyer ▶ Condition Kit - Allergies ▶ May Wellness Email 	<p style="text-align: center;">Men's Health</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ 24/7 NurseLine Flyer ▶ Prostate Cancer Flyer ▶ Men's Health Resources ▶ June Wellness Email
JULY	AUGUST	SEPTEMBER
<p style="text-align: center;">Physical Activity and Weight Management</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ Special Offers Flyer ▶ Exercise at Work and Home Flyer ▶ Exercise and Fitness Resources ▶ July Wellness Email 	<p style="text-align: center;">Cold, Flu and Immunizations</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ MyHealth Advantage Flyer ▶ Immunizations Flyer ▶ Cold and Flu Resources ▶ August Wellness Email 	<p style="text-align: center;">Bones and Joints, ER and Urgent Care</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ Quick Care Options Flyer ▶ Musculoskeletal Health Flyer ▶ Condition Kit: Arthritis ▶ September Wellness Email
OCTOBER	NOVEMBER	DECEMBER
<p style="text-align: center;">Women's Health</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ Future Moms Flyer ▶ Women's Health Resources ▶ Condition Kit: Pregnancy ▶ October Wellness Email 	<p style="text-align: center;">Diabetes</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ ConditionCare: Diabetes Flyer ▶ Diabetes Resources ▶ Condition Kit: Diabetes ▶ November Wellness Email 	<p style="text-align: center;">Stress Management and Emotional Health</p> <p><i>Related Resources</i></p> <ul style="list-style-type: none"> ▶ ConditionCare: Core Flyer ▶ Lifestyle Improvement Programs Flyer ▶ Mental Health/Stress Management Resources ▶ December Wellness Email

You can use our health and wellness programs to help your employees become more engaged and empower them to make health care decisions that are right for them — all at no extra charge. To learn more, see below for program overviews and videos you can share with employees.

Pharmacy Appendix

- Top 10 Specialty Indications
- Top 10 Specialty Drugs
- Top 10 Non-Specialty Indications
- Top 10 Non- Specialty Drugs
- Benefit Options Savings Data

Top Specialty Indications

Represent 18.0% of total Ingredient Cost

Top Specialty Indications by Ingredient Cost											
07/11 - 06/12						07/10 - 06/11					% Change
Overall Rank	Indication	Rxs	Patients	Ing Cost	Ing Cost / PMPM	Overall Rank	Rxs	Patients	Ing Cost	Ing Cost / PMPM	Ing Cost / PMPM
2	INFLAMMATORY CONDITIONS	74	16	\$290,248	\$7.39	6	59	16	\$195,970	\$4.99	48.2%
5	MULTIPLE SCLEROSIS	26	7	\$262,059	\$6.67	9	21	6	\$186,068	\$4.73	40.9%
16	CANCER	165	32	\$69,672	\$1.77	12	146	28	\$98,900	\$2.52	-29.5%
14	SKIN CONDITIONS	4	1	\$22,887	\$0.58	17	4	1	\$20,595	\$0.52	11.2%
32	HEPATITIS	3	1	\$20,663	\$0.53						
35	TRANSPLANT	49	9	\$17,846	\$0.45	29	49	9	\$30,819	\$0.78	-42.1%
4	ASTHMA	11	1	\$15,173	\$0.39	5	12	1	\$15,313	\$0.39	-0.9%
11	CONTRACEPTIVES	14	14	\$10,666	\$0.27	14	8	8	\$6,506	\$0.17	64.0%
36	PAIN/CRAMPS	39	12	\$4,309	\$0.11	38	30	10	\$437	\$0.01	886.1%
50	NAUSEA/VOMITING	145	100	\$3,796	\$0.10	44	116	79	\$7,873	\$0.20	-51.8%
Totals:		530		\$717,316	\$18.26		445		\$562,482	\$14.31	27.6%
Difference Between Periods:		85		\$154,834	\$3.95						

Top Specialty Drugs

Represent 15.8% of total Ingredient Cost

Top Specialty Drugs by Ingredient Cost													
07/11 - 06/12							07/10 - 06/11					% 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	39	10	\$160,315	\$4,111	\$4.08	3	27	8	\$3,466	\$2.38	71.4%
4	COPAXONE	MULTIPLE SCLEROSIS	11	4	\$119,203	\$10,837	\$3.03	5	8	3	\$10,194	\$2.08	46.2%
5	ENBREL	INFLAMMATORY CONDITIONS	22	5	\$95,961	\$4,362	\$2.44	6	19	6	\$4,112	\$1.99	22.9%
8	REBIF	MULTIPLE SCLEROSIS	8	2	\$73,776	\$9,222	\$1.88	10	7	2	\$8,317	\$1.48	26.8%
17	AVONEX	MULTIPLE SCLEROSIS	4	1	\$39,810	\$9,952	\$1.01	14	6	2	\$7,717	\$1.18	-14.0%
18	ZYTIGA	CANCER	3	1	\$37,909	\$12,636	\$0.97						
25	GILENYA	MULTIPLE SCLEROSIS	3	1	\$29,270	\$9,757	\$0.75						
32	XELODA	CANCER	7	1	\$25,593	\$3,656	\$0.65						
35	SIMPONI	INFLAMMATORY CONDITIONS	12	1	\$24,867	\$2,072	\$0.63	55	9	1	\$1,828	\$0.42	51.2%
38	STELARA	SKIN CONDITIONS	4	1	\$22,887	\$5,722	\$0.58	42	4	1	\$5,149	\$0.52	11.2%
Totals:			113		\$629,589		\$16.03		80			\$10.05	59.5%
Difference Between Periods:			33		\$234,750		\$5.98						

Top Non-Specialty Indications

Represent 54.1% of total Ingredient Cost

Top Non-Specialty Indications by Ingredient Cost												
07/11 - 06/12						07/10 - 06/11					% Change	
Overall Rank	Indication	Rxs	Patients	Ing Cost	Ing Cost / PMPM	Overall Rank	Rxs	Patients	Ing Cost	Ing Cost / PMPM	Ing Cost / PMPM	
1	HIGH BLOOD CHOLESTEROL	2,455	469	\$349,525	\$8.90	1	2,641	498	\$405,810	\$10.33	-13.8%	
3	ULCER DISEASE	2,129	426	\$285,681	\$7.27	2	2,024	414	\$298,175	\$7.59	-4.2%	
4	ASTHMA	1,461	410	\$264,800	\$6.74	5	1,490	428	\$234,475	\$5.97	13.0%	
6	DIABETES	1,654	151	\$260,625	\$6.63	4	1,547	144	\$252,534	\$6.43	3.2%	
7	DEPRESSION	3,001	481	\$245,475	\$6.25	3	3,032	488	\$253,085	\$6.44	-3.0%	
8	ATTENTION DISORDERS	1,037	126	\$226,954	\$5.78	8	895	120	\$186,259	\$4.74	21.9%	
9	HIGH BLOOD PRESS/HEART DISEASE	3,641	541	\$184,234	\$4.69	7	3,624	535	\$187,304	\$4.77	-1.6%	
10	MENTAL/NEURO DISORDERS	336	63	\$124,095	\$3.16	10	341	66	\$122,425	\$3.12	1.4%	
12	PAIN	2,464	733	\$107,238	\$2.73	11	2,527	716	\$113,894	\$2.90	-5.8%	
11	CONTRACEPTIVES	1,744	294	\$105,741	\$2.69	14	1,578	267	\$85,200	\$2.17	24.2%	
Totals:		19,922		\$2,154,369	\$54.84		19,699		\$2,139,162	\$54.43	0.8%	
Difference Between Periods:		223		\$15,208	\$0.41							

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Top Non-Specialty Drugs

Represent 19.1% of total Ingredient Cost

Top Non-Specialty Drugs by Ingredient Cost														
07/11 - 06/12									07/10 - 06/11					% 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	
2	NEXIUM	ULCER DISEASE	427	83	\$147,336	\$345	\$3.75	2	479	94	\$312	\$3.80		-1.4%
3	LIPITOR	HIGH BLOOD CHOLESTEROL	489	166	\$122,883	\$251	\$3.13	1	990	196	\$225	\$5.66		-44.7%
6	ADVAIR DISKUS	ASTHMA	236	70	\$76,789	\$325	\$1.95	7	239	71	\$301	\$1.83		6.6%
7	SINGULAIR	ASTHMA	331	89	\$74,610	\$225	\$1.90	11	322	88	\$170	\$1.39		36.5%
9	LANSOPRAZOLE	ULCER DISEASE	329	81	\$68,383	\$208	\$1.74	12	372	87	\$145	\$1.38		26.5%
10	CRESTOR	HIGH BLOOD CHOLESTEROL	258	62	\$61,497	\$238	\$1.57	9	262	58	\$234	\$1.56		0.3%
11	ATORVASTATIN CALCIUM	HIGH BLOOD CHOLESTEROL	400	147	\$57,314	\$143	\$1.46							
12	LEXAPRO	DEPRESSION	324	77	\$55,384	\$171	\$1.41	8	519	94	\$137	\$1.81		-21.9%
13	VALACYCLOVIR	VIRAL INFECTIONS	290	83	\$49,539	\$171	\$1.26	18	252	87	\$148	\$0.95		32.9%
14	CYMBALTA	DEPRESSION	184	36	\$48,521	\$264	\$1.24	21	160	31	\$204	\$0.83		48.9%
Totals:			3,268		\$762,255		\$19.40		3,595			\$19.21		1.0%
Difference Between Periods:			-327		\$7,498		\$0.20							

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Clinical Program Overview and Savings

~There is no additional administrative fee for any Anthem Quality of Care or Cost of Care Program~

Program	Program Description	In Place	Savings from Jan to Dec 2011	PMPM Savings
Step Therapy	Encourages use of specific drugs as the first ones to try when a customer begins or requires a change in medication therapy	X	\$50,083	\$1.28 PMPM
Prior Authorization	Helps ensure medications are only used in the most appropriate cases and dosages as recommended by the U.S. Food and Drug Administration.	X	\$275,883	\$7.02 PMPM
Quantity Limits	Helps prevent medication overuse by establishing a maximum covered amount a customer may receive within a specific time period.	X	\$47,309	\$1.20 PMPM
Dose Optimization	Members save by changing from twice-daily dosing to a once-daily dosing schedule. For example, a single 20mg dose of a medication taken once per day may cost less than a 10mg dose taken twice per day.	X		
Generic Select	Encourages members who are taking certain brand name drugs to switch to the generic form by offering a financial incentive . Member is offered the first fill free when switching to the generic. *Currently at 4% redemption rate.	X	\$7,604	\$0.19 PMPM
Total 2011 Plan Year Savings			\$380,879	\$9.70 PMPM



Optional Pharmacy Programs

~Consider implementing one or more of these programs at renewal to help lower pharmacy plan costs~

Program	Program Description	Potential Savings	PMPM Savings
Generics Preferred Program	If a member chooses the brand over the generic, they pay the generic copayment plus the difference between the cost of the generic vs. the brand.	\$64,839	\$ 3.13 PMPM
Home Delivery Choice	Encourages members to use the Home Delivery (mail order) method of obtaining maintenance medications by requiring them to choose mail order or retail. Allows 3 fills at retail before member must respond to ESI regarding mail order.	\$22,332	\$0.56 PMPM
Refill By Mail	Requires members taking maintenance medications to use Mail Order. Refills done at retail are not covered.	\$37,221	\$0.95 PMPM

Compliance Rates

Therapy Class	Member Count	City of Manchester Compliance Rate	NH BOB Compliance Rate	# of Member at 90-100% Compliance
Antidepressants	302	77.1%	75.7%	129
Antipsychotic	11	77.9%	76.5%	6
Asthma / COPD	76	67.4%	65.9%	28
Diabetes	77	84.0%	77.3%	40
Hypertension	410	87.0%	82.2%	252
Lipids	319	87.6%	82.5%	214
Osteoporosis	17	77.4%	75.4%	9