



New Mexico
Public Schools
Insurance Authority

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Legislative Finance Committee
August 18, 2017

NMSA, Chapter 22, Article 29

22-29-2. Purpose of act.

- The purpose of the Public School Insurance Authority Act is to provide comprehensive core insurance programs, including reimbursement coverage for the costs of providing due process to students with disabilities, for all participating public schools, school board members, school board retirees and public school employees and retirees by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage.

22-29-4. Authority created.

- There is created the "public school insurance authority", which is established to provide for group health insurance, other risk-related coverage and due process reimbursement with the exception of the mandatory coverage provided by the risk management division on the effective date of the Public School Insurance Authority Act.

NMPSIA Today

School Districts

- 88 Mandatory (Excludes APS)

Charter Schools

- 100 Mandatory

25 Educational Entities

- 26 (Optional)



Staff

- 11 FTE

Board of Directors

- 11 Board Members
 - 2 NEA-NM
 - 1AFT-NM
 - 3 Governor Appointees
 - 1 Superintendents' Association
 - 1 New Mexico Association of School Business Officials
 - 1 Educational Entities at Large
 - 1 School Boards Association
 - 1 Public Education Commission

FY19 Appropriation Request

Fund	FY17 Actual	FY18 Operating Budget	FY19 Appropriation Request	Increase FY18-FY19	Percentage Difference FY18-FY19
Benefits	\$ 314,734,567	\$ 325,783,600	\$ 332,022,081	\$ 6,238,481	1.91%
Risk	\$ 84,246,273	\$ 70,799,100	\$ 82,965,060	\$ 12,165,960	17.18%
Program Support	\$ 1,347,000	\$ 1,299,900	\$ 1,338,700	\$ 38,800	2.98%
Agency Total	\$ 400,327,841	\$ 397,882,600	\$ 416,325,841	\$ 18,443,241	4.64%

Risk Program Facts

Property:

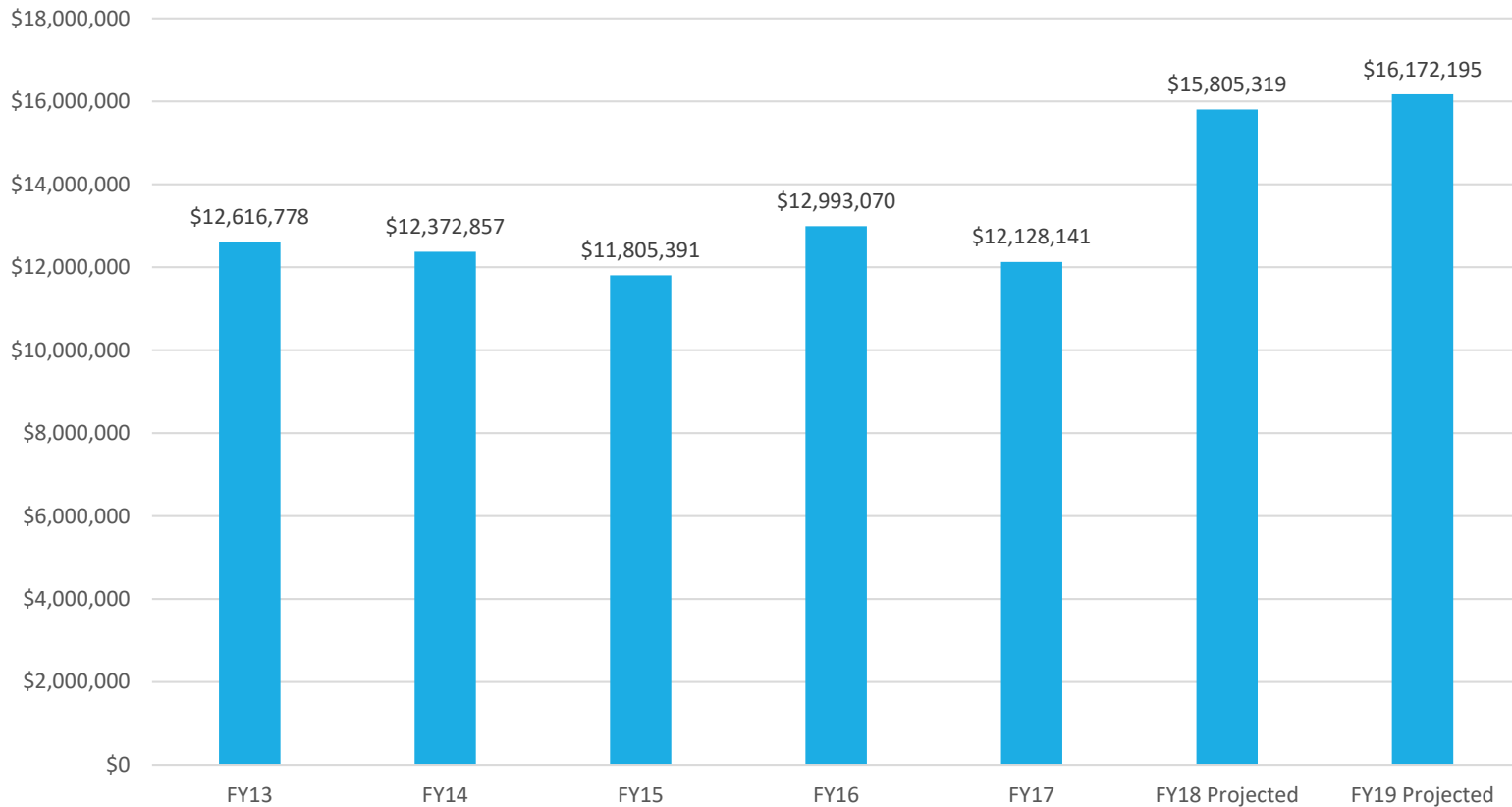
- Property deductible is \$750,000; \$750 Million in Insured limits Per Occurrence subject to sub-limits such as Flood and Earthquake: \$100 Million Annual Aggregate; \$800 Million in Terrorism Limits
- Crime Limit is \$2 Million Per Occurrence
- Assets insured are in excess of \$23 Billion
- \$17 Billion are Frame/Stucco construction, the most flammable type of construction
- 60% of properties are located in Protection Class 9 or 10, 10 being the worst protection class
- 60% of properties are located in 100 Year Flood zones
- The property rate has increased only .021 per \$100 dollars of values since 1991

Liability and Workers' Compensation:

- Liability deductible is \$1,000,000; \$20 Million in Liability Limits for Sexual Abuse
- There are no Tort Claims Act Limit protections for School Bus Contractors
- 44,000 employees
- \$1.75 Billion in payroll
- 300,000 students
- 44,000 school athletic participants
- 9,000 volunteers
- 9,300 vehicles including buses

Workers' Compensation Claims

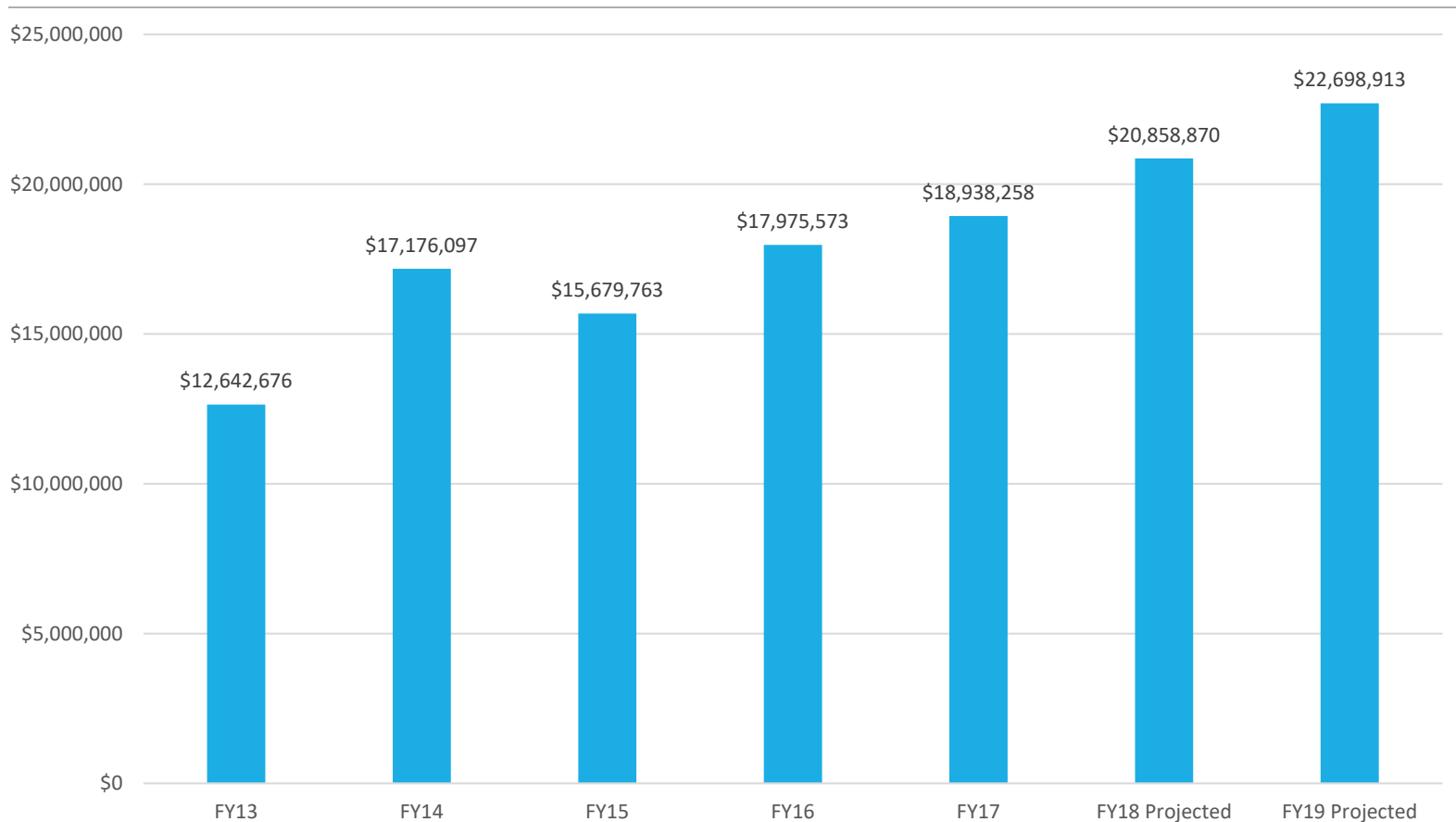
Total \$ Spent



- Over the past several years, claim frequency has been steadily decreasing, while claim severity has been steadily increasing.

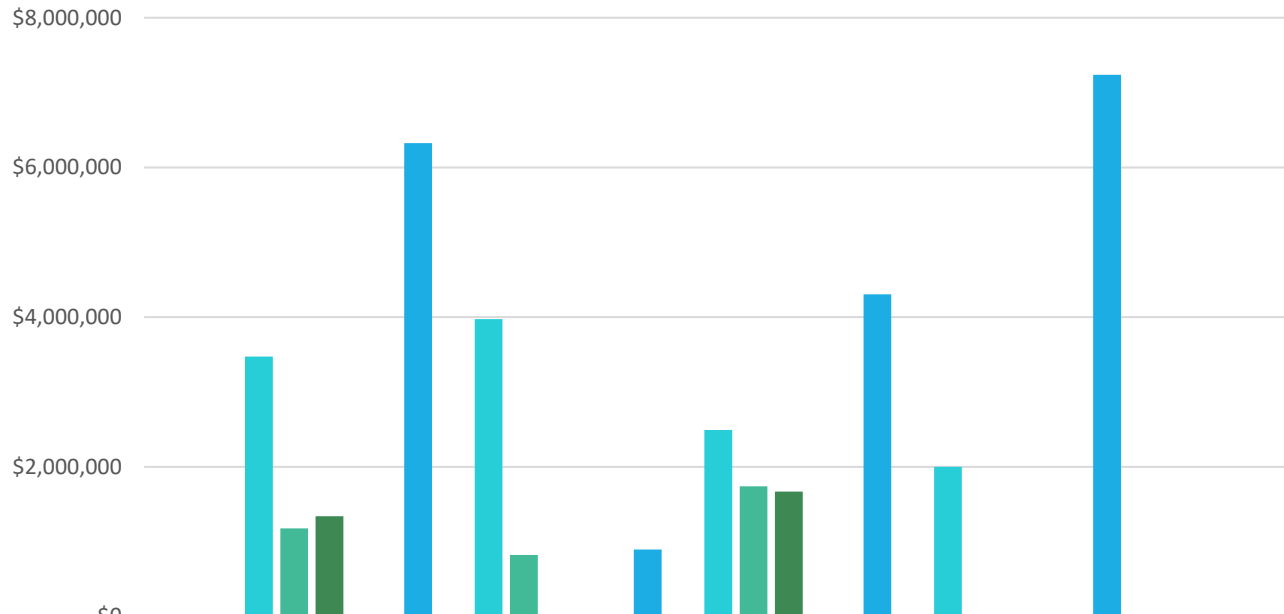
Property and Liability Claims

Total \$ Spent



- Over the past several years, claim frequency and severity have exhibited significant volatility.

Claims Incurred Over \$250,000 by Line of Coverage



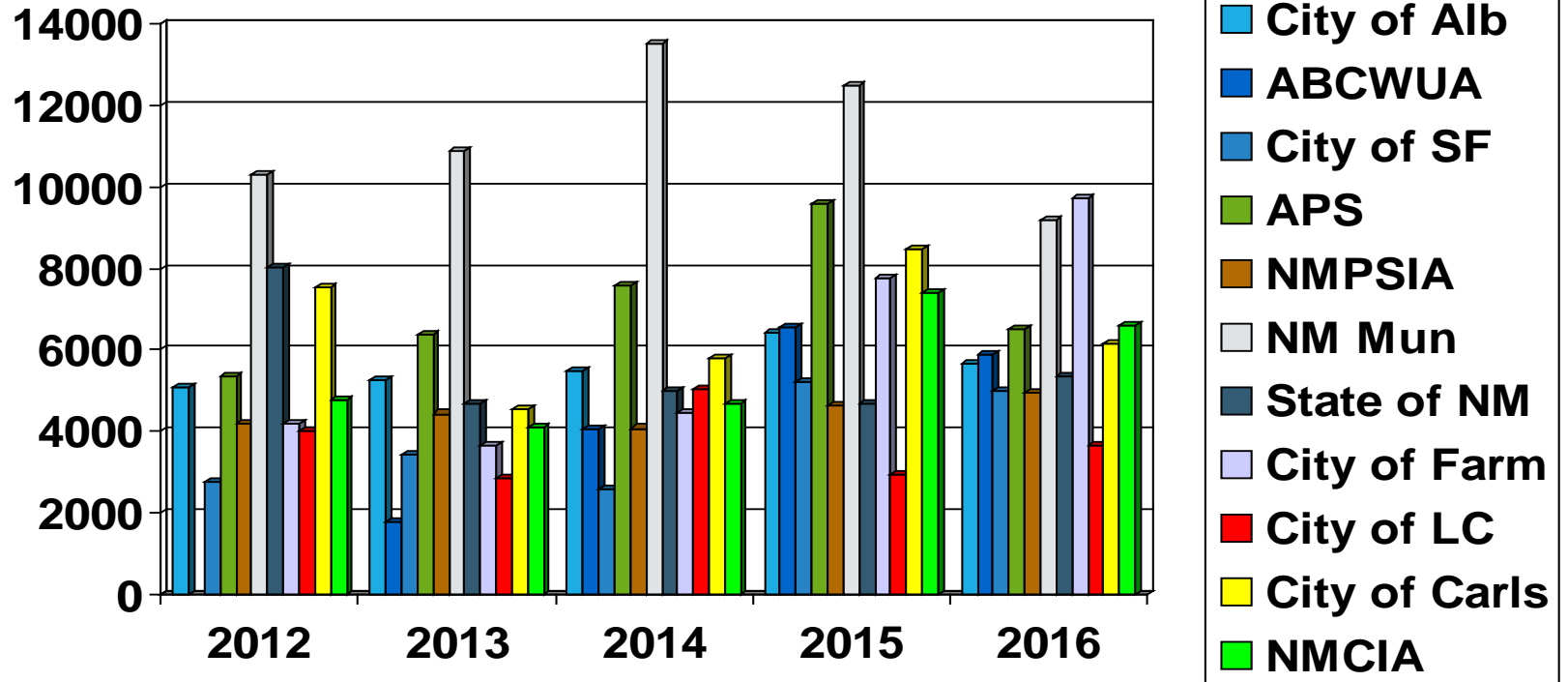
	FY13	FY14	FY15	FY16	FY17
Property	\$0	\$6,326,122	\$896,186	\$4,306,500	\$7,237,500
Crime	\$0	\$0	\$0	\$0	\$0
General Liability	\$3,473,278	\$3,973,354	\$2,491,921	\$2,000,000	\$0
Personal Injury & Professional Liability	\$1,178,944	\$822,181	\$1,739,695	\$0	\$0
Auto Liability	\$1,340,325	\$0	\$1,669,372	\$0	\$0

■ Property
 ■ Crime
 ■ General Liability
 ■ Personal Injury & Professional Liability
 ■ Auto Liability

Claim Count \geq \$250,000

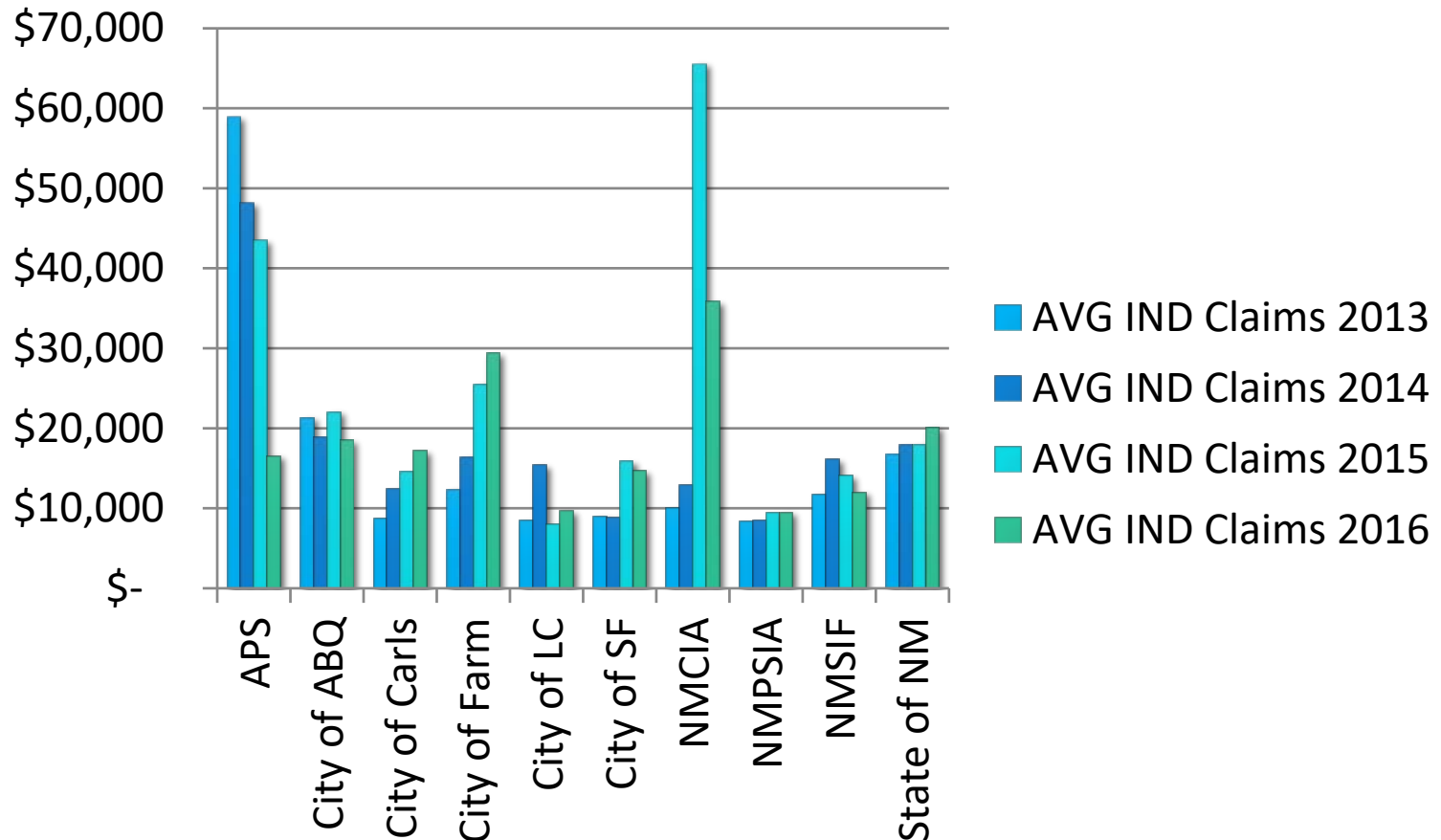
Claim Count \geq \$250,000 by Line of Coverage (FY13-FY17)						
Line of Coverage	FY13	FY14	FY15	FY16	FY17	Total
Property	0	10	2	2	7	21
Crime	0	0	0	0	0	0
General Liability	5	7	5	1	0	18
Personal Injury & Professional Liability	3	2	5	0	0	10
Auto Liability	3	0	3	0	0	6
Grand Total	11	19	15	3	7	55

SELF-INSURED GOVERNMENT WORKERS' COMPENSATION AVERAGE COST PER CLAIM



State Comparison

Average Cost per Indemnity Claims



Loss Prevention Programs

Ergonomics

- Objective: reduce the frequency and severity of costly soft tissue injuries by school employees.

Threat Assessment and Active Shooter

- Objective: Reduce the probability of an incident of multiple victim school violence.

Employment Practices Policy and Consulting

- Objective : Reduce the number of employment practices claims (wrongful termination, violation of contract)

Technical Assistance Program for Special Education

- Objective: reduce the number of IDEA (Individual with Disabilities in Education) Due Process and Litigation claims.

On-site School Facility Audits

- Objective: reduce the frequency of Worker's Compensation, Liability and Property Claims.

Identifying a Predator Training

- Objective: reduce the number of sexual molestation claims in NM public Schools

Bullying Prevention Training and sustainable policy development consulting

- Objective: To assist schools with understanding of the issues and development of policies addressing bullying.

Armed school employees

- Objective: To assist schools with an understanding of the relevant statutes, policies, procedures and liabilities necessary to make informed judgements regarding arming employees.

Risk Fund

Plan Year	Fund Balance at Start of Plan Year	Rate Increase	Fund Balance at End of Plan Year
2010-2011	\$23.3 million	No Increase	\$24.9 million
2011-2012	\$24.9 million	No Increase	\$19.8 million
2012-2013	\$19.8 million	-10.00%	\$12.3 million
2013-2014	\$12.3 million	25.49%	\$5.4 million
2014-2015	\$5.4 million	7.31%	\$4.0 million
2015-2016	\$4.0 million	11.28%	\$-5.7 million
2016-2017	\$-5.7 million	5.14%	\$-11.8 million
2017-2018	\$-11.8 million	0.09%	\$-11.8 million (projected)
2018-2019	\$-11.8 million (projected)	6.58%	\$-11.8 million (projected)
\$16.0 million in fund sweeps during FY17!			

Risk Rate Setting Methodology

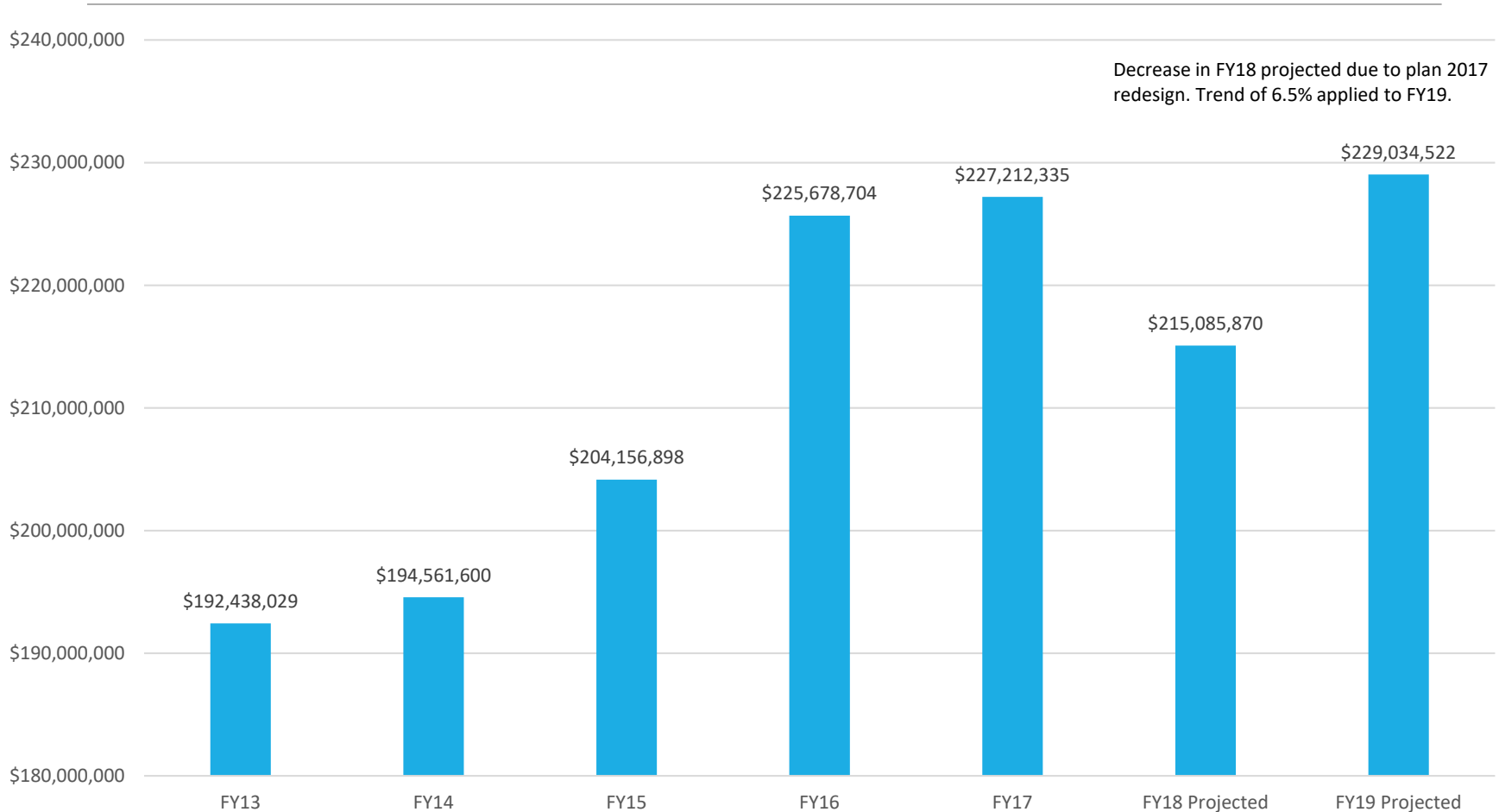
- NMPSIA has a prospective rating plan that projects future costs and bills members accordingly.
- All costs including claims estimates, excess insurance and support services are calculated using an actuarial formula.
- NMPSIA operates as a loss sharing pool in which members share in losses in excess of each member's stop loss, or their retention of \$50,000 per loss. The entire membership then shares proportionally in losses up to \$1,000,000. Any loss in excess of \$1,000,000 is then reinsured by insurance carriers.
- The formula also takes into account the size of each member and how credible their size is to the pool and is frequency sensitive.

Employee Benefits Program

- **NMPSIA offers the following benefits and services:**
 - Self-Insured High Option Medical Plan – Offered through Blue Cross and Blue Shield of New Mexico and Presbyterian Health Plan
 - Self-Insured Low Option Medical Plan - Offered through Blue Cross and Blue Shield of New Mexico and Presbyterian Health Plan
 - Self-Insured HMO Medical Plan – Offered by New Mexico Health Connections
 - Self-Insured Prescription Drug coverage is offered through Express Scripts
 - Covered Lives on Medical/RX
 - 22,730 Employees
 - 50,517 Total Lives
 - Self-insured High and Low Option Dental Plans through United Concordia
 - Fully insured Vision Plan through Davis Vision
 - Fully insured Life and Disability Plans through the Standard
- **Measures taken to improve cost containment efforts:**
 - Purchased Stop-Loss Coverage in FY16 to mitigate the risk of claims over \$1 million
 - Purchased Data Warehouse, Reporting and Data Mining Services in FY18 in order to better define the health risk of the plan participant population and to track changes over time. This will allow NMPSIA to better implement future plan designs and premiums.
 - Developed recent contracts with health plans to include performance standards for managing diabetics and members with chronic health conditions
 - Implemented medical and prescription drug plan design changes which increased member cost share
 - Implemented wellness and disease management programs through the medical plans

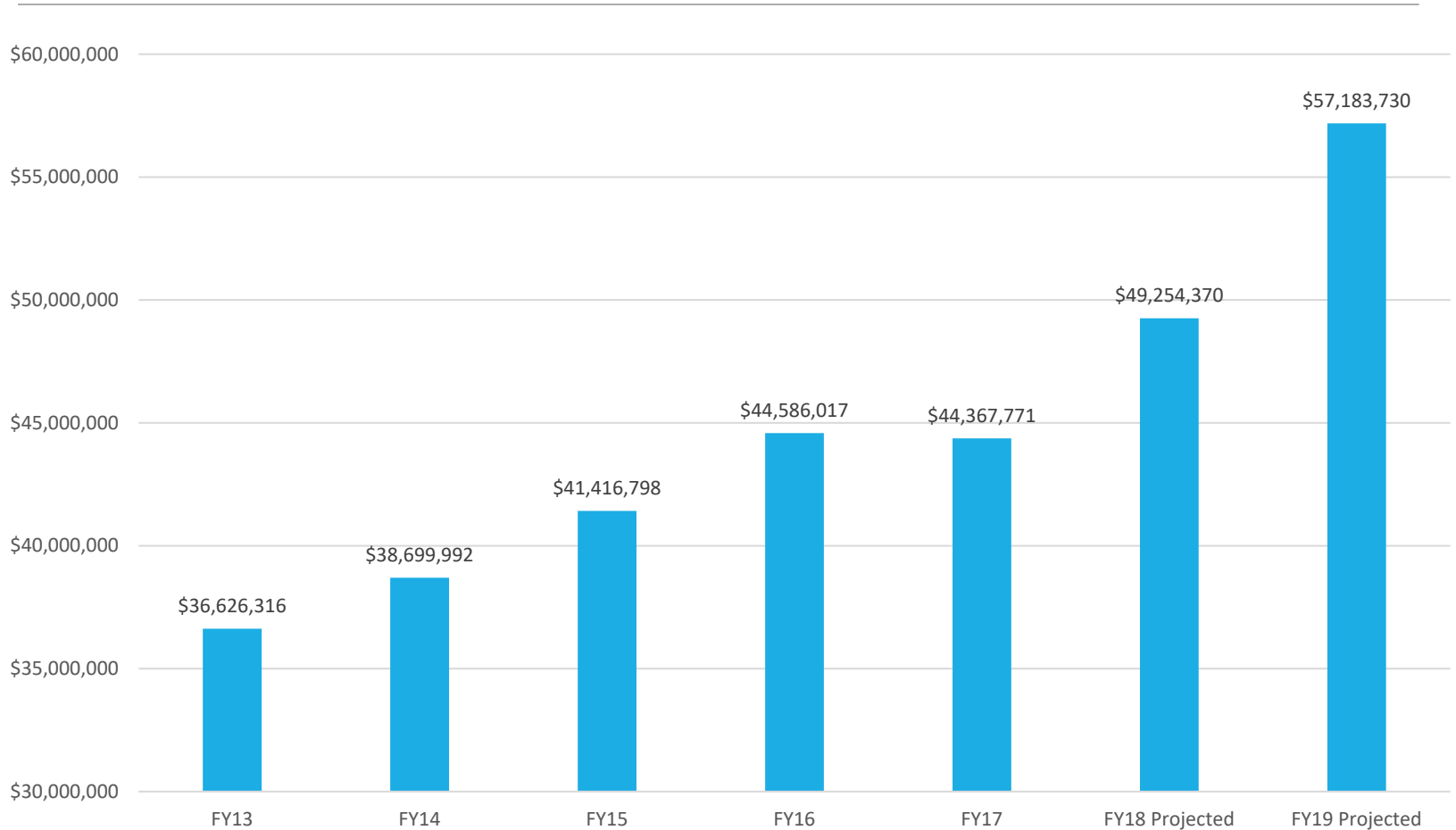
Medical Claims

Total \$ Spent



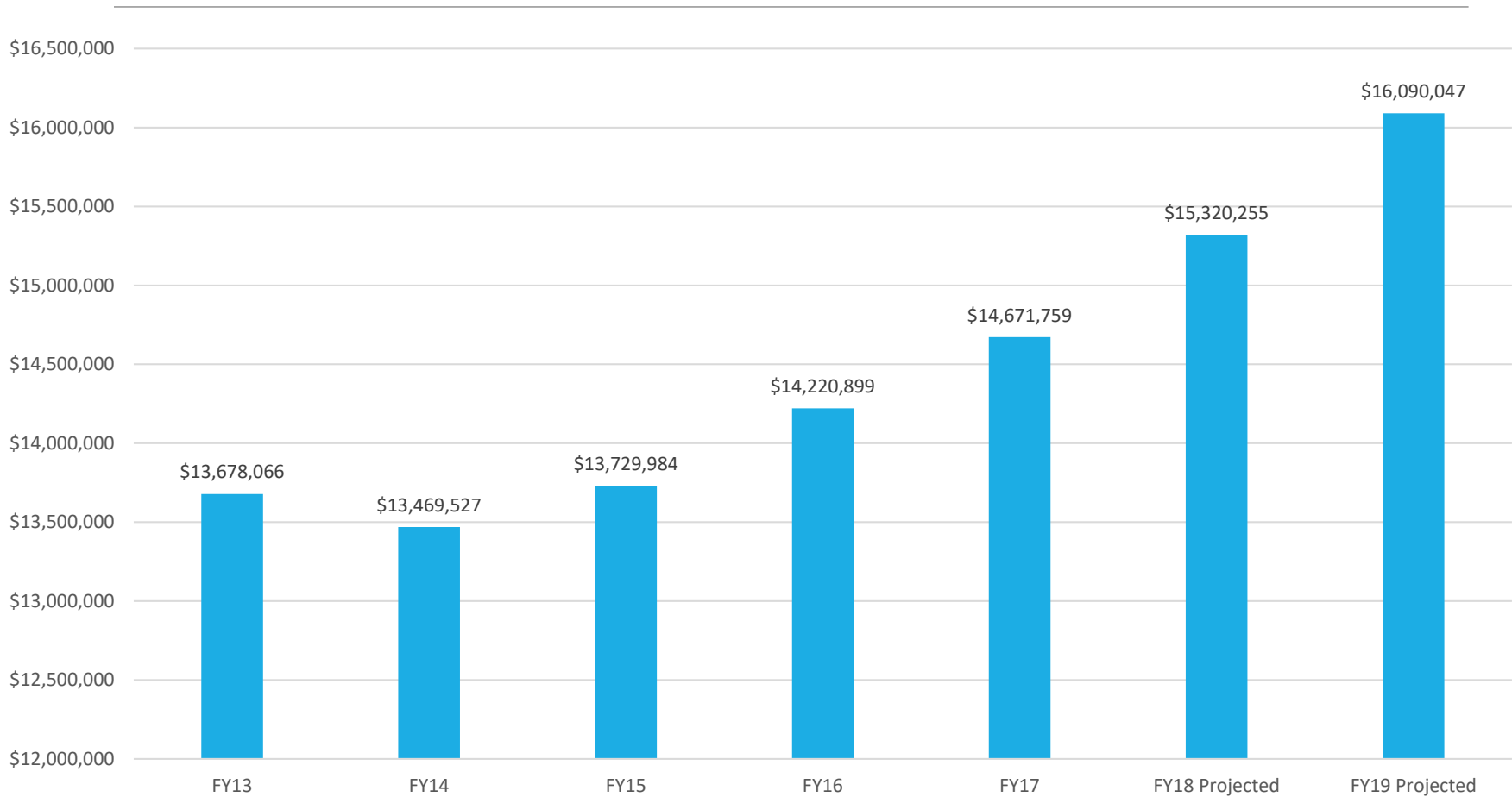
Prescription Claims

Total \$ Spent (Net of Rebates)

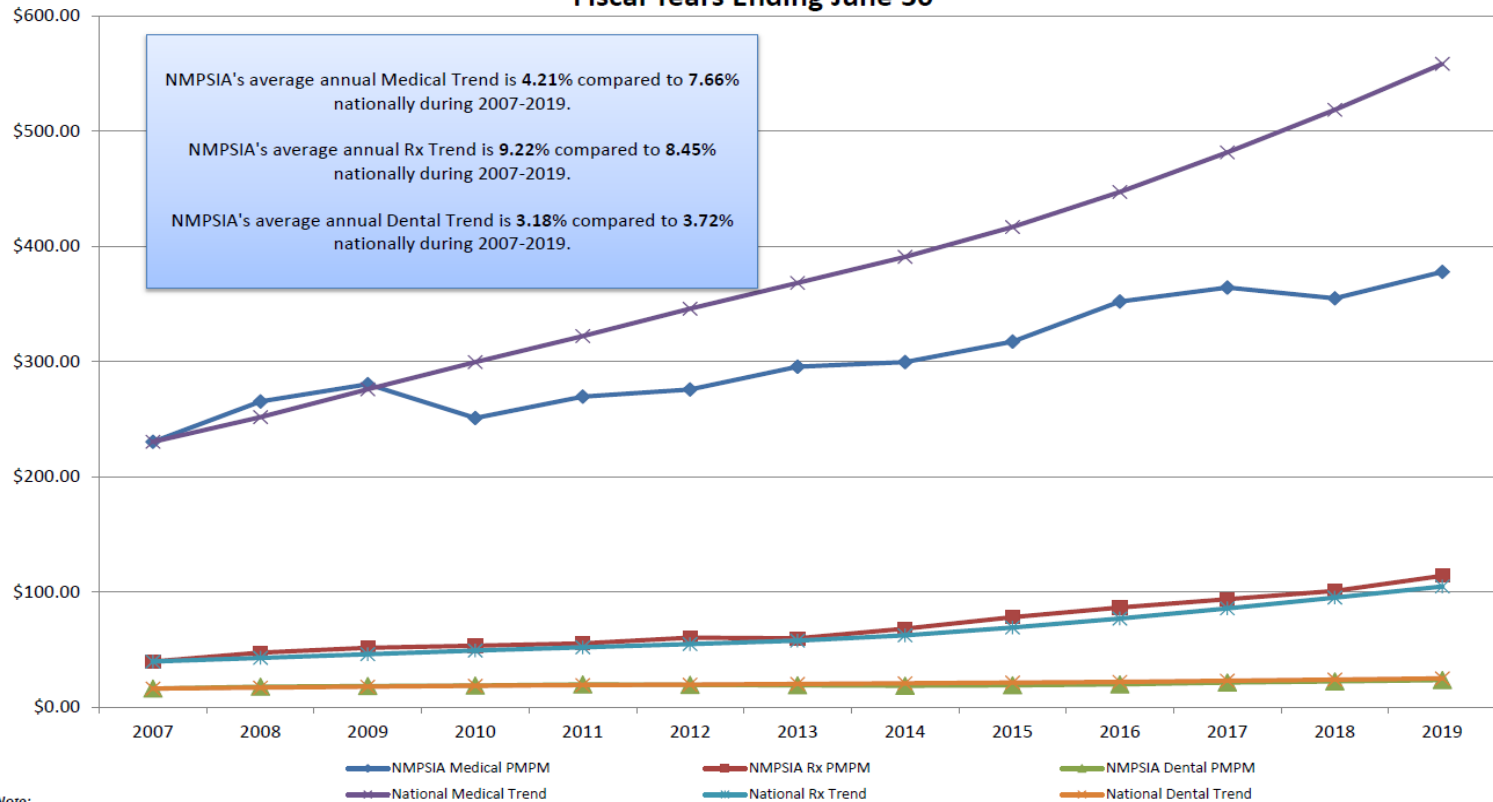


Dental Claims

Total \$ Spent



New Mexico Public Schools Insurance Authority Historical & Projected PMPM Claims vs. Claims Increased at National Trend Rates Fiscal Years Ending June 30



Note:

Medical trends exclude prescription drug coverage.

Prescription drug national trend data for CY2003 through CY2007 only reflects retail. For CY2008 to current, prescription drug retail and mail-order delivery channels are combined.

All national trends illustrated are for actives and retirees under age 65.

National trend data through CY2016 is from the 2017 Segal Health Plan Cost Trend Survey; trend data for CY2017 and CY2018 is based on preliminary results of the 2018 Segal Health Plan Cost Trend Survey and is subject to change.

Projected trend is shown for CY2016, CY2017, and CY2018; Trend during CY2019 is shown at same level as CY2018 for illustration purposes.

National trend data reflects claims cost trend before changes in plan design and participant cost-sharing is considered.

NMPSIA historical claims data based on actual paid data and has not been adjusted for benefit design changes. NMPSIA projected claims for FY2018 and FY2019 reflect the anticipated impact of future benefit changes as approved by the NMPSIA Board.

Employee Benefits Fund

Plan Year	Fund Balance at Start of Plan Year	Rate Increase		Fund Balance at End of Plan Year
2013-2014	\$31.6 million	Medical Dental	6.6% 3.0%	\$42.3 million
2014-2015	\$42.3 million	Medical Dental	1.5% 0.0%	\$41.4 million
2015-2016	\$41.4 million	Medical Dental	4.0% 0.0%	\$20.4 million
2016-2017	\$20.9 million	Medical High Medical Low Dental	8.30% 7.15% 0.0%	\$9.8 million
2017-2018	\$9.8 million	Medical High Medical Low Dental	3.98% 1.82% 0.0%	\$18.4 million (projected)
2018-2019	\$18.4 million (projected)	Medical Blended Dental	10.39% 0.0%	\$20.5 million (projected)
Target fund balance is 1 month of claims - \$24.2 – 26.1 million.				

FY18 Monthly Increase for Employee

Eff. 10/1/2017

Rate Increase	
High Options	3.98%
Low Options	1.82%
HMO	3.98%

Plan	Salary Under \$15,000 (75%/25%)	Salary \$25,000 or Over (60%/40%)
Single:		
Blue Cross Blue Shield High Option	\$6.28	\$10.04
Presbyterian High Option	\$5.08	\$8.12
New Mexico Health Connections	\$5.66	9.04
Family:		
Blue Cross Blue Shield High Option	\$15.94	\$25.52
Presbyterian High Option	\$14.22	\$22.74
New Mexico Health Connections	\$14.34	\$22.96

CONTRIBUTIONS EFFECTIVE OCTOBER 1, 2017					
<i>MONTHLY COST SHARING</i> based on salary and EMPLOYER		Less than	\$15,000 -	\$20,000 -	\$25,000
<i>MINIMUM CONTRIBUTION REQUIREMENTS</i> set forth in NM		\$15,000	\$19,999	\$24,999	and Over
State Statute		25%/75%	30%/70%	35%/65%	40%/60%
MEDICAL	Single (employee deduction)	\$163.98	\$196.76	\$229.56	\$262.36
BCBS	Single (district contribution)	\$491.94	\$459.16	\$426.36	\$393.56
High Option	Two Party (employee deduction)	\$311.86	\$374.22	\$436.60	\$498.96
	Two Party (district contribution)	\$935.58	\$873.22	\$810.84	\$748.48
	Family (employee deduction)	\$416.52	\$499.82	\$583.12	\$666.44
	Family (district contribution)	\$1,249.58	\$1,166.28	\$1,082.98	\$999.66
BCBS	Single (employee deduction)	\$133.44	\$160.12	\$186.82	\$213.50
Low Option	Single (district contribution)	\$400.34	\$373.66	\$346.96	\$320.28
	Two Party (employee deduction)	\$253.80	\$304.54	\$355.30	\$406.06
	Two Party (district contribution)	\$761.38	\$710.64	\$659.88	\$609.12
	Family (employee deduction)	\$338.98	\$406.78	\$474.58	\$542.38
	Family (district contribution)	\$1,016.98	\$949.18	\$881.38	\$813.58
New Mexico Health	Single (employee deduction)	\$147.58	\$177.10	\$206.60	\$236.12
Connections - HMO	Single (district contribution)	\$442.74	\$413.22	\$383.72	\$354.20
	Two Party (employee deduction)	\$280.66	\$336.80	\$392.94	\$449.06
	Two Party (district contribution)	\$842.02	\$785.88	\$729.74	\$673.62
	Family (employee deduction)	\$374.86	\$449.84	\$524.82	\$599.78
	Family (district contribution)	\$1,124.62	\$1,049.64	\$974.66	\$899.70
Presbyterian	Single (employee deduction)	\$132.60	\$159.12	\$185.64	\$212.18
High Option	Single (district contribution)	\$397.84	\$371.32	\$344.80	\$318.26
	Two Party (employee deduction)	\$278.44	\$334.14	\$389.82	\$445.52
	Two Party (district contribution)	\$835.36	\$779.66	\$723.98	\$668.28
	Family (employee deduction)	\$371.30	\$445.56	\$519.82	\$594.08
	Family (district contribution)	\$1,113.92	\$1,039.66	\$965.40	\$891.14
Presbyterian	Single (employee deduction)	\$107.92	\$129.52	\$151.10	\$172.68
Low Option	Single (district contribution)	\$323.80	\$302.20	\$280.62	\$259.04
	Two Party (employee deduction)	\$226.62	\$271.94	\$317.26	\$362.58
	Two Party (district contribution)	\$679.84	\$634.52	\$589.20	\$543.88
	Family (employee deduction)	\$302.16	\$362.60	\$423.02	\$483.46
	Family (district contribution)	\$906.50	\$846.06	\$785.64	\$725.20

FY18 Monthly premium cost sharing

Rates eff. 10/1/2017

FY17 Plan Design changes

Benefit plan reductions

Change	Estimated Savings (Annually)
Medical	
Increased calendar year plan deductibles effective 1/1/17 High Option Plan - from \$300 to \$750 for in-network services Low Option Plan – from \$1500 to \$2000 for in-network services	\$11.0 million
Increased calendar year out-of-pocket maximum effective 1/1/17 High Option Plan – from \$2800 to \$3750 for in-network services Low Option Plan – from \$3500 to \$3750 for in-network services	\$10.0 million
Value of Medical Plan Design Changes	\$21.0 million

Change	Estimated Savings (Annually)
Prescription	
Increased copayments on diabetic oral medications, retail generic, mail generic, retail preferred brand, mail preferred brand, and specialty medications effective 7/1/16	\$4.5 million
Eliminate coverage for over-the-counter (OTC) medications (Proton Pump Inhibitors, Antihistamines and Intranasal Steroids) effective 7/1/16	\$1.2 million
SaveOn Program (specialty drug/drug manufacturer co-pay assistance)	\$2.4 million
Value of Prescription Plan Design Changes	\$8.1 million

FY17/FY18 Plan Design changes

Benefit plan reductions

Medical Plan		Current Benefit			New Benefit			Effective Date
		High Option	Low Option	NMHC HMO	High Option	Low Option	NMHC HMO	
Office Visits Primary Care		\$20 copay In- Network (deductible waived) Out-of-Network 30% coinsurance after deductible	\$25 copay In- Network (deductible waived) Out-of-Network 50% coinsurance after deductible	\$15 copay (deductible waived)	\$30 copay In- Network (deductible waived) Out-of-Network 30% coinsurance after deductible	\$35 copay In- Network (deductible waived) Out-of-Network 50% coinsurance after deductible	\$25 copay (deductible waived)	5/1/2017
Office Visits Specialist		\$30 copay In- Network (deductible waived) Out-of-Network 30% coinsurance after deductible	\$35 copay In- Network (deductible waived) Out-of-Network 50% coinsurance after deductible	\$25 copay (deductible waived)	\$50 copay In- Network (deductible waived) Out-of-Network 30% coinsurance after deductible	\$60 copay In- Network (deductible waived) Out-of-Network 50% coinsurance after deductible	\$35 copay (deductible waived)	
Urgent Care		\$50 copay In- Network (deductible waived, Out-of-Network 30% coinsurance after deductible	\$50 copay In- Network (deductible waived) Out-of-Network 50% coinsurance after deductible	\$45 copay (deductible waived)	*\$50 copay In- Network (deductible waived) Out-of-Network 30% coinsurance after deductible	\$60 copay In- Network (deductible waived) Out-of-Network 50% coinsurance after deductible	*\$45 copay (deductible waived)	
Emergency Room		20% coinsurance after deductible	25% coinsurance after deductible	20% coinsurance after deductible	\$150 copay plus 20% coinsurance after deductible	\$150 copay plus 25% coinsurance after deductible	\$150 copay plus 20% coinsurance after deductible	
Rx Copay Changes	Generic	Retail - \$8 Non-Walgreens, \$15 Walgreens; Mail Order - \$22			All participating retail pharmacies (including Walgreens) - \$10 ; Mail Order - \$22			7/1/2017
	Formulary	Retail: 30% (\$25 min/ \$55 max Non-Walgreens); 30% (\$35 min/\$65 max Walgreens); Mail Order: \$55			All participating retail pharmacies (including Walgreens) 30% (\$30 min/\$60 max); Mail Order: \$60			
	Non-Formulary	Retail & Mail Order: 70%			*Retail & Mail Order 70%			
Premium Changes		Visit nmpsia.com to view premium rate sheets			3.98% premium increase – High Option Medical Plan (BCBSNM & Presbyterian) and the HMO Medical Plan (NM Health Connections); 1.82% premium increase – Low Option Medical Plan (BCBSNM & Presbyterian)			10/1/2017

Historical Look

- From July 1, 2009 through June 30, 2017, paid medical/Rx claims PMPM have increased by 5.2% per annum.
- Average medical/Rx revenue PMPM has increased 3.6% per annum (membership is migrating to lower premium plans).
- Average membership has decreased 1.7% per annum

	Med/Rx Claims PMPM	Med/Rx Paid Trend	Med/Rx Expenses PMPM	Total Claims & Expenses PMPM	Total Med/Rx Revenue PMPM ⁽¹⁾	% Change in Revenue PMPM	Med/Rx Revenue less Expenditures
FY2010	\$304.41	N/A	\$20.85	\$325.27	\$336.57	N/A	\$11.30
FY2011	\$325.04	6.8%	\$19.48	\$344.52	\$349.87	4.0%	\$5.35
FY2012	\$336.32	3.5%	\$20.01	\$356.33	\$355.41	1.6%	(\$0.91)
FY2013	\$356.56	6.0%	\$20.23	\$376.79	\$371.06	4.4%	(\$5.73)
FY2014	\$369.69	3.7%	\$20.47	\$390.16	\$394.65	6.4%	\$4.49
FY2015	\$394.02	6.6%	\$25.40	\$419.42	\$403.97	2.4%	(\$15.45)
FY2016	\$438.12	11.2%	\$25.51	\$463.63	\$416.58	3.1%	(\$47.04)
FY2017	\$457.84	4.5%	\$27.02	\$484.86	\$446.11	7.1%	(\$38.76)
Annualized Average		5.2%				3.6%	

(1) Excludes investment income/(loss), prescription rebates, and miscellaneous income.

Medical Cost Drivers

ACA Costs	Catastrophic Claims	Provider Reimbursement Rates	Top Medical Conditions	Vaccine Program
<ul style="list-style-type: none"> • \$5.1 million (FY15-17) • Other Mandates <ul style="list-style-type: none"> • Removed pre-existing conditions • Limits premium increases to remain affordable • Removed plan limitations • Covers children up to 26 – married/unmarried 	<ul style="list-style-type: none"> • 372 Claimants had claims greater than \$100K totaling \$83.8 million in FY17 • 11 claimants with claims greater than \$750K • 3 claimants with claims greater than \$1.0 million 	<ul style="list-style-type: none"> • Challenges with provider reimbursement negotiations, especially in rural communities • Providers attempt to make up for lower Medicare and Medicaid fees 	<ul style="list-style-type: none"> • Inflammatory Conditions • Diabetes • Cancer • Leukemia • Hodgkin’s Disease • Coronary Disease • Cardiovascular Disease • Stroke • Injury and Poisoning • Multiple Sclerosis • Maternity 	<ul style="list-style-type: none"> • \$1.6 million – FY17 • \$1.4 million – FY16 • \$740K – FY15 • Statue requires vaccines for privately insured children to be purchased at retail costs.

Prescription Drug Plan Performance

- Plan Cost PMPM increased \$3.31 (+3.9%) to \$87.23, driven by a increase in overall cost
- Total Member Cost increased 2 percentage points, saving approximately \$1.4M dollars
- Rebates reduced Plan Cost PMPM from \$87.23 to \$68.62 (-21.3%)

Plan Performance			
	7-16 - 6-17	7-15 - 6-16	Change %
AWP	\$116,336,158	\$116,056,287	0.2%
Network & Mail Discount Savings (includes dispensing fees)	-\$55,856,698	-\$57,850,136	-3.4%
Tax	\$27,623	\$28,906	-4.4%
Gross Cost	\$60,507,083	\$58,235,058	3.9%
Member Cost	-\$6,618,041	-\$5,178,967	27.8%
Plan Cost	\$53,888,687	\$53,056,015	1.6%
Rebates*	-\$11,494,116	-\$10,370,628	10.8%
Net Cost	\$42,394,572	\$42,685,387	-0.7%
Member	51,483	52,684	-2.3%
Plan Cost PMPM	\$87.23	\$83.92	3.9%
Net Cost PMPM	\$68.62	\$67.52	1.6%

Prescription Drug Trend Components

- Non-specialty Plan Cost PMPM trend is -3.7%, driven primarily by a decrease in Heartburn/Ulcer Disease
- Inflammatory Conditions was the primary driver in the Specialty PMPM trend increase, contributing \$5.11

	Overall	Non-Specialty	Specialty
Previous Plan Cost PMPM	\$83.92	\$52.07	\$31.85
Utilization	↓ -5.3%	↓ -5.1%	↑ 14.1%
Inflation	↑ 4.8%	↑ 3.1%	↑ 11.2%
Drug Mix	↑ 2.9%	↑ 0.7%	↓ -8.1%
Discount	↑ 3.9%	↑ 2.5%	↓ -1.2%
Cost Share	↓ -2.4%	↓ -4.8%	↑ 0.4%
Change in Plan Cost PMPM	3.9%	-3.7%	16.4%
Current Plan Cost PMPM	\$87.23	\$50.14	\$37.08

Previous Net Cost PMPM	\$67.52
Change in Net Cost PMPM	1.6%
Current Net Cost PMPM	\$68.62

Top 10 Indications

- The largest financially impactful change was in Inflammatory Conditions driving \$3.0M in cost from a 50.7% increase in PMPM
- The highest trend is in Inflammatory Conditions at 50.7%, contributing an additional \$5.12 to PMPM

Indication	Rxs	Patients	Plan Cost
DIABETES	48,691	4,284	\$10,426,389
INFLAMMATORY CONDITIONS	2,792	424	\$9,401,285
CANCER	3,244	527	\$3,794,112
MULTIPLE SCLEROSIS	409	52	\$2,909,329
ASTHMA	23,985	6,863	\$2,157,690
HEMOPHILIA	35	6	\$1,756,888
HEPATITIS C	59	18	\$1,349,763
PAIN/INFLAMMATION	49,704	13,571	\$1,243,812
HIV	469	66	\$1,184,425
DIAGNOSTIC AIDS	6,792	1,745	\$991,494
Total Top 10:	136,180		\$35,215,187

**Top 10 Indications Represent
65.3%
Of Total Plan Cost**

Top 25 Drugs

Brand Name	Indication	Rxs	Pts.	Plan Cost
HUMIRA PEN*	INFLAMMATORY CONDITIONS	608	103	\$3,488,519
ENBREL*	INFLAMMATORY CONDITIONS	454	77	\$2,399,339
LANTUS SOLOSTAR	DIABETES	2,359	445	\$1,232,566
HUMALOG	DIABETES	1,427	245	\$1,066,521
JANUVIA	DIABETES	2,337	382	\$1,013,737
HUMALOG KWIKPEN U-100	DIABETES	1,359	305	\$1,012,250
HUMIRA*	INFLAMMATORY CONDITIONS	174	34	\$988,091
TRULICITY	DIABETES	1,223	186	\$931,516
IDELVION*	HEMOPHILIA	6	1	\$915,249
ONETOUCH ULTRA TEST STRIPS	DIAGNOSTIC AIDS	4,752	1,248	\$685,159
LEVEMIR FLEXTOUCH	DIABETES	1,070	195	\$643,782
TECFIDERA*	MULTIPLE SCLEROSIS	70	9	\$605,437
AUBAGIO*	MULTIPLE SCLEROSIS	92	11	\$555,617
SYMBICORT	ASTHMA	1,485	501	\$493,213
HARVONI*	HEPATITIS C	15	6	\$472,498
LANTUS	DIABETES	968	178	\$453,934
EPCLUSA*	HEPATITIS C	17	6	\$419,684
XYNTHA SOLOFUSE*	HEMOPHILIA	10	2	\$417,786
XELJANZ*	INFLAMMATORY CONDITIONS	100	14	\$416,356
VIAGRA	IMPOTENCE	1,122	303	\$412,775
COPAXONE*	MULTIPLE SCLEROSIS	60	11	\$408,334
IMBRUVICA*	CANCER	42	5	\$401,640
IBRANCE*	CANCER	35	6	\$389,655
INVOKANA	DIABETES	796	151	\$381,474
GILENYA*	MULTIPLE SCLEROSIS	38	6	\$372,919
Total Top 25:		20,619		\$20,578,051

**Top 25 Drugs Represent
38.2%
Of Total Plan Cost**

**59.5%
Of Top 25 Drugs
Are Specialty Drugs**

**1 Member With
Drug Spend Of
Over \$2.0 Million
Annually**

Clinical Savings and Rx Programs

Utilization Management	Plan Cost Savings	Plan Cost Savings PMPM	Program Description
Prior Authorization	\$2,486,821	\$4.02	A review of the indication and other pertinent information is performed to confirm that products are covered only when clinical criteria are met.
Drug Quantity Management	\$1,705,886	\$2.76	Review claims and allow FDA approved quantities
Step Therapy/PSM	\$1,710,996	\$2.77	Promote lower cost first line agents before more expensive brand name products.
Estimated Program Fees	(\$463,788)	(\$0.75)	Estimated Fees
Total Plan Cost Savings \$5,439,915 or \$8.80 PMPM (Net of Estimated Program Fees)			

Rx Programs

Rx Programs	Description of Program
Inflammatory Conditions Care Value Program	Indication-level management and extensive clinical documentation, and early discontinuation reimbursement guarantee
Market Events Protection Program	Quicker formulary changes when prices leading to faster savings
Hepatitis Cure Value Program	Lowered the cost of a cure and implemented cost guarantee and cap
Cholesterol Care Value Program	Avoiding up to 90% of the plan cost increases in this therapy class
Oncology Care Value Program	Aligning cost with efficacy for selected oncology drugs
Inflation Protection Program For Brand Name Drugs	Inflation protection guarantee
Fraud Waste and Abuse Program	Identifies outliers, flags suspicious activity, gather evidence, investigate, intervention by restricting certain members to one pharmacy for substance abuse medications (opioids, ADHD, sleep, anxiety, muscle relaxers, anticonvulsants)
Multiple Sclerosis Care Value Program	Drives member adherence and includes a discontinuation guarantee if member discontinues treatment in the first three months
RationalMed Safety Protection Program	Identifies patients at risk – alerts physicians of health and safety issues
Mobile Adherence App – Pilot Program	Improve adherence for members with diabetes, hypertension, and blood cholesterol
Therapeutic Resource Centers	Member education and helps with member adherence



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Questions???