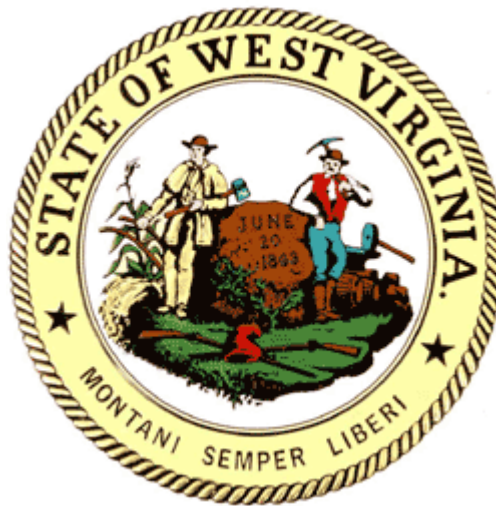




CCRC
Actuaries, LLC

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

Fiscal Year 2010

Detailed Medical and Prescription Drug Claim Trend Report

August 2010

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West Virginia Public Employees Insurance Agency Report of Independent Actuary

Fiscal Year 2010 Detailed Medical & Prescription Drug Claim Trend Report

OVERVIEW

CCRC Actuaries, LLC (“CCRC Actuaries”) was engaged by the West Virginia Public Employees Insurance Agency (“PEIA”) to assist the Finance Board in the monitoring of plan experience for fiscal year ending June 30, 2010 on a quarterly basis and the forecasting of Fiscal Years 2011 through 2015. This annual report to the Finance Board serves as the basis for projecting medical and drug claims into Fiscal Year 2011 and beyond. This report is intended for the sole use of the Finance Board, and any other use requires written approval by CCRC Actuaries.

CCRC Actuaries has collected and reviewed the medical and drug claims experience using Non-Medicare claims incurred and paid through July 2010. It should be noted that effective July 1, 2007, PEIA has contracted with Coventry Health Care, Inc. to provide Medicare Advantage/Prescription Drug (MAPD) Benefits to Medicare-eligible retired employees and dependents. Under this arrangement, Coventry Health Care, Inc. has assumed the financial risk of providing comprehensive medical and prescription drug coverage with limited copayments. Coventry health Care, Inc. was subsequently replaced by Humana Health Care. CCRC Actuaries has not reviewed the Medicare claims experience in this report.

Since July 1, 2000, Wells Fargo has been the administrator of the plan’s medical claims and has provided reports for both medical and prescription drug claims. The analysis utilized claim data supplied from Wells Fargo as a primary source of claims data for this report and PEIA provided enrollment information.

Trends were developed by category for the 24-month, 36-month and the 48-month credible periods ending May 2010. Our analysis for medical claims do not include incurred claims for the months after May 2010, since the claim experience for these months is largely non-credible with substantial reserves as part of the projected monthly incurred amount. The claim information supplied by Wells Fargo for the purposes of this analysis was compared to PEIA’s general ledger system to ensure accuracy of aggregate reporting. In an effort to assure accuracy, the claim information provided by Wells Fargo and used in this analysis was reconciled and balanced to the PEIA general ledger amounts.

KEY FINDINGS

- The three methodologies resulted in remarkably similar results, and we chose the 24 month as the methodology that is most likely to produce accurate future trends. The overall medical trend decreased from 5.1% last year to 4.4% in Fiscal Year 2010 using a 24-month study period. Using the 24-month analysis, PEIA experienced a 2.5% utilization increase and a 1.8% unit cost increase, resulting in an aggregate trend of 4.4%. The 36-month and 48-month overall show similar trends due to the favorable experience in the previous fiscal years to the 24-month analysis.

These results compare favorably to the 24-month trends calculated in Fiscal Years 2002 through 2009.

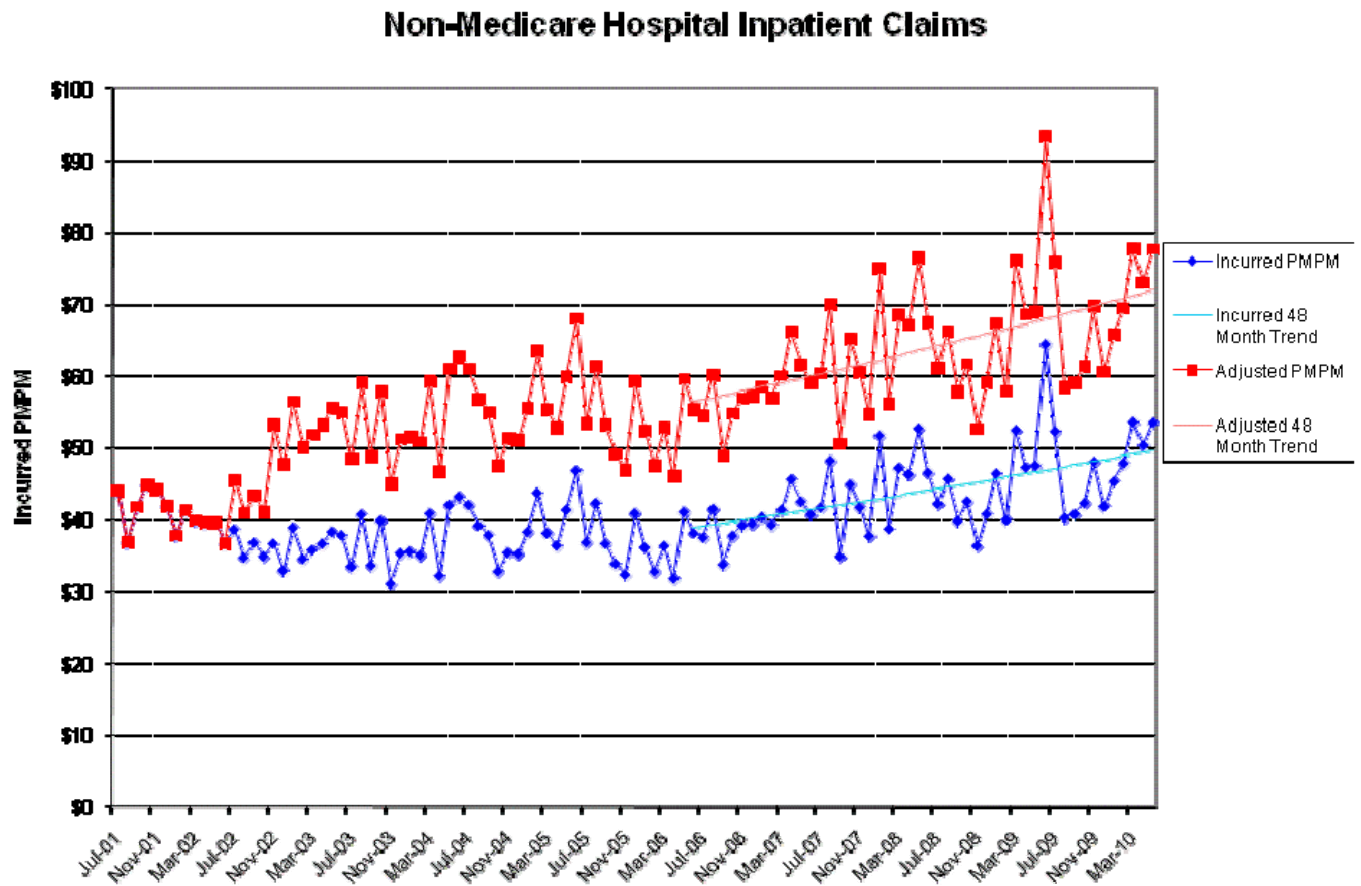
West Virginia PEIA Non-Medicare Total 24-Month Trend Analysis			
	<u>Utilization</u>	<u>Cost/Service</u>	<u>Total Trend</u>
2002	4.1%	3.6%	7.8%
2003	9.8%	-3.0%	6.5%
2004	11.7%	-6.8%	4.0%
2005	2.8%	-1.1%	1.7%
2006	2.9%	1.0%	4.0%
2007	7.2%	-2.0%	5.1%
2008	2.9%	3.9%	6.9%
2009	2.5%	2.6%	5.1%
2010	2.5%	1.8%	4.4%

- Fiscal Year 2010 Public Employees Insurance Agency and Retiree Health Benefit Trust Fund (RHBT) detail trends are shown in the following table:

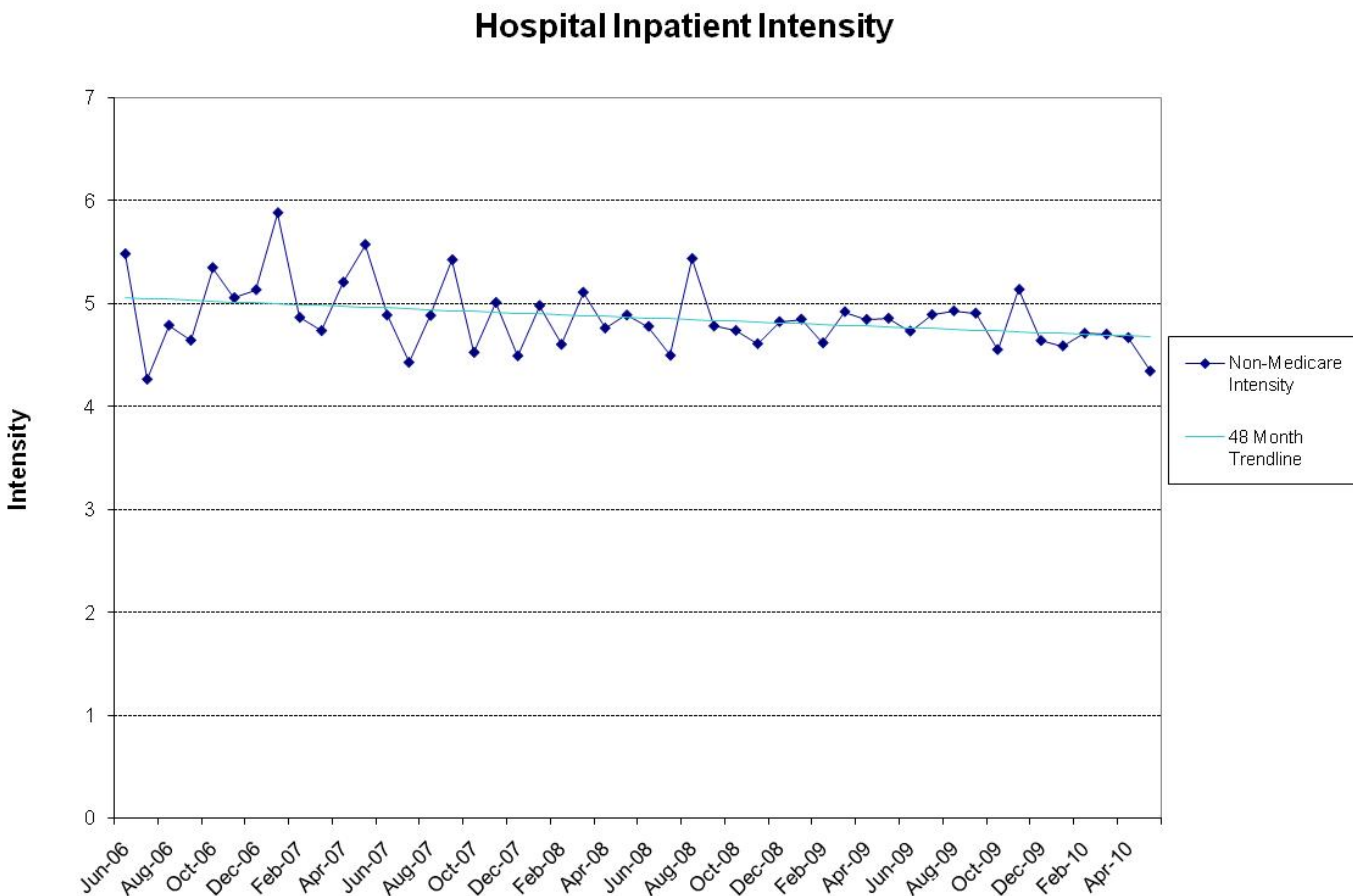
Fiscal Year 2010 Claim Type	Medical	Drugs
PEIA – Active Local	5.2%	6.8%
<u>PEIA – State</u>	<u>4.2%</u>	<u>8.3%</u>
PEIA – Total	4.4%	8.1%
RHBT – Non-Medicare	2.5%	6.6%
Grand Total	4.1%	7.9%

- Hospital Inpatient services represent approximately 20% of all medical services and experienced the largest of the broader claim categories increase with a total trend of 9.3%. This increase was caused by a 4.9% increase in utilization and a 4.1% increase in unit cost.
- Hospital Outpatient services represent approximately 30% of all medical services and experienced the third largest of the broader claim categories increase with a total trend of 5.9%. This increase was caused by a 2.9% increase in utilization and a 2.9% increase in unit cost.
- Physician services represent approximately 47% of all medical services and experienced the lowest increase of the broader claim categories with a trend of 1.2%. This increase was a result of a 1.0% increase in utilization of these services and a 0.3% increase in unit cost.
- Other services, which are services that are principally Durable Medical Services and Ambulance, represent approximately 3% of all medical services and experienced the second largest increase of the broader claim categories with a total trend of 7.0%. This increase was caused by a 7.6% increase in utilization of these services and a 0.6% reduction in unit cost.
- Overall, Out-of-State services show higher trends for Non-Medicare coverages in 36-month and 48-month analysis, with higher utilization and cost per service increases for services provided out of state. A comparison of Non-Medicare medical trends for In-State claims versus Out-of-State claims over the 48-month period analysis reveals an aggregate In-State trend of 4.3% and an Out-of-State trend of 6.6%. For Out-of-State, both the utilization and the cost per service increases have been higher. For Out-of-State, the utilization for Non-Medicare trend was a 1.9%, while the In-State was a 1.6%. For Out-of-State, the cost per service for Non-Medicare trend was a 4.6%, while the In-State was a 2.7%. The Out-of-State cost per service increase was fairly consistent for the major categories of Hospital Inpatient and Hospital Outpatient.
- It should be noted that as of January 1, 2010, PEIA will follow the CMS guidelines and PEIA will not reimburse for consultations under Physician Services.

- The PEIA/Medicaid Hospital Bill resulted in a one-time 31% reduction in unit hospital cost in FY 2003. The red line in the chart below shows the expected impact if there was no PEIA/Medicaid Hospital Bill.



- A component of the cost per service trend for hospital inpatient is the length of stay, or intensity. Over the 48-month analysis, the intensity for Non-Medicare hospital stays has a trend of –2.0%, compared to –2.8% last year.



The table below presents the Non-Medicare Hospital Inpatient trend using the intensity breakdown.

West Virginia PEIA Non-Medicare Hospital Inpatient Trend Analysis			
	<u>24-Month</u>	<u>36-Month</u>	<u>48-Month</u>
Visits	8.4%	4.7%	3.1%
Intensity	-2.2%	-1.2%	-2.0%
<u>Cost/Day</u>	<u>6.1%</u>	<u>4.5%</u>	<u>7.0%</u>
Total	12.5%	8.1%	8.2%

KEY FINDINGS - DRUG

- Overall, prescription drugs trends for Non-Medicare coverages have increased steadily. Using the 24-month analysis, we observe a 3.1% utilization increase and a 4.9% prescription cost increase, resulting in an aggregate trend of 8.1%. The 24-month overall trend is higher than the 36-month and 48-month analysis.

West Virginia PEIA Prescription Drugs Total 24-Month Trend Analysis			
	<u>Utilization</u>	<u>Cost/Prescription</u>	<u>Total Trend</u>
FY 2010	3.1%	4.9%	8.1%

METHODOLOGY

Wells Fargo provided allowed and paid claim information for Non-Medicare and Medicare eligibility from July 2001 through July 2010. This data set was analyzed on Non-Medicare claims that were incurred from June 2006 through May 2010 for the 48-month credible period. This claim data was consolidated into 25 categories for Hospital Inpatient, Hospital Outpatient, Physician Services and Other. In addition, claim experience was analyzed based on the state of service as defined by Wells Fargo. Wells Fargo provides the information based on the location that the service was performed, rather than the billing location of the provider. CCRC Actuaries verified that the Wells Fargo information balanced in total to previously produced claim lag reports that PEIA personnel have balanced to the PEIA ledger accounts.

The trend analysis includes assumptions with respect to the completeness of the claim information to reflect and adjust for unreported claims. There was no adjustment to reflect the various reductions and changes in benefit design as affected by the Finance Board over the analysis period, such as the reduction in hospital inpatient reimbursement rates. In developing aggregate claim trends, individual claim categories were weighted by claims paid for each category over the last 24, 36 and 48 months, respectively depending on the analysis. The following chart summarizes the amount of allowed dollars by category for each paid fiscal year.

The calculated trends for utilization, unit cost and in aggregate were based on a least squares methodology in defining the regression trend line. We manually adjusted these trend lines where the results appeared to be less credible.

Consistent with prior reports, the trends published in this report for Non-Medicare medical claims are based on the allowed amount in order to neutralize the impact of deductibles and copayments that have a varying impact on paid amounts depending on the month of the year. Paid claim trends are higher over the study period, since cost-sharing provisions of the plan have essentially been unchanged over the four years period.

The trends published in this report for Non-Medicare drug claims are based on the paid amount because the allowed amount is less reflective of PEIA's liability since the Medicare program is primary.

A summary of the Non-Medicare data provided by Wells Fargo by Hospital Inpatient (HI), Hospital Outpatient (HO), Physician Services (PS), and Other Services (O) is detailed below.

<u>Non-Medicare Claims</u>	<u>12 months ending May 2007</u>	<u>12 months ending May 2008</u>	<u>12 months ending May 2009</u>	<u>12 months ending May 2010</u>
Hospital Inpatient	\$74,527,968	\$83,382,306	\$84,633,699	\$89,693,509
Hospital Outpatient	105,987,885	117,660,318	128,397,033	135,139,014
Physician Services	186,478,948	195,732,462	204,043,158	206,384,419
<u>Other Services</u>	<u>9,180,641</u>	<u>9,957,391</u>	<u>11,451,471</u>	<u>12,028,275</u>
Total	\$376,175,442	\$406,732,477	\$428,525,361	\$443,245,216

Certain categories in the data provided by Wells Fargo were consolidated to provide the following summary table for Non-Medicare claims.

<u>Non-Medicare Claims</u>	<u>June 2006 to May 2007</u>	<u>June 2007 to May 2008</u>	<u>June 2008 to May 2009</u>	<u>June 2009 to May 2010</u>
HI Maternity	\$2,405,888	\$2,318,827	\$2,337,906	\$2,474,127
HI Medical/Surgical	69,846,015	79,092,410	79,500,559	84,540,984
HI Psychiatric/Substance Abuse	2,276,065	1,971,070	2,795,234	2,678,398
HO Emergency Room	15,627,473	17,231,614	19,703,026	20,673,892
HO Medical/Surgical	50,635,856	54,099,837	59,567,811	65,165,167
HO Other Services	39,037,636	45,542,761	48,123,466	48,218,988
HO Psychiatric/Substance Abuse	686,920	786,106	1,002,730	1,080,966
PS Anesthesia	8,865,484	9,566,774	9,671,849	9,886,321
PS Chemotherapy/Radiation	4,964,747	5,223,464	4,983,936	4,223,135
PS Consultations	6,379,688	6,562,974	6,854,448	4,404,041
PS Emergency Room	4,236,511	4,664,333	4,897,422	5,237,547
PS Immunizations/Allergy	4,719,730	5,368,313	5,444,669	5,385,225
PS Inpatient Surgery	9,577,124	10,460,757	9,937,300	9,723,195
PS Inpatient Visits	5,511,513	5,457,409	5,524,402	5,862,889
PS Lab & Pathology	12,694,194	13,149,400	14,208,790	14,980,013
PS Maternity	3,181,824	3,153,778	3,038,814	2,980,094
PS Office Visits	47,632,743	50,442,142	53,103,995	58,064,902
PS Other Services	31,925,822	32,858,076	36,157,997	36,792,054
PS Outpatient Surgery	14,991,834	15,285,421	15,776,641	16,212,912
PS Psychiatric/Substance Abuse	7,028,330	7,097,119	7,513,979	8,100,624
PS Radiology	19,811,311	21,047,310	21,050,346	18,126,485
PS Therapy/Rehab	4,958,093	5,395,192	5,878,570	6,404,981
O Ambulance	2,173,122	2,397,138	2,581,155	3,033,260
O Durable Medical Equipment	5,043,688	5,278,263	6,284,717	6,476,947
O Other Services	1,963,831	2,281,990	2,585,599	2,518,067

COMPARISON (PAID VS. ALLOWED)

The trend analysis has been developed throughout the report on an allowed basis for Non-Medicare claims to neutralize the impact of deductibles and co-payments that have a varying impact on paid amounts depending on the month of the year. The employees' annual deductible and cost sharing have not changed over the last five years. This has ultimately increased the paid trend that faces PEIA.

We have examined the trends utilizing paid claims as opposed to allowed claims. The following table summarizes the trends on a paid basis for the Fiscal Years 2007 through 2010 and on an allowed basis for Non-Medicare medical claims. This exercise is important since interim trend updates throughout the years are based on a paid basis.

West Virginia PEIA Non-Medicare Medical Total Trend Analysis		
	<u>Paid Basis</u>	<u>Allowed Basis</u>
24-Month Trend	1.6%	4.4%
36-Month Trend	3.0%	4.4%
48-Month Trend	4.6%	4.9%

The calculated trends for utilization, unit cost and in aggregate were based on a least squares methodology in defining the regression trend line. We manually adjusted these trend lines where the results appeared to be less credible.

SUMMARY

The tables and sections that follow summarize the information and findings of the trend analysis. The tables and charts on the next several pages include separate analysis of utilization and unit cost trends for Non-Medicare coverages. The charts show the breakdown between the different study periods and for In-State and Out-of-State charges

Recent experience has shown that the Non-Medicare medical claim trends are slightly lower than the current trend assumption for FY 2011 of 6.5%. Consequently, at this time we believe it is prudent and appropriate to decrease the FY 2011 trend assumptions for Non-Medicare medical to 5.5%.

Recent experience has shown that Non-Medicare drug claim trends are significantly lower than the current trend assumption of 11.5%. At this time we believe it is prudent and appropriate to reduce the current trend assumptions for Non-Medicare drug to 9.0%.

Both changes are shown in the following chart.

	<i>Fiscal Year 2011 Trends</i>		
Claim Type	Previous Assumption	Updated Assumption	Change
Non-Medicare – Medical	6.5%	5.5%	-1.0%
Non-Medicare – Prescription Drugs	11.5%	9.0%	-2.5%

In the past claim trends for the financial plan included a 0.5% margin in future years. The financial projection for medical claims will continue this practice. With respect to prescription drugs, we are going to modify this approach to reflect the relatively high patent expirations scheduled in CY 2012 and 2013. Major expirations include Actos, Crestor, Diovan, Singular, and Effexor. The updated trend assumptions for prescription drugs will be 9.0% in FY 2011 and 2012, and 9.5% in the subsequent fiscal years.

We will continue to monitor the claim trend experience and incorporate changes as necessary throughout the fiscal year based on the relatively volatile nature of recent trend experience at PEIA.

Respectfully,



Dave Bond, F.S.A., M.A.A.A.
Managing Partner



Bradley Paulis
Reviewing Partner

West Virginia PEIA Non-Medicare Total Study Period of June 2006 to May 2010

Trends Summary - Excludes Drugs

	24 Month Trends Summary				36 Month Trends Summary				48 Month Trends Summary			
	Utilization	Cost / Service	Total Trend	Weight	Utilization	Cost / Service	Total Trend	Weight	Utilization	Cost / Service	Total Trend	Weight
HOSPITAL INPATIENT												
Maternity	12.5%	-1.2%	11.1%	0.6%	6.1%	0.2%	6.3%	0.6%	2.7%	-0.5%	2.2%	0.6%
Medical / Surgical	4.3%	4.5%	9.0%	18.8%	1.6%	3.5%	5.2%	19.0%	1.1%	5.2%	6.4%	18.9%
Psychiatric / Substance Abuse	16.5%	-0.9%	15.4%	0.6%	9.1%	10.8%	21.0%	0.6%	-1.0%	10.8%	9.7%	0.6%
TOTAL	4.9%	4.1%	9.3%	20.0%	2.0%	3.7%	5.7%	20.2%	1.1%	5.2%	6.4%	20.1%
HOSPITAL OUTPATIENT												
Emergency Room	3.7%	3.1%	6.9%	4.6%	1.6%	7.5%	9.2%	4.5%	1.9%	7.4%	9.4%	4.4%
Medical / Surgical	3.8%	5.1%	9.0%	14.3%	2.6%	5.8%	8.5%	14.0%	1.0%	6.3%	7.4%	13.9%
Other Services	1.5%	-0.1%	1.4%	11.1%	1.4%	1.6%	3.0%	11.1%	1.6%	4.3%	6.0%	10.9%
Psychiatric / Substance Abuse	-1.9%	4.2%	2.2%	0.2%	1.9%	12.1%	14.2%	0.2%	1.3%	13.0%	14.5%	0.2%
TOTAL	2.9%	2.9%	5.9%	30.2%	2.0%	4.5%	6.6%	29.8%	1.4%	5.8%	7.2%	29.4%
PHYSICIAN SERVICES												
Anesthesia	4.2%	-5.0%	-1.0%	2.2%	3.3%	-3.3%	-0.2%	2.3%	3.1%	-1.2%	1.9%	2.3%
Chemotherapy / Radiation	-14.5%	-2.2%	-16.4%	1.1%	-13.1%	1.3%	-11.9%	1.1%	-7.6%	1.8%	-6.0%	1.2%
Consultations	-37.0%	19.1%	-24.9%	1.3%	-18.4%	9.5%	-10.7%	1.4%	-11.0%	6.0%	-5.6%	1.5%
Emergency Room	4.7%	3.6%	8.4%	1.2%	2.1%	3.8%	6.0%	1.2%	2.0%	4.4%	6.6%	1.2%
Immunizations / Injections / Allergy	-10.8%	-2.3%	-12.8%	1.2%	-1.9%	-4.8%	-6.6%	1.3%	3.8%	-3.5%	0.2%	1.3%
Inpatient Surgery	-0.1%	-6.0%	-6.0%	2.3%	-1.3%	-3.8%	-5.0%	2.4%	0.5%	-1.8%	-1.4%	2.4%
Inpatient Visits	11.8%	-1.9%	9.7%	1.3%	5.6%	-0.4%	5.2%	1.3%	2.6%	-0.4%	2.3%	1.4%
Lab & Pathology	5.3%	-0.6%	4.6%	3.3%	4.5%	1.1%	5.6%	3.3%	3.5%	1.2%	4.8%	3.3%
Maternity	-2.5%	-4.4%	-6.8%	0.7%	0.6%	-4.8%	-4.2%	0.7%	-1.3%	-2.0%	-3.3%	0.7%
Office Visits	7.0%	3.9%	11.2%	12.8%	4.4%	3.0%	7.5%	12.6%	2.9%	3.4%	6.3%	12.6%
Other Services	-1.7%	2.4%	0.7%	8.4%	0.1%	4.1%	4.2%	8.3%	0.9%	3.0%	3.9%	8.3%
Outpatient Surgery	-0.8%	1.0%	0.2%	3.7%	1.6%	-0.4%	1.2%	3.7%	1.5%	-0.4%	1.1%	3.8%
Psychiatric / Substance Abuse	4.7%	2.3%	7.2%	1.8%	4.0%	1.8%	5.9%	1.8%	3.3%	0.7%	4.1%	1.8%
Radiology	-1.9%	-14.1%	-15.7%	4.5%	0.3%	-8.6%	-8.4%	4.7%	1.7%	-5.4%	-3.8%	4.8%
Therapies	3.0%	4.1%	7.2%	1.4%	4.5%	3.0%	7.6%	1.4%	4.1%	3.3%	7.4%	1.4%
TOTAL	1.0%	0.3%	1.2%	47.1%	1.3%	0.7%	2.1%	47.4%	1.5%	1.1%	2.6%	47.9%
OTHER												
Ambulance	4.2%	4.7%	9.0%	0.6%	0.6%	9.9%	10.5%	0.6%	2.7%	7.4%	10.3%	0.6%
Appliances (DME)	12.9%	-4.4%	7.8%	1.5%	11.6%	-0.4%	11.1%	1.4%	11.4%	-1.5%	9.7%	1.4%
Other Services	-1.7%	3.2%	1.4%	0.6%	1.8%	4.0%	6.0%	0.6%	4.9%	3.7%	8.9%	0.6%
TOTAL	7.6%	-0.6%	7.0%	2.7%	6.8%	3.0%	10.0%	2.6%	7.9%	1.8%	9.8%	2.6%
GRAND TOTAL	2.5%	1.8%	4.4%	100.0%	1.8%	2.5%	4.4%	100.0%	1.6%	3.3%	4.9%	100.0%

West Virginia PEIA Non-Medicare Total
Study Period of June 2008 to May 2010
24 Month Trends Summary - Excludes Drugs

	In State			Out of State			Total			In State	Out of State	Total
	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Weight	Weight	Weight
HOSPITAL INPATIENT												
Maternity	11.3%	-2.2%	8.8%	23.8%	-9.0%	12.7%	12.5%	-1.2%	11.1%	0.5%	0.6%	0.6%
Medical / Surgical	5.8%	7.5%	13.7%	-3.7%	9.7%	5.7%	4.3%	4.5%	9.0%	12.5%	35.4%	18.8%
Psychiatric / Substance Abuse	19.2%	19.1%	42.0%	12.7%	-16.2%	-5.6%	16.5%	-0.9%	15.4%	0.6%	0.7%	0.6%
TOTAL	6.6%	7.6%	14.7%	-2.9%	8.9%	5.8%	4.9%	4.1%	9.3%	13.6%	36.8%	20.0%
HOSPITAL OUTPATIENT												
Emergency Room	4.5%	4.3%	9.0%	-4.3%	3.0%	-1.4%	3.7%	3.1%	6.9%	5.1%	3.2%	4.6%
Medical / Surgical	1.2%	7.4%	8.7%	23.7%	-10.6%	10.6%	3.8%	5.1%	9.0%	13.9%	14.2%	14.3%
Other Services	1.4%	0.6%	2.1%	2.3%	-2.7%	-0.5%	1.5%	-0.1%	1.4%	11.4%	10.1%	11.1%
Psychiatric / Substance Abuse	-15.6%	12.9%	-4.8%	79.6%	-38.7%	10.0%	-1.9%	4.2%	2.2%	0.2%	0.4%	0.2%
TOTAL	1.7%	4.4%	6.2%	13.5%	-6.5%	6.1%	2.9%	2.9%	5.9%	30.6%	27.9%	30.2%
PHYSICIAN SERVICES												
Anesthesia	4.4%	-4.1%	0.1%	2.9%	-7.4%	-4.7%	4.2%	-5.0%	-1.0%	2.5%	1.8%	2.2%
Chemotherapy / Radiation	-14.1%	-2.8%	-16.5%	-16.2%	2.1%	-14.4%	-14.5%	-2.2%	-16.4%	1.2%	1.0%	1.1%
Consultations	-39.3%	-9.3%	-45.0%	-17.1%	6.4%	-11.8%	-37.0%	19.1%	-24.9%	1.6%	0.9%	1.3%
Emergency Room	5.7%	2.2%	8.1%	-6.9%	19.4%	11.2%	4.7%	3.6%	8.4%	1.4%	0.6%	1.2%
Immunizations / Injections / Allergy	-10.6%	-2.9%	-13.2%	-14.0%	5.1%	-9.6%	-10.8%	-2.3%	-12.8%	1.6%	0.4%	1.2%
Inpatient Surgery	2.1%	-5.0%	-3.0%	-9.2%	-4.1%	-13.0%	-0.1%	-6.0%	-6.0%	2.2%	2.6%	2.3%
Inpatient Visits	12.1%	2.8%	15.2%	10.3%	-17.7%	-9.2%	11.8%	-1.9%	9.7%	1.4%	1.0%	1.3%
Lab & Pathology	15.1%	0.5%	15.7%	-12.4%	3.9%	-9.0%	5.3%	-0.6%	4.6%	2.7%	5.2%	3.3%
Maternity	-2.5%	-5.8%	-8.1%	-2.5%	3.1%	0.6%	-2.5%	-4.4%	-6.8%	0.9%	0.3%	0.7%
Office Visits	7.5%	4.0%	11.8%	1.2%	4.3%	5.5%	7.0%	3.9%	11.2%	15.8%	4.4%	12.8%
Other Services	-1.2%	0.5%	-0.7%	-6.0%	13.8%	6.9%	-1.7%	2.4%	0.7%	9.2%	6.3%	8.4%
Outpatient Surgery	-1.1%	0.0%	-1.1%	2.0%	2.9%	4.9%	-0.8%	1.0%	0.2%	4.0%	2.9%	3.7%
Psychiatric / Substance Abuse	3.6%	2.6%	6.3%	14.9%	1.3%	16.4%	4.7%	2.3%	7.2%	2.3%	0.6%	1.8%
Radiology	-1.1%	-13.3%	-14.3%	-7.4%	-14.3%	-20.6%	-1.9%	-14.1%	-15.7%	5.0%	3.6%	4.5%
Therapies	3.2%	4.7%	8.1%	-1.1%	-4.9%	-5.9%	3.0%	4.1%	7.2%	1.8%	0.3%	1.4%
TOTAL	1.8%	-0.5%	1.3%	-5.1%	2.0%	-3.2%	1.0%	0.3%	1.2%	53.4%	31.9%	47.1%
OTHER												
Ambulance	4.4%	3.2%	7.7%	1.1%	7.9%	9.1%	4.2%	4.7%	9.0%	0.6%	0.7%	0.6%
Appliances (DME)	8.8%	-1.3%	7.4%	33.1%	-21.4%	4.6%	12.9%	-4.4%	7.8%	1.2%	2.1%	1.5%
Other Services	-1.6%	-5.4%	-6.9%	-2.5%	24.8%	21.6%	-1.7%	3.2%	1.4%	0.6%	0.7%	0.6%
TOTAL	5.2%	-1.1%	4.0%	19.7%	-6.5%	11.9%	7.6%	-0.6%	7.0%	2.4%	3.5%	2.7%
GRAND TOTAL	2.5%	2.1%	4.7%	1.7%	1.9%	3.6%	2.5%	1.8%	4.4%	100.0%	100.0%	100.0%

West Virginia PEIA Non-Medicare Total
Study Period of June 2007 to May 2010
36 Month Trends Summary - Excludes Drugs

	In State			Out of State			Total			In State	Out of State	Total
	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Weight	Weight	Weight
HOSPITAL INPATIENT												
Maternity	6.2%	-0.7%	5.5%	5.0%	3.1%	8.3%	6.1%	0.2%	6.3%	0.5%	0.6%	0.6%
Medical / Surgical	2.2%	5.4%	7.7%	-1.4%	7.2%	5.7%	1.6%	3.5%	5.2%	12.5%	36.1%	19.0%
Psychiatric / Substance Abuse	6.0%	15.1%	22.1%	20.1%	-1.1%	18.8%	9.1%	10.8%	21.0%	0.6%	0.6%	0.6%
TOTAL	2.5%	5.6%	8.2%	-0.9%	7.0%	6.0%	2.0%	3.7%	5.7%	13.6%	37.3%	20.2%
HOSPITAL OUTPATIENT												
Emergency Room	1.8%	7.6%	9.4%	-0.5%	8.7%	8.2%	1.6%	7.5%	9.2%	5.1%	3.1%	4.5%
Medical / Surgical	1.5%	8.3%	9.9%	11.3%	-4.1%	6.8%	2.6%	5.8%	8.5%	13.9%	14.2%	14.0%
Other Services	1.3%	2.4%	3.8%	2.0%	-0.9%	1.1%	1.4%	1.6%	3.0%	11.4%	10.2%	11.1%
Psychiatric / Substance Abuse	-9.3%	13.3%	2.8%	61.3%	-12.0%	41.9%	1.9%	12.1%	14.2%	0.2%	0.3%	0.2%
TOTAL	1.4%	6.0%	7.5%	7.2%	-1.6%	5.5%	2.0%	4.5%	6.6%	30.6%	27.7%	29.8%
PHYSICIAN SERVICES												
Anesthesia	3.7%	-2.6%	1.0%	0.0%	-4.3%	-4.3%	3.3%	-3.3%	-0.2%	2.5%	1.8%	2.3%
Chemotherapy / Radiation	-15.9%	0.9%	-15.1%	0.6%	-2.6%	-2.0%	-13.1%	1.3%	-11.9%	1.2%	1.0%	1.1%
Consultations	-19.8%	-4.2%	-23.2%	-7.5%	4.2%	-3.6%	-18.4%	9.5%	-10.7%	1.6%	0.9%	1.4%
Emergency Room	2.4%	2.2%	4.7%	-2.3%	19.3%	16.5%	2.1%	3.8%	6.0%	1.4%	0.5%	1.2%
Immunizations / Injections / Allergy	-1.7%	-5.4%	-7.0%	-3.7%	0.7%	-3.0%	-1.9%	-4.8%	-6.6%	1.6%	0.5%	1.3%
Inpatient Surgery	-0.3%	-2.8%	-3.1%	-5.2%	-4.1%	-9.1%	-1.3%	-3.8%	-5.0%	2.2%	2.8%	2.4%
Inpatient Visits	5.2%	1.5%	6.9%	7.4%	-7.0%	-0.1%	5.6%	-0.4%	5.2%	1.4%	1.0%	1.3%
Lab & Pathology	6.3%	1.1%	7.4%	1.0%	1.8%	2.7%	4.5%	1.1%	5.6%	2.7%	5.0%	3.3%
Maternity	0.0%	-4.2%	-4.3%	5.3%	-11.9%	-7.3%	0.6%	-4.8%	-4.2%	0.9%	0.3%	0.7%
Office Visits	4.7%	3.0%	7.8%	1.0%	3.5%	4.6%	4.4%	3.0%	7.5%	15.8%	4.4%	12.6%
Other Services	0.4%	2.1%	2.5%	-2.0%	14.4%	12.1%	0.1%	4.1%	4.2%	9.2%	6.0%	8.3%
Outpatient Surgery	1.6%	-0.7%	0.9%	1.8%	0.6%	2.4%	1.6%	-0.4%	1.2%	4.0%	2.9%	3.7%
Psychiatric / Substance Abuse	2.8%	2.1%	5.0%	17.1%	0.2%	17.3%	4.0%	1.8%	5.9%	2.3%	0.5%	1.8%
Radiology	0.6%	-8.1%	-7.5%	-2.1%	-9.6%	-11.5%	0.3%	-8.6%	-8.4%	5.0%	3.8%	4.7%
Therapies	4.7%	3.5%	8.4%	0.9%	-4.5%	-3.7%	4.5%	3.0%	7.6%	1.8%	0.3%	1.4%
TOTAL	1.6%	0.2%	1.8%	-0.3%	1.7%	1.4%	1.3%	0.7%	2.1%	53.4%	31.8%	47.4%
OTHER												
Ambulance	0.6%	5.4%	6.0%	0.9%	20.9%	22.0%	0.6%	9.9%	10.5%	0.6%	0.6%	0.6%
Appliances (DME)	8.8%	-0.4%	8.4%	26.7%	-7.5%	17.1%	11.6%	-0.4%	11.1%	1.2%	1.9%	1.4%
Other Services	1.0%	-3.0%	-2.0%	6.8%	20.8%	29.1%	1.8%	4.0%	6.0%	0.6%	0.6%	0.6%
TOTAL	4.8%	0.5%	5.4%	17.7%	3.7%	22.0%	6.8%	3.0%	10.0%	2.4%	3.2%	2.6%
GRAND TOTAL	1.7%	2.7%	4.5%	2.1%	2.8%	5.0%	1.8%	2.5%	4.4%	100.0%	100.0%	100.0%

West Virginia PEIA Non-Medicare Total
Study Period of June 2006 to May 2010
48 Month Trends Summary - Excludes Drugs

	In State			Out of State			Total			In State	Out of State	Total
	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Weight	Weight	Weight
HOSPITAL INPATIENT												
Maternity	2.8%	-0.3%	2.6%	1.2%	0.8%	2.0%	2.7%	-0.5%	2.2%	0.5%	0.7%	0.6%
Medical / Surgical	1.2%	3.2%	4.4%	0.7%	7.4%	8.1%	1.1%	5.2%	6.4%	12.7%	35.5%	18.9%
Psychiatric / Substance Abuse	-4.2%	13.2%	8.5%	12.5%	4.2%	17.2%	-1.0%	10.8%	9.7%	0.6%	0.6%	0.6%
TOTAL	1.0%	3.5%	4.5%	0.9%	7.2%	8.2%	1.1%	5.2%	6.4%	13.8%	36.8%	20.1%
HOSPITAL OUTPATIENT												
Emergency Room	1.9%	7.3%	9.4%	1.7%	8.1%	10.0%	1.9%	7.4%	9.4%	5.0%	3.0%	4.4%
Medical / Surgical	0.3%	7.7%	8.0%	6.2%	0.9%	7.1%	1.0%	6.3%	7.4%	13.7%	14.2%	13.9%
Other Services	1.5%	3.8%	5.4%	3.4%	4.4%	8.0%	1.6%	4.3%	6.0%	11.3%	10.0%	10.9%
Psychiatric / Substance Abuse	-7.5%	9.3%	1.2%	64.1%	-1.9%	61.1%	1.3%	13.0%	14.5%	0.2%	0.3%	0.2%
TOTAL	1.0%	6.2%	7.2%	5.3%	2.9%	8.3%	1.4%	5.8%	7.2%	30.2%	27.5%	29.4%
PHYSICIAN SERVICES												
Anesthesia	3.2%	-1.3%	1.8%	3.0%	-0.7%	2.3%	3.1%	-1.2%	1.9%	2.5%	1.8%	2.3%
Chemotherapy / Radiation	-9.1%	2.2%	-7.1%	0.4%	-2.5%	-2.1%	-7.6%	1.8%	-6.0%	1.2%	1.1%	1.2%
Consultations	-11.8%	-2.1%	-13.7%	-4.5%	4.2%	-0.5%	-11.0%	6.0%	-5.6%	1.7%	0.9%	1.5%
Emergency Room	2.2%	3.3%	5.6%	0.4%	14.9%	15.3%	2.0%	4.4%	6.6%	1.4%	0.5%	1.2%
Immunizations / Injections / Allergy	4.0%	-3.0%	0.9%	0.3%	-6.1%	-5.9%	3.8%	-3.5%	0.2%	1.6%	0.5%	1.3%
Inpatient Surgery	0.6%	-2.2%	-1.7%	0.3%	-1.0%	-0.7%	0.5%	-1.8%	-1.4%	2.2%	2.8%	2.4%
Inpatient Visits	2.2%	1.4%	3.7%	5.0%	-7.1%	-2.4%	2.6%	-0.4%	2.3%	1.5%	1.1%	1.4%
Lab & Pathology	10.2%	0.7%	11.0%	-8.7%	5.2%	-4.0%	3.5%	1.2%	4.8%	2.5%	5.4%	3.3%
Maternity	-2.1%	-1.5%	-3.6%	5.4%	-5.7%	-0.6%	-1.3%	-2.0%	-3.3%	0.9%	0.3%	0.7%
Office Visits	3.1%	3.4%	6.7%	0.2%	3.0%	3.2%	2.9%	3.4%	6.3%	15.7%	4.5%	12.6%
Other Services	1.0%	0.9%	1.9%	-0.4%	13.8%	13.4%	0.9%	3.0%	3.9%	9.3%	5.8%	8.3%
Outpatient Surgery	1.6%	-0.8%	0.8%	1.0%	1.1%	2.1%	1.5%	-0.4%	1.1%	4.0%	3.0%	3.8%
Psychiatric / Substance Abuse	2.8%	0.6%	3.4%	8.8%	2.4%	11.5%	3.3%	0.7%	4.1%	2.3%	0.5%	1.8%
Radiology	1.7%	-5.4%	-3.8%	1.6%	-5.7%	-4.2%	1.7%	-5.4%	-3.8%	5.2%	3.9%	4.8%
Therapies	4.2%	3.8%	8.2%	1.5%	-3.9%	-2.5%	4.1%	3.3%	7.4%	1.8%	0.3%	1.4%
TOTAL	1.9%	0.6%	2.5%	-0.8%	2.9%	2.2%	1.5%	1.1%	2.6%	53.6%	32.6%	47.9%
OTHER												
Ambulance	2.9%	3.0%	6.1%	-0.5%	19.9%	19.3%	2.7%	7.4%	10.3%	0.6%	0.6%	0.6%
Appliances (DME)	10.1%	-2.2%	7.7%	18.3%	-2.6%	15.2%	11.4%	-1.5%	9.7%	1.2%	1.9%	1.4%
Other Services	5.4%	-0.9%	4.4%	2.2%	16.9%	19.4%	4.9%	3.7%	8.9%	0.5%	0.6%	0.6%
TOTAL	7.2%	-0.5%	6.6%	11.5%	5.5%	17.7%	7.9%	1.8%	9.8%	2.4%	3.1%	2.6%
GRAND TOTAL	1.6%	2.7%	4.3%	1.9%	4.6%	6.6%	1.6%	3.3%	4.9%	100.0%	100.0%	100.0%

West Virginia PEIA Non-Medicare Prescription Drugs Total Study Period of June 2006 to May 2010

24 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>	<u>Weight</u>
Non-Medicare	3.1%	4.9%	8.1%	100.0%

36 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>	<u>Weight</u>
Non-Medicare	2.8%	2.7%	5.6%	100.0%

48 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>	<u>Weight</u>
Non-Medicare	2.5%	-1.0%	1.4%	100.0%

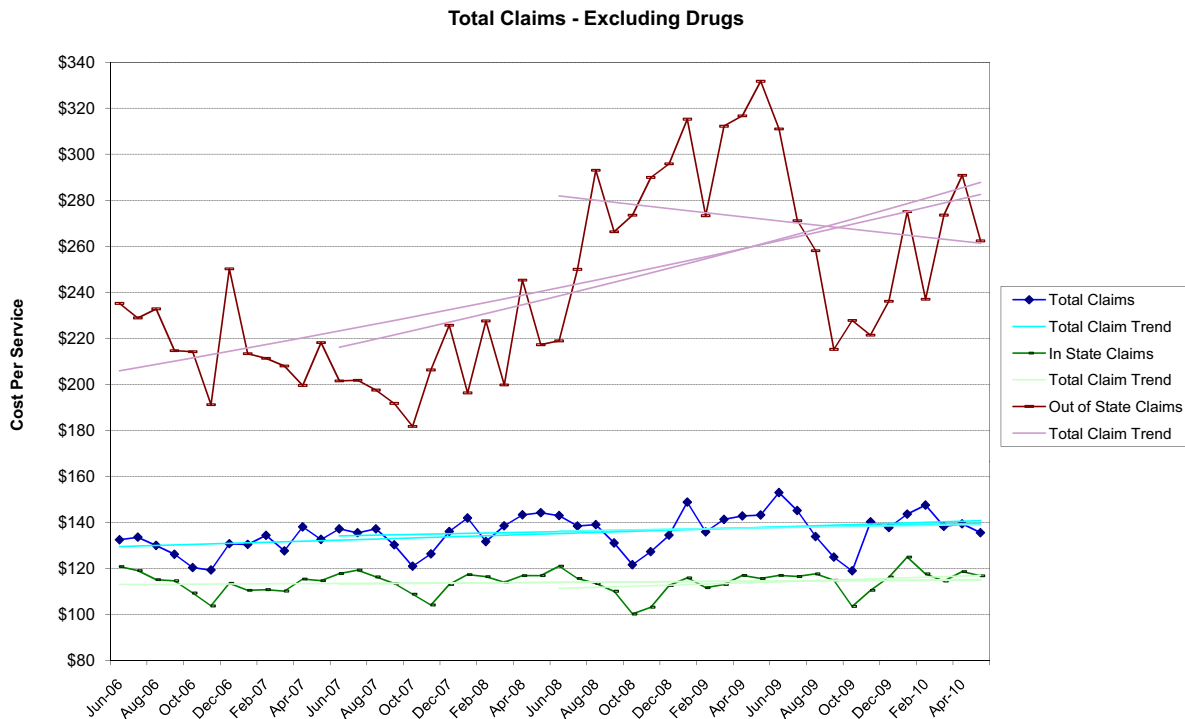
Appendix A

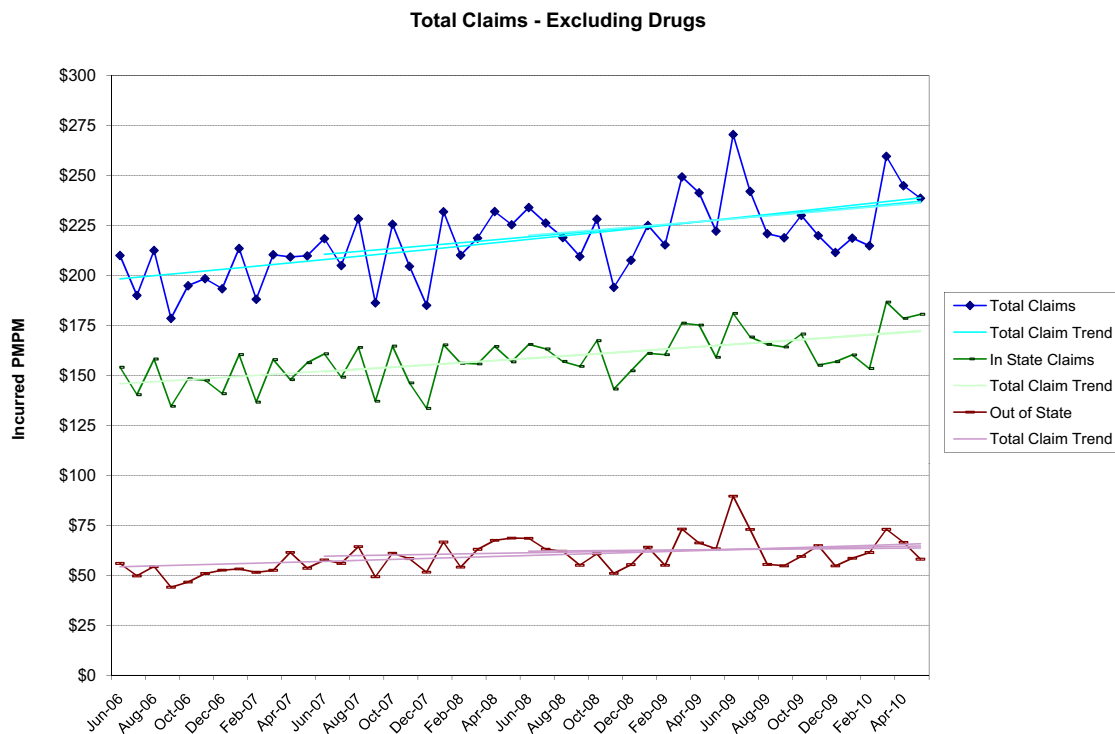
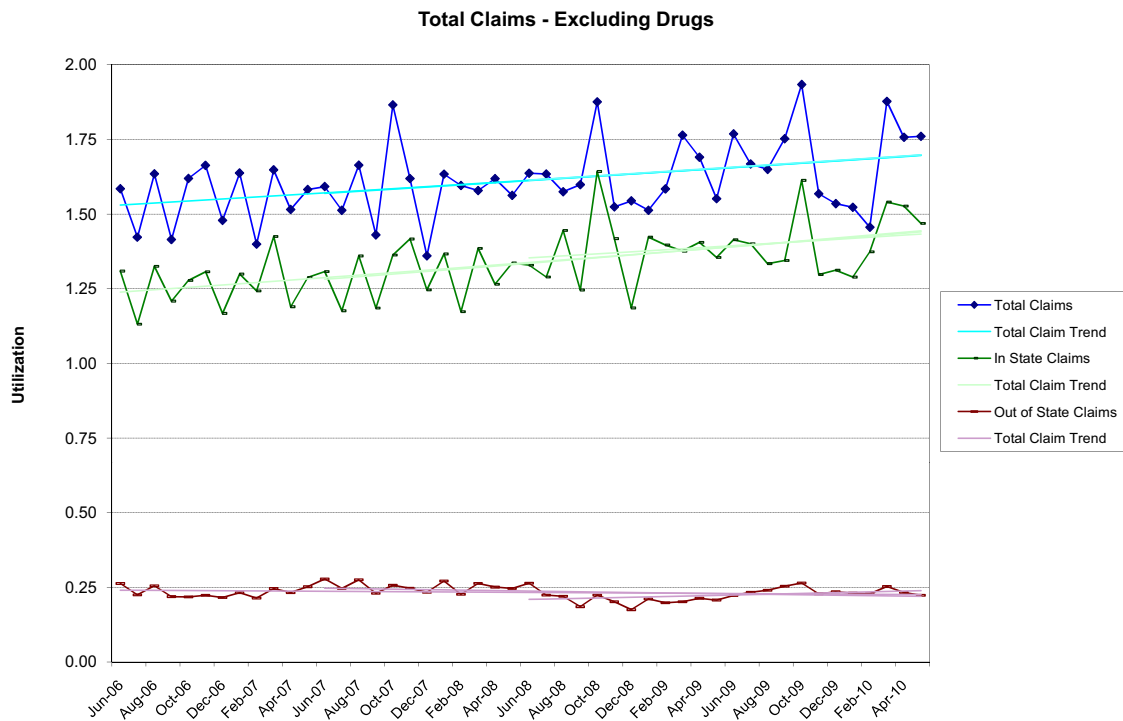
NON-MEDICARE CLAIMS
Excluding Drugs
GRAND TOTAL

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.5%	1.8%	4.4%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.8%	2.5%	4.4%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.6%	3.3%	4.9%





NON-MEDICARE CLAIMS
Excluding Drugs

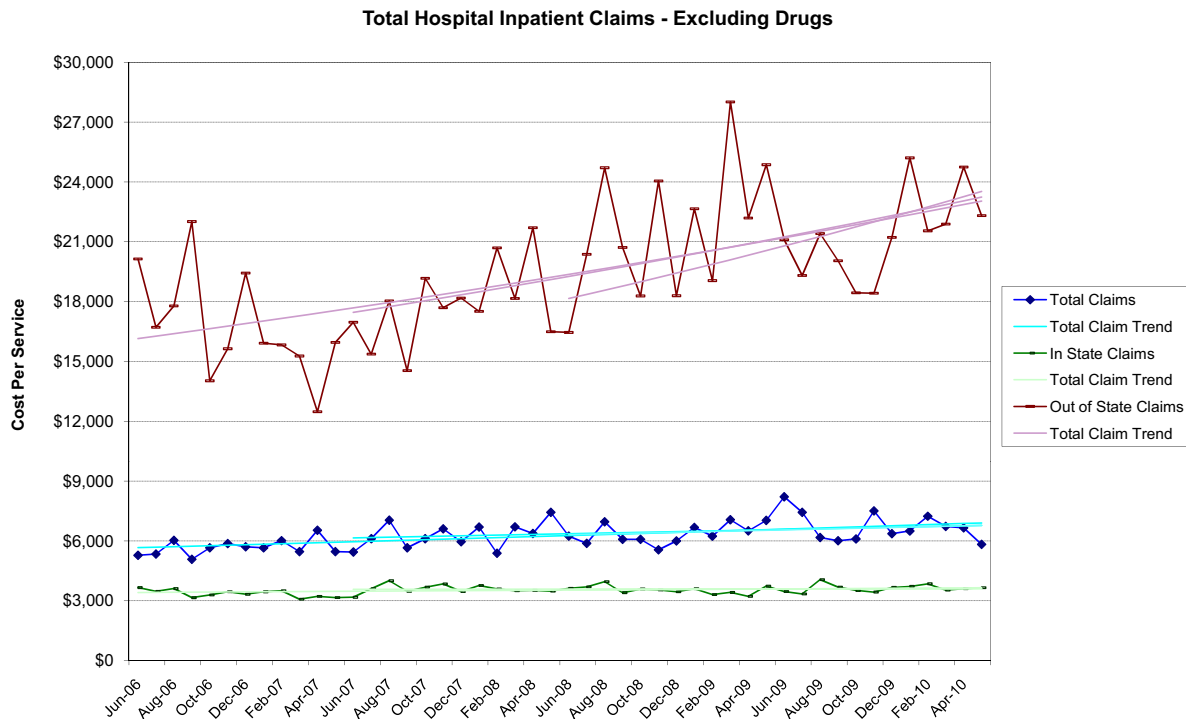
HOSPITAL INPATIENT

TOTAL

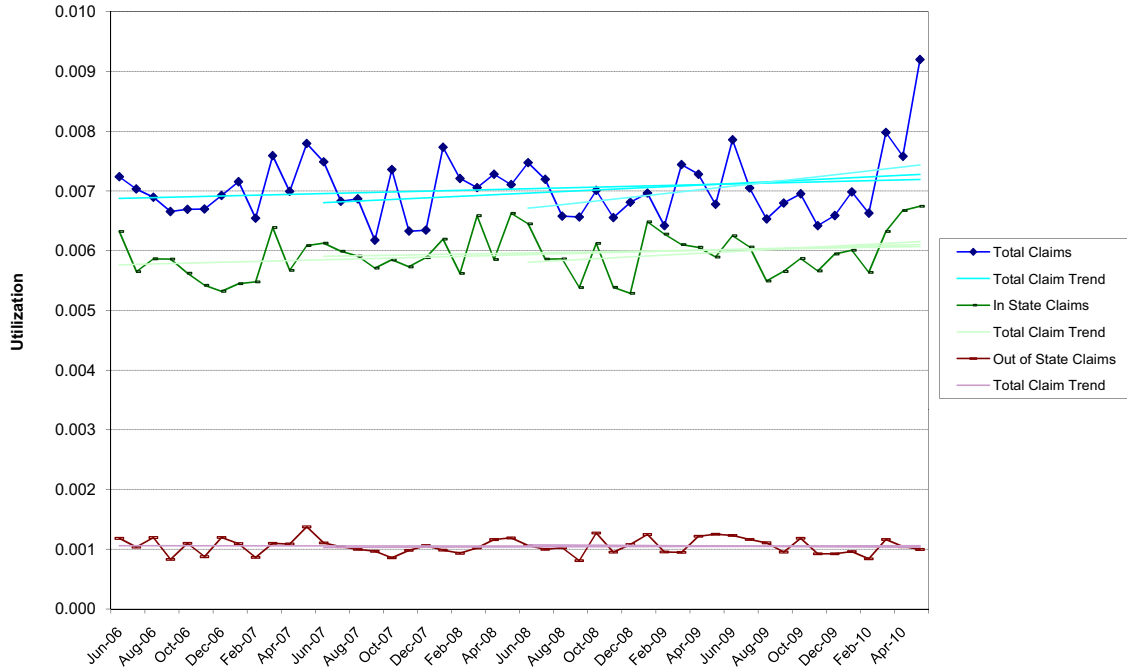
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.9%	4.1%	9.3%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.0%	3.7%	5.7%

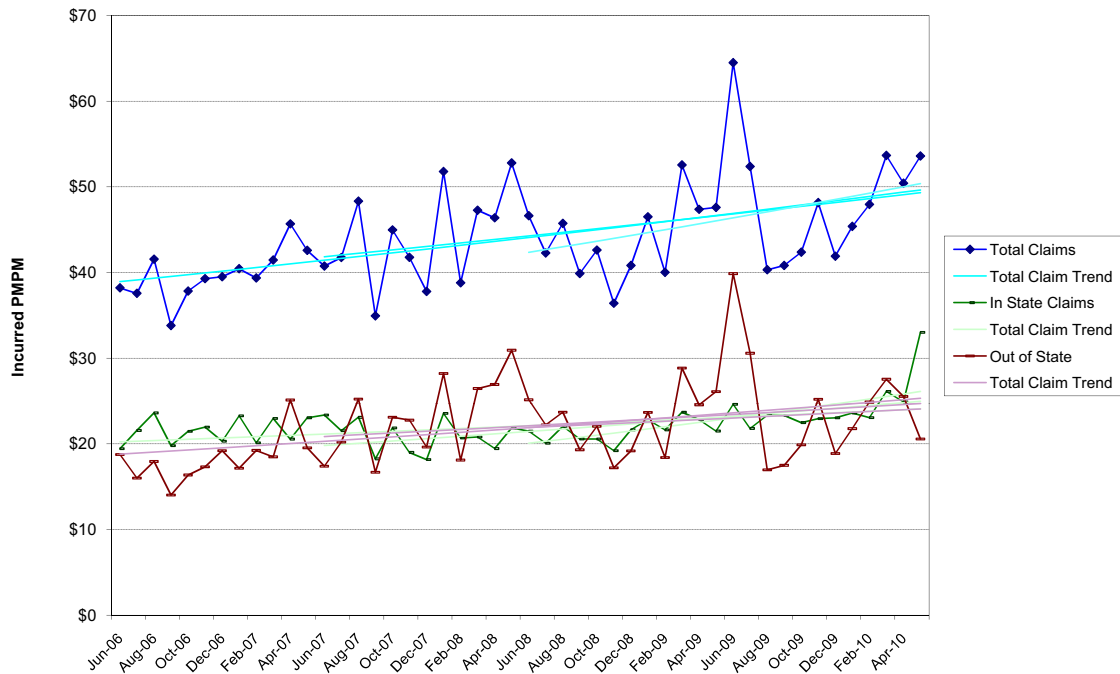
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.1%	5.2%	6.4%



Total Hospital Inpatient Claims - Excluding Drugs



Total Hospital Inpatient Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

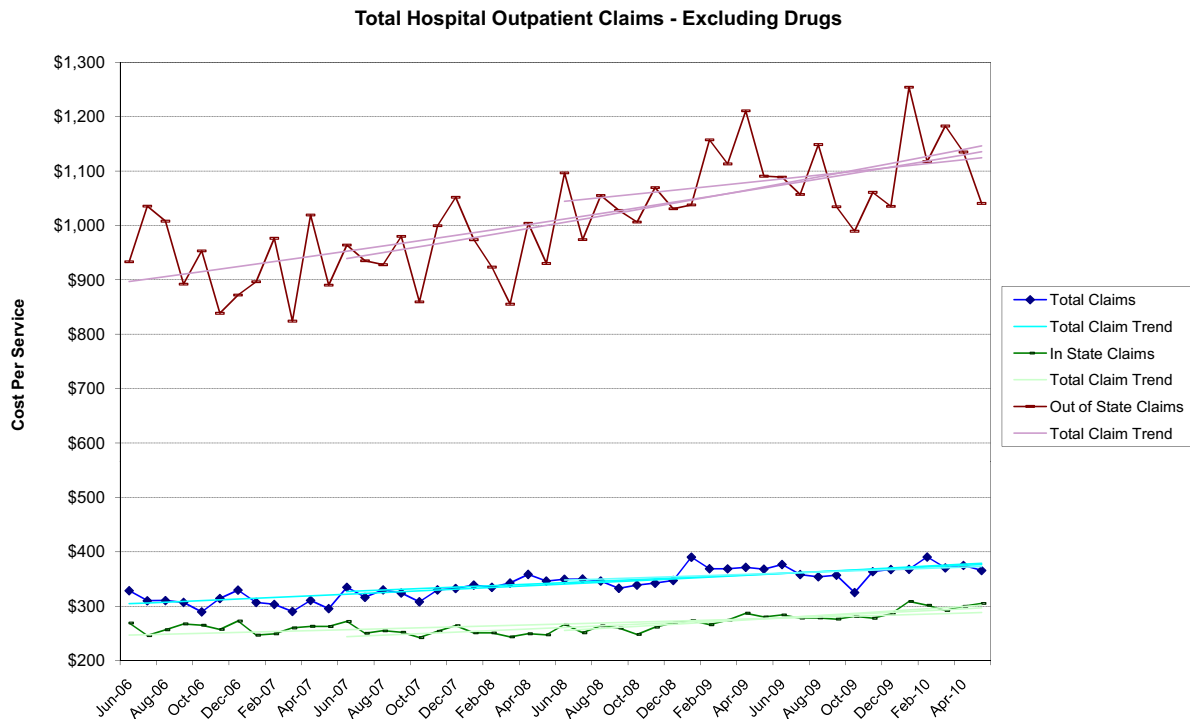
HOSPITAL OUTPATIENT

TOTAL

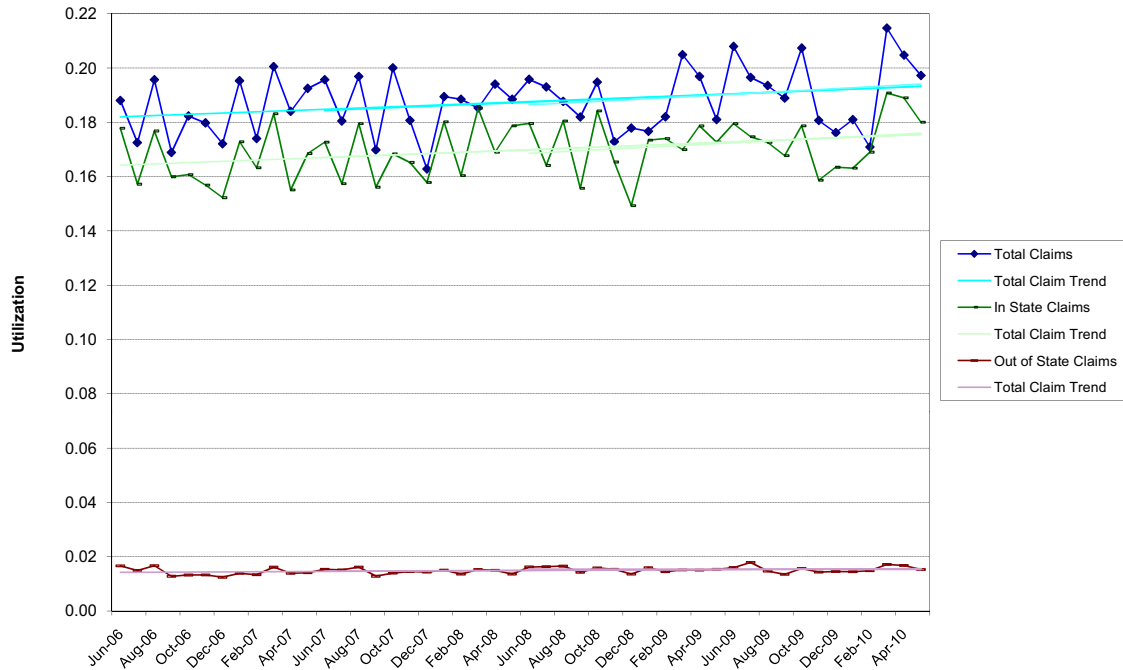
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.9%	2.9%	5.9%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.0%	4.5%	6.6%

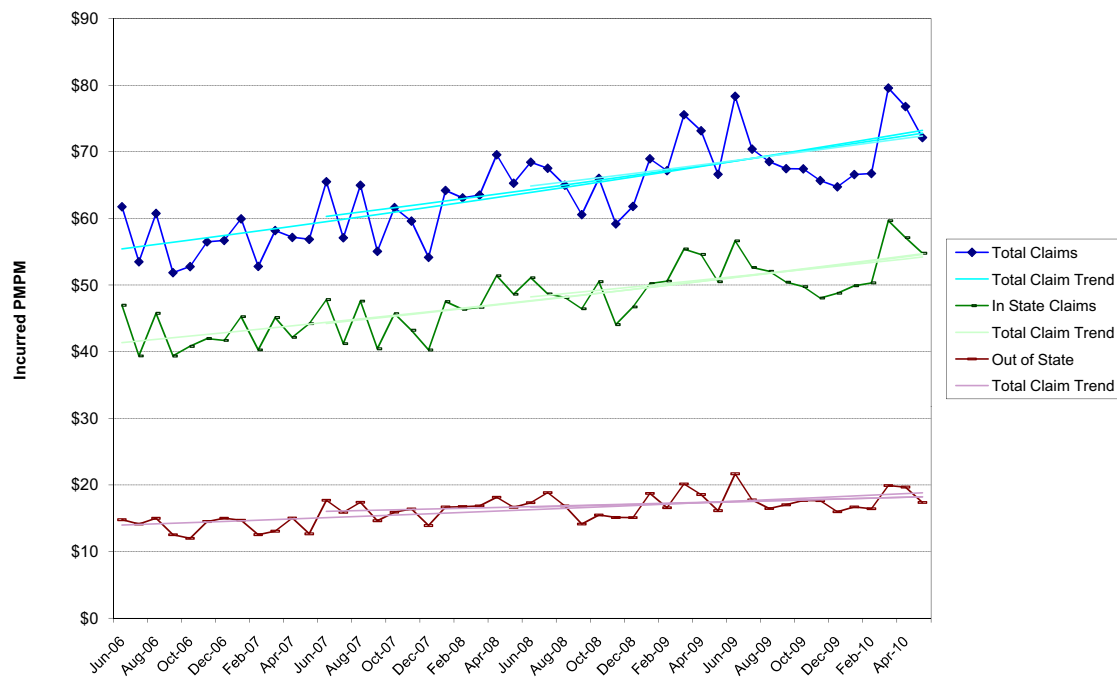
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.4%	5.8%	7.2%



Total Hospital Outpatient Claims - Excluding Drugs



Total Hospital Outpatient Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

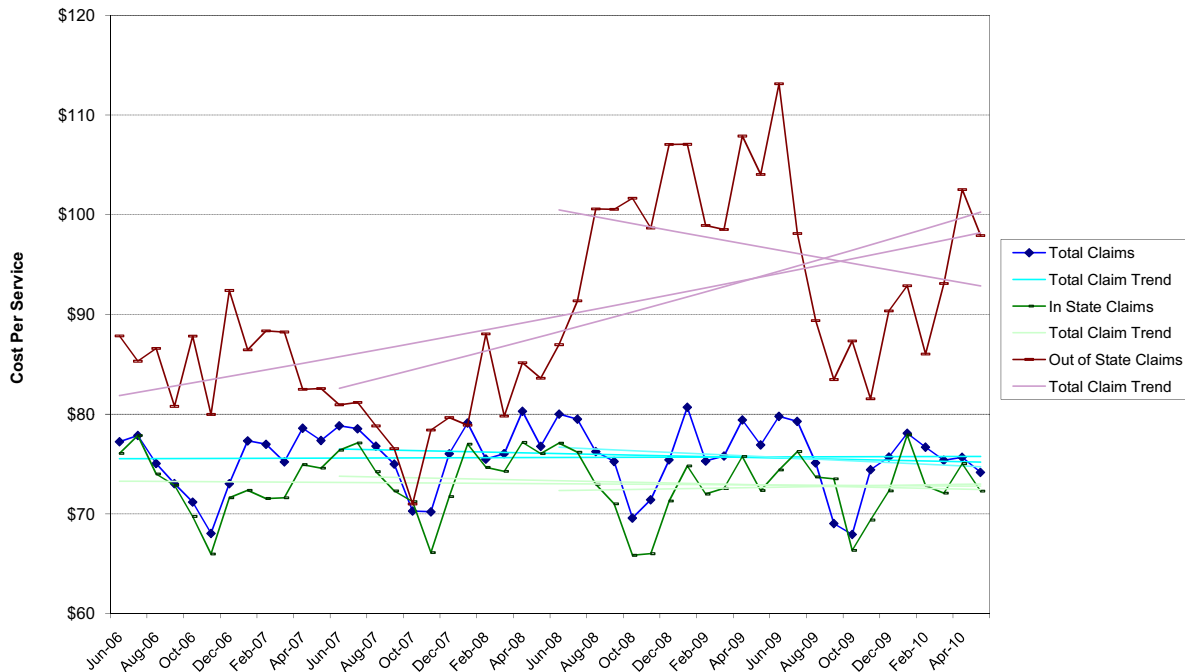
TOTAL

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.0%	0.3%	1.2%

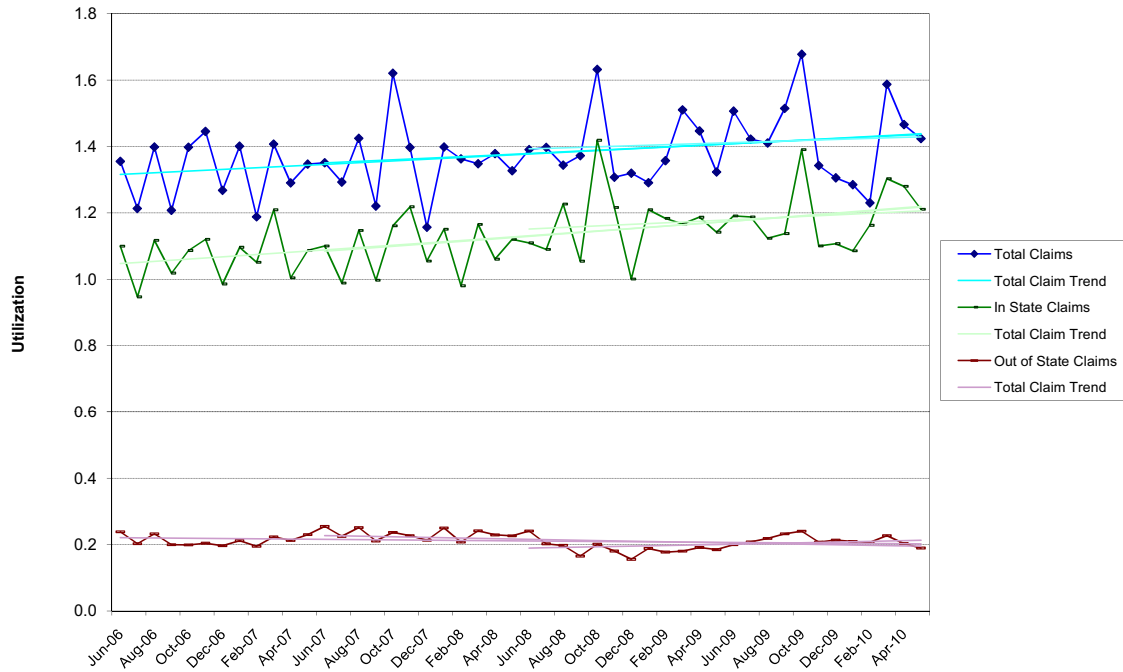
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.3%	0.7%	2.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.5%	1.1%	2.6%

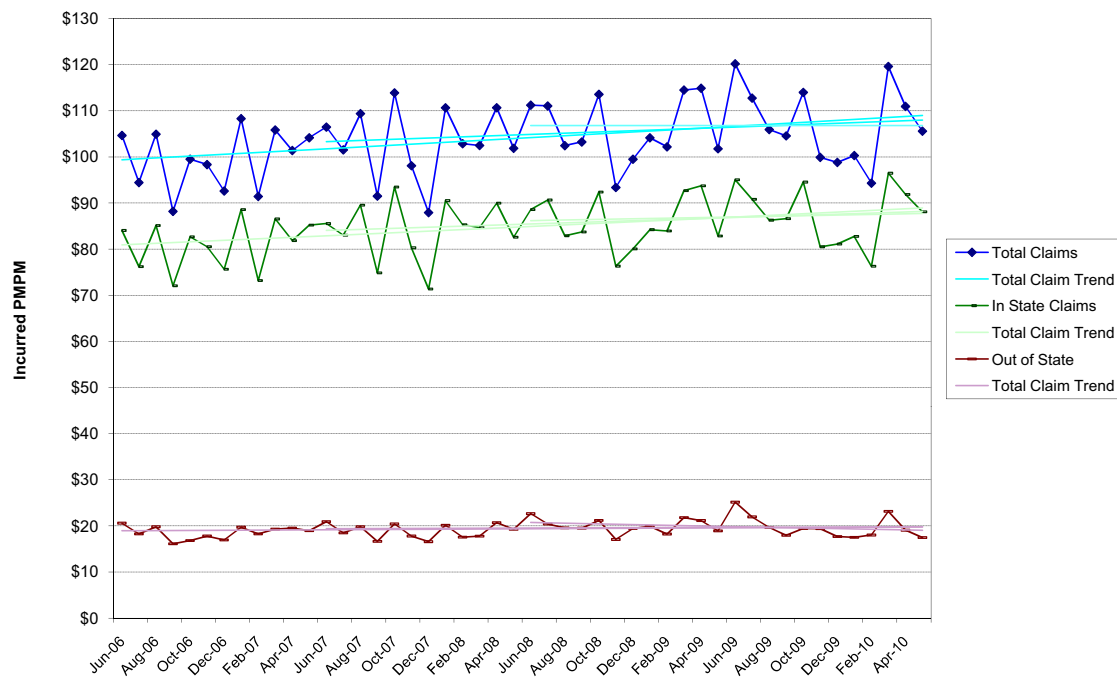
Total Physician Services Claims - Excluding Drugs



Total Physician Services Claims - Excluding Drugs



Total Physician Services Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

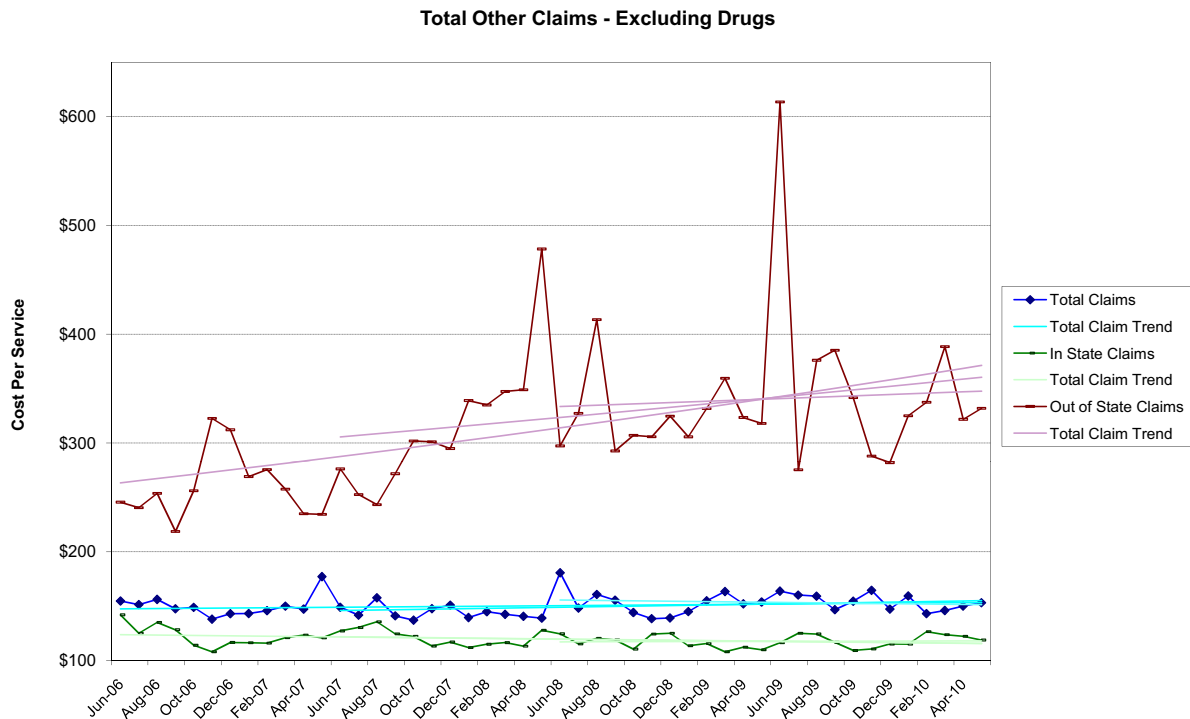
OTHER

TOTAL

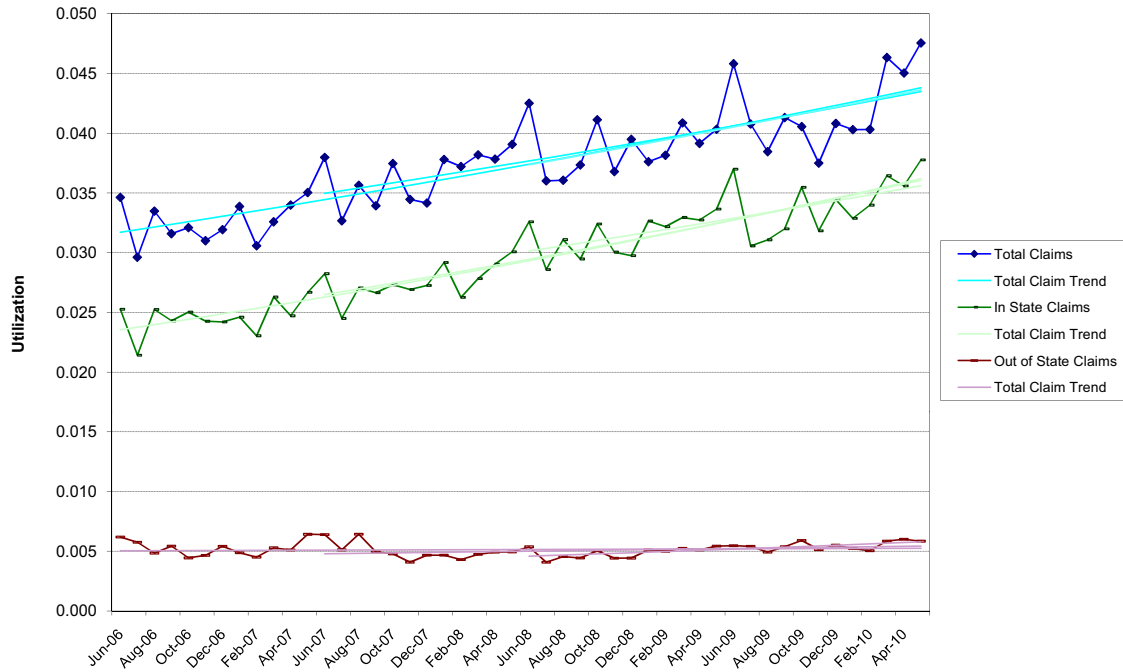
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.6%	-0.6%	7.0%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.8%	3.0%	10.0%

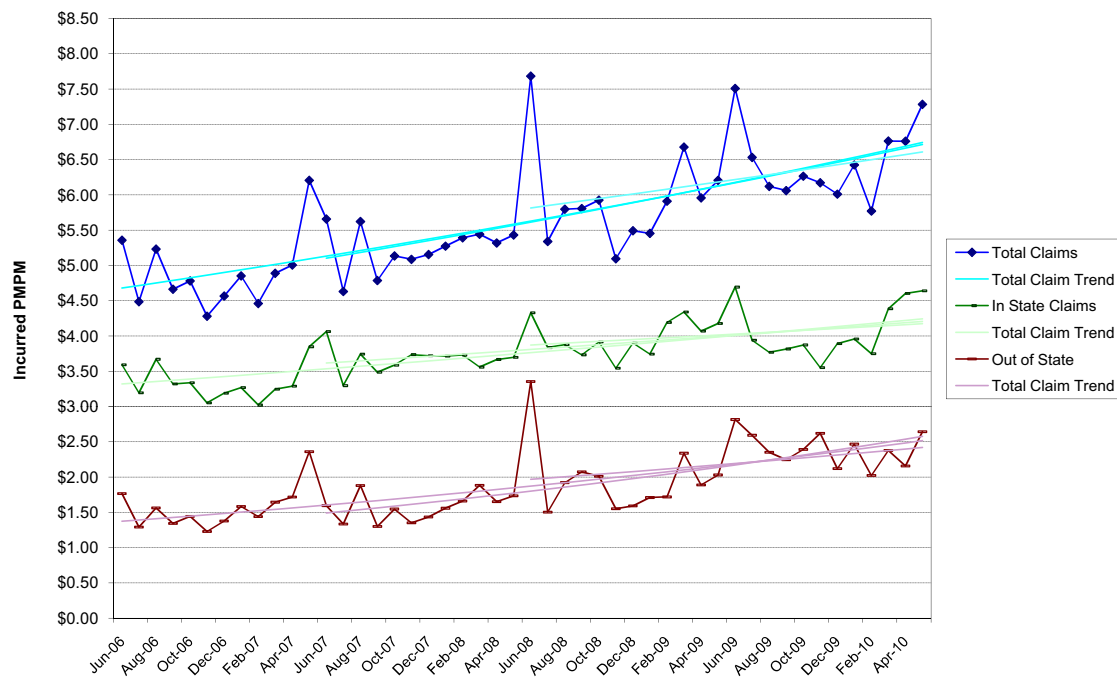
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.9%	1.8%	9.8%



Total Other Claims - Excluding Drugs



Total Other Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

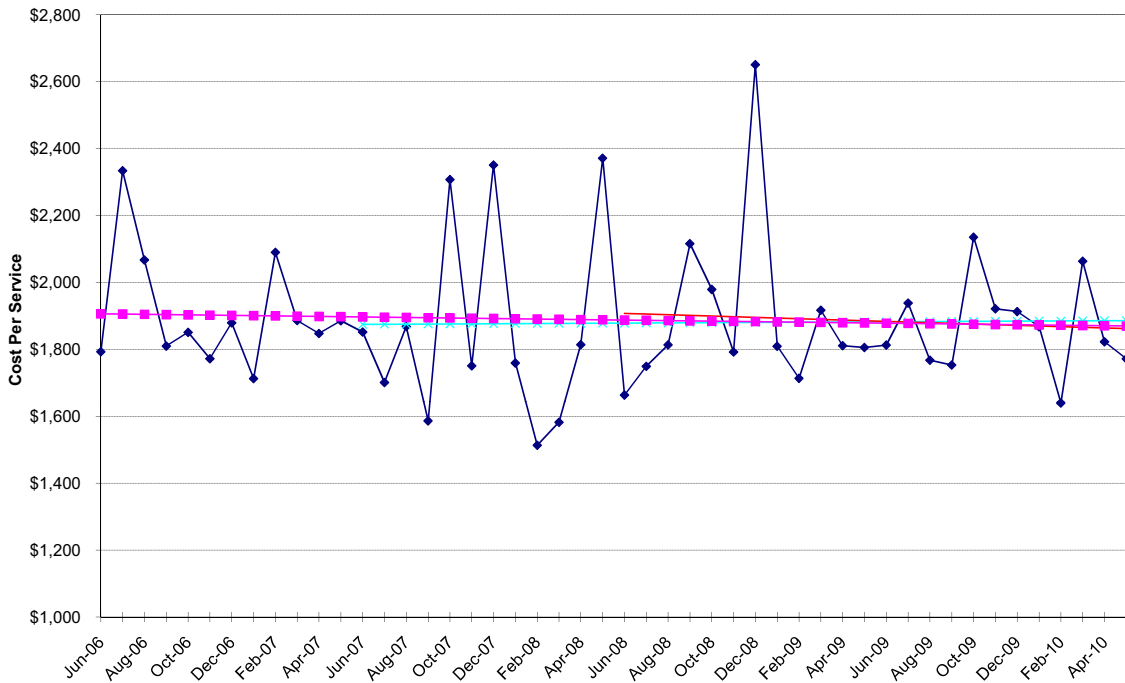
Maternity

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
12.5%	-1.2%	11.1%

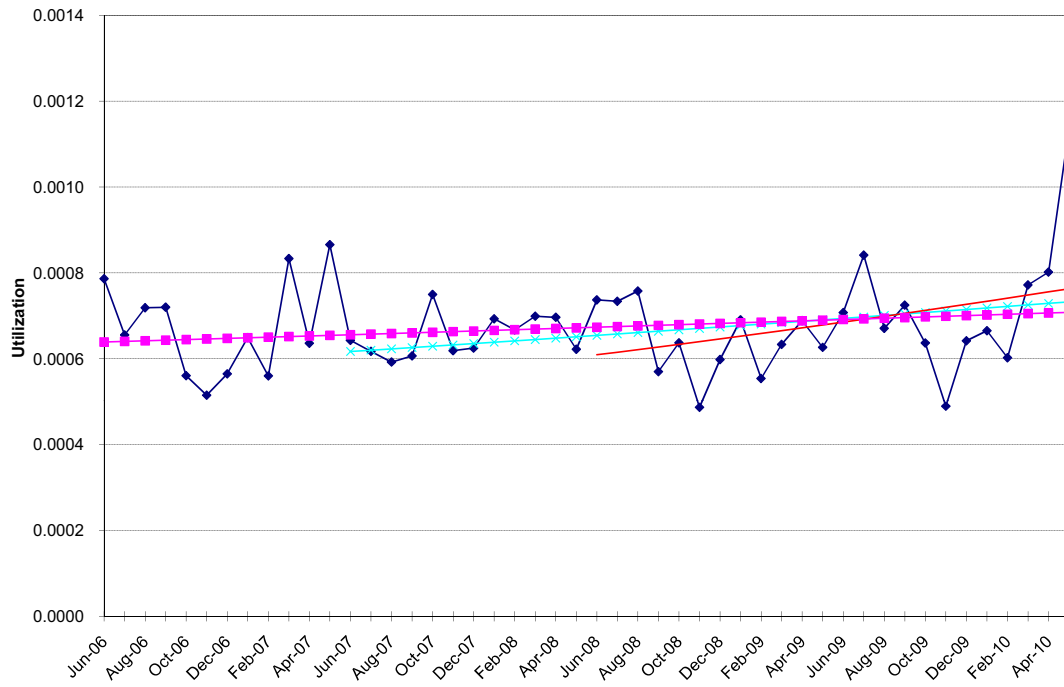
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.1%	0.2%	6.3%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.7%	-0.5%	2.2%

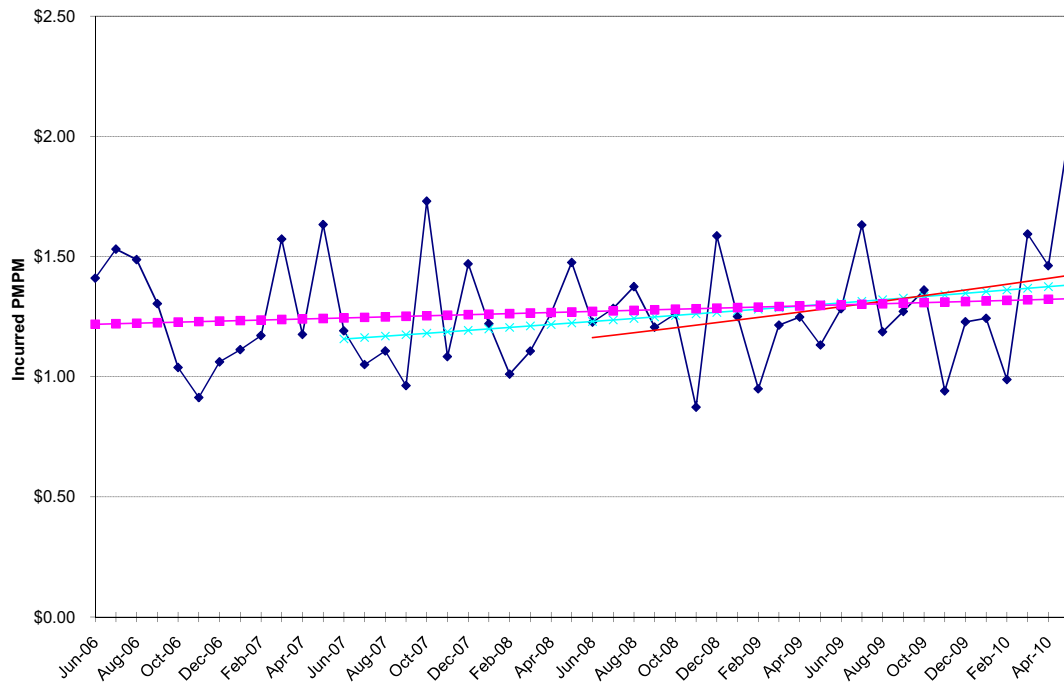
Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

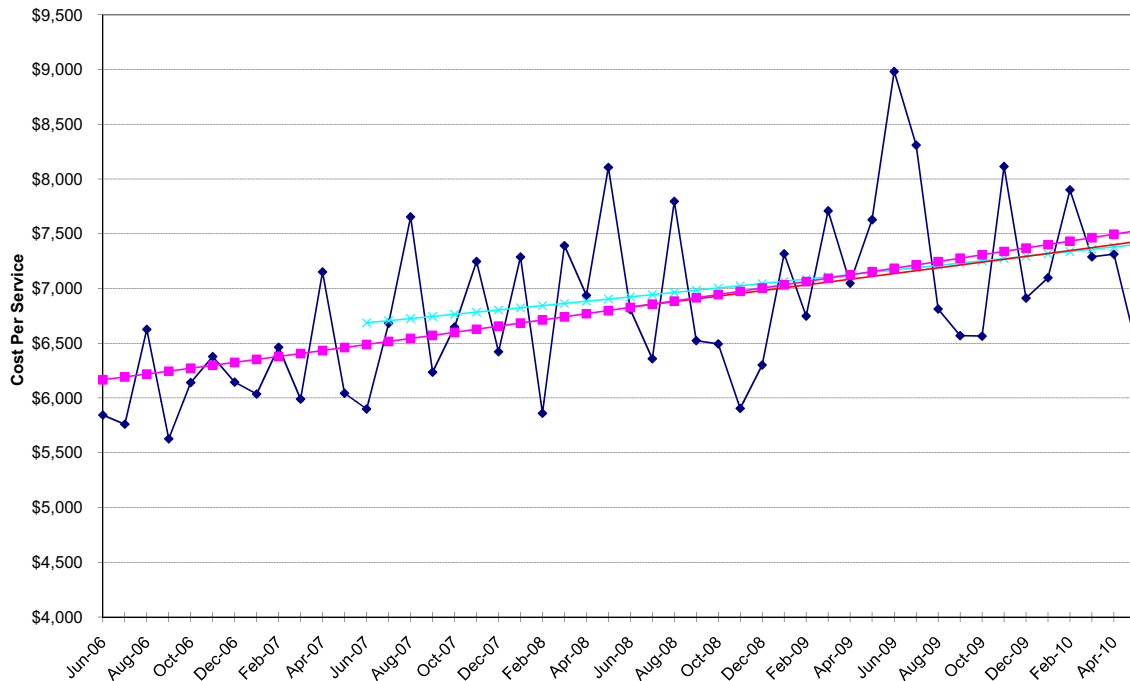
Medical / Surgical

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.3%	4.5%	9.0%

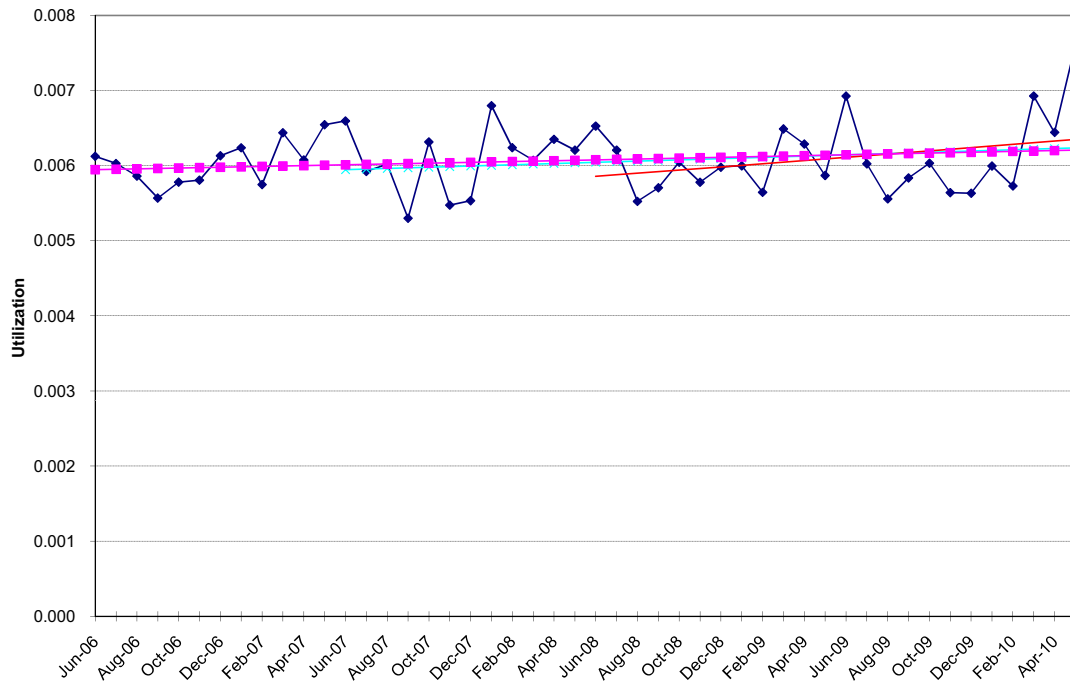
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.6%	3.5%	5.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.1%	5.2%	6.4%

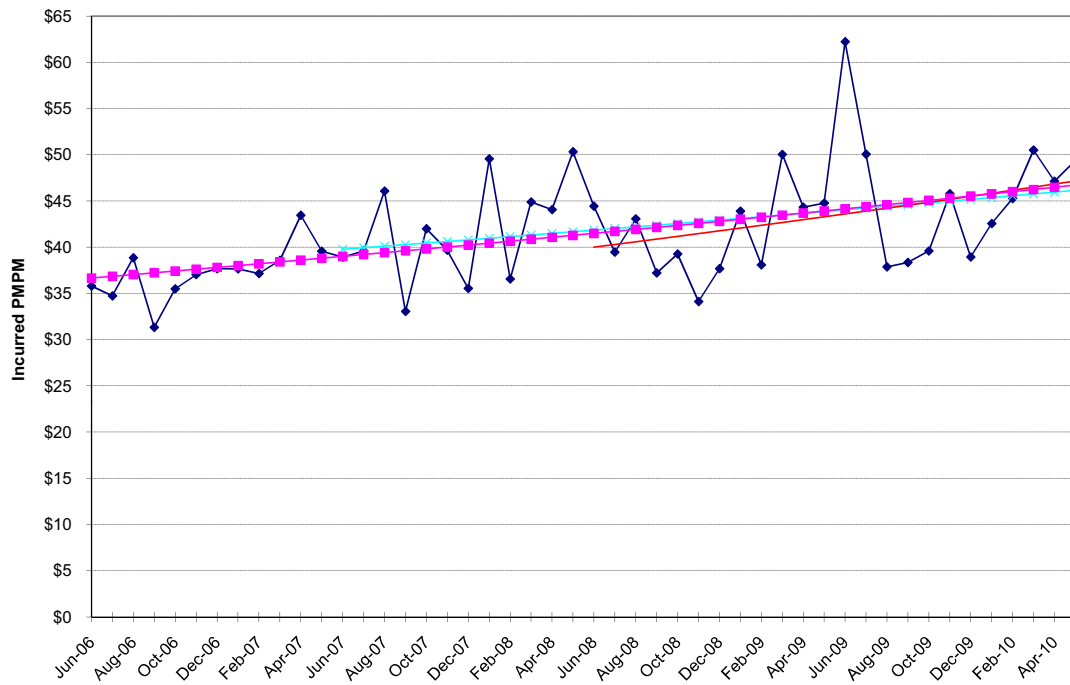
Hospital Inpatient - Medical / Surgical



Hospital Inpatient - Medical / Surgical



Hospital Inpatient - Medical / Surgical



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

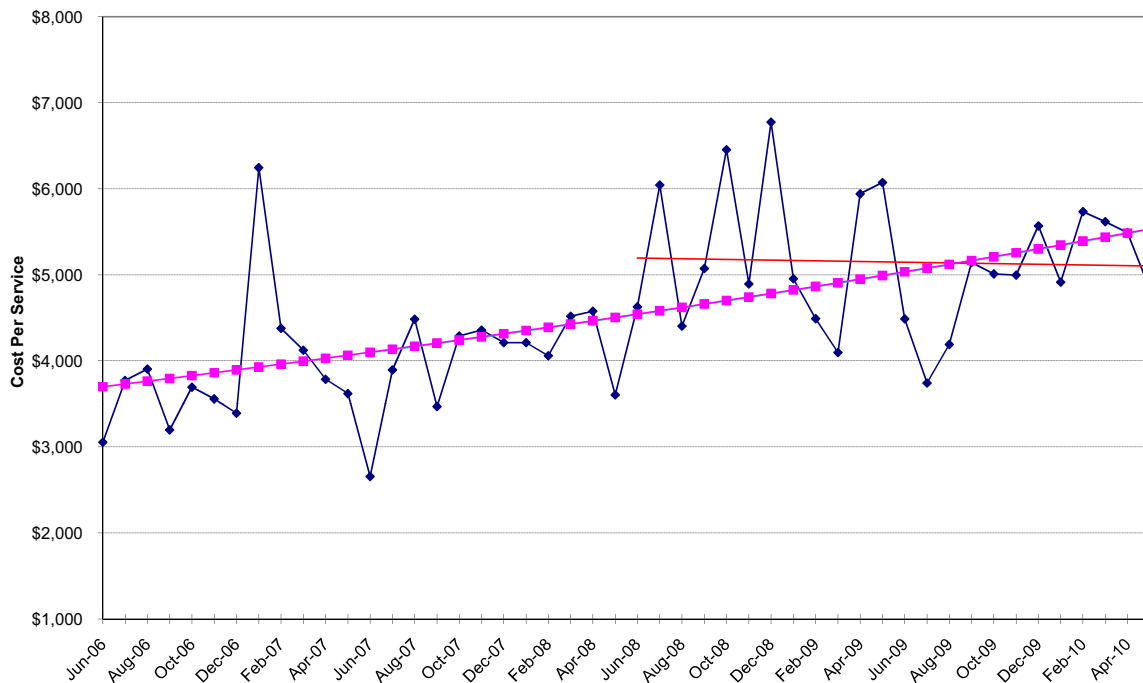
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
16.5%	-0.9%	15.4%

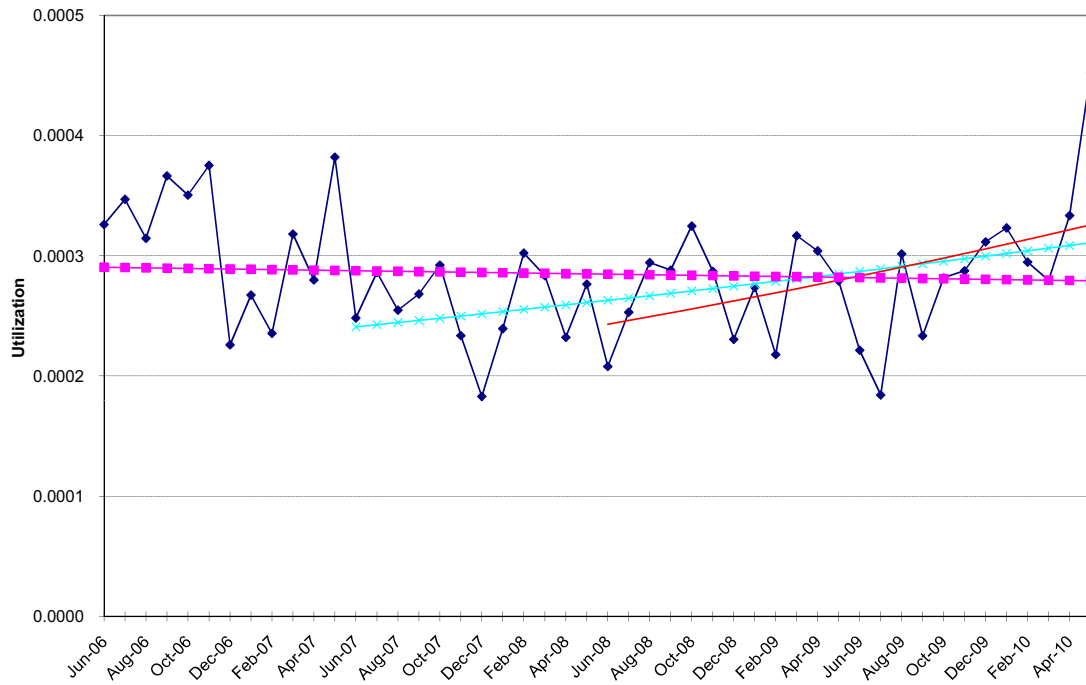
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
9.1%	10.8%	21.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.0%	10.8%	9.7%

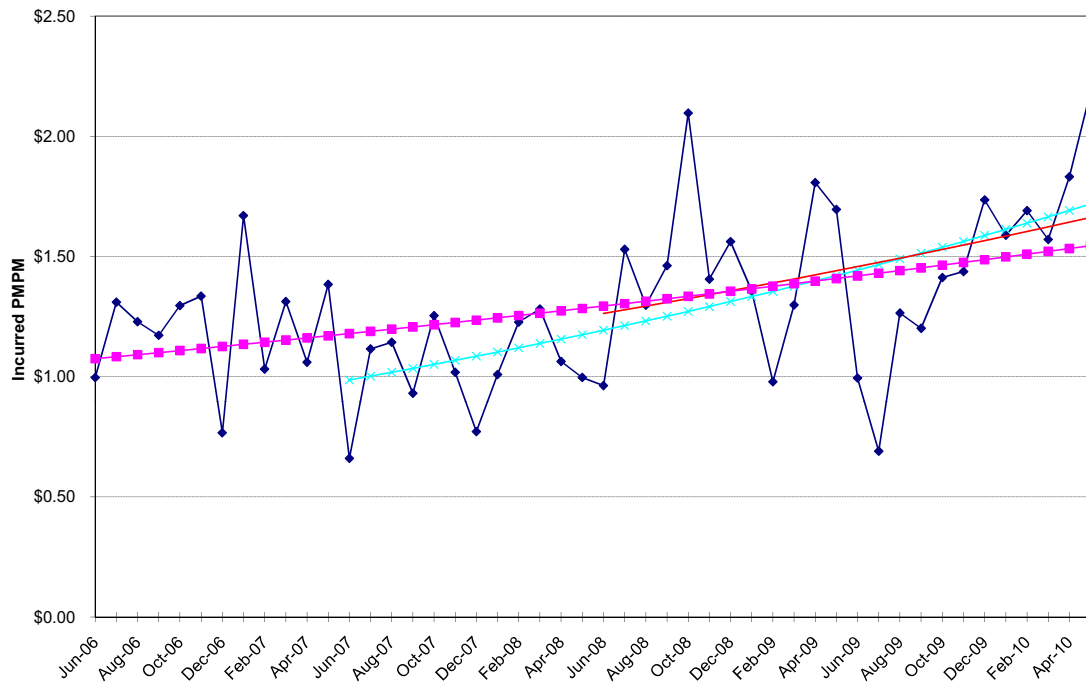
Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

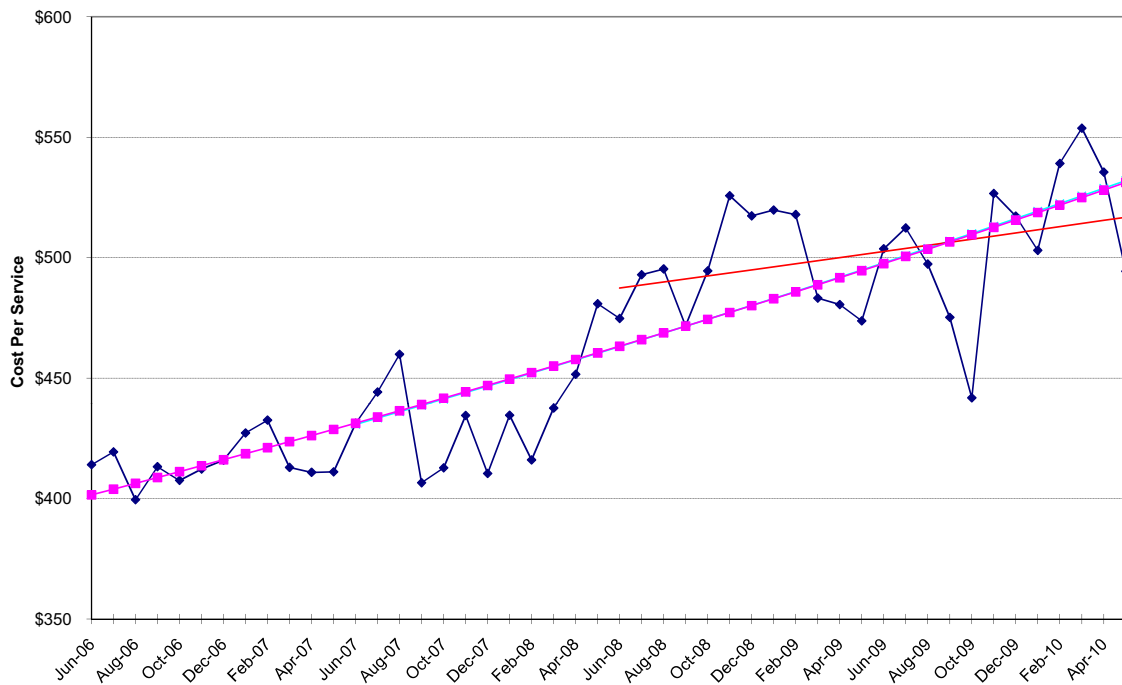
Emergency Room

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.7%	3.1%	6.9%

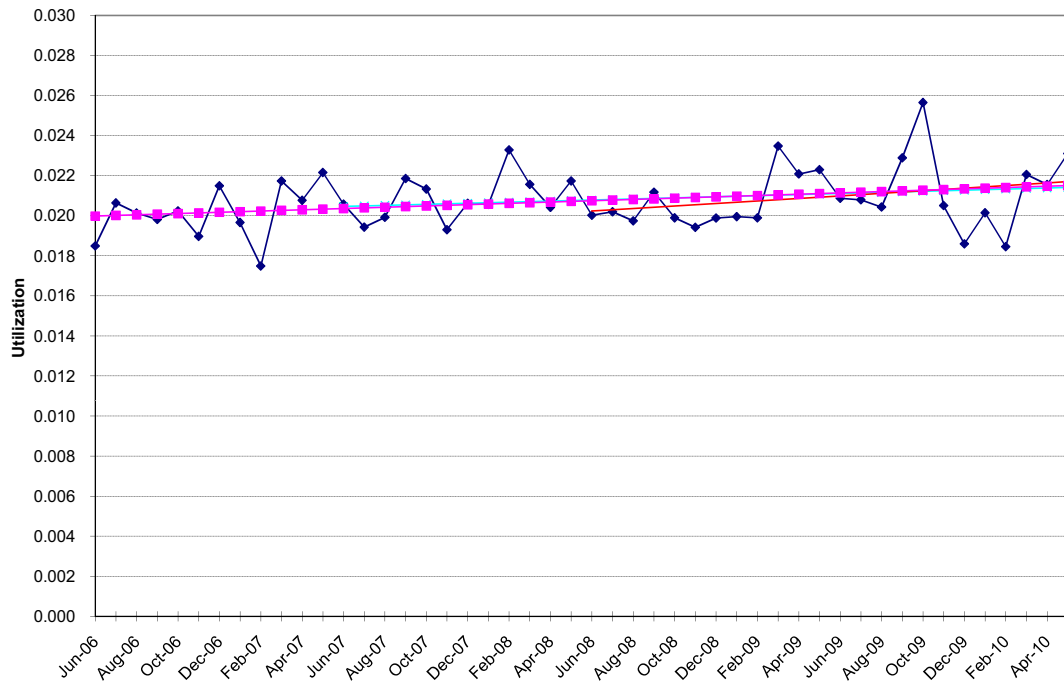
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.6%	7.5%	9.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.9%	7.4%	9.4%

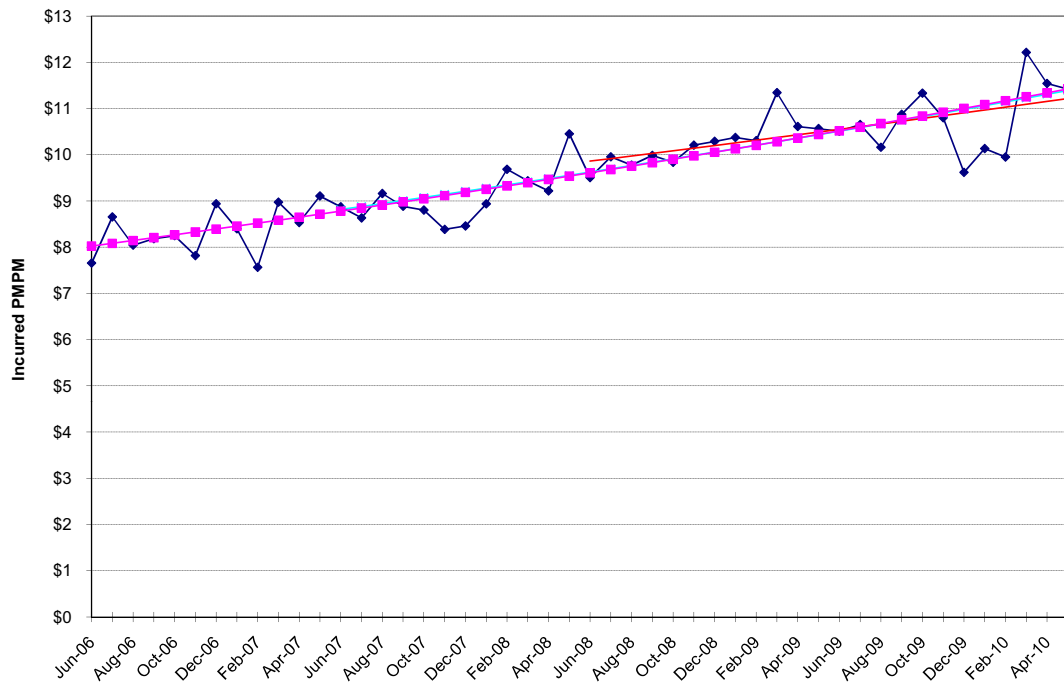
Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

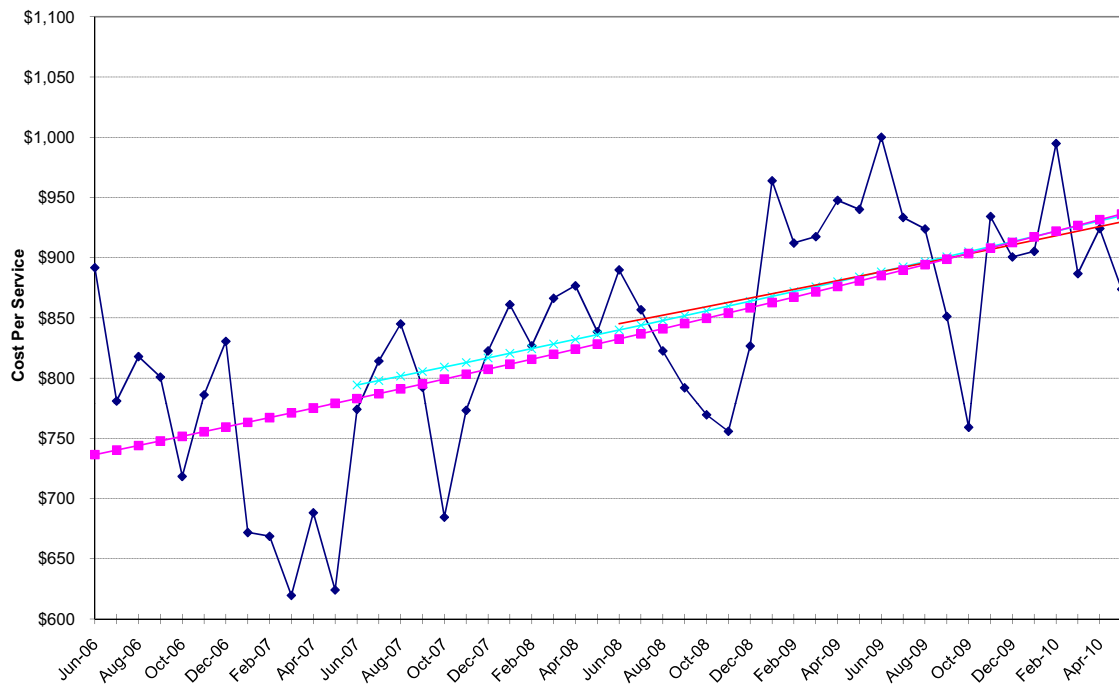
Medical / Surgical

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.8%	5.1%	9.0%

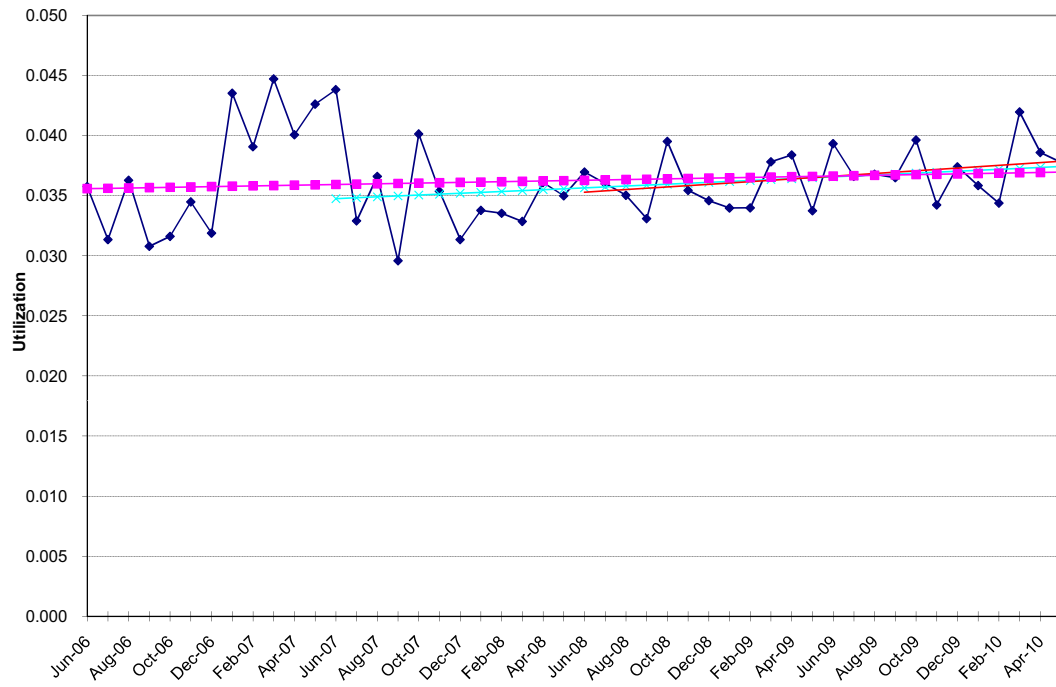
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.6%	5.8%	8.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.0%	6.3%	7.4%

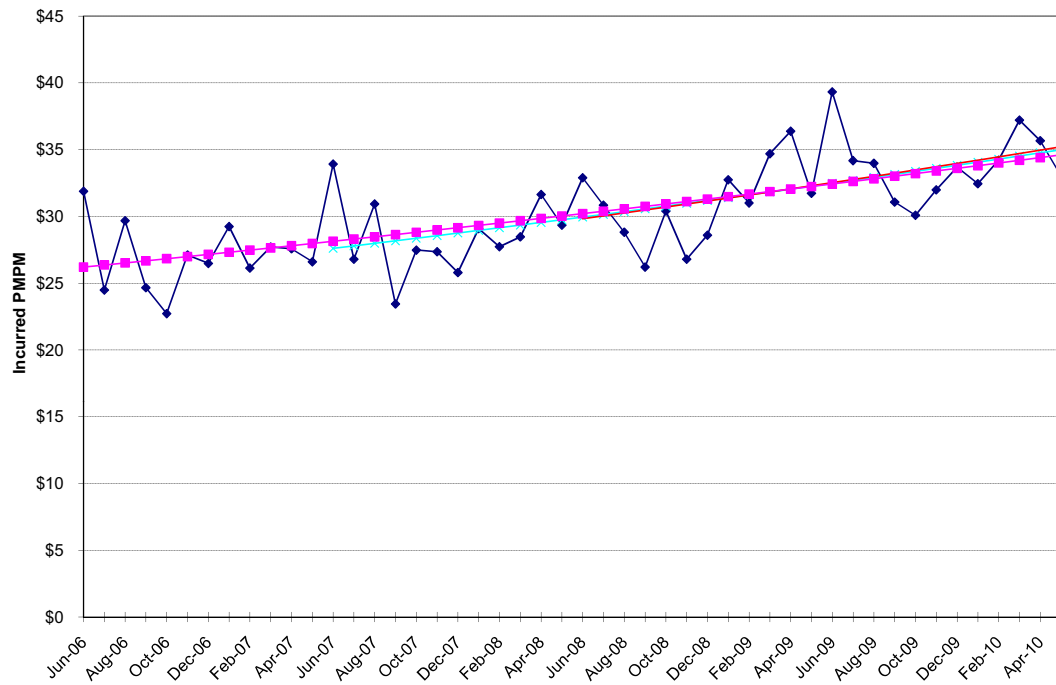
Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

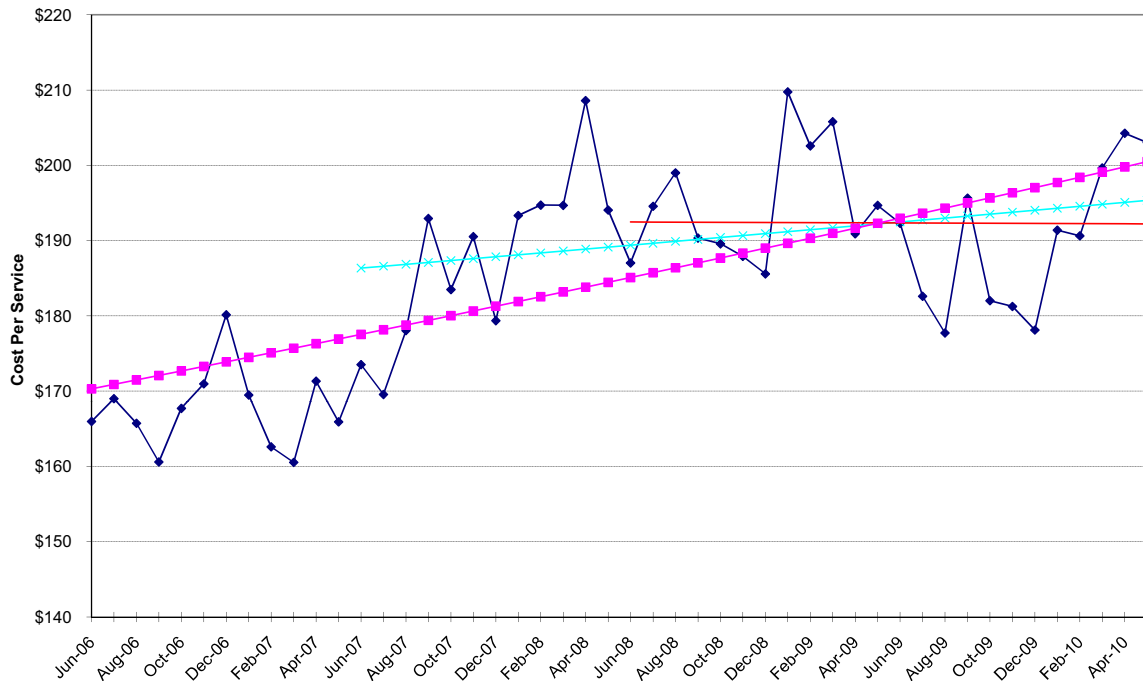
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.5%	-0.1%	1.4%

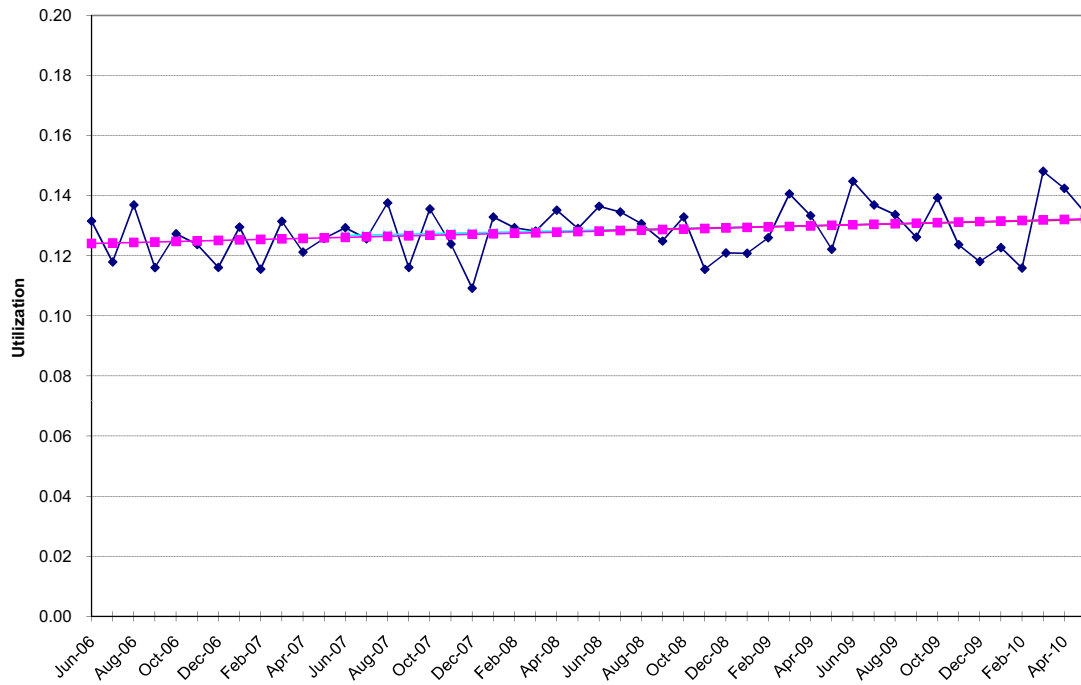
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.4%	1.6%	3.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.6%	4.3%	6.0%

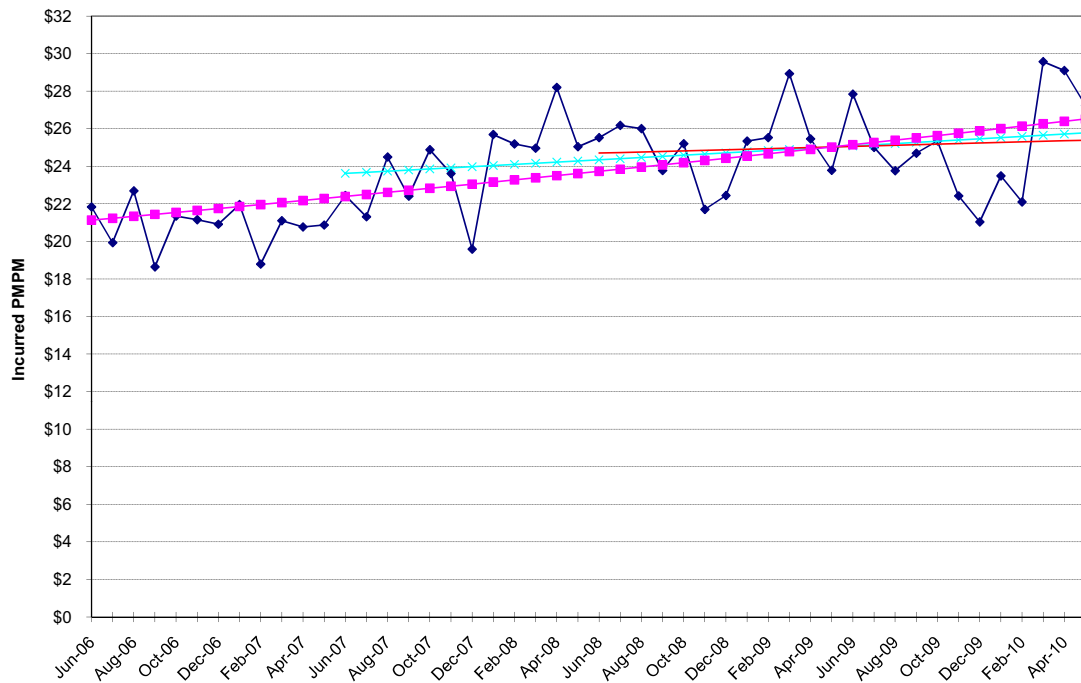
Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

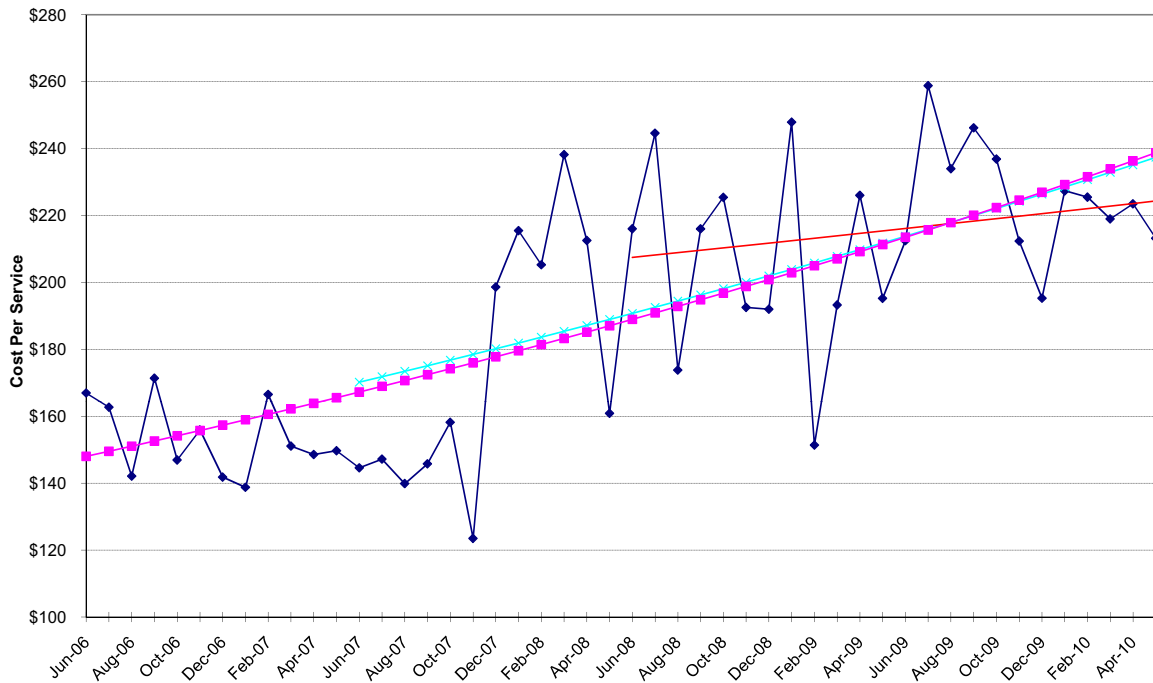
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.9%	4.2%	2.2%

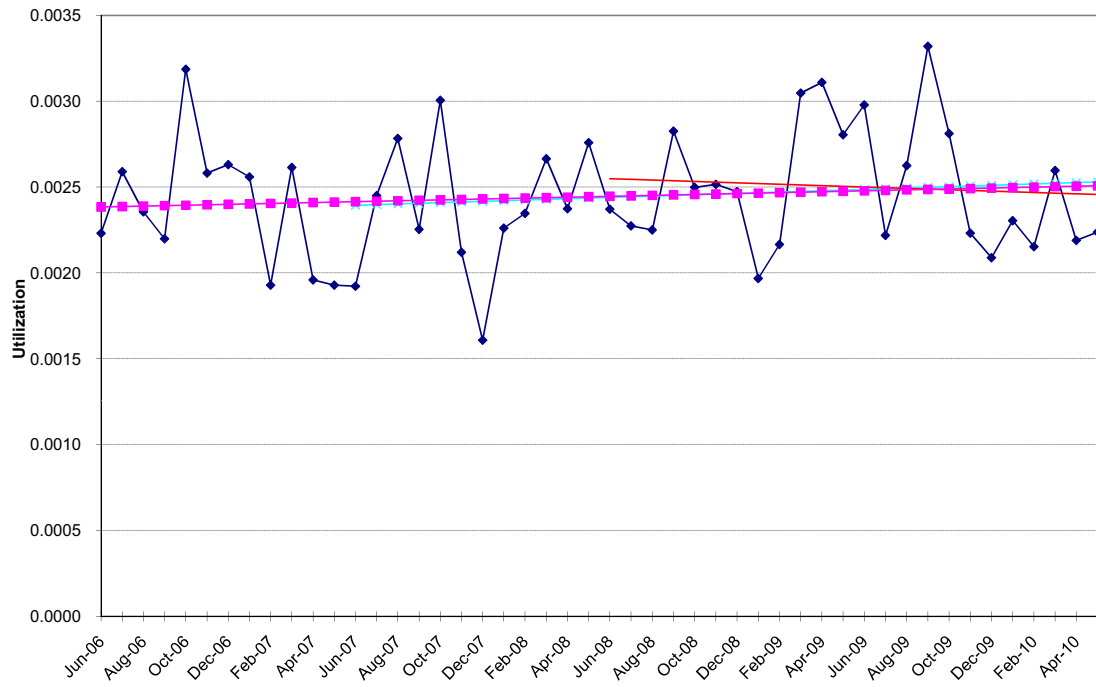
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.9%	12.1%	14.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.3%	13.0%	14.5%

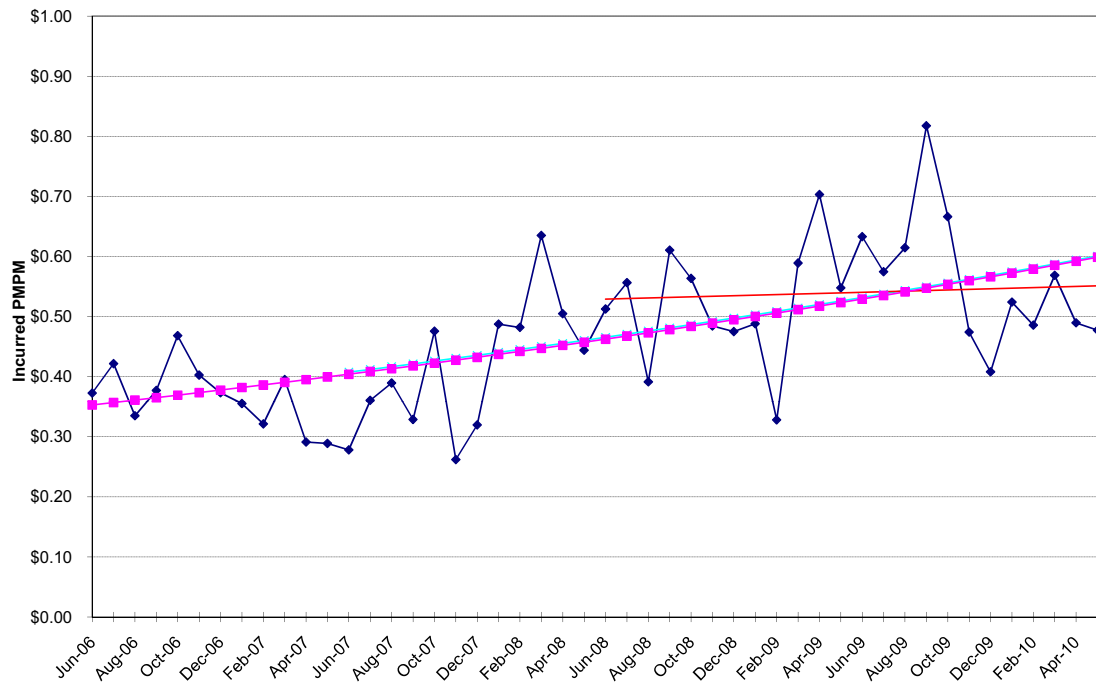
Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

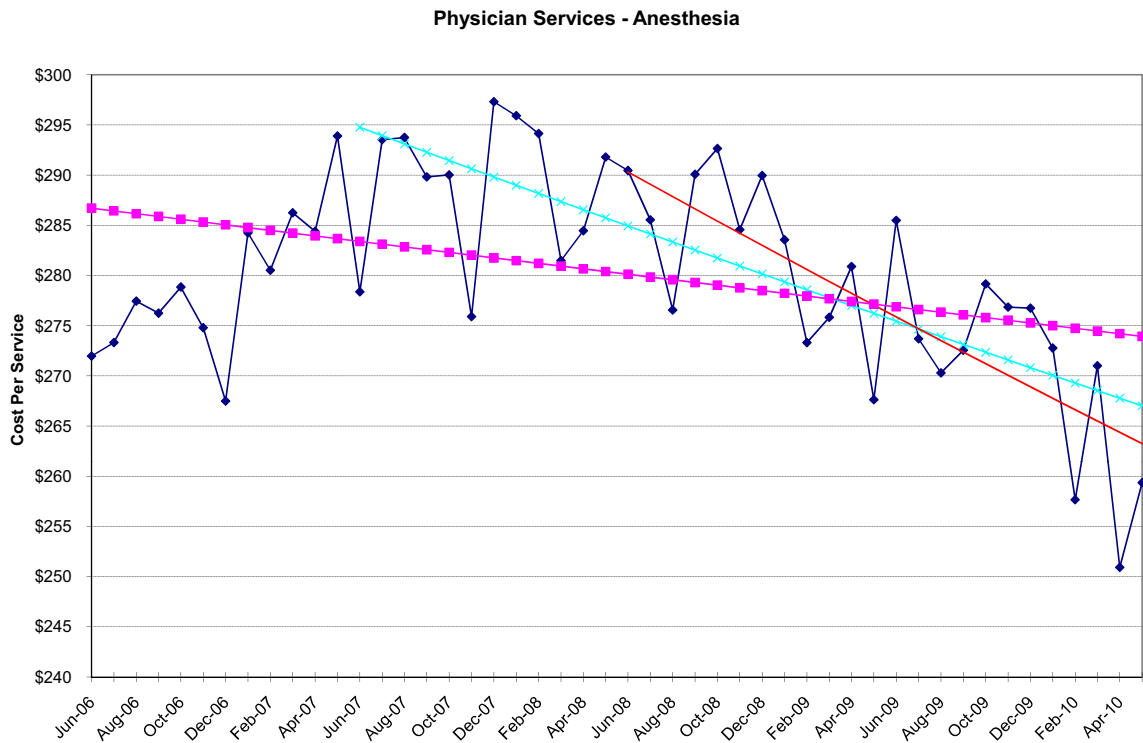
PHYSICIAN SERVICES

Anesthesia

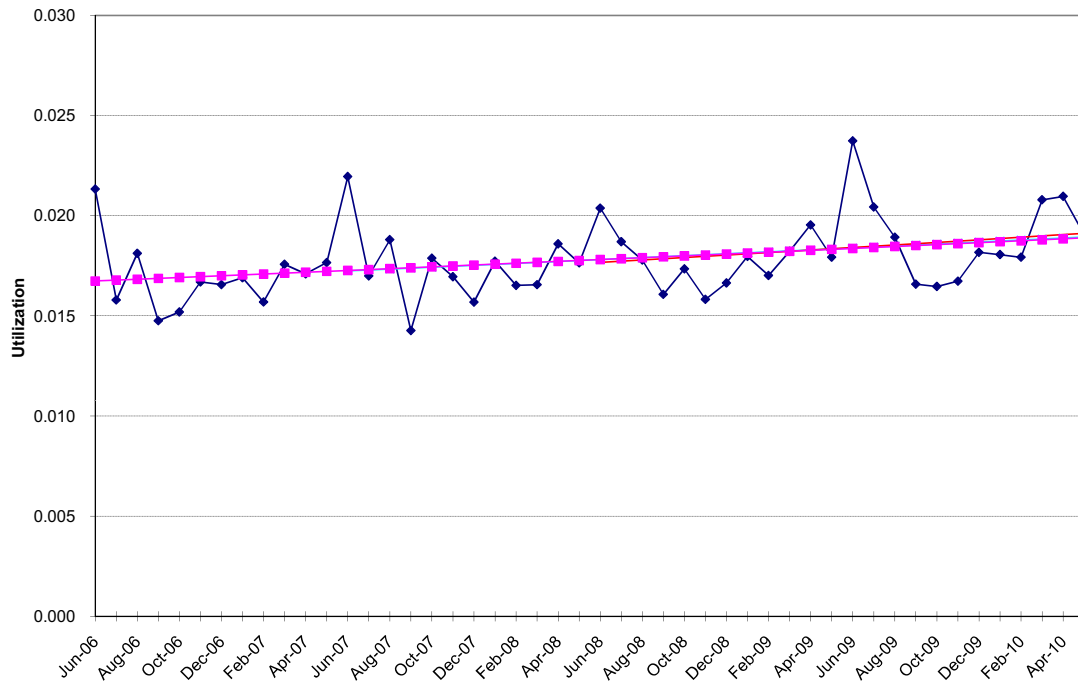
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.2%	-5.0%	-1.0%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.3%	-3.3%	-0.2%

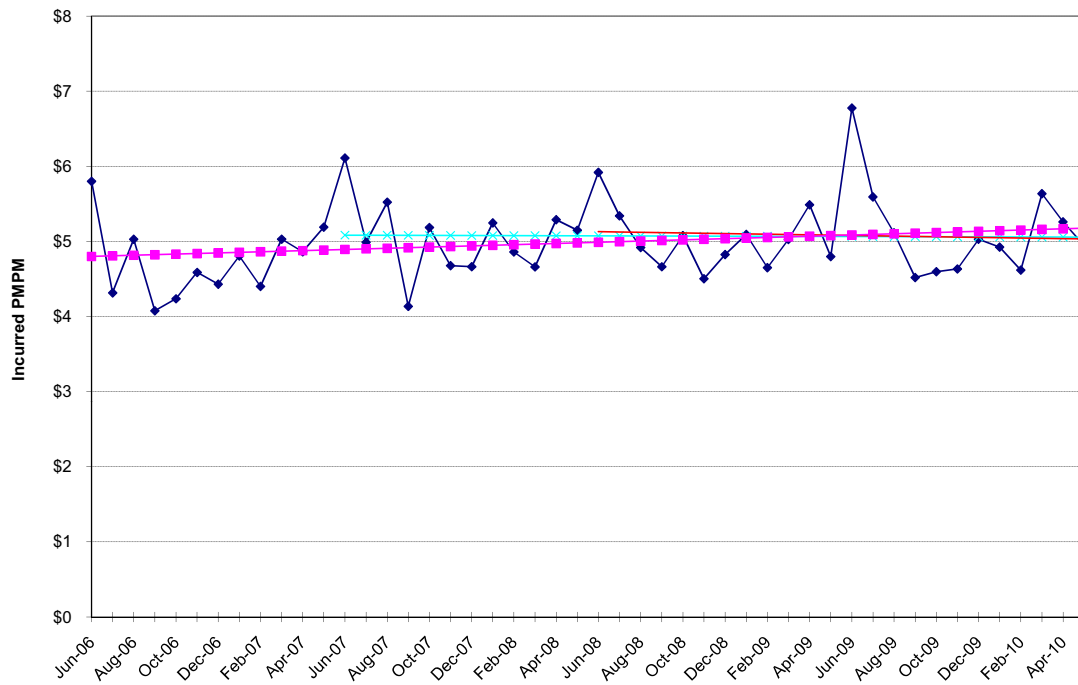
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.1%	-1.2%	1.9%



Physician Services - Anesthesia



Physician Services - Anesthesia



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

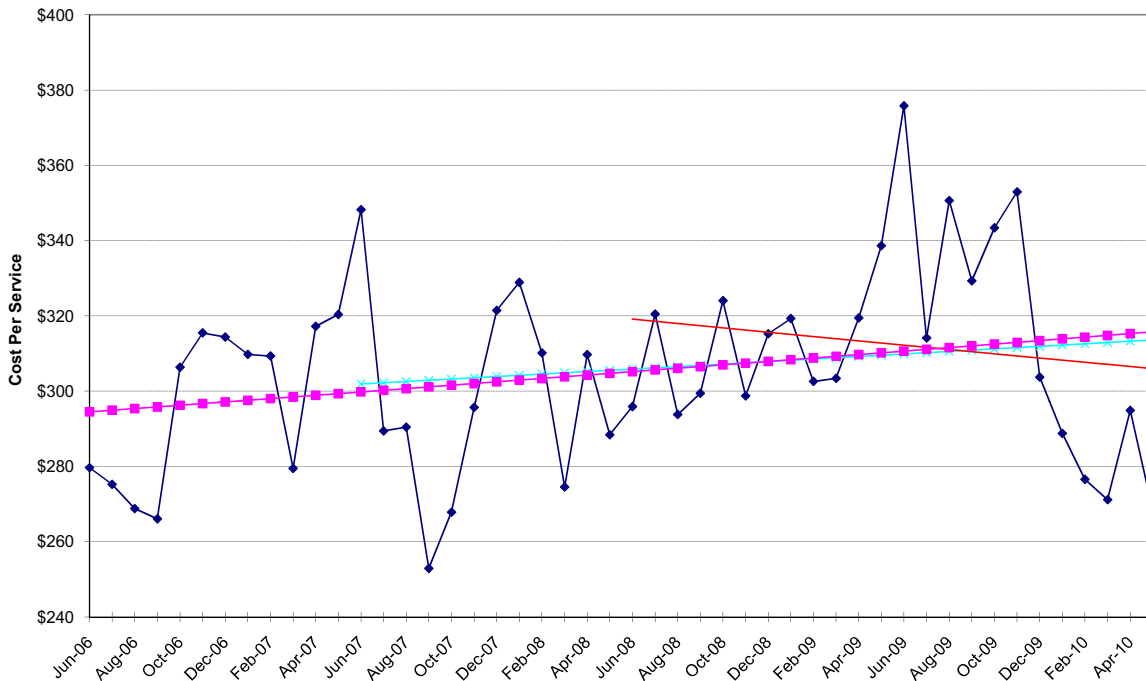
Chemotherapy / Radiation

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-14.5%	-2.2%	-16.4%

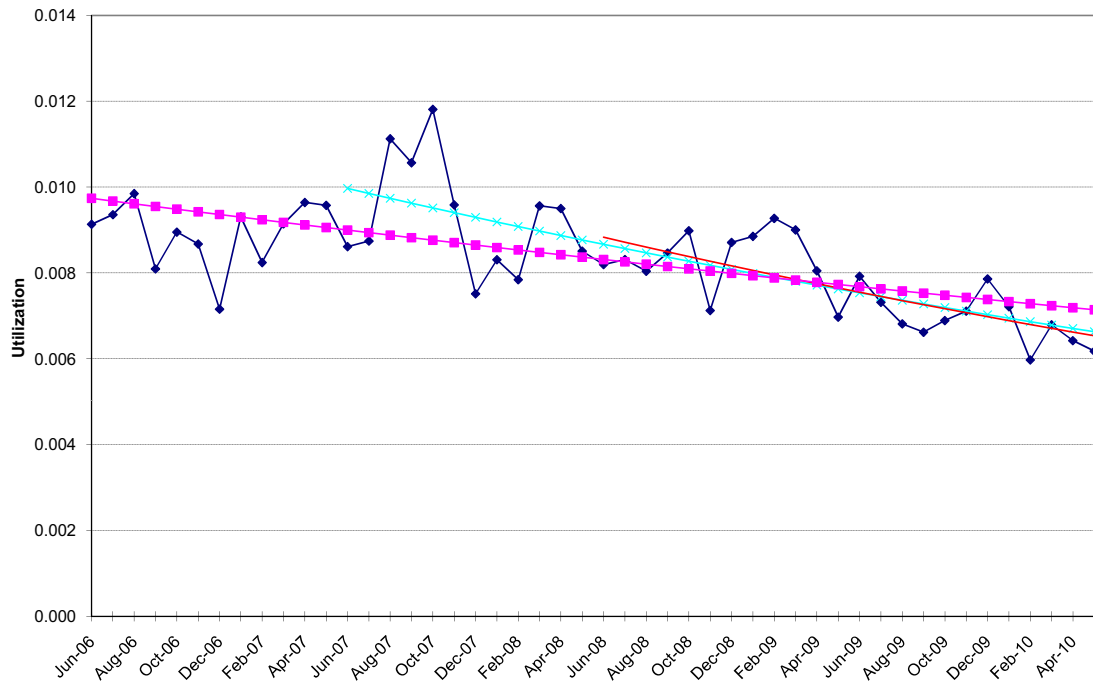
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-13.1%	1.3%	-11.9%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-7.6%	1.8%	-6.0%

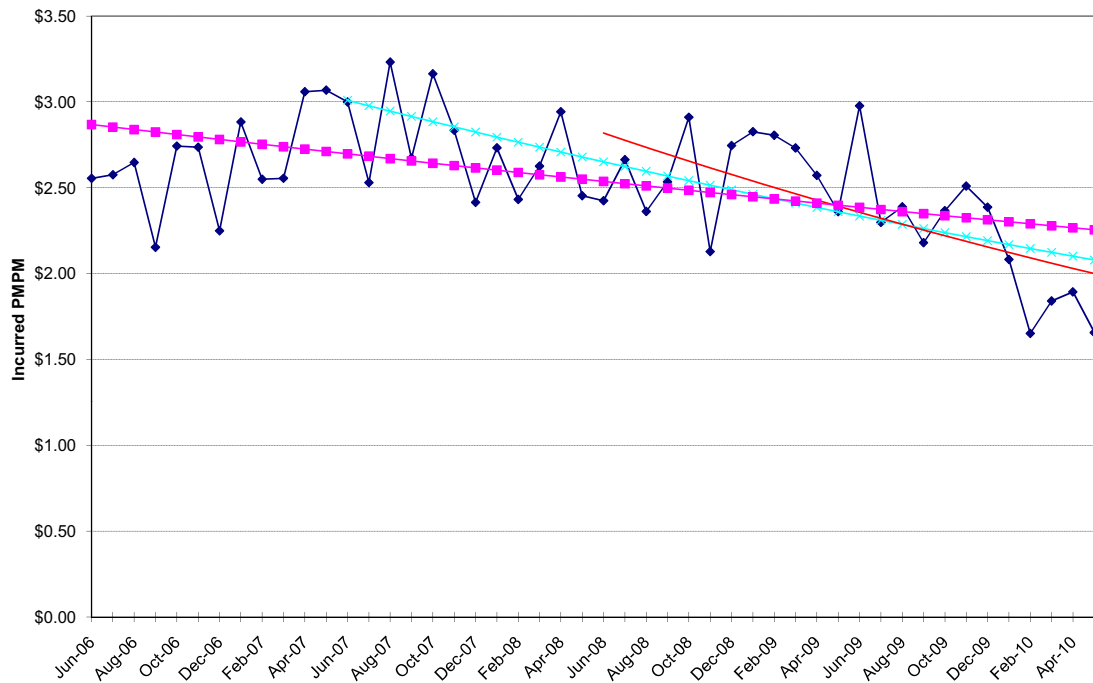
Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

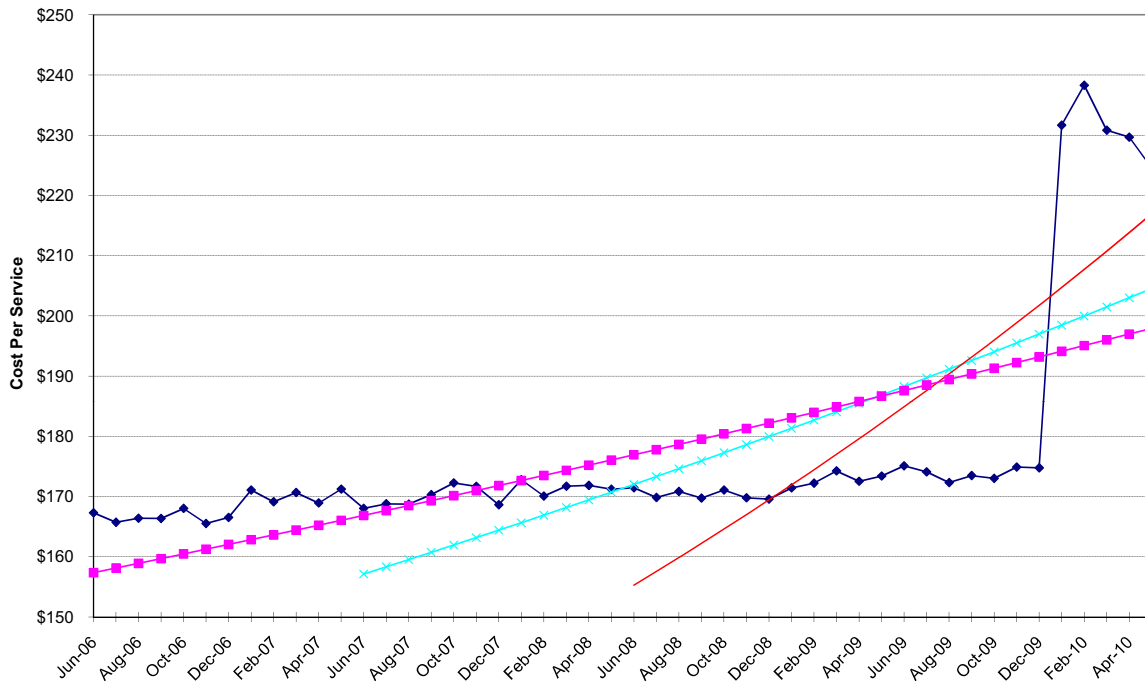
Consultations

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-37.0%	19.1%	-24.9%

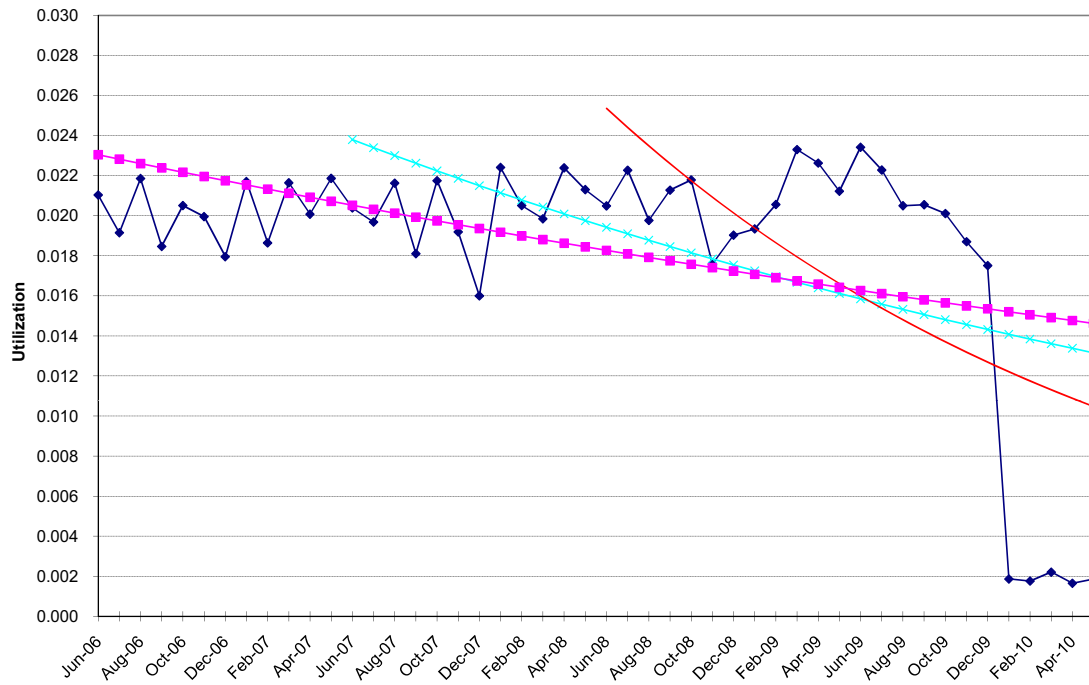
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-18.4%	9.5%	-10.7%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-11.0%	6.0%	-5.6%

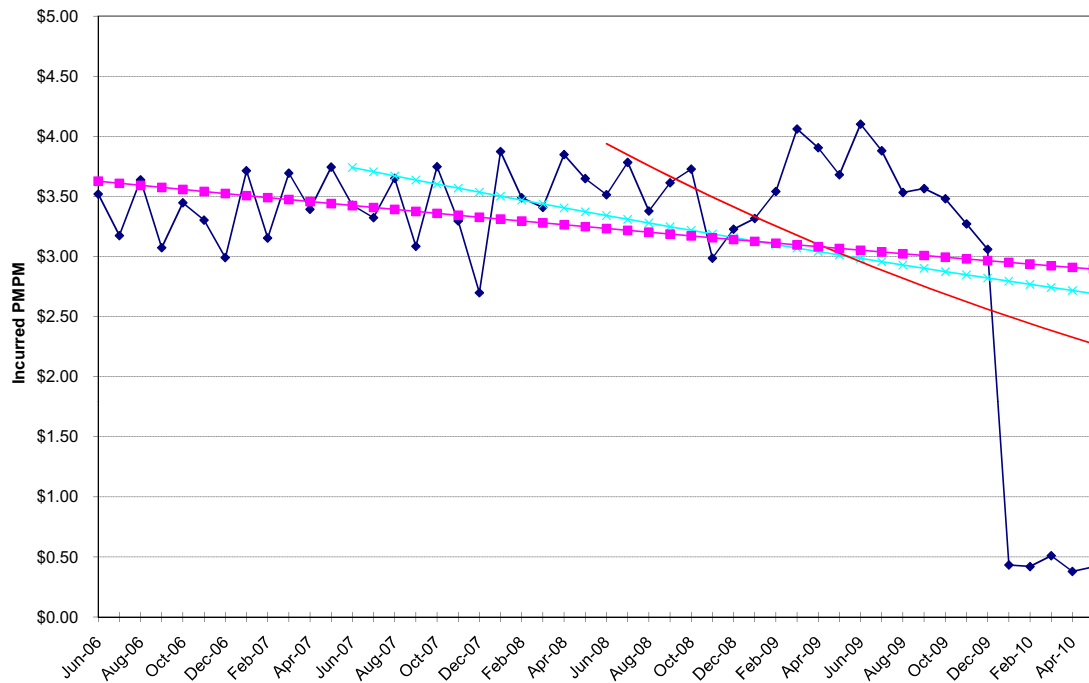
Physician Services - Consultations



Physician Services - Consultations



Physician Services - Consultations



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

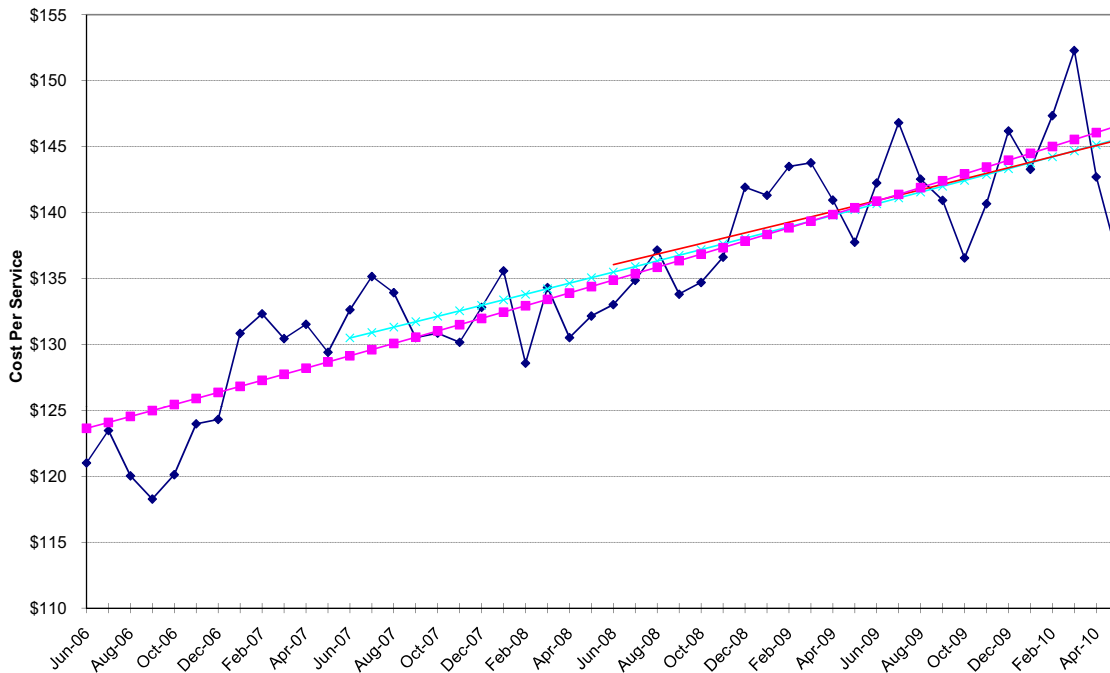
Emergency Room

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.7%	3.6%	8.4%

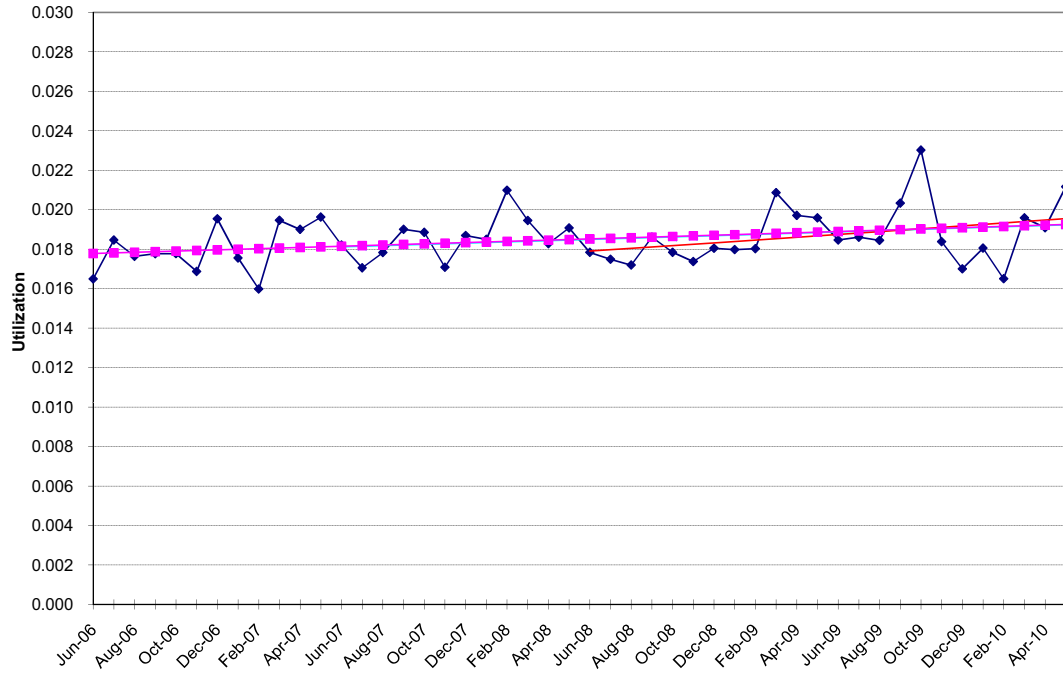
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.1%	3.8%	6.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.0%	4.4%	6.6%

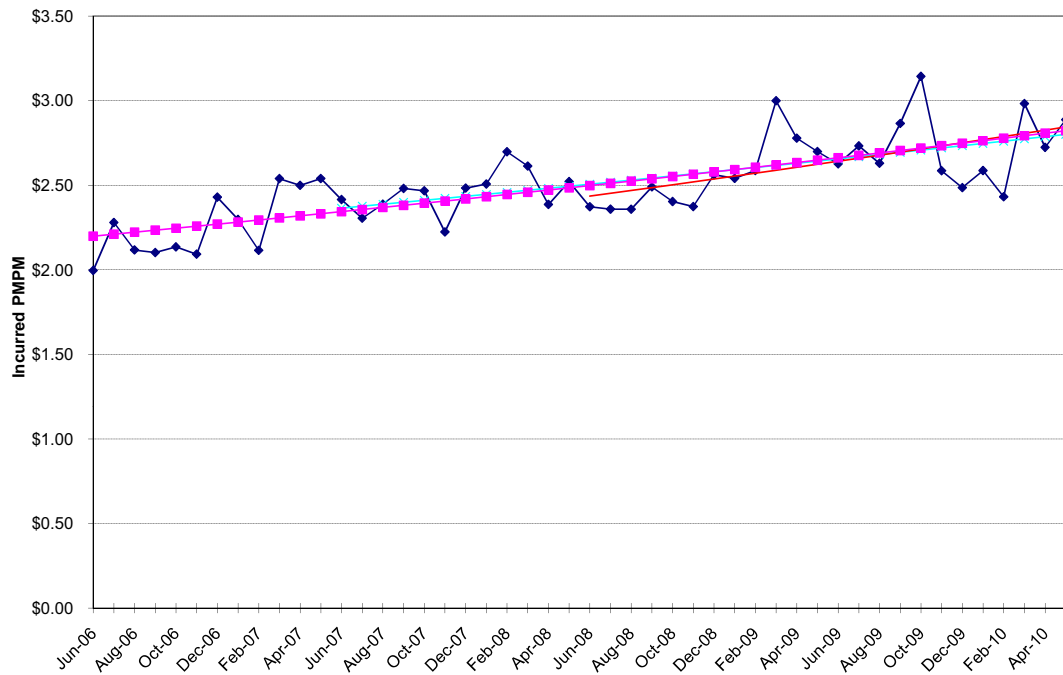
Physician Services - Emergency Room



Physician Services - Emergency Room



Physician Services - Emergency Room



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

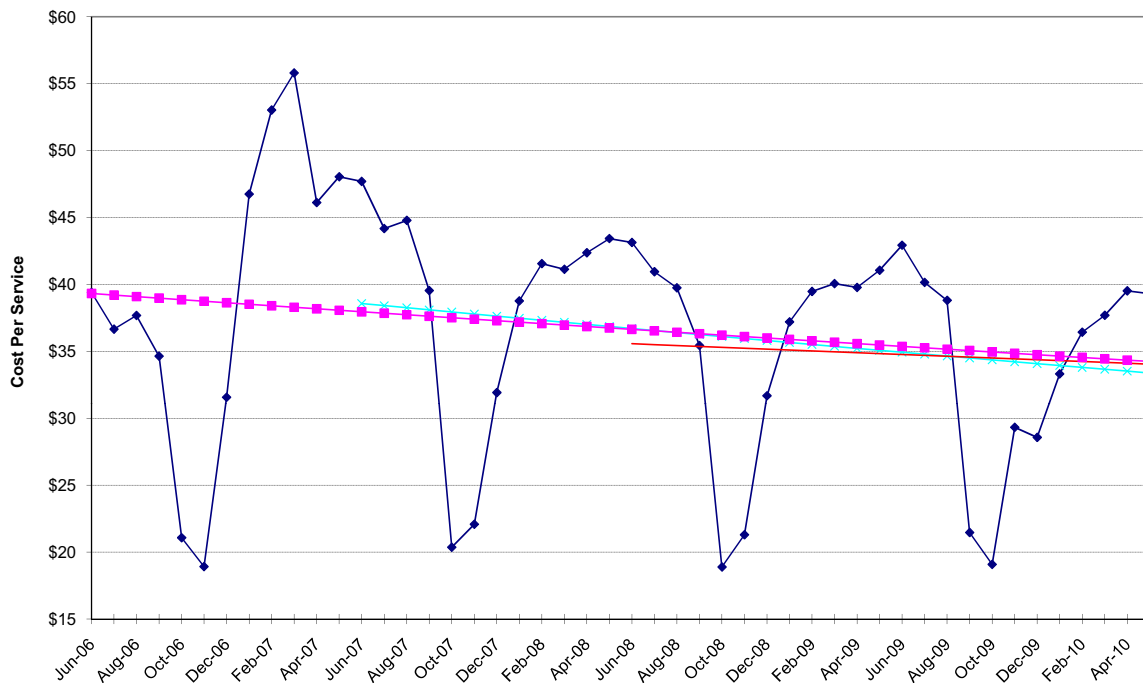
Immunizations / Injections / Allergy

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-10.8%	-2.3%	-12.8%

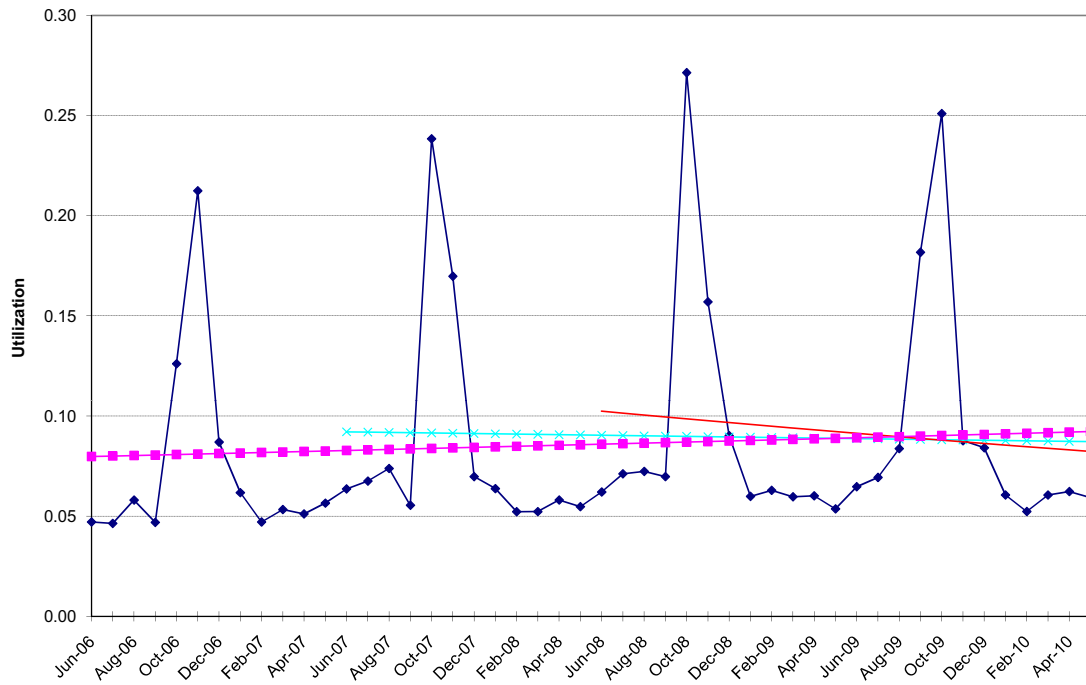
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.9%	-4.8%	-6.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.8%	-3.5%	0.2%

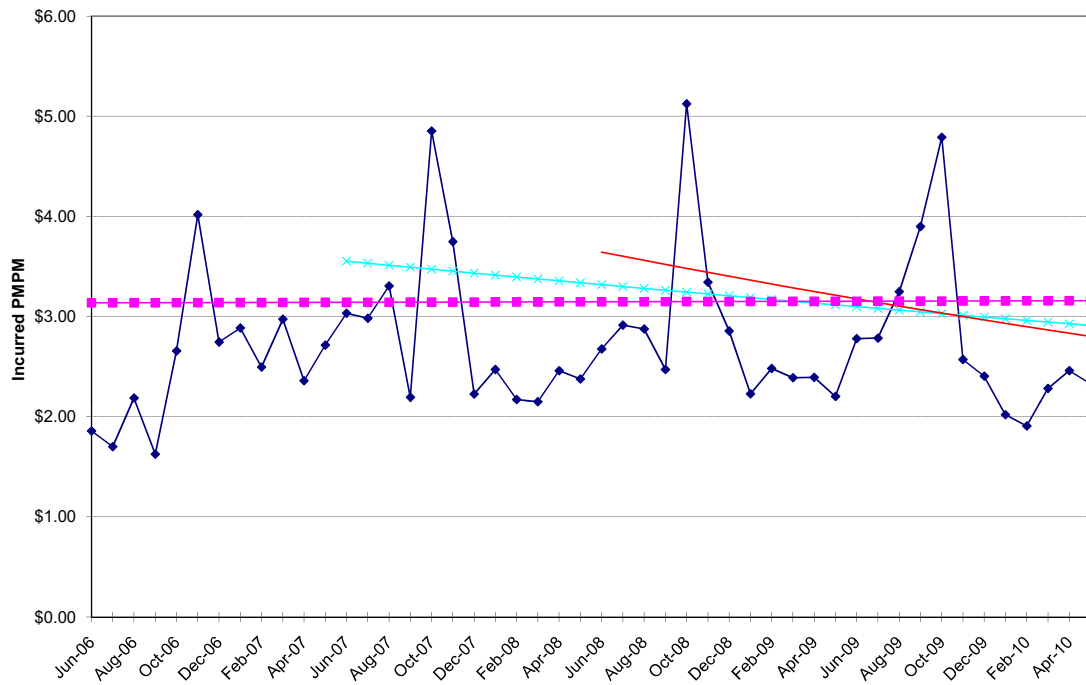
Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

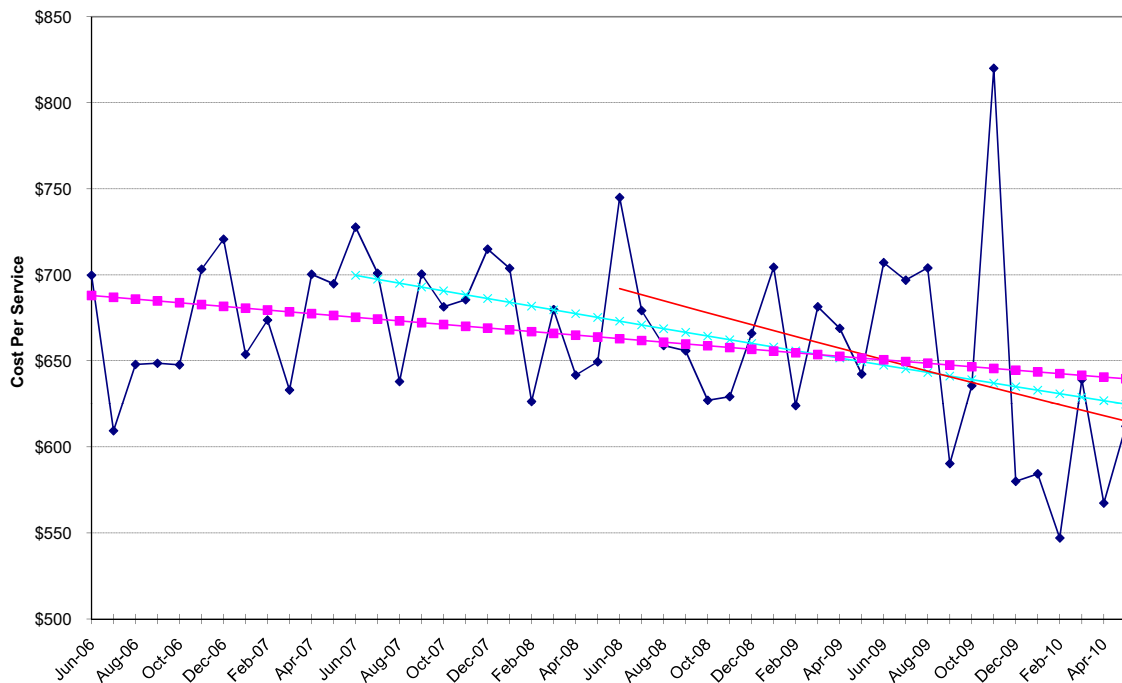
Inpatient Surgery

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.1%	-6.0%	-6.0%

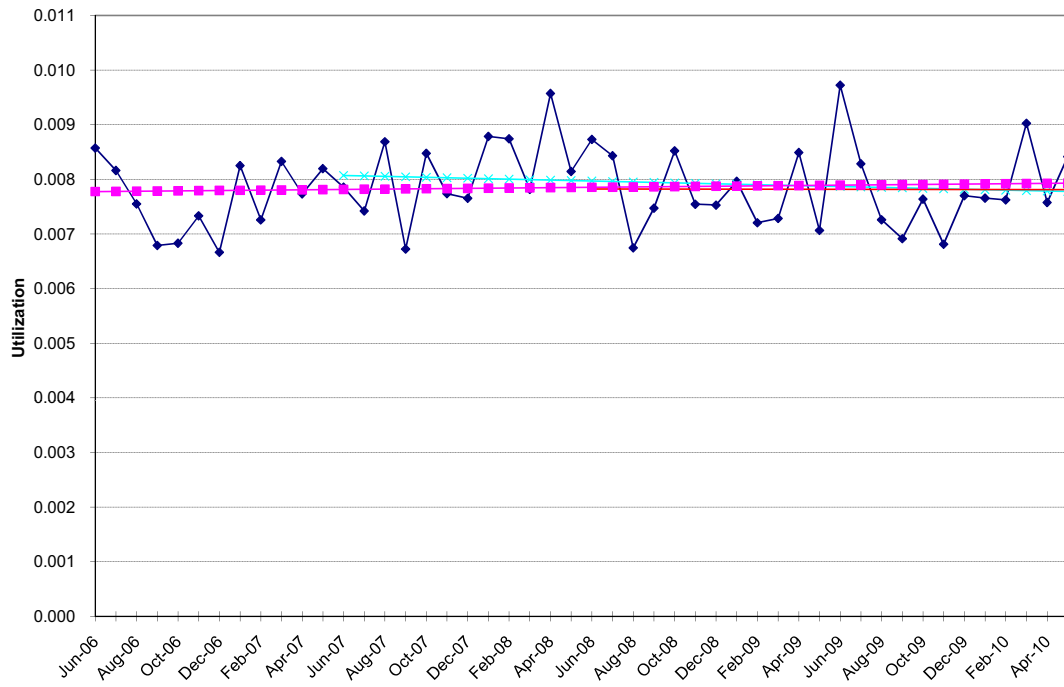
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.3%	-3.8%	-5.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.5%	-1.8%	-1.4%

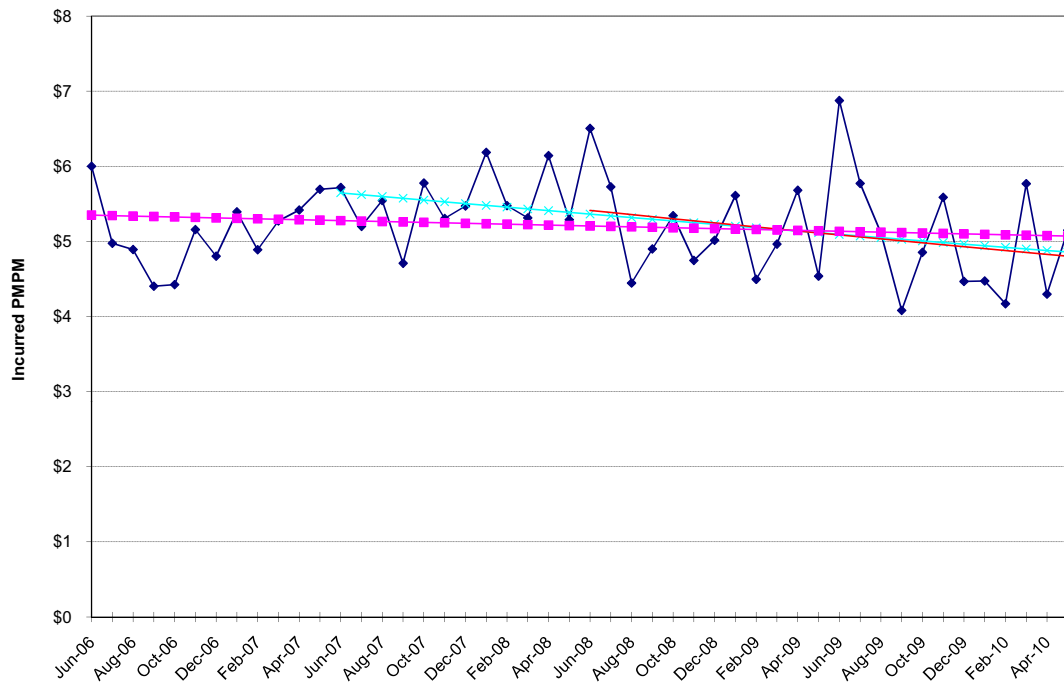
Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



NON-MEDICARE CLAIMS
Excluding Drugs

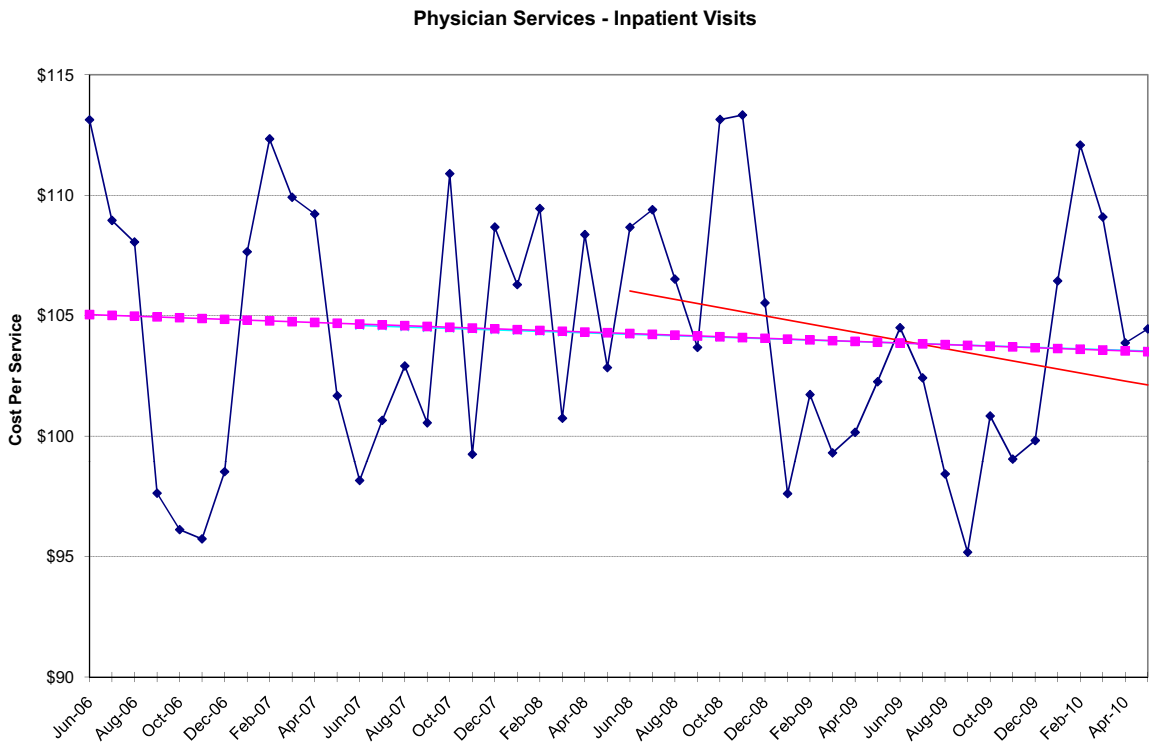
PHYSICIAN SERVICES

Inpatient Visits

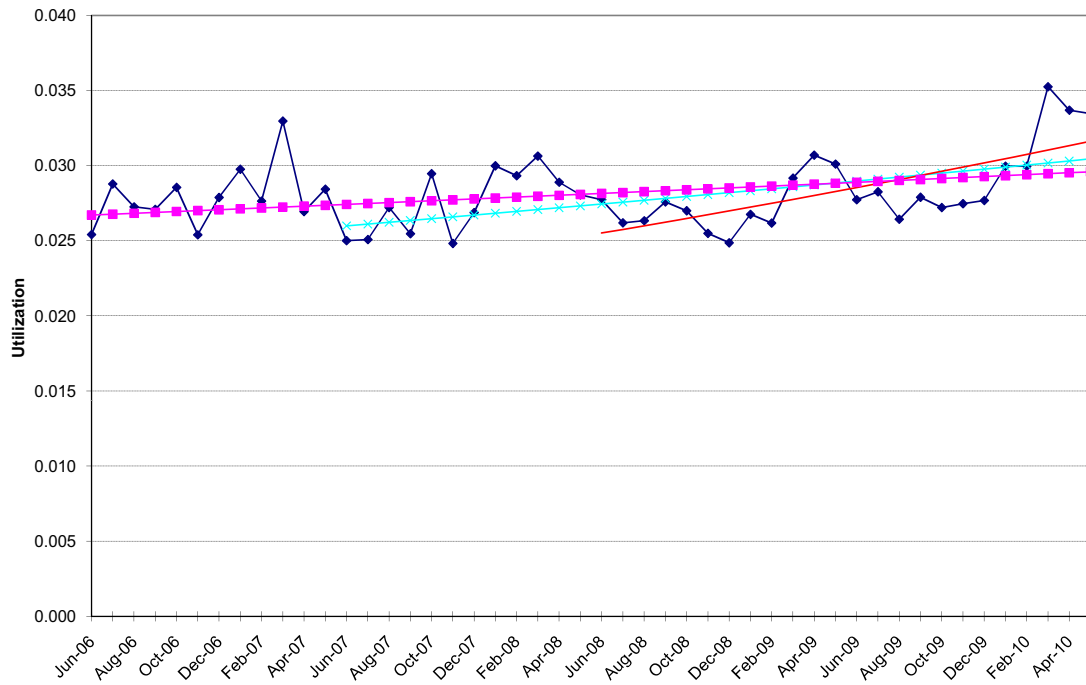
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
11.8%	-1.9%	9.7%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.6%	-0.4%	5.2%

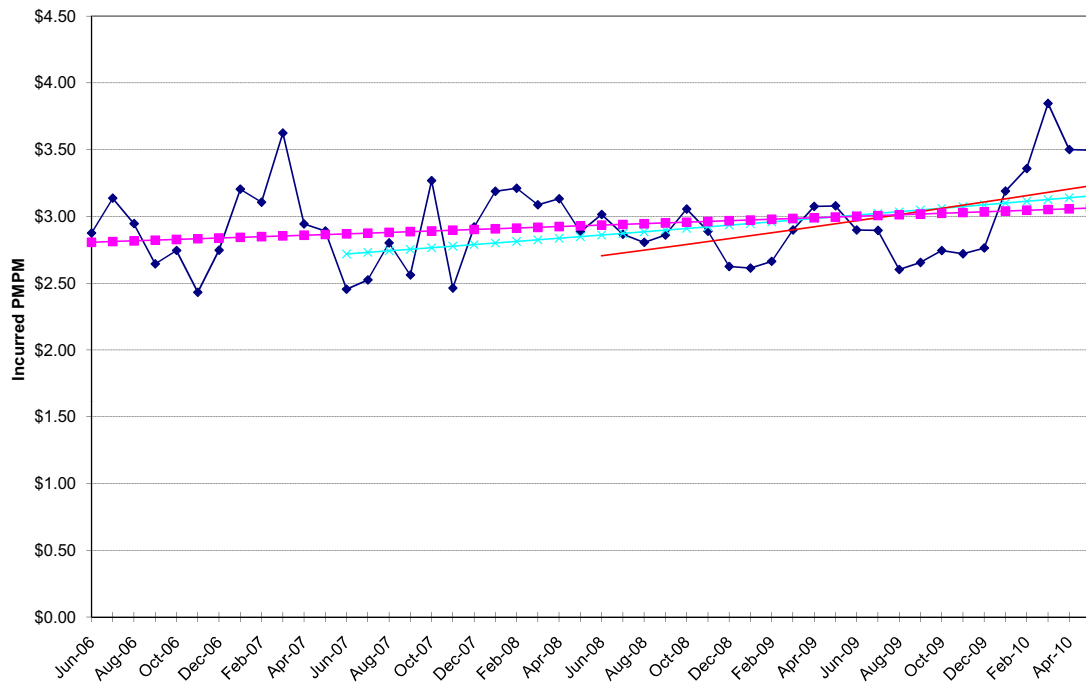
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.6%	-0.4%	2.3%



Physician Services - Inpatient Visits



Physician Services - Inpatient Visits



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

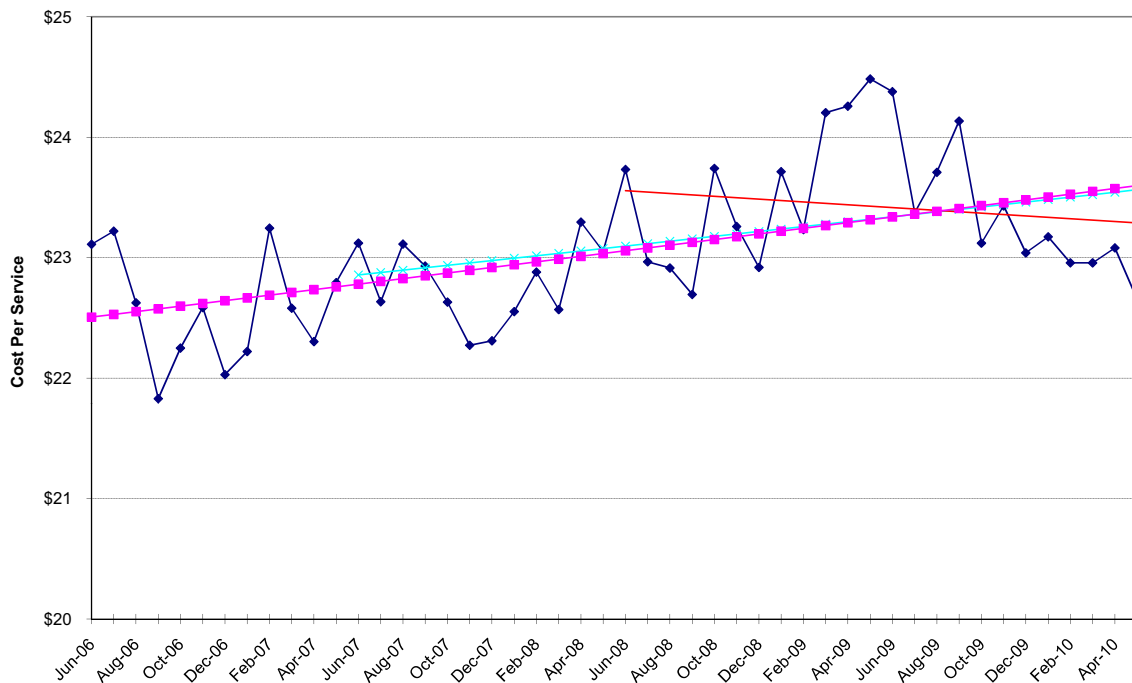
Lab & Pathology

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.3%	-0.6%	4.6%

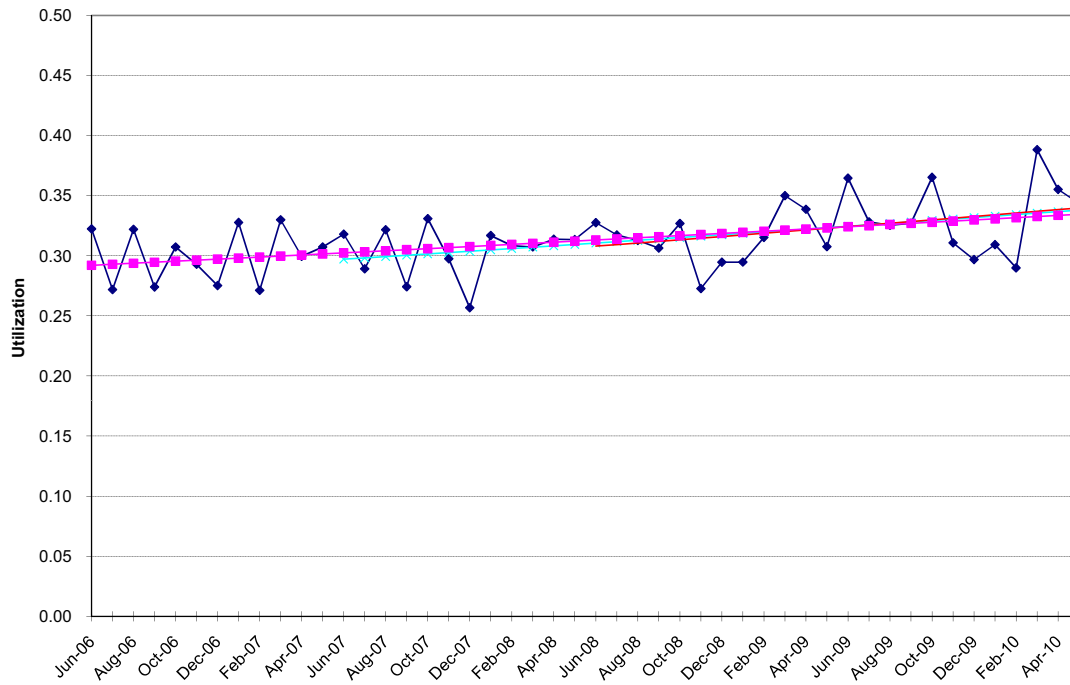
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.5%	1.1%	5.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.5%	1.2%	4.8%

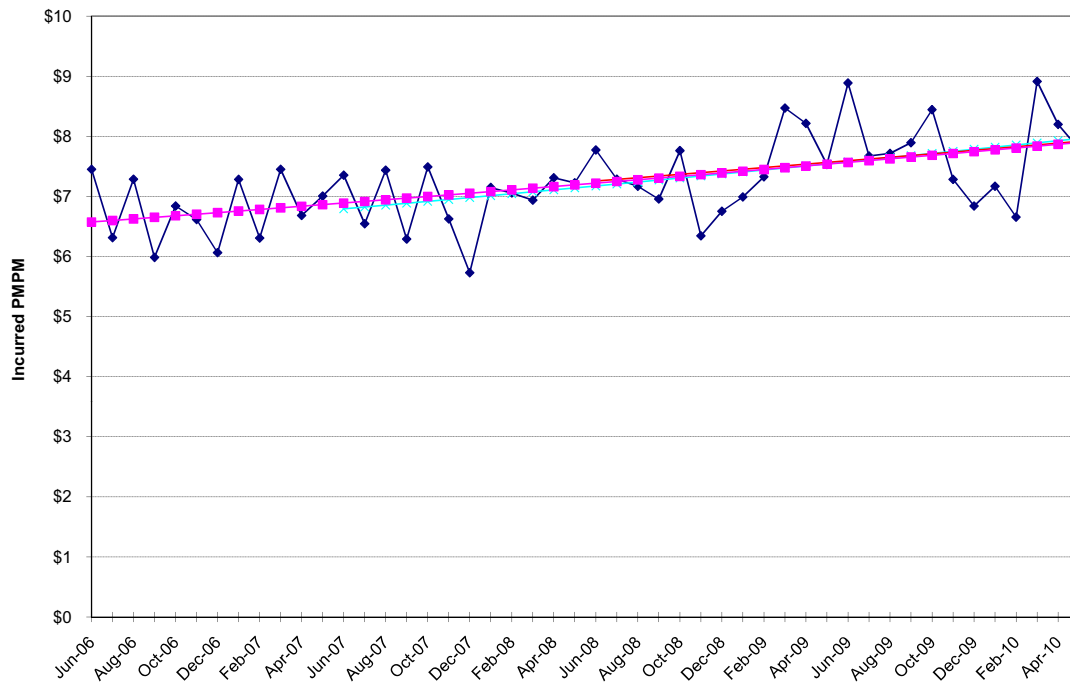
Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

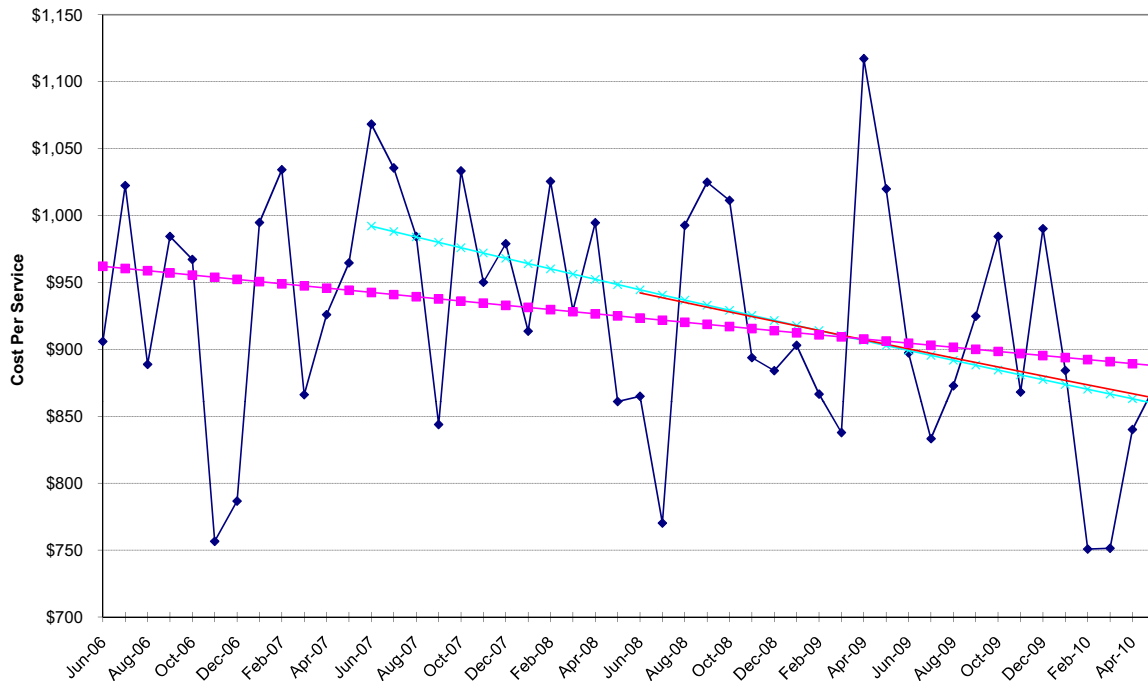
Maternity

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.5%	-4.4%	-6.8%

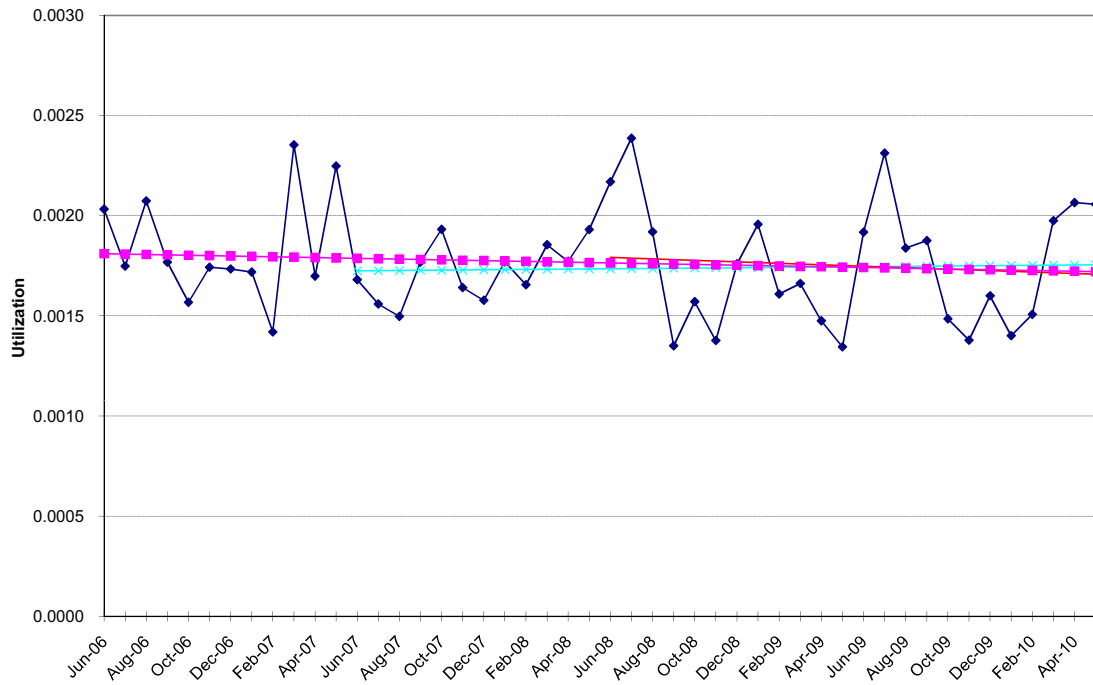
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.6%	-4.8%	-4.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.3%	-2.0%	-3.3%

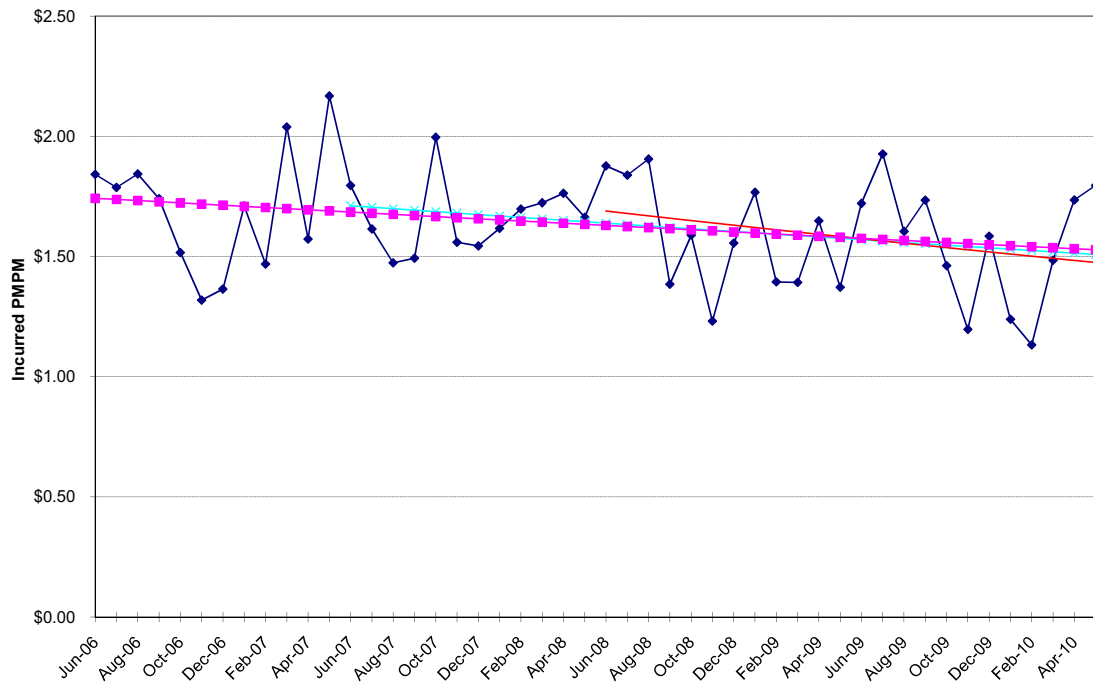
Physician Services - Maternity



Physician Services - Maternity



Physician Services - Maternity



NON-MEDICARE CLAIMS
Excluding Drugs

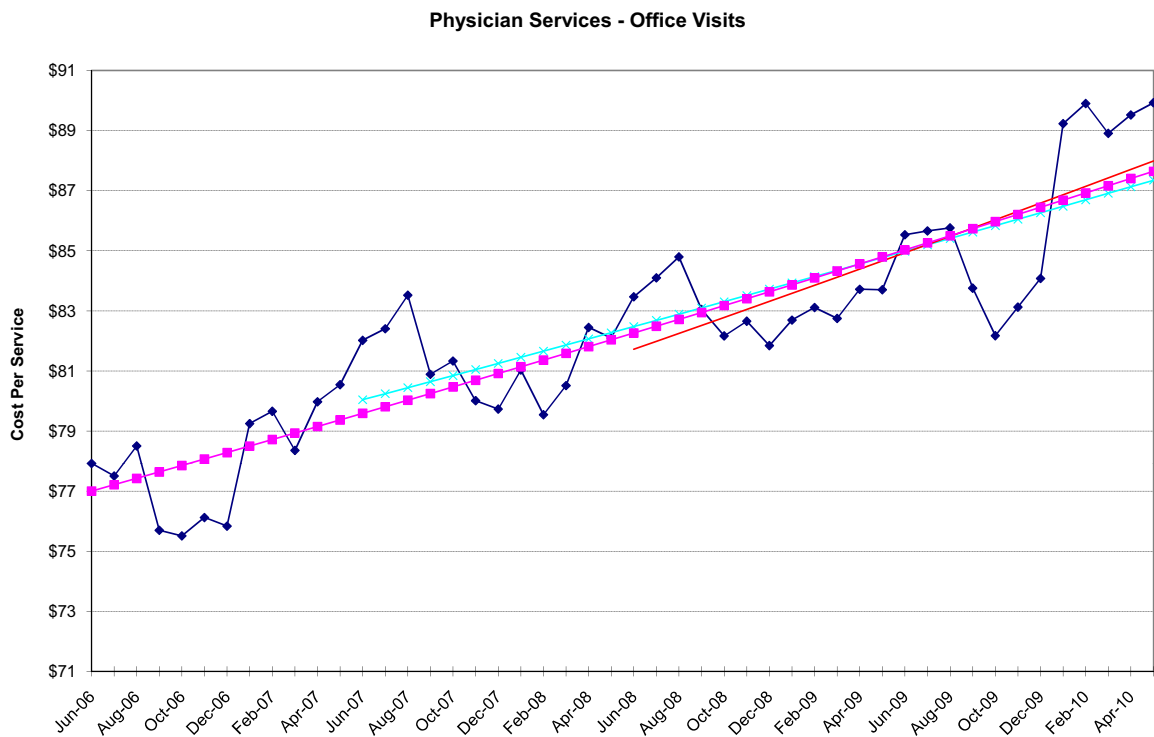
PHYSICIAN SERVICES

Office Visits

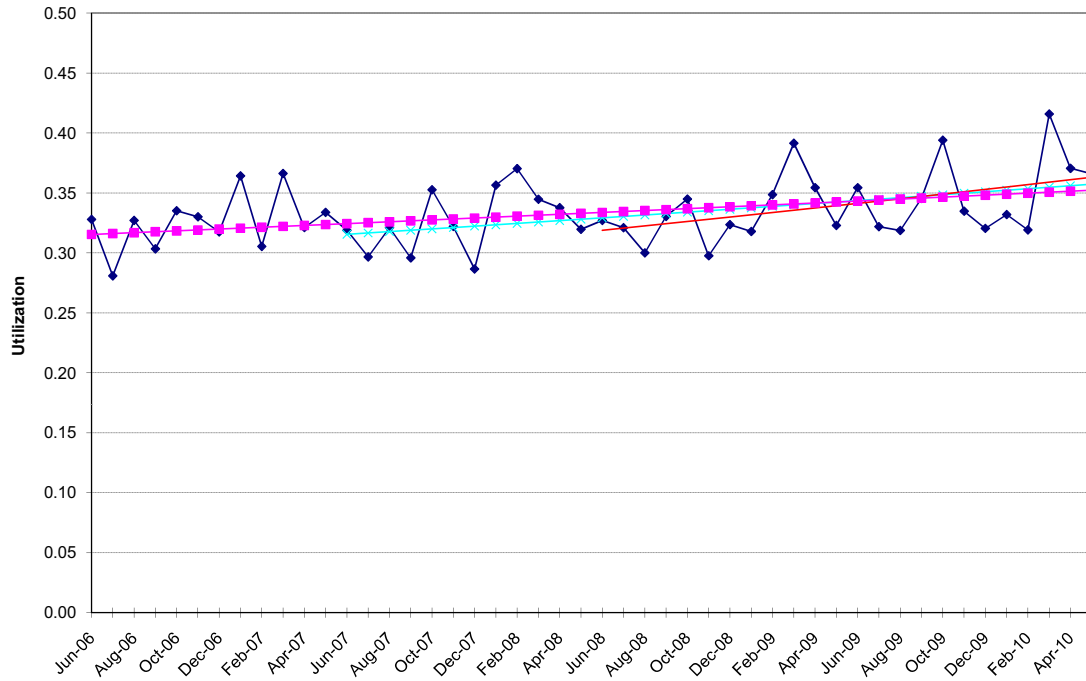
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.0%	3.9%	11.2%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.4%	3.0%	7.5%

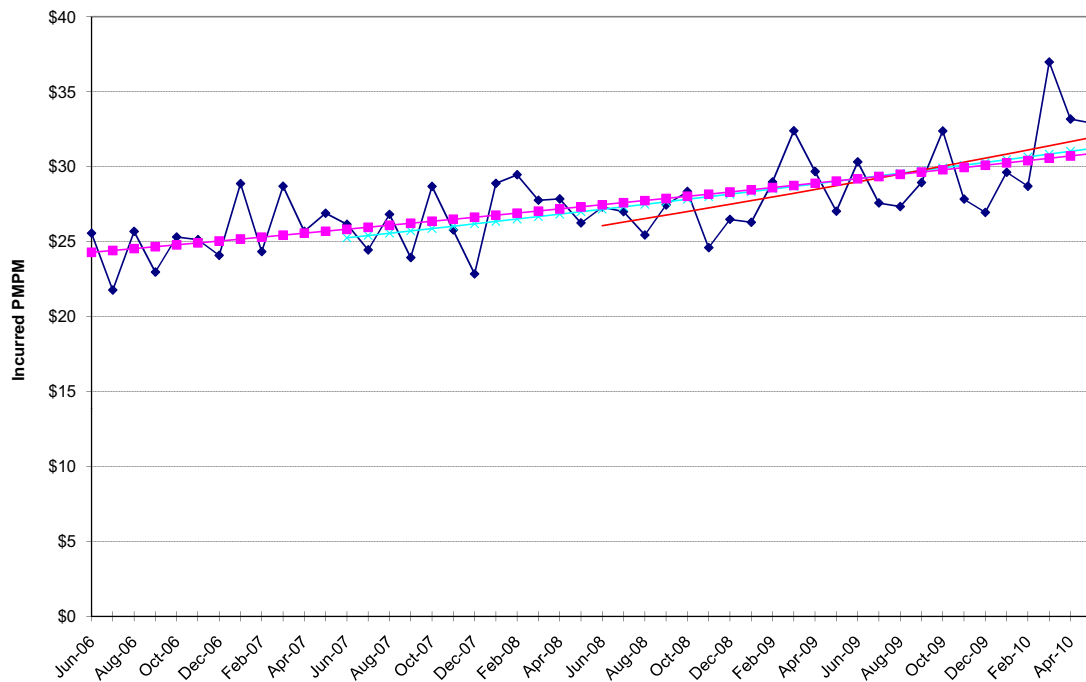
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.9%	3.4%	6.3%



Physician Services - Office Visits



Physician Services - Office Visits



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

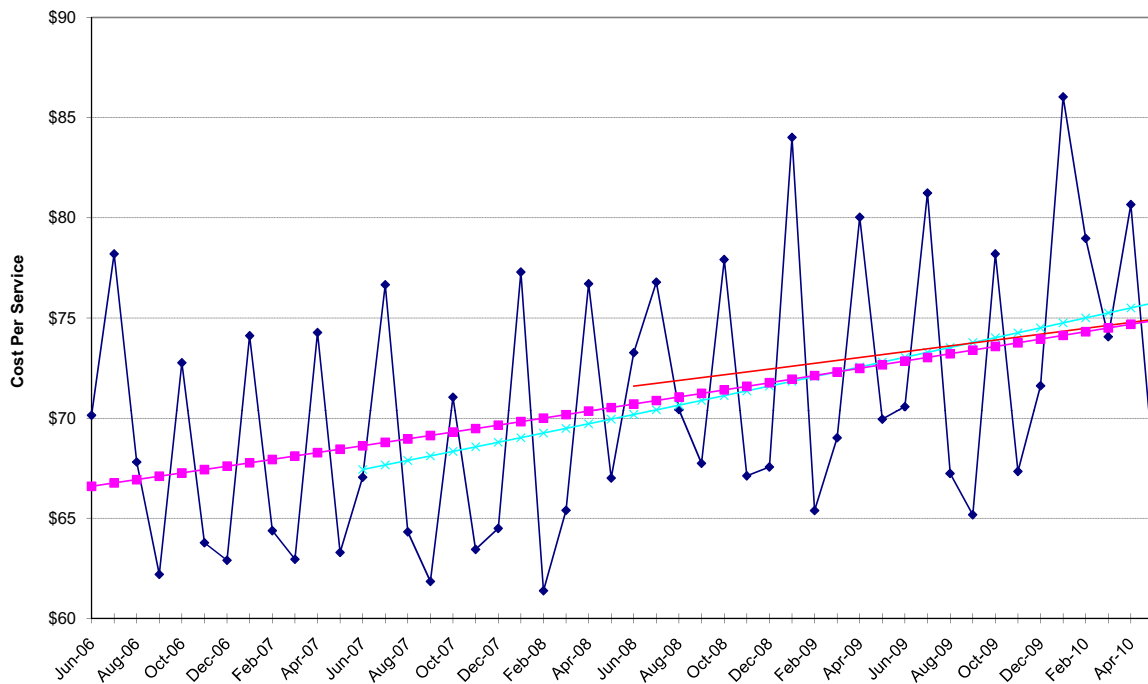
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.7%	2.4%	0.7%

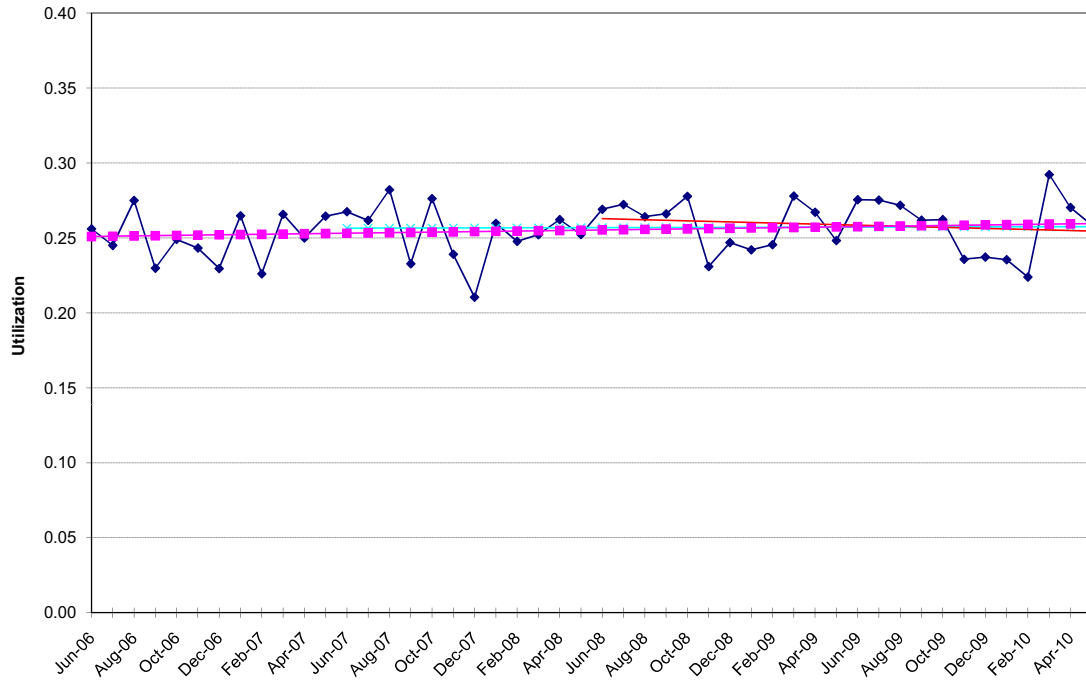
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.1%	4.1%	4.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.9%	3.0%	3.9%

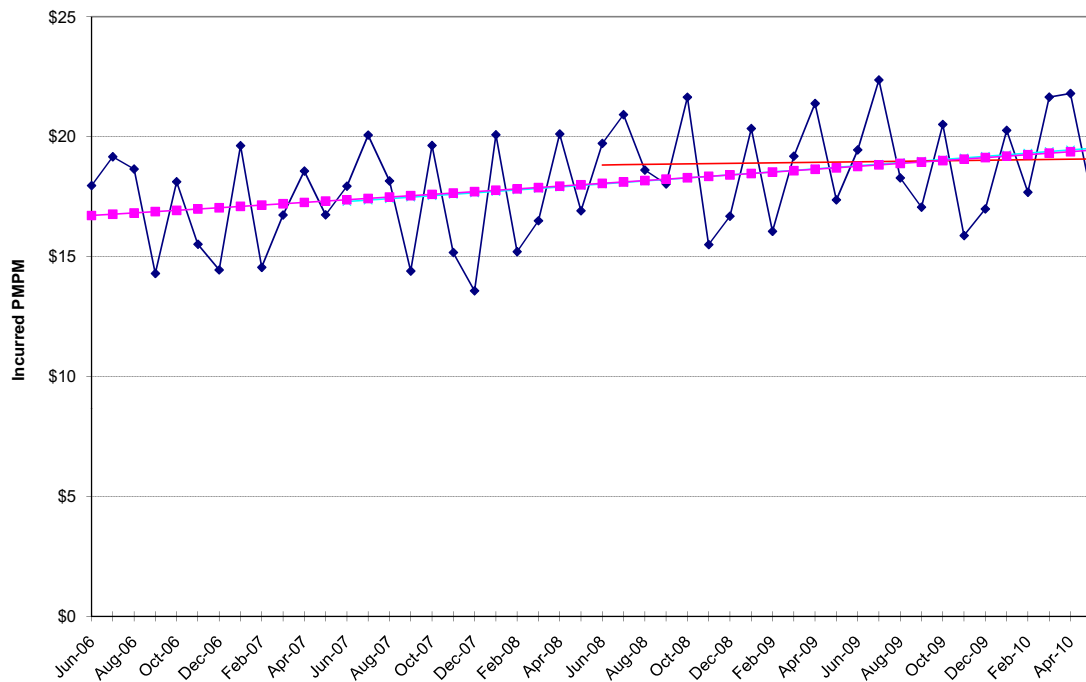
Physician Services - Other Services



Physician Services - Other Services



Physician Services - Other Services



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

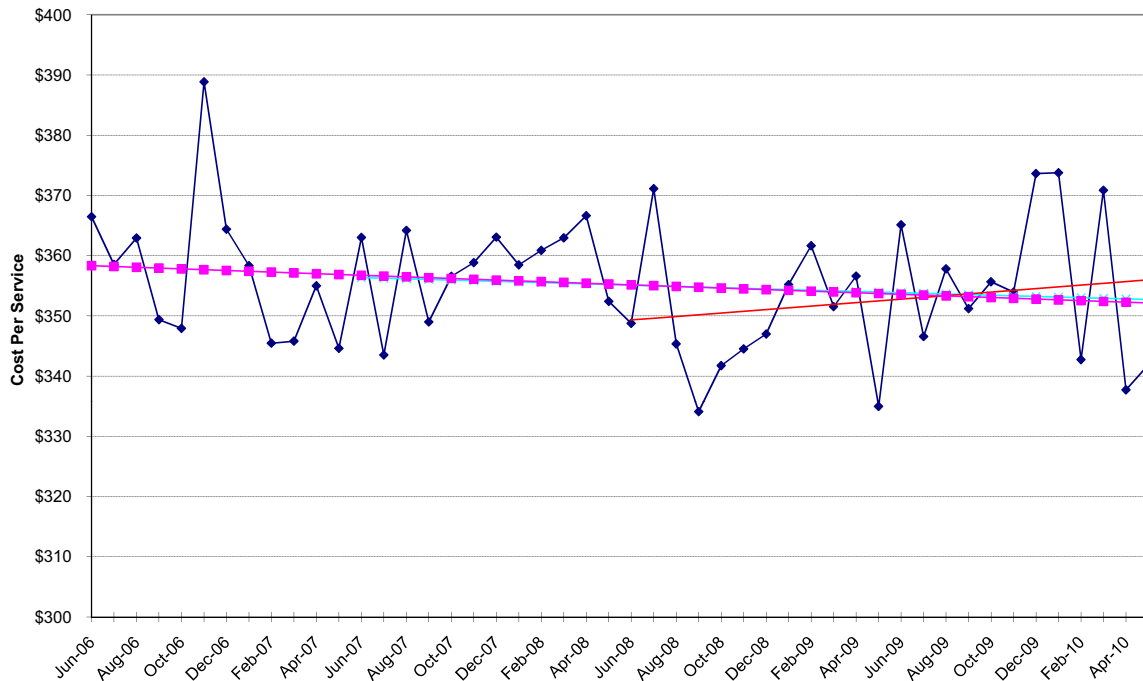
Outpatient Surgery

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.8%	1.0%	0.2%

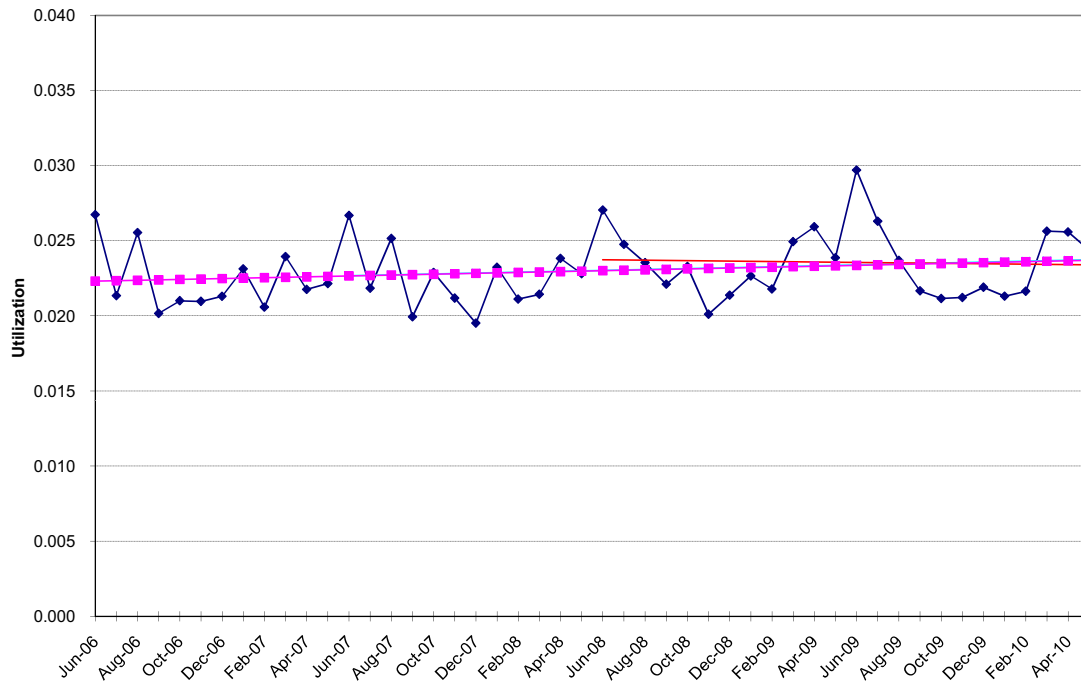
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.6%	-0.4%	1.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.5%	-0.4%	1.1%

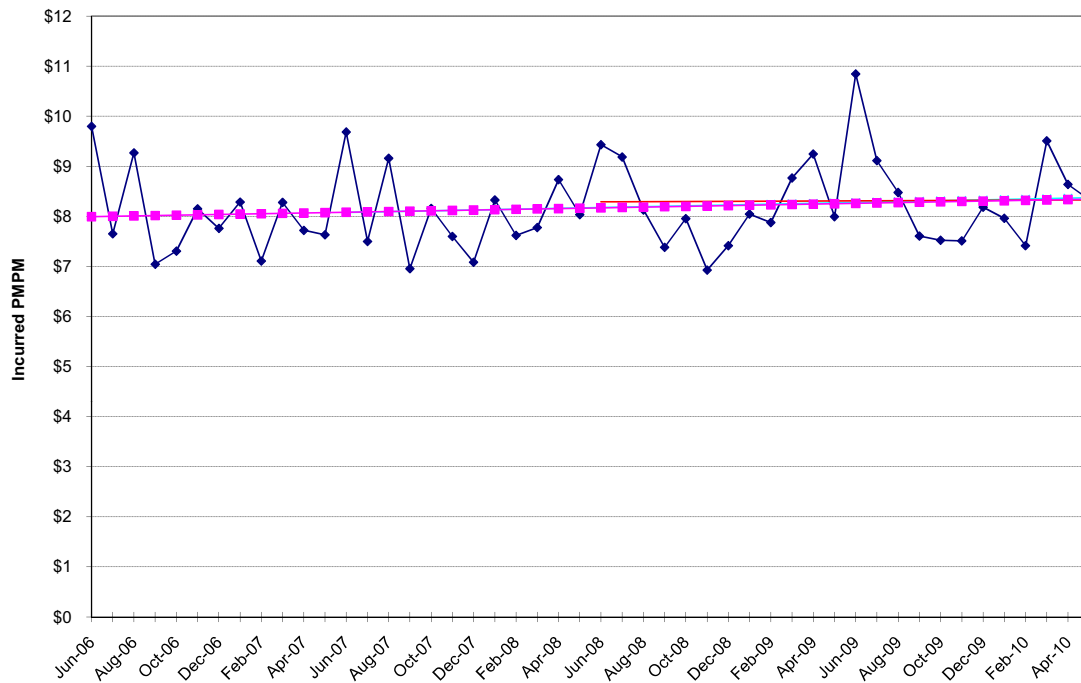
Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

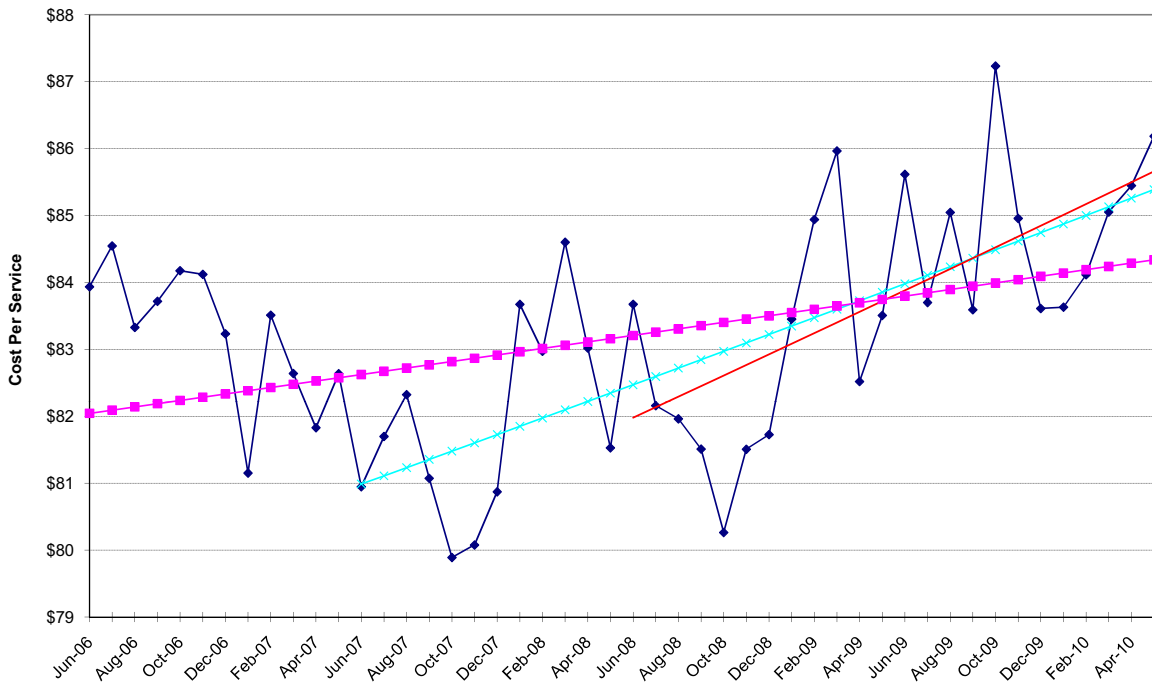
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.7%	2.3%	7.2%

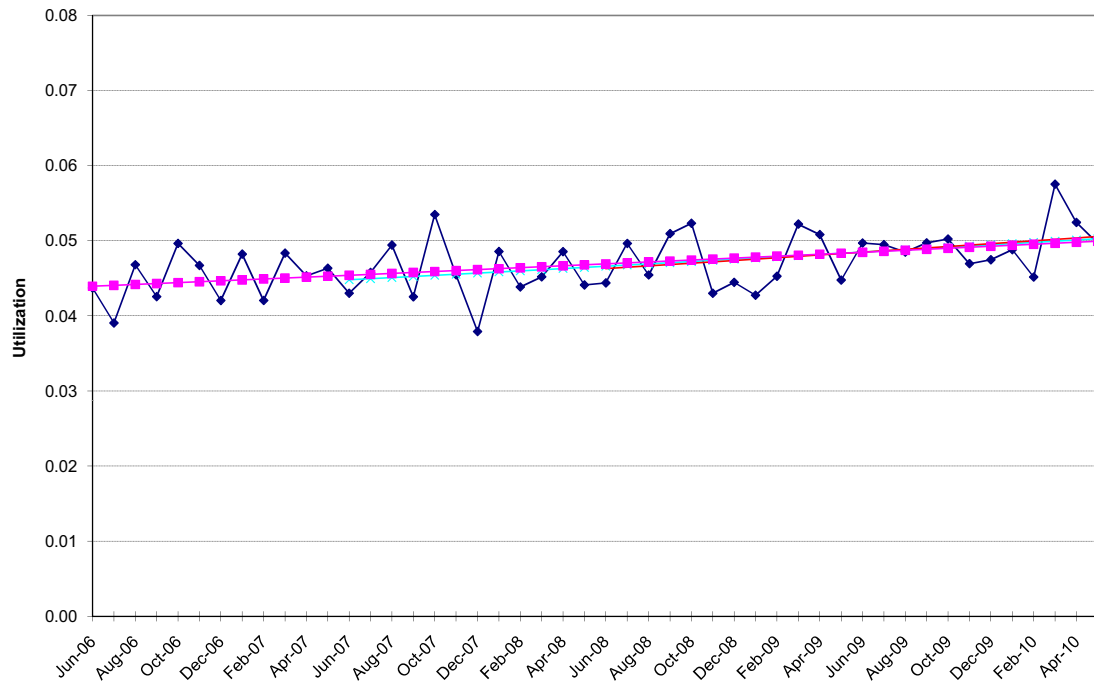
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.0%	1.8%	5.9%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.3%	0.7%	4.1%

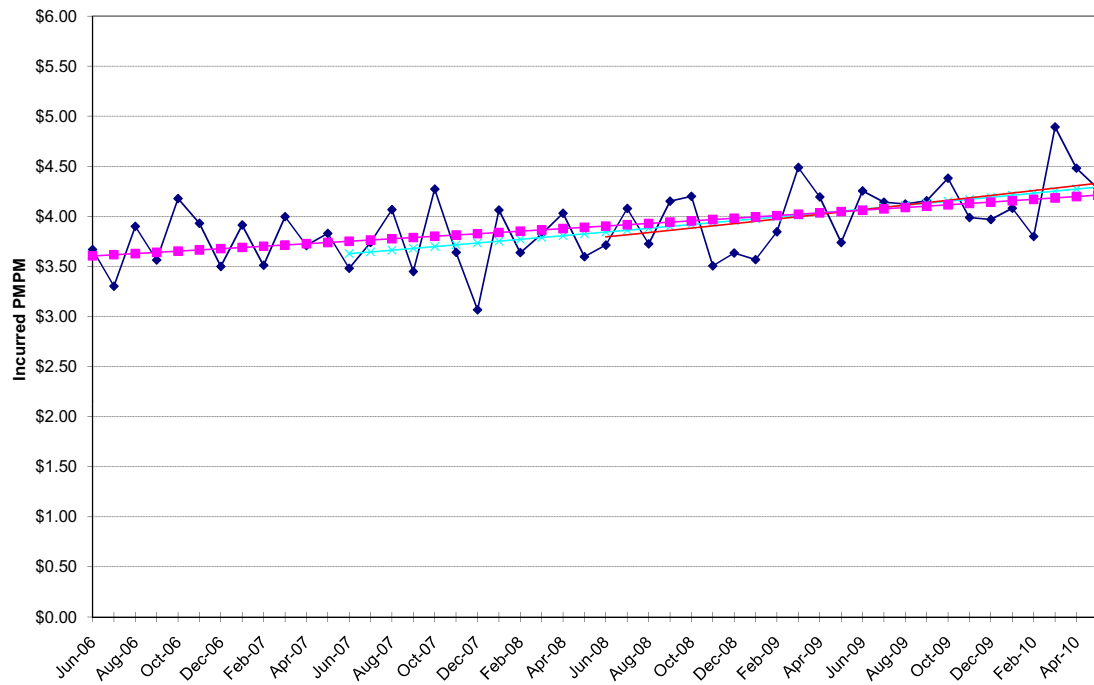
Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

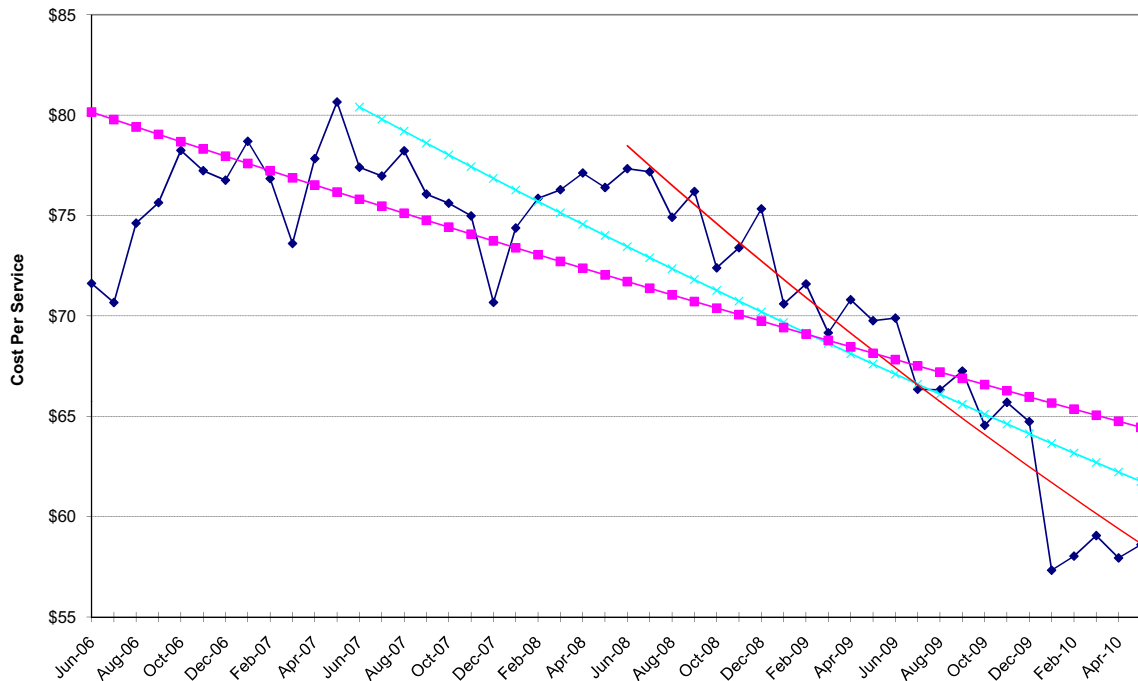
Radiology

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.9%	-14.1%	-15.7%

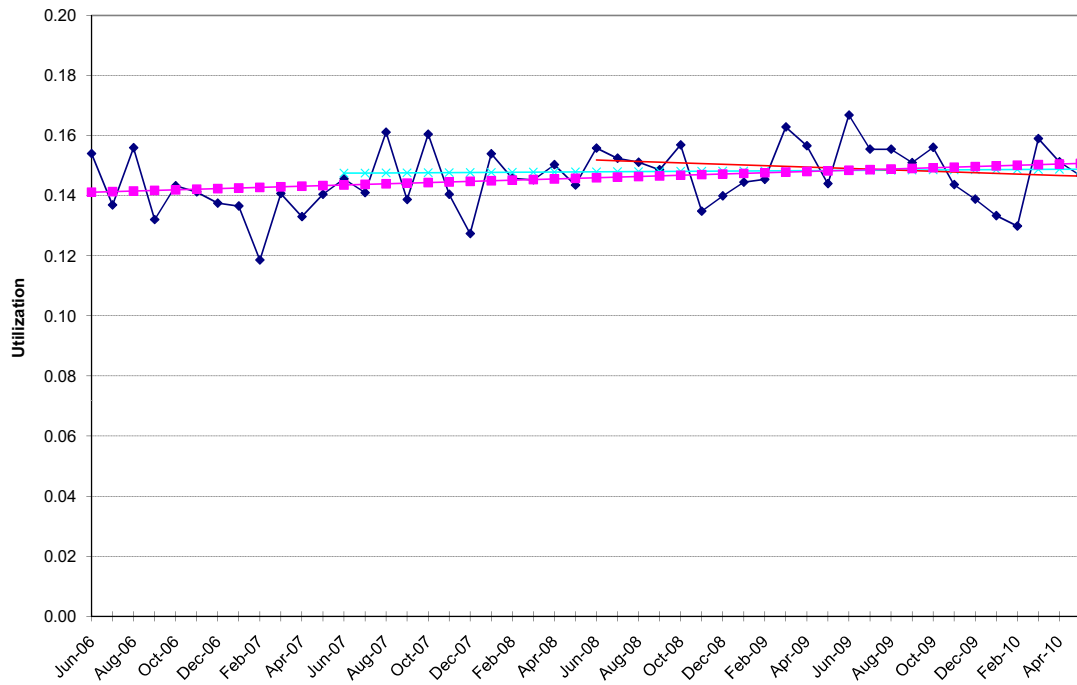
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.3%	-8.6%	-8.4%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.7%	-5.4%	-3.8%

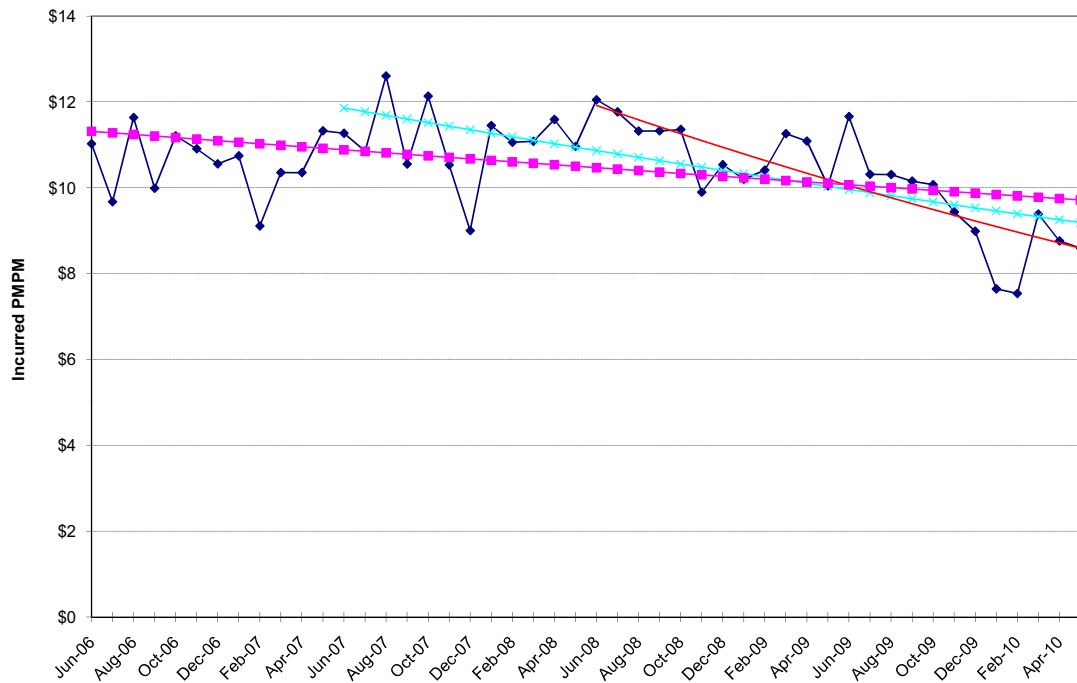
Physician Services - Radiology



Physician Services - Radiology



Physician Services - Radiology



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

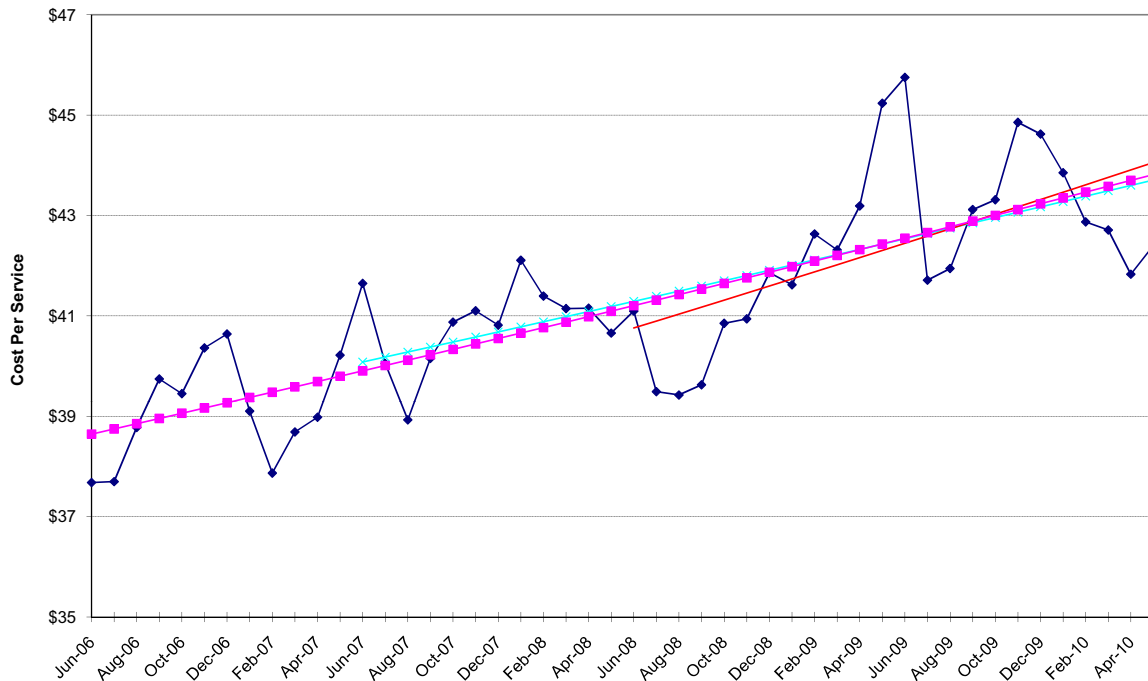
Therapies

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.0%	4.1%	7.2%

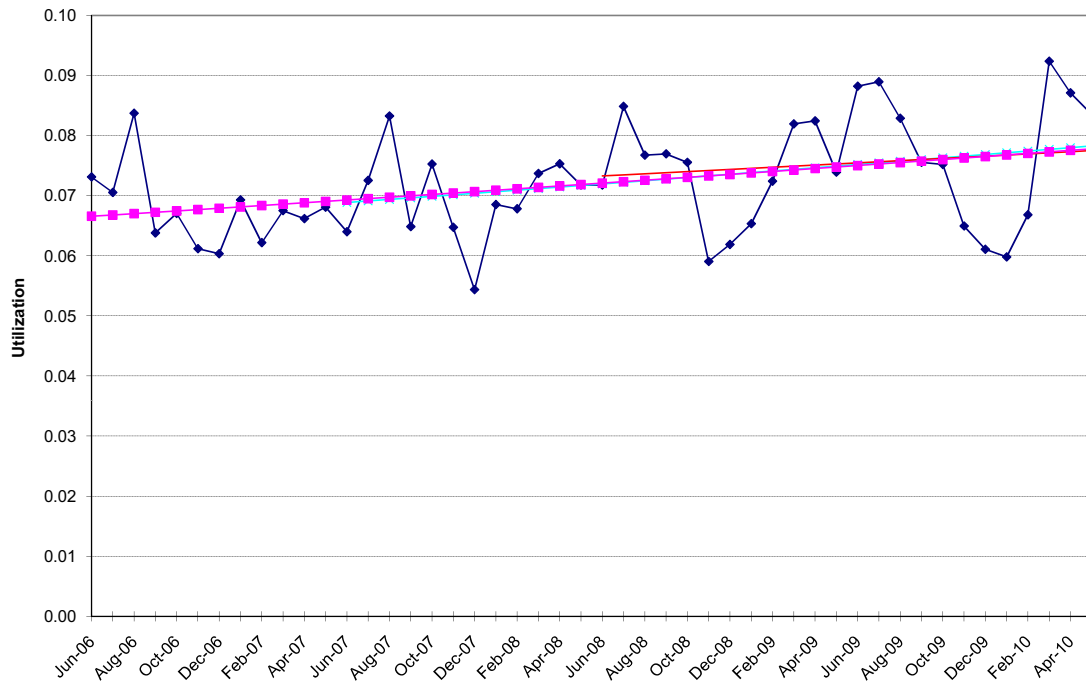
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.5%	3.0%	7.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.1%	3.3%	7.4%

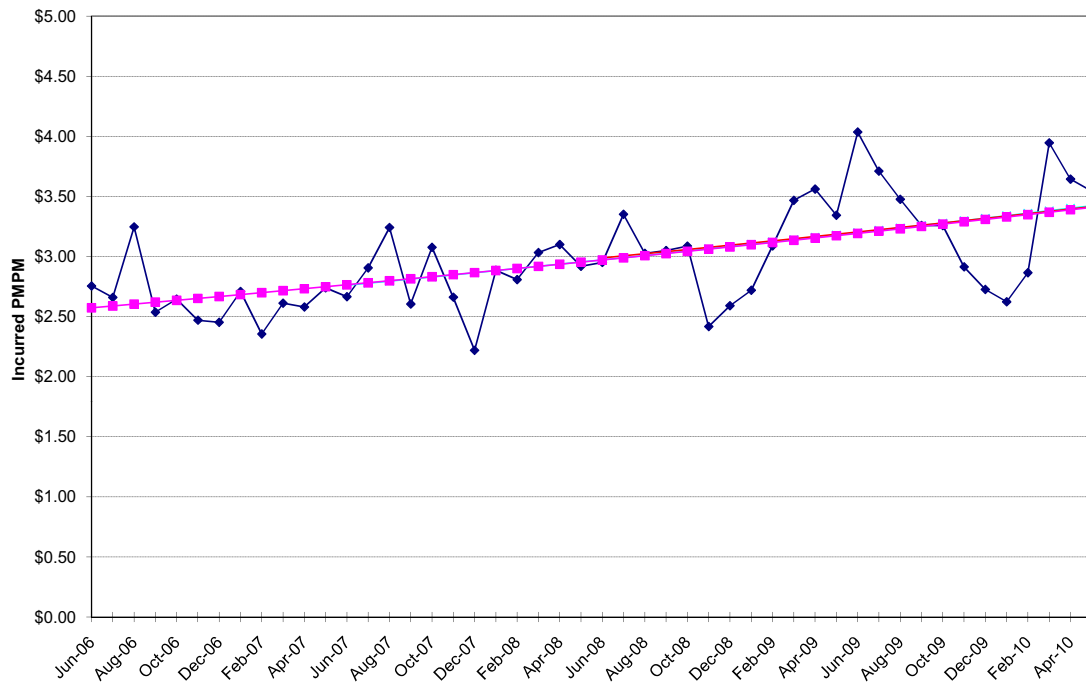
Physician Services - Therapies



Physician Services - Therapies



Physician Services - Therapies



NON-MEDICARE CLAIMS
Excluding Drugs

OTHER

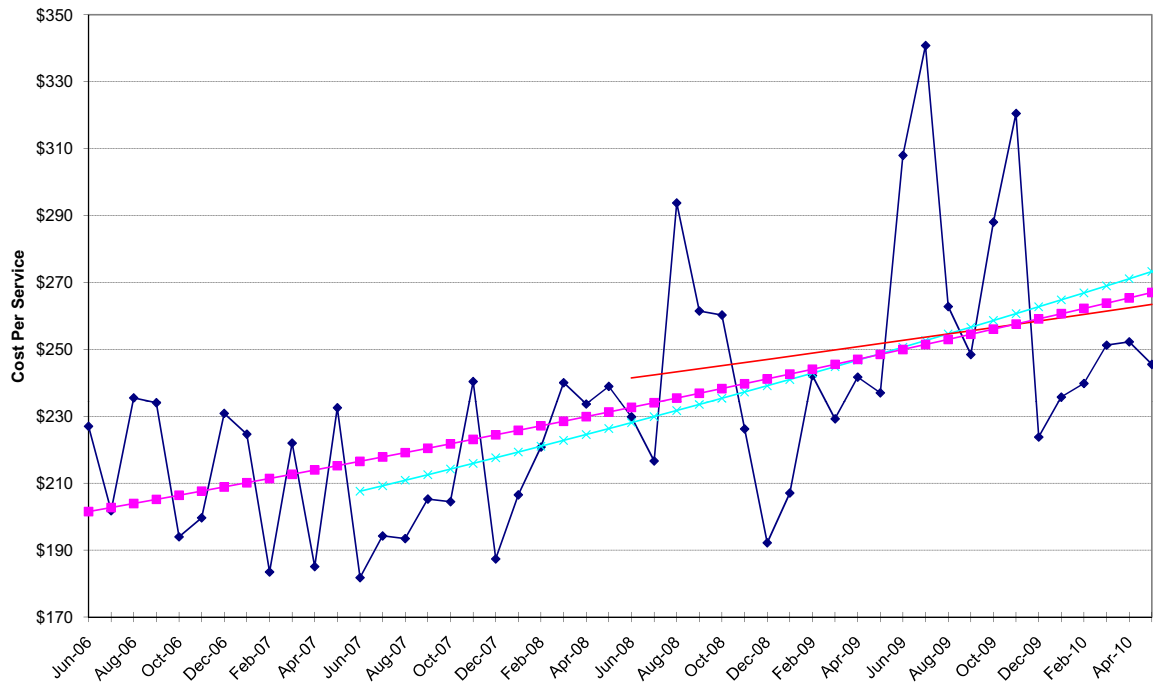
Ambulance

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.2%	4.7%	9.0%

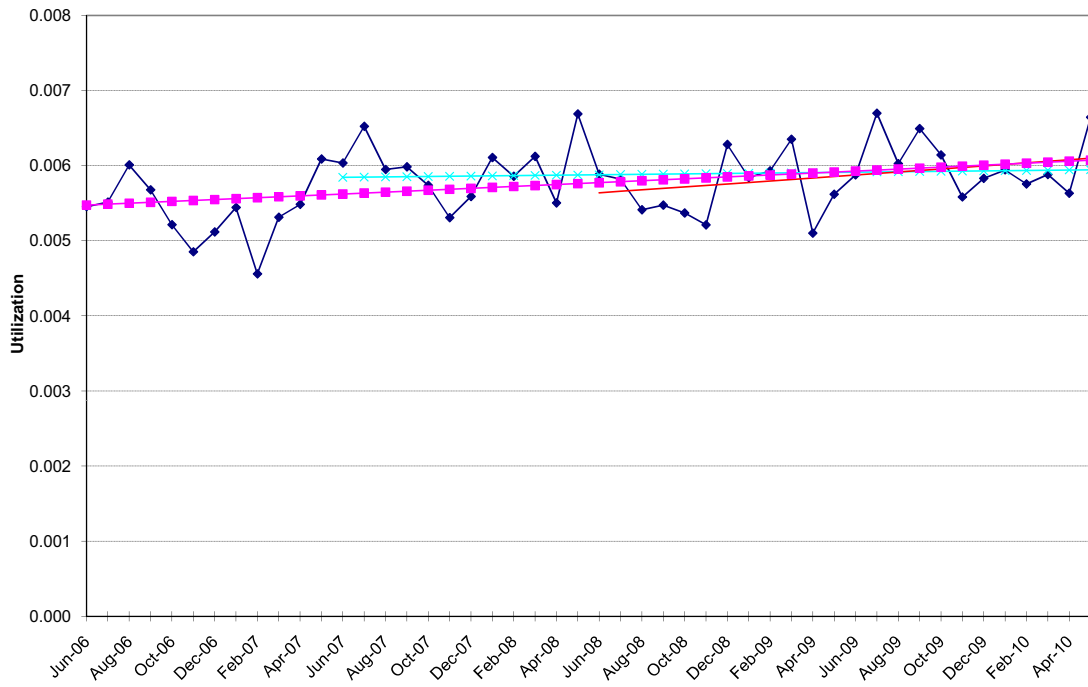
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.6%	9.9%	10.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.7%	7.4%	10.3%

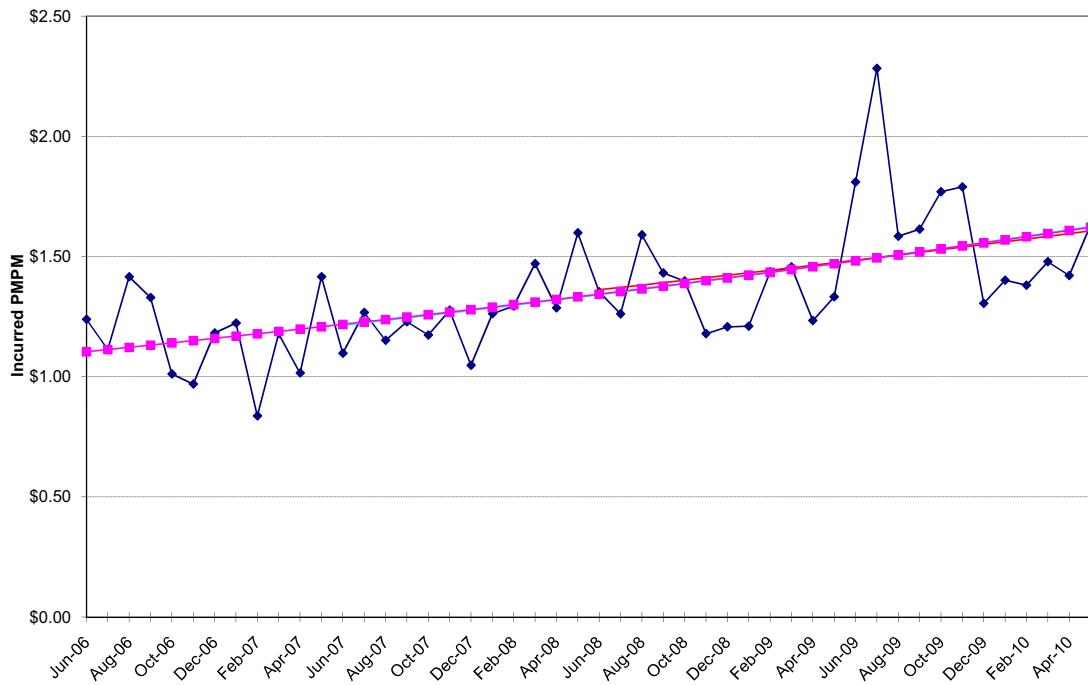
Other - Ambulance



Other - Ambulance



Other - Ambulance



NON-MEDICARE CLAIMS
Excluding Drugs

OTHER

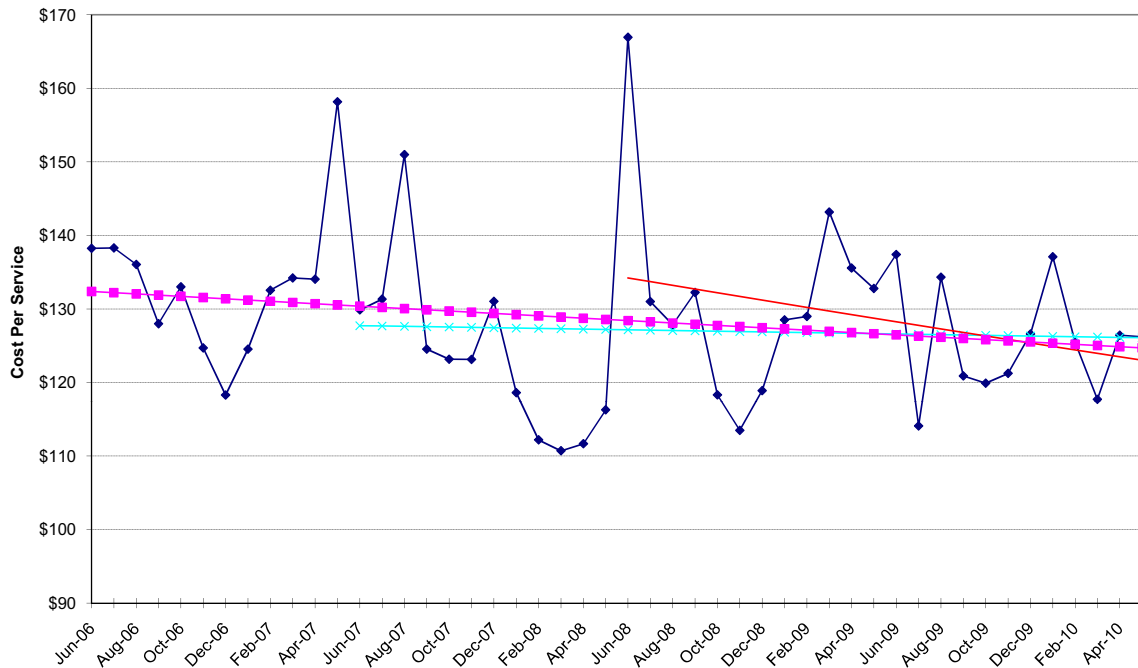
Appliances (DME)

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
12.9%	-4.4%	7.8%

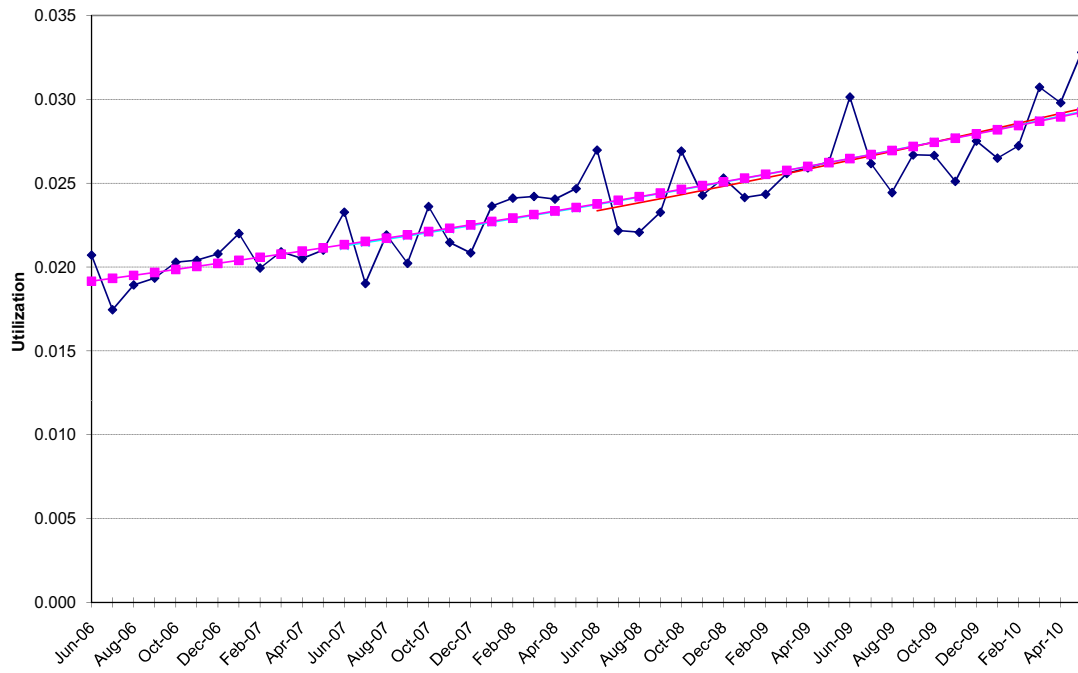
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
11.6%	-0.4%	11.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
11.4%	-1.5%	9.7%

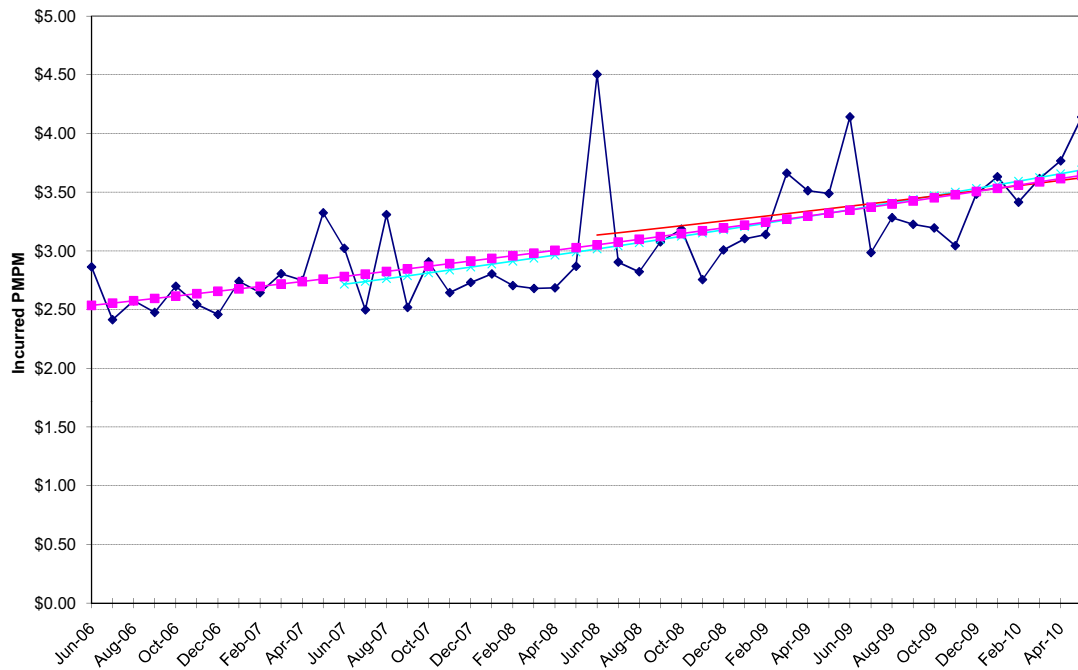
Other - Appliances (DME)



Other - Appliances (DME)



Other - Appliances (DME)



NON-MEDICARE CLAIMS
Excluding Drugs

OTHER

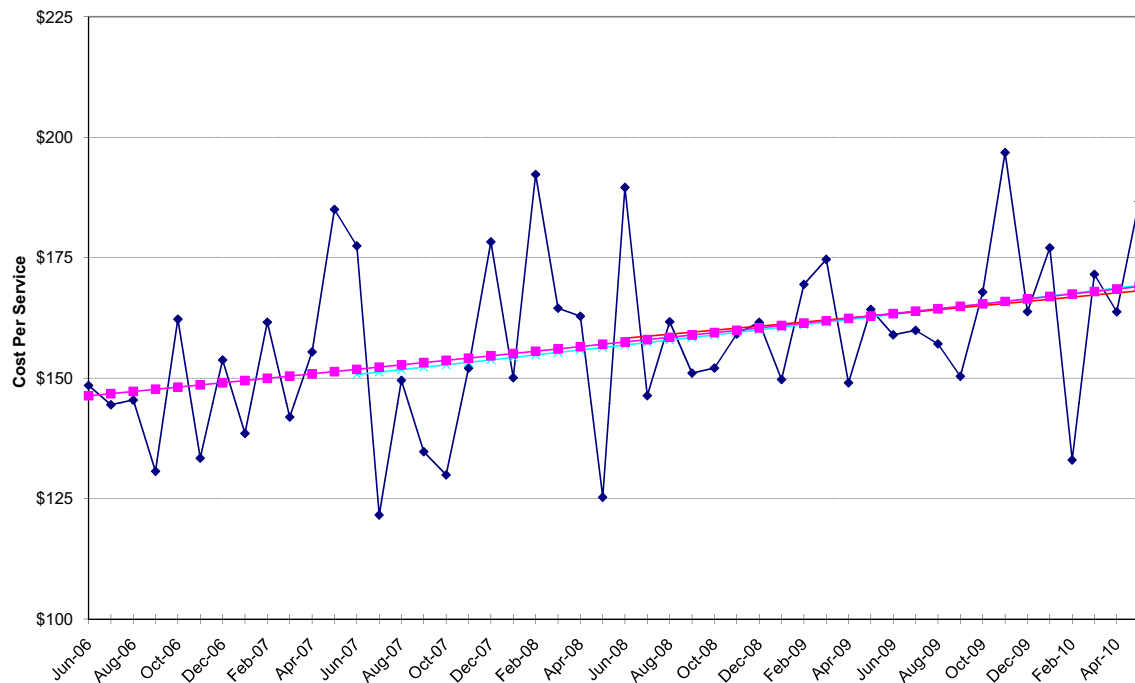
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.7%	3.2%	1.4%

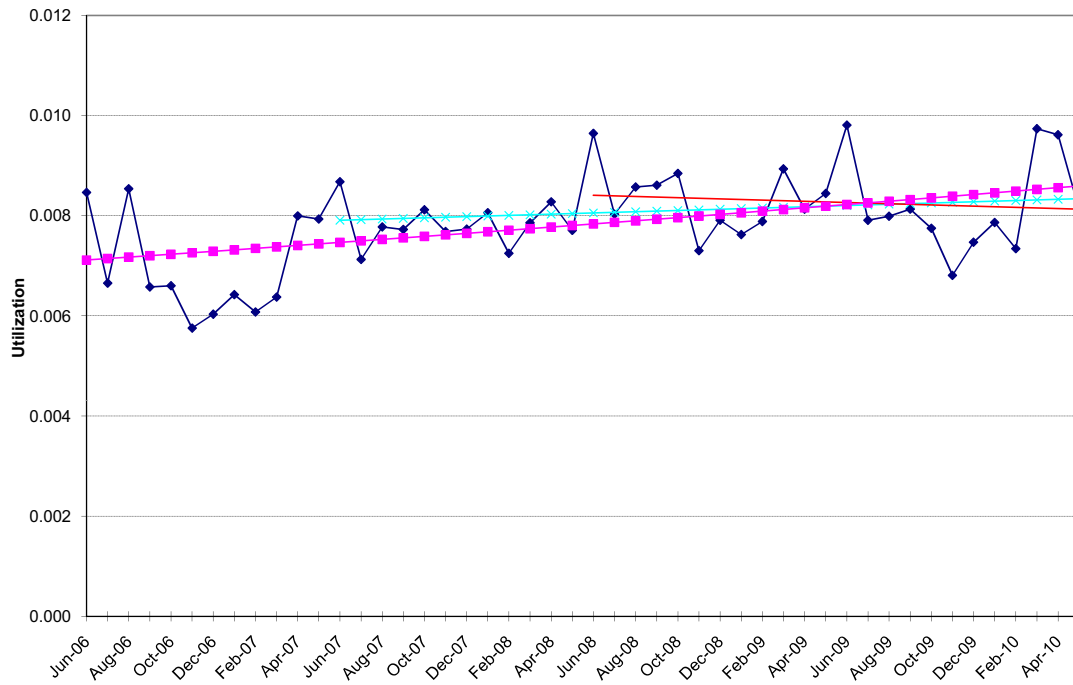
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.8%	4.0%	6.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.9%	3.7%	8.9%

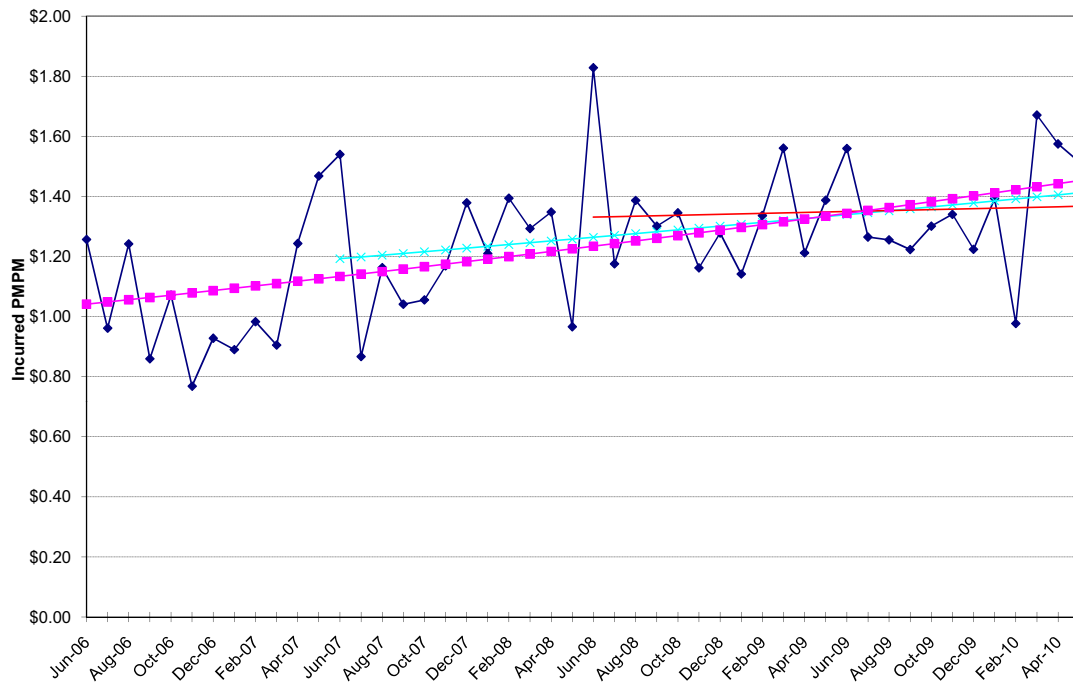
Other - Other Services



Other - Other Services



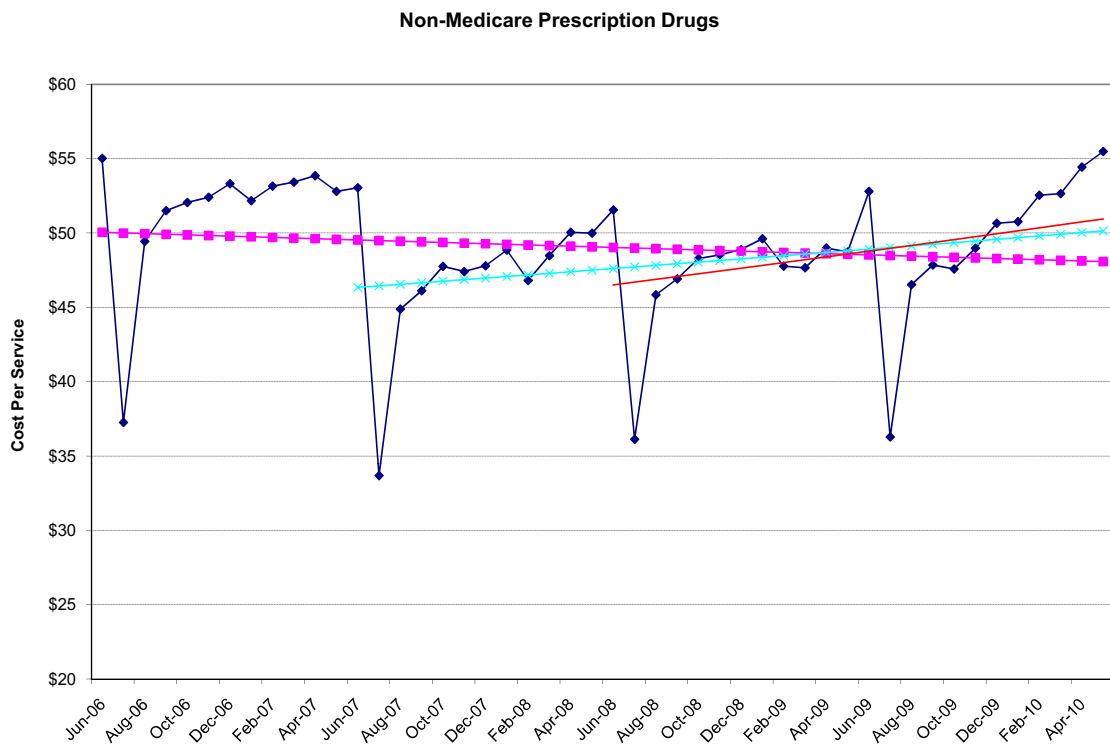
Other - Other Services



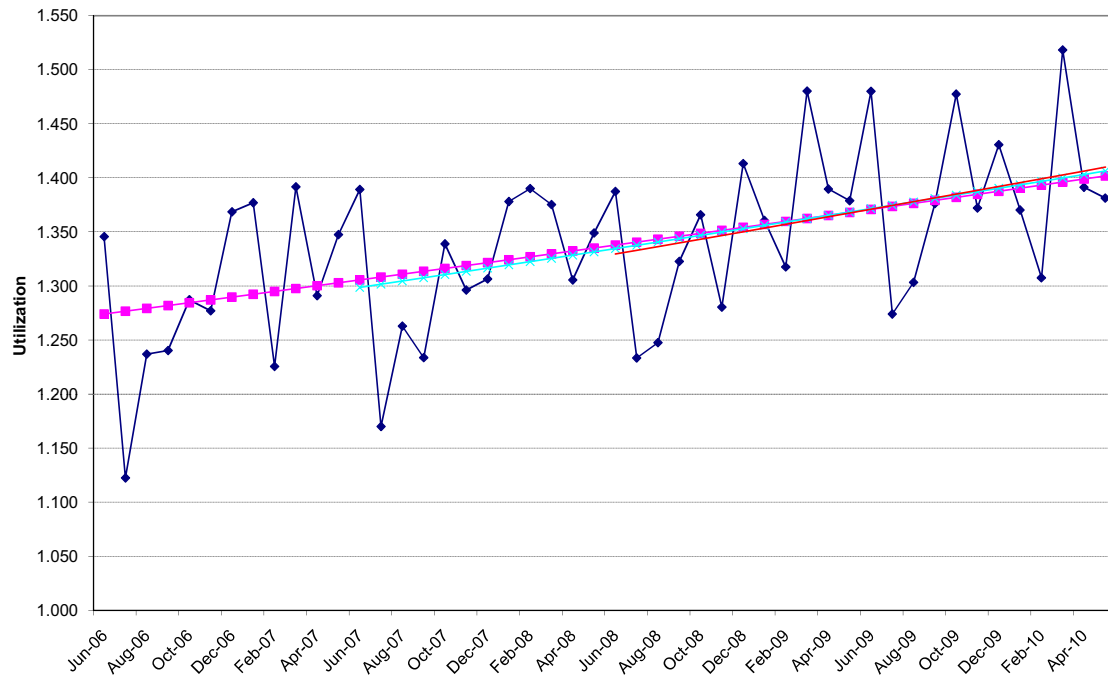
Appendix B

Non-Medicare Prescription Drugs

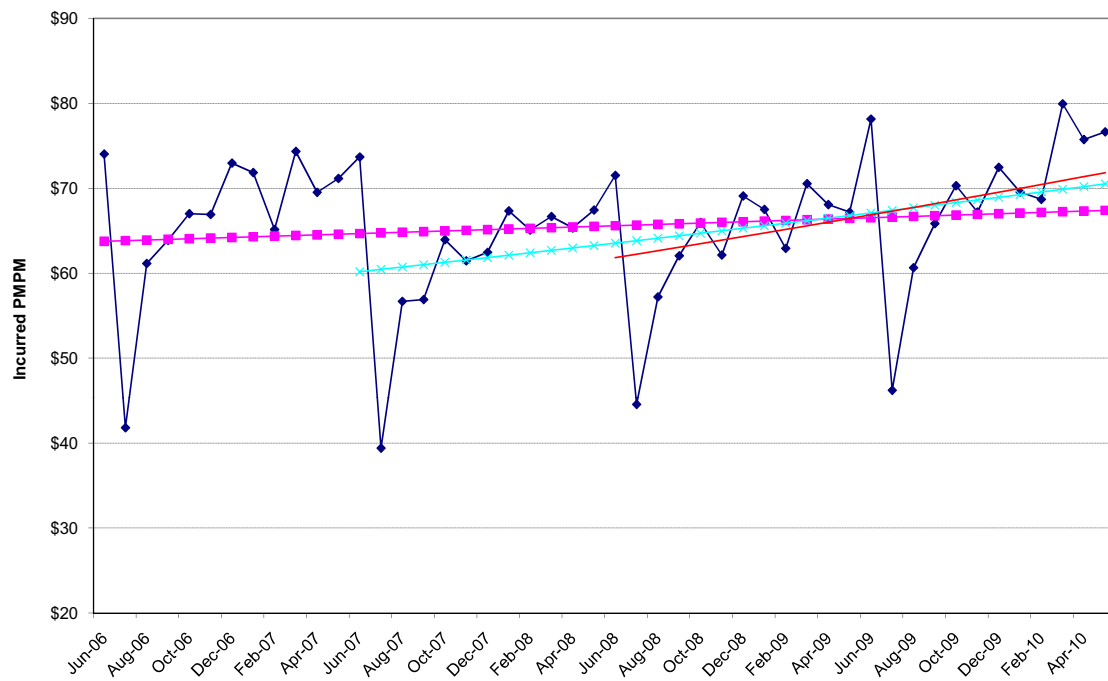
	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>	<u>Weight</u>
24-Month Trend	3.1%	4.9%	8.1%	100.0%
36-Month Trend	2.8%	2.7%	5.6%	100.0%
48-Month Trend	2.5%	-1.0%	1.4%	100.0%



Non-Medicare Prescription Drugs



Non-Medicare Prescription Drugs



Appendix C – Analysis of Top Forty Drug Indicators

CCRC Actuaries analyzed prescription drug experience in aggregate, by major indicator and in particular, specialty drugs. We analyzed the prescription drug trends using a 24, 36, and 48 month actuarial basis. We found the 24 month basis as the methodology that is most likely to produce accurate future trends. Under this methodology, utilization had a 3.1% trend and unit cost had a 4.9% trend, resulting in a composite trend of 8.1%.

Specialty drugs have continued to be a concern for PEIA due to the relatively rapid growth in utilization and unit cost. Overall, the following chart shows the percent of plan drug expenditures in specialty drugs in the past few years, noting that the growth in specialty drugs were 15.1% in 2009 and 5.6% in 2010:

Period	Specialty Drug Percentage
PY 2008	9.3%
PY 2009	10.7%
PY 2010	11.3%
July 2010	12.6%

CCRC Actuaries reviewed the individual prescription data items for Fiscal Years 2009 and 2010. A total of 2,681,575 scripts were written for approximately 3,100 different kinds of prescriptions in 2010. The prescriptions were grouped by indicator codes, providing a basis to develop the Fiscal Year 2010 trend by indicator code. The top 40 indicator codes were analyzed, which accounted for 96.0% of PEIA's prescription drug expenditures.

The following charts summarize the utilization and cost per service for formulary and non-formulary drugs for each indicator code. The "Top Five Increases in Drug Trends" chart is calculated with indicators which grossed at least \$200,000 in ingredient cost in 2010.

Top Five Increases in Drug Trends

Ingredient Cost - Dollar Increase

Indication	2009 Total Ingredient Cost	2010 Total Ingredient Cost	Total Increase
DIABETES	\$19,070,142	\$22,401,499	\$3,331,357
HIGH BLOOD PRESS/HEART DISEASE	12,311,427	13,873,634	1,562,206
ASTHMA	8,834,976	10,345,197	1,510,221
DEPRESSION	10,835,279	12,172,200	1,336,921
INFLAMMATORY CONDITIONS	6,245,818	7,326,708	1,080,889

Ingredient Cost – Percent Increase

Indication	2009 Total Ingredient Cost	2010 Total Ingredient Cost	Total Increase
EYE CONDITIONS	\$638,867	\$1,065,971	66.9%
GI DISORDERS	646,987	1,066,661	64.9%
ACNE	985,939	1,553,574	57.6%
HEART DISEASE	211,623	329,417	55.7%
IRREGULAR HEART BEAT	240,749	369,488	53.5%

Prescription Utilization - Number Increase

Indication	2009 Prescriptions	2010 Prescriptions	Utilization Increase
PAIN AND INFLAMMATION	216,593	241,023	24,430
ULCER DISEASE	135,964	148,546	12,582
HIGH BLOOD CHOLESTEROL	176,670	188,549	11,879
DIABETES	168,845	178,225	9,380
SLEEP DISORDERS	30,890	40,222	9,332

Prescription Utilization - Percent Increase

Indication	2009 Prescriptions	2010 Prescriptions	Utilization Increase
VIRAL INFECTIONS	11,008	17,665	60.5%
IRREGULAR HEART BEAT	2,307	3,587	55.5%
EYE CONDITIONS	6,930	10,640	53.5%
NAUSEA/VOMITING	3,885	5,234	34.7%
MISC CONDITIONS	6,413	8,527	33.0%

Ingredient Cost Per Prescription - Dollar Increase

Indication	2009 Ingredient Cost Per Prescription	2010 Ingredient Cost Per Prescription	Ingredient Cost Per Prescription Increase
PULMONARY HYPERTENSION	\$3,529.70	\$4,280.84	\$751.14
RESPIRATORY CONDITIONS	\$1,576.27	\$2,243.98	667.71
GROWTH DEFICIENCY	\$3,860.48	\$4,242.40	381.91
MULTIPLE SCLEROSIS	\$2,226.07	\$2,603.24	377.17
MENTAL/NEURO DISORDERS	\$118.11	\$232.08	113.97

Ingredient Cost Per Prescription - Percent Increase

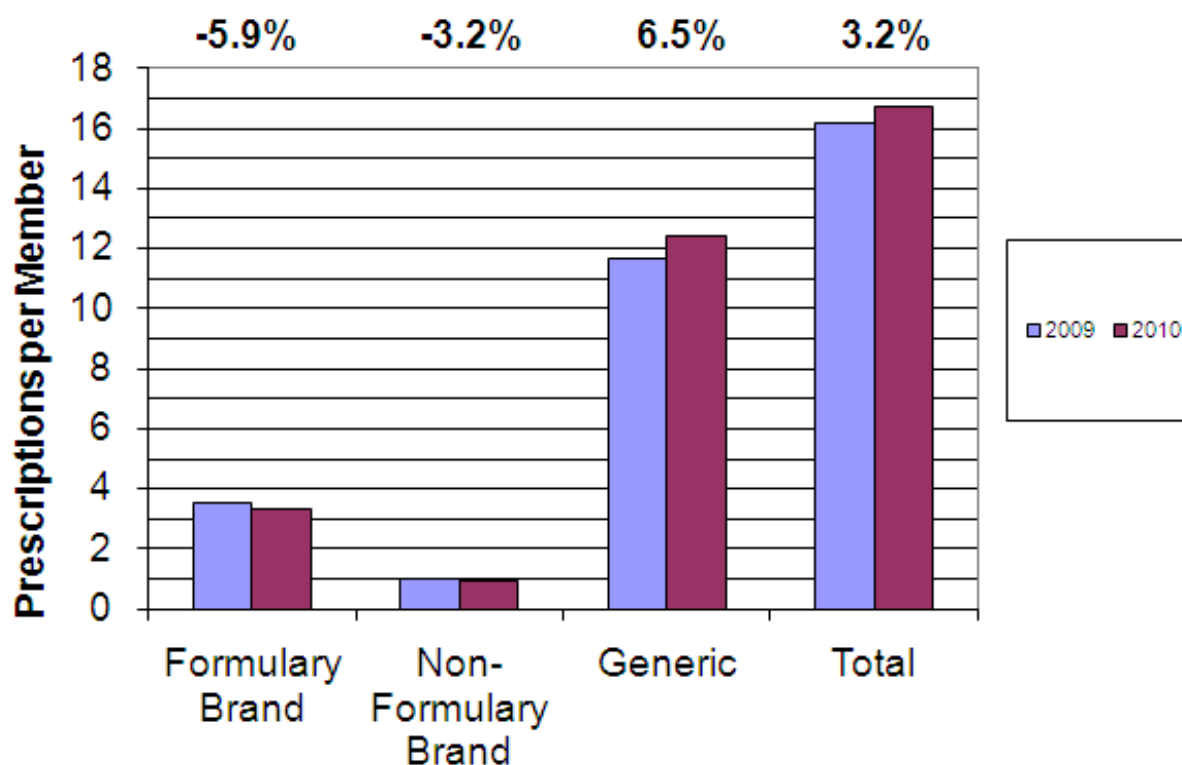
Indication	2009 Ingredient Cost Per Prescription	2010 Ingredient Cost Per Prescription	Ingredient Cost Per Prescription Increase
MENTAL/NEURO DISORDERS	\$118.11	\$232.08	96.5%
GI DISORDERS	\$45.42	\$79.63	75.3%
HEART DISEASE	\$19.34	\$30.22	56.3%
ACNE	\$103.27	\$151.60	46.8%
RESPIRATORY CONDITIONS	\$1,576.27	\$2,243.98	42.4%

<u>Rank</u>	<u>Indicator</u>	<u>Number of Prescriptions</u>	<u>Cost Per Prescription</u>	<u>Program Costs</u>	<u>Formulary Percent (cost)</u>	<u>Formulary Percent (Scripts)</u>
1	DIABETES	178,225	\$125.69	\$22,401,499	91.1%	95.5%
2	HIGH BLOOD CHOLESTEROL	188,549	85.23	16,070,089	85.1%	93.0%
3	HIGH BLOOD PRESS/HEART DISEASE	404,235	34.32	13,873,634	87.7%	96.7%
4	DEPRESSION	180,322	67.50	12,172,200	98.1%	99.1%
5	ASTHMA	78,372	132.00	10,345,197	96.1%	95.0%
6	ULCER DISEASE	148,546	57.40	8,527,253	90.6%	97.1%
7	INFLAMMATORY CONDITIONS	7,552	970.17	7,326,708	95.3%	96.4%
8	PAIN AND INFLAMMATION	241,023	26.63	6,418,818	77.0%	94.9%
9	INFECTIONS	233,438	27.18	6,343,996	85.1%	98.8%
10	MULTIPLE SCLEROSIS	1,838	2,603.24	4,784,757	100.0%	99.9%
11	MENTAL/NEURO DISORDERS	20,074	232.08	4,658,710	89.1%	92.2%
12	BLOOD MODIFYING	19,676	218.45	4,298,298	99.9%	99.7%
13	CANCER	8,591	496.68	4,266,991	98.6%	99.7%
14	ATTENTION DISORDERS/WT LOSS	26,645	156.27	4,163,728	82.7%	84.1%
15	SEIZURES	70,617	48.03	3,391,863	58.8%	90.7%
16	HORMONAL SUPPLEMENTATION	36,652	86.54	3,171,857	83.9%	85.3%
17	URINARY DISORDERS	32,116	86.78	2,786,961	84.2%	92.1%
18	CONTRACEPTIVES	55,831	47.82	2,669,619	83.2%	89.0%
19	VIRAL INFECTIONS	17,665	150.97	2,666,876	75.5%	82.4%
20	ALLERGIES	91,120	28.94	2,636,876	85.4%	94.2%
21	SKIN CONDITIONS	26,474	84.74	2,243,333	67.3%	88.0%
22	ACNE	10,248	151.60	1,553,574	55.8%	62.5%
23	GROWTH DEFICIENCY	357	4,242.40	1,514,536	65.4%	67.8%
24	MIGRAINE HEADACHES	13,680	108.14	1,479,314	49.4%	70.2%
25	PAIN/CRAMPS	35,101	41.88	1,470,058	89.7%	97.9%
26	ANTICOAGULANT	13,501	101.55	1,371,064	95.5%	92.7%
27	ANXIETY	78,840	16.52	1,302,396	97.6%	99.7%
28	ENDOCRINE DISORDERS	5,643	229.78	1,296,632	98.7%	99.6%
29	TRANSPLANT	3,908	309.20	1,208,352	71.7%	82.8%
30	THYROID DISORDERS	82,081	14.29	1,173,197	55.2%	75.9%
31	BONE CONDITIONS	18,203	63.57	1,157,082	85.2%	95.1%
32	GI DISORDERS	13,395	79.63	1,066,661	93.5%	97.1%
33	EYE CONDITIONS	10,640	100.19	1,065,971	66.9%	63.0%
34	BLOOD CELL DEFICIENCY	428	2,210.10	945,921	94.1%	88.6%
35	PULMONARY HYPERTENSION	194	4,280.84	830,484	90.8%	96.9%
36	COPD	4,055	200.33	812,343	100.0%	100.0%
37	COUGH AND COLD	37,442	20.80	778,957	56.8%	83.7%
38	PARKINSONS DISEASE	8,636	81.66	705,235	86.0%	96.1%
39	VITAMINS AND MINERALS	36,093	18.69	674,727	91.3%	96.7%
40	GLAUCOMA/EYE INFLAMMATION	7,964	83.43	664,421	75.3%	80.5%
	<u>All Other Indicators</u>	<u>233,605</u>	<u>29.58</u>	<u>6,909,190</u>	<u>83.9%</u>	<u>94.7%</u>
	Grand Total	2,681,575	\$64.59	\$173,199,379	87.4%	94.2%

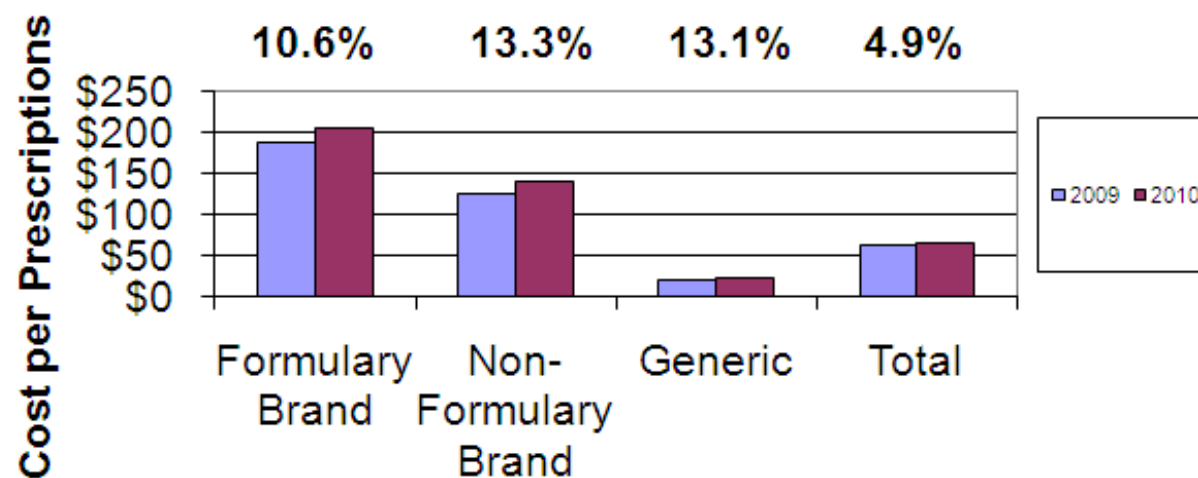
Rank	Indicator	Scripts	<u>Formulary</u>		Scripts	<u>Non-Formulary</u>	
			Ingredient Cost	Cost Per Script		Ingredient Cost	Cost Per Script
1	DIABETES	170,208	\$20,405,156	\$119.88	8,017	\$1,996,342	\$249.01
2	HIGH BLOOD CHOLESTEROL	175,381	13,674,173	77.97	13,168	2,395,917	181.95
	HIGH BLOOD PRESS/HEART						
3	DISEASE	390,847	12,168,518	31.13	13,388	1,705,116	127.36
4	DEPRESSION	178,779	11,937,799	66.77	1,543	234,401	151.91
5	ASTHMA	74,463	9,941,479	133.51	3,909	403,718	103.28
6	ULCER DISEASE	144,265	7,725,398	53.55	4,281	801,854	187.31
7	INFLAMMATORY CONDITIONS	7,279	6,985,186	959.64	273	341,521	1,250.99
8	PAIN AND INFLAMMATION	228,661	4,941,798	21.61	12,362	1,477,020	119.48
9	INFECTIONS	230,606	5,399,415	23.41	2,832	944,581	333.54
10	MULTIPLE SCLEROSIS	1,836	4,782,487	2,604.84	2	2,270	1,135.20
11	MENTAL/NEURO DISORDERS	18,513	4,150,675	224.20	1,561	508,035	325.46
12	BLOOD MODIFYING	19,613	4,294,239	218.95	63	4,060	64.44
13	CANCER	8,561	4,207,334	491.45	30	59,657	1,988.57
14	ATTENTION DISORDERS/WT LOSS	22,399	3,442,607	153.69	4,246	721,121	169.84
15	SEIZURES	64,025	1,996,046	31.18	6,592	1,395,818	211.74
16	HORMONAL SUPPLEMENTATION	31,272	2,661,714	85.11	5,380	510,142	94.82
17	URINARY DISORDERS	29,593	2,345,275	79.25	2,523	441,686	175.06
18	CONTRACEPTIVES	49,698	2,221,949	44.71	6,133	447,670	72.99
19	VIRAL INFECTIONS	14,549	2,014,258	138.45	3,116	652,619	209.44
20	ALLERGIES	85,874	2,251,895	26.22	5,246	384,981	73.39
21	SKIN CONDITIONS	23,293	1,510,873	64.86	3,181	732,460	230.26
22	ACNE	6,406	867,236	135.38	3,842	686,338	178.64
23	GROWTH DEFICIENCY	242	990,647	4,093.58	115	523,889	4,555.56
24	MIGRAINE HEADACHES	9,602	731,355	76.17	4,078	747,959	183.41
25	PAIN/CRAMPS	34,372	1,318,679	38.36	729	151,379	207.65
26	ANTICOAGULANT	12,513	1,309,358	104.64	988	61,706	62.46
27	ANXIETY	78,575	1,271,501	16.18	265	30,895	116.58
28	ENDOCRINE DISORDERS	5,619	1,279,586	227.72	24	17,047	710.27
29	TRANSPLANT	3,237	866,413	267.66	671	341,939	509.60
30	THYROID DISORDERS	62,280	647,069	10.39	19,801	526,128	26.57
31	BONE CONDITIONS	17,316	986,265	56.96	887	170,817	192.58
32	GI DISORDERS	13,013	997,484	76.65	382	69,178	181.09
33	EYE CONDITIONS	6,703	713,027	106.37	3,937	352,943	89.65
34	BLOOD CELL DEFICIENCY	379	890,030	2,348.36	49	55,891	1,140.64
35	PULMONARY HYPERTENSION	188	753,779	4,009.46	6	76,704	12,784.05
36	COPD	4,055	812,343	200.33	0	0	N/A
37	COUGH AND COLD	31,342	442,099	14.11	6,100	336,858	55.22
38	PARKINSONS DISEASE	8,295	606,641	73.13	341	98,594	289.13
39	VITAMINS AND MINERALS	34,896	616,069	17.65	1,197	58,658	49.00
40	GLAUCOMA/EYE INFLAMMATION	6,411	500,167	78.02	1,553	164,255	105.77
	<u>All Other Indicators</u>	<u>221,308</u>	<u>5,794,726</u>	<u>26.18</u>	<u>12,297</u>	<u>1,114,464</u>	<u>90.63</u>
	Grand Total	2,526,467	\$151,452,746	\$59.95	155,108	\$21,746,632	\$140.20

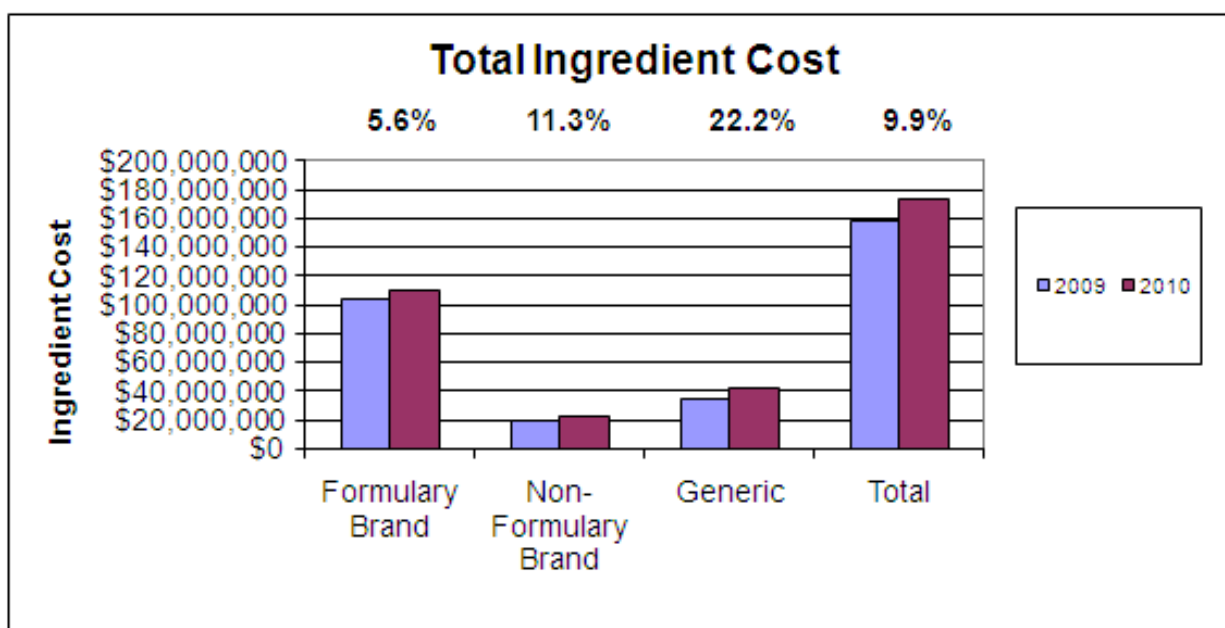
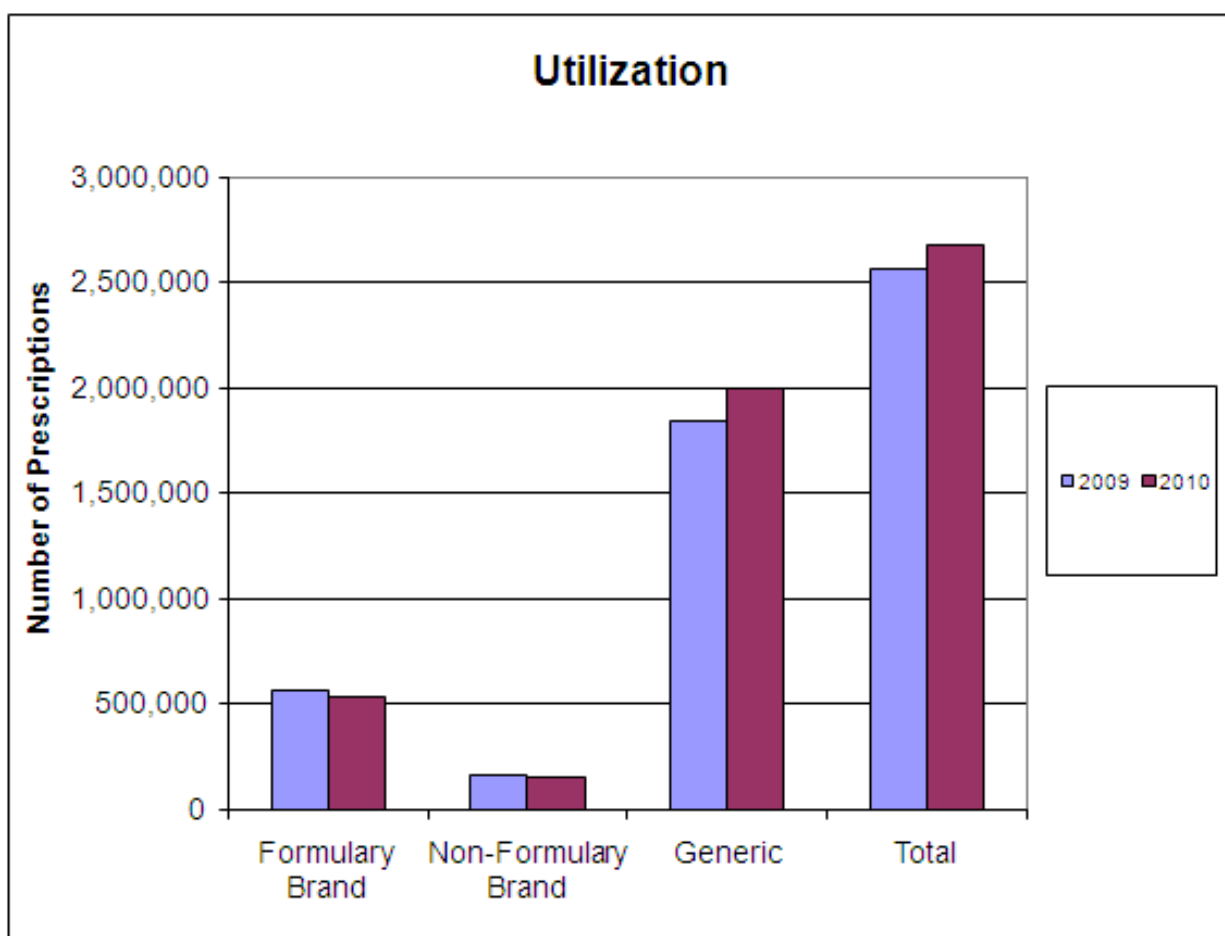
Rank	Indicator	Formulary Cost Per Script	Non-Formulary Cost Per Script	Increase/ Decrease
9	INFECTIONS	\$23.41	\$333.54	1325%
27	ANXIETY	16.18	116.58	620%
15	SEIZURES	31.18	211.74	579%
8	PAIN AND INFLAMMATION	21.61	119.48	453%
25	PAIN/CRAMPS	38.36	207.65	441%
3	HIGH BLOOD PRESS/HEART DISEASE	31.13	127.36	309%
13	CANCER	491.45	1,988.57	305%
38	PARKINSONS DISEASE	73.13	289.13	295%
37	COUGH AND COLD	14.11	55.22	291%
21	SKIN CONDITIONS	64.86	230.26	255%
6	ULCER DISEASE	53.55	187.31	250%
31	BONE CONDITIONS	56.96	192.58	238%
35	PULMONARY HYPERTENSION	4,009.46	12,784.05	219%
28	ENDOCRINE DISORDERS	227.72	710.27	212%
20	ALLERGIES	26.22	73.39	180%
39	VITAMINS AND MINERALS	17.65	49.00	178%
30	THYROID DISORDERS	10.39	26.57	156%
24	MIGRAINE HEADACHES	76.17	183.41	141%
32	GI DISORDERS	76.65	181.09	136%
2	HIGH BLOOD CHOLESTEROL	77.97	181.95	133%
4	DEPRESSION	66.77	151.91	128%
17	URINARY DISORDERS	79.25	175.06	121%
1	DIABETES	\$119.88	\$249.01	108%
29	TRANSPLANT	267.66	509.60	90%
18	CONTRACEPTIVES	44.71	72.99	63%
19	VIRAL INFECTIONS	138.45	209.44	51%
11	MENTAL/NEURO DISORDERS	224.20	325.46	45%
40	GLAUCOMA/EYE INFLAMMATION	78.02	105.77	36%
22	ACNE	135.38	178.64	32%
7	INFLAMMATORY CONDITIONS	959.64	1,250.99	30%
16	HORMONAL SUPPLEMENTATION	85.11	94.82	11%
23	GROWTH DEFICIENCY	4,093.58	4,555.56	11%
14	ATTENTION DISORDERS/WT LOSS	153.69	169.84	11%
33	EYE CONDITIONS	106.37	89.65	-16%
5	ASTHMA	133.51	103.28	-23%
26	ANTICOAGULANT	104.64	62.46	-40%
34	BLOOD CELL DEFICIENCY	2,348.36	1,140.64	-51%
10	MULTIPLE SCLEROSIS	2,604.84	1,135.20	-56%
12	BLOOD MODIFYING	218.95	64.44	-71%
36	COPD	200.33	N/A	N/A
	<u>All Other Indicators</u>	<u>26.18</u>	<u>90.63</u>	<u>246%</u>
	Grand Total	\$59.95	\$140.20	134%

Number of Prescriptions per Member



Ingredient Cost per Prescription





DIABETES

In FY 2010, this indicator category was first in cost to PEIA with expenditure of \$22,401,499, which accounted for 12.9% of total expenditures. Formulary expenditures were \$20,405,156 or 91.1% of Diabetes expenditures. Total expenditures had a 17.3% trend from 2009 to 2010.

Total expenditures have increase from \$14,161,011 in 2007 to \$22,401,499 in 2010, which results in a yearly trend of 16.5%. While the cost per Generic script has decreased by 4.2% per year since 2007, the cost per Formulary Brand script has increased by 11.1% per year. The Formulary Brand cost trend, coupled with an increase in utilization of Formulary Brand scripts of 5.6% per year, accounts for most of the high trend in Diabetes drug costs.

Nationwide, Diabetes tops the list as the largest driver of drug trends representing 16.7% of all growth in 2009. For PEIA in 2010, the category represented 21.3% of plan growth in prescription drug spending.

Drug	Current Formulary	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
	Status	Generic	2009	2010	Growth	2009	2010	Growth	2009	2010	Growth
ACTOS	Y	SSB	12,688	12,988	2.4%	\$281.98	\$316.23	12.1%	\$3,577,815	\$4,107,140	14.8%
JANUVIA	Y	SSB	8,404	8,687	3.4%	248.94	275.28	10.6%	2,092,074	2,391,362	14.3%
CONTOUR	Y	SSB	15,423	16,805	9.0%	121.15	129.64	7.0%	1,868,527	2,178,593	16.6%
LANTUS ¹	Y	SSB	6,876	6,869	-0.1%	231.04	248.47	7.5%	1,588,656	1,706,738	7.4%
NOVOLOG	Y	SSB	3,040	3,626	19.3%	304.32	327.33	7.6%	925,130	1,186,913	28.3%
<u>Subtotals</u>											
Generic	Y	GEN	66,412	70,632	6.4%	\$17.22	\$22.76	32.2%	\$1,143,583	1,607,858	40.6%
Formulary Brand	Y	Brand	96,595	99,576	3.1%	172.10	188.77	9.7%	16,624,318	18,797,298	13.1%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>5,838</u>	<u>8,017</u>	<u>37.3%</u>	<u>223.06</u>	<u>249.01</u>	<u>11.6%</u>	<u>1,302,241</u>	<u>1,996,342</u>	<u>53.3%</u>
Total			168,845	178,225	5.6%	\$112.94	\$125.69	11.3%	\$19,070,142	\$22,401,499	17.5%
Trends Adjusted for Exposure					5.4%			11.3%			17.3%

¹ Indicates Drugs that have had all numbers combined for Formulary and Non-Formulary

HIGH BLOOD CHOLESTEROL

In FY 2010, this indicator category was second in cost to PEIA with expenditure of \$16,070,089, which accounted for 9.3% of total expenditures. Formulary expenditures were \$13,674,173 or 85.1% of High Blood Cholesterol expenditures. Total ingredient cost had a 3.8% trend.

This category has had a significant decrease in the utilization of formulary drugs, and an increase in generics. Utilization factored heavily in the favorable trend. Future spending growth should be kept at a minimum, with Crestor set to lose its patent protection in 2012.

Drug	Current Formulary	Current Brand/	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
	Status	Generic	2009	2010	Growth	2009	2010	Growth	2009	2010	Growth
CRESTOR	Y	SSB	28,993	30,520	5.3%	\$161.17	\$184.07	14.2%	\$4,672,663	\$5,617,690	20.2%
ZETIA	Y	SSB	9,155	9,447	3.2%	151.09	167.43	10.8%	1,383,194	1,581,749	14.4%
LOVAZA	Y	SSB	6,341	7,703	21.5%	183.87	195.04	6.1%	1,165,907	1,502,424	28.9%
TRICOR ¹	Y	SSB	13,935	7,903	-43.3%	155.45	168.75	8.6%	2,166,262	1,333,612	-38.4%
NIASPAN	Y	SSB	6,151	6,679	8.6%	175.30	185.40	5.8%	1,078,281	1,238,316	14.8%
<u>Subtotals</u>											
Generic	Y	GEN	90,238	110,700	22.7%	\$15.79	\$17.76	12.5%	\$1,424,471	\$1,966,039	38.0%
Formulary Brand	Y	Brand	73,538	64,681	-12.0%	160.15	181.01	13.0%	11,776,920	11,708,134	-0.6%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>12,894</u>	<u>13,168</u>	<u>2.1%</u>	<u>175.16</u>	<u>181.95</u>	<u>3.9%</u>	<u>2,258,570</u>	<u>2,395,917</u>	<u>6.1%</u>
Total			176,670	188,549	6.7%	\$87.51	\$85.23	-2.6%	\$15,459,961	\$16,070,089	3.9%
Trends Adjusted for Exposure					6.5%			-2.6%			3.8%

¹ Indicates Drugs that have had all numbers combined for Formulary and Non-Formulary

HIGH BLOOD PRESS/HEART DISEASE

In FY 2010, this indicator category was third in cost to PEIA with expenditure of \$13,873,634, which accounted for 8.0% of total expenditures. Formulary expenditures were \$12,168,518 or 87.7% of High Blood Pressure/Heart Disease expenditures. Total expenditures had a 12.7% trend.

In July of 2010, Diovan HCT and Benicar HCT moved to non-preferred, so we anticipate that utilization should decline for these relatively expensive drugs in FY 2011. Within this category there was not significant utilization growth, the cost increases drove most of the aggregate increase in cost. This is a category we would expect to not be in the top 5 indicators in 2013/2014, due to scheduled patent expirations of Diovan in 2012.

Drug	Current Formulary	Current Brand/	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
	Status	Generic	2009	2010	Growth	2009	2010	Growth	2009	2010	Growth
DIOVAN HCT	Y	SSB	11,146	10,675	-4.2%	\$135.03	\$150.00	11.1%	\$1,505,090	\$1,601,252	6.4%
METOPROLOL SUCCINATE	Y	GEN	27,659	28,492	3.0%	33.14	48.91	47.6%	916,595	1,393,535	52.0%
DIOVAN	Y	SSB	10,114	9,556	-5.5%	116.49	130.73	12.2%	1,178,197	1,249,242	6.0%
BENICAR HCT	Y	SSB	6,503	6,550	0.7%	113.34	125.02	10.3%	737,073	818,872	11.1%
AMLODIPINE BESYLATE- BENAZEPRIL	Y	GEN	8,675	8,115	-6.5%	99.44	100.52	1.1%	862,625	815,758	-5.4%
<u>Subtotals</u>											
Generic	Y	GEN	342,830	350,384	2.2%	\$16.35	\$19.18	17.4%	\$5,603,908	\$6,721,720	19.9%
Formulary Brand	Y	Brand	42,866	40,463	-5.6%	115.49	134.61	16.6%	4,950,401	5,446,798	10.0%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>14,964</u>	<u>13,388</u>	<u>-10.5%</u>	<u>117.42</u>	<u>127.36</u>	<u>8.5%</u>	<u>1,757,118</u>	<u>1,705,116</u>	<u>-3.0%</u>
Total			400,660	404,235	0.9%	\$30.73	\$34.32	11.7%	\$12,311,427	\$13,873,634	12.7%
Trends Adjusted for Exposure					0.9%			11.7%			12.7%

DEPRESSION

In FY 2010, this indicator category was fourth in cost to PEIA with expenditure of \$12,172,200, which accounted for 7.0% of total expenditures. Formulary expenditures were \$11,937,799 or 98.1% of Depression expenditures. Total expenditures had a 12.2% trend.

For this category, utilization was favorably down at 5% but this was more than offset by unit cost increasing by 18%. Felice Joseph, State Pharmacist is currently investigating the pricing of Sertraline HCL, noting the 64% unit cost increase.

Drug	Current Formulary	Current Brand/	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
	Status	Generic	2009	2010	Growth	2009	2010	Growth	2009	2010	Growth
EFFEXOR XR	Y	SSB	21,193	17,618	-16.9%	\$155.70	\$186.20	19.6%	\$3,299,651	\$3,280,470	-0.6%
CYMBALTA	Y	SSB	20,202	20,414	1.0%	134.62	160.04	18.9%	2,719,607	3,267,010	20.1%
LEXAPRO	Y	SSB	16,253	14,933	-8.1%	107.37	117.69	9.6%	1,745,024	1,757,428	0.7%
BUPROPION XL	Y	GEN	6,581	8,052	22.4%	59.60	71.36	19.7%	392,240	574,569	46.5%
SERTRALINE HCL	Y	GEN	26,577	28,411	6.9%	11.45	18.79	64.1%	304,410	533,902	75.4%
<u>Subtotals</u>											
Generic	Y	GEN	115,178	122,787	6.6%	\$21.26	\$26.49	24.6%	\$2,448,299	\$3,253,238	32.9%
Formulary Brand	Y	Brand	62,736	55,992	-10.7%	130.36	155.10	19.0%	8,178,047	8,684,561	6.2%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>11,241</u>	<u>1,543</u>	<u>-86.3%</u>	<u>18.59</u>	<u>151.91</u>	<u>717.3%</u>	<u>208,933</u>	<u>234,401</u>	<u>12.2%</u>
Total			189,155	180,322	-4.7%	\$57.28	\$67.50	17.8%	\$10,835,279	\$12,172,200	12.3%
Trends Adjusted for Exposure					-4.8%			17.8%			12.2%

ASTHMA

In FY 2010, this indicator category was fifth in cost to PEIA with expenditure of \$10,345,197, which accounted for 6.0% of total expenditures. Formulary expenditures were \$9,941,479 or 96.1% of Ulcer Disease expenditures. Total expenditures had a 16.8% trend.

For this category, both utilization and unit cost trends are higher than the average for the plan. Members have migrated from using Generic drugs to Brand. In 2009, 13% of prescriptions were Generic, while in 2010 10% were Generic. There are also no substitutes for the top 5 single source drugs in this category.

Drug	Current Formulary	Current Brand/	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
	Status	Generic	2009	2010	Growth	2009	2010	Growth	2009	2010	Growth
SINGULAIR	Y	SSB	24,908	26,342	5.8%	\$139.55	\$155.86	11.7%	\$3,475,845	\$4,105,690	18.1%
ADVAIR DISKUS	Y	SSB	11,470	11,574	0.9%	243.01	255.39	5.1%	2,787,338	2,955,925	6.0%
PROAIR HFA ¹	Y	SSB	10,334	13,520	30.8%	41.05	43.42	5.8%	424,225	587,088	38.4%
SYMBICORT	Y	SSB	1,399	2,466	76.3%	191.26	209.94	9.8%	267,578	517,720	93.5%
COMBIVENT	Y	SSB	1,952	2,002	2.6%	140.73	166.14	18.1%	274,711	332,616	21.1%
<u>Subtotals</u>											
Generic	Y	GEN	9,524	8,006	-15.9%	\$29.04	\$44.51	53.2%	\$276,619	\$356,334	28.8%
Formulary Brand	Y	Brand	59,552	66,457	11.6%	138.92	144.23	3.8%	8,272,845	9,585,145	15.9%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>2,339</u>	<u>3,909</u>	<u>67.1%</u>	<u>122.07</u>	<u>103.28</u>	<u>-15.4%</u>	<u>285,512</u>	<u>403,718</u>	<u>41.4%</u>
Total			71,415	78,372	9.7%	\$123.71	\$132.00	6.7%	\$8,834,976	\$10,345,197	17.1%
Trends Adjusted for Exposure					9.5%			6.7%			16.8%

¹ Indicates Drugs that have had all numbers combined for Formulary and Non-Formulary