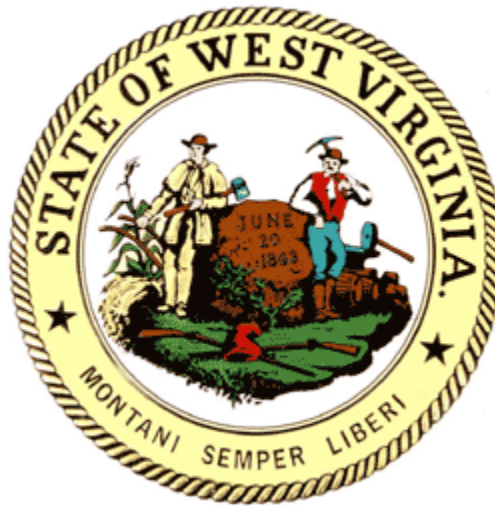




CCRC

Actuaries, LLC

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

Fiscal Year 2013

Detailed Medical and Prescription Drugs Claim Trend Report

September 2013

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West Virginia Public Employees Insurance Agency Report of Independent Actuary

Fiscal Year 2013 Detailed Medical & Prescription Drugs 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 monitoring the plan experience for fiscal year ending June 30, 2013 on a quarterly basis and the forecasting of Fiscal Years 2014 through 2018. This annual trend report to the Finance Board serves as the basis for projecting medical and drugs claims through Fiscal Year 2013 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 drugs claims experience using Non-Medicare claims incurred and paid through June 2013. Effective July 1, 2012, West Virginia Retiree Health Benefit Trust Fund (“Trust Fund” or “RHBT”) had contracted with Humana to provide a Medicare Advantage Plan (“Humana MAPD”) benefit to Medicare-eligible retired employees and their Medicare-eligible dependents. Under this arrangement, Humana has assumed the financial risk of providing comprehensive medical and drugs coverage with limited copayments. Non-Medicare retirees will continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option.

Current Medicare coverages are transferred from a self-insured secondary basis by RHBT to the Humana MAPD plan. However, it should be noted that new Medicare eligible retirees, who become Medicare eligible during the plan year, which ends in June, will be covered on a secondary basis by the PPB Plan until the beginning of the next plan year. CCRC Actuaries has not reviewed the Medicare claims experience in this report due to the lack of credibility of Medicare claims where the State is secondary.

Since July 1, 2000, HealthSmart Holding Inc. (“HealthSmart”), recently acquired the former Third Party Administrator Wells Fargo in October 2011, has been the administrator of the plan's medical claims and has provided reports for both medical and prescription drugs claims. The analysis utilized claim data supplied from HealthSmart 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 April 2013. Our analysis for medical claims do not include incurred claims for the months after April 2013, 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 HealthSmart 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 HealthSmart and used in this analysis was reconciled and balanced to the PEIA general ledger amounts.

KEY FINDINGS

- The three methodologies resulted in 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 5.3% last year to 0.9% in Fiscal Year 2013 using a 24-month study period. Using the 24-month analysis, PEIA experienced a 2.6% utilization increase and a -1.6% unit cost decrease, resulting in an aggregate trend of 0.9%. 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 similarly to the 24-month trend calculated since Fiscal Year 2002.

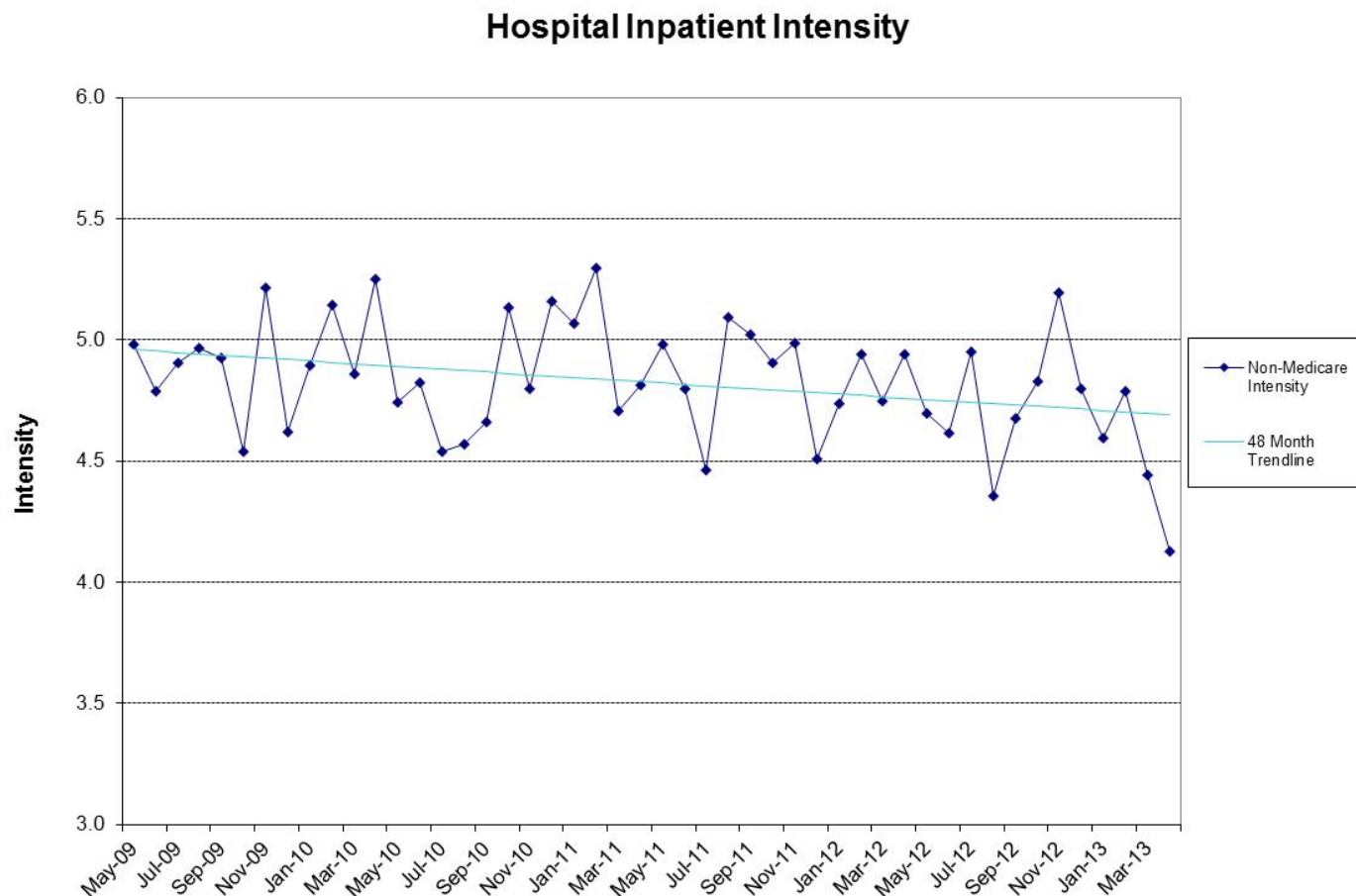
West Virginia PEIA Non-Medicare Total 24-Month Trend Analysis			
	<u>Utilization</u>	<u>Cost/Service</u>	<u>Total Trend</u>
2002	4.1%	3.6%	7.8%
2003	9.8%	-3.0%	6.5%
2004	11.7%	-6.8%	4.0%
2005	2.8%	-1.1%	1.7%
2006	2.9%	1.0%	4.0%
2007	7.2%	-2.0%	5.1%
2008	2.9%	3.9%	6.9%
2009	2.5%	2.6%	5.1%
2010	2.5%	1.8%	4.4%
2011	4.2%	3.5%	7.8%
2012	5.1%	0.1%	5.3%
2013	2.6%	-1.6%	0.9%

- Fiscal Year 2013 PEIA and Retiree Health Benefit Trust Fund (RHBT) 24-month detail trends are shown in the following table:

Fiscal Year 2013 Claim Type	Medical	Drugs
PEIA – Active Local	0.6%	-1.1%
PEIA – State	<u>1.0%</u>	<u>-3.3%</u>
PEIA – Total	0.9%	-3.0%
RHBT – Non-Medicare	1.3%	5.4%
Grand Total	1.0%	-1.8%

- Hospital Inpatient services represent approximately 19% of all medical services and experienced the most favorable trend of the broader claim categories with a total trend of -3.6%. This decreasing trend was caused by a 3.0% reduction in utilization and a 0.6% reduction in unit cost.
- Hospital Outpatient services represent approximately 33% of all medical services and experienced the third favorable trend of the broader claim categories with a total trend of 4.4%. This increasing trend was caused by an 8.9% increase in utilization and a 4.1% reduction in unit cost.
- Physician services represent approximately 45% of all medical services and experienced the second favorable trend of the broader claim categories with a total trend of -0.6%. This decreasing trend was a result of a 0.2% increase in utilization of these services and a 0.8% reduction 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 least favorable trend of the broader claim categories with a total trend of 14.1%. This increasing trend was caused by a 6.5% increase in utilization of these services and a 7.1% increase in unit cost.
- Overall, Out-of-State services show higher trends for Non-Medicare coverages in the 24-month analysis, with higher unit cost 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 24-month period analysis reveals an aggregate In-State trend of 1.3% and an Out-of-State trend of 3.7%. For In-State, the utilization trend has been higher while the cost per service trend has been lower compared to Out-of-State. For In-State, the utilization trend for Non-Medicare was 2.8%, while the Out-of-State trend was -2.4%. For In-State, the cost per service trend for Non-Medicare was -1.5%, while the Out-of-State trend was 6.3%. The Out-of-State cost per service increase was fairly consistent for the major categories in the Other services group except for the Other Services category where we observed an unfavorable upward trend of 105.7%.
- It should be noted that as of January 1, 2010, PEIA began following the CMS guidelines and PEIA will not reimburse for Consultations under Physician Services. We have combined the services under Consultations category into the Office Visits category.

- 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 -1.4%, compared to -0.6% 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	-5.4%	-3.1%	-0.8%
Intensity	-3.5%	-1.7%	-1.4%
<u>Cost/Day</u>	<u>2.2%</u>	<u>2.7%</u>	<u>3.5%</u>
Total	-6.6%	-2.2%	1.2%

KEY FINDINGS - DRUGS

- Overall, prescription drugs trends for Non-Medicare coverages have decreased significantly compared to 4.2% last year. Using the 24-month analysis, we observe a 3.4% utilization increase and a 6.2% prescription cost reduction, resulting in an aggregate trend of -3.0%. The 24-month overall trend is lower 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 2012	3.4%	-6.2%	-3.0%

METHODOLOGY

HealthSmart provided allowed and paid claim information for Non-Medicare and Medicare eligibility from July 2001 through June 2013. This data set was analyzed on Non-Medicare claims that were incurred from May 2009 through April 2013 for the 48-month credible period. This claim data was consolidated into 24 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 HealthSmart. HealthSmart 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 HealthSmart 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 drugs 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 HealthSmart 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 April 2010</u>	<u>12 months ending April 2011</u>	<u>12 months ending April 2012</u>	<u>12 months ending April 2013</u>
Hospital Inpatient	\$94,647,777	\$103,305,735	\$103,872,214	\$96,639,286
Hospital Outpatient	137,884,319	152,136,045	164,739,286	169,567,681
Physician Services	209,979,644	218,095,487	231,036,120	225,705,810
Other Services	<u>12,774,828</u>	<u>14,195,464</u>	<u>15,142,179</u>	<u>15,692,037</u>
Total	\$455,286,568	\$487,732,732	\$514,789,799	\$507,604,815

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

<u>Non-Medicare Claims</u>	<u>May 2009 to April 2010</u>	<u>May 2010 to April 2011</u>	<u>May 2011 to April 2012</u>	<u>May 2012 to April 2013</u>
HI Maternity	\$2,455,257	\$2,819,737	\$3,136,705	\$3,367,538
HI Medical/Surgical	89,344,838	97,158,012	95,918,615	89,462,085
HI Psychiatric/Substance Abuse	2,847,681	3,327,985	4,816,894	3,809,664
HO Emergency Room	21,003,926	22,756,693	24,804,313	26,011,020
HO Medical/Surgical	66,854,781	74,285,412	81,119,921	85,665,155
HO Other Services	48,871,579	53,811,555	57,000,218	55,978,287
HO Psychiatric/Substance Abuse	1,154,032	1,282,384	1,814,834	1,913,219
PS Anesthesia	10,044,894	10,737,356	11,235,949	10,953,997
PS Chemotherapy/Radiation	4,417,399	3,622,285	4,561,785	4,402,381
PS Emergency Room	5,337,450	5,515,780	5,606,219	5,477,793
PS Immunizations/Allergy	5,465,389	5,833,166	6,587,821	7,205,485
PS Inpatient Surgery	9,805,076	9,420,458	9,642,845	9,059,786
PS Inpatient Visits	5,977,132	7,389,237	7,123,013	6,904,963
PS Lab & Pathology	15,279,863	16,535,478	17,802,077	17,553,261
PS Maternity	2,959,688	3,110,521	3,670,495	3,910,093
PS Office Visits	63,241,480	67,003,355	68,883,978	66,840,390
PS Other Services	37,600,729	39,705,124	43,475,701	42,343,910
PS Outpatient Surgery	16,497,715	17,299,297	18,145,932	17,375,064
PS Psychiatric/Substance Abuse	8,215,835	8,955,466	9,701,041	10,082,531
PS Radiology	18,622,539	15,831,912	16,425,150	15,866,275
PS Therapy/Rehab	6,514,455	7,136,052	8,174,114	7,729,882
O Ambulance	3,347,538	3,588,629	3,548,947	2,878,763
O Durable Medical Equipment	6,783,865	7,309,932	7,352,549	7,302,250
O Other Services	2,643,425	3,296,903	4,240,684	5,511,025

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 for medical expenses have not changed over the last five years. This has ultimately increased the medical 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 2010 through 2013 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	-1.9%	0.9%
36-Month Trend	1.4%	3.0%
48-Month Trend	2.6%	3.7%

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 lower than the current trend assumption for FY 2014 of 6.0%. Consequently, at this time we believe it is prudent and appropriate to reduce the FY 2014 medical claim trend assumptions for Non-Medicare medical to 5.0%.

Recent experience has also shown that Non-Medicare drugs claim trends are lower than the current trend assumption for FY 2014 of 9.0%. At this time we believe it is prudent and appropriate to reduce the FY 2014 drugs claim trend assumptions for Non-Medicare drugs to 8.0%

Both changes are shown in the following chart.

	<i>Fiscal Year 2014 Trends</i>		
Claim Type	Previous Assumption	Updated Assumption	Change
Non-Medicare – Medical	6.0%	5.0%	-1.0%
Non-Medicare – Prescription Drugs	9.0%	8.0%	-1.0%

In the past, claim trends for the financial plan included a 0.5% margin in future years. The financial projection for medical and drugs claims will continue this practice and the trends will increase by 0.5% in each successive fiscal year beginning in FY 2015.

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



Chris Borcik, F.S.A., M.A.A.A.

Senior Actuarial Consultant

West Virginia PEIA Non-Medicare Total Study Period of May 2009 to April 2013

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	4.5%	6.3%	11.1%	0.6%	3.3%	7.6%	11.1%	0.6%	3.2%	8.1%	11.5%	0.6%
Medical / Surgical	-3.7%	-0.4%	-4.1%	18.1%	-3.3%	0.9%	-2.4%	18.7%	-2.1%	2.1%	0.0%	18.9%
Psychiatric / Substance Abuse	7.7%	-9.7%	-2.7%	0.8%	3.0%	6.5%	9.7%	0.8%	6.8%	7.1%	14.4%	0.8%
TOTAL	-3.0%	-0.6%	-3.6%	19.6%	-2.9%	1.3%	-1.6%	20.1%	-1.6%	2.5%	0.8%	20.3%
HOSPITAL OUTPATIENT												
Emergency Room	0.1%	7.1%	7.1%	5.0%	2.3%	5.0%	7.4%	4.9%	1.8%	5.0%	6.9%	4.8%
Medical / Surgical	18.3%	-11.2%	5.0%	16.3%	16.1%	-6.6%	8.4%	16.0%	12.8%	-3.2%	9.2%	15.7%
Other Services	-0.9%	1.4%	0.5%	11.1%	0.7%	1.5%	2.2%	11.0%	1.0%	3.0%	4.0%	11.0%
Psychiatric / Substance Abuse	4.9%	-4.4%	0.3%	0.4%	17.6%	-0.5%	17.0%	0.3%	16.9%	0.6%	17.6%	0.3%
TOTAL	8.9%	-4.1%	4.4%	32.7%	8.8%	-2.0%	6.6%	32.2%	7.1%	0.2%	7.3%	31.8%
PHYSICIAN SERVICES												
Anesthesia	0.6%	-3.7%	-3.1%	2.2%	2.5%	-2.1%	0.4%	2.2%	4.3%	-2.5%	1.7%	2.2%
Chemotherapy / Radiation	2.9%	-1.9%	1.0%	0.9%	6.5%	3.0%	9.7%	0.8%	2.1%	-0.8%	1.3%	0.9%
Emergency Room	-0.2%	0.0%	-0.2%	1.1%	1.1%	-1.2%	-0.1%	1.1%	0.9%	-0.7%	0.2%	1.1%
Immunizations / Injections / Allergy	0.7%	-0.7%	-0.1%	1.3%	5.0%	1.6%	6.7%	1.3%	4.7%	2.5%	7.3%	1.3%
Inpatient Surgery	-6.4%	-3.2%	-9.4%	1.8%	-10.9%	6.1%	-5.5%	1.9%	-9.3%	5.6%	-4.2%	1.9%
Inpatient Visits	-3.0%	1.7%	-1.4%	1.4%	-2.5%	0.1%	-2.5%	1.4%	2.1%	1.5%	3.6%	1.4%
Lab & Pathology	2.1%	0.2%	2.3%	3.5%	2.6%	1.5%	4.1%	3.4%	3.3%	1.1%	4.5%	3.4%
Maternity	2.2%	3.5%	5.8%	0.7%	2.0%	9.1%	11.3%	0.7%	3.0%	6.0%	9.2%	0.7%
Office Visits	0.4%	0.3%	0.7%	13.3%	0.4%	0.8%	1.2%	13.4%	0.5%	1.2%	1.7%	13.5%
Other Services	-2.3%	0.3%	-2.0%	8.4%	2.1%	1.0%	3.2%	8.3%	3.2%	0.5%	3.7%	8.3%
Outpatient Surgery	4.0%	-7.7%	-4.1%	3.5%	2.9%	-2.9%	-0.1%	3.5%	1.9%	-0.9%	1.0%	3.5%
Psychiatric / Substance Abuse	8.0%	0.5%	8.6%	1.9%	9.9%	-2.6%	7.0%	1.9%	9.8%	-2.6%	6.9%	1.9%
Radiology	0.5%	-2.2%	-1.7%	3.2%	-1.2%	0.7%	-0.5%	3.2%	-2.6%	-3.2%	-5.7%	3.4%
Therapies	-4.5%	1.0%	-3.6%	1.6%	2.1%	1.7%	3.8%	1.5%	4.4%	0.7%	5.2%	1.5%
TOTAL	0.2%	-0.8%	-0.6%	44.7%	1.3%	0.7%	2.0%	44.7%	1.6%	0.4%	2.1%	45.0%
OTHER												
Ambulance	0.3%	-15.3%	-15.0%	0.6%	0.1%	-10.0%	-9.9%	0.7%	-0.6%	-4.2%	-4.8%	0.7%
Appliances (DME)	4.0%	-1.2%	2.7%	1.4%	4.0%	-2.7%	1.2%	1.5%	4.1%	-1.9%	2.1%	1.5%
Other Services	14.5%	34.5%	54.0%	1.0%	21.6%	12.3%	36.6%	0.9%	21.9%	7.3%	30.8%	0.8%
TOTAL	6.5%	7.1%	14.1%	3.0%	8.2%	0.0%	8.3%	3.0%	7.9%	0.1%	7.9%	2.9%
GRAND TOTAL	2.6%	-1.6%	0.9%	100.0%	3.1%	-0.1%	3.0%	100.0%	2.9%	0.8%	3.7%	100.0%

West Virginia PEIA Non-Medicare Total Study Period of May 2011 to April 2013

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	6.7%	7.0%	14.1%	15.6%	11.5%	28.9%	4.5%	6.3%	11.1%	0.5%	0.9%	0.6%
Medical / Surgical	-1.6%	1.3%	-0.3%	-14.7%	7.0%	-8.8%	-3.7%	-0.4%	-4.1%	12.7%	32.3%	18.1%
Psychiatric / Substance Abuse	-1.7%	-0.2%	-2.0%	12.7%	6.8%	20.4%	7.7%	-9.7%	-2.7%	0.7%	1.1%	0.8%
TOTAL	-1.3%	1.5%	0.2%	-13.1%	7.1%	-6.9%	-3.0%	-0.6%	-3.6%	14.0%	34.3%	19.6%
HOSPITAL OUTPATIENT												
Emergency Room	1.0%	7.6%	8.7%	-9.4%	12.2%	1.7%	0.1%	7.1%	7.1%	5.4%	3.8%	5.0%
Medical / Surgical	22.1%	-15.4%	3.2%	-8.7%	24.1%	13.3%	18.3%	-11.2%	5.0%	16.1%	15.8%	16.3%
Other Services	-0.4%	3.0%	2.6%	-7.9%	2.6%	-5.5%	-0.9%	1.4%	0.5%	11.5%	9.9%	11.1%
Psychiatric / Substance Abuse	9.4%	-9.1%	-0.6%	-1.5%	2.6%	1.1%	4.9%	-4.4%	0.3%	0.2%	0.8%	0.4%
TOTAL	10.8%	-5.3%	5.0%	-8.3%	15.0%	5.4%	8.9%	-4.1%	4.4%	33.2%	30.2%	32.7%
PHYSICIAN SERVICES												
Anesthesia	0.2%	-3.2%	-3.1%	3.6%	-7.3%	-4.0%	0.6%	-3.7%	-3.1%	2.4%	1.7%	2.2%
Chemotherapy / Radiation	5.4%	-3.8%	1.3%	-9.8%	14.8%	3.6%	2.9%	-1.9%	1.0%	0.9%	0.8%	0.9%
Emergency Room	0.5%	1.7%	2.2%	-8.2%	-3.7%	-11.6%	-0.2%	0.0%	-0.2%	1.3%	0.6%	1.1%
Immunizations / Injections / Allergy	0.5%	-1.0%	-0.5%	2.6%	1.0%	3.6%	0.7%	-0.7%	-0.1%	1.7%	0.4%	1.3%
Inpatient Surgery	-7.1%	-1.3%	-8.3%	-3.3%	-8.7%	-11.7%	-6.4%	-3.2%	-9.4%	1.8%	2.0%	1.8%
Inpatient Visits	-2.6%	-0.1%	-2.7%	-5.5%	10.0%	4.0%	-3.0%	1.7%	-1.4%	1.6%	1.0%	1.4%
Lab & Pathology	-17.3%	2.4%	-15.3%	40.5%	-10.9%	25.2%	2.1%	0.2%	2.3%	2.5%	6.0%	3.5%
Maternity	5.5%	2.8%	8.5%	-15.0%	6.5%	-9.5%	2.2%	3.5%	5.8%	0.9%	0.3%	0.7%
Office Visits	0.1%	0.1%	0.2%	3.2%	1.3%	4.5%	0.4%	0.3%	0.7%	16.8%	5.1%	13.3%
Other Services	-2.2%	0.4%	-1.8%	-3.1%	0.6%	-2.6%	-2.3%	0.3%	-2.0%	9.2%	6.2%	8.4%
Outpatient Surgery	4.2%	-7.4%	-3.5%	2.7%	-8.2%	-5.7%	4.0%	-7.7%	-4.1%	3.7%	2.9%	3.5%
Psychiatric / Substance Abuse	4.0%	3.7%	7.8%	28.9%	-11.1%	14.6%	8.0%	0.5%	8.6%	2.4%	0.8%	1.9%
Radiology	1.2%	1.8%	3.0%	-5.0%	-12.1%	-16.5%	0.5%	-2.2%	-1.7%	3.5%	2.4%	3.2%
Therapies	-5.2%	1.1%	-4.1%	5.5%	0.6%	6.1%	-4.5%	1.0%	-3.6%	2.0%	0.3%	1.6%
TOTAL	-1.0%	-0.2%	-1.2%	7.8%	-4.1%	3.4%	0.2%	-0.8%	-0.6%	50.6%	30.7%	44.7%
OTHER												
Ambulance	1.2%	3.4%	4.6%	-9.2%	-42.9%	-48.1%	0.3%	-15.3%	-15.0%	0.6%	0.7%	0.6%
Appliances (DME)	-22.1%	19.8%	-6.6%	87.1%	-34.8%	21.9%	4.0%	-1.2%	2.7%	1.1%	2.4%	1.4%
Other Services	15.2%	-8.5%	5.4%	9.7%	105.7%	125.6%	14.5%	34.5%	54.0%	0.6%	1.6%	1.0%
TOTAL	-5.7%	7.7%	1.6%	47.0%	12.1%	64.8%	6.5%	7.1%	14.1%	2.3%	4.7%	3.0%
GRAND TOTAL	2.8%	-1.5%	1.3%	-2.4%	6.3%	3.7%	2.6%	-1.6%	0.9%	100.0%	100.0%	100.0%

West Virginia PEIA Non-Medicare Total Study Period of May 2010 to April 2013

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	2.1%	2.9%	5.1%	5.0%	10.1%	15.6%	3.3%	7.6%	11.1%	0.5%	0.8%	0.6%
Medical / Surgical	-2.9%	0.6%	-2.4%	-5.2%	3.6%	-1.8%	-3.3%	0.9%	-2.4%	12.7%	33.4%	18.7%
Psychiatric / Substance Abuse	0.9%	5.2%	6.1%	16.1%	6.5%	23.7%	3.0%	6.5%	9.7%	0.7%	1.0%	0.8%
TOTAL	-2.5%	0.9%	-1.7%	-4.3%	3.8%	-0.7%	-2.9%	1.3%	-1.6%	14.0%	35.1%	20.1%
HOSPITAL OUTPATIENT												
Emergency Room	2.7%	4.5%	7.3%	-1.7%	10.6%	8.7%	2.3%	5.0%	7.4%	5.4%	3.6%	4.9%
Medical / Surgical	19.6%	-9.0%	8.9%	-5.6%	16.4%	9.9%	16.1%	-6.6%	8.4%	16.1%	15.6%	16.0%
Other Services	1.1%	2.0%	3.1%	-4.1%	4.2%	-0.1%	0.7%	1.5%	2.2%	11.5%	10.0%	11.0%
Psychiatric / Substance Abuse	16.8%	-9.4%	5.9%	18.8%	4.5%	24.1%	17.6%	-0.5%	17.0%	0.2%	0.7%	0.3%
TOTAL	10.4%	-3.0%	7.1%	-4.1%	11.4%	6.8%	8.8%	-2.0%	6.6%	33.2%	29.9%	32.2%
PHYSICIAN SERVICES												
Anesthesia	2.2%	-2.5%	-0.3%	4.9%	-2.1%	2.7%	2.5%	-2.1%	0.4%	2.4%	1.7%	2.2%
Chemotherapy / Radiation	8.2%	1.7%	10.0%	-1.3%	12.2%	10.8%	6.5%	3.0%	9.7%	0.9%	0.8%	0.8%
Emergency Room	1.3%	-1.5%	-0.2%	-1.9%	1.9%	0.0%	1.1%	-1.2%	-0.1%	1.3%	0.6%	1.1%
Immunizations / Injections / Allergy	5.1%	1.8%	7.0%	3.4%	0.9%	4.3%	5.0%	1.6%	6.7%	1.7%	0.4%	1.3%
Inpatient Surgery	-11.2%	6.4%	-5.5%	-9.6%	4.9%	-5.2%	-10.9%	6.1%	-5.5%	1.8%	2.0%	1.9%
Inpatient Visits	-2.8%	-1.2%	-3.9%	-1.2%	5.4%	4.1%	-2.5%	0.1%	-2.5%	1.6%	1.0%	1.4%
Lab & Pathology	-9.9%	2.4%	-7.7%	31.0%	-6.1%	23.0%	2.6%	1.5%	4.1%	2.5%	5.7%	3.4%
Maternity	2.1%	9.1%	11.4%	1.2%	8.2%	9.5%	2.0%	9.1%	11.3%	0.9%	0.3%	0.7%
Office Visits	0.2%	0.5%	0.7%	3.0%	2.7%	5.8%	0.4%	0.8%	1.2%	16.8%	5.1%	13.4%
Other Services	2.2%	1.3%	3.5%	1.6%	0.4%	2.0%	2.1%	1.0%	3.2%	9.2%	6.2%	8.3%
Outpatient Surgery	3.1%	-3.0%	0.0%	1.7%	-2.0%	-0.4%	2.9%	-2.9%	-0.1%	3.7%	3.0%	3.5%
Psychiatric / Substance Abuse	6.0%	0.0%	6.0%	32.9%	-13.0%	15.6%	9.9%	-2.6%	7.0%	2.4%	0.8%	1.9%
Radiology	-0.9%	1.7%	0.8%	-4.2%	-1.0%	-5.1%	-1.2%	0.7%	-0.5%	3.5%	2.4%	3.2%
Therapies	2.1%	1.6%	3.7%	2.9%	1.8%	4.8%	2.1%	1.7%	3.8%	2.0%	0.3%	1.5%
TOTAL	0.5%	0.8%	1.2%	6.9%	-0.4%	6.5%	1.3%	0.7%	2.0%	50.6%	30.3%	44.7%
OTHER												
Ambulance	1.1%	-0.1%	1.1%	-9.9%	-19.7%	-27.6%	0.1%	-10.0%	-9.9%	0.6%	0.8%	0.7%
Appliances (DME)	-11.8%	7.6%	-5.0%	64.9%	-22.2%	28.3%	4.0%	-2.7%	1.2%	1.1%	2.4%	1.5%
Other Services	23.3%	-6.1%	15.8%	10.3%	51.2%	66.7%	21.6%	12.3%	36.6%	0.6%	1.4%	0.9%
TOTAL	1.2%	1.8%	3.1%	35.4%	1.1%	36.9%	8.2%	0.0%	8.3%	2.3%	4.6%	3.0%
GRAND TOTAL	3.4%	-0.4%	2.9%	1.0%	4.7%	5.7%	3.1%	-0.1%	3.0%	100.0%	100.0%	100.0%

West Virginia PEIA Non-Medicare Total Study Period of May 2009 to April 2013

48 Month Trends Summary - Excludes Drugs

	In State			Out of State			Total			In State	Out of State	Total
	<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>	<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>	<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>	<u>Weight</u>	<u>Weight</u>	<u>Weight</u>
HOSPITAL INPATIENT												
Maternity	2.5%	3.5%	6.1%	8.6%	12.0%	21.6%	3.2%	8.1%	11.5%	0.5%	0.8%	0.6%
Medical / Surgical	-1.7%	2.6%	0.9%	-4.2%	4.1%	-0.3%	-2.1%	2.1%	0.0%	12.7%	34.2%	18.9%
Psychiatric / Substance Abuse	4.9%	4.7%	9.8%	12.5%	11.0%	24.9%	6.8%	7.1%	14.4%	0.7%	0.9%	0.8%
TOTAL	-1.2%	2.8%	1.5%	-3.5%	4.4%	0.7%	-1.6%	2.5%	0.8%	13.9%	35.9%	20.3%
HOSPITAL OUTPATIENT												
Emergency Room	2.0%	3.9%	6.0%	0.4%	10.5%	11.0%	1.8%	5.0%	6.9%	5.3%	3.5%	4.8%
Medical / Surgical	15.0%	-4.7%	9.7%	-0.4%	10.4%	9.9%	12.8%	-3.2%	9.2%	15.8%	15.4%	15.7%
Other Services	1.3%	2.4%	3.8%	-3.8%	8.5%	4.4%	1.0%	3.0%	4.0%	11.4%	9.8%	11.0%
Psychiatric / Substance Abuse	13.2%	-6.3%	6.1%	23.0%	-2.4%	20.1%	16.9%	0.6%	17.6%	0.2%	0.6%	0.3%
TOTAL	8.1%	-0.8%	7.2%	-0.9%	9.5%	8.5%	7.1%	0.2%	7.3%	32.7%	29.4%	31.8%
PHYSICIAN SERVICES												
Anesthesia	3.7%	-2.7%	0.9%	9.0%	-4.6%	4.0%	4.3%	-2.5%	1.7%	2.4%	1.7%	2.2%
Chemotherapy / Radiation	4.6%	-2.5%	2.0%	-9.3%	8.5%	-1.6%	2.1%	-0.8%	1.3%	0.9%	0.8%	0.9%
Emergency Room	1.1%	-1.4%	-0.4%	-0.8%	4.4%	3.6%	0.9%	-0.7%	0.2%	1.3%	0.6%	1.1%
Immunizations / Injections / Allergy	4.9%	2.5%	7.5%	2.1%	2.9%	5.0%	4.7%	2.5%	7.3%	1.6%	0.4%	1.3%
Inpatient Surgery	-9.6%	6.4%	-3.8%	-8.0%	3.0%	-5.2%	-9.3%	5.6%	-4.2%	1.8%	2.1%	1.9%
Inpatient Visits	2.3%	0.5%	2.9%	1.0%	5.8%	6.9%	2.1%	1.5%	3.6%	1.6%	1.0%	1.4%
Lab & Pathology	-5.1%	1.0%	-4.2%	24.0%	-3.4%	19.8%	3.3%	1.1%	4.5%	2.6%	5.4%	3.4%
Maternity	2.7%	6.4%	9.2%	5.2%	2.4%	7.7%	3.0%	6.0%	9.2%	0.9%	0.3%	0.7%
Office Visits	0.4%	0.9%	1.3%	2.2%	2.6%	4.9%	0.5%	1.2%	1.7%	17.0%	5.1%	13.5%
Other Services	3.2%	0.5%	3.8%	3.1%	0.4%	3.5%	3.2%	0.5%	3.7%	9.1%	6.3%	8.3%
Outpatient Surgery	1.3%	-1.1%	0.2%	5.4%	-2.2%	3.1%	1.9%	-0.9%	1.0%	3.8%	3.0%	3.5%
Psychiatric / Substance Abuse	6.2%	-0.6%	5.6%	33.0%	-11.1%	18.3%	9.8%	-2.6%	6.9%	2.3%	0.8%	1.9%
Radiology	-2.3%	-3.4%	-5.6%	-5.4%	-0.9%	-6.3%	-2.6%	-3.2%	-5.7%	3.7%	2.6%	3.4%
Therapies	4.4%	0.8%	5.3%	4.8%	-1.1%	3.6%	4.4%	0.7%	5.2%	2.0%	0.3%	1.5%
TOTAL	1.0%	0.4%	1.4%	6.0%	-0.1%	5.9%	1.6%	0.4%	2.1%	51.0%	30.4%	45.0%
OTHER												
Ambulance	-0.4%	0.1%	-0.3%	-2.9%	-11.5%	-14.0%	-0.6%	-4.2%	-4.8%	0.6%	0.8%	0.7%
Appliances (DME)	-6.3%	2.9%	-3.6%	49.0%	-14.0%	28.2%	4.1%	-1.9%	2.1%	1.1%	2.3%	1.5%
Other Services	23.3%	-7.0%	14.7%	13.2%	38.4%	56.6%	21.9%	7.3%	30.8%	0.6%	1.3%	0.8%
TOTAL	2.9%	-0.4%	2.5%	29.3%	1.6%	31.4%	7.9%	0.1%	7.9%	2.3%	4.4%	2.9%
GRAND TOTAL	3.1%	0.3%	3.4%	1.6%	4.4%	6.1%	2.9%	0.8%	3.7%	100.0%	100.0%	100.0%

**West Virginia PEIA Non-Medicare Prescription Drugs Total
Study Period of May 2009 to April 2013**

24 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	3.4%	-6.2%	-3.0%

36 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	1.0%	-0.4%	0.6%

48 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	1.4%	3.6%	5.0%

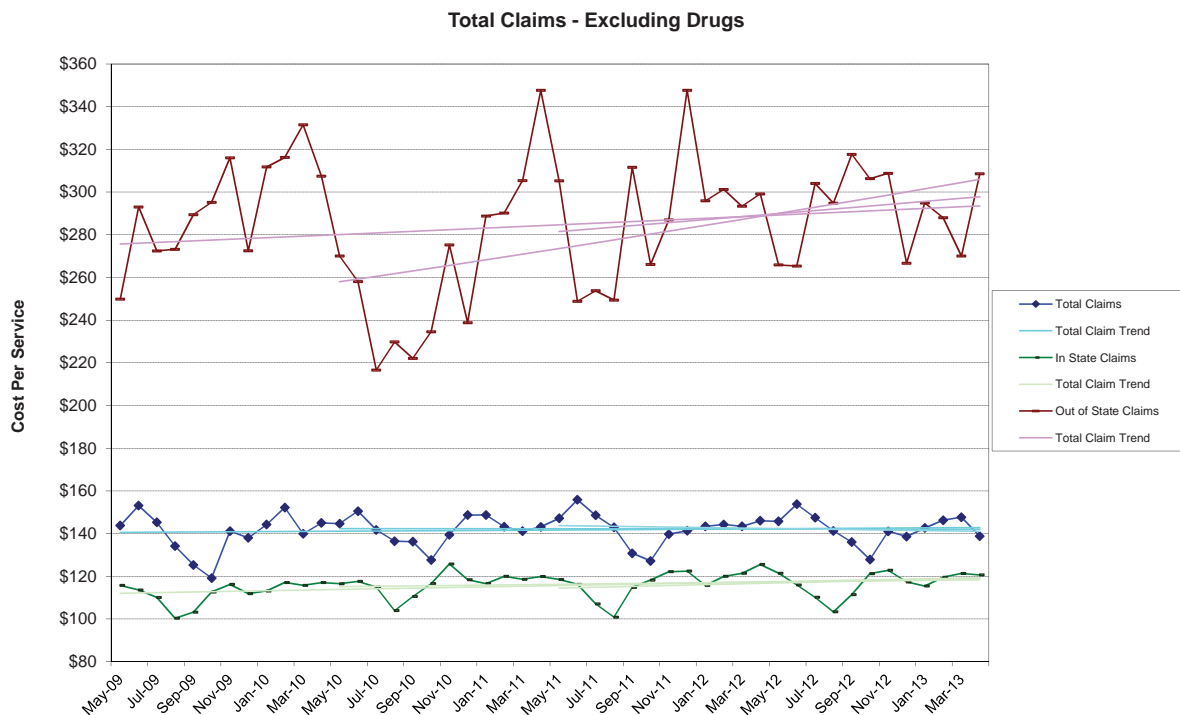
Appendix A

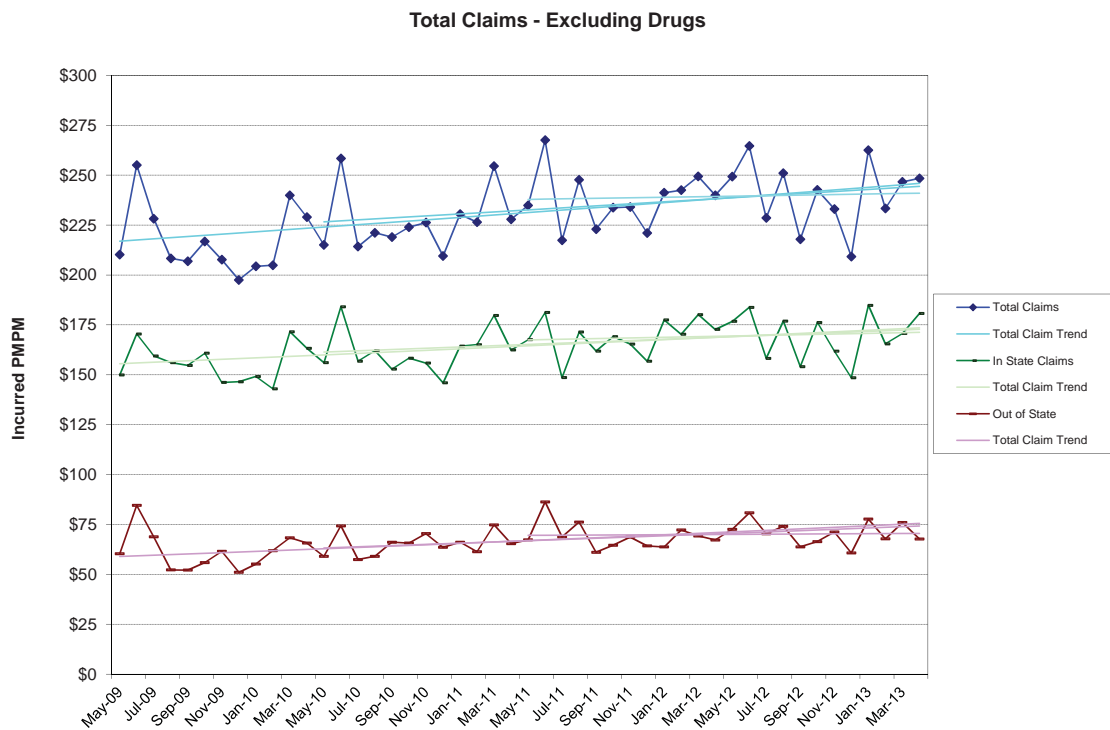
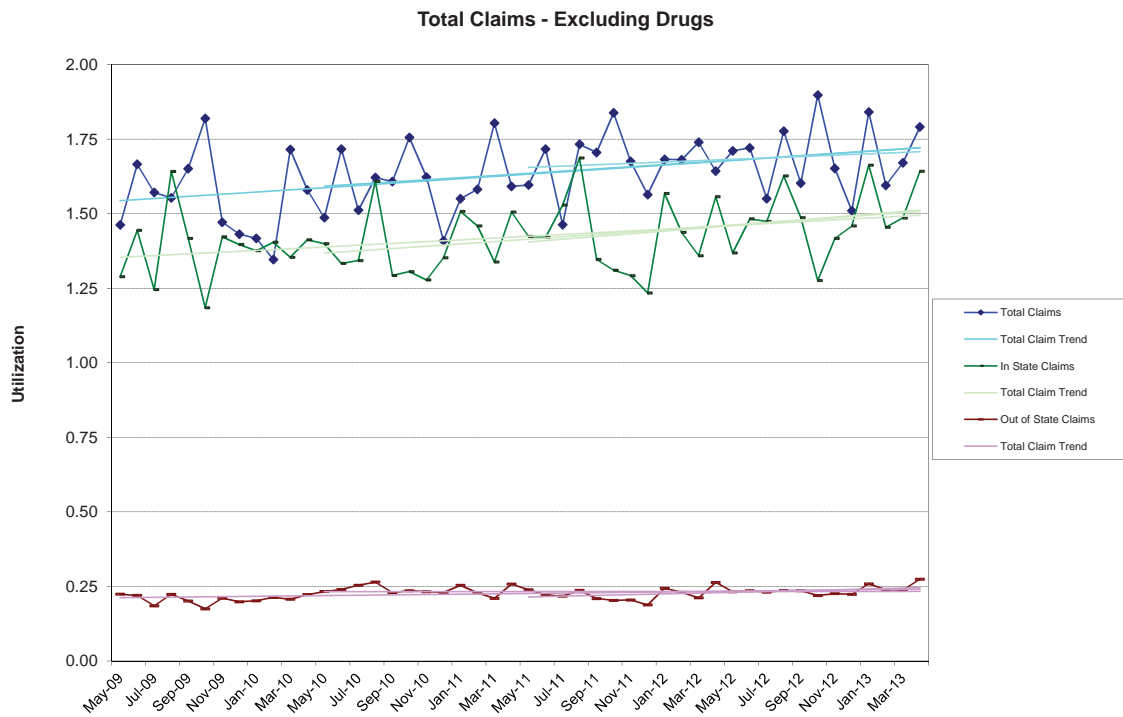
NON-MEDICARE CLAIMS
Excluding Drugs
GRAND TOTAL

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.6%	-1.6%	0.9%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.1%	-0.1%	3.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.9%	0.8%	3.7%





NON-MEDICARE CLAIMS
Excluding Drugs

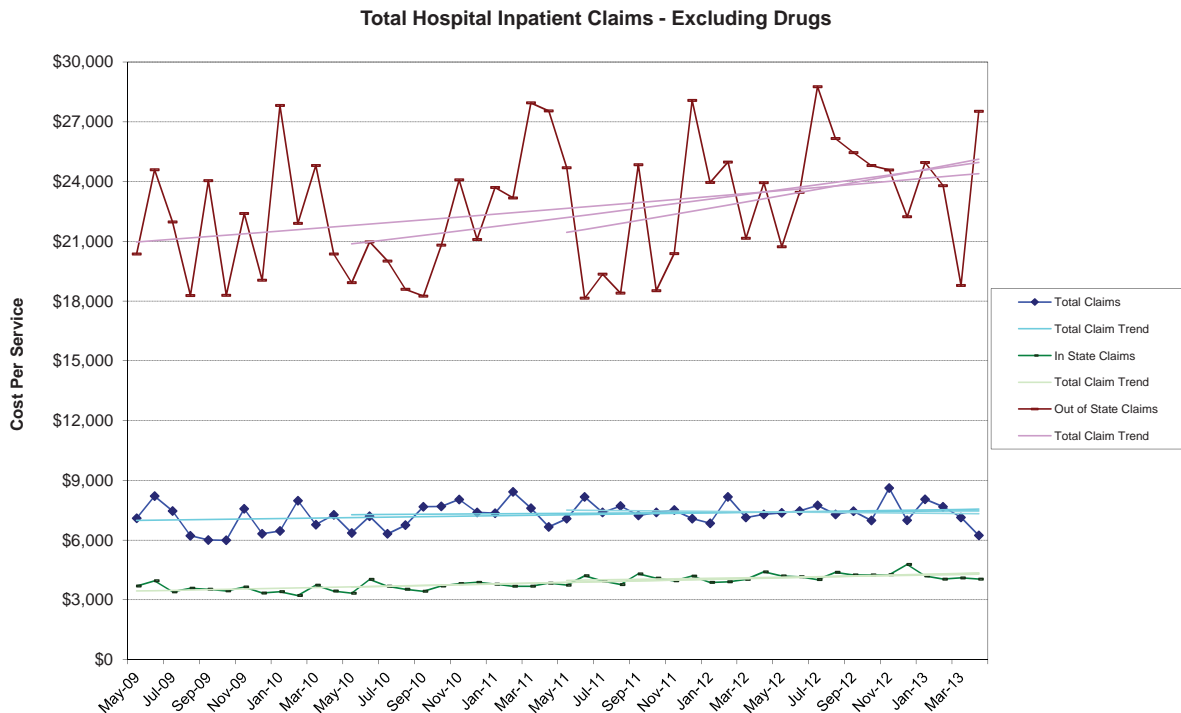
HOSPITAL INPATIENT

TOTAL

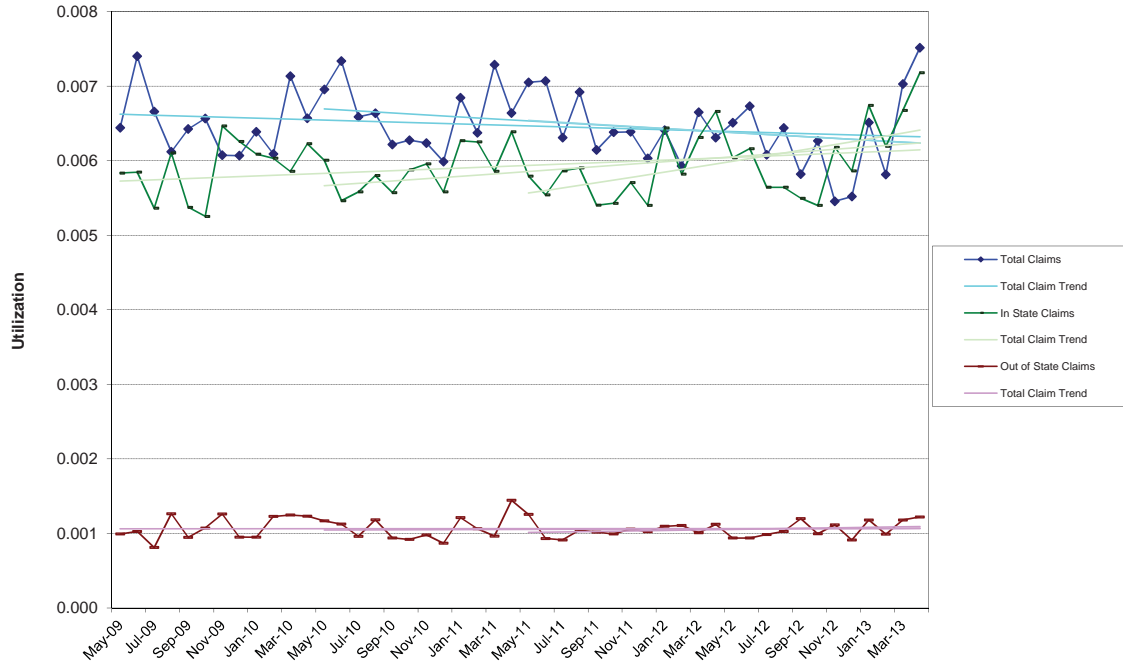
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-3.0%	-0.6%	-3.6%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.9%	1.3%	-1.6%

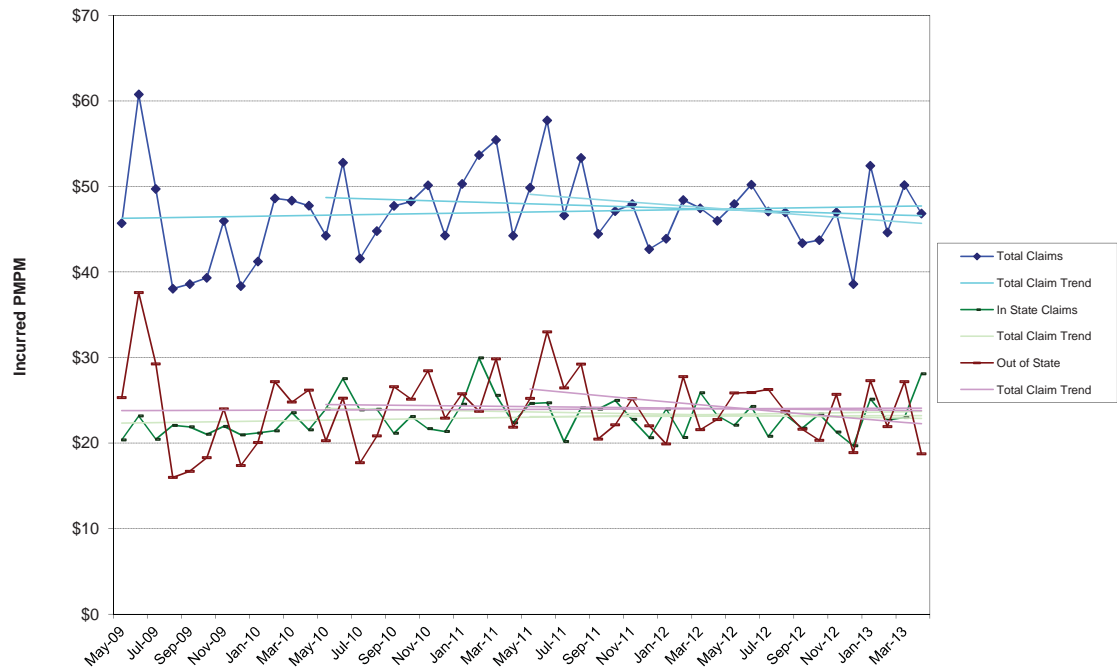
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.6%	2.5%	0.8%



Total Hospital Inpatient Claims - Excluding Drugs



Total Hospital Inpatient Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

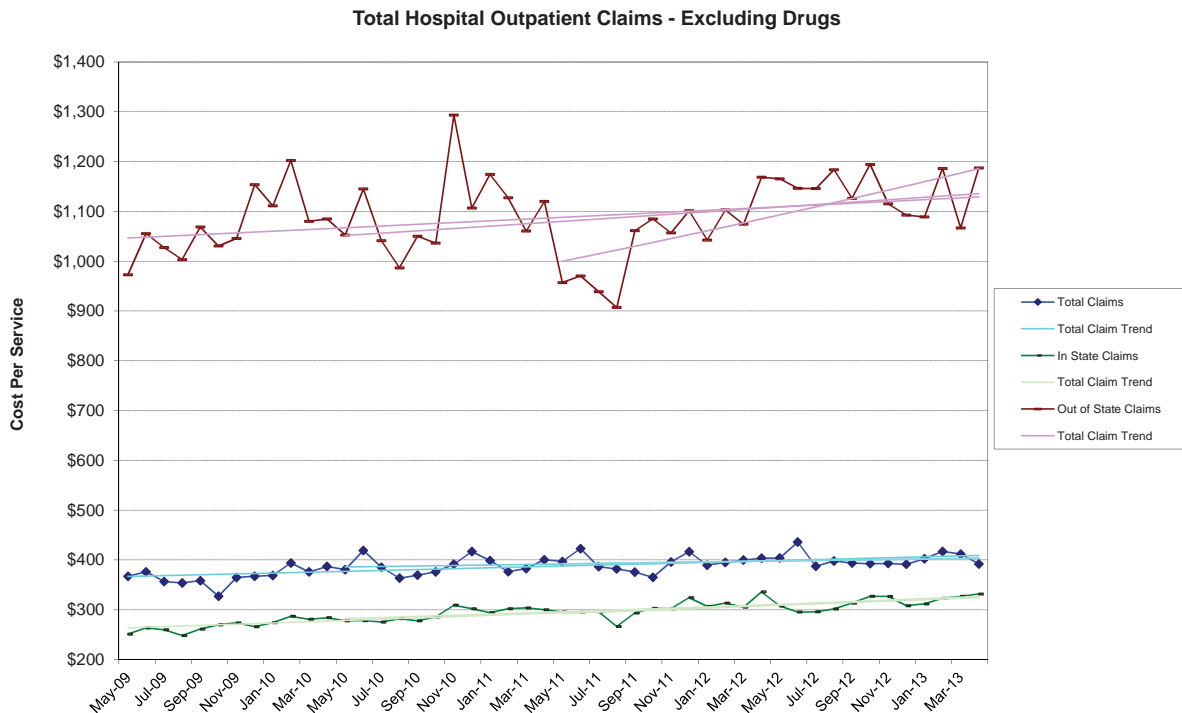
HOSPITAL OUTPATIENT

TOTAL

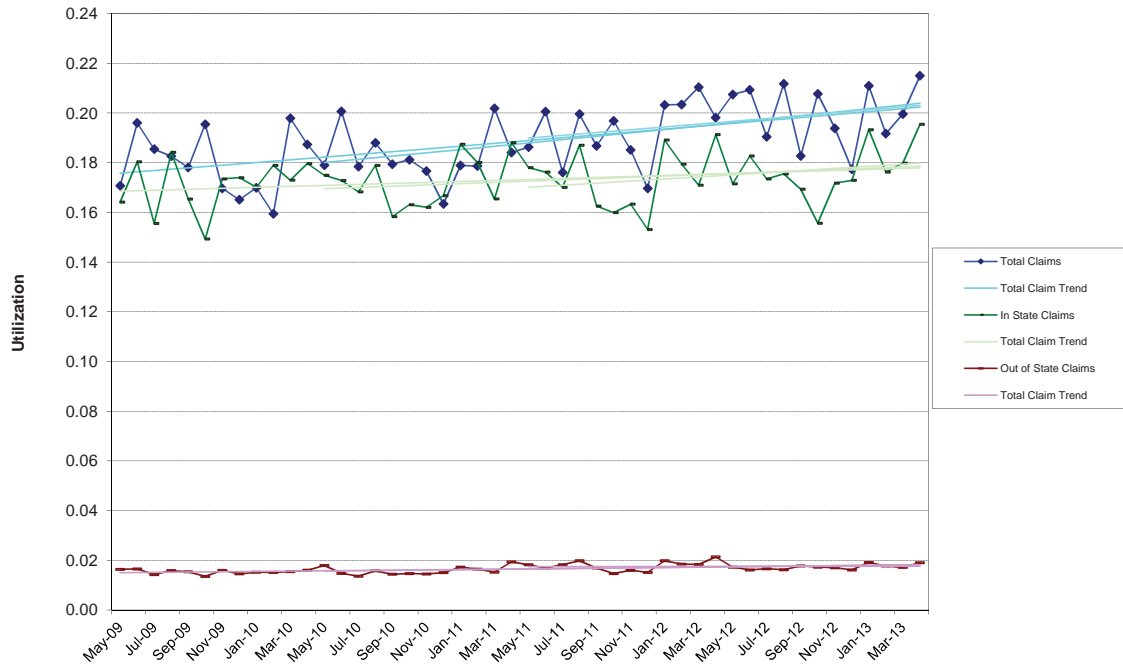
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.9%	-4.1%	4.4%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.8%	-2.0%	6.6%

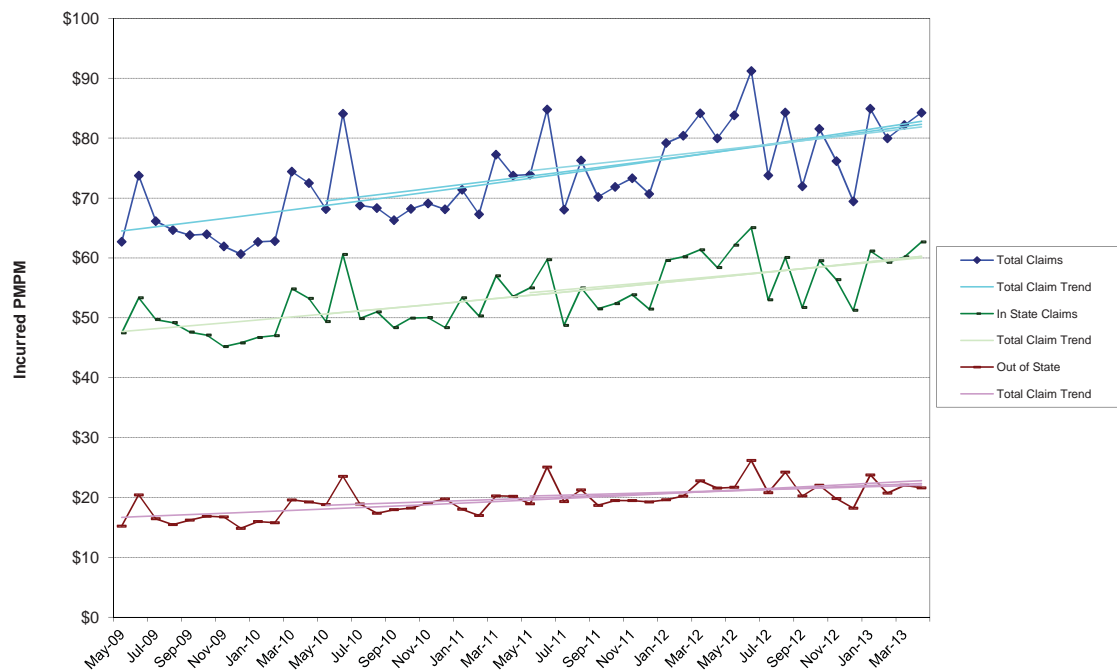
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.1%	0.2%	7.3%



Total Hospital Outpatient Claims - Excluding Drugs



Total Hospital Outpatient Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

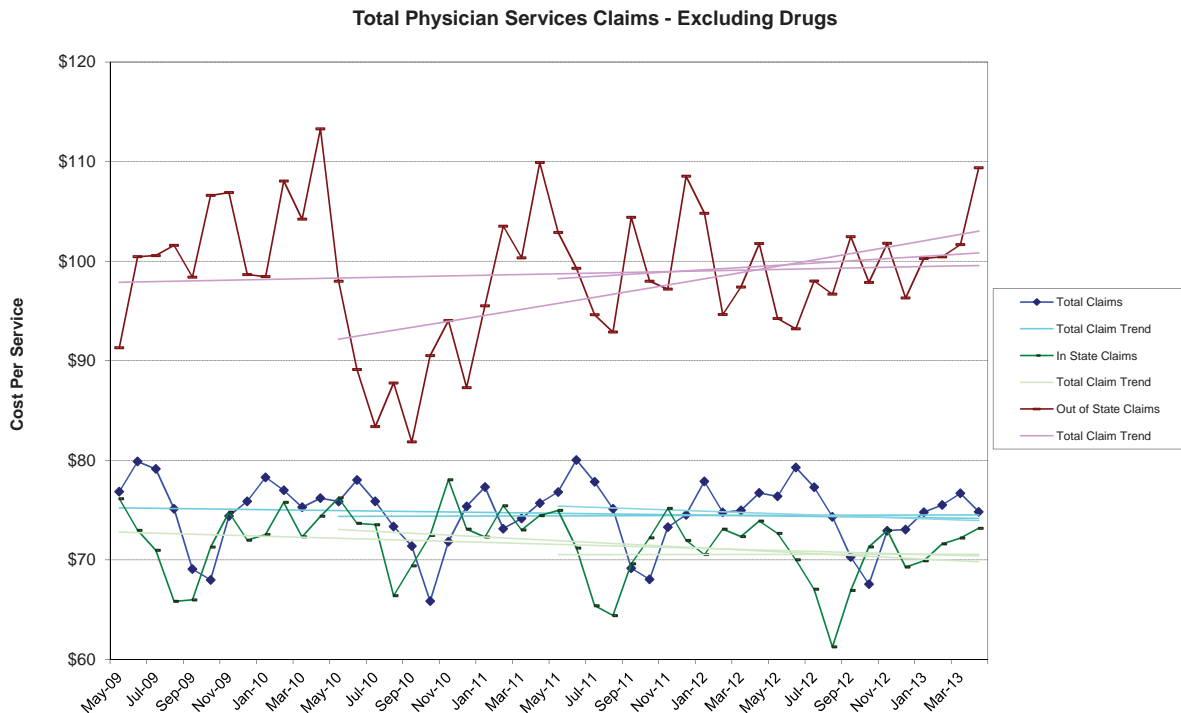
PHYSICIAN SERVICES

TOTAL

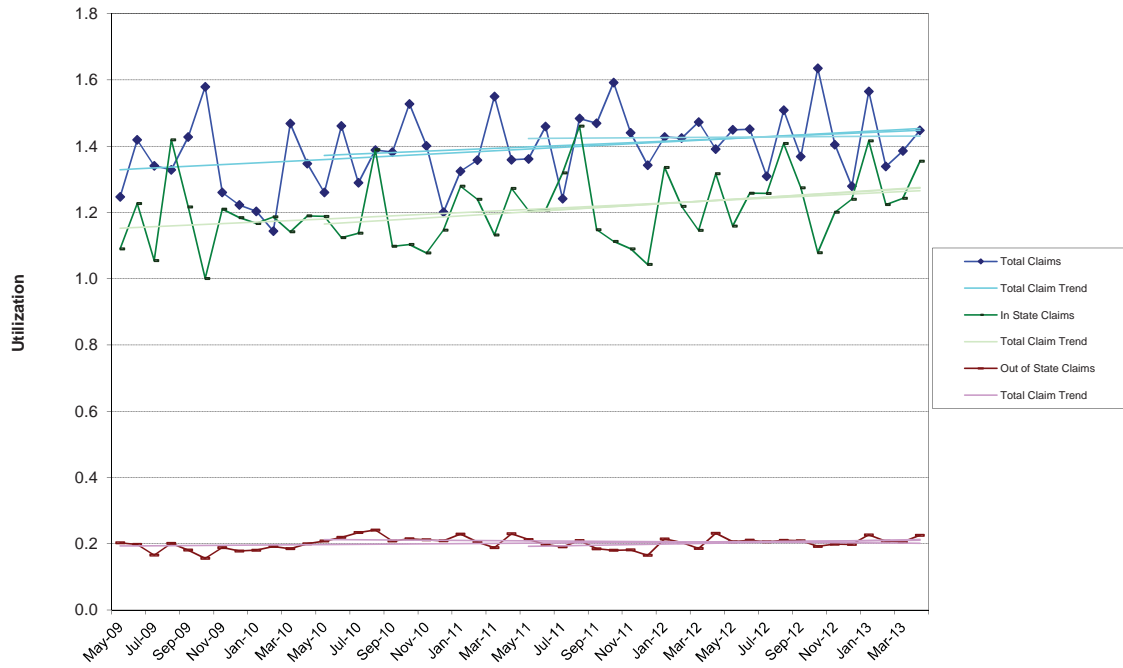
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.2%	-0.8%	-0.6%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.3%	0.7%	2.0%

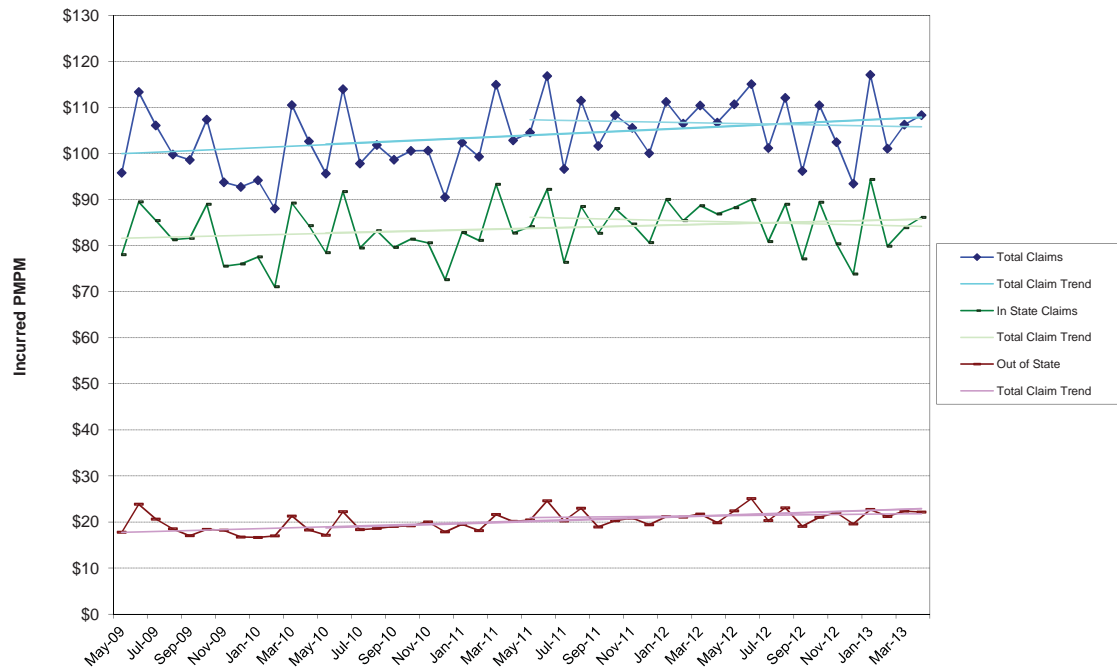
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.6%	0.4%	2.1%



Total Physician Services Claims - Excluding Drugs



Total Physician Services Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

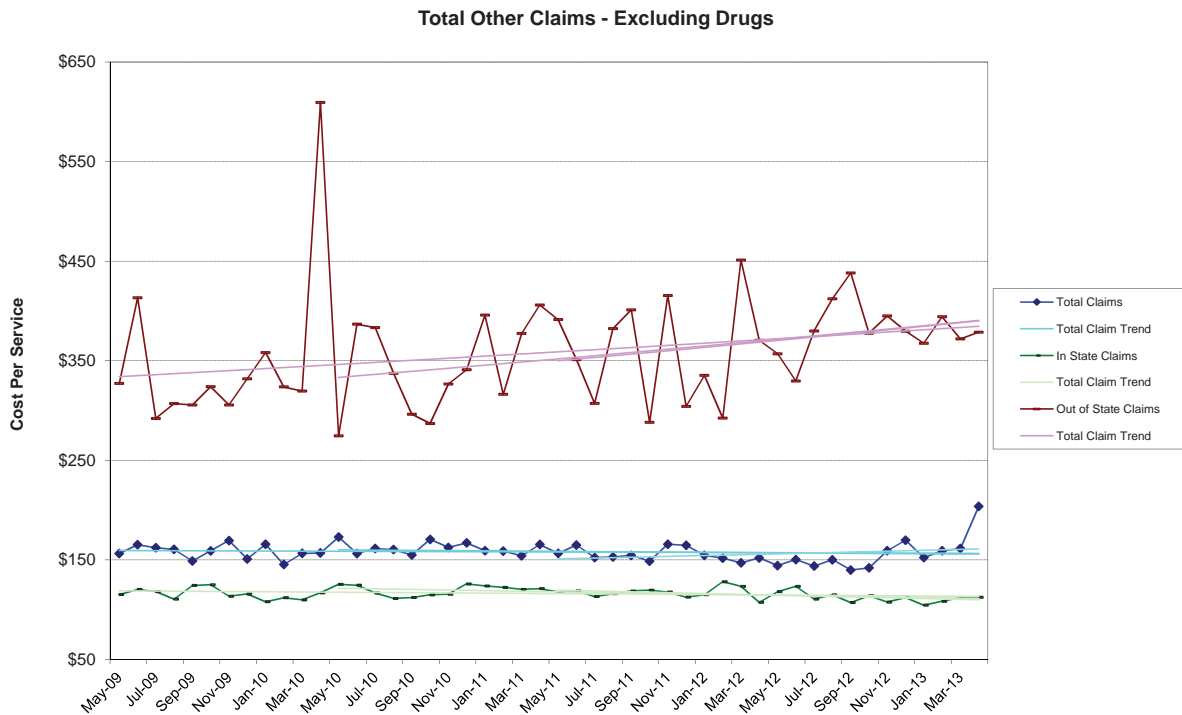
OTHER

TOTAL

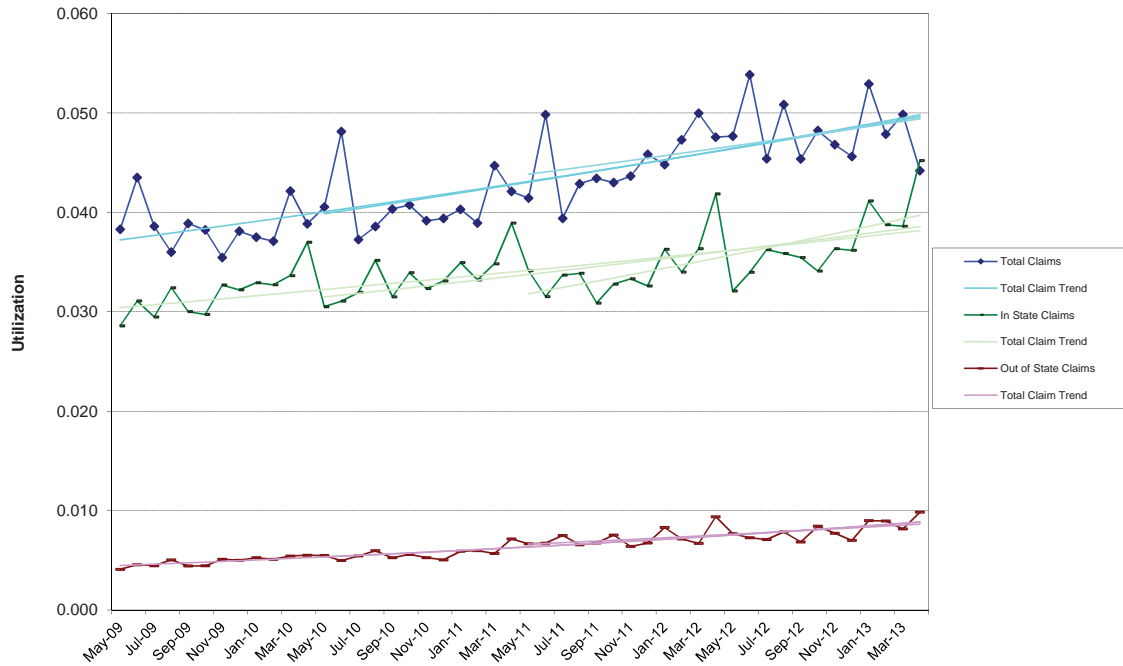
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.5%	7.1%	14.1%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.2%	0.0%	8.3%

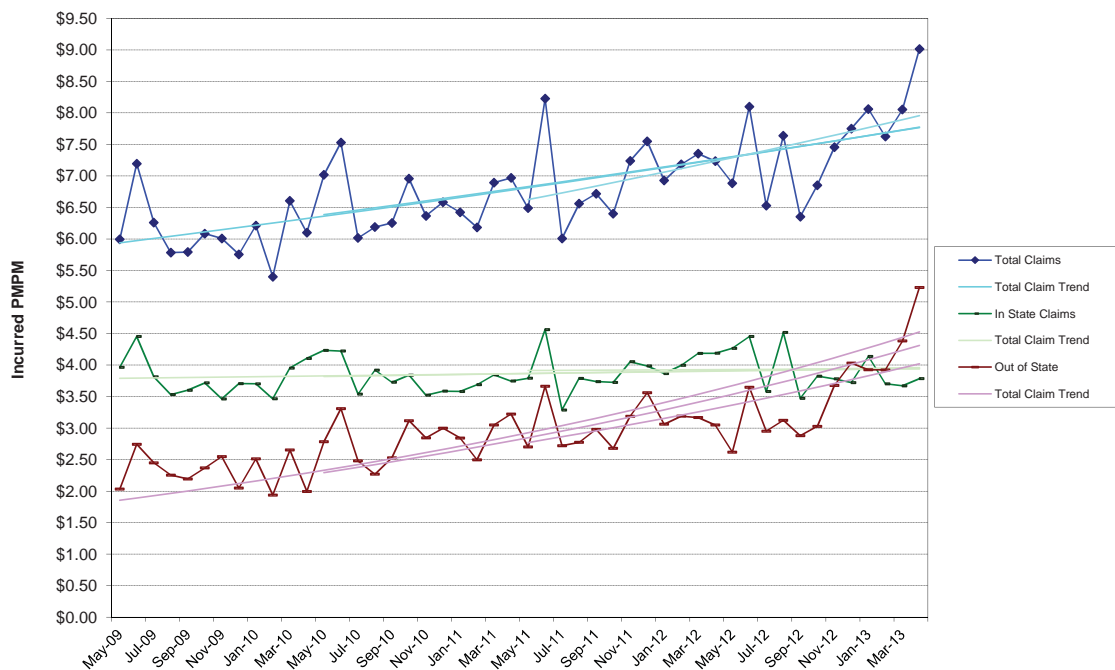
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.9%	0.1%	7.9%



Total Other Claims - Excluding Drugs



Total Other Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

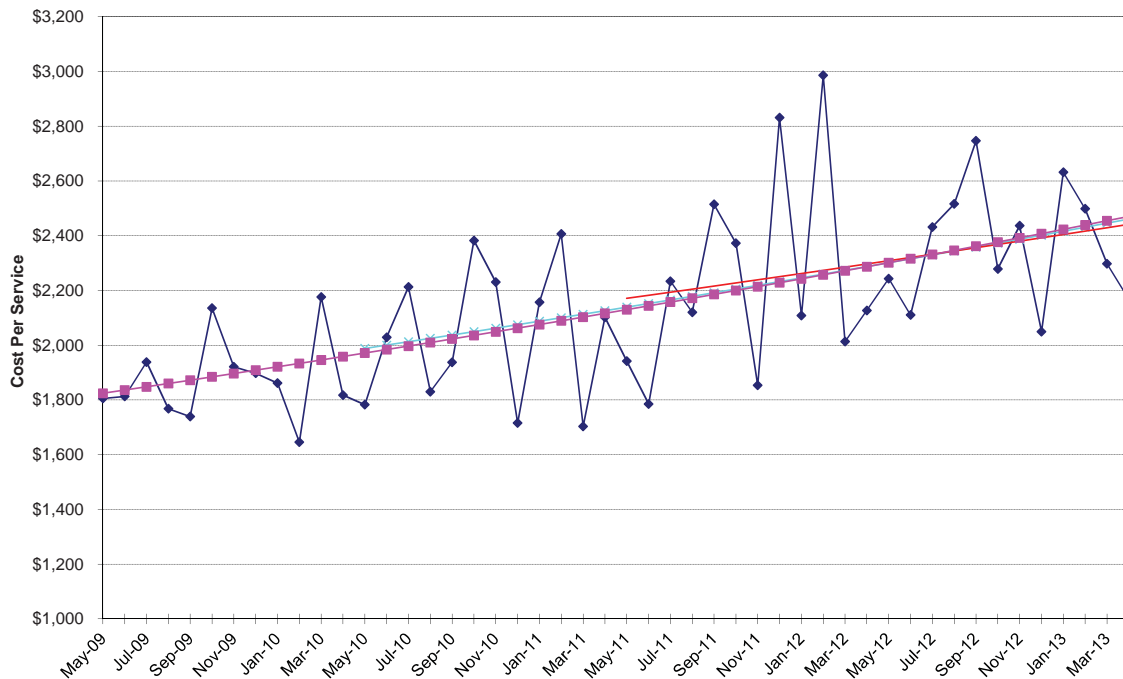
Maternity

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.5%	6.3%	11.1%

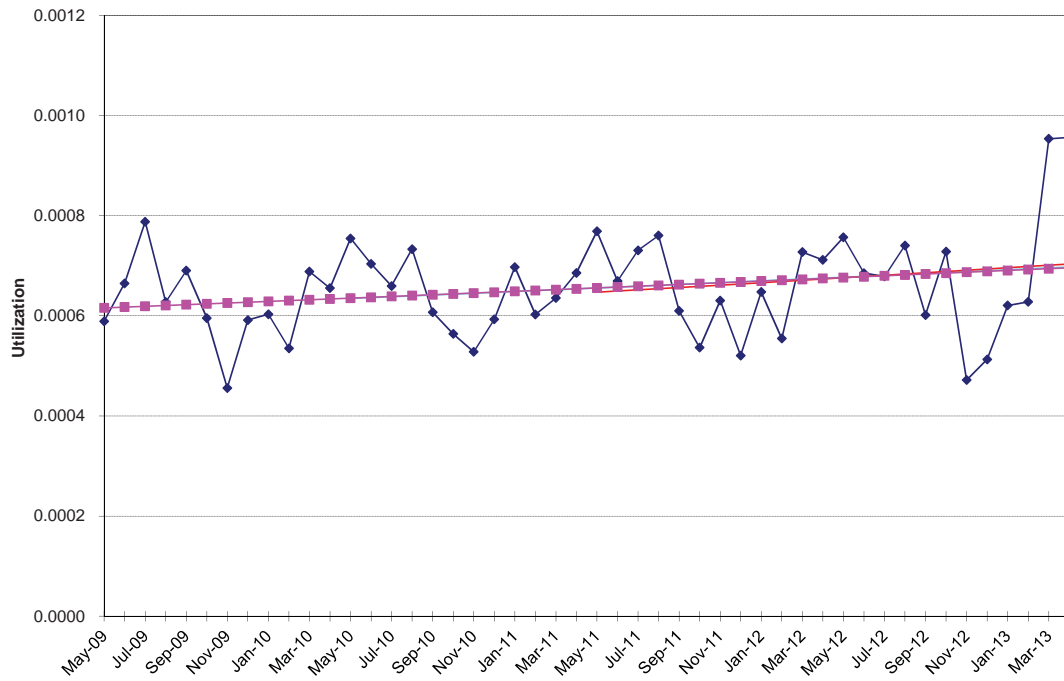
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.3%	7.6%	11.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.2%	8.1%	11.5%

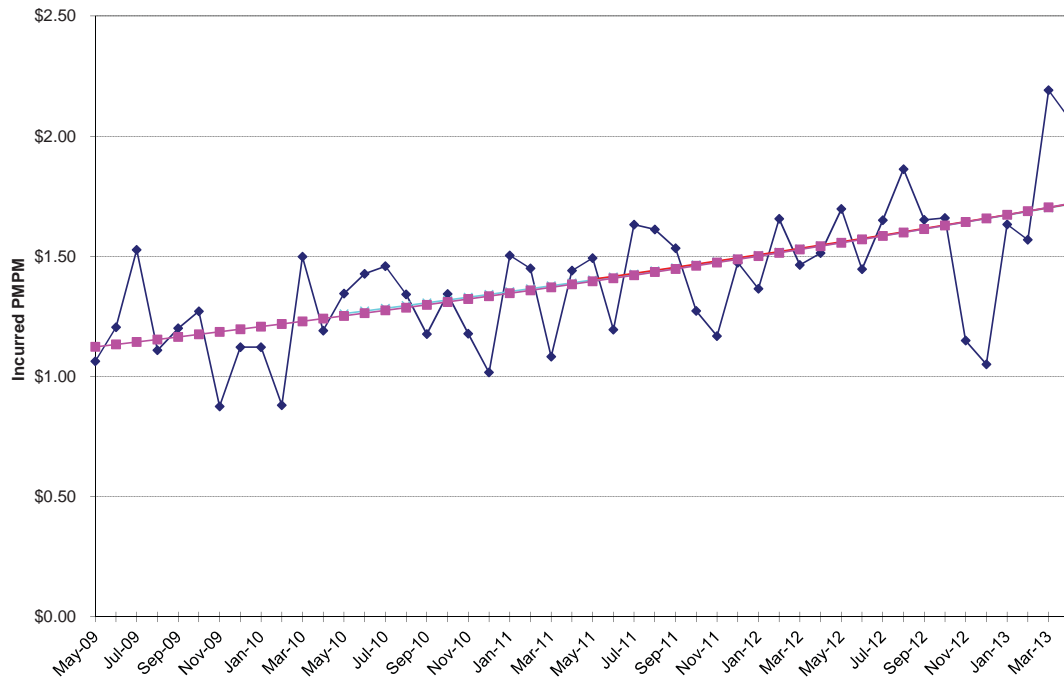
Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



NON-MEDICARE CLAIMS
Excluding Drugs

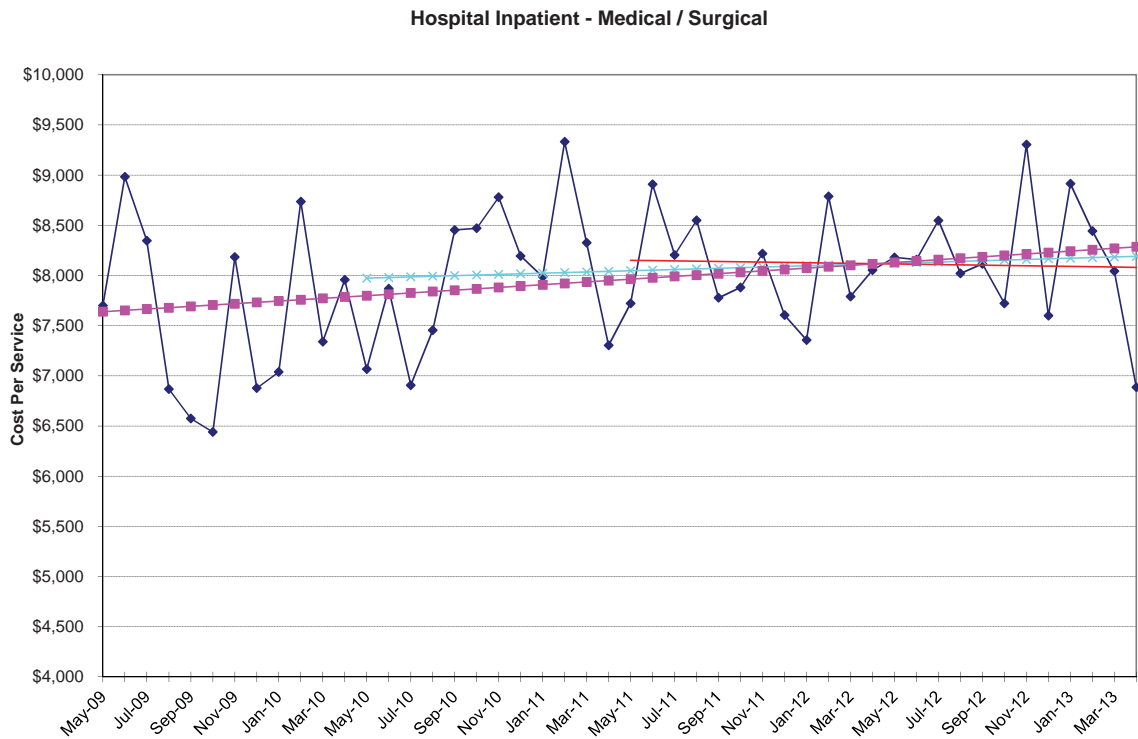
HOSPITAL INPATIENT

Medical / Surgical

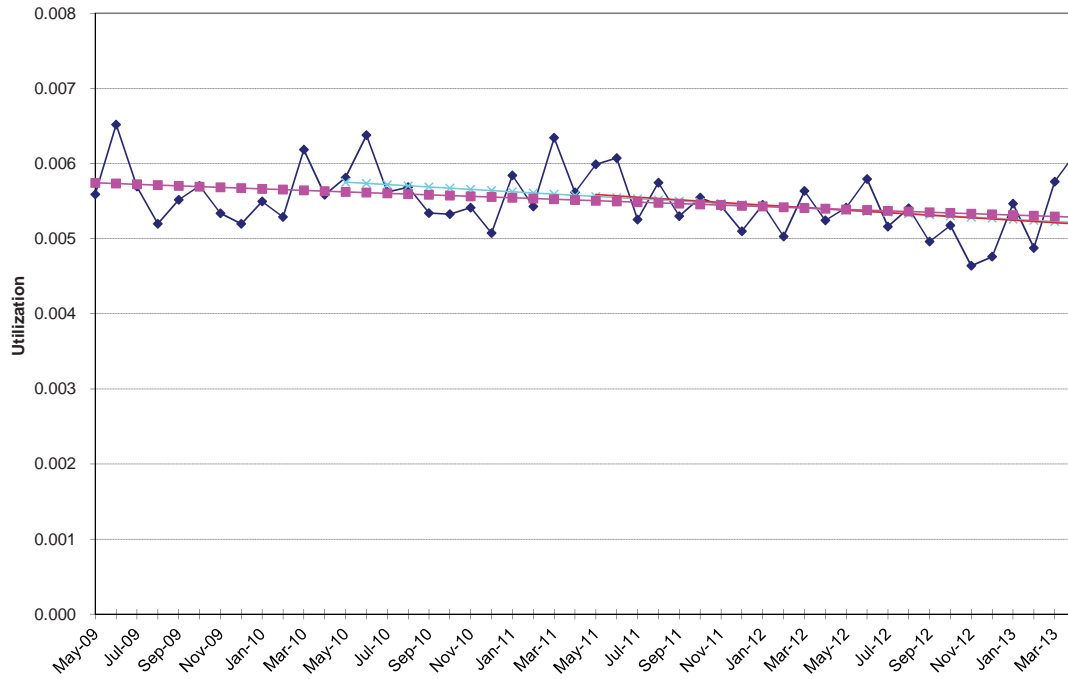
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-3.7%	-0.4%	-4.1%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-3.3%	0.9%	-2.4%

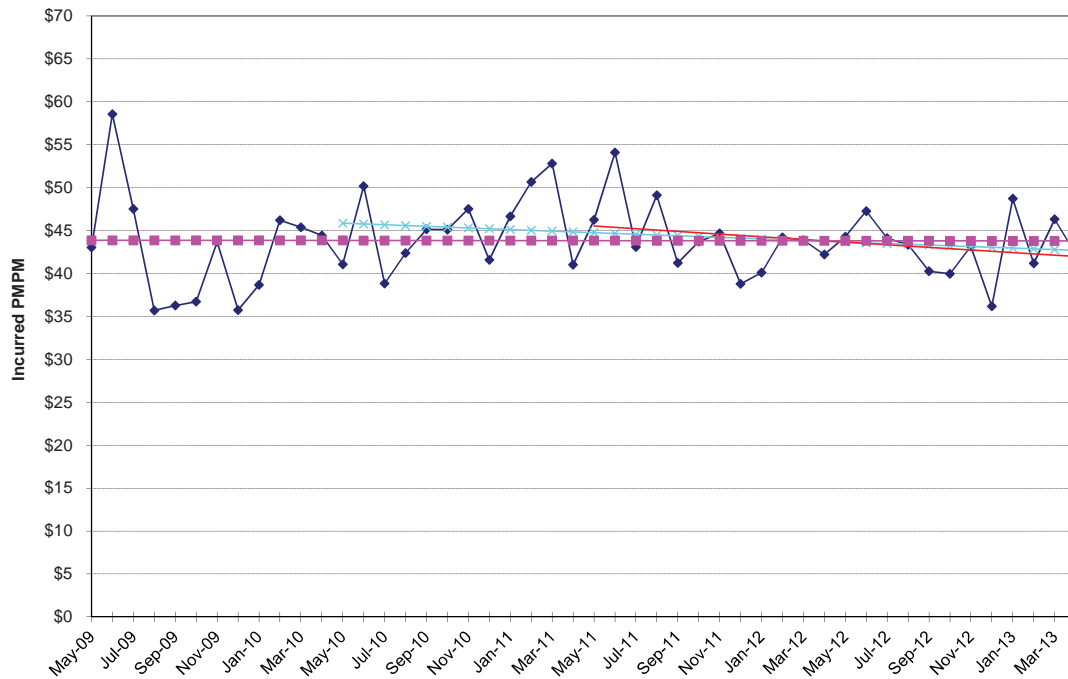
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.1%	2.1%	0.0%



Hospital Inpatient - Medical / Surgical



Hospital Inpatient - Medical / Surgical



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

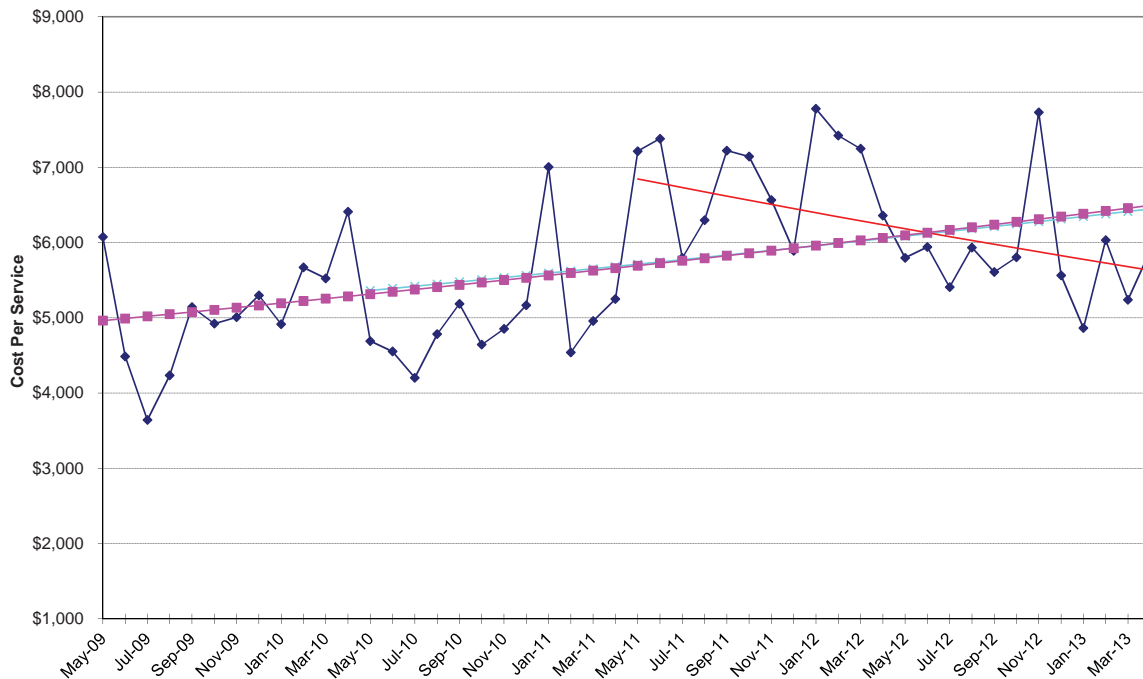
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.7%	-9.7%	-2.7%

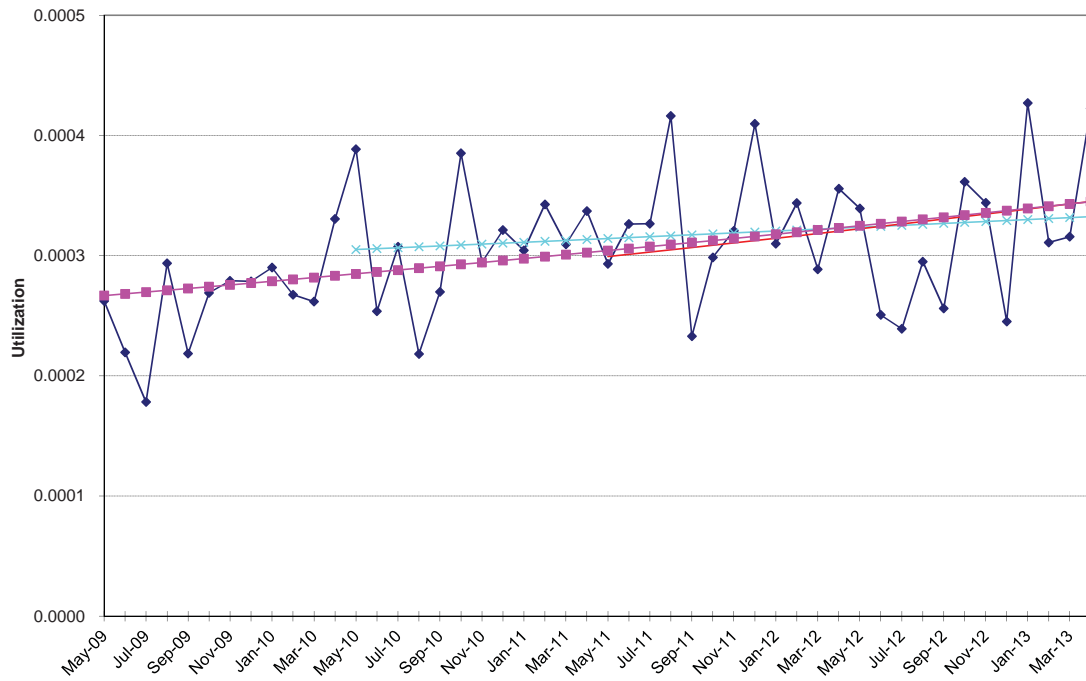
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.0%	6.5%	9.7%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.8%	7.1%	14.4%

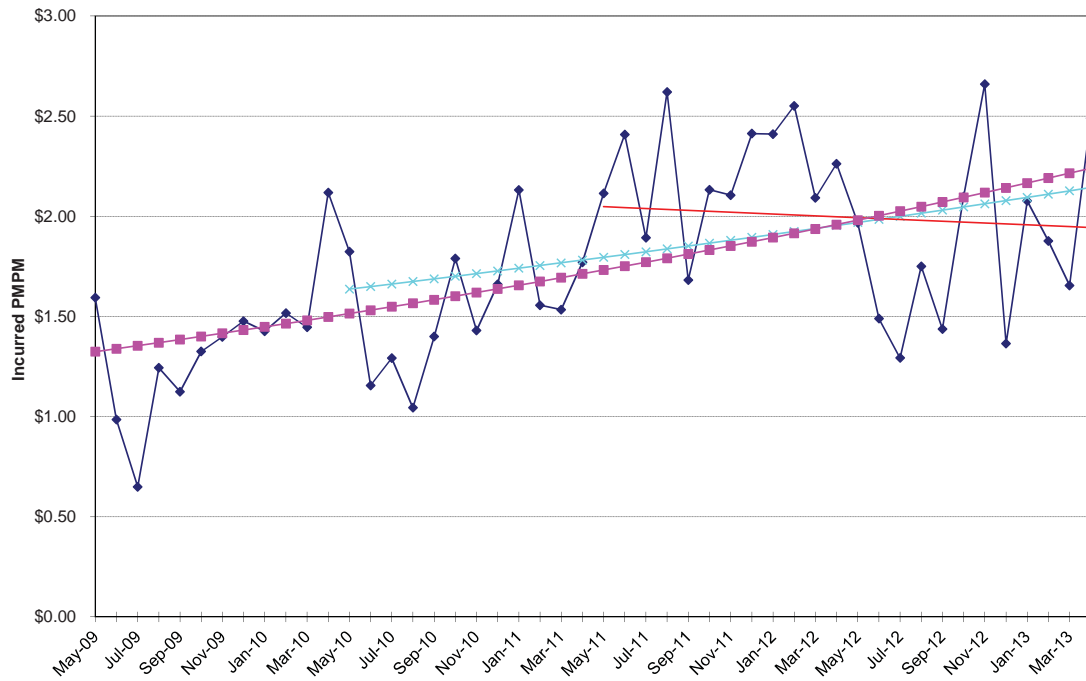
Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

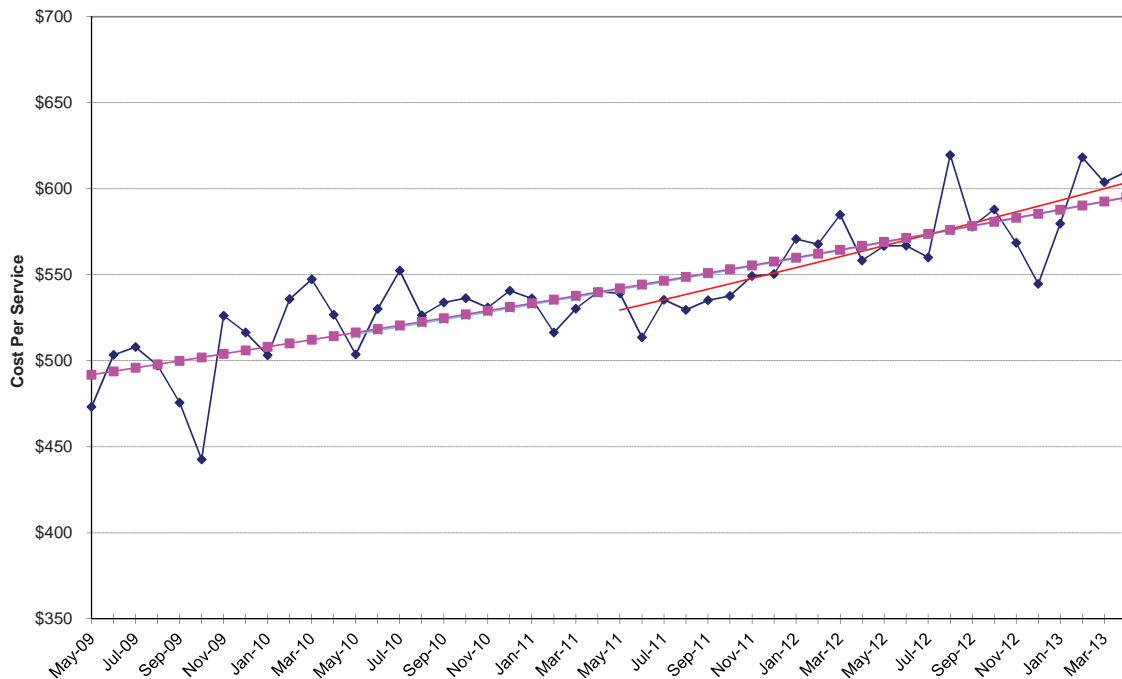
Emergency Room

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.1%	7.1%	7.1%

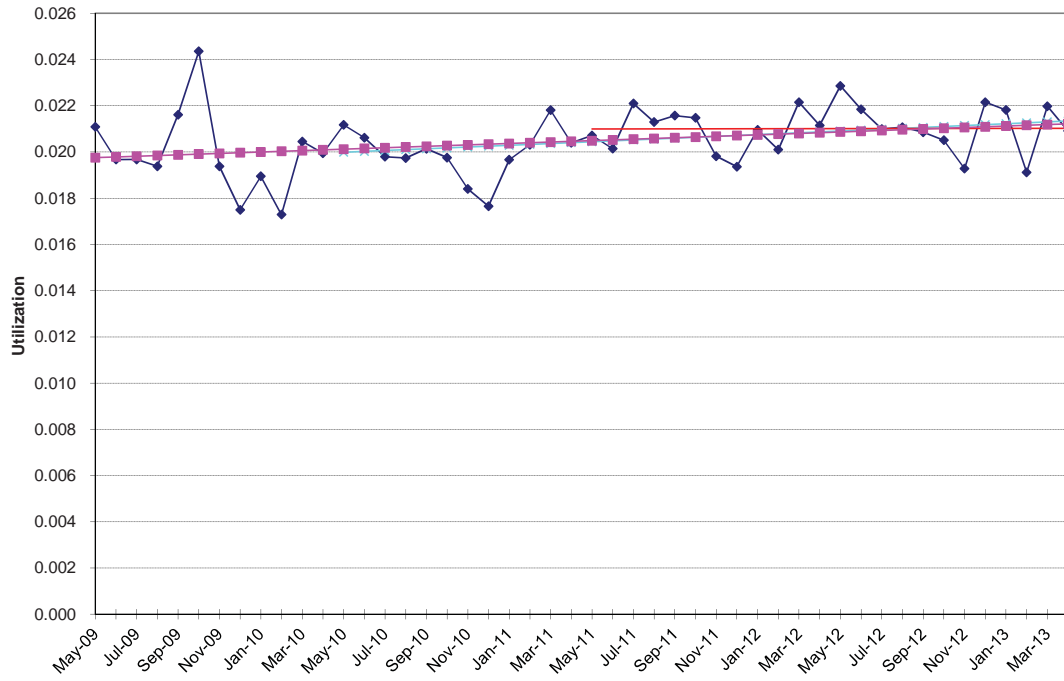
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.3%	5.0%	7.4%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.8%	5.0%	6.9%

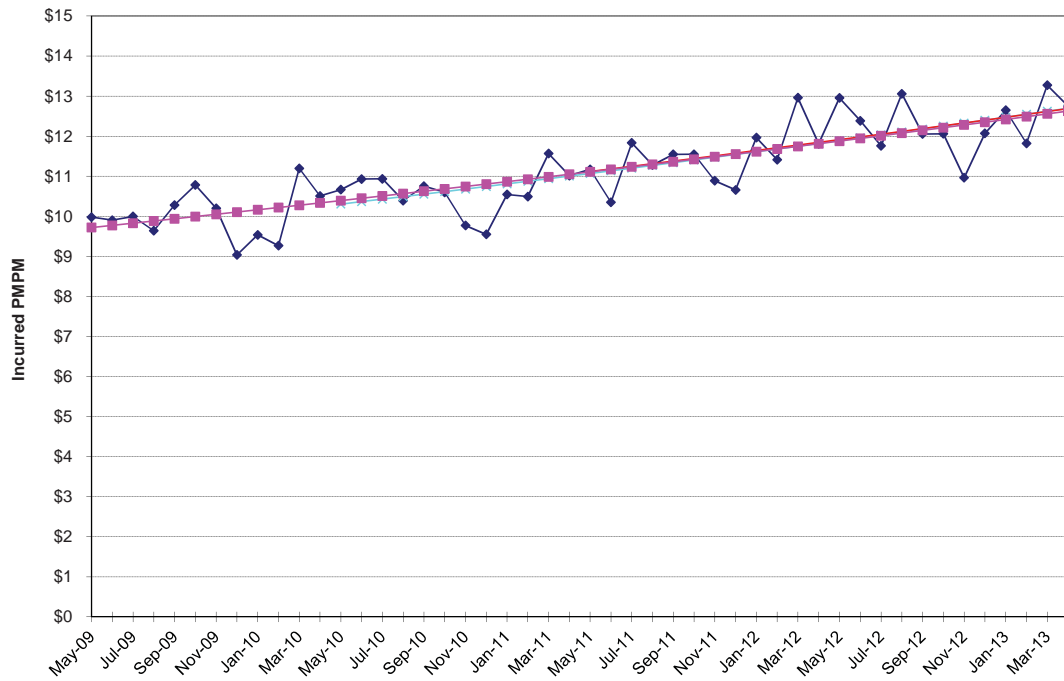
Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

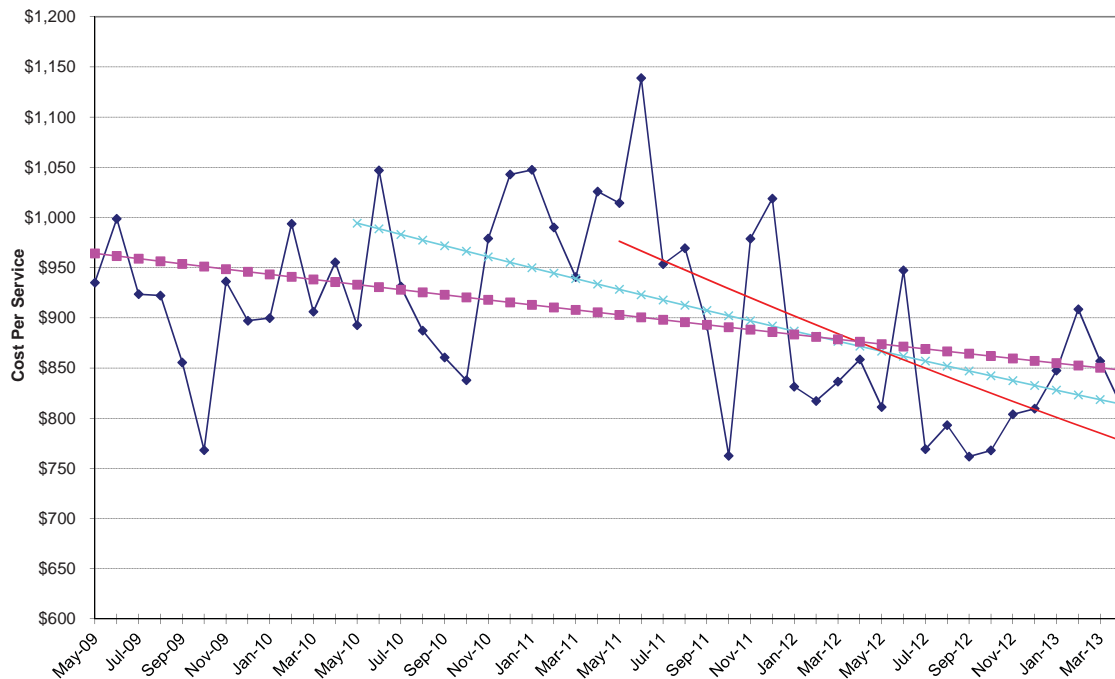
Medical / Surgical

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
18.3%	-11.2%	5.0%

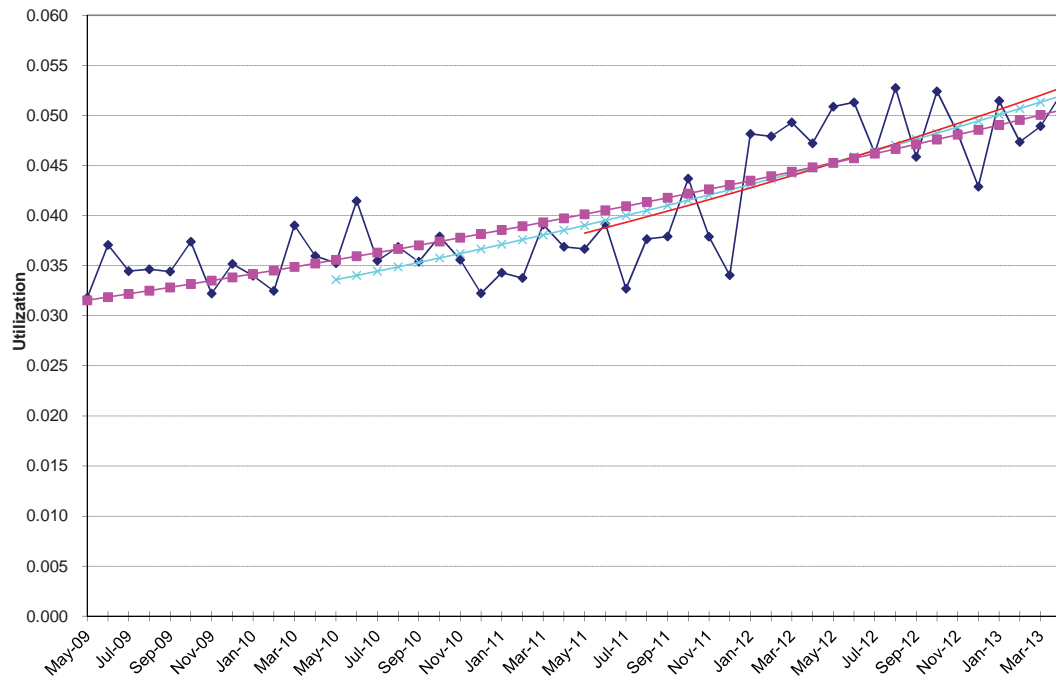
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
16.1%	-6.6%	8.4%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
12.8%	-3.2%	9.2%

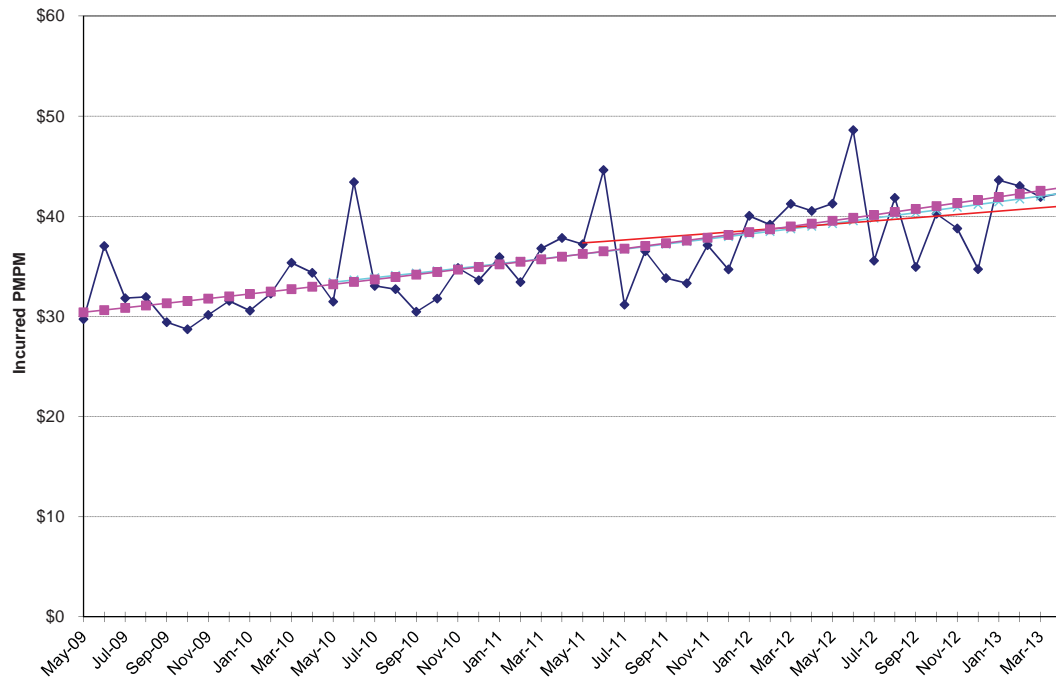
Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

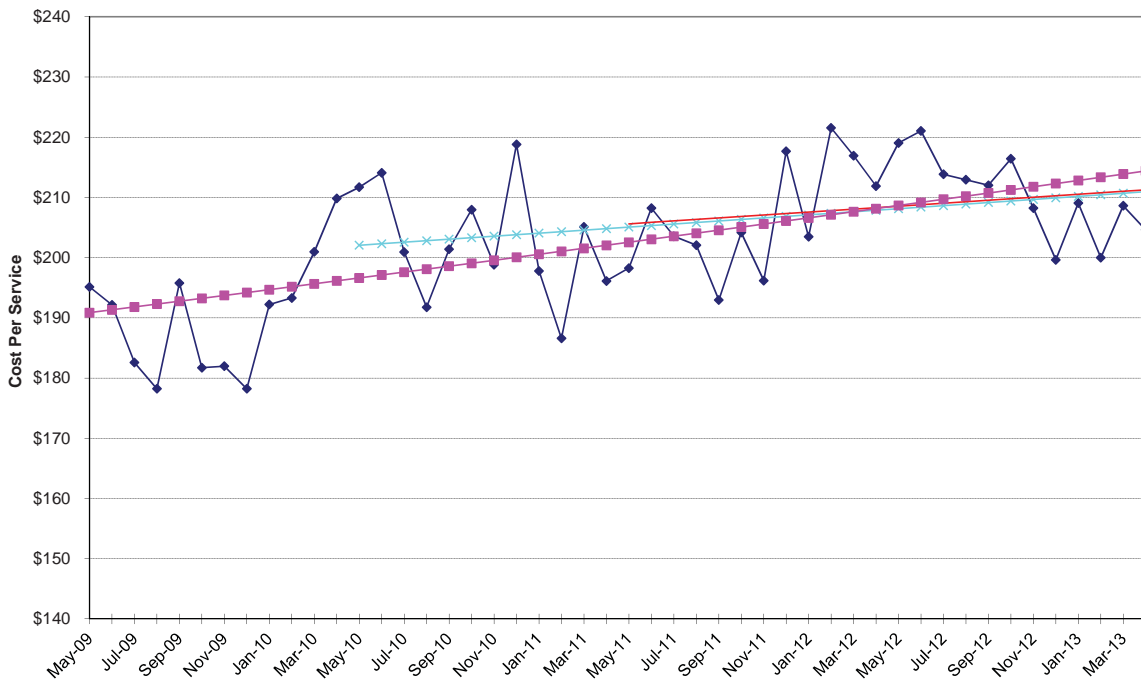
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.9%	1.4%	0.5%

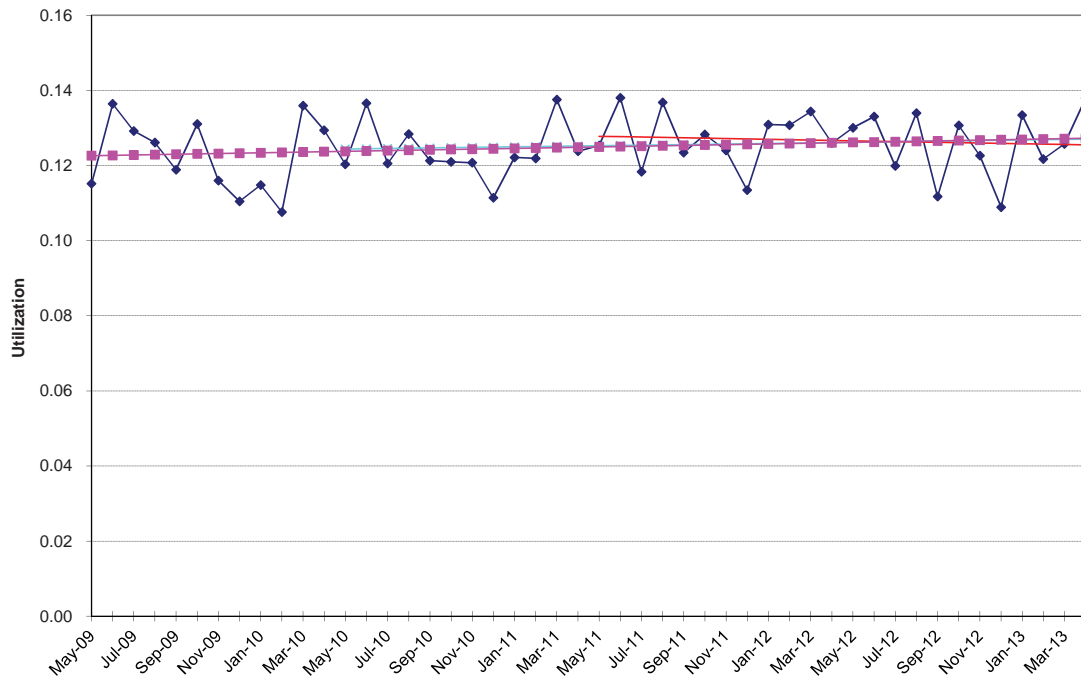
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.7%	1.5%	2.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.0%	3.0%	4.0%

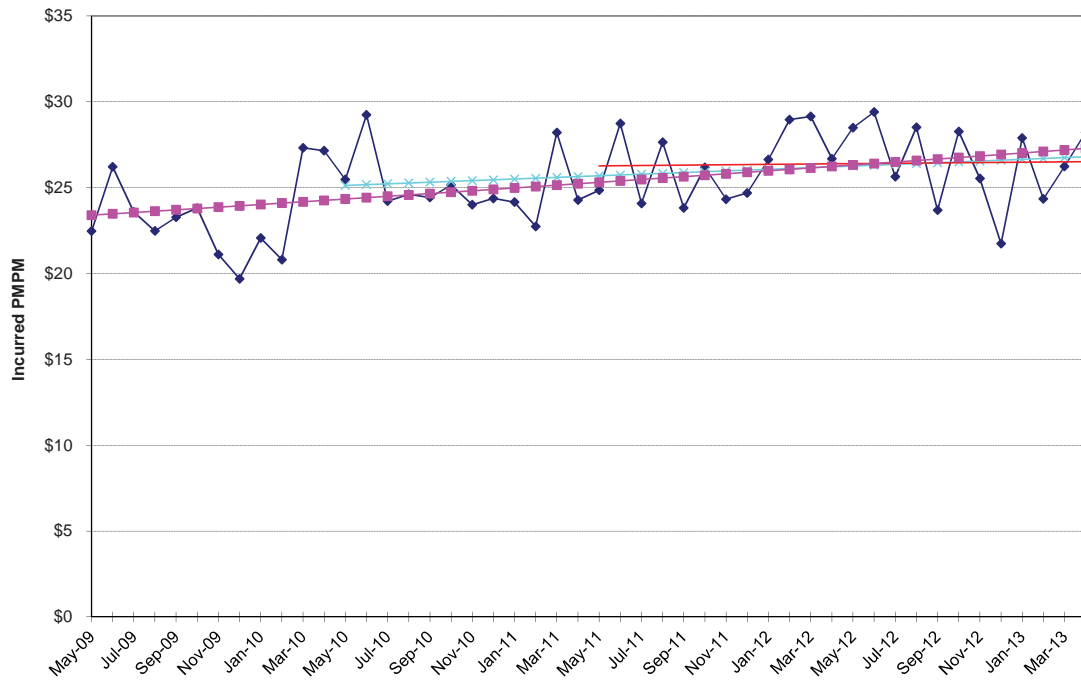
Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

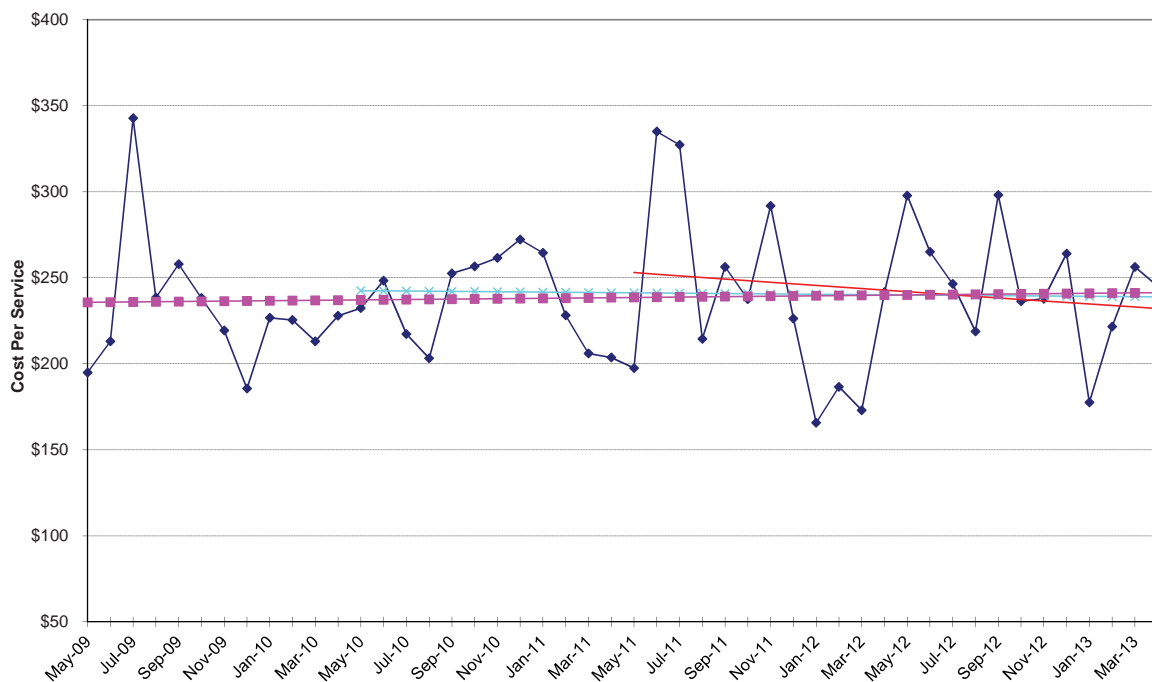
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.9%	-4.4%	0.3%

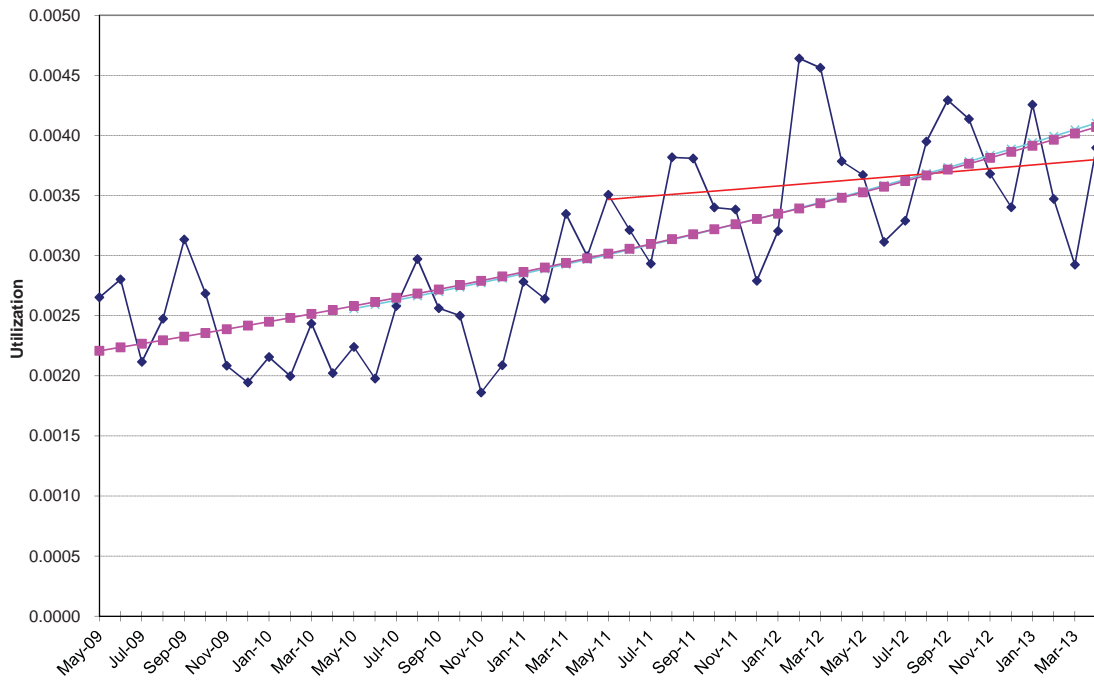
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
17.6%	-0.5%	17.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
16.9%	0.6%	17.6%

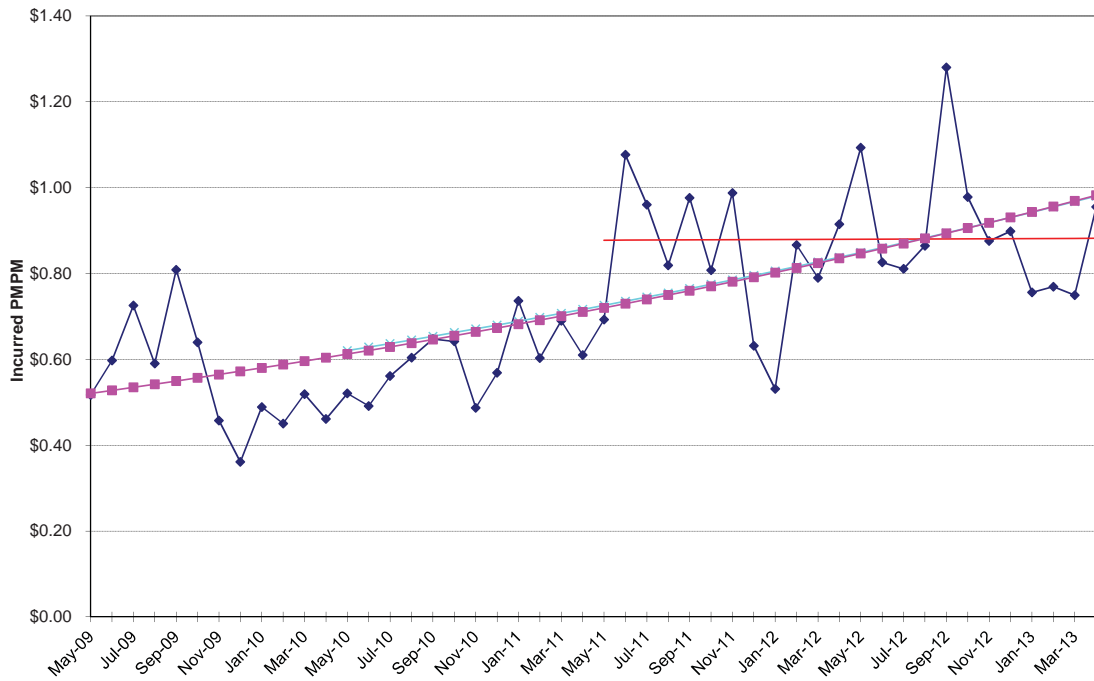
Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

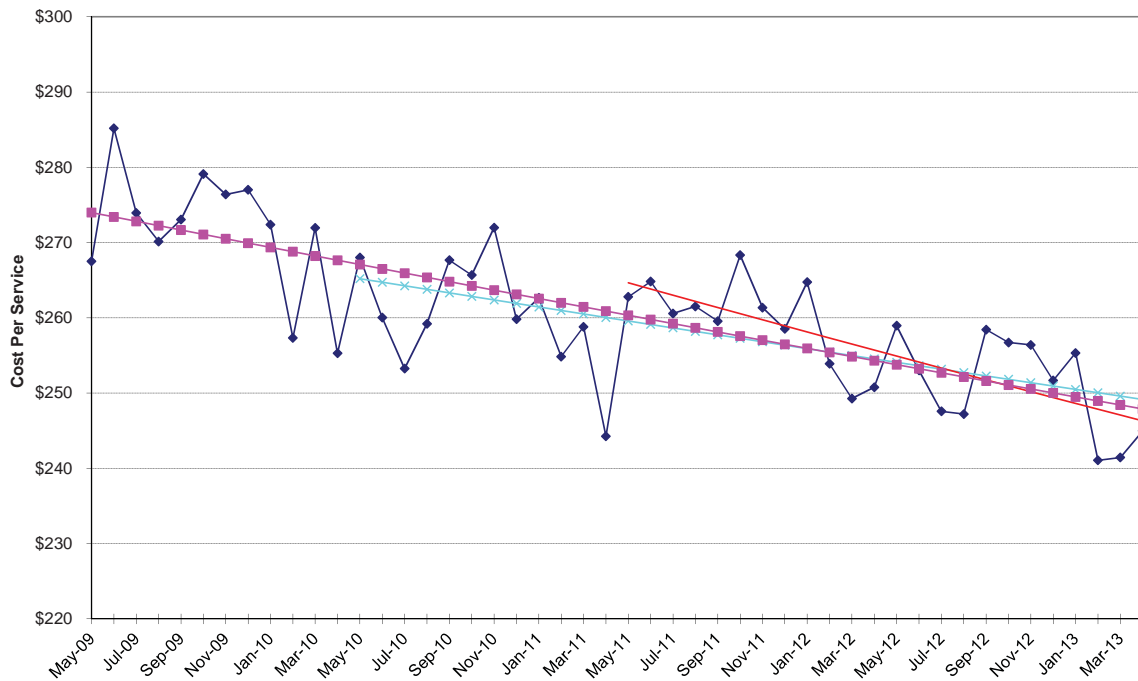
Anesthesia

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.6%	-3.7%	-3.1%

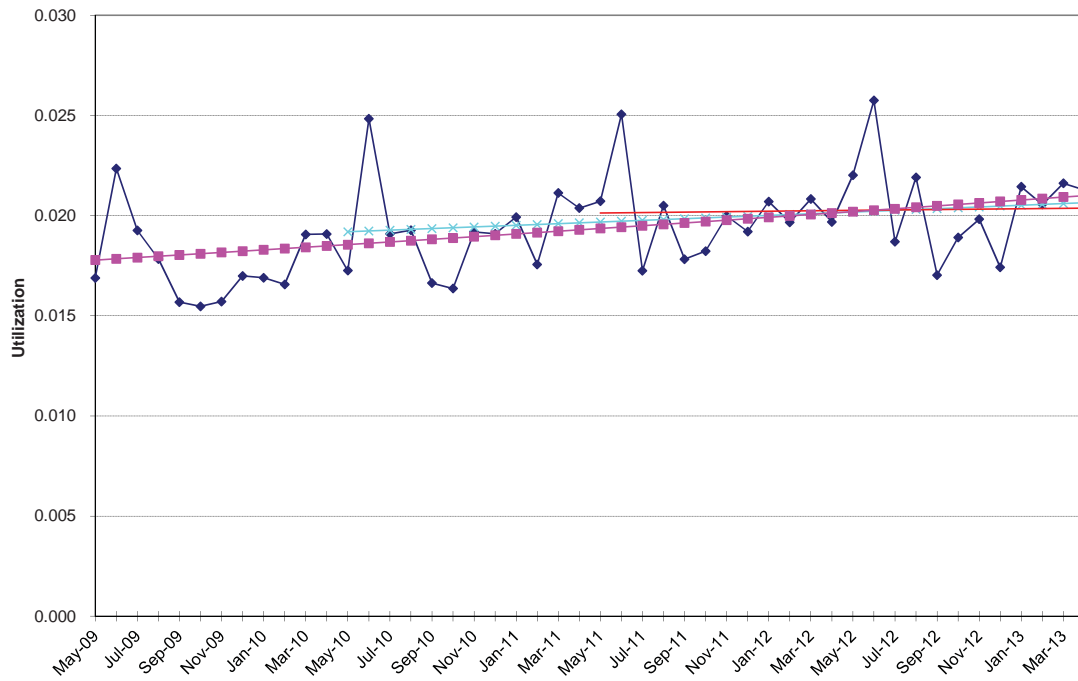
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.5%	-2.1%	0.4%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.3%	-2.5%	1.7%

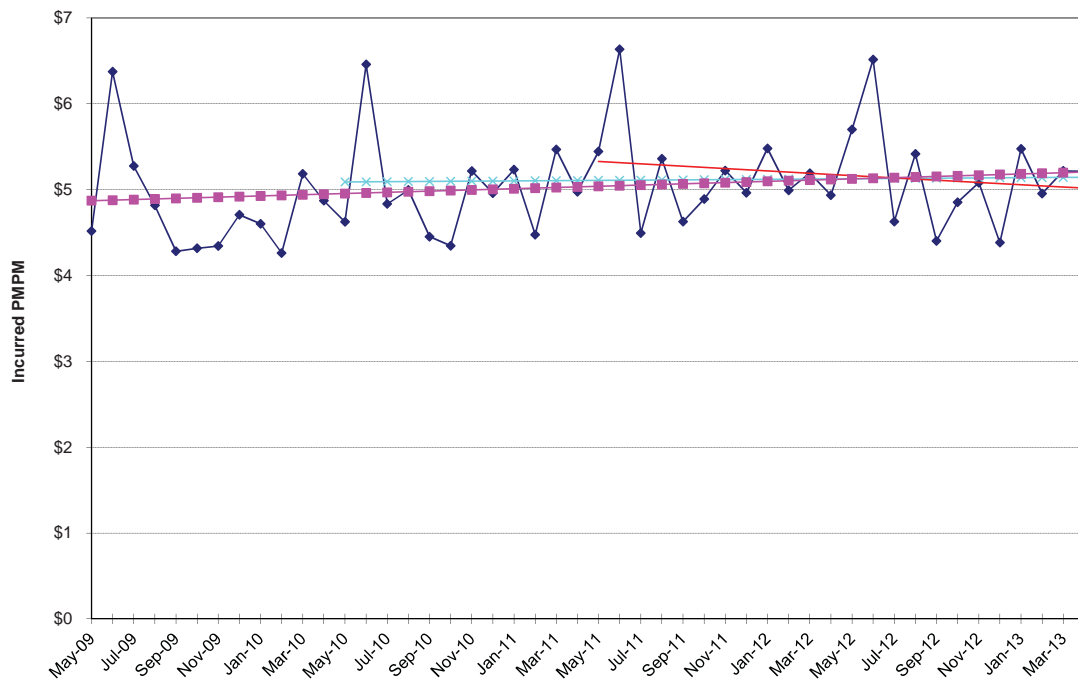
Physician Services - Anesthesia



Physician Services - Anesthesia



Physician Services - Anesthesia



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

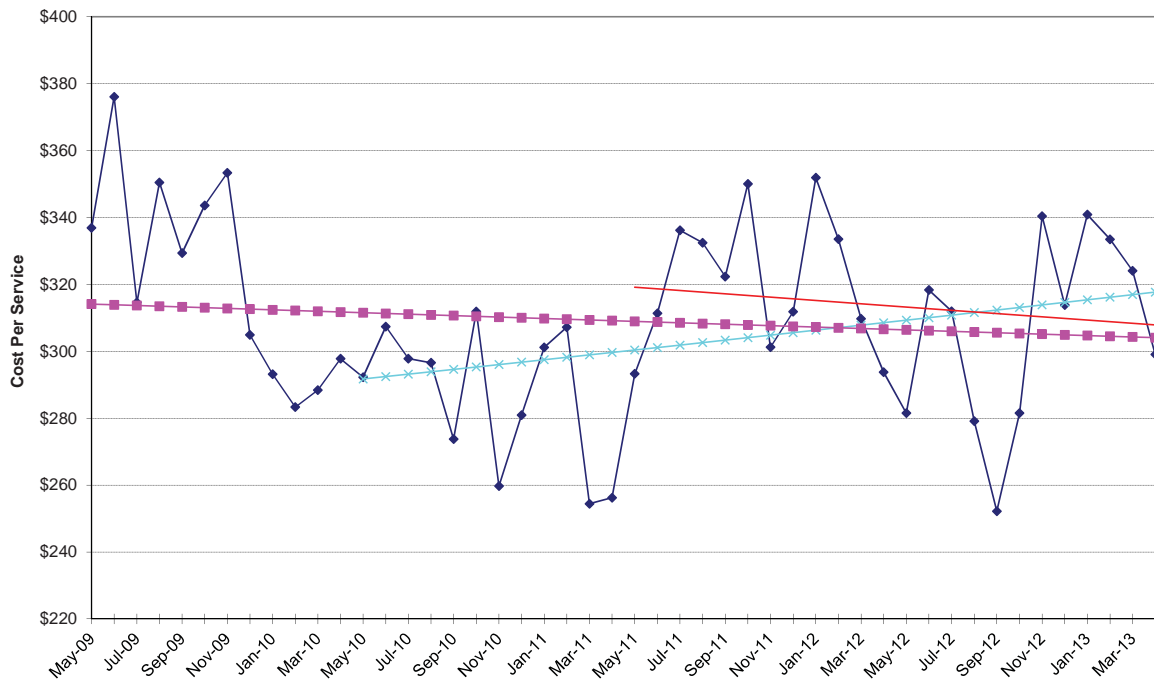
Chemotherapy / Radiation

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.9%	-1.9%	1.0%

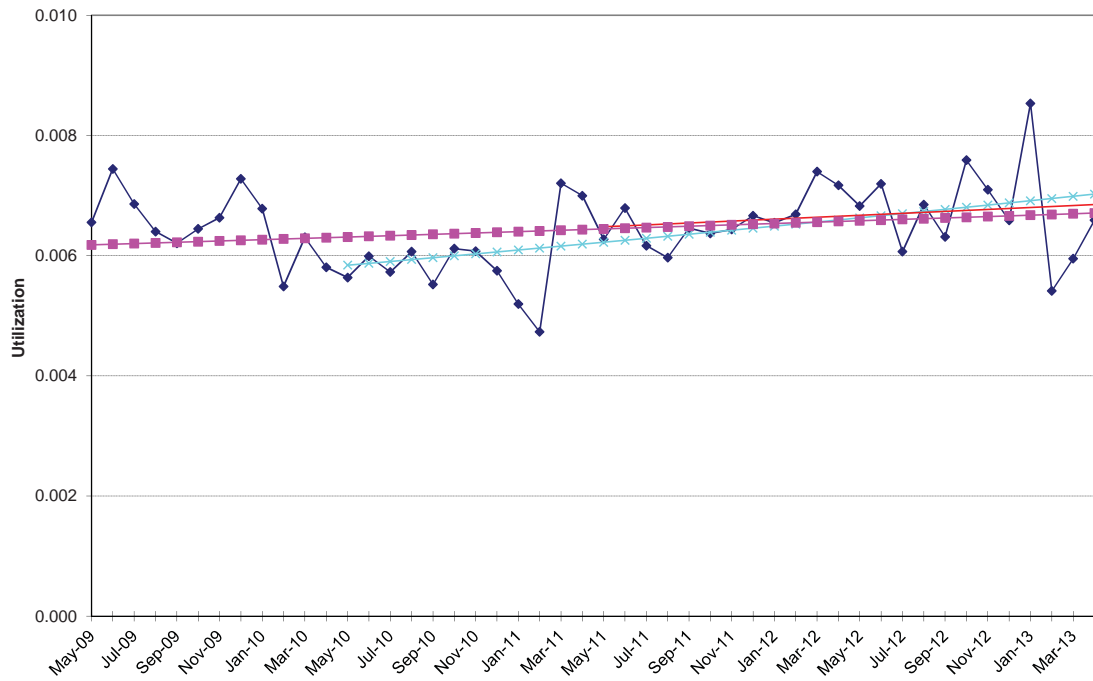
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.5%	3.0%	9.7%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.1%	-0.8%	1.3%

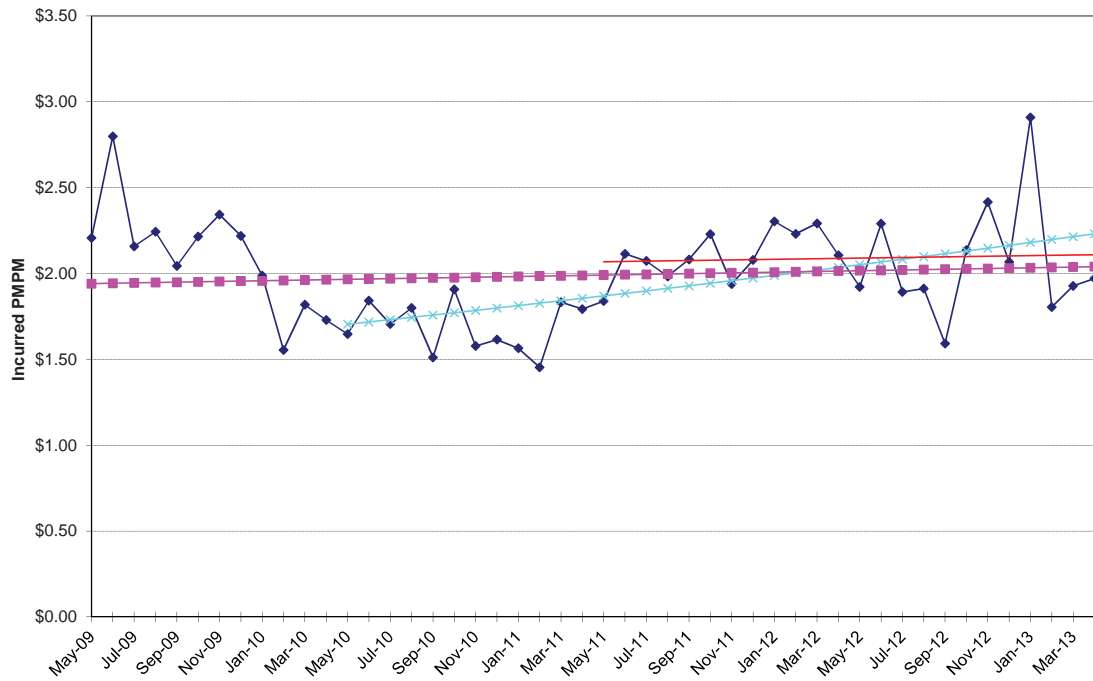
Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

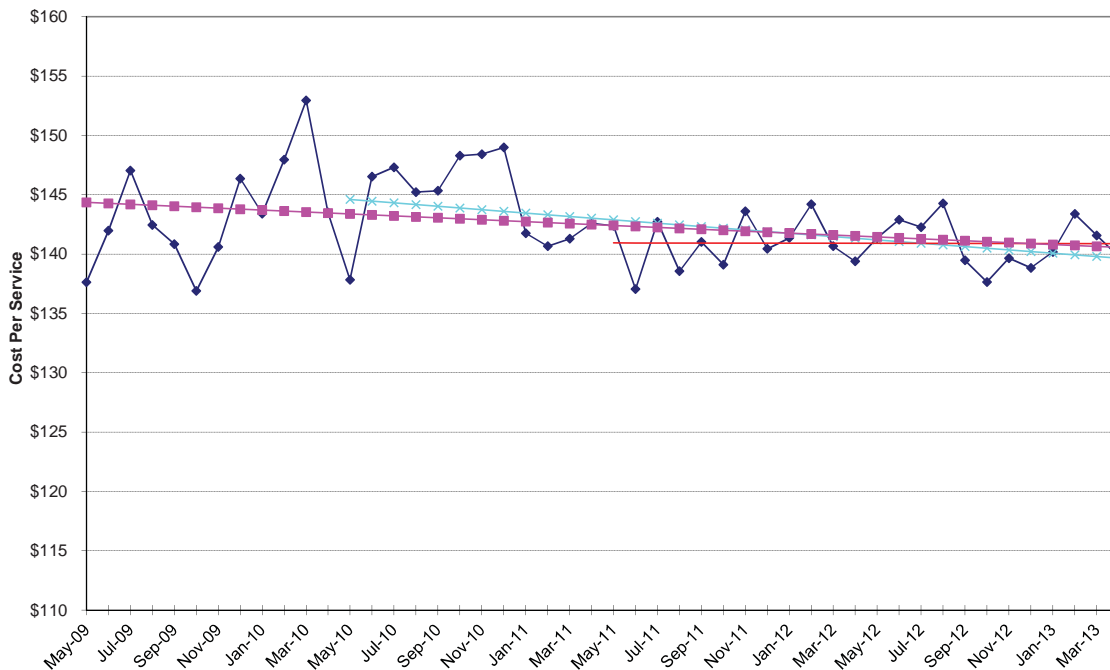
Emergency Room

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.2%	0.0%	-0.2%

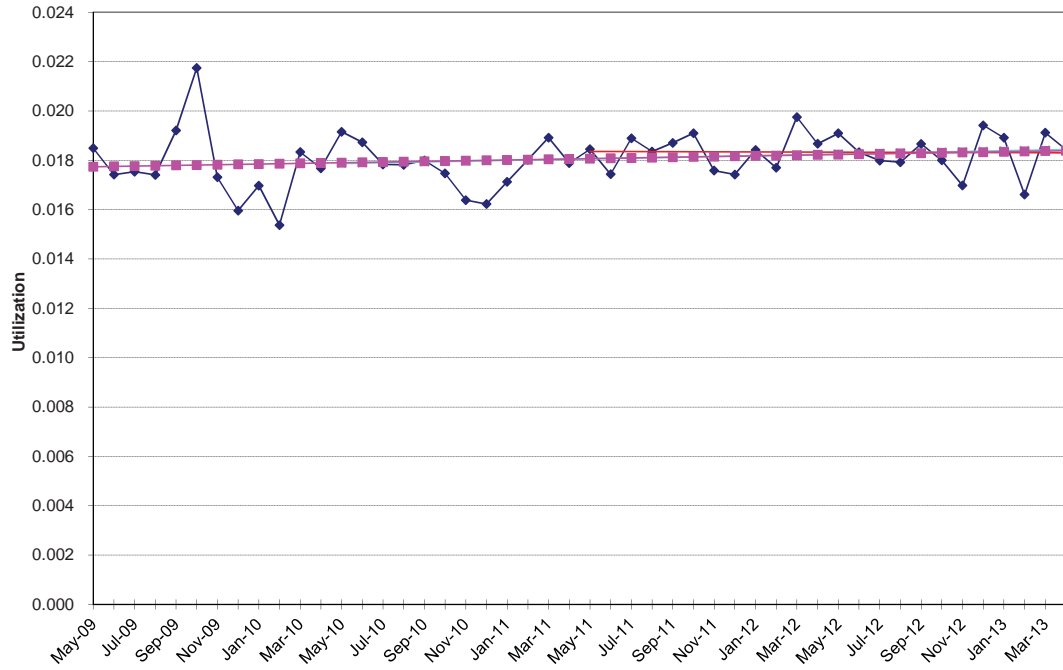
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.1%	-1.2%	-0.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.9%	-0.7%	0.2%

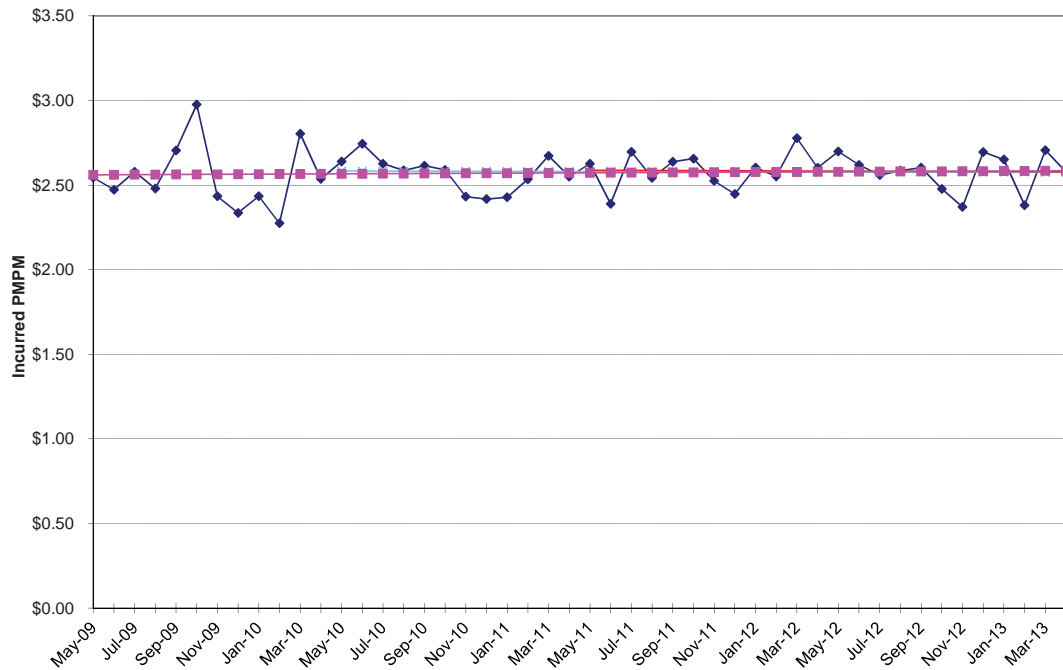
Physician Services - Emergency Room



Physician Services - Emergency Room



Physician Services - Emergency Room



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

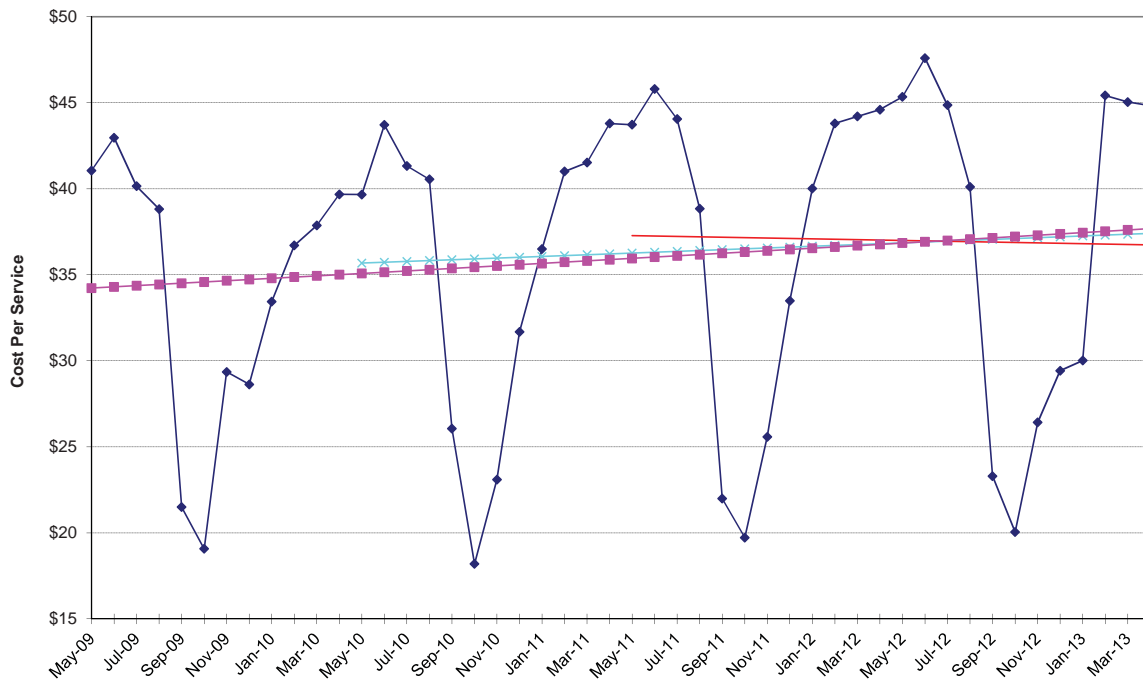
Immunizations / Injections / Allergy

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.7%	-0.7%	-0.1%

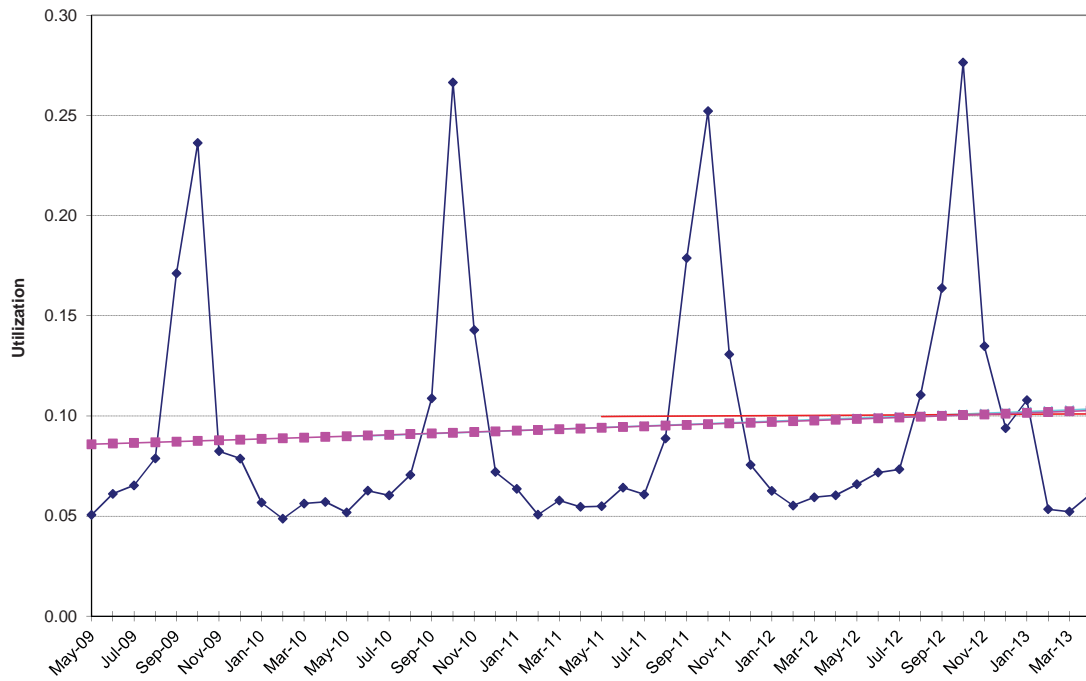
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.0%	1.6%	6.7%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.7%	2.5%	7.3%

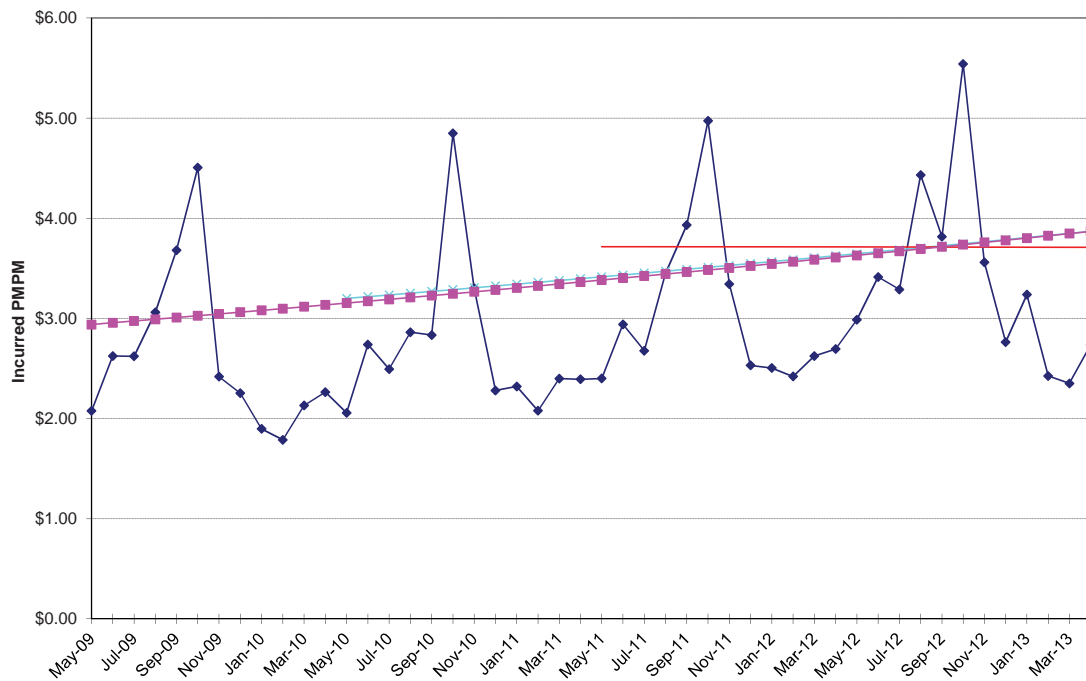
Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

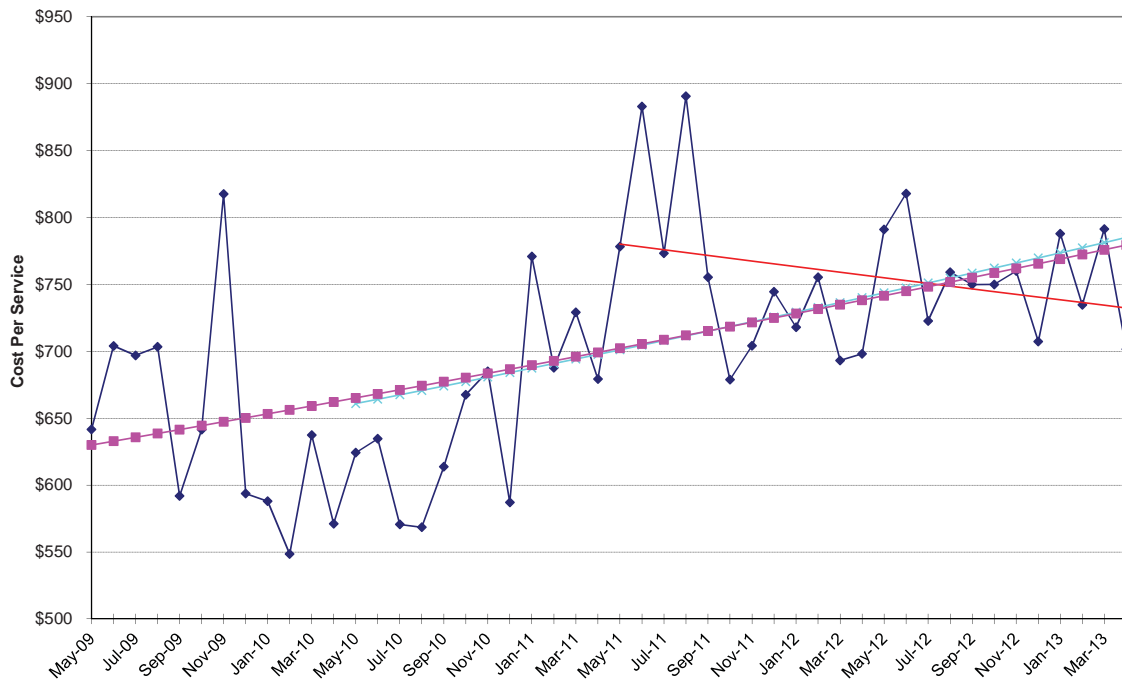
Inpatient Surgery

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-6.4%	-3.2%	-9.4%

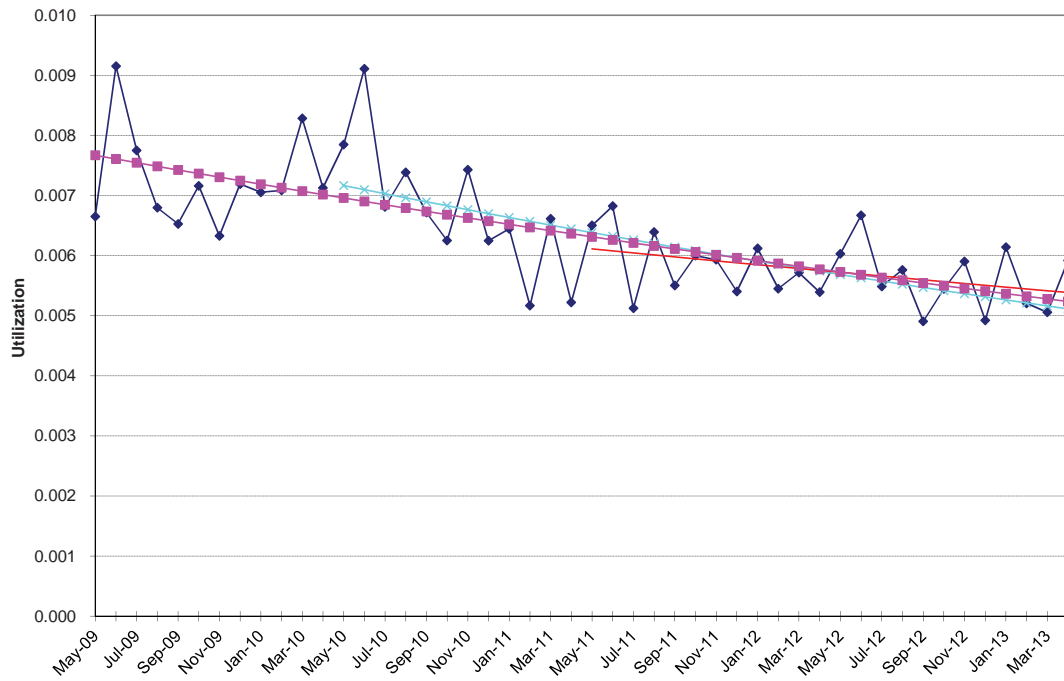
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-10.9%	6.1%	-5.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-9.3%	5.6%	-4.2%

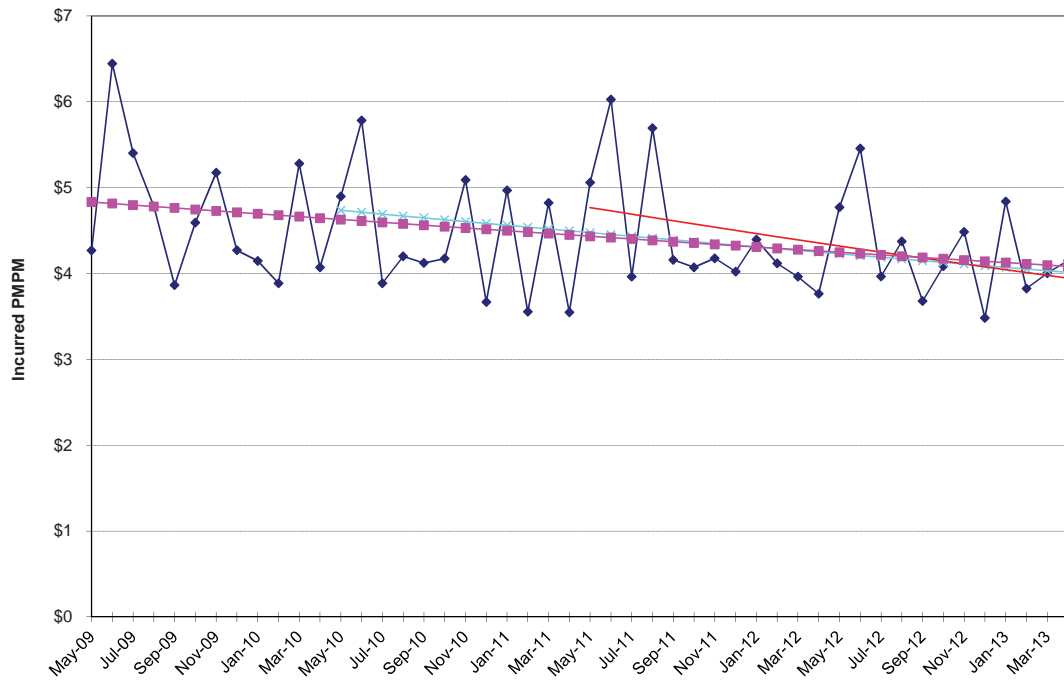
Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



NON-MEDICARE CLAIMS
Excluding Drugs

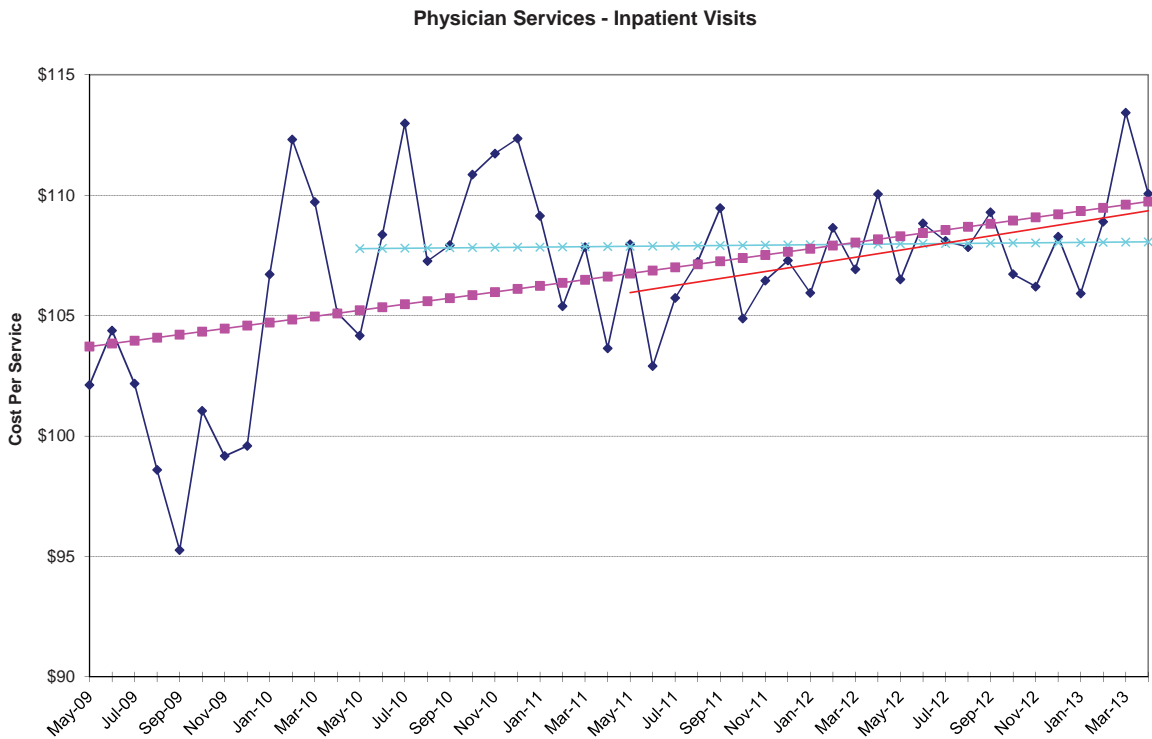
PHYSICIAN SERVICES

Inpatient Visits

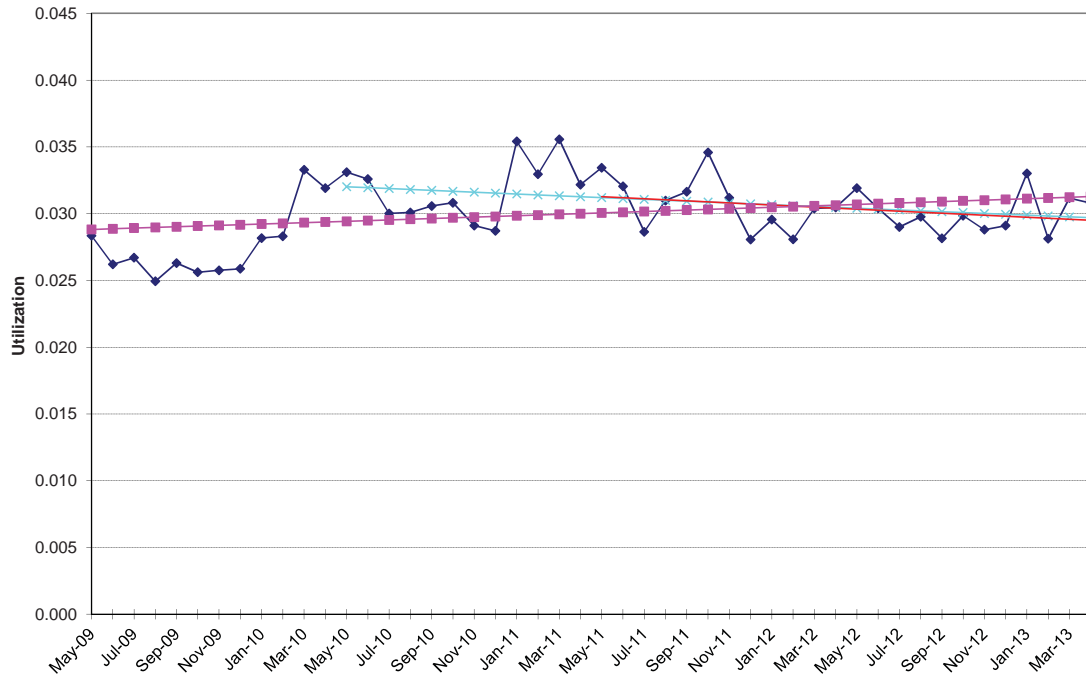
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-3.0%	1.7%	-1.4%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.5%	0.1%	-2.5%

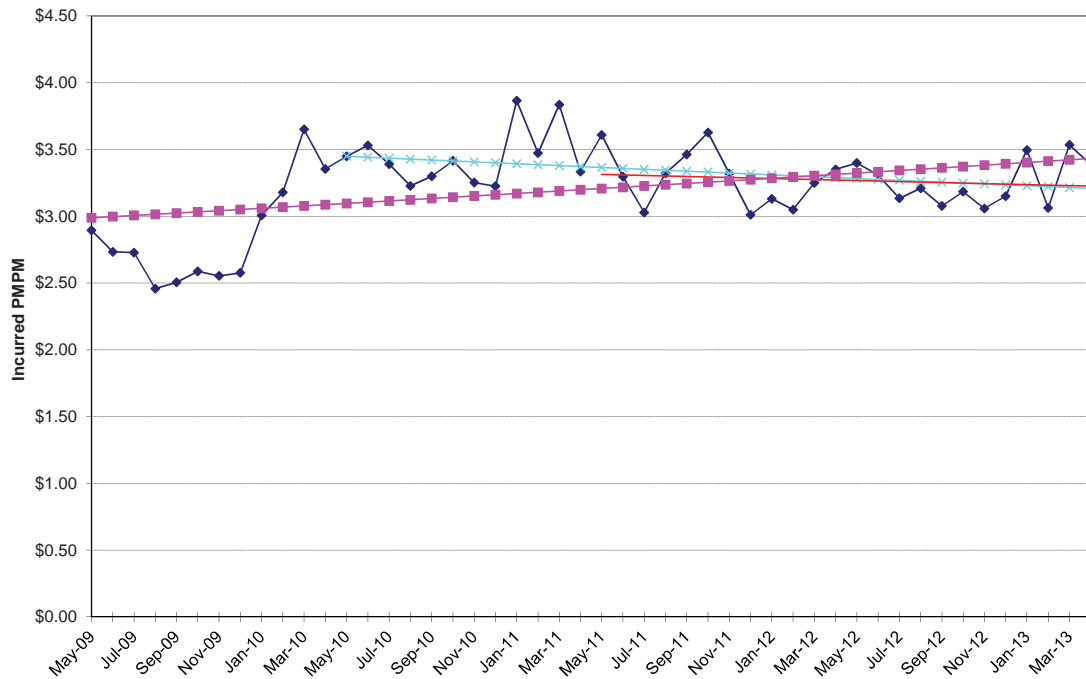
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.1%	1.5%	3.6%



Physician Services - Inpatient Visits



Physician Services - Inpatient Visits



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

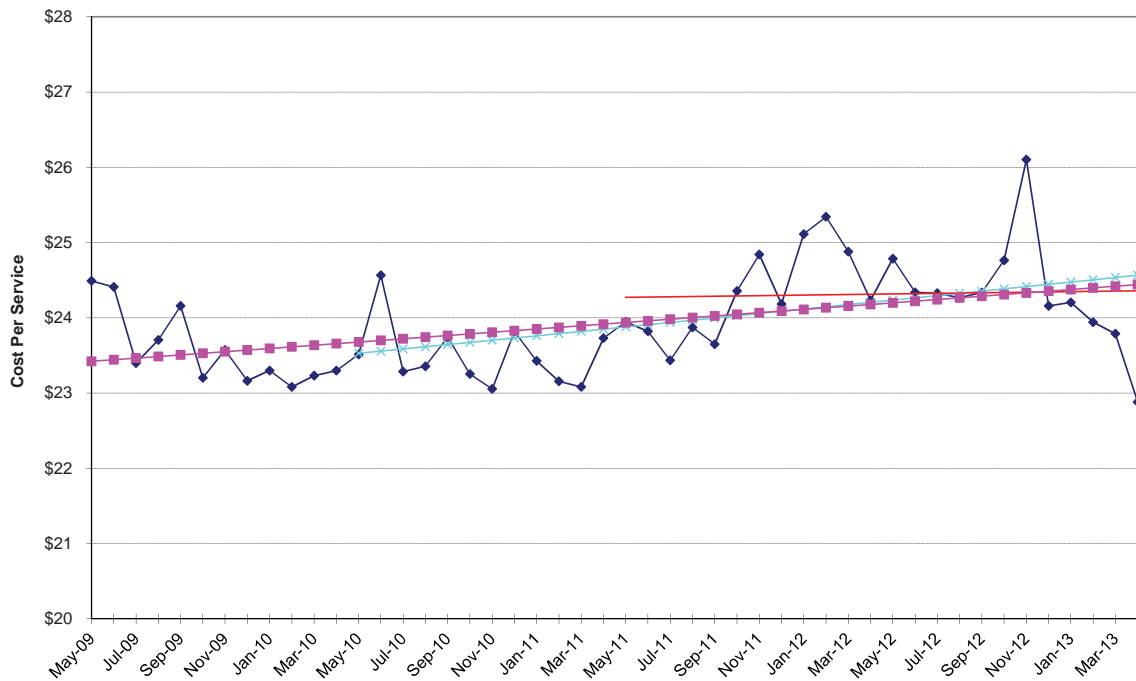
Lab & Pathology

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.1%	0.2%	2.3%

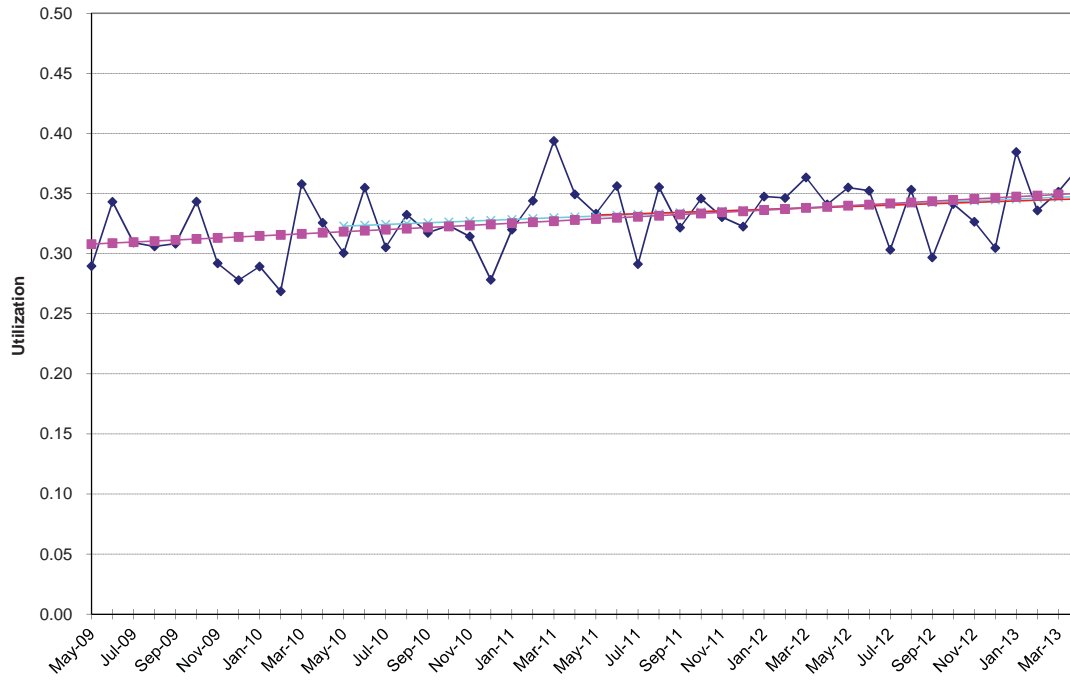
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.6%	1.5%	4.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.3%	1.1%	4.5%

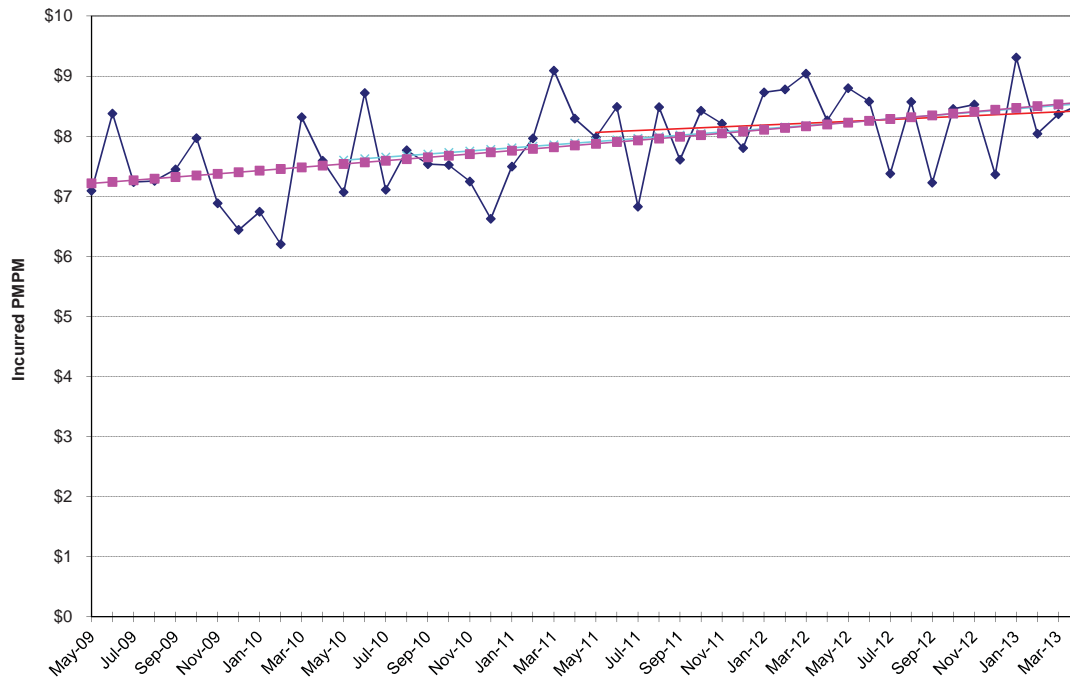
Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

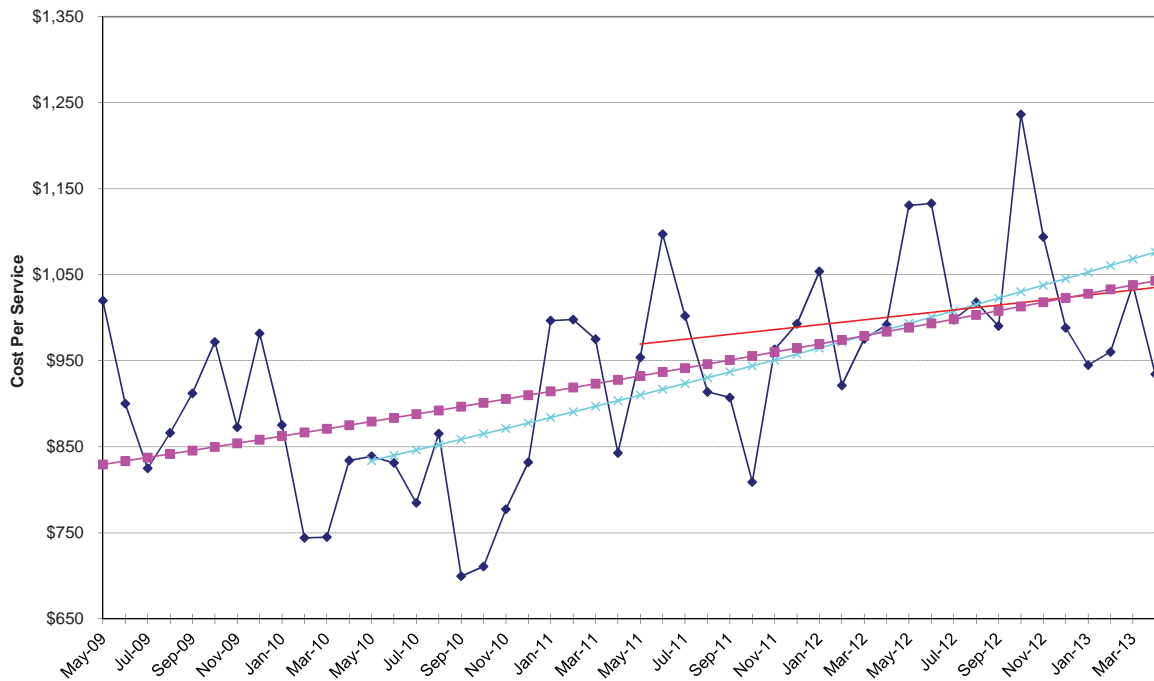
Maternity

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.2%	3.5%	5.8%

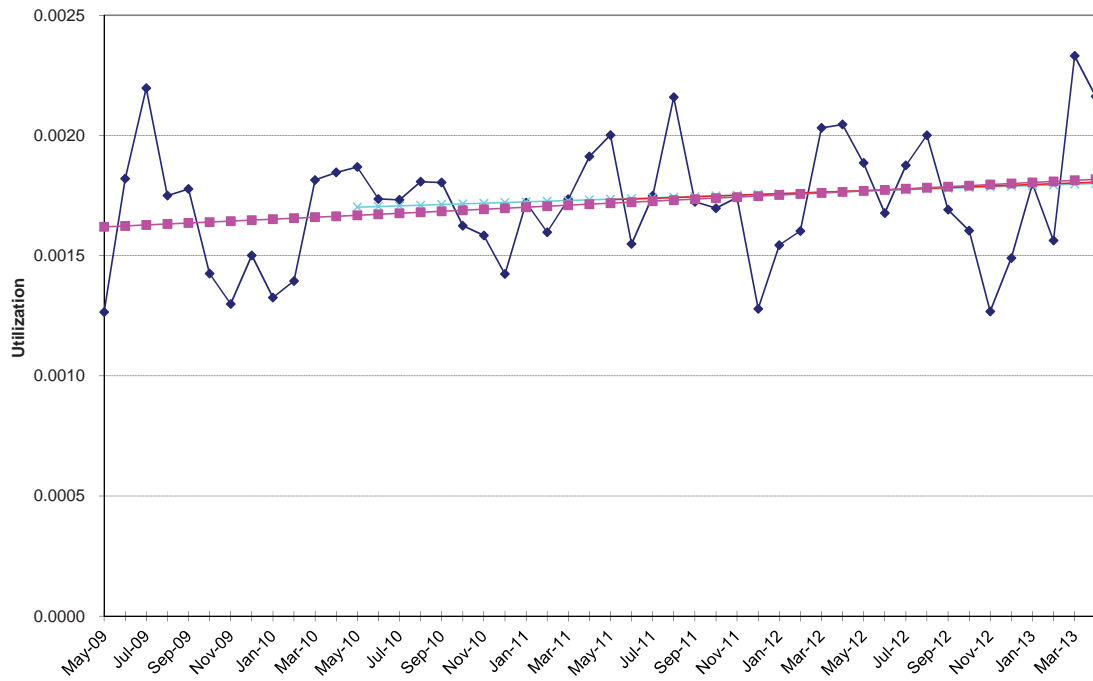
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.0%	9.1%	11.3%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.0%	6.0%	9.2%

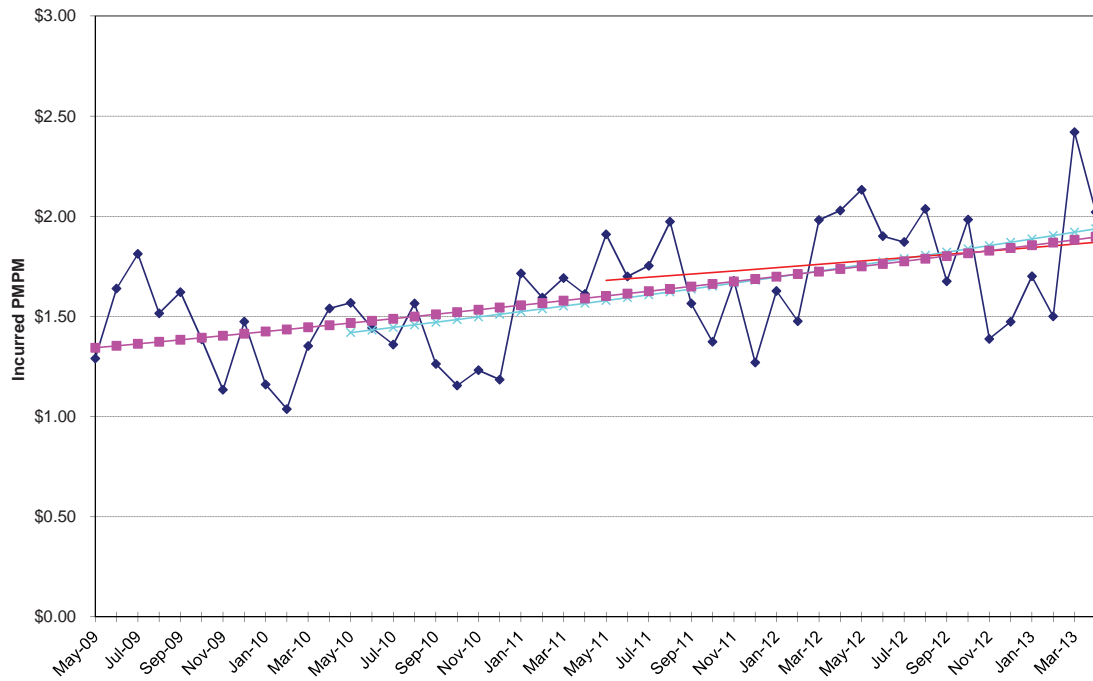
Physician Services - Maternity



Physician Services - Maternity



Physician Services - Maternity



NON-MEDICARE CLAIMS
Excluding Drugs

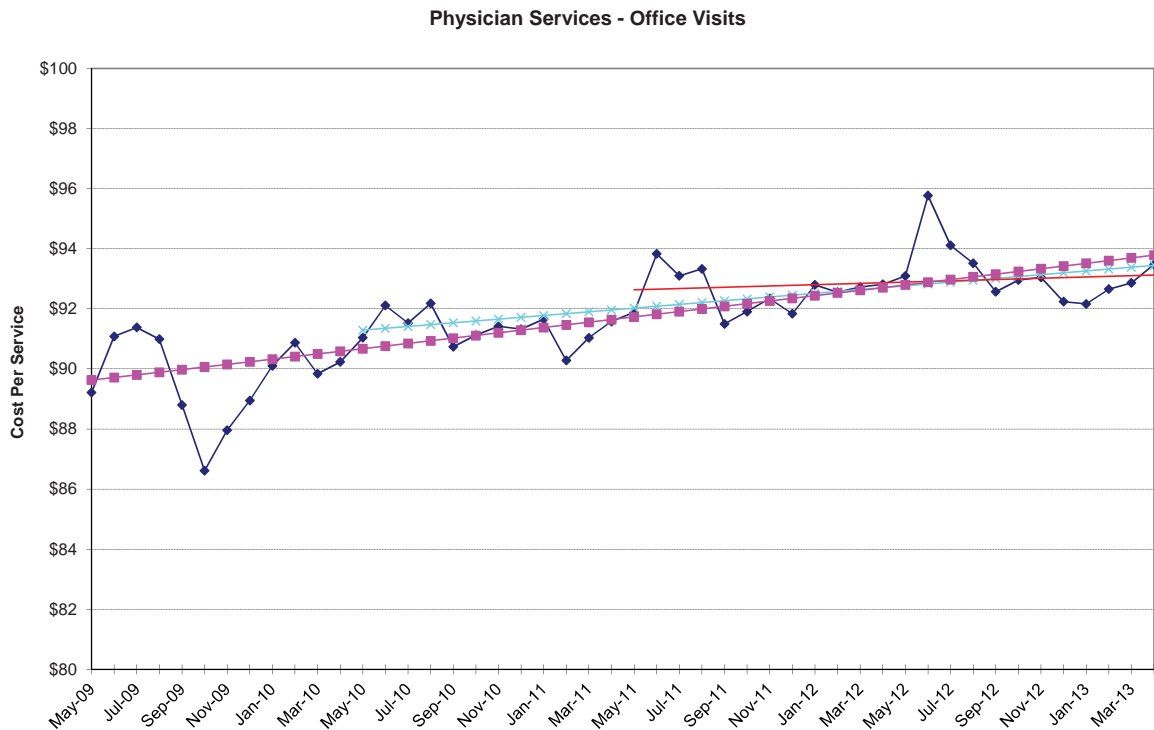
PHYSICIAN SERVICES

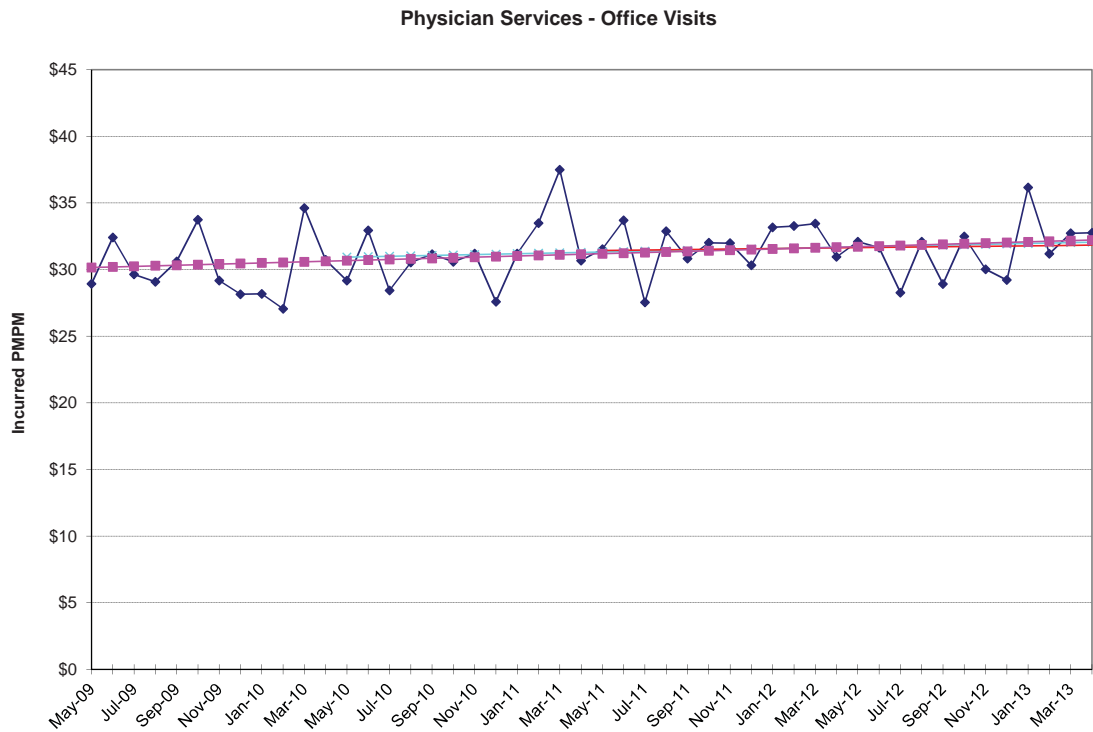
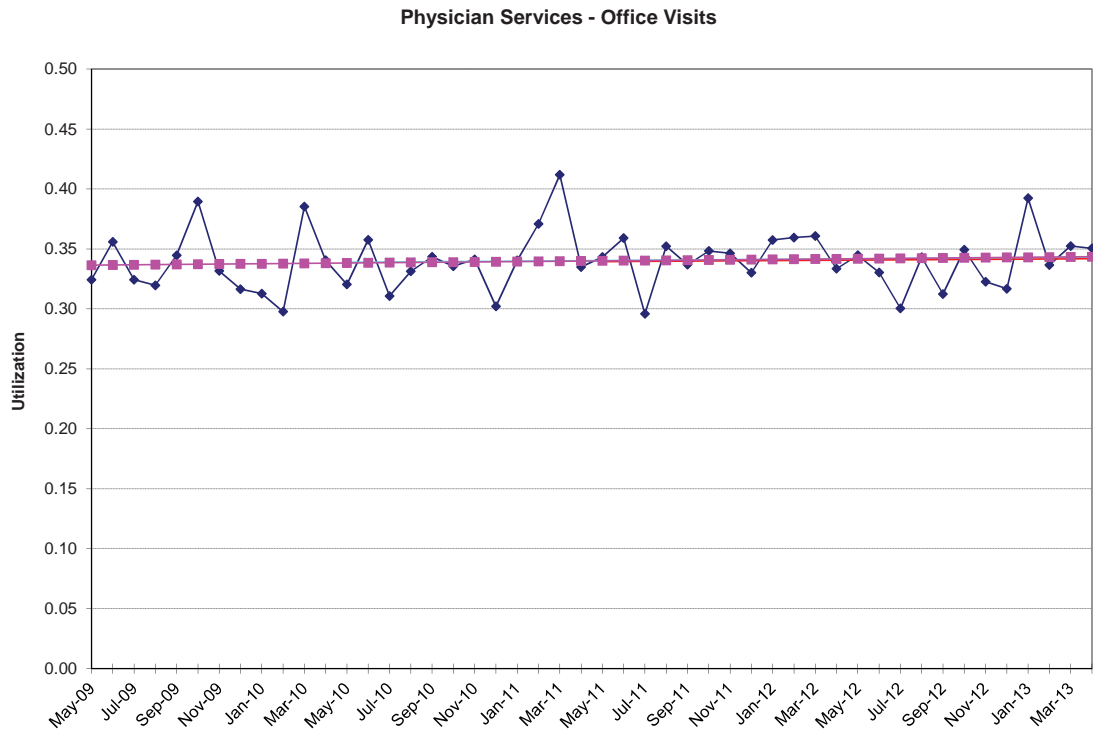
Office Visits

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.4%	0.3%	0.7%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.4%	0.8%	1.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.5%	1.2%	1.7%





NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

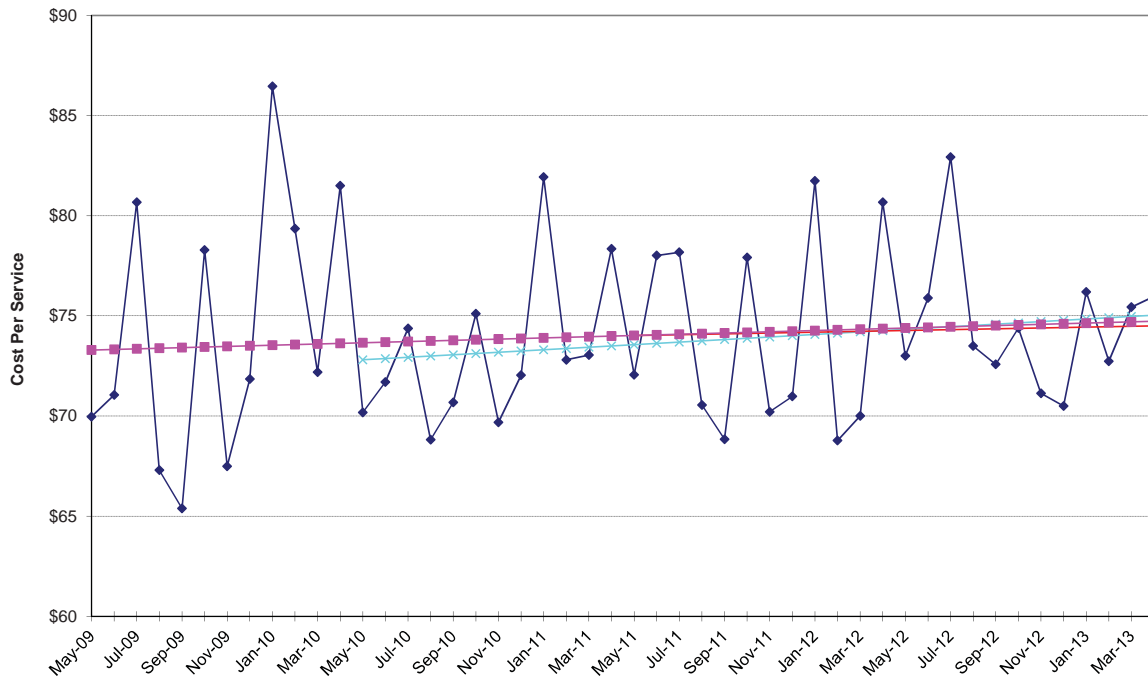
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.3%	0.3%	-2.0%

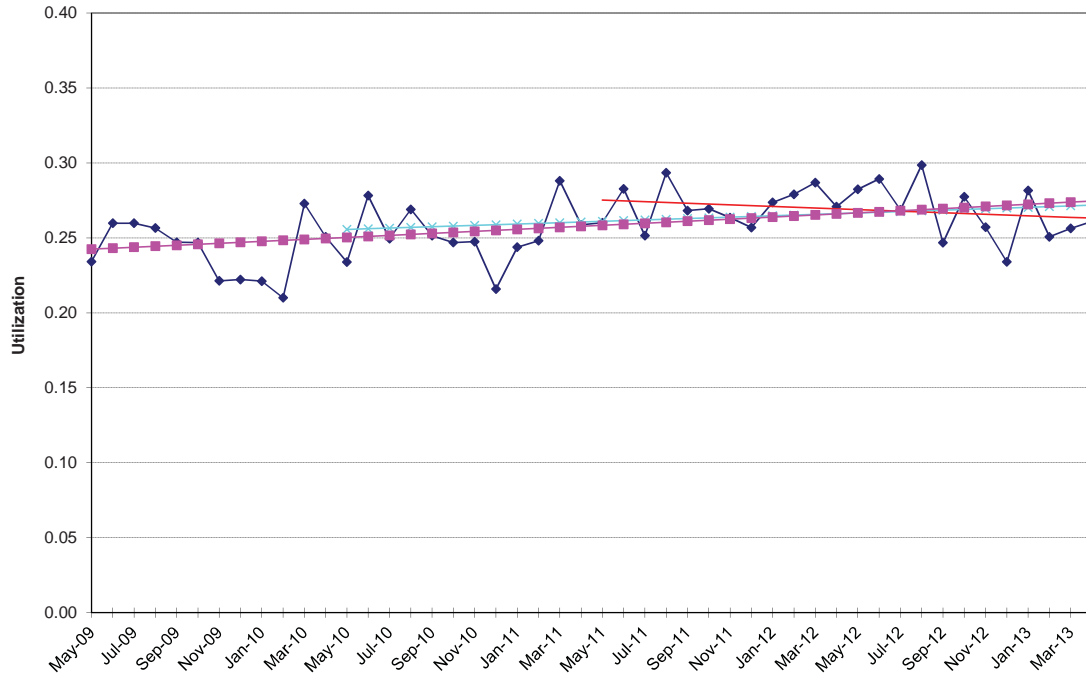
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.1%	1.0%	3.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.2%	0.5%	3.7%

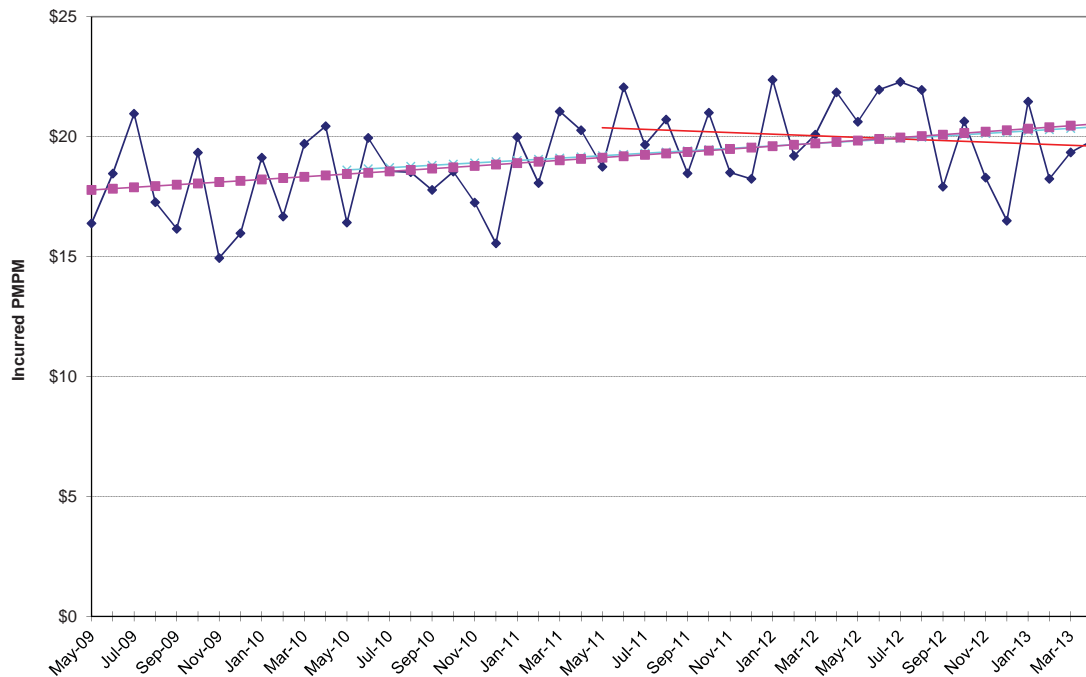
Physician Services - Other Services



Physician Services - Other Services



Physician Services - Other Services



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

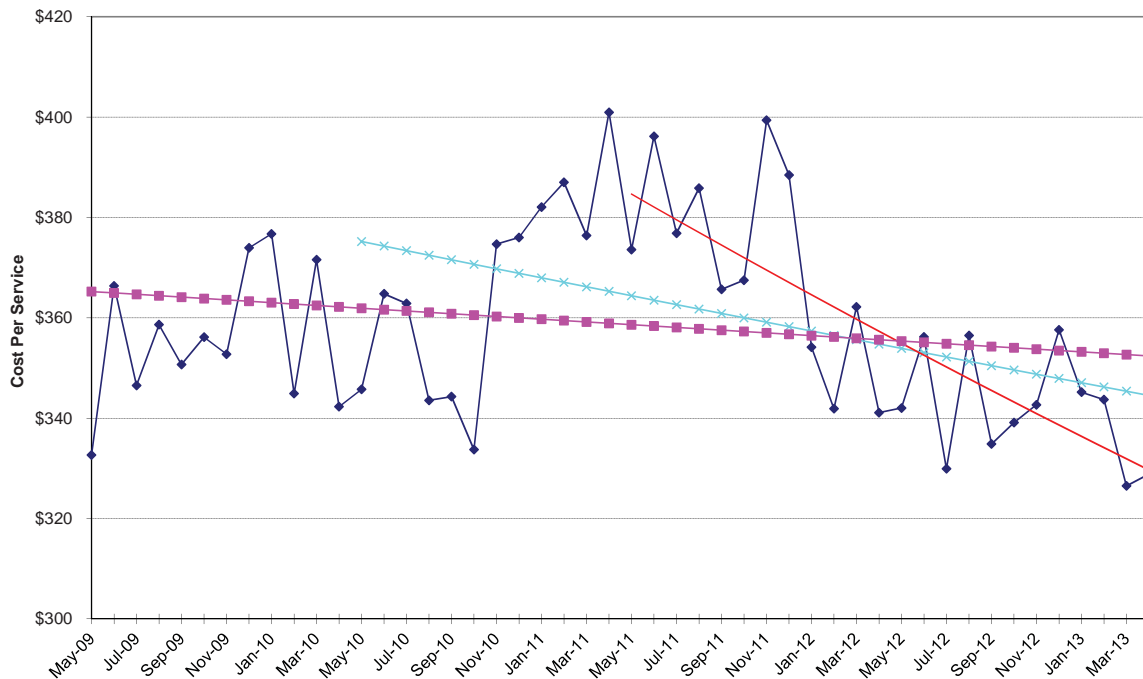
Outpatient Surgery

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.0%	-7.7%	-4.1%

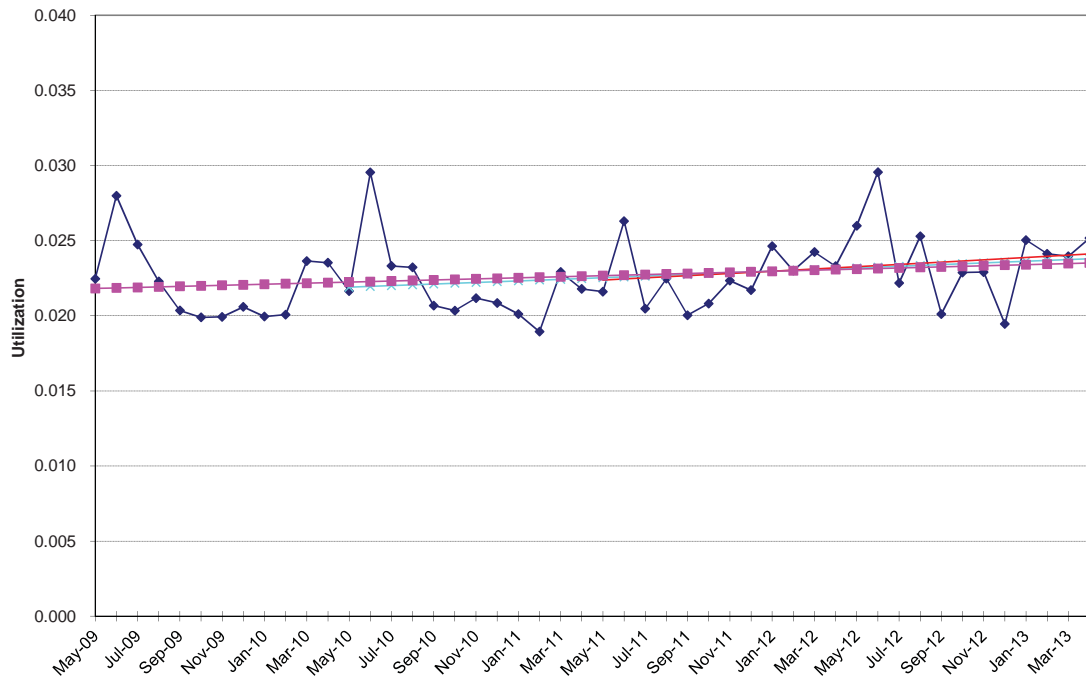
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.9%	-2.9%	-0.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.9%	-0.9%	1.0%

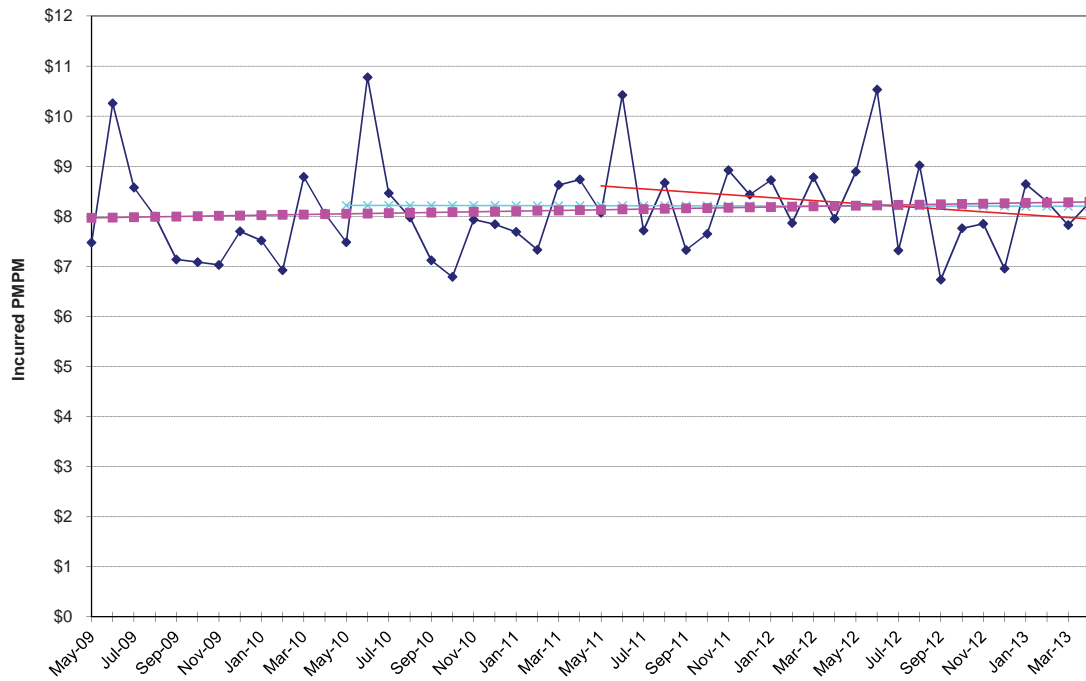
Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

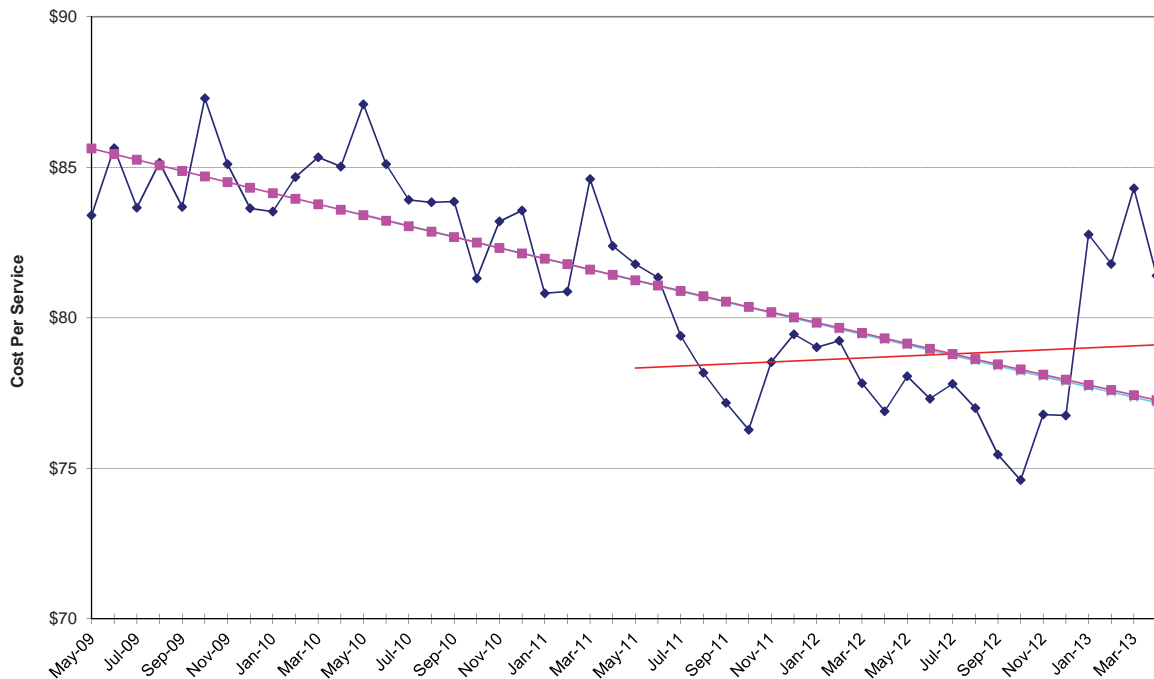
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.0%	0.5%	8.6%

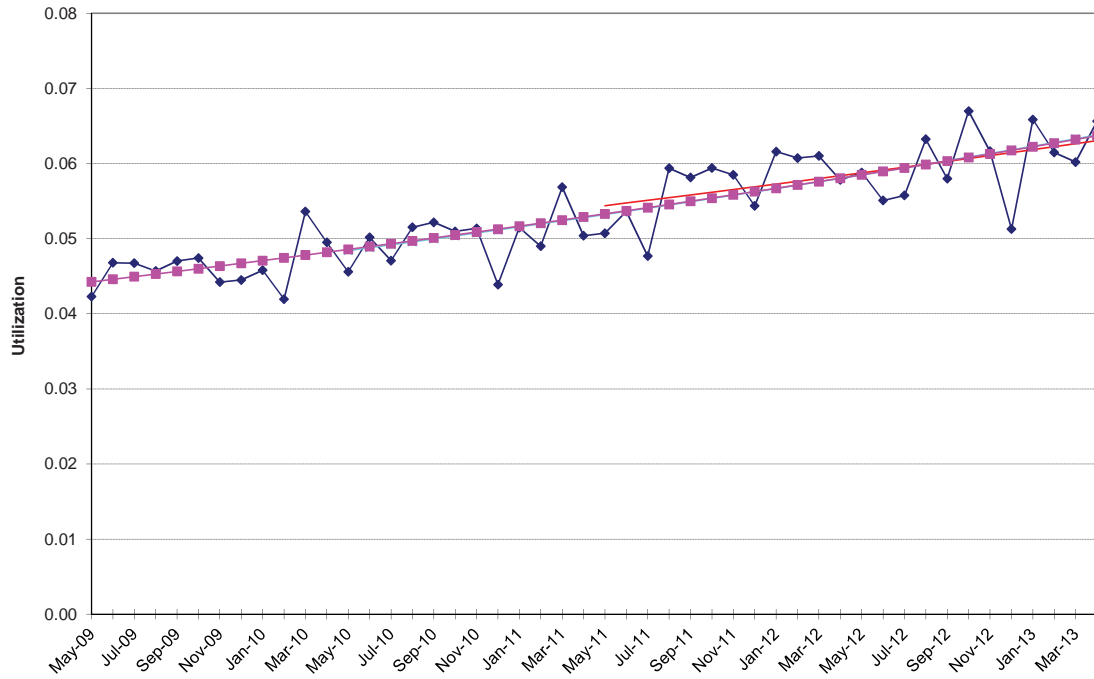
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
9.9%	-2.6%	7.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
9.8%	-2.6%	6.9%

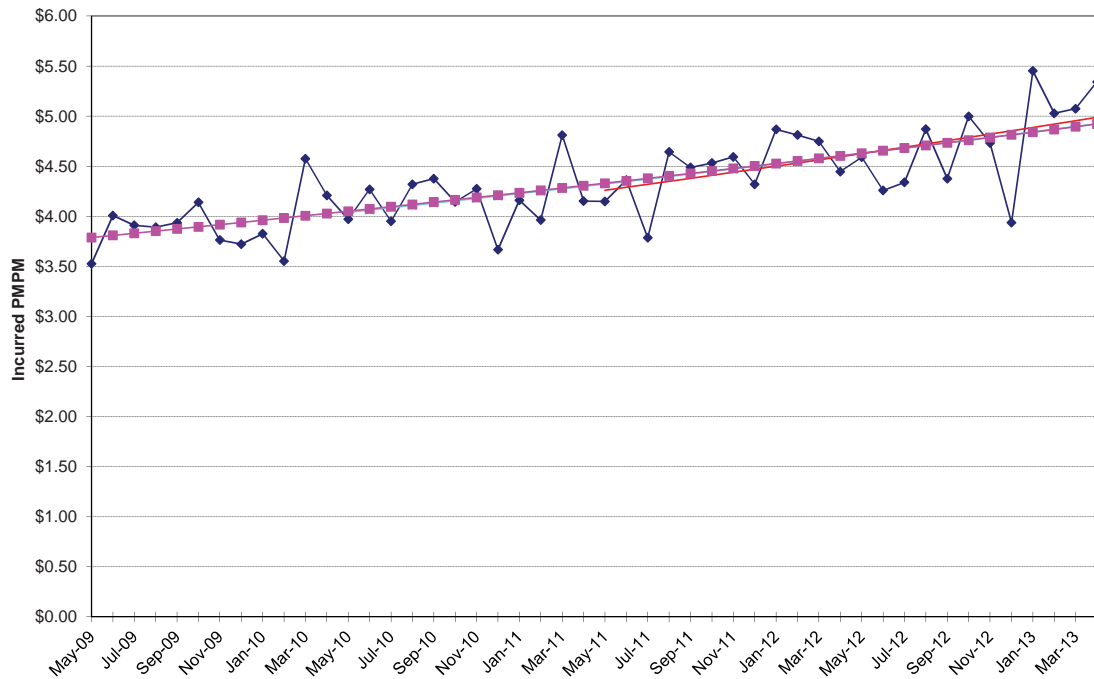
Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

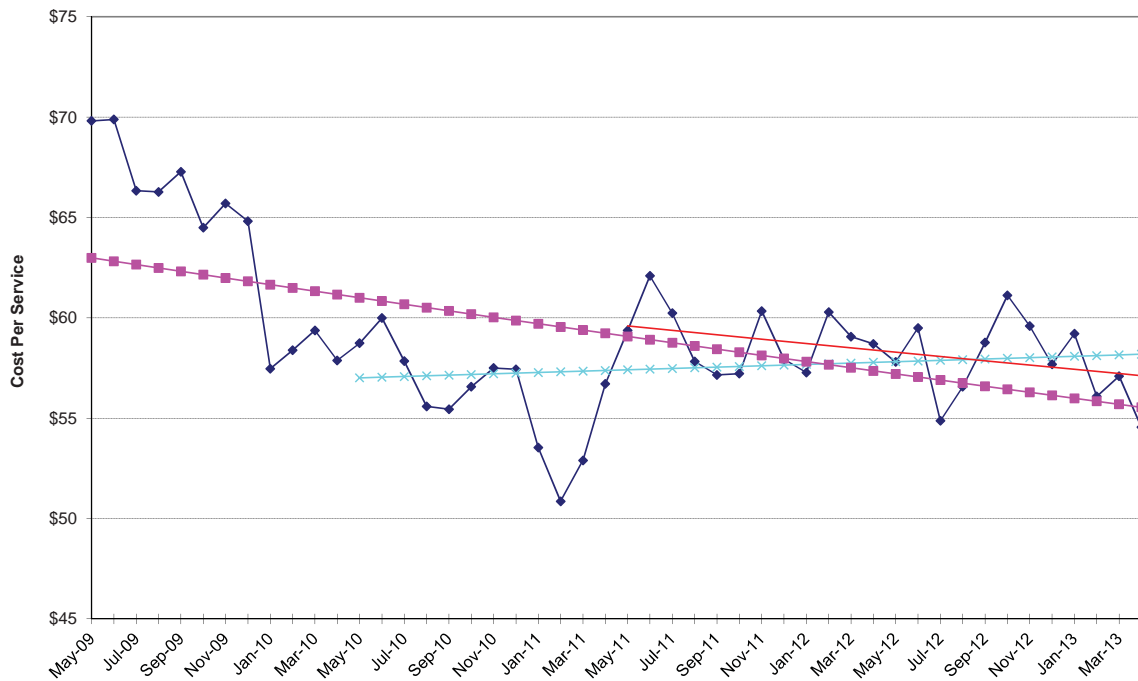
Radiology

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.5%	-2.2%	-1.7%

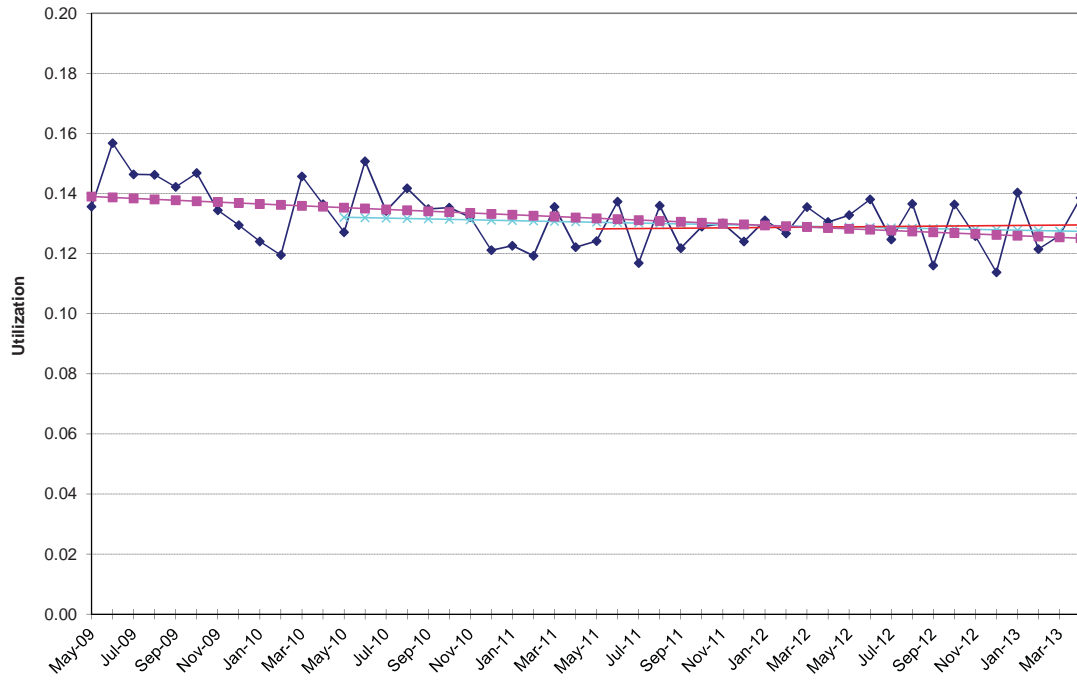
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.2%	0.7%	-0.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.6%	-3.2%	-5.7%

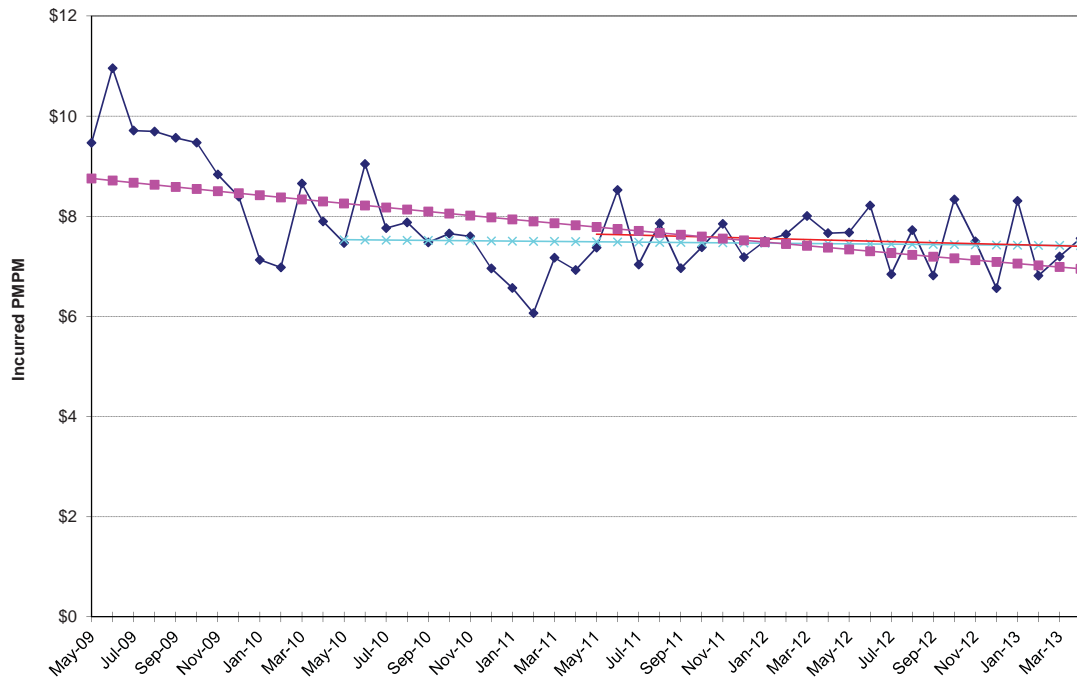
Physician Services - Radiology



Physician Services - Radiology



Physician Services - Radiology



NON-MEDICARE CLAIMS
Excluding Drugs

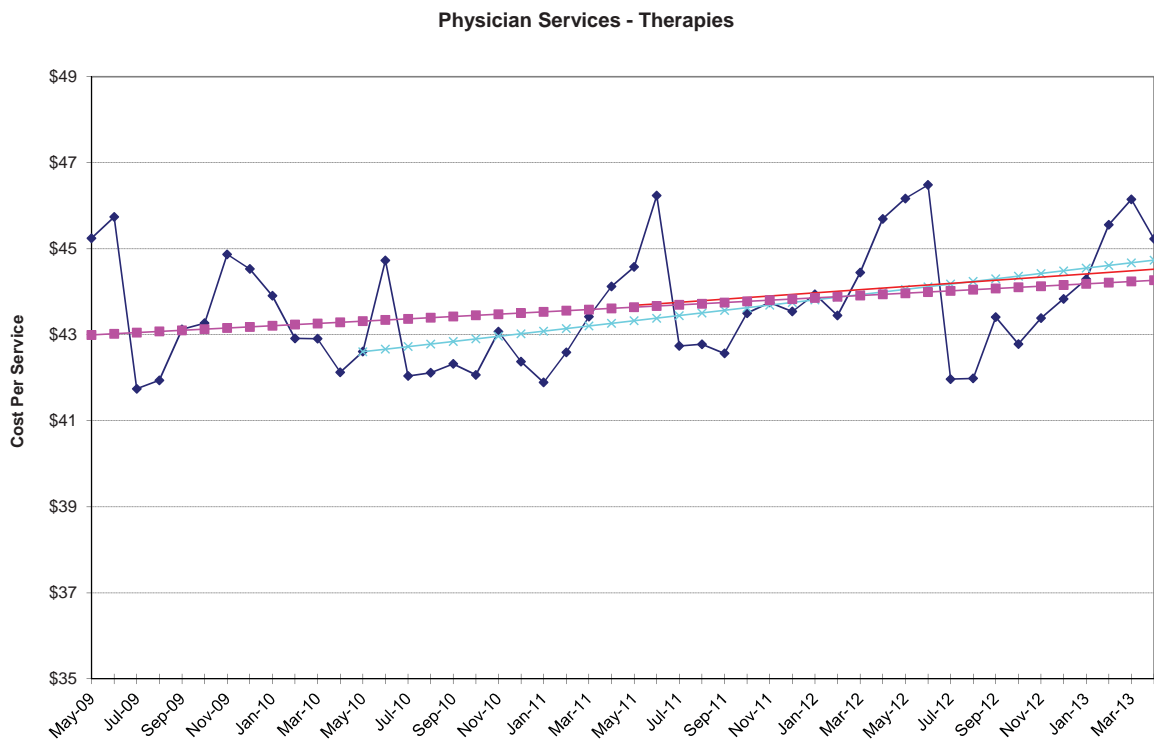
PHYSICIAN SERVICES

Therapies

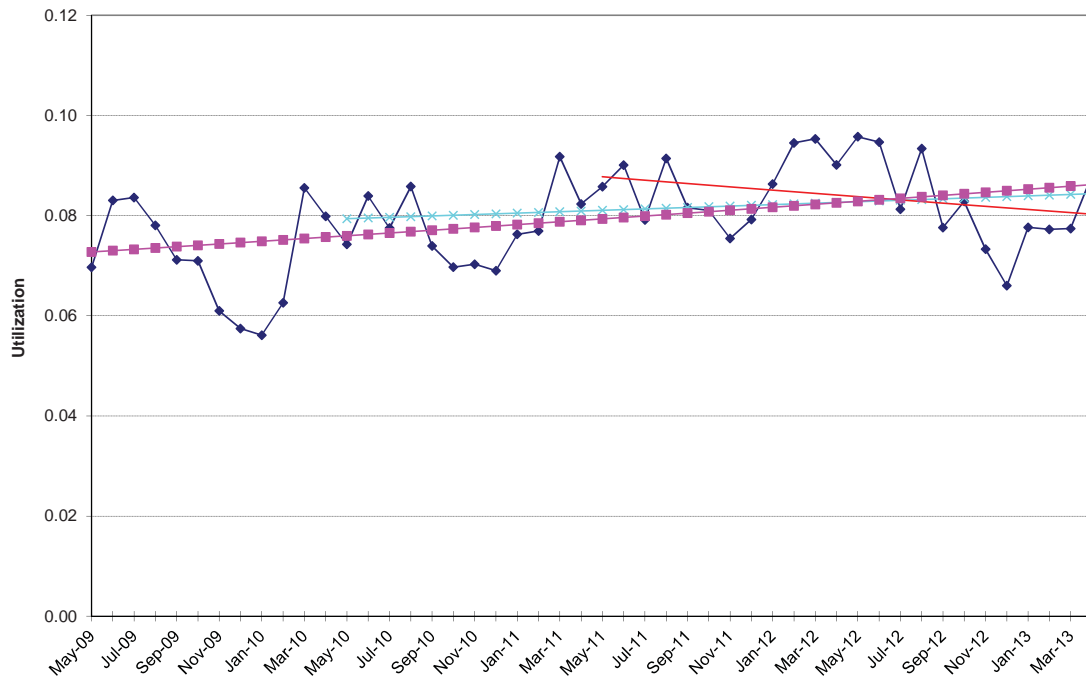
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-4.5%	1.0%	-3.6%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.1%	1.7%	3.8%

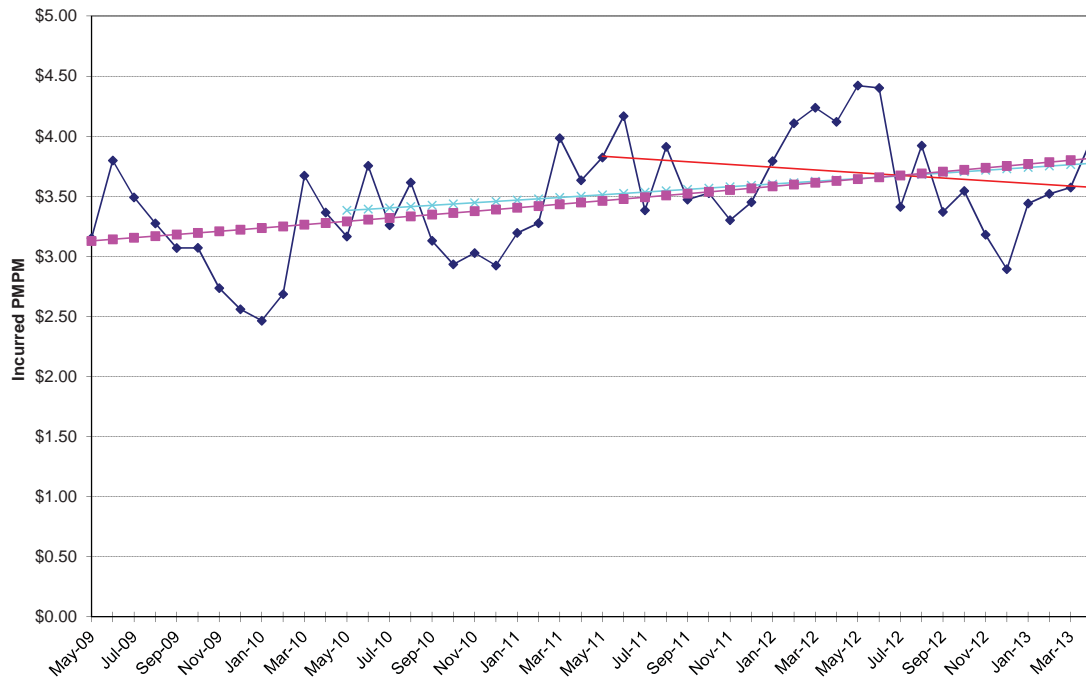
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.4%	0.7%	5.2%



Physician Services - Therapies



Physician Services - Therapies



NON-MEDICARE CLAIMS
Excluding Drugs

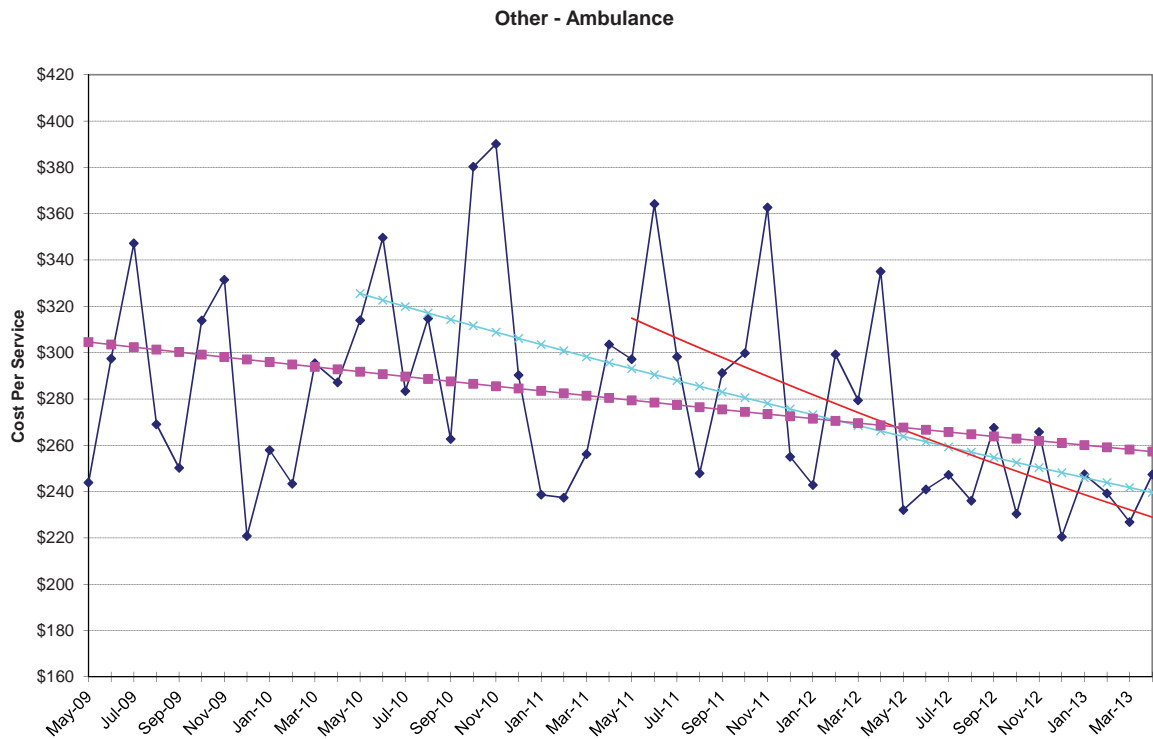
OTHER

Ambulance

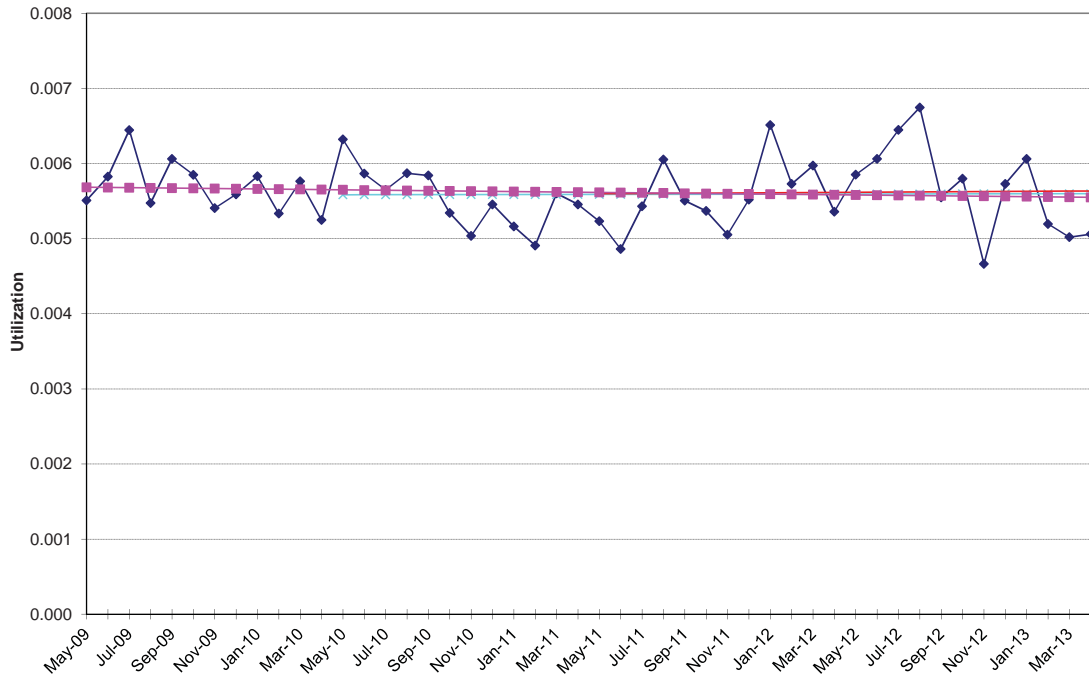
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.3%	-15.3%	-15.0%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.1%	-10.0%	-9.9%

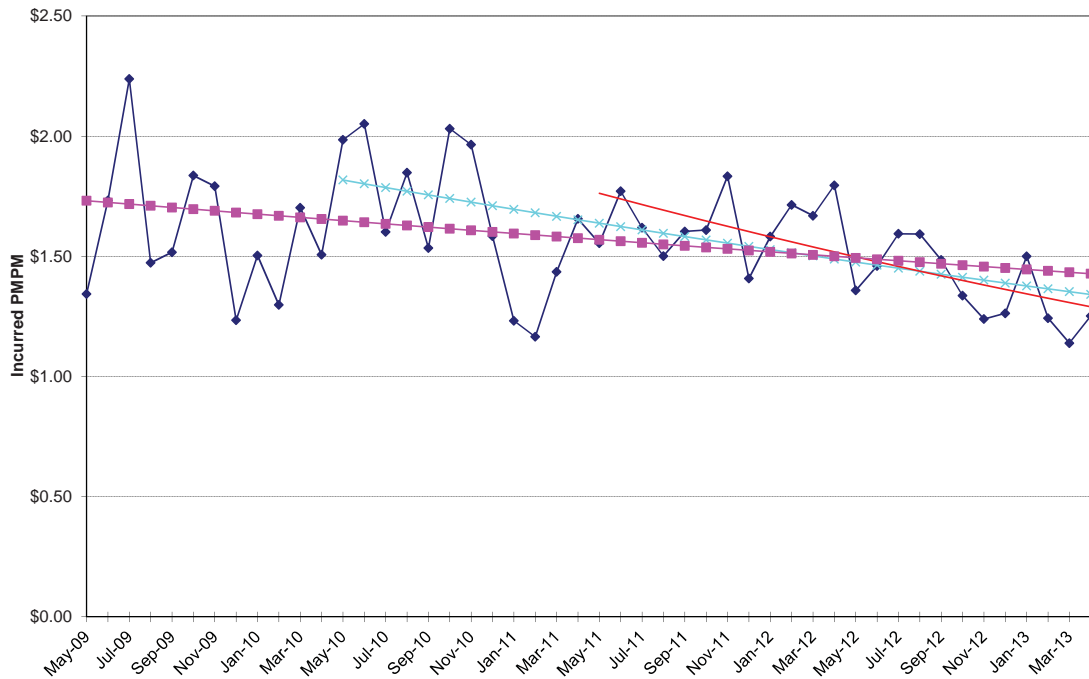
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.6%	-4.2%	-4.8%



Other - Ambulance



Other - Ambulance



NON-MEDICARE CLAIMS
Excluding Drugs

OTHER

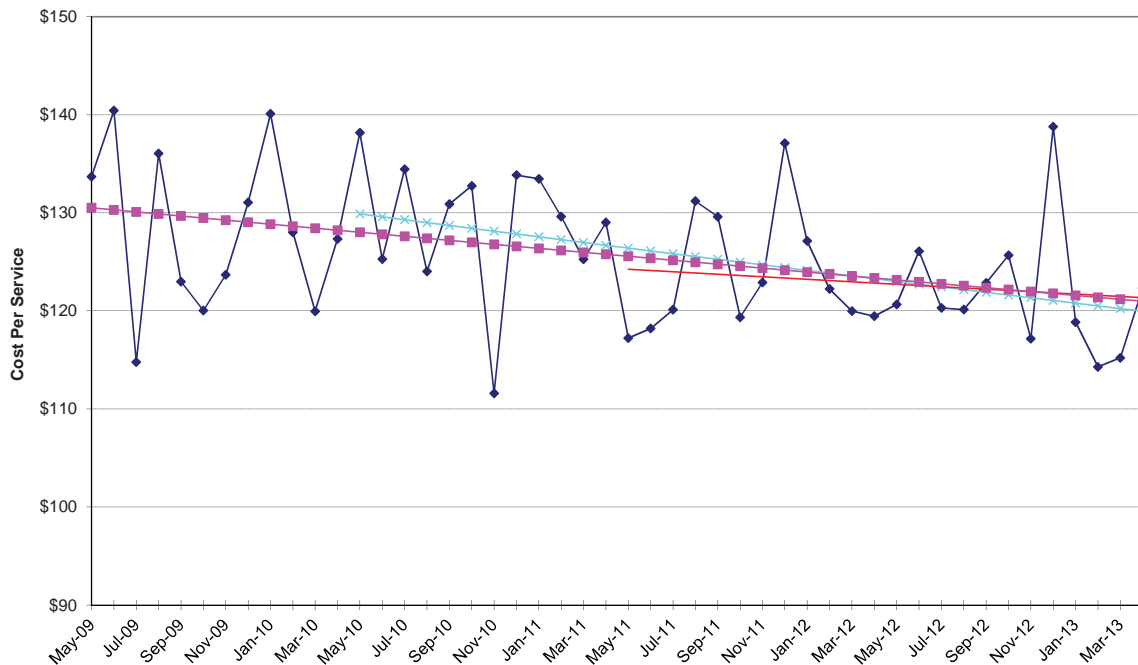
Appliances (DME)

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.0%	-1.2%	2.7%

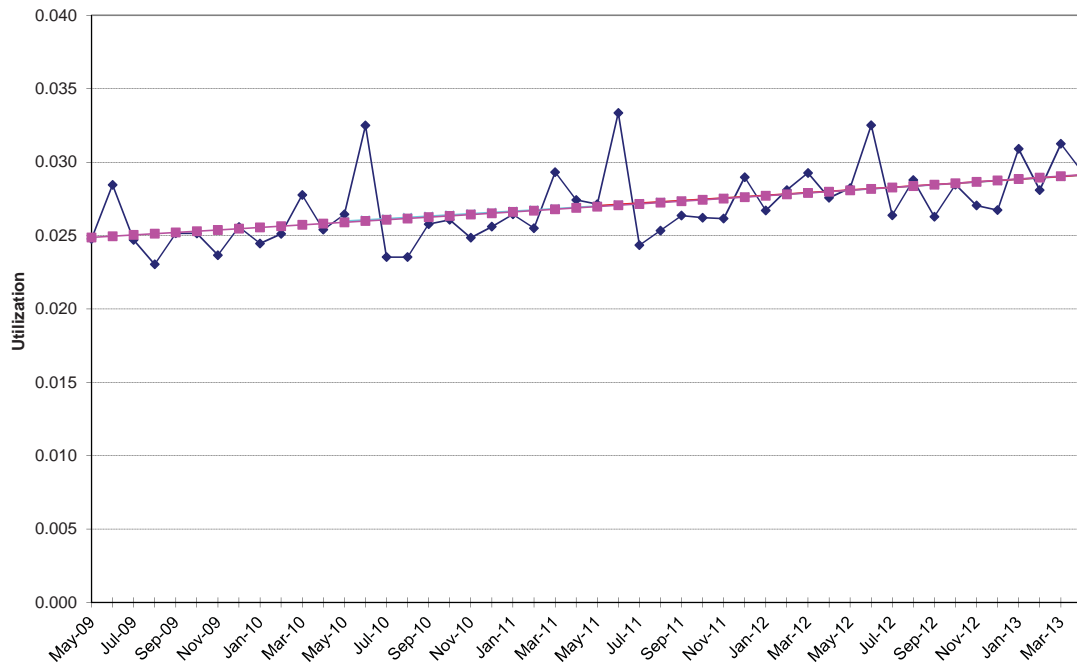
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.0%	-2.7%	1.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.1%	-1.9%	2.1%

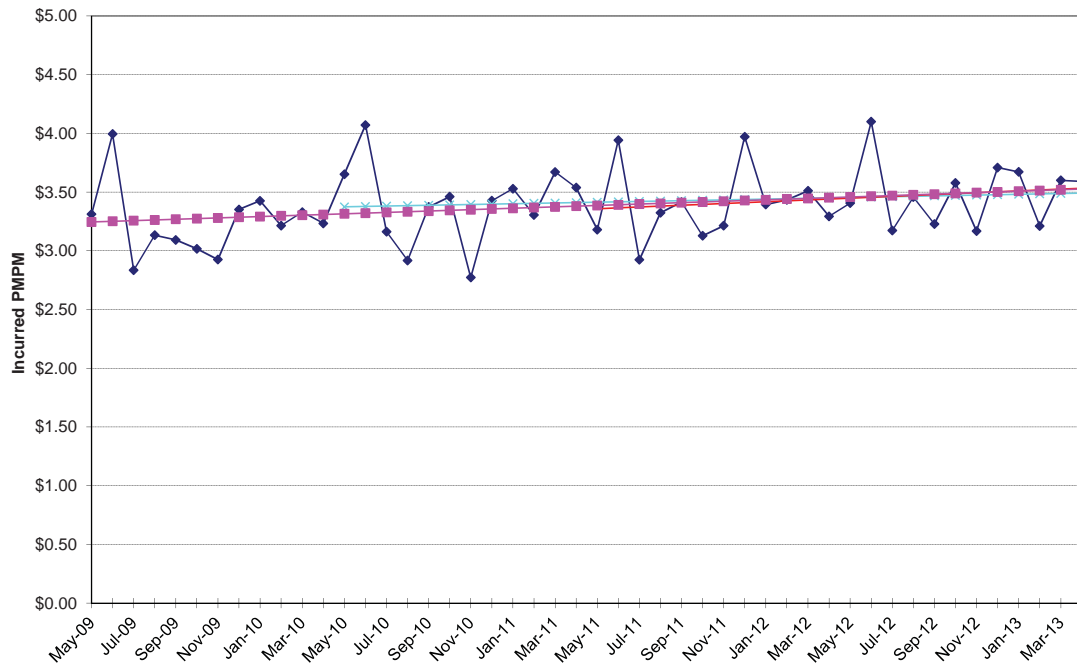
Other - Appliances (DME)



Other - Appliances (DME)



Other - Appliances (DME)



NON-MEDICARE CLAIMS
Excluding Drugs

OTHER

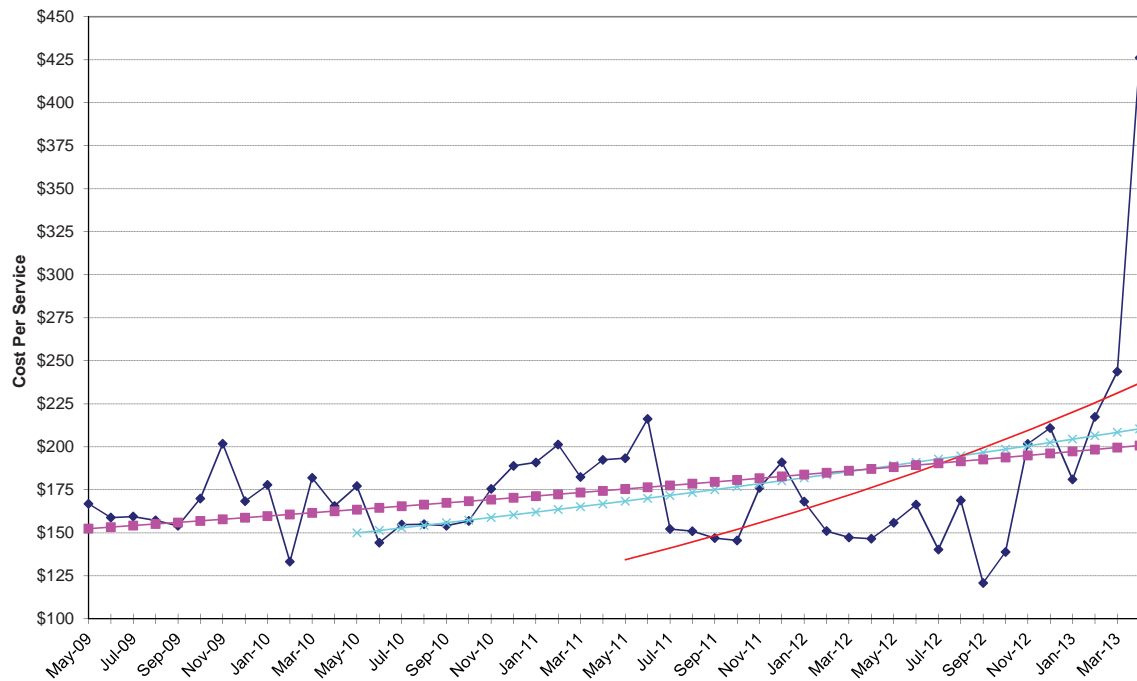
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
14.5%	34.5%	54.0%

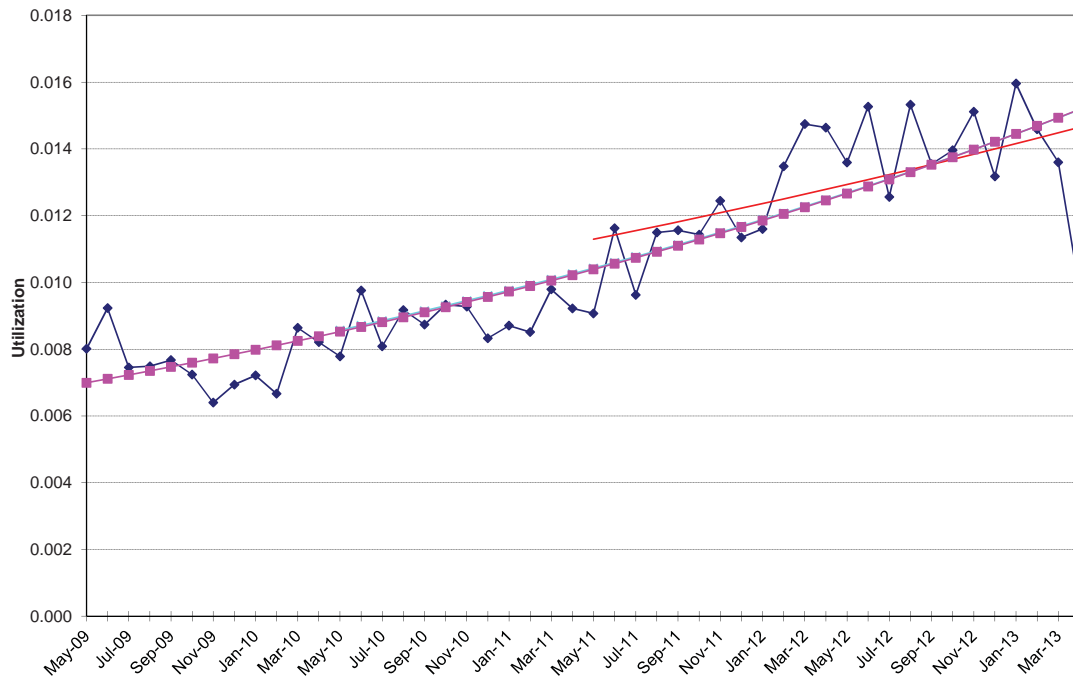
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
21.6%	12.3%	36.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
21.9%	7.3%	30.8%

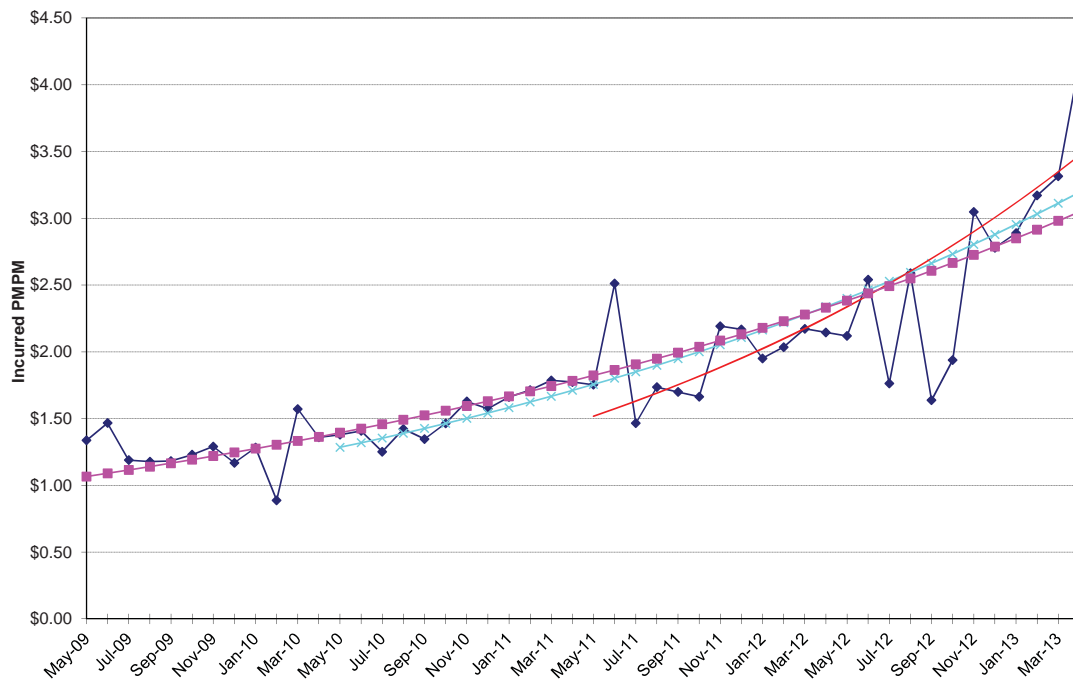
Other - Other Services



Other - Other Services



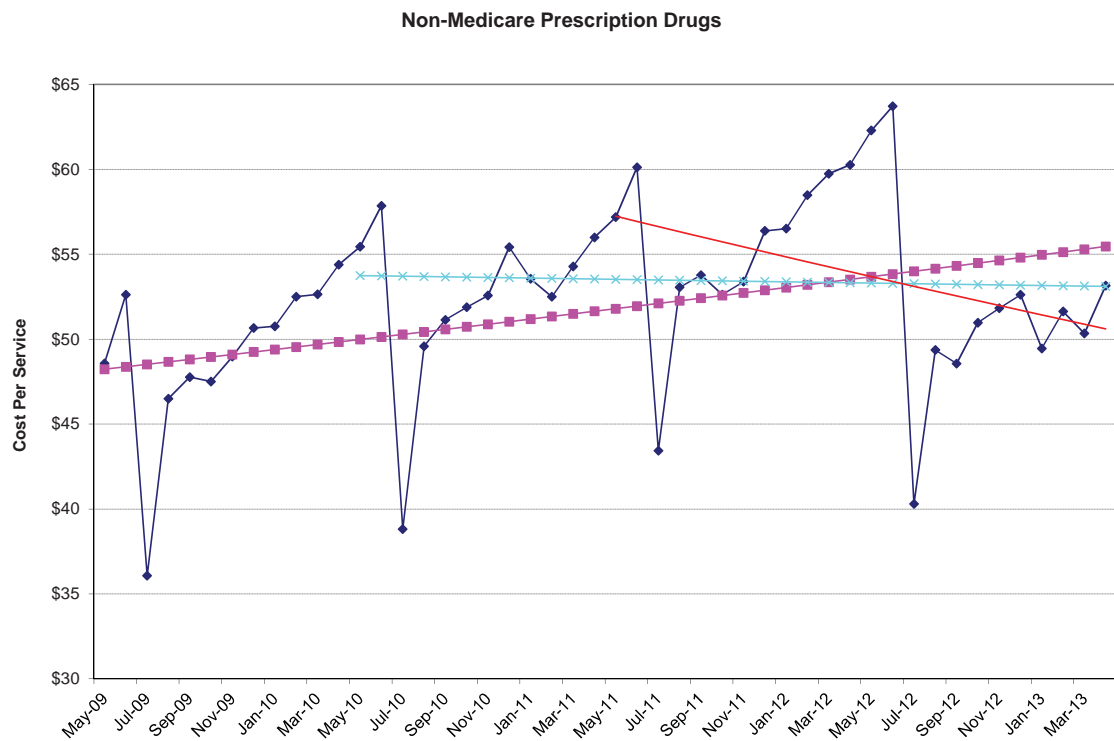
Other - Other Services



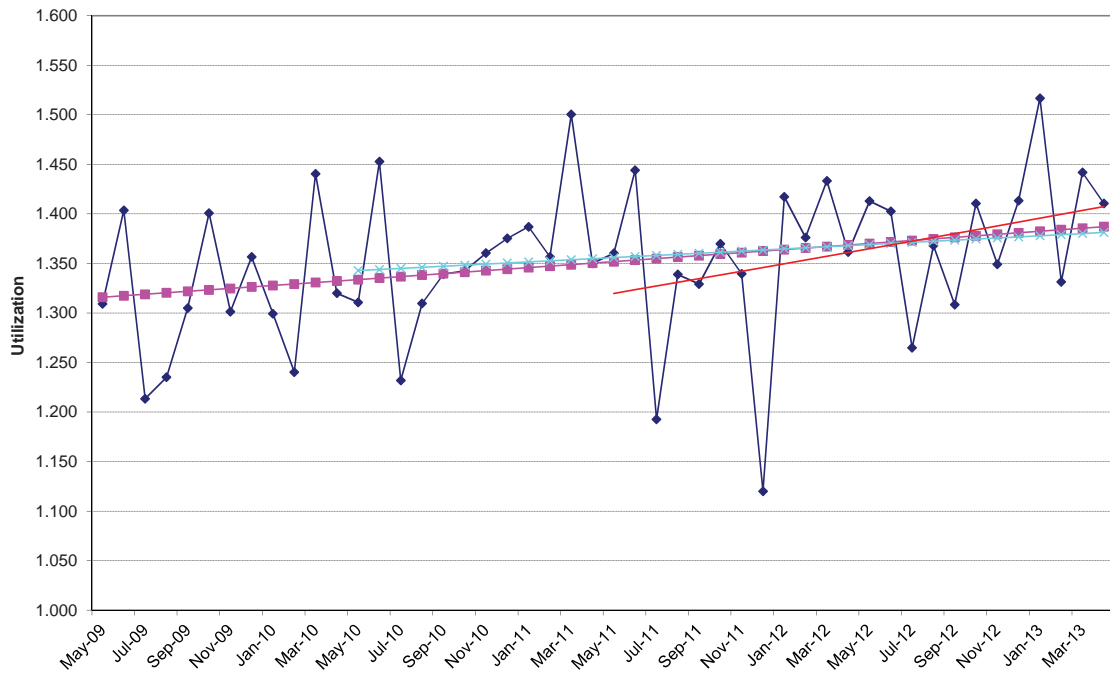
Appendix B

Non-Medicare Prescription Drugs

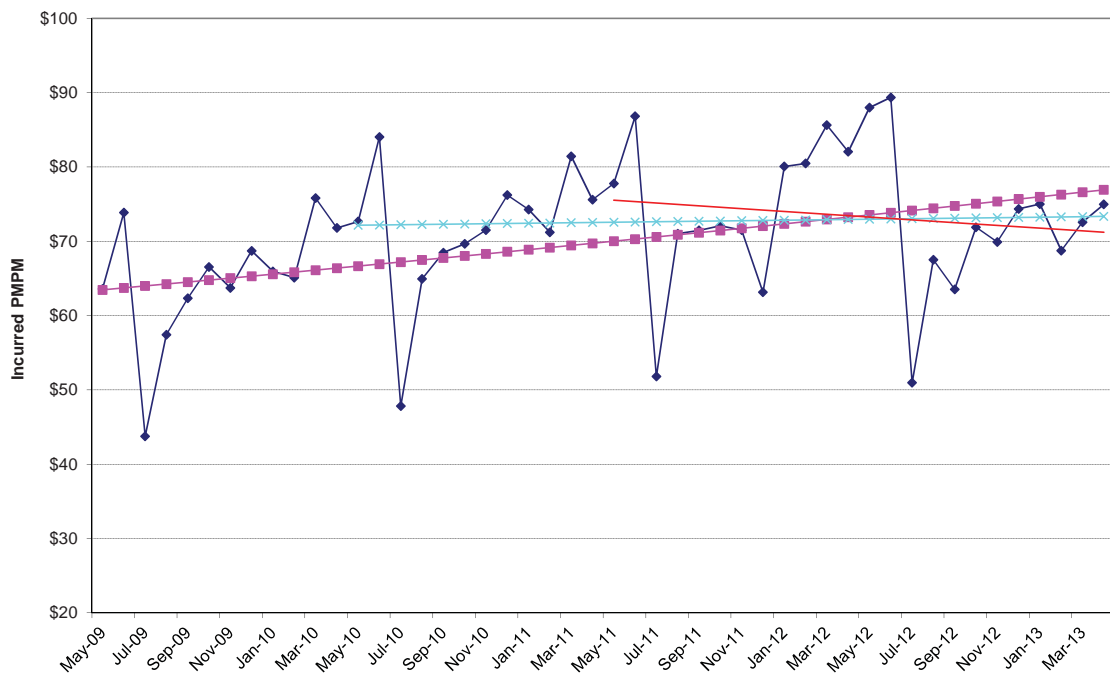
	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
24-Month Trend	3.4%	-6.2%	-3.0%
36-Month Trend	1.0%	-0.4%	0.6%
48-Month Trend	1.4%	3.6%	5.0%



Non-Medicare Prescription Drugs



Non-Medicare Prescription Drugs



Appendix C – Prescription Drug Trends

Overview

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 0.0% trend and unit cost had a -5.8% trend, resulting in a composite trend of -5.5% on an unadjusted basis. However the prescription drug program was redesigned in fiscal year 2013 to a more restrictive third tier benefit and on an adjusted basis, the total trend was 4.4%. The chart below summarizes components of the unadjusted prescription drug trend for the past 5 years

Year	Utilization	Unit Cost	Composite Trend
2009	7.4%	-6.2%	3.3%
2010	3.2%	4.9%	9.9%
2011	2.8%	5.9%	11.7%
2012	-0.5%	5.4%	5.6%
2013	0.0%	-5.8%	-5.5%

Prior to this analysis, the financial plan was developed using a 9.0% trend for fiscal year 2014. Based on favorable results, CCRC Actuaries has chosen to use a favorable drug trend assumption of 8.0% for fiscal year 2014 in the financial plan.

Brand Patent Expirations

This drug trend assumption has been made because of recent drug experience, as well as future blockbuster drugs that are expected to lose their patent in the upcoming years. Examples of these drugs include:

Drug	Patent Expiration	2012 Ingredient Cost		2013 Ingredient Cost	
		Amount	%	Amount	%
Zetia	September 2013	\$1,779,217.26	0.9%	\$2,185,831.66	1.2%
Niaspan	September 2013	\$1,500,421.78	0.7%	\$1,600,363.48	0.8%
Cymbalta	December 2013	\$5,146,611.95	2.5%	\$3,001,080.00	1.6%
Nexium	May 2014	\$3,250,369.25	1.6%	\$950,215.40	0.5%
Celebrex	May 2014	\$873,994.42	0.4%	\$560,812.14	0.3%
Symbicort	October 2014	\$785,690.79	0.4%	\$1,044,578.71	0.6%
Novolog	December 2014	\$2,530,341.78	1.2%	\$1,621,551.51	0.9%
Abilify	April 2015	\$3,248,230.41	1.6%	\$3,738,237.80	2.0%
Gleevec	July 2015	\$937,493.11	0.5%	\$772,550.04	0.4%
Lidoderm	October 2015	\$615,334.28	0.3%	\$676,507.90	0.4%
Crestor	July 2016	\$7,162,791.05	3.5%	\$505,042.75	0.3%
Advair Diskus	September 2016	\$3,102,488.50	1.5%	\$3,371,029.90	1.8%
Benicar	October 2016	\$509,065.28	0.2%	\$277,642.70	0.1%
Total		\$31,875,637.88	29.9%	\$20,677,005.26	11.1%

Specialty Drugs

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 12.2% in 2012 and 24.3% in 2013:

Period	Specialty Drugs	
	Percent of Total	Growth
FY 2010	11.3%	5.6%
FY 2011	12.6%	19.7%
FY 2012	13.4%	12.2%
FY 2013	18.0%	24.3%

Indicator Categories

CCRC Actuaries reviewed the individual prescription data items for Fiscal Years 2012 and 2013. A total of 2,848,047 scripts were written for approximately 3,000 different kinds of prescriptions in 2013. The prescriptions were grouped by indicator codes, providing a basis to develop the Fiscal Year 2013 trend by indicator code. The top 40 indicator codes were analyzed, which accounted for 94.3% of PEIA's prescription drug expenditures.

The top 5 indicators from 2012 were similar to the top 5 from 2013, with Depression dropping out in favor of Inflammatory Conditions and the order changing. PEIA members continue to spend the most on drugs which treat Diabetes and High Blood Cholesterol for the sixth year in a row. The following chart lists the top 5 and the total drug spend each year.

Rank	2012 Indicator	2012 Cost	2013 Indicator	2013 Cost
1	Diabetes	\$29,640,575	Diabetes	\$31,401,659
2	High Blood Cholesterol	18,437,370	High Blood Cholesterol	13,746,124
3	Asthma	13,311,206	Inflammatory Conditions	12,117,438
4	High Blood Pressure/Heart Disease	13,097,161	High Blood Pressure/Heart Disease	11,868,206
5	Depression	11,445,597	Asthma	10,221,645

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 2013.

Indicators with the Largest Dollar Increase

Indication	2012 Total Ingredient Cost	2013 Total Ingredient Cost	Total Increase
Inflammatory Conditions	\$9,641,727	\$12,098,067	\$2,456,340
Cancer	\$4,809,224	\$6,352,269	1,543,045
Misc Conditions	\$1,036,697	\$2,561,954	1,525,257
Diabetes	\$29,640,575	\$31,118,299	1,477,725
Multiple Sclerosis	\$6,810,796	\$7,621,350	810,553

Indicators with the Largest Increase as a Percentage

Indication	2012 Total Ingredient Cost	2013 Total Ingredient Cost	Total Increase
Misc Conditions	\$1,036,697	\$2,561,954	147.1%
Respiratory Conditions	\$605,054	\$1,292,841	113.7%
Misc Specialty Conditions	\$218,075	\$436,714	100.3%
Growth Deficiency	\$1,300,645	\$1,845,735	41.9%
Anaphylaxis	\$428,109	\$595,845	39.2%

Indicators with the Largest Increase in Claim Numbers

Indication	2012 Prescriptions	2013 Prescriptions	Utilization Increase
Asthma	82,595	89,556	6,961
Ulcer Disease	172,621	178,822	6,201
Viral Infections	14,554	20,408	5,854
Nausea/Vomiting	10,421	12,946	2,525
Inflammation/Immune Disorders	46,025	48,028	2,003

Indicators with the Largest Utilization Increase

Indication	2012 Prescriptions	2013 Prescriptions	Utilization Increase
Respiratory Conditions	72	107	48.6%
Pulmonary Hypertension	324	473	46.0%
Misc Specialty Conditions	14,554	20,408	40.2%
Multiple Sclerosis	10,421	12,946	24.2%
Blood Cell Deficiency	584	682	16.8%

Indicators with the Largest Increase in Cost per Prescription

Indication	2012 Ingredient Cost Per Prescription	2013 Ingredient Cost Per Prescription	Per Prescription Increase
Respiratory Conditions	\$3,437.81	\$7,835.40	\$4,397.59
Pulmonary Hypertension	\$3,973.16	\$5,056.49	\$1,083.33
Misc Specialty Conditions	\$3,028.81	\$4,081.44	\$1,052.62
Multiple Sclerosis	\$3,386.77	\$3,908.38	\$521.61
Blood Cell Deficiency	\$2,808.64	\$3,173.43	\$364.79

Indicators with the Largest Percentage Increase in Cost per Prescription

Indication	2012 Ingredient Cost Per Prescription	2013 Ingredient Cost Per Prescription	Per Prescription Increase
Misc Conditions	\$129.33	\$298.84	131.1%
Respiratory Conditions	\$3,437.81	\$7,835.40	127.9%
Cancer	\$495.44	\$678.44	36.9%
Anaphylaxis	\$181.71	\$245.91	35.3%
Misc Specialty Conditions	\$3,028.81	\$4,081.44	34.8%

Drug Indicators by Highest Cost

<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	198,744	\$158.00	\$31,401,659	81.7%	92.3%
2	High Blood Cholesterol	188,543	72.91	13,746,124	92.0%	97.0%
3	Inflammatory Conditions	8,851	1,369.05	12,117,438	93.1%	90.6%
4	High Blood Pressure/Heart Disease	430,533	27.57	11,868,206	89.2%	97.8%
5	Asthma	90,126	113.42	10,221,645	94.4%	91.3%
6	Depression	193,363	44.34	8,574,603	79.9%	95.8%
7	Multiple Sclerosis	1,954	3,908.25	7,636,718	89.4%	88.8%
8	Attention Disorders/Weight Loss	34,974	189.26	6,619,074	85.1%	87.5%
9	Pain And Inflammation	249,919	26.52	6,626,802	88.8%	98.5%
10	Cancer	10,285	625.88	6,437,163	97.5%	99.5%
11	Infections	241,626	24.24	5,857,974	93.4%	99.5%
12	Mental/Neurological Disorders	22,795	232.87	5,308,200	97.5%	98.3%
13	Ulcer Disease	179,829	25.05	4,504,482	89.5%	98.4%
14	Seizures	83,814	51.98	4,356,374	67.4%	94.4%
15	Hormonal Supplementation	35,662	106.36	3,792,975	74.8%	77.7%
16	Misc Conditions	8,767	297.30	2,606,444	98.8%	99.0%
17	Contraceptives	63,309	43.47	2,751,870	69.9%	85.4%
18	Anticoagulant	15,519	157.34	2,441,767	92.8%	96.5%
19	Viral Infections	20,616	117.59	2,424,318	99.1%	99.4%
20	Skin Conditions	25,590	92.94	2,378,385	75.4%	94.8%

Drug Indicators by Highest Cost (continued)

<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>
21	Growth Deficiency	473	\$3,902.19	\$1,845,735	29.3%	35.9%
22	GI Disorders	13,035	124.03	1,616,746	93.9%	98.7%
23	Endocrine Disorders	4,265	357.77	1,525,896	93.6%	97.1%
24	Eye Conditions	13,167	120.84	1,591,077	77.1%	77.9%
25	Urinary Disorders	33,770	44.33	1,497,048	85.2%	96.4%
26	Thyroid Disorders	94,680	15.23	1,442,115	54.4%	79.0%
27	COPD	4,609	294.68	1,358,179	97.7%	96.4%
28	Allergies	61,640	23.11	1,424,333	88.4%	97.8%
29	Respiratory Conditions	212	6,103.18	1,293,874	100.0%	100.0%
30	Blood Modifying	19,891	67.11	1,334,797	97.5%	98.8%
31	Pain/Cramps	40,454	32.19	1,302,118	94.2%	93.4%
32	Anxiety	81,904	15.19	1,244,463	98.3%	99.9%
33	Antidotes/Addiction	6,659	179.02	1,192,063	98.5%	98.6%
34	Transplant	4,047	289.94	1,173,401	84.3%	89.2%
35	Migraine Headaches	14,376	84.02	1,207,889	85.8%	93.9%
36	Acne	8,677	133.94	1,162,226	84.1%	92.3%
37	Skin Infections	18,799	56.85	1,068,812	95.8%	98.7%
38	Pulmonary Hypertension	200	4,907.23	981,447	92.0%	76.0%
39	Blood Cell Deficiency	305	3,115.49	950,225	99.4%	98.0%
40	Hepatitis	333	2,785.85	927,687	98.3%	98.2%
	<u>All Other Indicators</u>	<u>331,009</u>	<u>32.54</u>	<u>10,771,664</u>	<u>80.3%</u>	<u>95.0%</u>
	Grand Total	2,857,324	\$66.00	\$188,584,018	86.8%	95.4%

Drug Indicators by Highest Cost
Analysis of Formulary Distribution

Rank	Indicator	Formulary			Non-Formulary		
		Scripts	Ingredient Cost	Cost Per Script	Scripts	Ingredient Cost	Cost Per Script
1	Diabetes	183,382	\$25,652,482	\$139.89	15,362	\$5,749,177	\$374.25
2	High Blood Cholesterol	182,844	12,649,960	69.18	5,699	1,096,164	192.34
3	Inflammatory Conditions	8,020	11,285,391	1,407.16	831	832,046	1,001.26
4	High Blood Pressure/Heart Disease	420,983	10,589,350	25.15	9,550	1,278,856	133.91
5	Asthma	82,258	9,650,214	117.32	7,868	571,430	72.63
6	Depression	185,260	6,854,733	37.00	8,103	1,719,871	212.25
7	Multiple Sclerosis	1,736	6,828,869	3,933.68	218	807,849	3,705.73
8	Attention Disorders/Weight Loss	30,602	5,634,482	184.12	4,372	984,592	225.20
9	Pain And Inflammation	246,155	5,882,639	23.90	3,764	744,163	197.71
10	Cancer	10,237	6,279,316	613.39	48	157,847	3,288.47
11	Infections	240,460	5,473,216	22.76	1,166	384,758	329.98
12	Mental/Neurological Disorders	22,413	5,174,964	230.89	382	133,236	348.79
13	Ulcer Disease	176,973	4,032,499	22.79	2,856	471,983	165.26
14	Seizures	79,162	2,937,155	37.10	4,652	1,419,219	305.08
15	Hormonal Supplementation	27,708	2,835,593	102.34	7,954	957,382	120.36
16	Misc Conditions	8,683	2,576,309	296.71	84	30,135	358.75
17	Contraceptives	54,054	1,924,418	35.60	9,255	827,452	89.41
18	Anticoagulant	14,976	2,265,988	151.31	543	175,779	323.72
19	Viral Infections	20,484	2,402,120	117.27	132	22,198	168.17
20	Skin Conditions	24,254	1,792,907	73.92	1,336	585,478	438.23

Drug Indicators by Highest Cost
Analysis of Formulary Distribution (continued)

Rank	Indicator	Formulary			Non-Formulary		
		Scripts	Ingredient Cost	Cost Per Script	Scripts	Ingredient Cost	Cost Per Script
21	Growth Deficiency	170	\$541,227	\$3,183.69	303	\$1,304,508	\$4,305.31
22	GI Disorders	12,861	1,517,581	118.00	174	99,165	569.91
23	Endocrine Disorders	4,140	1,428,027	344.93	125	97,869	782.95
24	Eye Conditions	10,253	1,226,231	119.60	2,914	364,846	125.20
25	Urinary Disorders	32,563	1,275,651	39.17	1,207	221,397	183.43
26	Thyroid Disorders	74,754	784,402	10.49	19,926	657,713	33.01
27	COPD	4,442	1,326,860	298.71	167	31,319	187.54
28	Allergies	60,302	1,259,245	20.88	1,338	165,088	123.38
29	Respiratory Conditions	212	1,293,874	6,103.18	0	0	N/A
30	Blood Modifying	19,644	1,301,217	66.24	247	33,580	135.95
31	Pain/Cramps	37,803	1,227,190	32.46	2,651	74,928	28.26
32	Anxiety	81,793	1,222,743	14.95	111	21,720	195.67
33	Antidotes/Addiction	6,566	1,173,906	178.79	93	18,158	195.24
34	Transplant	3,609	989,612	274.21	438	183,789	419.61
35	Migraine Headaches	13,506	1,036,297	76.73	870	171,592	197.23
36	Acne	8,007	977,355	122.06	670	184,870	275.93
37	Skin Infections	18,554	1,023,991	55.19	245	44,821	182.94
38	Pulmonary Hypertension	152	902,899	5,940.13	48	78,547	1,636.40
39	Blood Cell Deficiency	299	944,353	3,158.37	6	5,872	978.60
40	Hepatitis	327	912,108	2,789.32	6	15,579	2,596.54
	<u>All Other Indicators</u>	<u>314,352</u>	<u>8,650,372</u>	<u>27.52</u>	<u>16,657</u>	<u>2,121,292</u>	<u>127.35</u>
	Grand Total	2,724,953	\$163,737,747	\$60.09	132,371	\$24,846,270	\$187.70

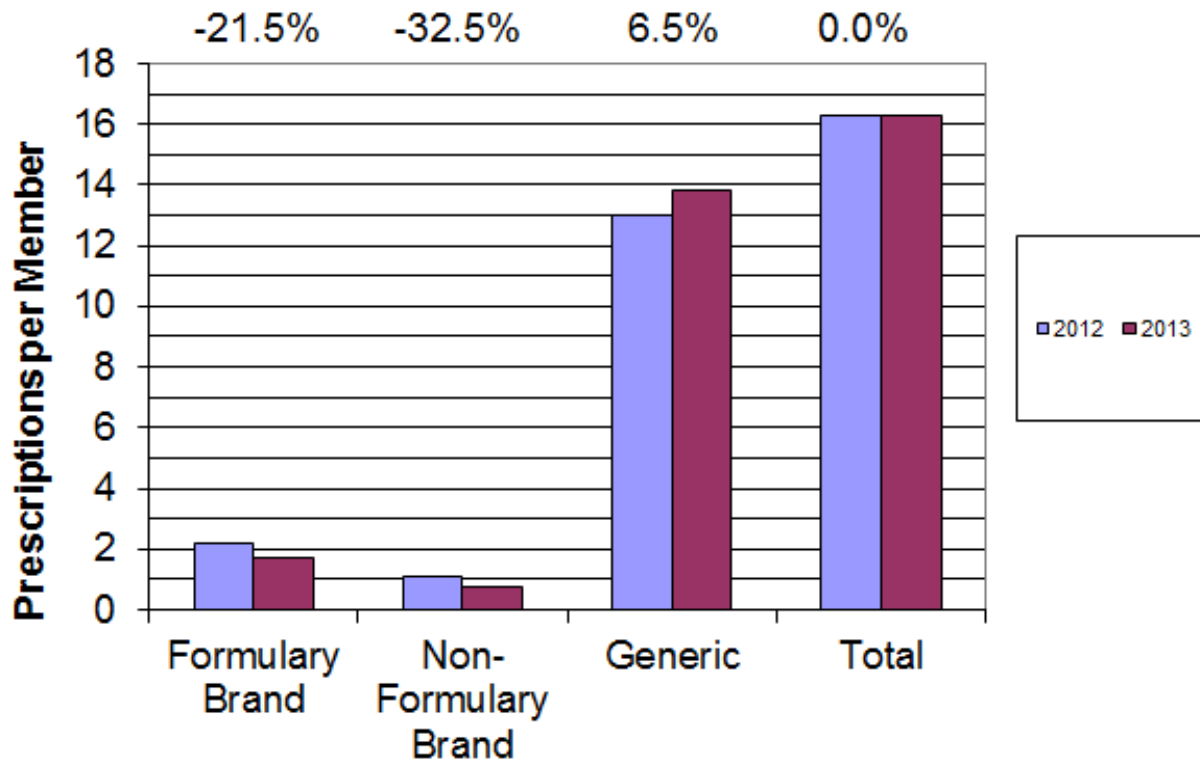
Drug Indicators by Highest Script Increase

Rank	Indicator	Formulary Cost Per Script	Non-Formulary Cost Per Script	Increase/ Decrease
11	Infections	\$22.76	\$329.98	1350%
32	Anxiety	14.95	195.67	1209%
8	Pain and inflammation	23.90	197.71	727%
14	Seizures	37.10	305.08	722%
13	Ulcer disease	22.79	165.26	625%
20	Skin conditions	73.92	438.23	493%
27	Allergies	20.88	123.38	491%
6	Depression	37.00	212.25	474%
10	Cancer	613.39	3,288.47	436%
4	High blood press/heart disease	25.15	133.91	432%
22	Gi disorders	118.00	569.91	383%
25	Urinary disorders	39.17	183.43	368%
37	Skin infections	55.19	182.94	231%
26	Thyroid disorders	10.49	33.01	215%
2	High blood cholesterol	69.18	192.34	178%
1	Diabetes	139.89	374.25	168%
33	Migraine headaches	76.73	197.23	157%
16	Contraceptives	\$35.60	\$89.41	151%
24	Endocrine disorders	344.93	782.95	127%
36	Acne	122.06	275.93	126%

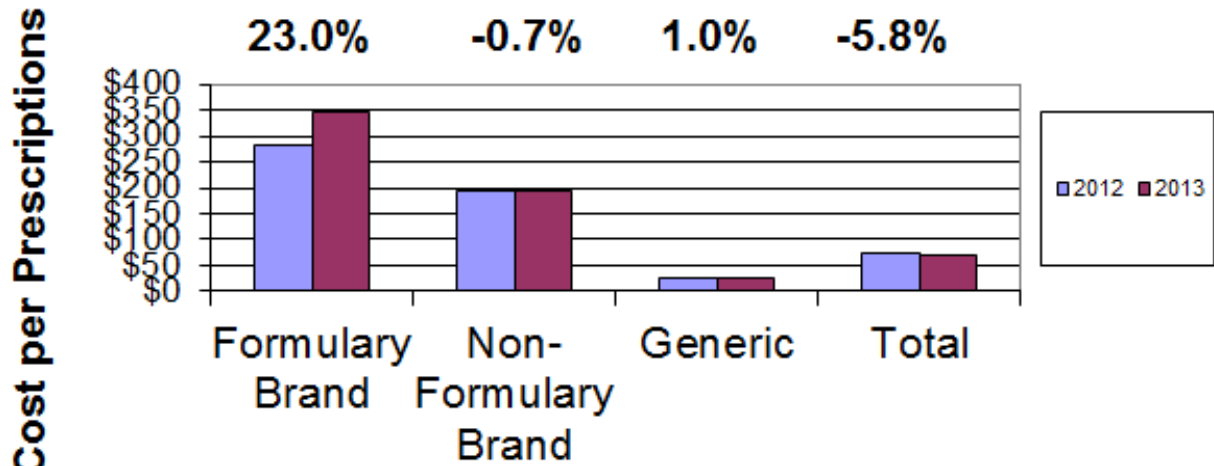
Drug Indicators by Highest Script Increase (continued)

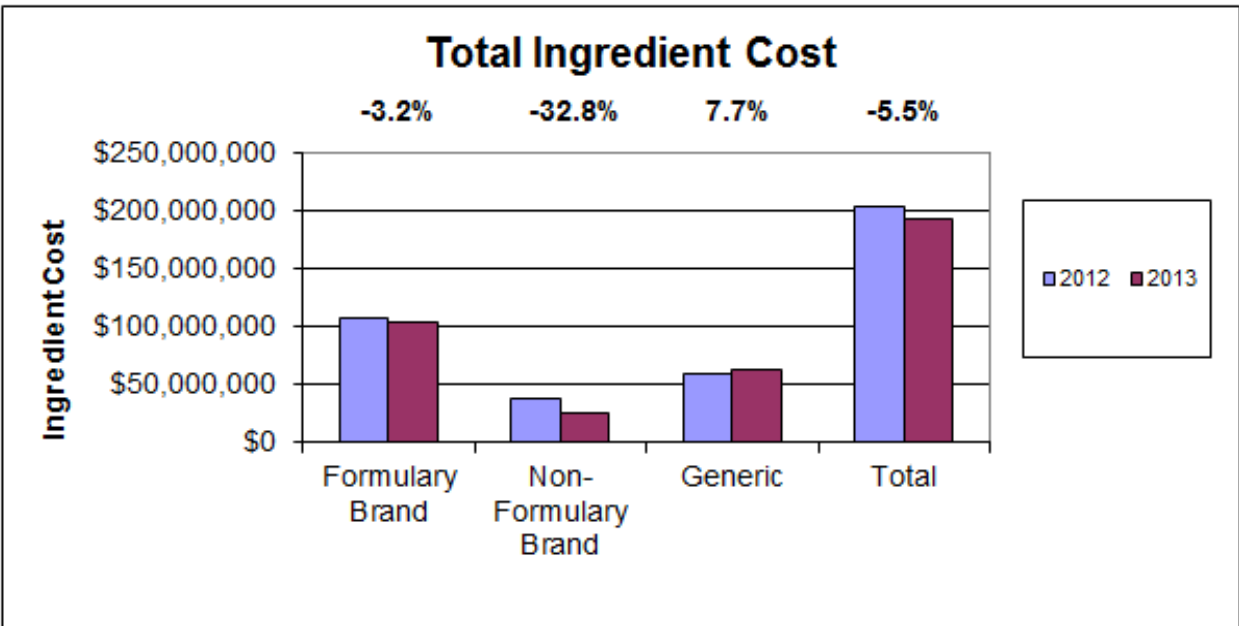
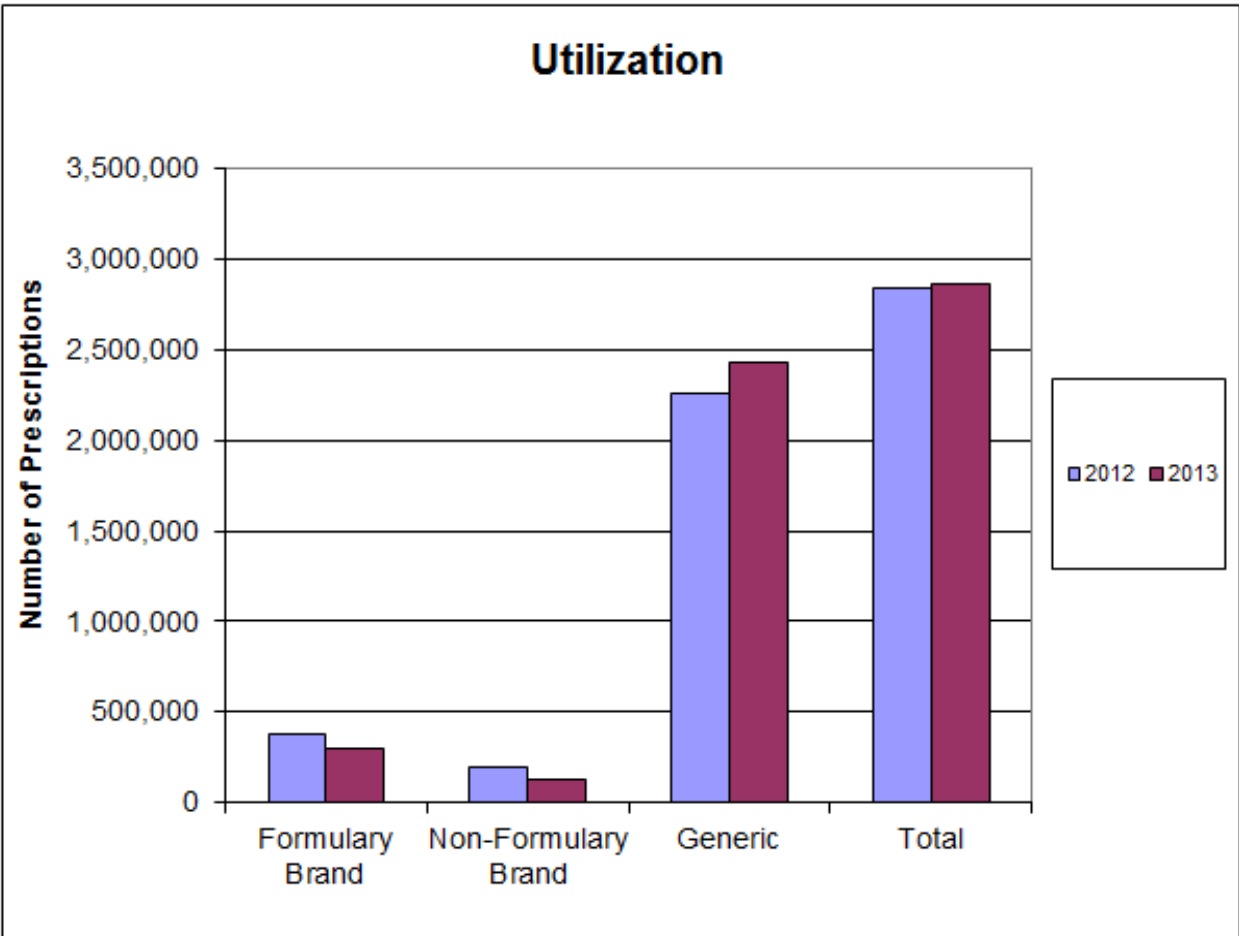
Rank	Indicator	Formulary Cost Per Script	Non-Formulary Cost Per Script	Increase/ Decrease
18	Anticoagulant	\$151.31	\$323.72	114%
29	Blood modifying	66.24	135.95	105%
35	Transplant	274.21	419.61	53%
12	Mental/neuro disorders	230.89	348.79	51%
19	Viral infections	117.27	168.17	43%
21	Growth deficiency	3,183.69	4,305.31	35%
9	Attention disorders/wt loss	184.12	225.20	22%
17	Misc conditions	296.71	358.75	21%
15	Hormonal supplementation	102.34	120.36	18%
34	Antidotes/addiction	178.79	195.24	9%
23	Eye conditions	119.60	125.20	5%
31	Respiratory conditions	6,103.18	N/A	0%
7	Multiple sclerosis	3,933.68	3,705.73	-6%
40	Hepatitis	2,789.32	2,596.54	-7%
30	Pain/cramps	32.46	28.26	-13%
3	Inflammatory conditions	1,407.16	1,001.26	-29%
28	COPD	298.71	187.54	-37%
5	Asthma	117.32	72.63	-38%
39	Blood cell deficiency	3,158.37	978.60	-69%
38	Pulmonary hypertension	5,940.13	1,636.40	-72%
	<u>All Other Indicators</u>	<u>27.52</u>	<u>127.35</u>	363%
	Grand Total	\$59.79	\$165.69	177%

Number of Prescriptions per Member



Ingredient Cost per Prescription





DIABETES

In FY 2013, the Diabetes category was first in cost to PEIA with expenditure of \$31,401,659, which accounted for 16.7% of total expenditures. Formulary expenditures were \$25,652,482 or 81.7% of Diabetes expenditures and total expenditures had a 5.9% trend from 2012 to 2013. It is noteworthy that the number of non-formulary prescriptions decreases by 20.4% and generic prescriptions increased 10.4%

Total expenditures have increased from \$14,161,011 in 2007 to \$31,401,659 in 2013, which results in a yearly trend of 14.2%. The cost per Generic script has increased by 4.2% per year since 2007, and the cost per formulary brand and non-formulary brand scripts has increased by 9.3% and 13.1% per year, respectively. The formulary brand cost trend, coupled with an increase in utilization of formulary brand scripts of 2.3% per year, accounts for most of the high trend in Diabetes drug costs.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2012	2013	Growth	2012	2013	Growth	2012	2013	Growth
Januvia	Yes	SSB	8,882	9,331	5.1%	\$340.96	\$376.84	10.5%	\$3,028,426	\$3,516,319	16.1%
Contour	Yes	SSB	19,032	18,810	-1.2%	139.96	136.46	-2.5%	2,663,712	2,566,859	-3.6%
Levemir Flexpen	Yes	SSB	4,426	5,241	18.4%	393.19	443.71	12.8%	1,740,262	2,325,494	33.6%
Lantus ¹	Yes	SSB	5,750	6,006	4.5%	318.27	384.28	20.7%	1,830,067	2,307,978	26.1%
Lantus Solostar	No	SSB	5,787	5,835	0.8%	345.67	387.27	12.0%	2,000,366	2,259,734	13.0%
<u>Subtotals</u>											
Generic	Yes	Generic	78,299	86,466	10.4%	\$20.90	\$33.33	59.5%	\$1,636,334	2,881,587	76.1%
Formulary Brand	Yes	Brand	96,392	96,916	0.5%	220.42	234.95	6.6%	21,246,289	22,770,895	7.2%
<u>Non-Formulary Brand</u>	<u>No</u>	<u>Brand</u>	<u>19,289</u>	<u>15,362</u>	<u>-20.4%</u>	<u>350.35</u>	<u>374.25</u>	<u>6.8%</u>	<u>6,757,951</u>	<u>5,749,177</u>	<u>-14.9%</u>
Total			193,980	198,744	2.5%	\$152.80	\$158.00	3.4%	\$29,640,575	\$31,401,659	5.9%
Trends Adjusted for Exposure					2.5%			3.4%			5.9%

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

HIGH BLOOD CHOLESTEROL

In FY 2013, the High Blood Cholesterol category was second in cost to PEIA with expenditure of \$13,746,124, which accounted for 7.3% of total expenditures overall. Formulary expenditures were \$12,649,960 or 92.0% of High Blood Cholesterol expenditures and total ingredient cost had a negative 25.4% trend.

Most noteworthy was the 48% reduction in non-formulary utilization for this category. Even formulary drugs experienced a 38% decline in utilization. This category also experienced a favorable 23% decline in average ingredient cost.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2012	2013	Growth	2012	2013	Growth	2012	2013	Growth
Crestor ¹	Yes	SSB	32,078	16,765	-47.7%	\$223.29	\$240.81	7.8%	\$7,162,791	\$4,037,253	-43.6%
Zetia	Yes	SSB	8,538	8,965	5.0%	208.39	243.82	17.0%	\$1,779,217	2,185,832	22.9%
Niaspan	Yes	SSB	6,305	5,341	-15.3%	237.97	299.64	25.9%	\$1,500,422	1,600,363	6.7%
Lovaza	Yes	Generic	6,981	29,639	324.6%	154.77	45.74	-70.4%	\$1,080,440	1,355,831	25.5%
Fenofibrate ¹	Yes	Generic	14,325	16,887	17.9%	74.06	78.24	5.6%	\$1,060,949	1,321,242	24.5%
<u>Subtotals</u>											
Generic	Yes	Generic	131,155	150,372	14.7%	\$30.80	\$28.10	-8.8%	\$4,039,761	\$4,225,617	4.6%
Formulary Brand	Yes	Brand	52,742	32,472	-38.4%	224.33	259.43	15.6%	11,831,520	8,424,343	-28.8%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>10,932</u>	<u>5,699</u>	<u>-47.9%</u>	<u>234.73</u>	<u>192.34</u>	<u>-18.1%</u>	<u>2,566,088</u>	<u>1,096,164</u>	<u>-57.3%</u>
Total			194,829	188,543	-3.2%	\$94.63	\$72.91	-23.0%	\$18,437,370	\$13,746,124	-25.4%
Trends Adjusted for Exposure											

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

INFLAMMATORY CONDITIONS

In FY 2013, this indicator category was third in cost to PEIA with expenditure of \$12,117,438, which accounted for 6.4% of total expenditures. Formulary expenditures were \$11,285,391 or 93.1% of Inflammatory Conditions expenditures. Total expenditures had a 25.7% trend.

For this category, both utilization and unit cost trends contributed to the indicator's overall trend. Utilization is driven by formulary brand drugs, and unit cost has increased the most for formulary drugs.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2012	2013	Growth	2012	2013	Growth	2012	2013	Growth
Humira	Yes	SSB	2,048	2,431	18.7%	\$2,085.85	\$2,417.45	15.9%	\$4,271,827	\$5,876,832	37.6%
Enbrel	Yes	SSB	1,581	1,715	8.5%	2,004.07	2,261.52	12.8%	3,168,441	3,878,506	22.4%
Pentasa	Yes	SSB	740	793	7.2%	650.52	691.27	6.3%	481,383	548,174	13.9%
Apriso	Yes	SSB	833	1,279	53.5%	442.07	383.11	-13.3%	368,241	489,997	33.1%
Simponi	No	SSB	206	165	-19.9%	2,066.87	2,278.62	10.2%	425,775	375,972	-11.7%
<u>Subtotals</u>											
Generic	Yes	Generic	4,859	1,544	-68.2%	\$1,011.72	\$82.33	-91.9%	\$4,915,960	\$127,113	-97.4%
Formulary Brand	Yes	Brand	78	6,476	8202.6%	772.47	1,723.02	123.1%	60,253	11,158,279	18419.1%
<u>Non-Formulary Brand</u>	<u>No</u>	<u>Brand</u>	<u>3,390</u>	<u>831</u>	<u>-75.5%</u>	<u>1,376.26</u>	<u>1,001.26</u>	<u>-27.2%</u>	<u>4,665,515</u>	<u>832,046</u>	<u>-82.2%</u>
Total			8,327	8,851	6.3%	\$1,157.89	\$1,369.05	18.2%	\$9,641,727	\$12,117,438	25.7%
Trends Adjusted for Exposure					6.3%			18.2%			25.7%

HIGH BLOOD PRESSURE/HEART DISEASE

In FY 2013, the High Blood Pressure/Heart Disease indicator category was fourth in cost to PEIA with expenditure of \$11,868,206, which accounted for 6.3% of total expenditures overall. Formulary expenditures were \$10,589,350 or 89.2% of High Blood Pressure/Heart Disease expenditures and total expenditures had a negative 9.4% trend.

This category has had a significant decrease of 50% for the utilization of non-formulary drugs and overall utilization was a relatively flat 0.8% increase. The overall shift from brand to generics reduced aggregate ingredient cost per prescription by 10.1%

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2012	2013	Growth	2012	2013	Growth	2012	2013	Growth
Diovan	Yes	SSB	9,692	9,523	-1.7%	\$177.39	\$210.71	18.8%	\$1,719,262	\$2,006,617	16.7%
Metoprolol Succinate	Yes	Generic	33,566	34,947	4.1%	46.82	34.55	-26.2%	1,571,420	1,207,519	-23.2%
Lisinopril	Yes	Generic	75,882	75,938	0.1%	11.87	10.60	-10.8%	900,988	804,609	-10.7%
Amlodipine Besylate-Benazepril	Yes	Generic	8,104	7,877	-2.8%	98.16	81.21	-17.3%	795,463	639,693	-19.6%
Losartan Potassium	Yes	Generic	15,336	21,142	37.9%	12.36	20.90	69.1%	189,534	441,929	133.2%
<u>Subtotals</u>											
Generic	Yes	Generic	395,844	409,064	3.3%	\$19.68	\$19.62	-0.3%	\$7,789,614	\$8,026,833	3.0%
Formulary Brand	Yes	Brand	12,085	11,919	-1.4%	182.17	214.99	18.0%	\$2,201,582	2,562,517	16.4%
<u>Non-Formulary Brand</u>	<u>No</u>	<u>Brand</u>	19,147	<u>9,550</u>	<u>-50.1%</u>	<u>162.22</u>	<u>133.91</u>	<u>-17.4%</u>	<u>\$3,105,964</u>	<u>1,278,856</u>	<u>-58.8%</u>
Total			427,076	430,533	0.8%	\$30.67	\$27.57	-10.1%	\$13,097,161	\$11,868,206	-9.4%
Trends Adjusted for Exposure					0.8%			-10.1%			-9.4%

ASTHMA

In FY 2013, the Asthma indicator category was fifth in cost to PEIA with expenditure of \$10,221,645, which accounted for 5.4% of total expenditures. Formulary expenditures were \$9,650,214 or 94.4% of Asthma expenditures and total expenditures had a -23.2% trend, largely due to the fact that the ingredient cost per prescription was favorably down at -29.6%. Again, Asthma non-formulary utilization decreased 14% in fiscal year 2013.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2012	2013	Growth	2012	2013	Growth	2012	2013	Growth
Singular	Y	SSB	10,559	10,330	-2.2%	\$293.82	\$326.33	11.1%	\$3,102,489	\$3,371,030	8.7%
Montelukast Sodium ¹	Y	Generic	0	31,561	NA	NA	52.67	NA	0	1,662,164	NA
Symbicort	Y	SSB	3,233	3,993	23.5%	243.02	261.60	7.6%	785,691	1,044,579	33.0%
Proair HFA ¹	Y	SSB	17,216	18,597	8.0%	47.53	53.03	11.6%	818,359	986,108	20.5%
Singular ¹	Y	SSB	28,944	3,062	-89.4%	206.72	201.78	-2.4%	5,983,415	617,864	-89.7%
<u>Subtotals</u>											
Generic	Y	Generic	8,535	41,109	381.7%	\$69.84	\$57.86	-17.2%	\$596,093	\$2,378,374	299.0%
Formulary Brand	Y	Brand	64,926	41,149	-36.6%	182.17	176.72	-3.0%	11,827,268	7,271,840	-38.5%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>9,134</u>	<u>7,868</u>	<u>-13.9%</u>	<u>97.20</u>	<u>72.63</u>	<u>-25.3%</u>	<u>887,845</u>	<u>571,430</u>	<u>-35.6%</u>
Total			82,595	90,126	9.1%	\$161.16	\$113.42	-29.6%	\$13,311,206	\$10,221,645	-23.2%
Trends Adjusted for Exposure					9.1%			-29.6%			-23.2%

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

CANCER

In FY 2013, the Cancer category was tenth in cost to PEIA with expenditure of \$6,437,163, which accounted for 3.4% of total expenditures. Formulary expenditures were \$6,279,316 or 97.5% of total Cancer expenditures and we reviewed the cancer category because it represented the second largest dollar increase in fiscal year 2013.

Overall, total expenditures increased 33.9% in fiscal year 2013, largely driven by a 26.4% increase in average prescription cost.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2012	2013	Growth	2012	2013	Growth	2012	2013	Growth
Gleevec	Yes	SSB	170	133	-21.8%	\$5,514.67	\$5,808.65	5.3%	\$937,493	\$772,550	-17.6%
Sprycel	Yes	SSB	50	67	34.0%	7,078.95	8,421.16	19.0%	353,947	564,218	59.4%
Revlimid	Yes	SSB	40	69	72.5%	7,563.91	7,950.25	5.1%	302,556	548,567	81.3%
Xeloda	Yes	SSB	243	203	-16.5%	2,070.43	2,401.90	16.0%	503,116	487,586	-3.1%
Sutent	Yes	SSB	47	51	8.5%	7,488.73	8,862.85	18.3%	351,970	452,005	28.4%
Afinitor	Yes	SSB	27	45	66.7%	7,342.94	9,317.86	26.9%	198,259	419,304	111.5%
Tarceva	Yes	SSB	78	80	2.6%	4,382.87	5,089.73	16.1%	341,864	407,179	19.1%
Inlyta	Yes	SSB	4	32	700.0%	8,996.40	9,965.96	10.8%	35,986	318,911	786.2%
Temodar	Yes	SSB	95	96	1.1%	3,130.95	3,182.05	1.6%	297,440	305,477	2.7%
Jakafi	Yes	SSB	0	23	NA	NA	10,946.35	NA	0	251,766	NA
Methotrexate ¹	Yes	Generic	248	4,418	1681.5%	6.63	44.78	575.6%	1,644	197,818	11935.3%
<u>Subtotals</u>											
Generic	Yes	Generic	8,655	9,232	6.7%	\$36.92	\$56.32	52.5%	\$319,557	\$519,926	62.7%
Formulary Brand	Yes	Brand	996	1,003	0.7%	4,370.08	5,742.14	31.4%	4,352,602	5,759,363	32.3%
<u>Non-Formulary Brand</u>	<u>No</u>	<u>Brand</u>	<u>56</u>	<u>48</u>	<u>-14.3%</u>	<u>2,447.59</u>	<u>3,288.47</u>	<u>34.4%</u>	<u>137,065</u>	<u>157,847</u>	<u>15.2%</u>
Total			9,707	10,283	5.9%	\$495.44	\$626.00	26.4%	\$4,809,224	\$6,437,136	33.8%
Trends Adjusted for Exposure					5.9%			26.4%			33.9%

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

MULTIPLE SCLEROSIS

In FY 2013, the Multiple Sclerosis indicator category was seventh in cost to PEIA with expenditure of \$7,636,718, which accounted for 4.0% of total expenditures. Formulary expenditures were \$6,828,869 or 89.4% of Multiple Sclerosis expenditures and we reviewed this category since it represented the fifth largest dollar increase in fiscal year 2013.

This category is unique in that no generic options are available and overall expenditures increased 12.1%, largely driven by a 15.4% increase in average prescriptions.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2012	2013	Growth	2012	2013	Growth	2012	2013	Growth
Copaxone	Yes	SSB	798	804	0.8%	\$3,813.48	\$4,339.75	13.8%	\$3,043,160	\$3,489,163	14.7%
Avonex ¹	Yes	SSB	436	402	-7.8%	3,300.18	3,774.92	14.4%	1,438,878	1,517,518	5.5%
Rebif	Yes	SSB	254	214	-15.7%	3,310.22	3,917.13	18.3%	840,797	838,266	-0.3%
Gilenya	Yes	SSB	158	175	10.8%	4,003.89	4,554.80	13.8%	632,615	797,090	26.0%
Betaseron	Yes	SSB	177	133	-24.9%	3,404.19	4,073.54	19.7%	602,542	541,780	-10.1%
<u>Subtotals</u>											
Generic	Yes	Generic	0	0	NA	NA	NA	NA	\$0	\$0	NA
Formulary Brand	Yes	Brand	1,785	1,736	-2.7%	3,367.14	3,933.68	16.8%	6,010,345	6,828,869	13.6%
<u>Non-Formulary Brand</u>	<u>No</u>	<u>Brand</u>	<u>226</u>	<u>218</u>	<u>-3.5%</u>	<u>3,541.82</u>	<u>3,705.73</u>	<u>4.6%</u>	<u>800,452</u>	<u>807,849</u>	<u>0.9%</u>
Total			2,011	1,954	-2.8%	\$3,386.77	\$3,908.25	15.4%	\$6,810,796	\$7,636,718	12.1%
Trends Adjusted for Exposure					-2.8%			15.4%			12.1%

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