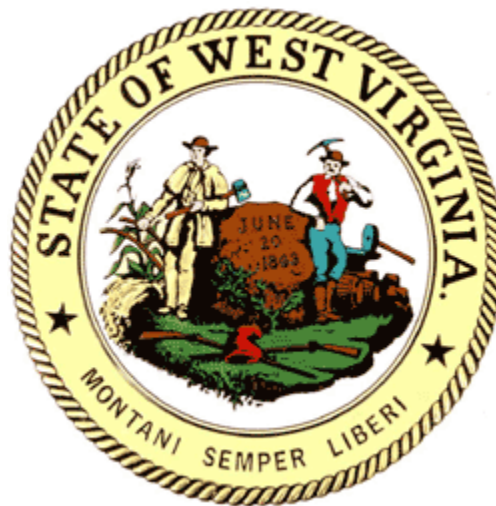




CCRC
Actuaries, LLC

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

Fiscal Year 2014

Detailed Medical and Prescription Drugs Claim Trend Report

September 2014

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West Virginia Public Employees Insurance Agency Report of Independent Actuary

Fiscal Year 2014 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, 2014 on a quarterly basis and the forecasting of Fiscal Years 2015 through 2019. This annual trend report to the Finance Board serves as the basis for projecting medical and drugs claims through Fiscal Year 2014 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 July 2014. 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 calendar year, will be covered on a secondary basis by the PPB Plan until the beginning of the next calendar 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”), 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 48-month credible periods ending May 2014. Our analysis for medical claims do not include incurred claims for the months after May 2014, 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 as of July 2014.

KEY FINDINGS - MEDICAL

- The 24-month, 36-month and 48-month 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 increased from 0.9% last year to 4.1% in Fiscal Year 2014 using a 24-month study period. Using the 24-month analysis, PEIA experienced a -0.4% utilization decrease and a 4.5% unit cost increase, resulting in an aggregate trend of 4.1%. 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.

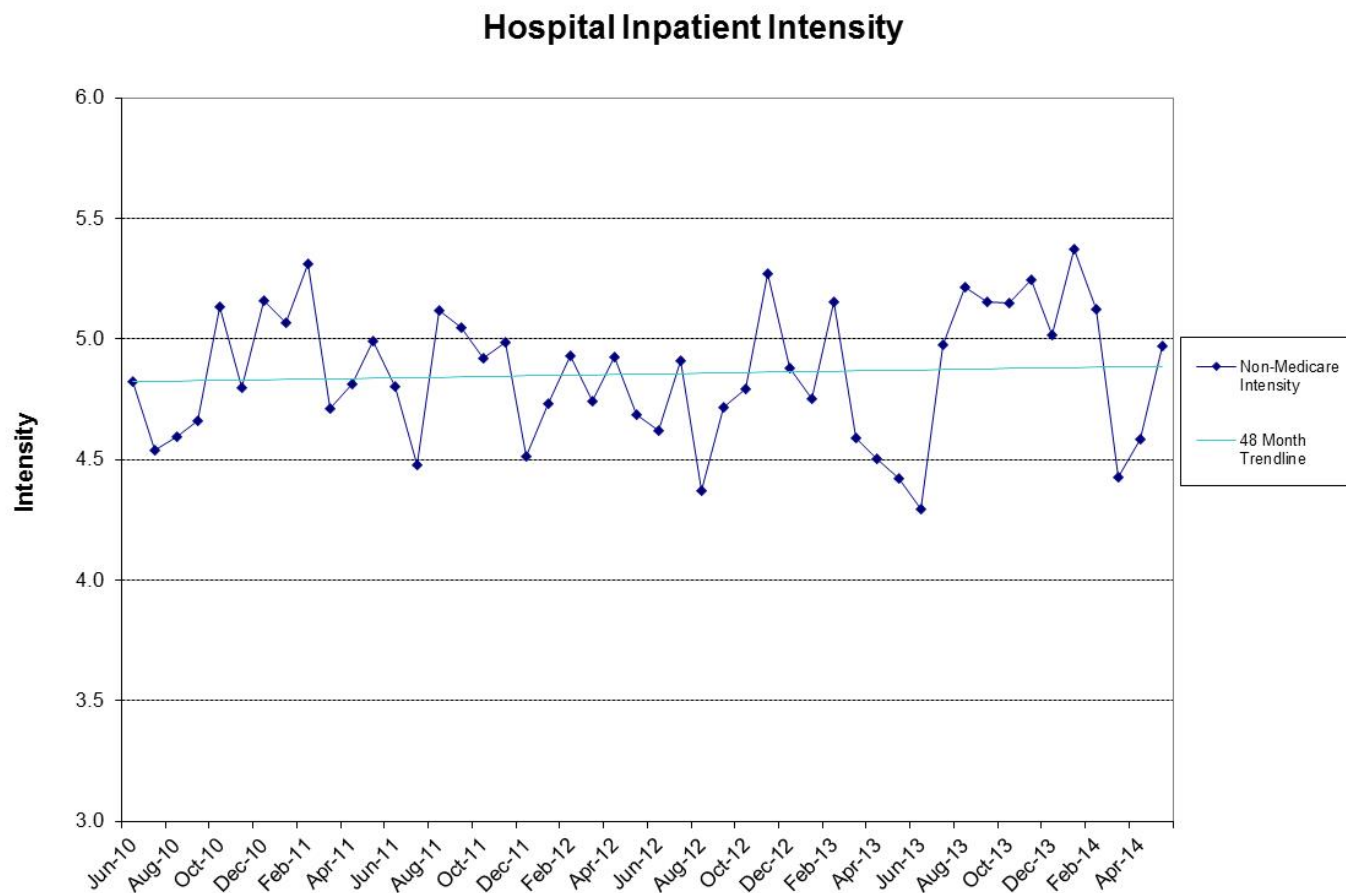
| West Virginia PEIA Non-Medicare Total 24-Month Trend Analysis | | | |
|--|--------------------|---------------------|--------------------|
| | <u>Utilization</u> | <u>Cost/Service</u> | <u>Total Trend</u> |
| 2002 | 4.1% | 3.6% | 7.8% |
| 2003 | 9.8% | -3.0% | 6.5% |
| 2004 | 11.7% | -6.8% | 4.0% |
| 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% |
| 2014 | -0.4% | 4.5% | 4.1% |

- Fiscal Year 2014 PEIA and Retiree Health Benefit Trust Fund (RHBT) 24-month detail trends are shown in the following table:

| Fiscal Year 2014 Claim Type | Medical | Drugs |
|--|----------------|--------------|
| PEIA – Active Local | 5.0% | 9.7% |
| <u>PEIA – State</u> | <u>4.2%</u> | <u>8.1%</u> |
| PEIA – Total | 4.3% | 8.3% |
| RHBT – Non-Medicare | 6.6% | 6.9% |
| Grand Total | 4.7% | 8.1% |

- Hospital Inpatient services (“HI”) represent approximately 19% of all medical services and experienced the second favorable trend of the broader claim categories with a total trend of 3.2%. This increasing trend was caused by a 0.2% reduction in utilization and a 3.4% increase in unit cost.
- Hospital Outpatient services (“HO”) represent approximately 34% of all medical services and experienced the third favorable trend of the broader claim categories with a total trend of 6.1%. This increasing trend was caused by a 0.2% reduction in utilization and a 6.3% increase in unit cost.
- Physician Services (“PS”) represent approximately 44% of all medical services and experienced the most favorable trend of the broader claim categories with a total trend of 1.8%. This increasing trend was a result of a 1.0% reduction in utilization of these services and a 2.9% increase in unit cost.
- Other services (“O”), 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 19.3%. This increasing trend was caused by a 4.3% increase in utilization of these services and a 14.3% increase in unit cost.
- Overall, Out-of-State services show slightly higher trends for Non-Medicare coverages in the 24-month analysis, with higher unit cost increases for Physician Services and Other 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 4.3% and an Out-of-State trend of 4.5%. 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 -0.4%, while the Out-of-State trend was -3.3%. For In-State, the cost per service trend for Non-Medicare was 4.6%, while the Out-of-State trend was 8.1%. The Out-of-State trend increase was fairly consistent for the major categories except for the Hospital Inpatient’s Psychiatric/Substance Abuse, Physician Services’ Other Services, and Other’s Other Services categories where we observed unfavorable upward trends of 30.1%, 35.2% and 35.5%, respectively.
- 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 continued to combine 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 0.3%, compared to -1.4% 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 | -2.9% | -3.4% | -3.0% |
| Intensity | 2.9% | 1.1% | 0.3% |
| <u>Cost/Day</u> | <u>-0.3%</u> | <u>1.6%</u> | <u>2.1%</u> |
| Total | -0.3% | -0.8% | -0.5% |

KEY FINDINGS - DRUGS

- Overall, prescription drugs trends for Non-Medicare coverages have increased significantly compared to -3.0% last year. Using the 24-month analysis, we observed a 0.6% utilization increase and a 4.5% prescription cost increase, resulting in an aggregate trend of 5.1%. 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 2014 | 0.6% | 4.5% | 5.1% |

METHODOLOGY

HealthSmart provided allowed and paid claim information for Non-Medicare and Medicare eligibility from July 2001 through July 2014. This data set was analyzed on Non-Medicare claims that were incurred from June 2010 through May 2014 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 May 2011</u> | <u>12 months ending May 2012</u> | <u>12 months ending May 2013</u> | <u>12 months ending May 2014</u> |
|-----------------------------------|---|---|---|---|
| Hospital Inpatient | \$104,680,151 | \$103,532,587 | \$101,027,639 | \$101,888,463 |
| Hospital Outpatient | 153,587,637 | 166,573,316 | 175,392,603 | 180,589,296 |
| Physician Services | 220,235,494 | 232,035,882 | 231,083,616 | 227,810,771 |
| Other Services | 14,140,935 | 15,043,727 | 16,868,938 | 18,471,006 |
| Total | \$492,644,217 | \$517,185,513 | \$524,372,796 | \$528,759,535 |

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>June 2010 to May 2011</u> | <u>June 2011 to May 2012</u> | <u>June 2012 to May 2013</u> | <u>June 2013 to May 2014</u> |
|-----------------------------------|---|---|---|---|
| HI Maternity | \$2,854,393 | \$3,178,429 | \$3,468,292 | \$3,627,035 |
| HI Medical/Surgical | 98,427,828 | 95,566,734 | 93,590,166 | 93,679,765 |
| HI Psychiatric/Substance Abuse | 3,397,929 | 4,787,424 | 3,969,181 | 4,581,662 |
| HO Emergency Room | 22,908,961 | 25,180,637 | 26,635,864 | 28,766,858 |
| HO Medical/Surgical | 75,499,741 | 81,831,987 | 89,567,476 | 91,473,826 |
| HO Other Services | 53,862,438 | 57,672,256 | 57,218,541 | 58,261,913 |
| HO Psychiatric/Substance Abuse | 1,316,497 | 1,888,437 | 1,970,723 | 2,086,698 |
| PS Anesthesia | 10,910,627 | 11,287,281 | 11,145,913 | 11,152,446 |
| PS Chemotherapy/Radiation | 3,667,387 | 4,575,125 | 4,579,720 | 3,869,640 |
| PS Emergency Room | 5,527,008 | 5,619,617 | 5,597,328 | 5,582,325 |
| PS Immunizations/Allergy | 5,907,698 | 6,690,689 | 7,241,583 | 7,113,067 |
| PS Inpatient Surgery | 9,475,473 | 9,567,314 | 9,183,559 | 8,131,597 |
| PS Inpatient Visits | 7,437,957 | 7,084,571 | 7,033,795 | 6,528,967 |
| PS Lab & Pathology | 16,739,322 | 17,947,966 | 17,883,501 | 16,651,269 |
| PS Maternity | 3,181,469 | 3,710,668 | 4,002,819 | 4,102,618 |
| PS Office Visits | 67,577,079 | 68,929,896 | 68,155,631 | 65,815,949 |
| PS Other Services | 40,217,505 | 43,807,103 | 44,059,921 | 47,872,331 |
| PS Outpatient Surgery | 17,450,197 | 18,281,914 | 17,603,491 | 16,398,989 |
| PS Psychiatric/Substance Abuse | 9,011,190 | 9,783,390 | 10,594,204 | 11,595,758 |
| PS Radiology | 15,858,808 | 16,469,821 | 16,097,207 | 14,994,720 |
| PS Therapy/Rehab | 7,273,777 | 8,280,526 | 7,904,945 | 8,001,096 |
| O Ambulance | 3,522,774 | 3,357,193 | 3,014,196 | 3,223,248 |
| O Durable Medical Equipment | 7,245,457 | 7,389,745 | 7,667,481 | 8,147,031 |
| O Other Services | 3,372,704 | 4,296,790 | 6,187,261 | 7,100,728 |

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 six 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 2011 through 2014 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 | 2.4% | 4.1% |
| 36-Month Trend | 1.5% | 2.7% |
| 48-Month Trend | 2.3% | 3.1% |

TOP 5 CATEGORIES

The following charts give detail on the top 5 increases by utilization, cost per service, and cost per capita. Notably, O-Other Services experienced the largest increase in cost per service and cost per capita. HI-Psychiatric/Substance abuse experienced the highest utilization increase and second highest cost per capita increase.

| <u>Top 5 Highest Percentage in Utilization Increases (24-Month Trend)</u> | | | |
|--|--------------------|--------------------|------------------|
| | 2013 Average | 2014 Average | Top 5 |
| <u>Category</u> | <u>Utilization</u> | <u>Utilization</u> | <u>Highest %</u> |
| HI- Psychiatric / Substance Abuse | 0.00032 | 0.00037 | 17.6% |
| HI-Maternity | 0.00066 | 0.00073 | 10.7% |
| PS-Maternity | 0.00180 | 0.00197 | 9.7% |
| O- Appliances (DME) | 0.02845 | 0.03113 | 9.4% |
| PS- Psychiatric / Substance Abuse | 0.06104 | 0.06524 | 6.9% |

| <u>Top 5 Highest Percentage in Cost / Service Increases (24-Month Trend)</u> | | | |
|---|-----------------------|-----------------------|------------------|
| | 2013 Average | 2014 Average | Top 5 |
| <u>Category</u> | <u>Cost / Service</u> | <u>Cost / Service</u> | <u>Highest %</u> |
| O-Other Services | \$177.06 | \$226.93 | 28.2% |
| O- Ambulance | 240.42 | 279.18 | 16.1% |
| PS-Other Services | 76.16 | 86.39 | 13.4% |
| PS-Immunizations / Injections / Allergy | 36.05 | 40.55 | 12.5% |
| HO- Emergency Room | 588.63 | 636.36 | 8.1% |

| <u>Top 5 Highest Percentage in Cost / Capita Increases (24-Month Trend)</u> | | | |
|--|----------------------|----------------------|------------------|
| | 2013 Average | 2014 Average | Top 5 |
| <u>Category</u> | <u>Cost / Capita</u> | <u>Cost / Capita</u> | <u>Highest %</u> |
| O-Other Services | \$2.71 | \$3.58 | 32.4% |
| HI- Psychiatric / Substance Abuse | 1.86 | 2.25 | 21.1% |
| PS- Psychiatric / Substance Abuse | 4.83 | 5.53 | 14.5% |
| HI-Maternity | 1.59 | 1.78 | 12.0% |
| O-Appliances (DME) | 3.50 | 3.91 | 11.6% |

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 of 5.5% for FY 2015. Consequently, at this time we believe it is appropriate to change the FY 2015 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 of 8.5% for FY 2015. At this time we believe it is appropriate to change the FY 2015 drugs claim trend assumptions for Non-Medicare drugs to 8.0%

Both changes are shown in the following chart.

| | <u>Fiscal Year 2015 Trends</u> | | |
|-----------------------------------|---------------------------------------|--------------------|--------|
| Claim Type | Previous Assumption | Updated Assumption | Change |
| Non-Medicare – Medical | 5.5% | 5.0% | -0.5% |
| Non-Medicare – Prescription Drugs | 8.5% | 8.0% | -0.5% |

In the past, claim trends for the financial plan included a 0.5% margin in future years. It should be noted that we have assumed the medical and drugs claim trends for the financial projection will increase by 0.5% in FY 2016 and in each successive fiscal year. 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., F.C.A., M.A.A.A.

Managing Partner



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Senior Actuarial Consultant

West Virginia PEIA Non-Medicare Total Study Period of June 2010 to May 2014

Trends Summary - Excludes Drugs

| | 24 Month Trends Summary | | | | 36 Month Trends Summary | | | | 48 Month Trends Summary | | | |
|--------------------------------------|-------------------------|-----------------------|--------------------|---------------|-------------------------|-----------------------|--------------------|---------------|-------------------------|-----------------------|--------------------|---------------|
| | <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> | <u>Weight</u> | <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> | <u>Weight</u> | <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> | <u>Weight</u> |
| HOSPITAL INPATIENT | | | | | | | | | | | | |
| Maternity | 10.7% | 1.2% | 12.0% | 0.7% | 6.2% | 3.7% | 10.1% | 0.7% | 4.2% | 5.5% | 10.0% | 0.6% |
| Medical / Surgical | -1.4% | 3.5% | 2.0% | 17.8% | -3.3% | 3.9% | 0.4% | 18.0% | -3.6% | 3.1% | -0.6% | 18.5% |
| Psychiatric / Substance Abuse | 17.6% | 3.0% | 21.1% | 0.8% | 7.4% | -3.6% | 3.4% | 0.8% | 6.8% | 3.3% | 10.3% | 0.8% |
| TOTAL | -0.2% | 3.4% | 3.2% | 19.3% | -2.5% | 3.5% | 0.9% | 19.5% | -2.9% | 3.2% | 0.2% | 19.9% |
| HOSPITAL OUTPATIENT | | | | | | | | | | | | |
| Emergency Room | 3.0% | 8.1% | 11.4% | 5.3% | 1.1% | 7.7% | 8.9% | 5.1% | 2.2% | 6.3% | 8.6% | 5.0% |
| Medical / Surgical | 0.0% | 5.5% | 5.4% | 17.2% | 7.8% | -1.7% | 5.9% | 16.7% | 10.3% | -3.4% | 6.6% | 16.4% |
| Other Services | -2.2% | 7.0% | 4.6% | 11.0% | -2.4% | 4.9% | 2.3% | 11.0% | -1.0% | 4.0% | 3.0% | 11.0% |
| Psychiatric / Substance Abuse | 5.5% | 0.7% | 6.2% | 0.4% | 6.3% | -1.7% | 4.4% | 0.4% | 12.7% | 0.2% | 12.9% | 0.4% |
| TOTAL | -0.2% | 6.3% | 6.1% | 33.8% | 3.3% | 1.9% | 5.3% | 33.3% | 5.3% | 0.6% | 6.0% | 32.8% |
| PHYSICIAN SERVICES | | | | | | | | | | | | |
| Anesthesia | 0.9% | -0.4% | 0.5% | 2.1% | 1.7% | -1.7% | -0.1% | 2.1% | 2.1% | -1.4% | 0.6% | 2.2% |
| Chemotherapy / Radiation | -12.6% | 7.2% | -6.4% | 0.8% | -6.1% | 1.8% | -4.5% | 0.8% | -1.0% | 3.7% | 2.6% | 0.8% |
| Emergency Room | 1.7% | 2.1% | 3.8% | 1.1% | 0.1% | 1.5% | 1.6% | 1.1% | 0.9% | 0.1% | 1.0% | 1.1% |
| Immunizations / Injections / Allergy | -17.2% | 12.5% | -6.8% | 1.4% | -5.1% | 5.7% | 0.4% | 1.3% | 0.2% | 4.3% | 4.5% | 1.3% |
| Inpatient Surgery | -5.7% | -3.7% | -9.1% | 1.6% | -4.6% | -3.0% | -7.5% | 1.7% | -7.6% | 2.0% | -5.7% | 1.8% |
| Inpatient Visits | 1.5% | -3.9% | -2.5% | 1.3% | -0.9% | -1.4% | -2.3% | 1.3% | -1.7% | -1.3% | -3.0% | 1.4% |
| Lab & Pathology | 1.2% | -4.0% | -2.8% | 3.3% | 0.1% | -1.6% | -1.6% | 3.3% | 0.7% | 0.0% | 0.7% | 3.4% |
| Maternity | 9.7% | -4.5% | 4.7% | 0.8% | 6.7% | 0.0% | 6.8% | 0.8% | 4.9% | 4.4% | 9.6% | 0.7% |
| Office Visits | 0.3% | 1.1% | 1.4% | 12.7% | -1.4% | 1.1% | -0.2% | 12.9% | -1.1% | 1.2% | 0.1% | 13.1% |
| Other Services | -3.6% | 13.4% | 9.4% | 8.7% | -2.4% | 8.4% | 5.7% | 8.6% | 0.3% | 5.8% | 6.0% | 8.5% |
| Outpatient Surgery | -1.8% | -3.9% | -5.6% | 3.2% | 1.2% | -5.9% | -4.7% | 3.3% | 1.9% | -3.9% | -2.1% | 3.4% |
| Psychiatric / Substance Abuse | 6.9% | 7.2% | 14.5% | 2.1% | 6.7% | 4.1% | 11.0% | 2.0% | 8.4% | 0.9% | 9.3% | 2.0% |
| Radiology | -0.3% | -4.0% | -4.2% | 3.0% | -0.4% | -2.9% | -3.3% | 3.0% | -1.1% | -0.7% | -1.8% | 3.1% |
| Therapies | 0.1% | 4.3% | 4.4% | 1.5% | -1.9% | 2.6% | 0.7% | 1.5% | 1.0% | 2.4% | 3.4% | 1.5% |
| TOTAL | -1.0% | 2.9% | 1.8% | 43.6% | -0.8% | 1.5% | 0.6% | 44.0% | 0.1% | 1.5% | 1.6% | 44.2% |
| OTHER | | | | | | | | | | | | |
| Ambulance | -6.6% | 16.1% | 8.5% | 0.6% | -1.1% | 0.2% | -0.9% | 0.6% | 0.3% | -4.0% | -3.7% | 0.6% |
| Appliances (DME) | 9.4% | 2.0% | 11.6% | 1.5% | 6.5% | 0.7% | 7.2% | 1.5% | 5.5% | -0.5% | 5.0% | 1.5% |
| Other Services | 3.3% | 28.2% | 32.4% | 1.3% | 12.0% | 19.3% | 33.5% | 1.1% | 17.7% | 11.1% | 30.8% | 1.0% |
| TOTAL | 4.3% | 14.3% | 19.3% | 3.4% | 7.0% | 7.1% | 14.5% | 3.2% | 8.4% | 2.6% | 11.2% | 3.1% |
| GRAND TOTAL | -0.4% | 4.5% | 4.1% | 100.0% | 0.5% | 2.2% | 2.7% | 100.0% | 1.5% | 1.6% | 3.1% | 100.0% |

West Virginia PEIA Non-Medicare Total Study Period of June 2012 to May 2014

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 | 11.9% | 2.8% | 14.9% | 15.6% | 4.7% | 21.1% | 10.7% | 1.2% | 12.0% | 0.6% | 0.9% | 0.7% |
| Medical / Surgical | -0.3% | 7.0% | 6.7% | -7.3% | 8.9% | 1.0% | -1.4% | 3.5% | 2.0% | 12.2% | 30.9% | 17.8% |
| Psychiatric / Substance Abuse | 16.1% | 0.3% | 16.4% | 12.7% | 15.4% | 30.1% | 17.6% | 3.0% | 21.1% | 0.8% | 1.0% | 0.8% |
| TOTAL | 1.1% | 6.5% | 7.7% | -6.0% | 9.0% | 2.4% | -0.2% | 3.4% | 3.2% | 13.5% | 32.8% | 19.3% |
| HOSPITAL OUTPATIENT | | | | | | | | | | | | |
| Emergency Room | 3.7% | 9.3% | 13.3% | -3.3% | 8.2% | 4.6% | 3.0% | 8.1% | 11.4% | 5.7% | 3.9% | 5.3% |
| Medical / Surgical | 1.3% | 5.9% | 7.2% | -11.1% | 12.2% | -0.3% | 0.0% | 5.5% | 5.4% | 17.0% | 16.8% | 17.2% |
| Other Services | -2.0% | 7.3% | 5.1% | -5.0% | 8.4% | 3.0% | -2.2% | 7.0% | 4.6% | 11.5% | 9.6% | 11.0% |
| Psychiatric / Substance Abuse | 5.6% | 14.9% | 21.3% | 5.4% | -9.2% | -4.3% | 5.5% | 0.7% | 6.2% | 0.2% | 0.8% | 0.4% |
| TOTAL | 0.6% | 7.0% | 7.6% | -7.8% | 10.0% | 1.4% | -0.2% | 6.3% | 6.1% | 34.4% | 31.1% | 33.8% |
| PHYSICIAN SERVICES | | | | | | | | | | | | |
| Anesthesia | 1.1% | 0.1% | 1.2% | -0.5% | -1.3% | -1.8% | 0.9% | -0.4% | 0.5% | 2.3% | 1.7% | 2.1% |
| Chemotherapy / Radiation | -14.7% | -3.7% | -17.8% | -1.2% | 24.0% | 22.5% | -12.6% | 7.2% | -6.4% | 0.8% | 0.9% | 0.8% |
| Emergency Room | 2.6% | 3.0% | 5.7% | -8.7% | 4.0% | -5.1% | 1.7% | 2.1% | 3.8% | 1.3% | 0.6% | 1.1% |
| Immunizations / Injections / Allergy | -17.7% | 12.5% | -7.4% | -9.9% | 9.5% | -1.4% | -17.2% | 12.5% | -6.8% | 1.7% | 0.5% | 1.4% |
| Inpatient Surgery | -4.7% | -0.9% | -5.6% | -9.5% | -8.8% | -17.5% | -5.7% | -3.7% | -9.1% | 1.7% | 1.6% | 1.6% |
| Inpatient Visits | 1.5% | -3.3% | -1.8% | 1.1% | -6.2% | -5.2% | 1.5% | -3.9% | -2.5% | 1.5% | 0.9% | 1.3% |
| Lab & Pathology | -7.5% | -3.7% | -10.9% | 9.8% | -7.1% | 2.0% | 1.2% | -4.0% | -2.8% | 2.2% | 6.3% | 3.3% |
| Maternity | 9.3% | -3.2% | 5.8% | 13.2% | -12.3% | -0.7% | 9.7% | -4.5% | 4.7% | 0.9% | 0.3% | 0.8% |
| Office Visits | 0.6% | 1.1% | 1.8% | -3.1% | 1.7% | -1.5% | 0.3% | 1.1% | 1.4% | 16.3% | 4.9% | 12.7% |
| Other Services | -3.9% | 6.3% | 2.2% | -0.9% | 36.4% | 35.2% | -3.6% | 13.4% | 9.4% | 9.4% | 7.2% | 8.7% |
| Outpatient Surgery | -0.5% | -1.1% | -1.6% | -9.0% | -9.4% | -17.6% | -1.8% | -3.9% | -5.6% | 3.6% | 2.5% | 3.2% |
| Psychiatric / Substance Abuse | 6.4% | 8.6% | 15.5% | 8.6% | -0.7% | 7.9% | 6.9% | 7.2% | 14.5% | 2.5% | 0.9% | 2.1% |
| Radiology | 0.0% | -4.2% | -4.2% | -2.4% | -2.1% | -4.4% | -0.3% | -4.0% | -4.2% | 3.4% | 2.1% | 3.0% |
| Therapies | 0.7% | 4.7% | 5.4% | -7.2% | -2.9% | -9.9% | 0.1% | 4.3% | 4.4% | 2.1% | 0.3% | 1.5% |
| TOTAL | -1.2% | 1.9% | 0.7% | -0.1% | 6.4% | 6.3% | -1.0% | 2.9% | 1.8% | 49.8% | 30.6% | 43.6% |
| OTHER | | | | | | | | | | | | |
| Ambulance | -5.9% | 23.3% | 16.0% | -12.8% | -5.5% | -17.6% | -6.6% | 16.1% | 8.5% | 0.7% | 0.4% | 0.6% |
| Appliances (DME) | -10.1% | 8.6% | -2.4% | 29.3% | -9.6% | 16.8% | 9.4% | 2.0% | 11.6% | 1.0% | 2.9% | 1.5% |
| Other Services | 1.9% | 22.8% | 25.1% | 16.9% | 15.9% | 35.5% | 3.3% | 28.2% | 32.4% | 0.8% | 2.3% | 1.3% |
| TOTAL | -5.1% | 17.2% | 11.2% | 21.3% | 1.2% | 22.7% | 4.3% | 14.3% | 19.3% | 2.4% | 5.5% | 3.4% |
| GRAND TOTAL | -0.4% | 4.6% | 4.3% | -3.3% | 8.1% | 4.5% | -0.4% | 4.5% | 4.1% | 100.0% | 100.0% | 100.0% |

West Virginia PEIA Non-Medicare Total Study Period of June 2011 to May 2014

36 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 | 6.9% | 4.0% | 11.2% | 5.0% | 8.5% | 14.0% | 6.2% | 3.7% | 10.1% | 0.6% | 0.9% | 0.7% |
| Medical / Surgical | -2.6% | 4.8% | 2.1% | -7.1% | 6.3% | -1.3% | -3.3% | 3.9% | 0.4% | 12.2% | 31.7% | 18.0% |
| Psychiatric / Substance Abuse | 0.9% | 1.2% | 2.1% | 16.1% | -6.4% | 8.7% | 7.4% | -3.6% | 3.4% | 0.8% | 1.1% | 0.8% |
| TOTAL | -2.0% | 4.5% | 2.4% | -6.1% | 5.9% | -0.5% | -2.5% | 3.5% | 0.9% | 13.5% | 33.7% | 19.5% |
| HOSPITAL OUTPATIENT | | | | | | | | | | | | |
| Emergency Room | 1.3% | 8.1% | 9.5% | -1.3% | 7.9% | 6.5% | 1.1% | 7.7% | 8.9% | 5.7% | 3.8% | 5.1% |
| Medical / Surgical | 9.5% | -4.5% | 4.6% | -6.4% | 15.9% | 8.5% | 7.8% | -1.7% | 5.9% | 17.0% | 16.2% | 16.7% |
| Other Services | -2.3% | 5.1% | 2.7% | -4.4% | 5.9% | 1.2% | -2.4% | 4.9% | 2.3% | 11.5% | 9.9% | 11.0% |
| Psychiatric / Substance Abuse | 7.8% | -0.6% | 7.1% | 4.1% | -2.6% | 1.4% | 6.3% | -1.7% | 4.4% | 0.2% | 0.8% | 0.4% |
| TOTAL | 4.2% | 0.9% | 5.1% | -4.8% | 11.2% | 5.8% | 3.3% | 1.9% | 5.3% | 34.4% | 30.7% | 33.3% |
| PHYSICIAN SERVICES | | | | | | | | | | | | |
| Anesthesia | 1.4% | -1.5% | -0.1% | 3.5% | -3.4% | 0.0% | 1.7% | -1.7% | -0.1% | 2.3% | 1.7% | 2.1% |
| Chemotherapy / Radiation | -6.6% | -4.8% | -11.1% | -3.4% | 16.9% | 12.9% | -6.1% | 1.8% | -4.5% | 0.8% | 0.8% | 0.8% |
| Emergency Room | 0.3% | 2.0% | 2.4% | -2.1% | 0.0% | -2.2% | 0.1% | 1.5% | 1.6% | 1.3% | 0.6% | 1.1% |
| Immunizations / Injections / Allergy | -5.3% | 5.5% | -0.2% | -1.3% | 6.4% | 5.0% | -5.1% | 5.7% | 0.4% | 1.7% | 0.4% | 1.3% |
| Inpatient Surgery | -4.3% | -0.2% | -4.5% | -5.5% | -8.9% | -13.9% | -4.6% | -3.0% | -7.5% | 1.7% | 1.8% | 1.7% |
| Inpatient Visits | -1.1% | -1.8% | -2.9% | 0.5% | -0.4% | 0.1% | -0.9% | -1.4% | -2.3% | 1.5% | 0.9% | 1.3% |
| Lab & Pathology | -15.1% | -0.4% | -15.4% | 20.1% | -9.0% | 9.2% | 0.1% | -1.6% | -1.6% | 2.2% | 6.1% | 3.3% |
| Maternity | 7.6% | 0.6% | 8.3% | 1.2% | -3.0% | -1.8% | 6.7% | 0.0% | 6.8% | 0.9% | 0.3% | 0.8% |
| Office Visits | -1.4% | 1.0% | -0.4% | -0.8% | 2.0% | 1.2% | -1.4% | 1.1% | -0.2% | 16.3% | 4.9% | 12.9% |
| Other Services | -2.7% | 4.2% | 1.4% | 0.4% | 21.0% | 21.5% | -2.4% | 8.4% | 5.7% | 9.4% | 6.9% | 8.6% |
| Outpatient Surgery | 1.8% | -4.6% | -2.9% | -1.8% | -8.7% | -10.3% | 1.2% | -5.9% | -4.7% | 3.6% | 2.7% | 3.3% |
| Psychiatric / Substance Abuse | 4.1% | 6.4% | 10.7% | 17.7% | -5.0% | 11.8% | 6.7% | 4.1% | 11.0% | 2.5% | 0.9% | 2.0% |
| Radiology | -0.2% | -1.7% | -1.9% | -2.0% | -6.1% | -8.0% | -0.4% | -2.9% | -3.3% | 3.4% | 2.2% | 3.0% |
| Therapies | -2.2% | 2.9% | 0.6% | 2.1% | -1.3% | 0.8% | -1.9% | 2.6% | 0.7% | 2.1% | 0.3% | 1.5% |
| TOTAL | -1.7% | 1.1% | -0.5% | 3.9% | 1.7% | 5.7% | -0.8% | 1.5% | 0.6% | 49.8% | 30.5% | 44.0% |
| OTHER | | | | | | | | | | | | |
| Ambulance | -0.7% | 13.8% | 13.0% | -4.7% | -34.5% | -37.6% | -1.1% | 0.2% | -0.9% | 0.7% | 0.5% | 0.6% |
| Appliances (DME) | -19.0% | 12.5% | -8.9% | 47.3% | -27.4% | 7.0% | 6.5% | 0.7% | 7.2% | 1.0% | 2.7% | 1.5% |
| Other Services | 12.1% | 5.1% | 17.8% | 10.9% | 28.8% | 42.9% | 12.0% | 19.3% | 33.5% | 0.8% | 2.0% | 1.1% |
| TOTAL | -4.0% | 10.5% | 6.0% | 28.3% | -6.7% | 19.8% | 7.0% | 7.1% | 14.5% | 2.4% | 5.1% | 3.2% |
| GRAND TOTAL | 0.2% | 1.7% | 2.0% | -0.9% | 5.6% | 4.7% | 0.5% | 2.2% | 2.7% | 100.0% | 100.0% | 100.0% |

West Virginia PEIA Non-Medicare Total Study Period of June 2010 to May 2014

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 | 3.9% | 2.7% | 6.7% | 8.6% | 7.9% | 17.1% | 4.2% | 5.5% | 10.0% | 0.6% | 0.8% | 0.6% |
| Medical / Surgical | -3.4% | 2.8% | -0.6% | -4.7% | 4.6% | -0.3% | -3.6% | 3.1% | -0.6% | 12.5% | 32.6% | 18.5% |
| Psychiatric / Substance Abuse | 4.9% | 4.1% | 9.2% | 12.5% | 2.8% | 15.7% | 6.8% | 3.3% | 10.3% | 0.7% | 1.0% | 0.8% |
| TOTAL | -2.6% | 2.9% | 0.2% | -3.9% | 4.6% | 0.6% | -2.9% | 3.2% | 0.2% | 13.8% | 34.5% | 19.9% |
| HOSPITAL OUTPATIENT | | | | | | | | | | | | |
| Emergency Room | 2.4% | 6.1% | 8.6% | 0.3% | 8.2% | 8.5% | 2.2% | 6.3% | 8.6% | 5.6% | 3.7% | 5.0% |
| Medical / Surgical | 12.4% | -5.9% | 5.7% | -4.9% | 14.7% | 9.0% | 10.3% | -3.4% | 6.6% | 16.6% | 16.0% | 16.4% |
| Other Services | -0.8% | 3.8% | 2.9% | -2.7% | 6.2% | 3.4% | -1.0% | 4.0% | 3.0% | 11.5% | 9.9% | 11.0% |
| Psychiatric / Substance Abuse | 12.6% | -4.6% | 7.4% | 12.8% | 1.7% | 14.7% | 12.7% | 0.2% | 12.9% | 0.2% | 0.7% | 0.4% |
| TOTAL | 6.2% | -0.7% | 5.6% | -3.1% | 10.8% | 7.4% | 5.3% | 0.6% | 6.0% | 33.8% | 30.3% | 32.8% |
| PHYSICIAN SERVICES | | | | | | | | | | | | |
| Anesthesia | 1.7% | -1.6% | 0.1% | 4.5% | -1.9% | 2.5% | 2.1% | -1.4% | 0.6% | 2.3% | 1.7% | 2.2% |
| Chemotherapy / Radiation | -0.7% | -0.1% | -0.8% | -2.4% | 14.0% | 11.3% | -1.0% | 3.7% | 2.6% | 0.8% | 0.8% | 0.8% |
| Emergency Room | 1.0% | -0.1% | 0.9% | -0.3% | 1.5% | 1.2% | 0.9% | 0.1% | 1.0% | 1.3% | 0.6% | 1.1% |
| Immunizations / Injections / Allergy | 0.1% | 4.2% | 4.3% | 1.5% | 4.2% | 5.8% | 0.2% | 4.3% | 4.5% | 1.7% | 0.4% | 1.3% |
| Inpatient Surgery | -7.5% | 3.5% | -4.2% | -8.0% | -0.9% | -8.8% | -7.6% | 2.0% | -5.7% | 1.7% | 1.8% | 1.8% |
| Inpatient Visits | -2.0% | -1.8% | -3.8% | 0.4% | 0.0% | 0.4% | -1.7% | -1.3% | -3.0% | 1.5% | 0.9% | 1.4% |
| Lab & Pathology | -11.9% | 0.8% | -11.2% | 21.5% | -6.9% | 13.1% | 0.7% | 0.0% | 0.7% | 2.3% | 5.8% | 3.4% |
| Maternity | 4.6% | 5.0% | 9.9% | 5.2% | 0.0% | 5.1% | 4.9% | 4.4% | 9.6% | 0.9% | 0.3% | 0.7% |
| Office Visits | -1.2% | 1.0% | -0.3% | 0.7% | 2.5% | 3.2% | -1.1% | 1.2% | 0.1% | 16.6% | 5.0% | 13.1% |
| Other Services | 0.1% | 3.4% | 3.5% | 1.7% | 12.9% | 14.8% | 0.3% | 5.8% | 6.0% | 9.3% | 6.8% | 8.5% |
| Outpatient Surgery | 2.3% | -3.3% | -1.0% | -0.4% | -5.1% | -5.4% | 1.9% | -3.9% | -2.1% | 3.6% | 2.7% | 3.4% |
| Psychiatric / Substance Abuse | 5.2% | 3.3% | 8.7% | 23.5% | -8.8% | 12.7% | 8.4% | 0.9% | 9.3% | 2.5% | 0.8% | 2.0% |
| Radiology | -0.9% | -0.3% | -1.3% | -2.2% | -1.5% | -3.7% | -1.1% | -0.7% | -1.8% | 3.4% | 2.3% | 3.1% |
| Therapies | 1.0% | 2.5% | 3.5% | 1.3% | 0.8% | 2.1% | 1.0% | 2.4% | 3.4% | 2.0% | 0.3% | 1.5% |
| TOTAL | -0.7% | 1.2% | 0.5% | 4.9% | 1.4% | 6.4% | 0.1% | 1.5% | 1.6% | 50.0% | 30.3% | 44.2% |
| OTHER | | | | | | | | | | | | |
| Ambulance | 0.9% | 7.5% | 8.5% | -6.0% | -22.0% | -26.7% | 0.3% | -4.0% | -3.7% | 0.6% | 0.6% | 0.6% |
| Appliances (DME) | -13.5% | 9.4% | -5.4% | 47.1% | -21.5% | 15.5% | 5.5% | -0.5% | 5.0% | 1.0% | 2.6% | 1.5% |
| Other Services | 18.5% | -0.3% | 18.2% | 11.5% | 26.8% | 41.3% | 17.7% | 11.1% | 30.8% | 0.7% | 1.7% | 1.0% |
| TOTAL | 0.0% | 6.0% | 6.0% | 28.0% | -4.4% | 22.3% | 8.4% | 2.6% | 11.2% | 2.4% | 4.9% | 3.1% |
| GRAND TOTAL | 1.4% | 0.9% | 2.3% | 0.6% | 5.1% | 5.7% | 1.5% | 1.6% | 3.1% | 100.0% | 100.0% | 100.0% |

**West Virginia PEIA Non-Medicare Prescription Drugs Total
Study Period of June 2010 to May 2014**

24 Month Trends Summary

| | <u>Utilization</u> | <u>Cost / Prescription</u> | <u>Total Trend</u> |
|---------------------|---------------------------|-----------------------------------|---------------------------|
| Non-Medicare | 0.6% | 4.5% | 5.1% |

36 Month Trends Summary

| | <u>Utilization</u> | <u>Cost / Prescription</u> | <u>Total Trend</u> |
|---------------------|---------------------------|-----------------------------------|---------------------------|
| Non-Medicare | 1.7% | -2.1% | -0.5% |

48 Month Trends Summary

| | <u>Utilization</u> | <u>Cost / Prescription</u> | <u>Total Trend</u> |
|---------------------|---------------------------|-----------------------------------|---------------------------|
| Non-Medicare | 0.9% | -0.3% | 0.6% |

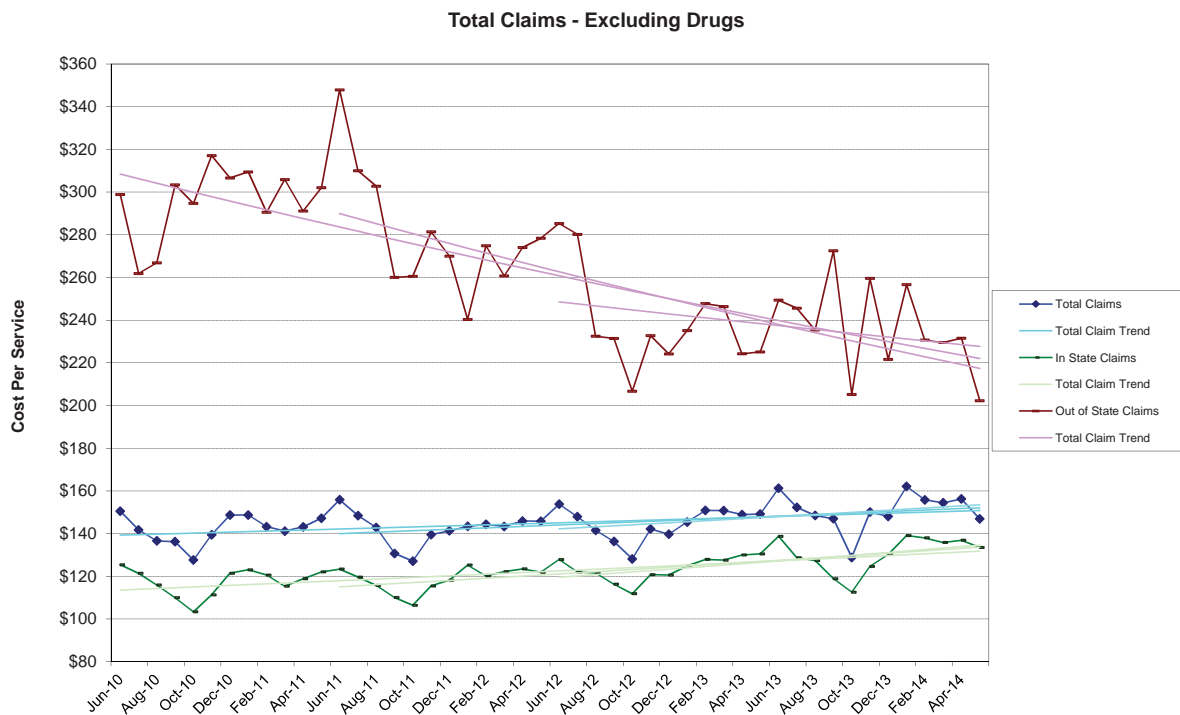
Appendix A

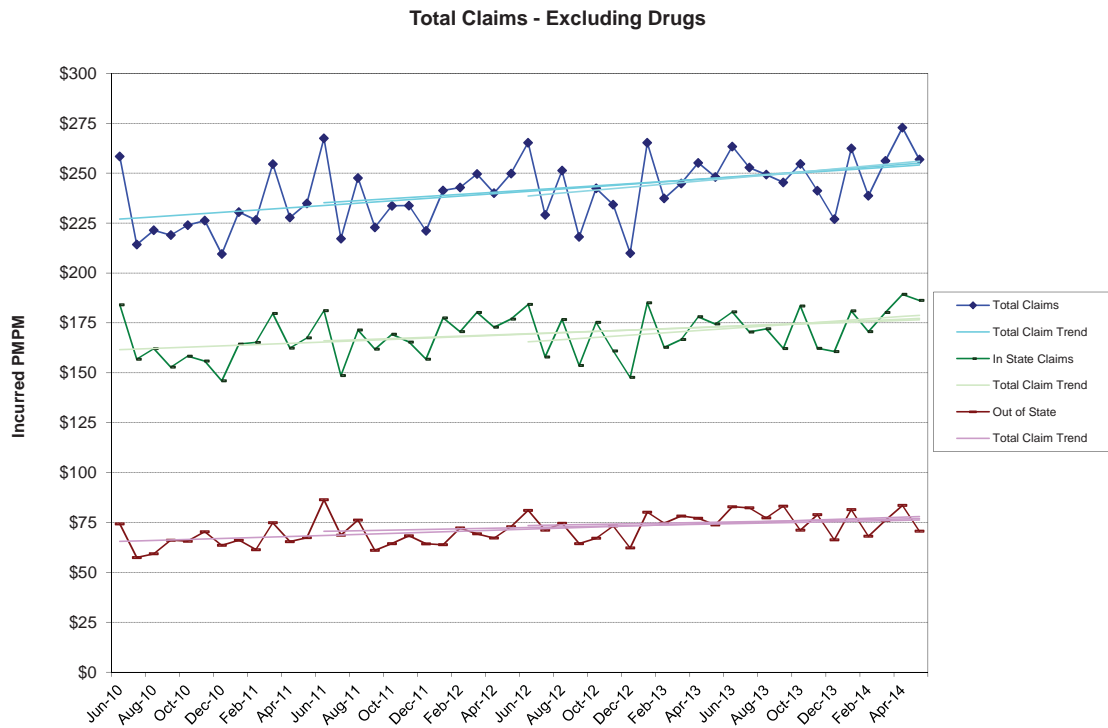
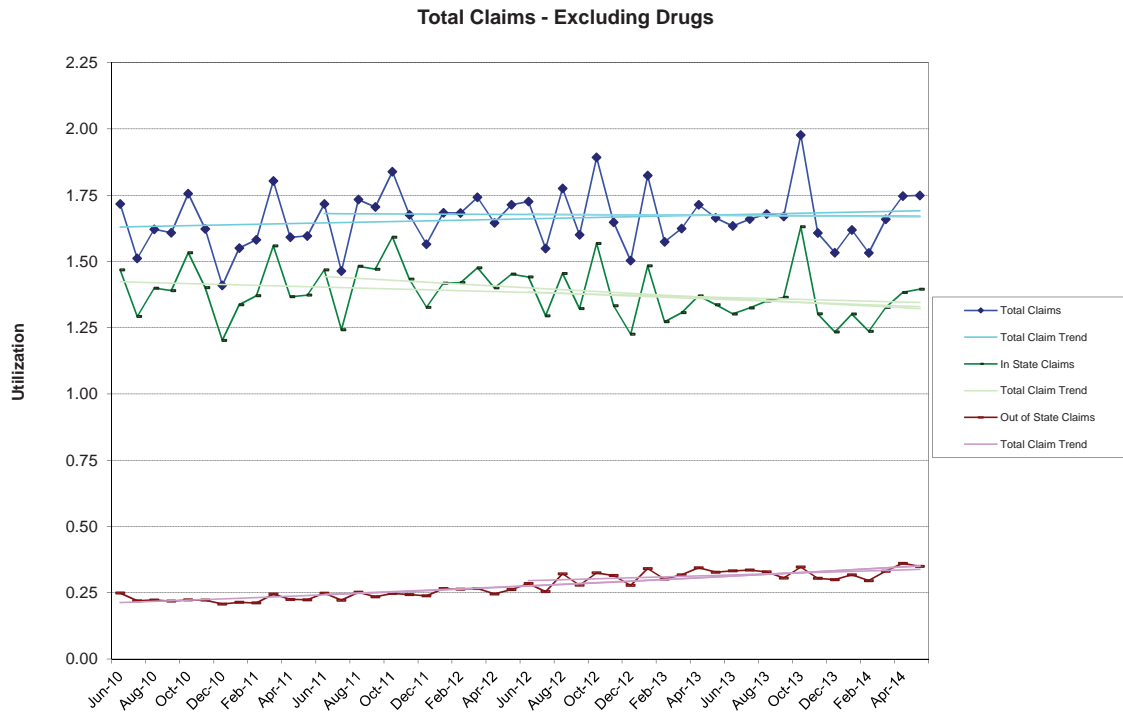
NON-MEDICARE CLAIMS
Excluding Drugs
GRAND TOTAL

| 24-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -0.4% | 4.5% | 4.1% |

| 36-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.5% | 2.2% | 2.7% |

| 48-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 1.5% | 1.6% | 3.1% |





NON-MEDICARE CLAIMS
Excluding Drugs

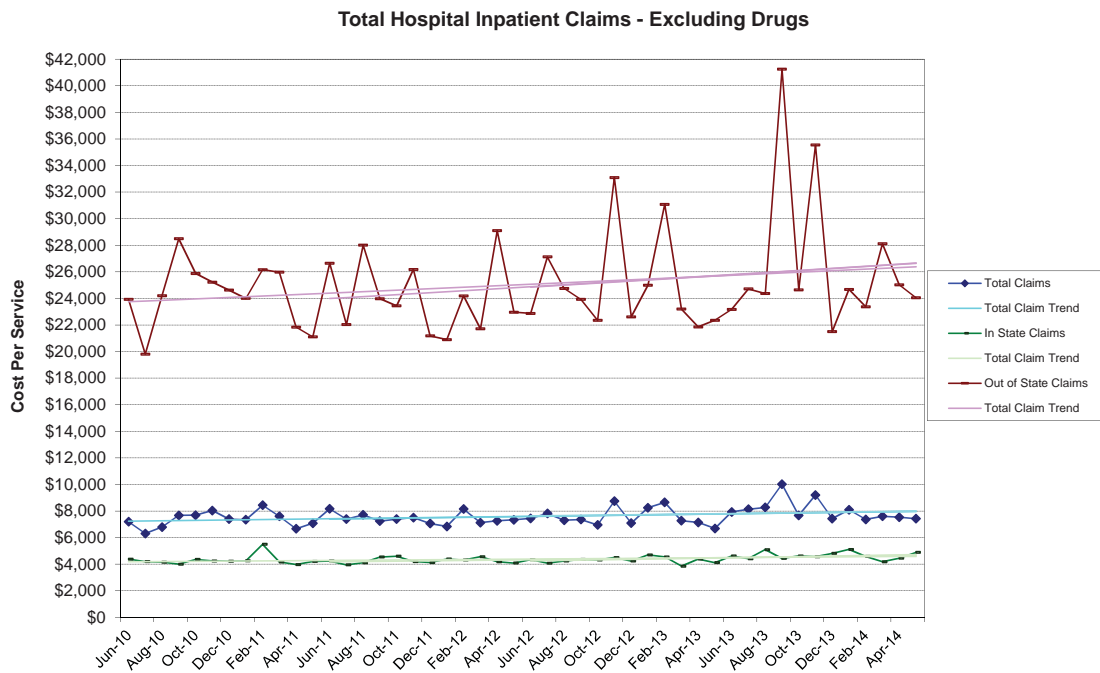
HOSPITAL INPATIENT

TOTAL

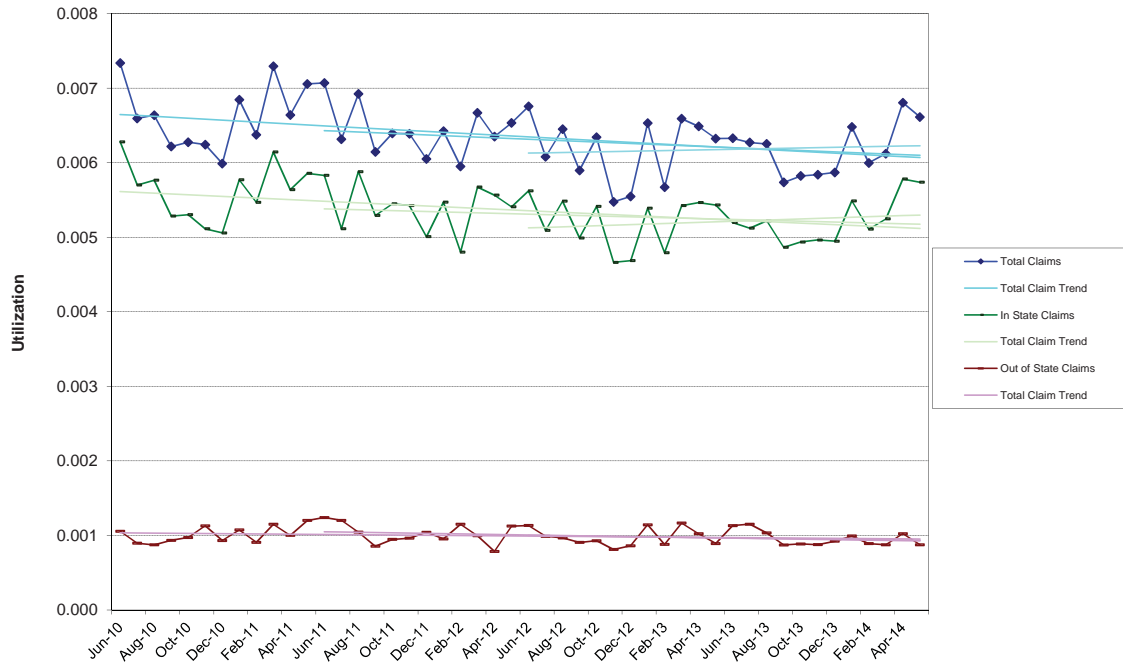
| 24-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -0.2% | 3.4% | 3.2% |

| 36-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -2.5% | 3.5% | 0.9% |

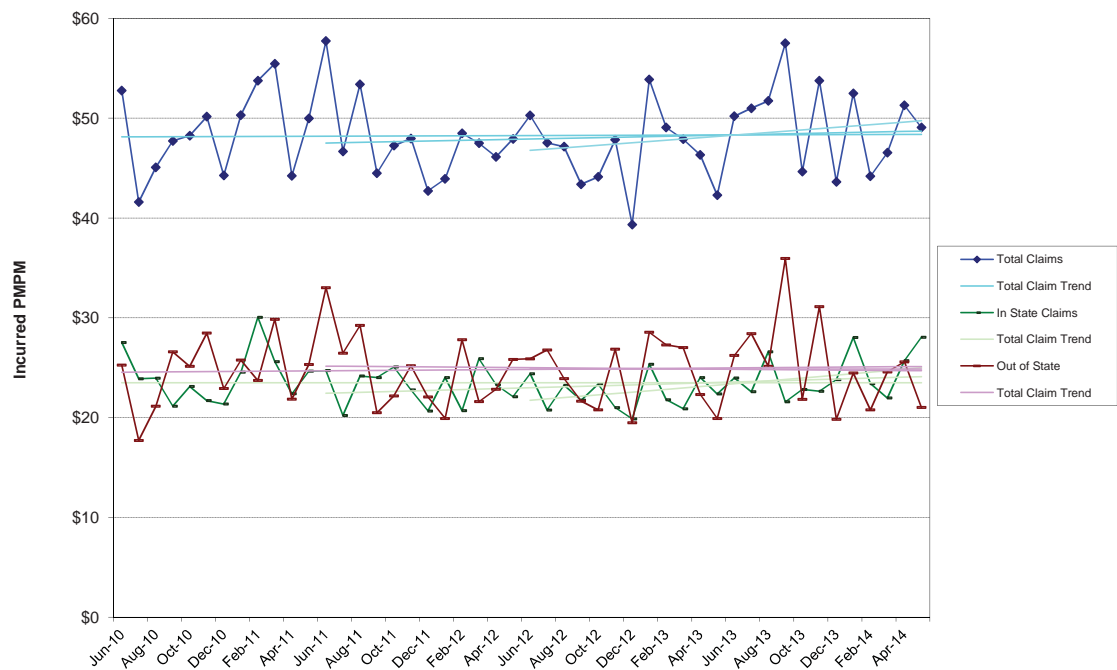
| 48-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -2.9% | 3.2% | 0.2% |



Total Hospital Inpatient Claims - Excluding Drugs



Total Hospital Inpatient Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

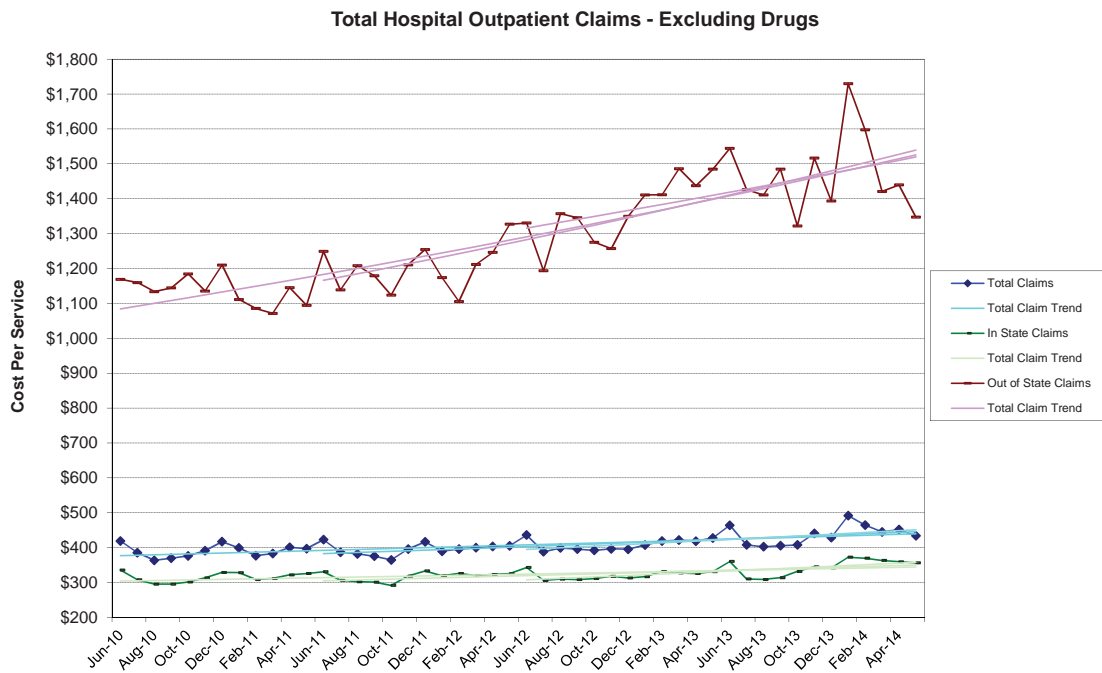
HOSPITAL OUTPATIENT

TOTAL

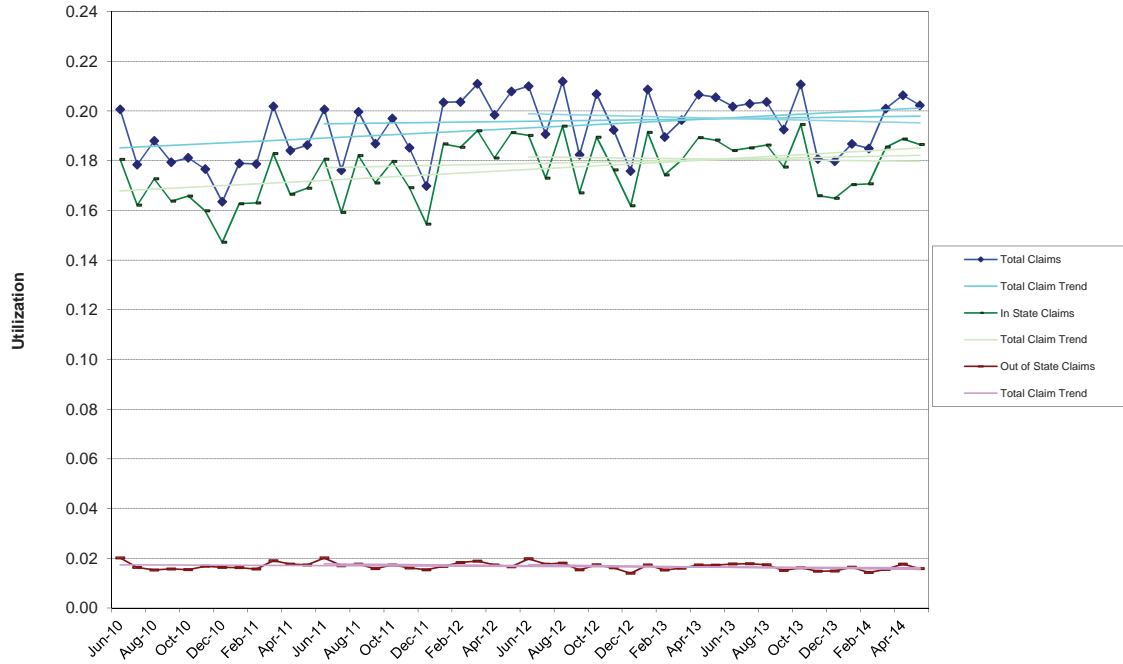
| 24-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -0.2% | 6.3% | 6.1% |

| 36-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 3.3% | 1.9% | 5.3% |

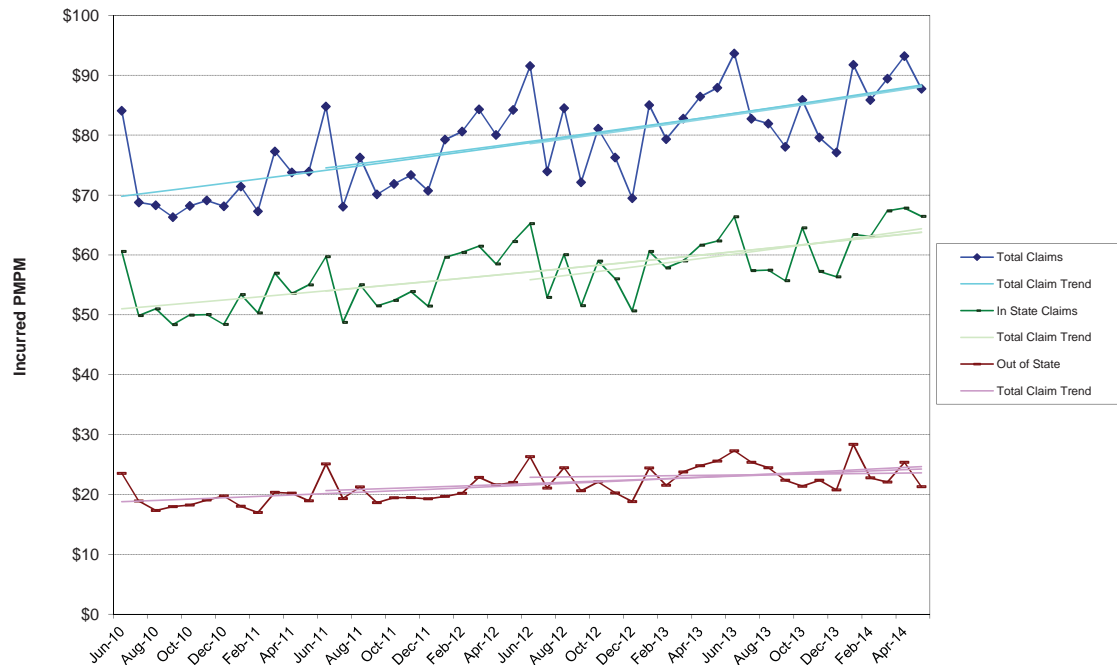
| 48-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 5.3% | 0.6% | 6.0% |



Total Hospital Outpatient Claims - Excluding Drugs



Total Hospital Outpatient Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

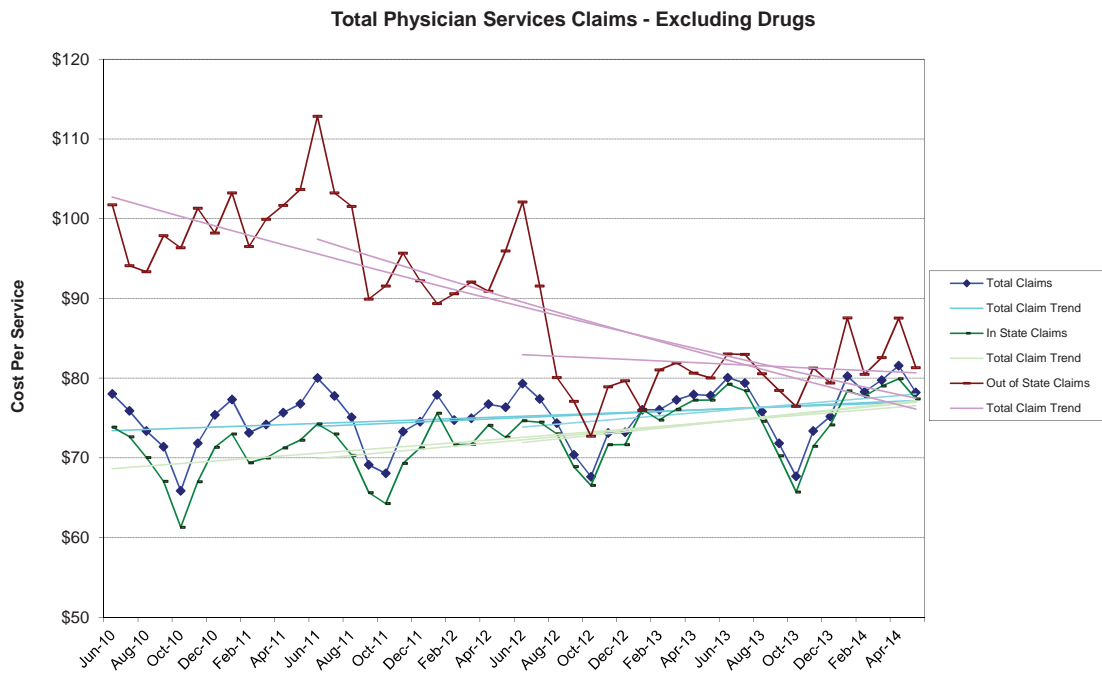
PHYSICIAN SERVICES

TOTAL

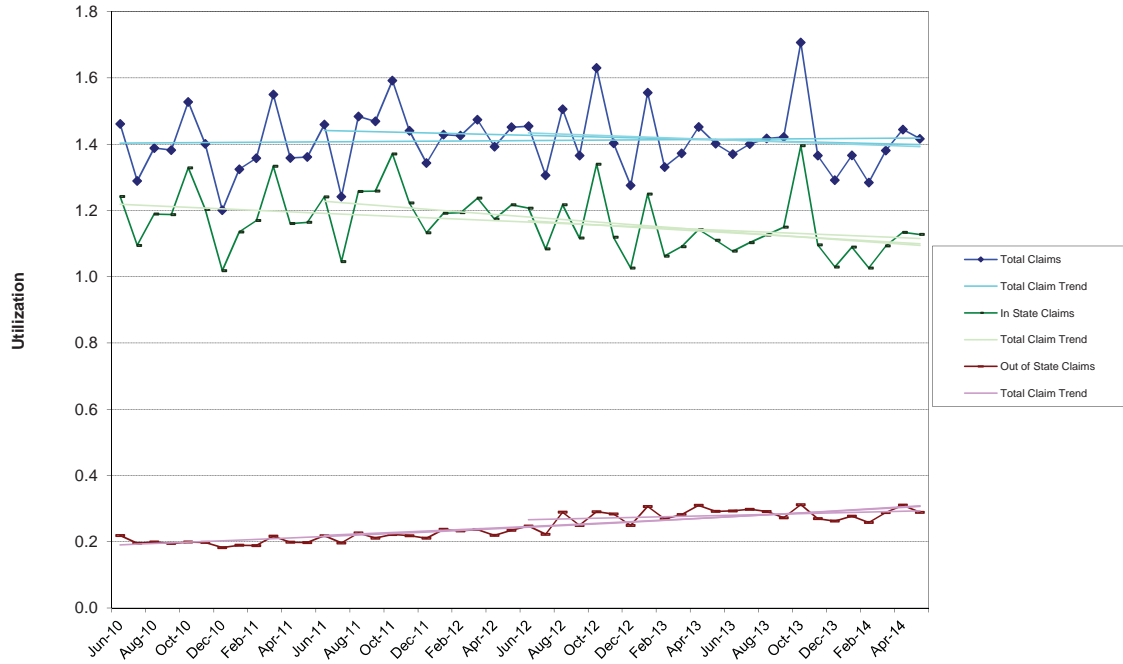
| 24-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -1.0% | 2.9% | 1.8% |

| 36-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -0.8% | 1.5% | 0.6% |

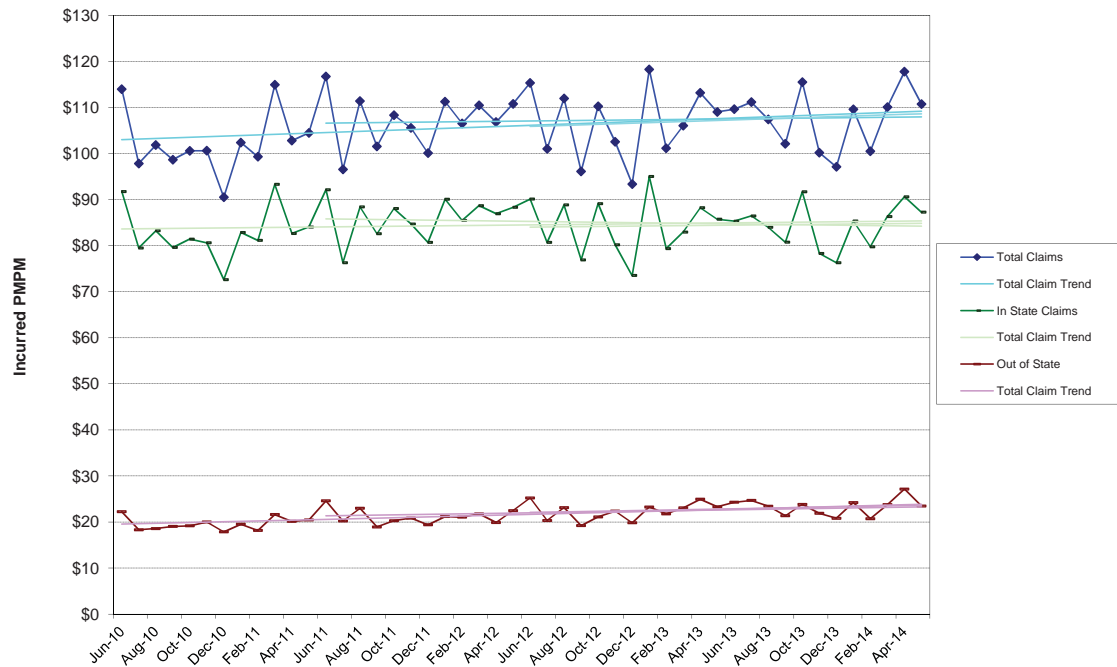
| 48-Month Trends Summary | | |
|-------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.1% | 1.5% | 1.6% |



Total Physician Services Claims - Excluding Drugs



Total Physician Services Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

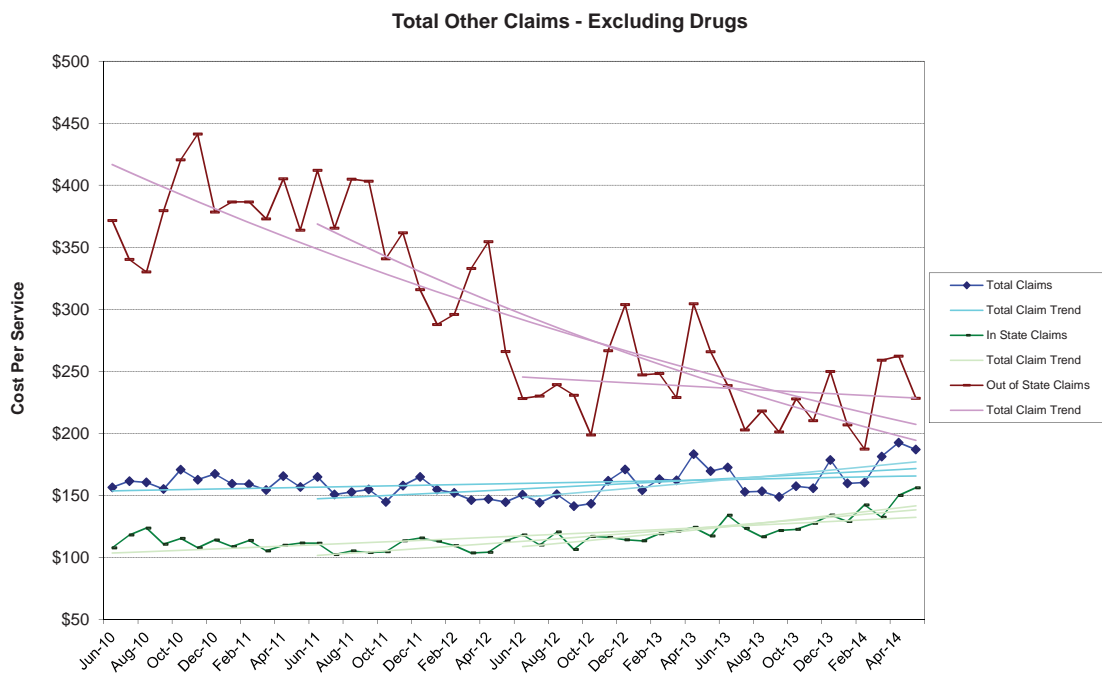
OTHER

TOTAL

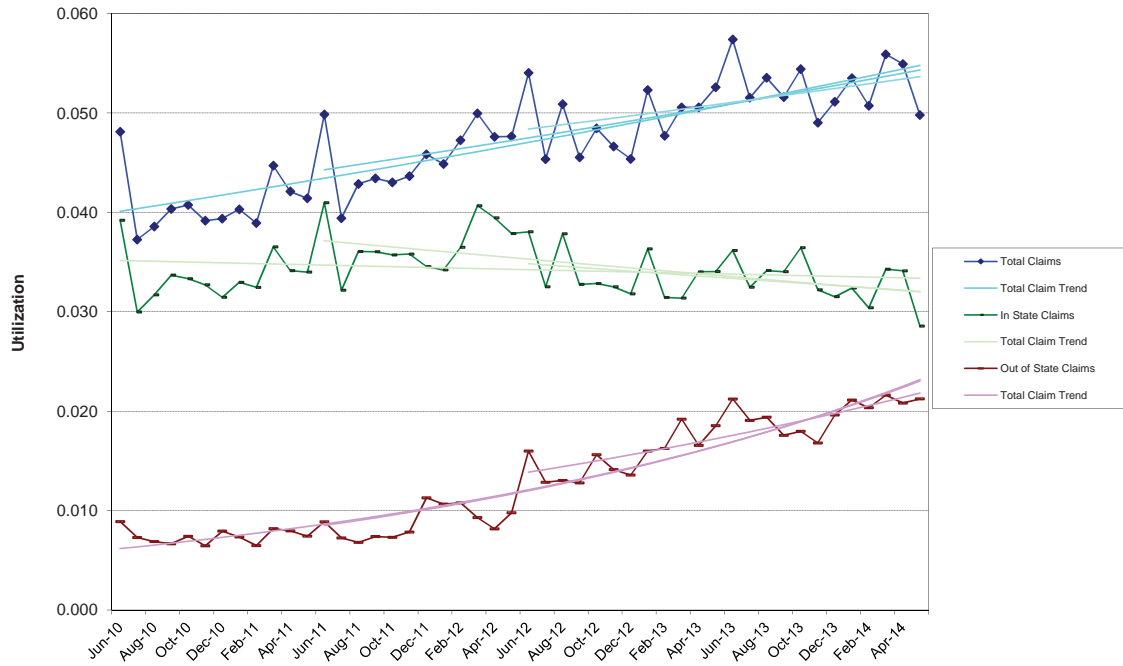
| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 4.3% | 14.3% | 19.3% |

| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 7.0% | 7.1% | 14.5% |

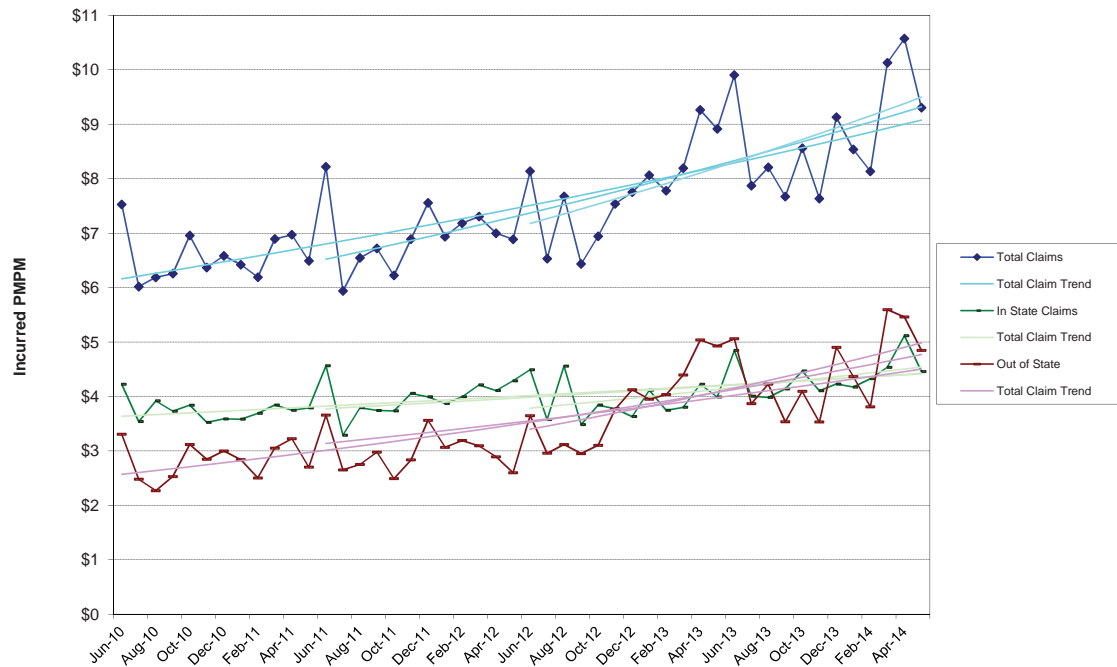
| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 8.4% | 2.6% | 11.2% |



Total Other Claims - Excluding Drugs



Total Other Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

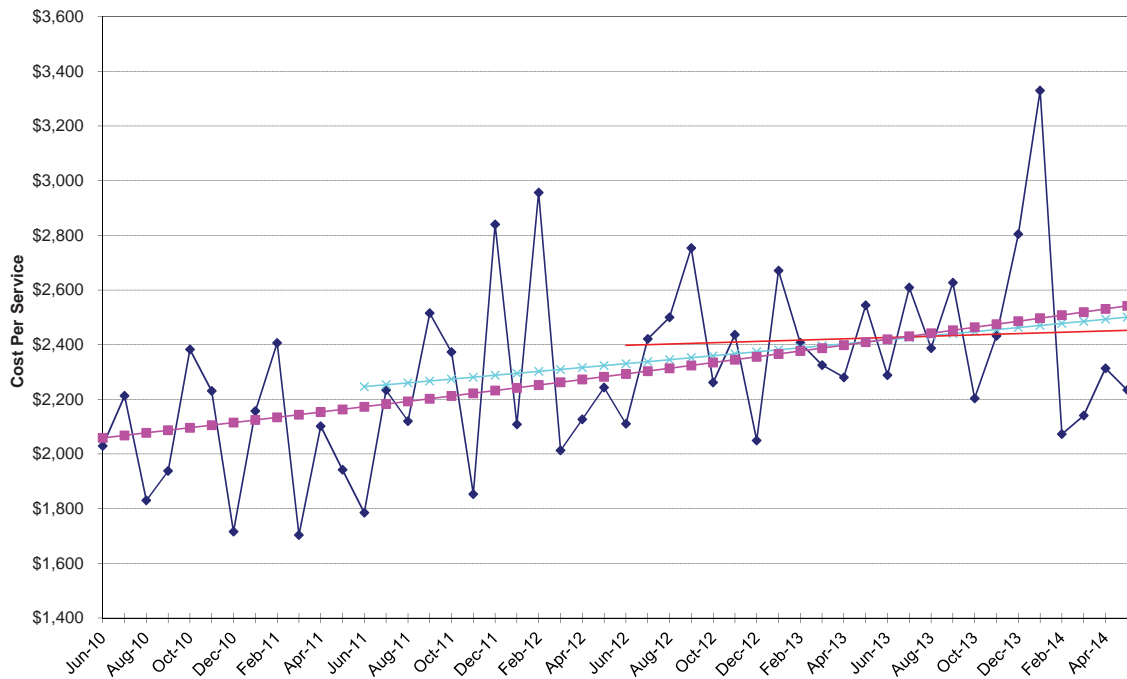
Maternity

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 10.7% | 1.2% | 12.0% |

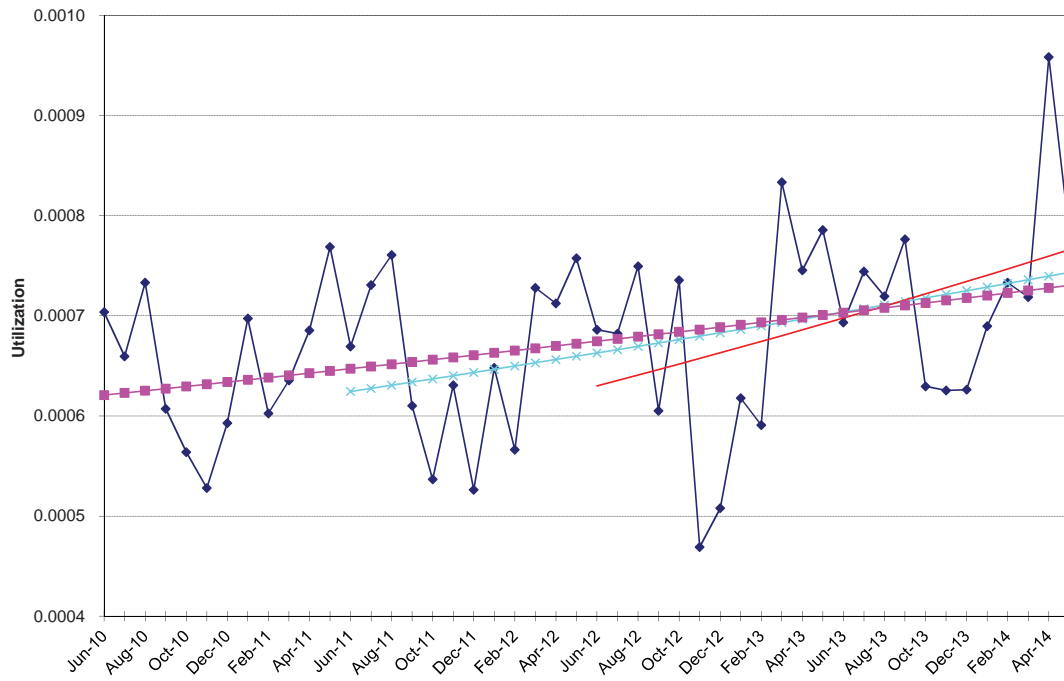
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 6.2% | 3.7% | 10.1% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 4.2% | 5.5% | 10.0% |

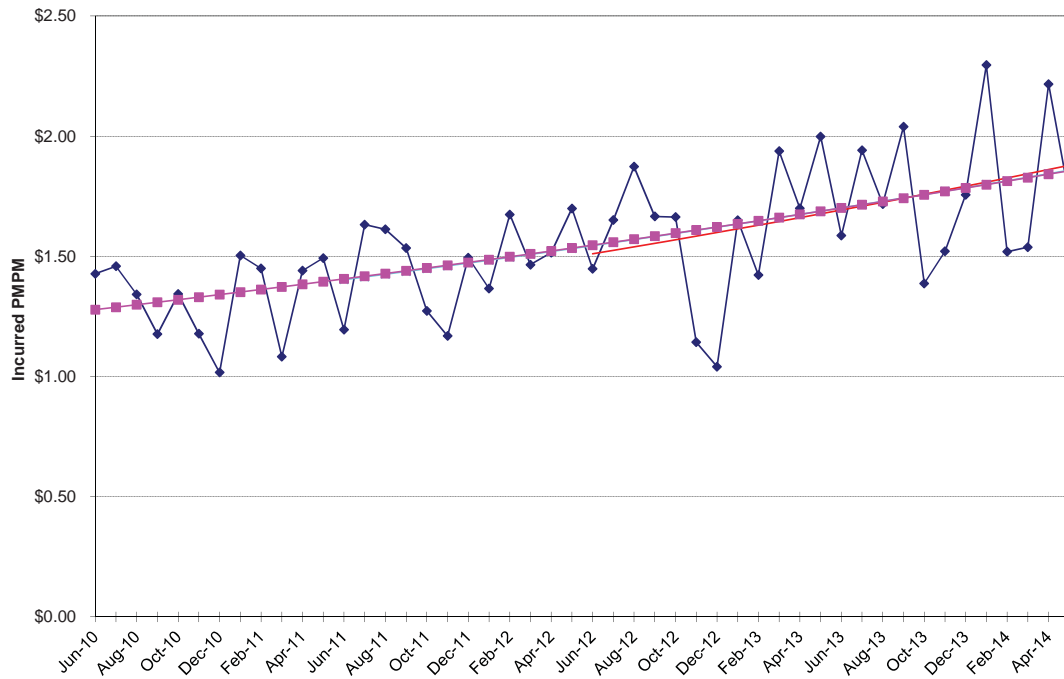
Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

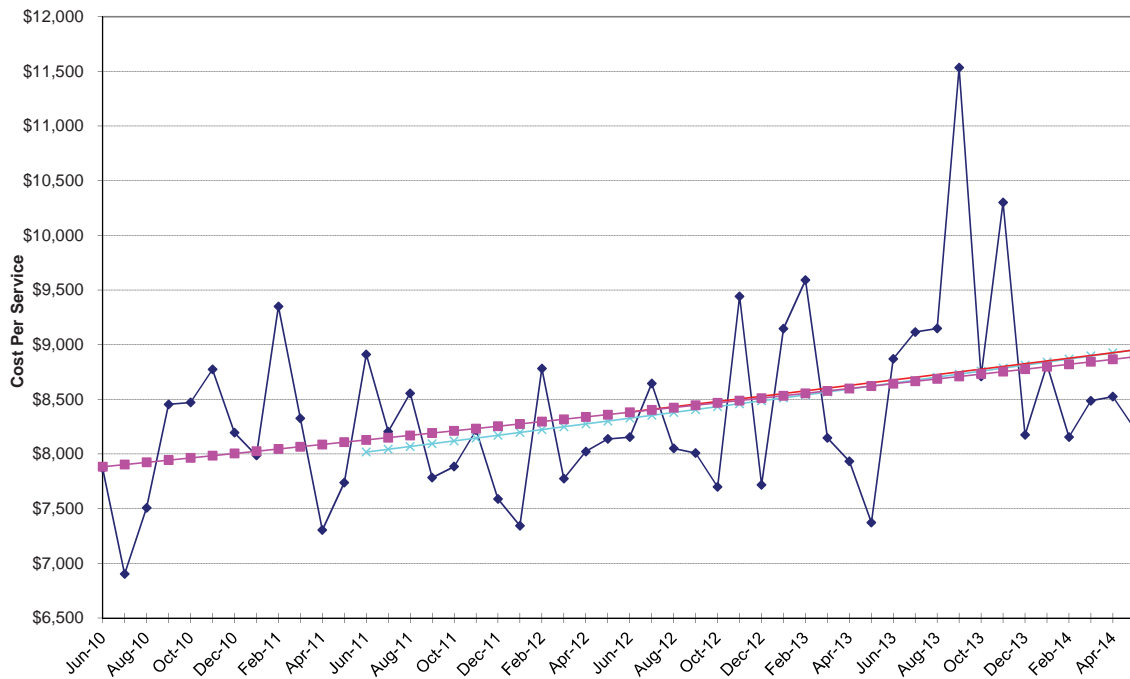
Medical / Surgical

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -1.4% | 3.5% | 2.0% |

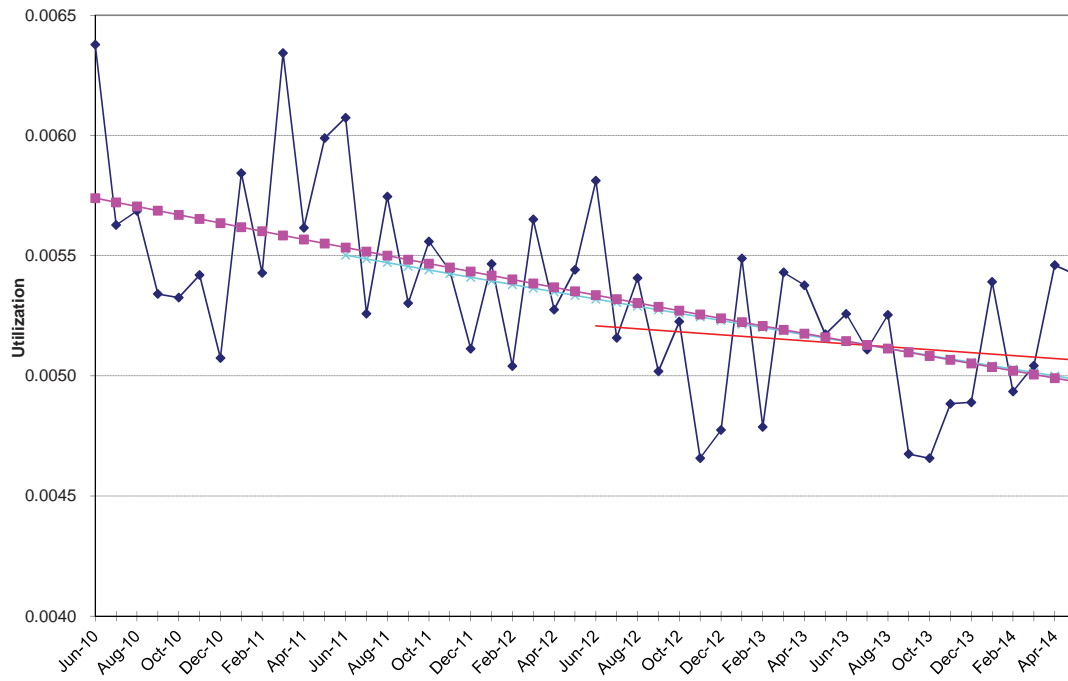
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -3.3% | 3.9% | 0.4% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -3.6% | 3.1% | -0.6% |

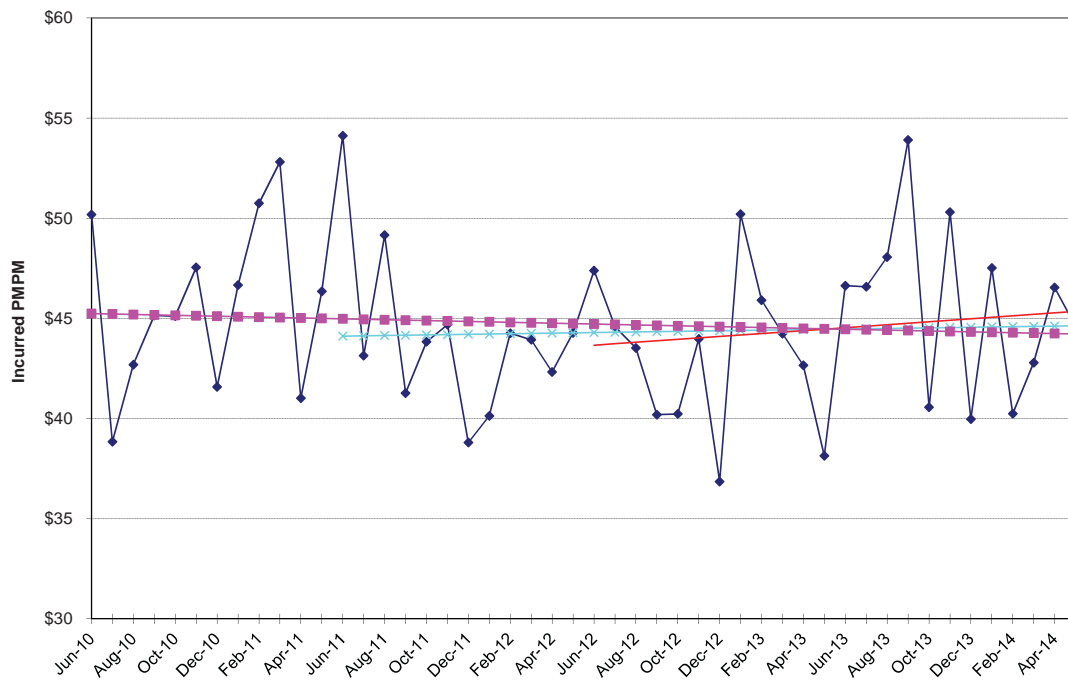
Hospital Inpatient - Medical / Surgical



Hospital Inpatient - Medical / Surgical



Hospital Inpatient - Medical / Surgical



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

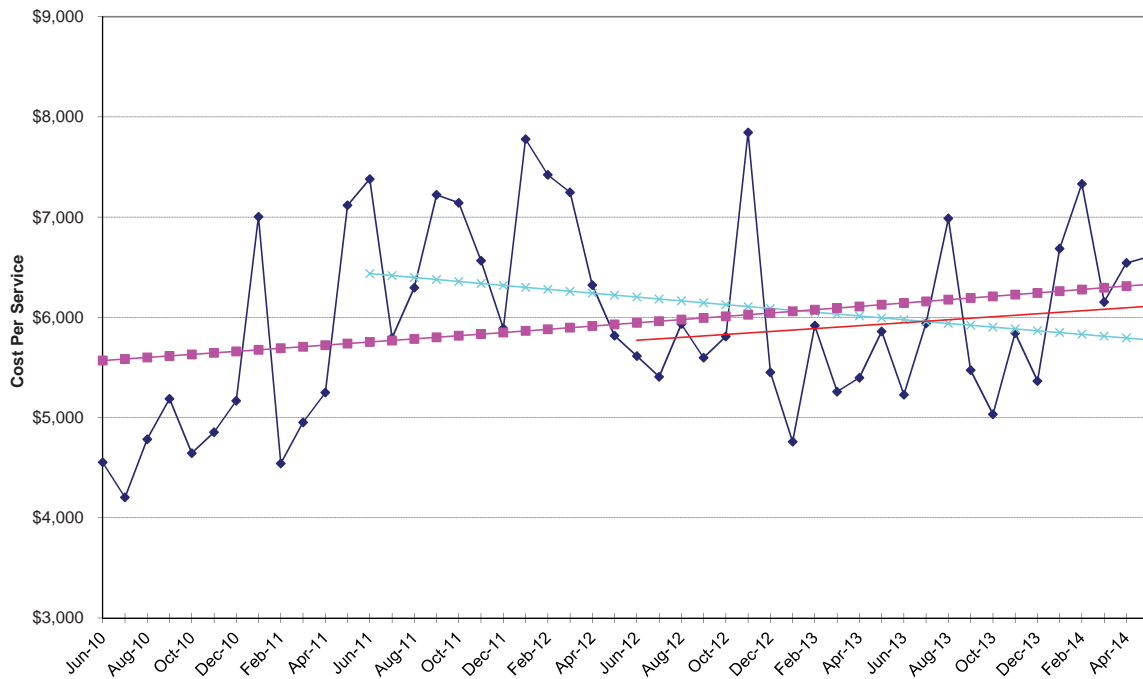
Psychiatric / Substance Abuse

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 17.6% | 3.0% | 21.1% |

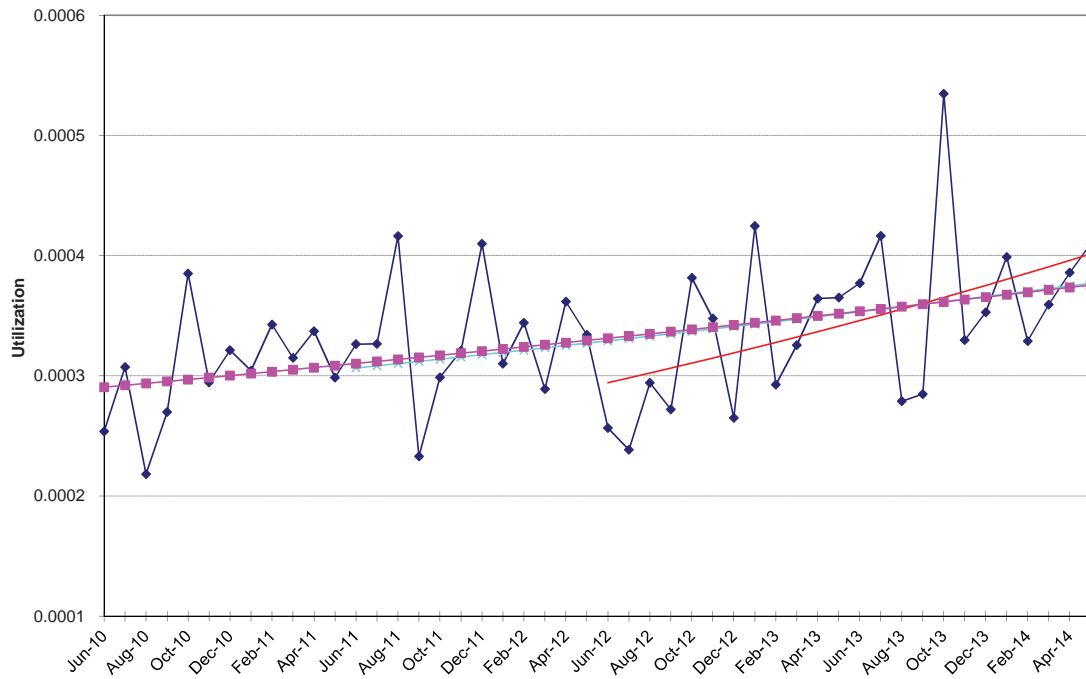
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 7.4% | -3.6% | 3.4% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 6.8% | 3.3% | 10.3% |

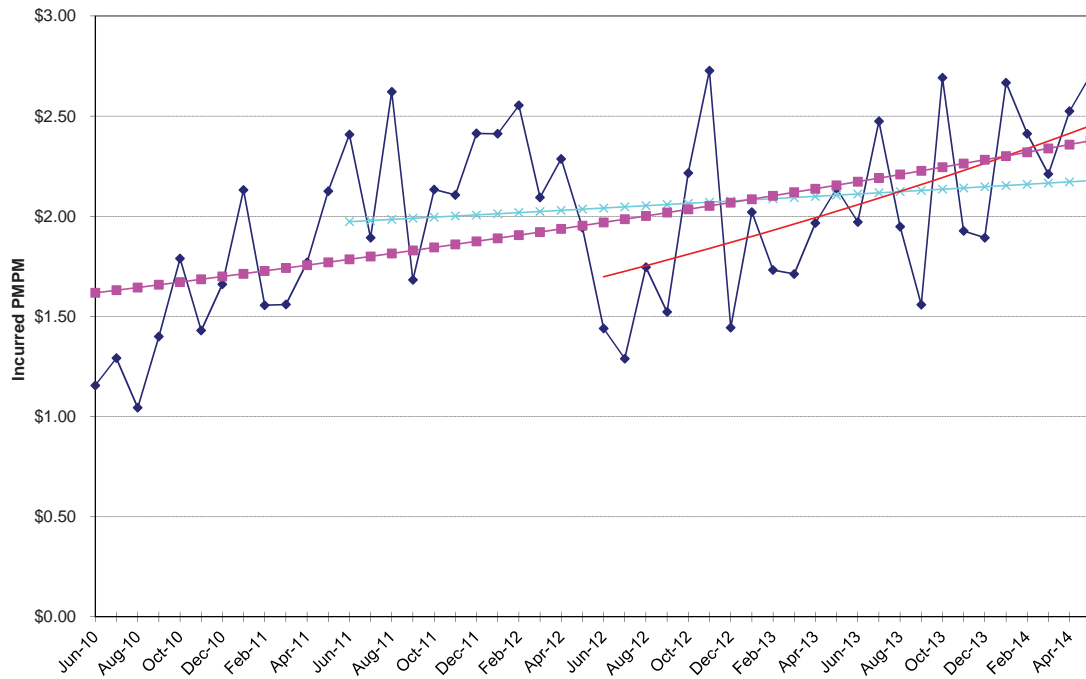
Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

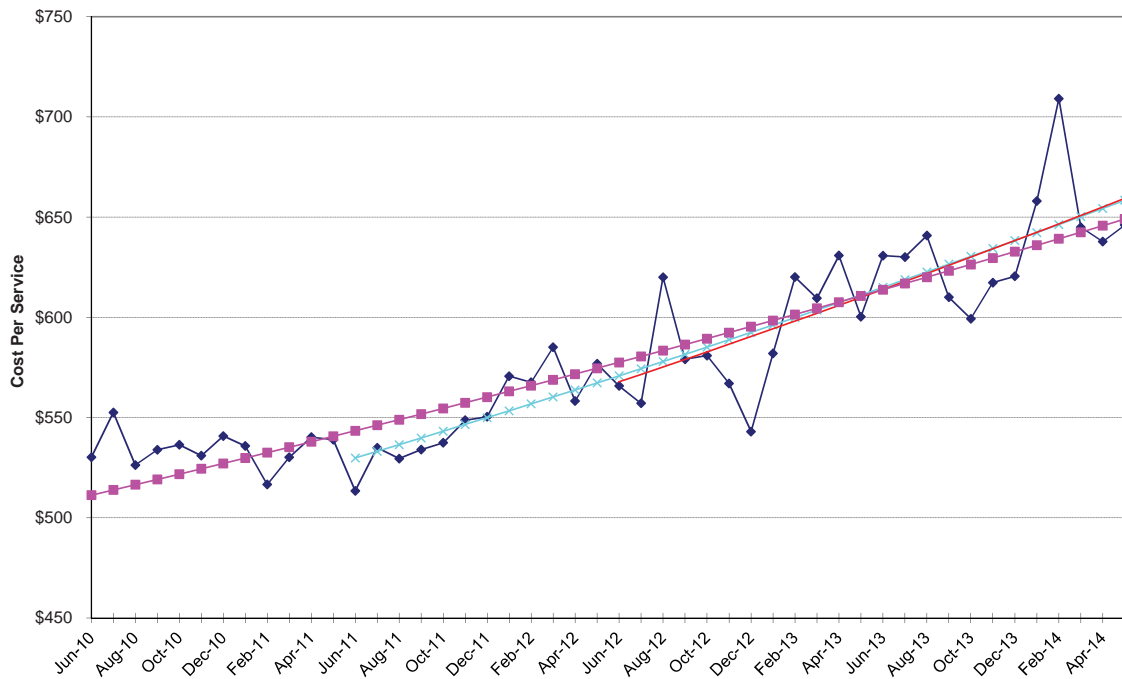
Emergency Room

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 3.0% | 8.1% | 11.4% |

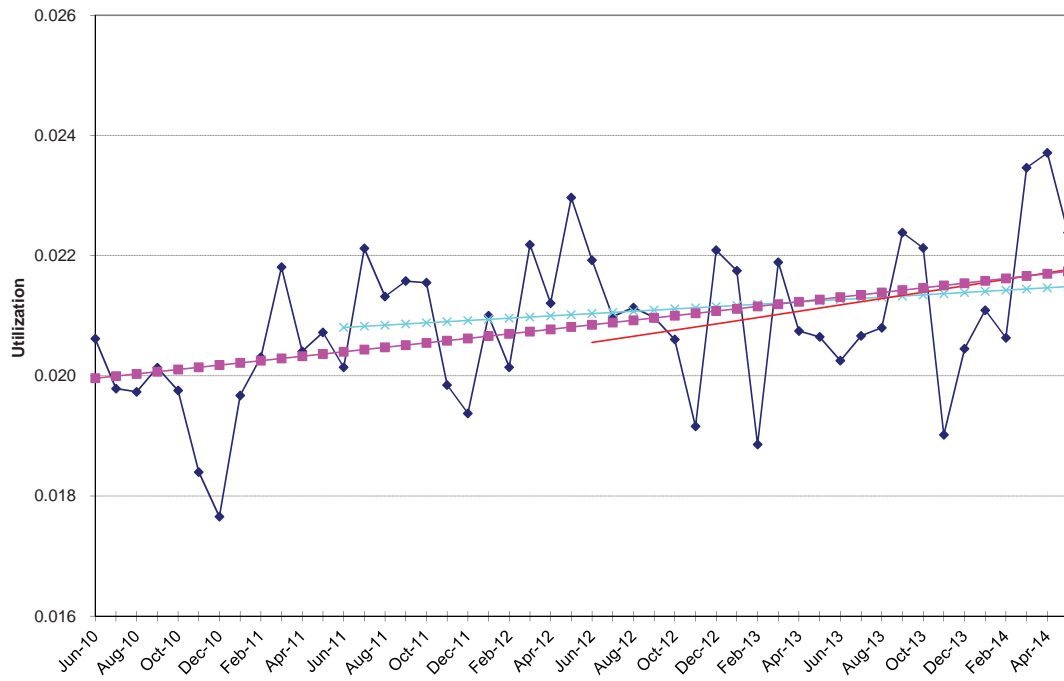
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 1.1% | 7.7% | 8.9% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 2.2% | 6.3% | 8.6% |

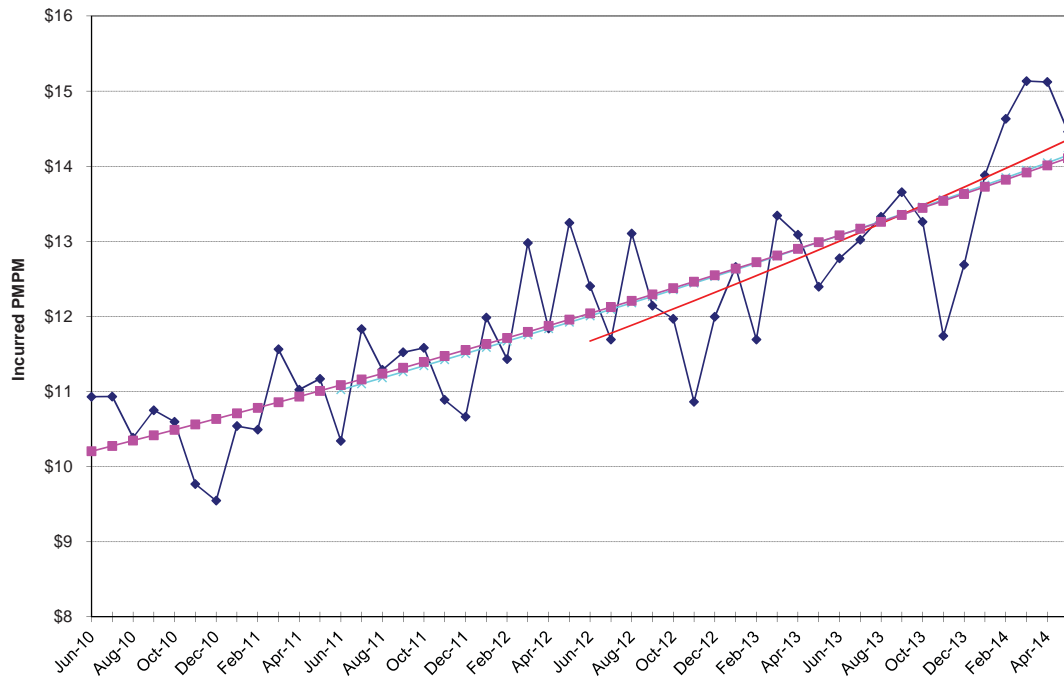
Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

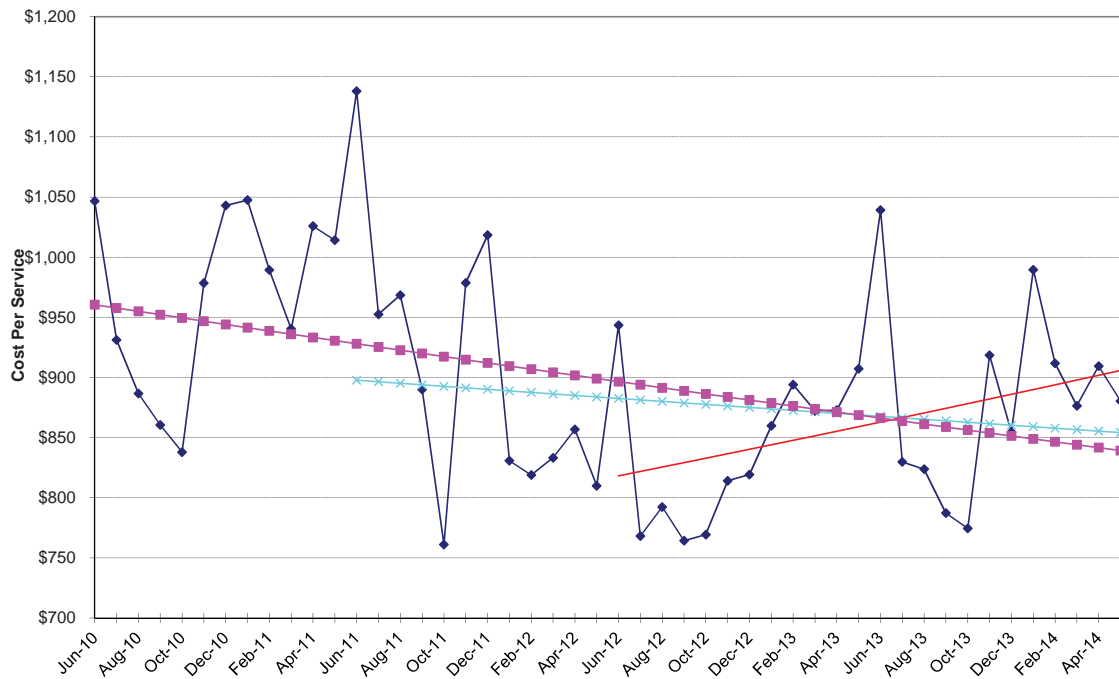
Medical / Surgical

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.0% | 5.5% | 5.4% |

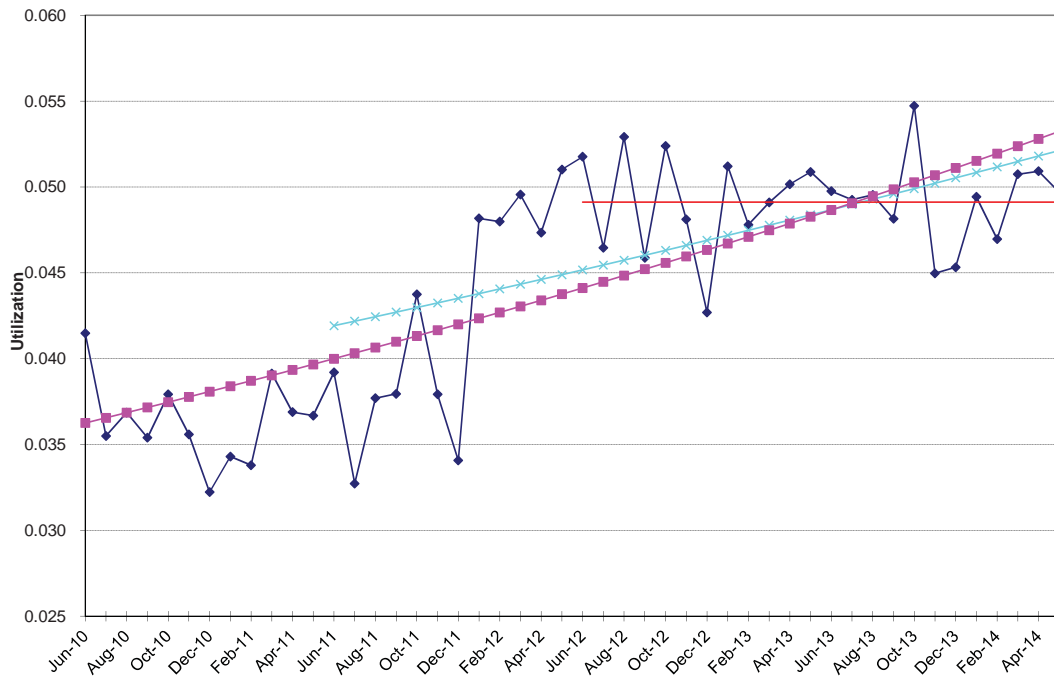
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 7.8% | -1.7% | 5.9% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 10.3% | -3.4% | 6.6% |

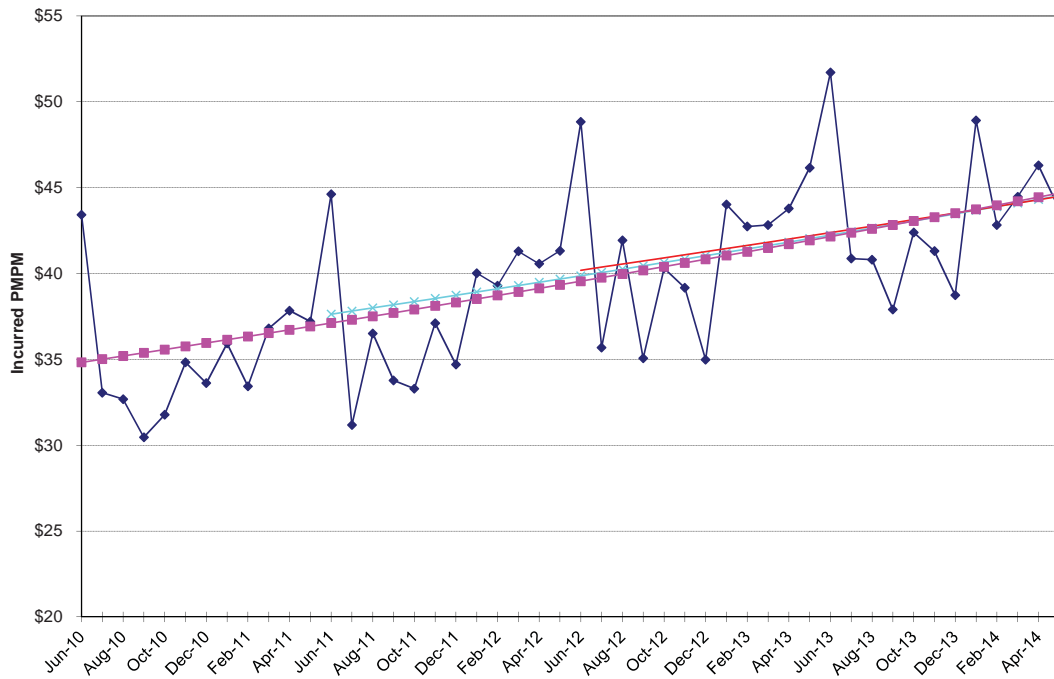
Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

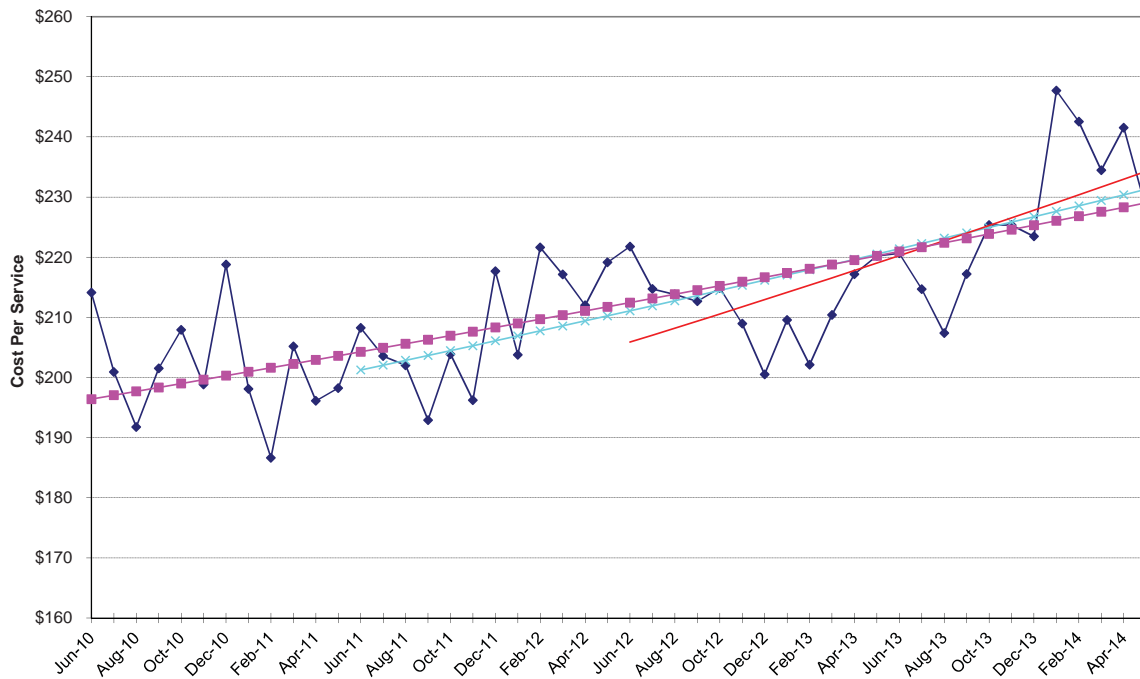
Other Services

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -2.2% | 7.0% | 4.6% |

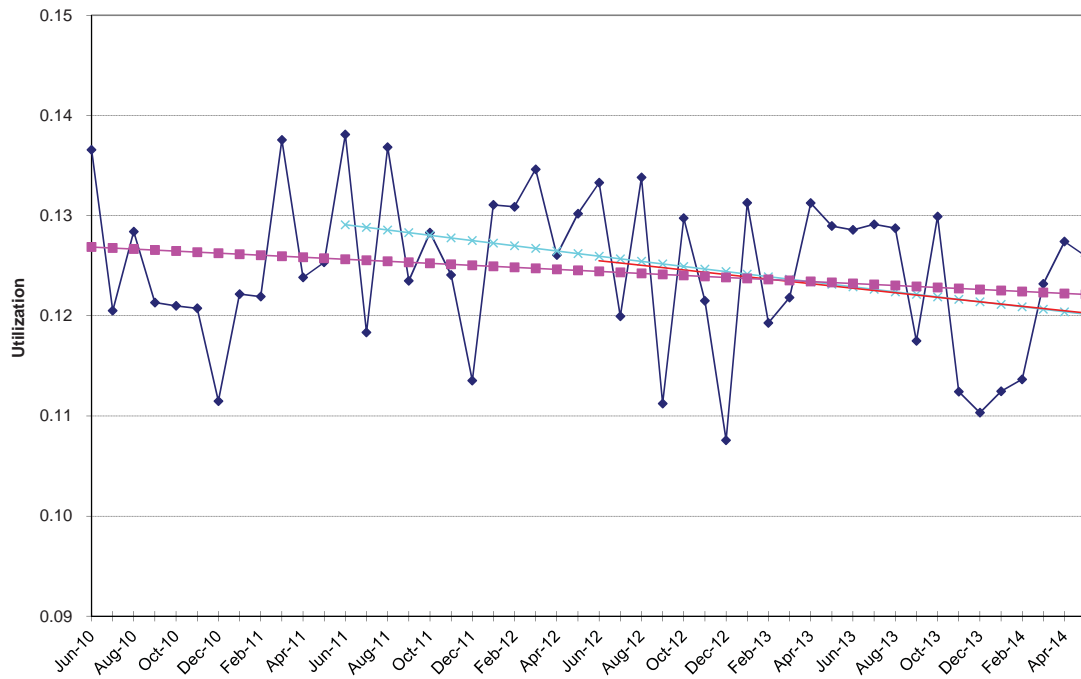
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -2.4% | 4.9% | 2.3% |

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

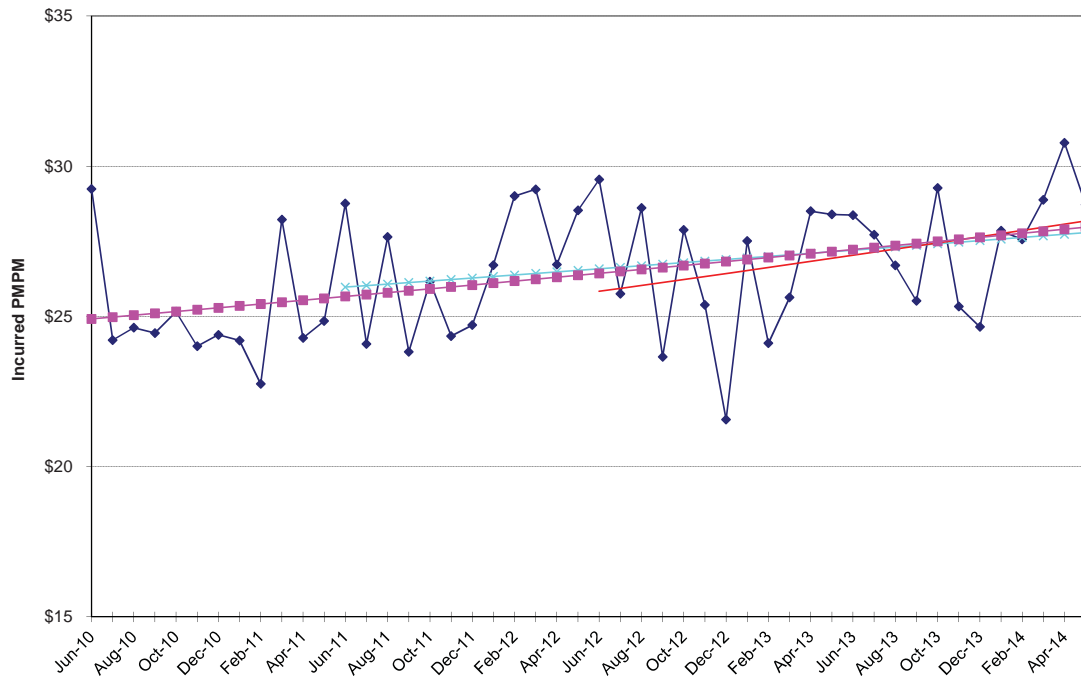
Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

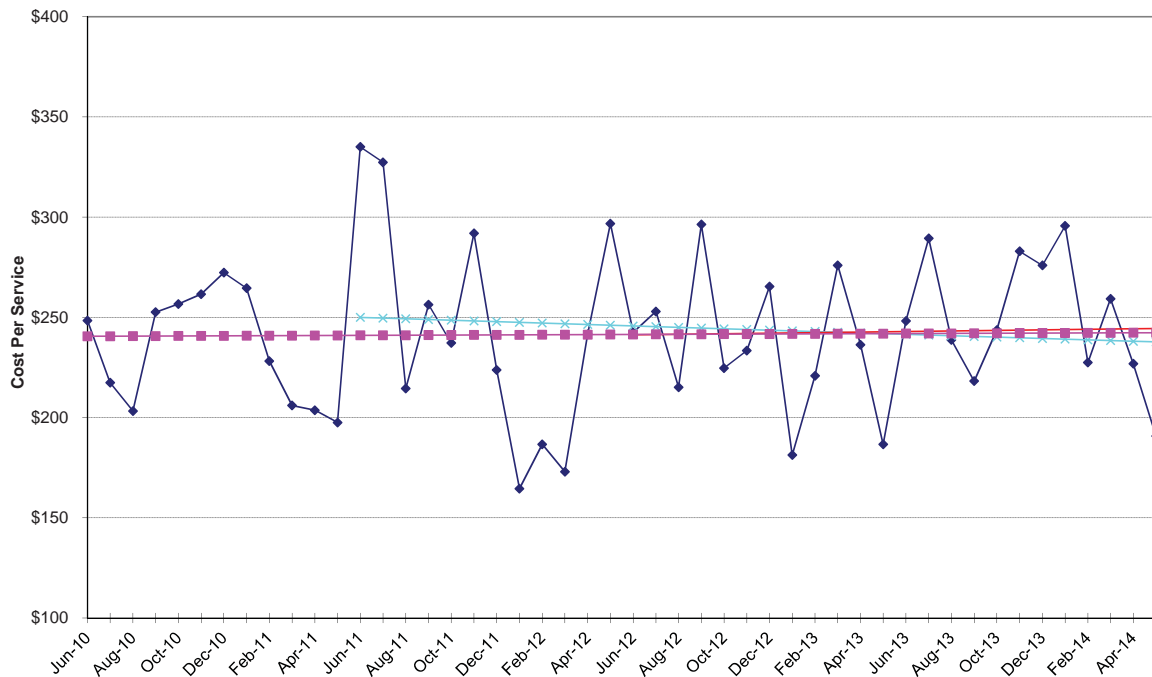
Psychiatric / Substance Abuse

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 5.5% | 0.7% | 6.2% |

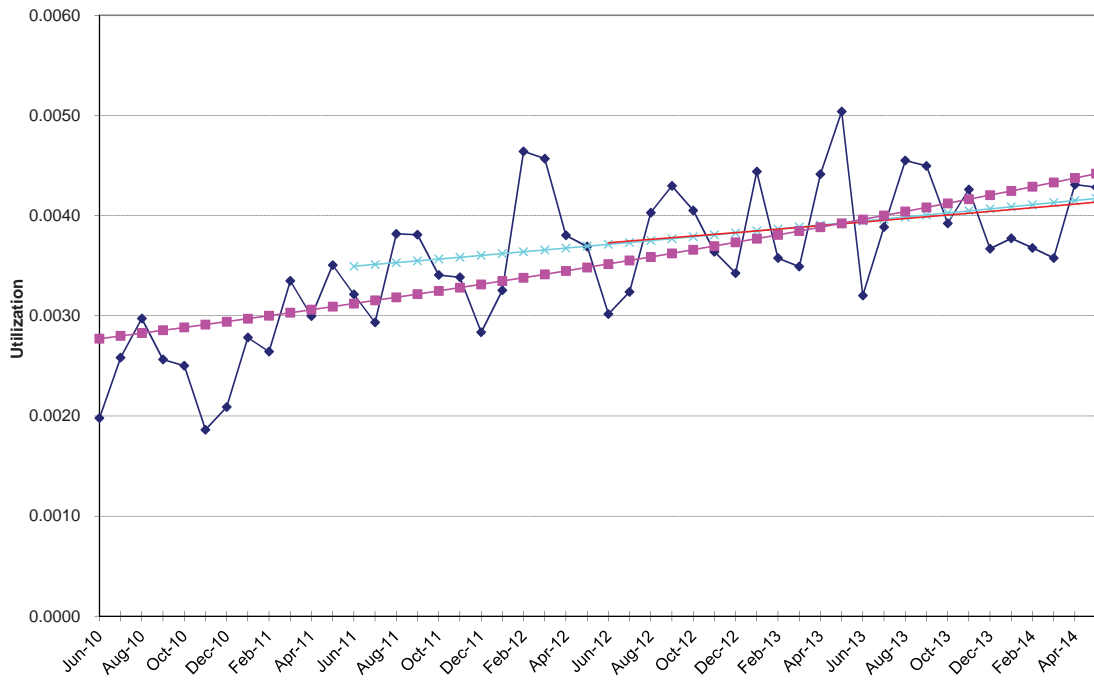
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 6.3% | -1.7% | 4.4% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 12.7% | 0.2% | 12.9% |

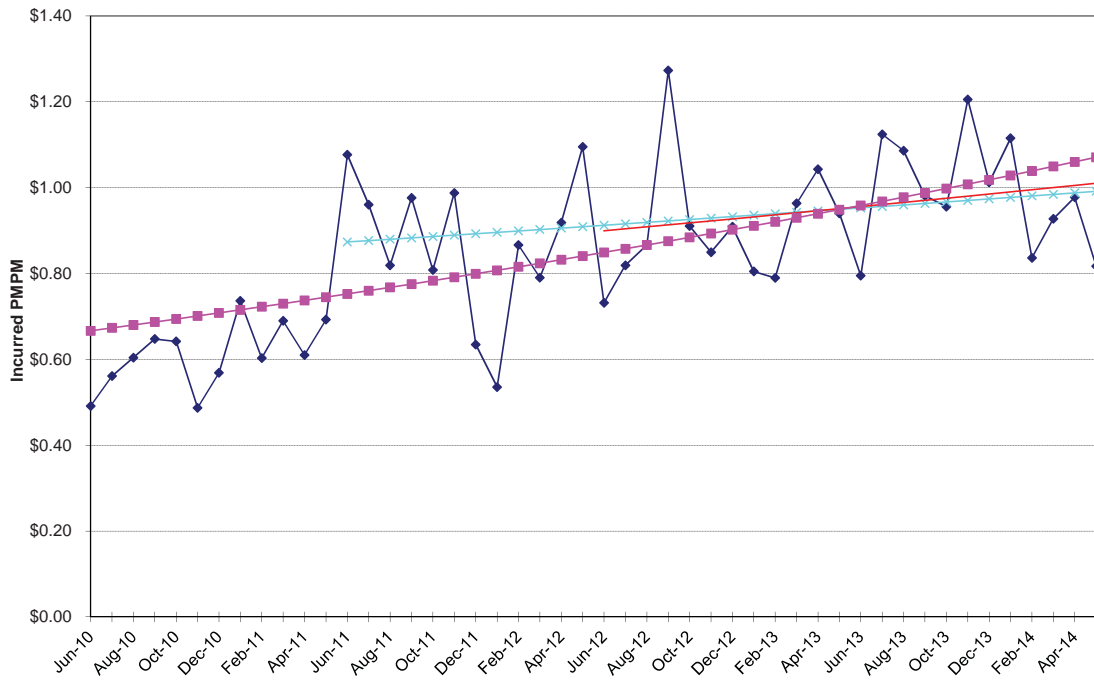
Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

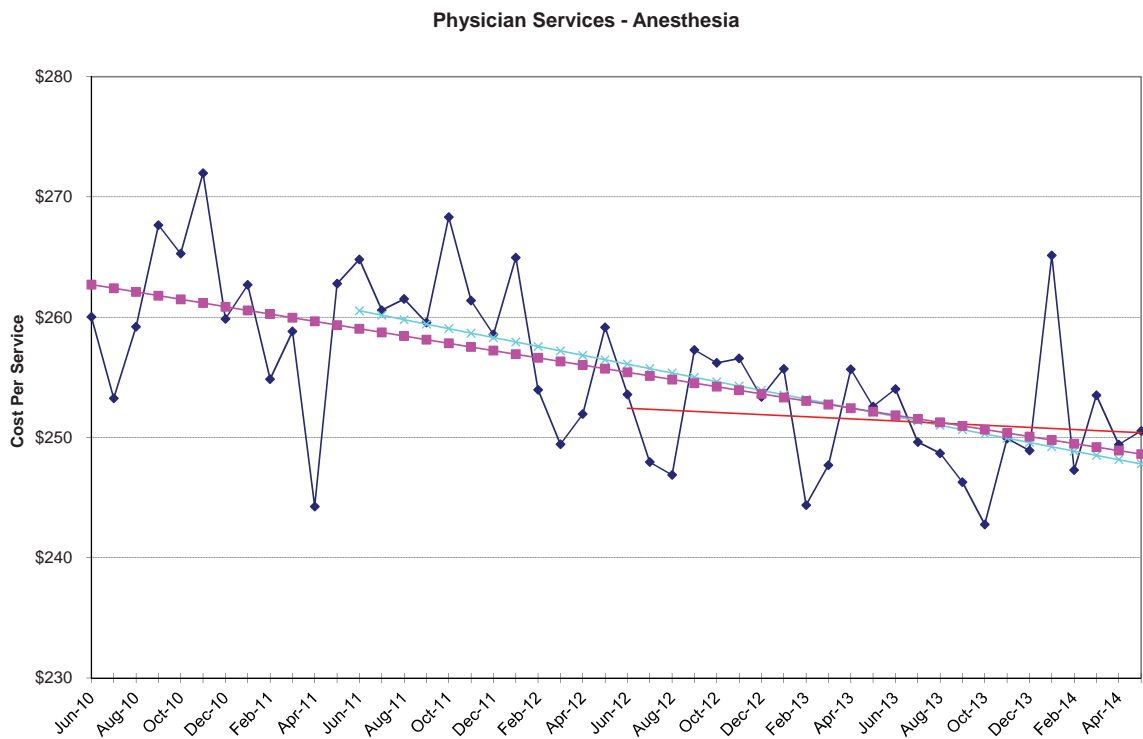
PHYSICIAN SERVICES

Anesthesia

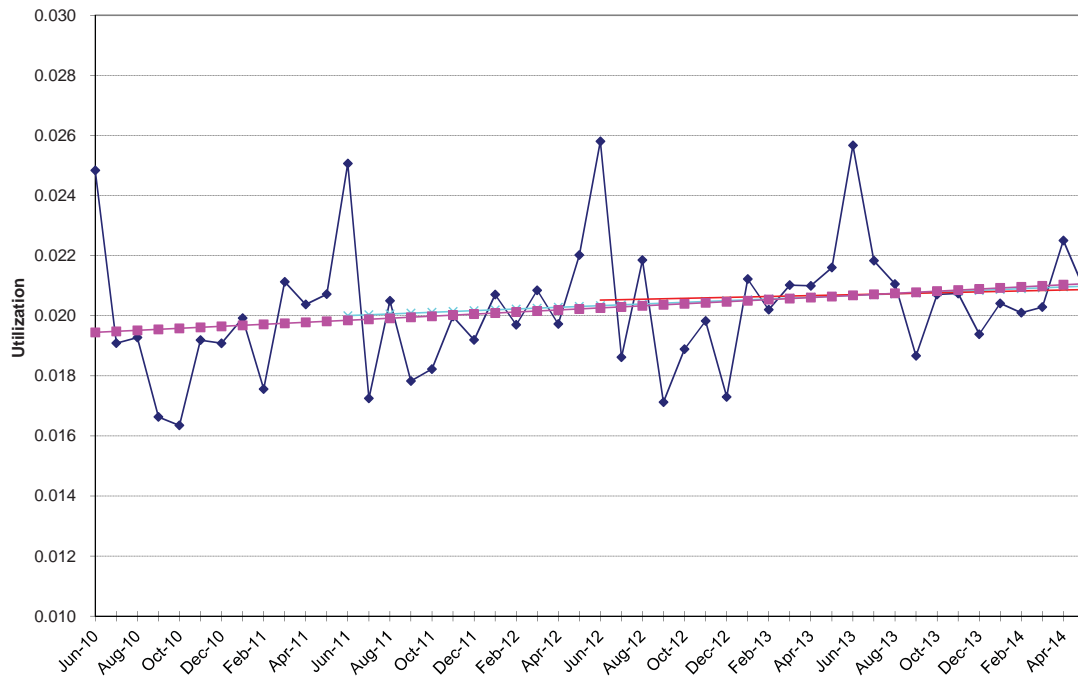
| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.9% | -0.4% | 0.5% |

| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 1.7% | -1.7% | -0.1% |

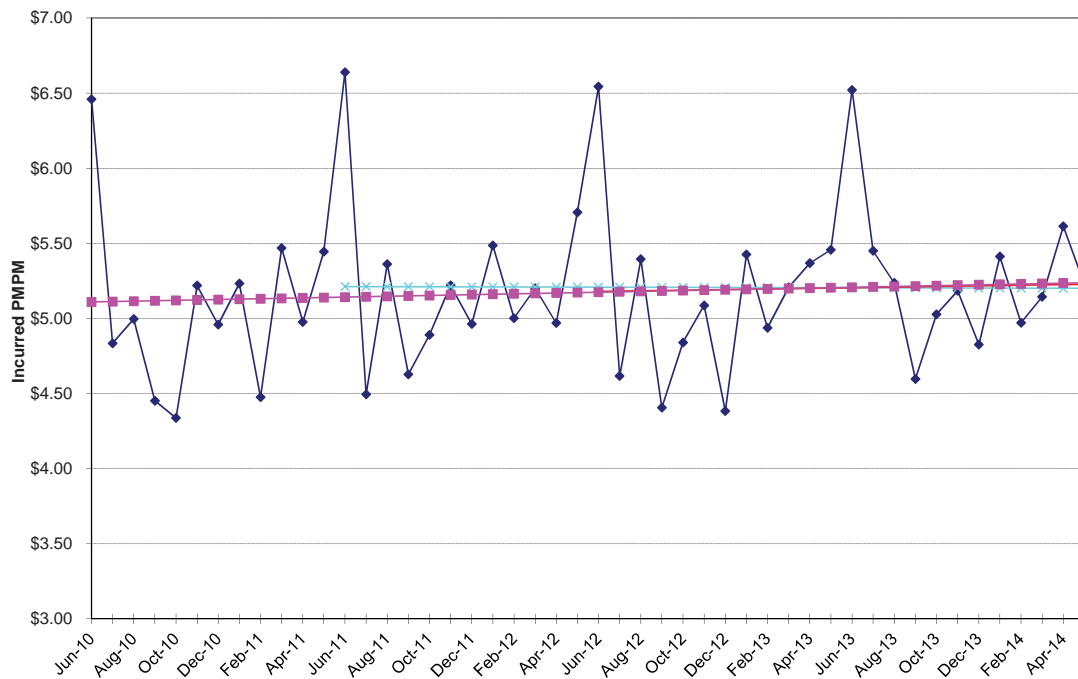
| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 2.1% | -1.4% | 0.6% |



Physician Services - Anesthesia



Physician Services - Anesthesia



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

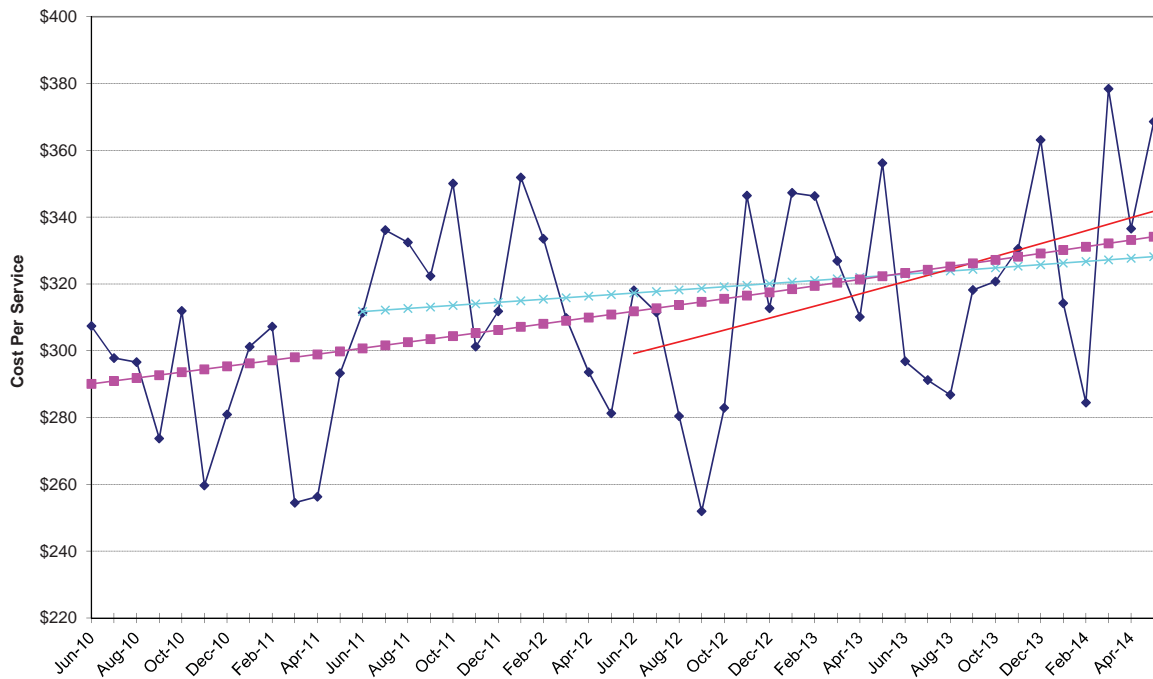
Chemotherapy / Radiation

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -12.6% | 7.2% | -6.4% |

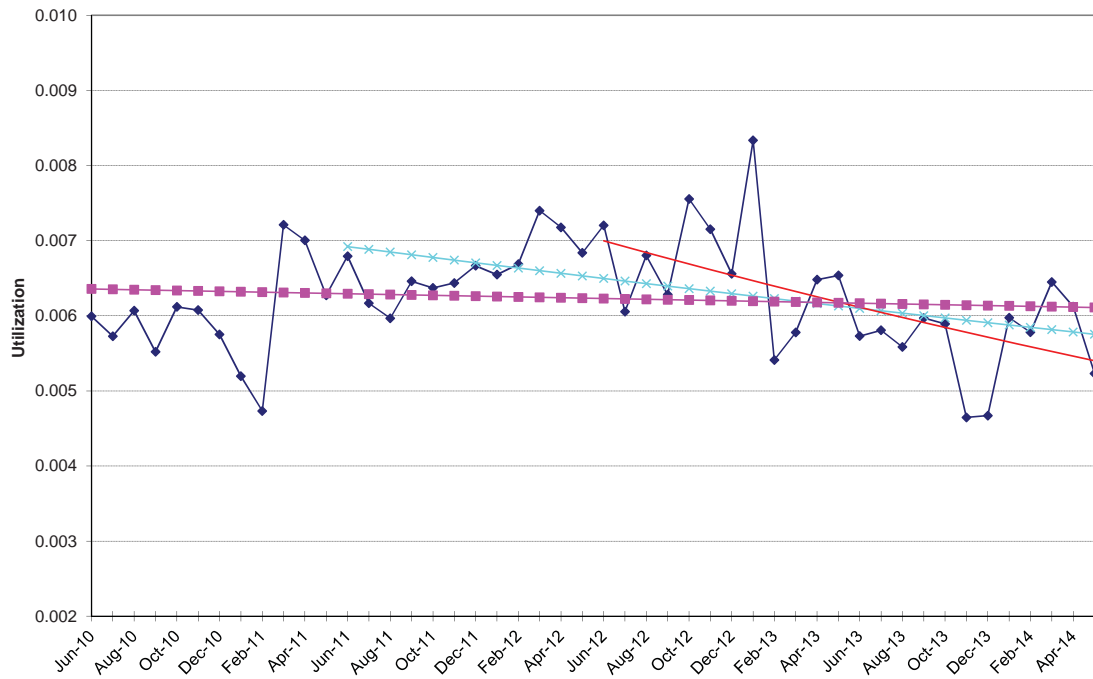
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -6.1% | 1.8% | -4.5% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -1.0% | 3.7% | 2.6% |

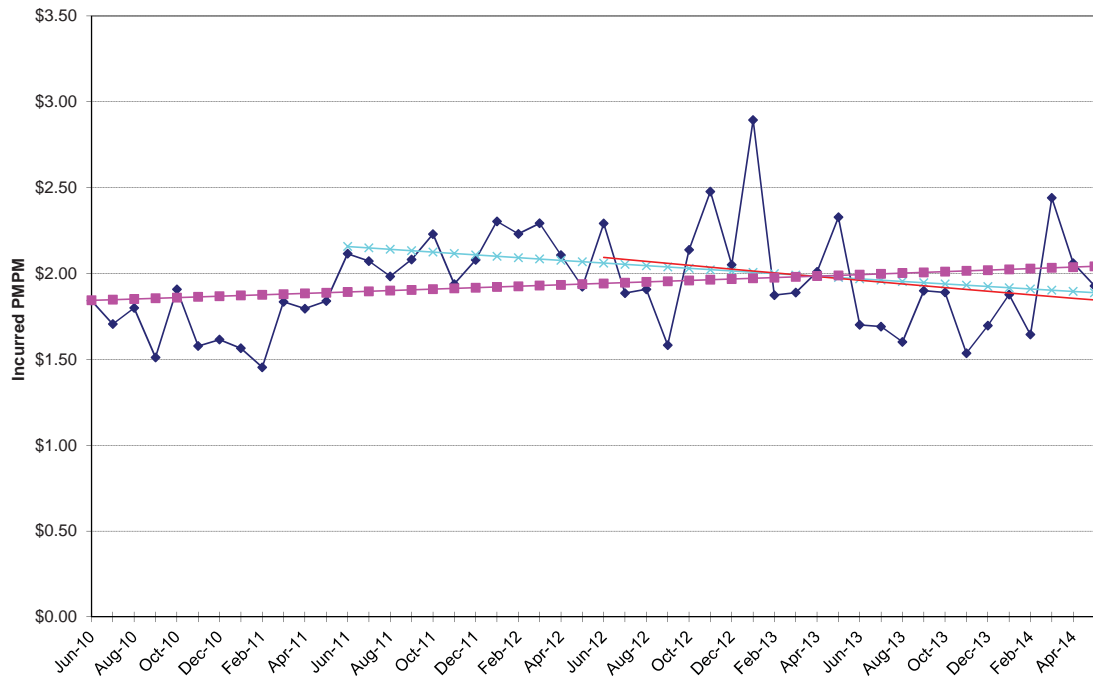
Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

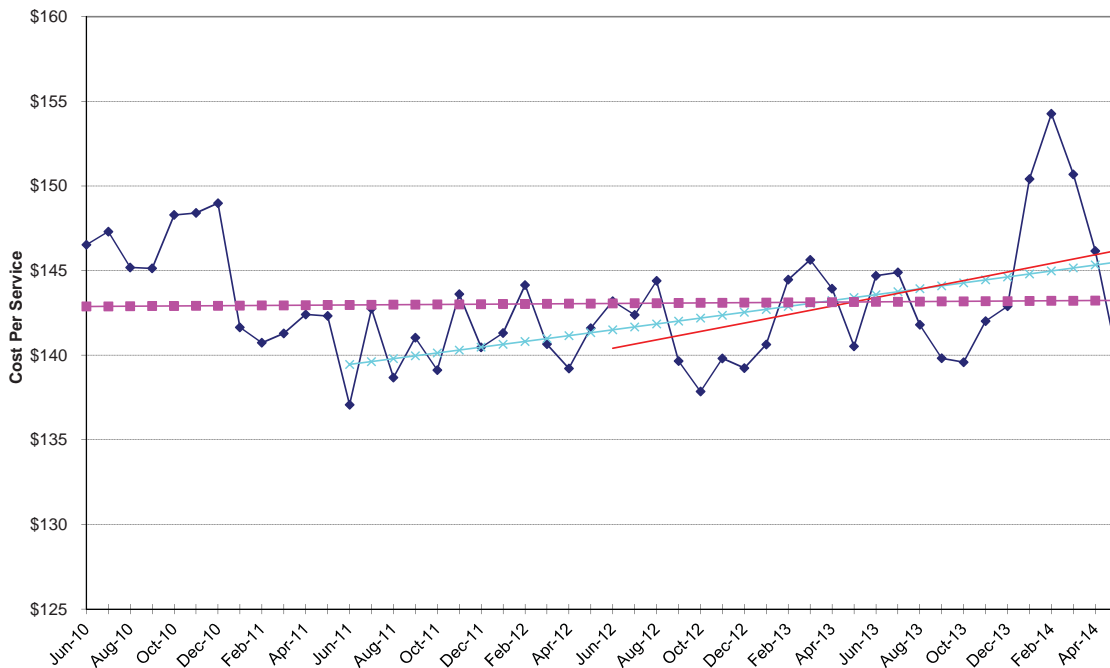
Emergency Room

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 1.7% | 2.1% | 3.8% |

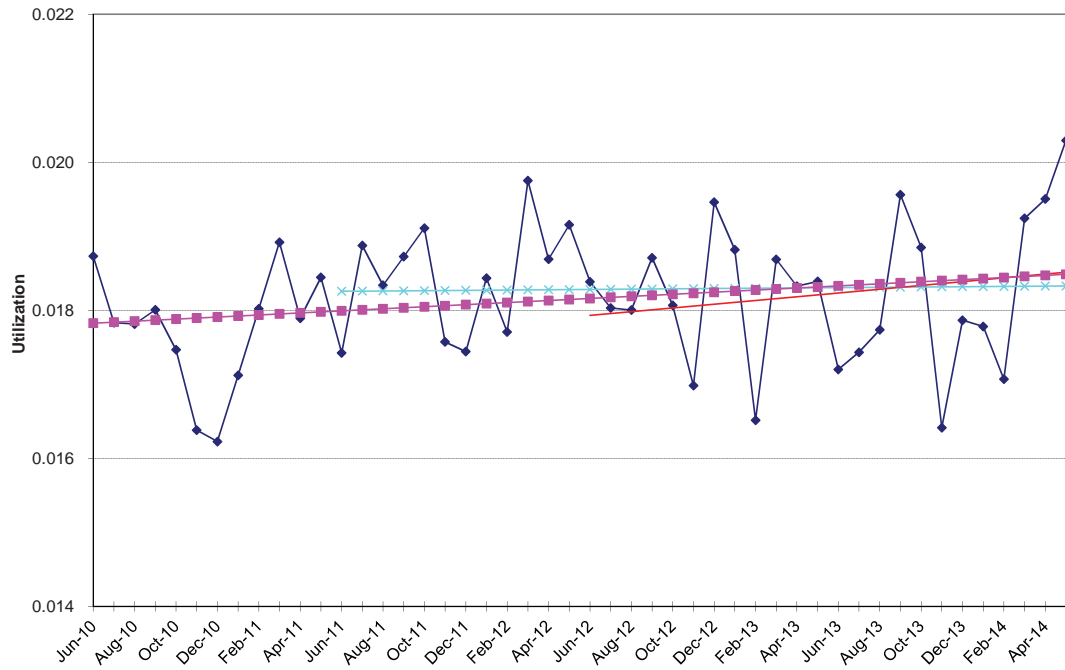
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.1% | 1.5% | 1.6% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.9% | 0.1% | 1.0% |

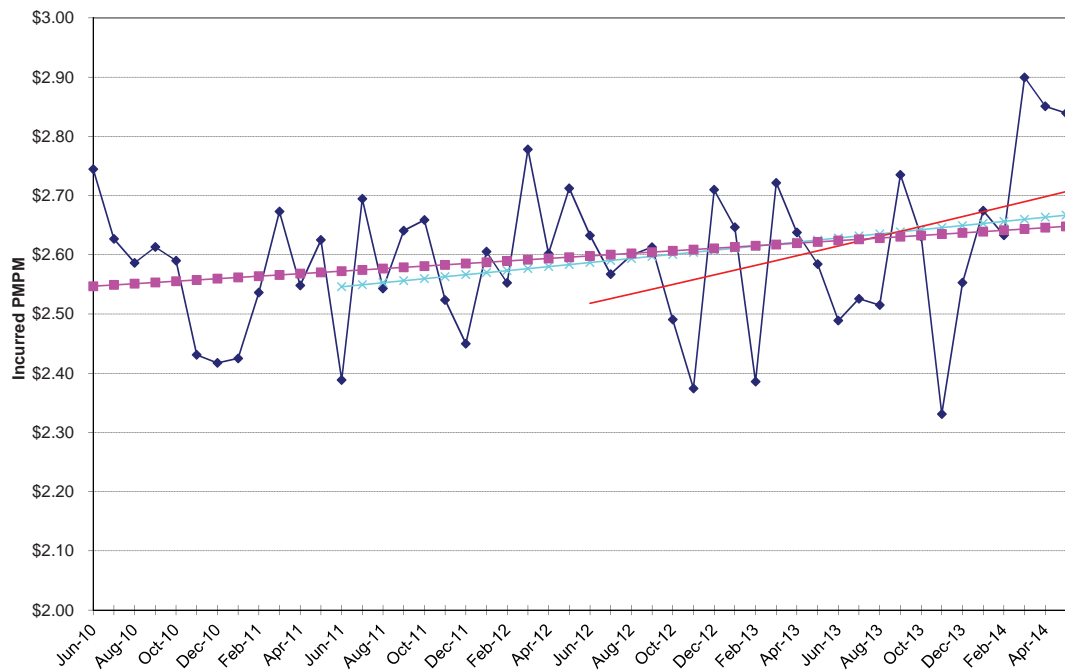
Physician Services - Emergency Room



Physician Services - Emergency Room



Physician Services - Emergency Room



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

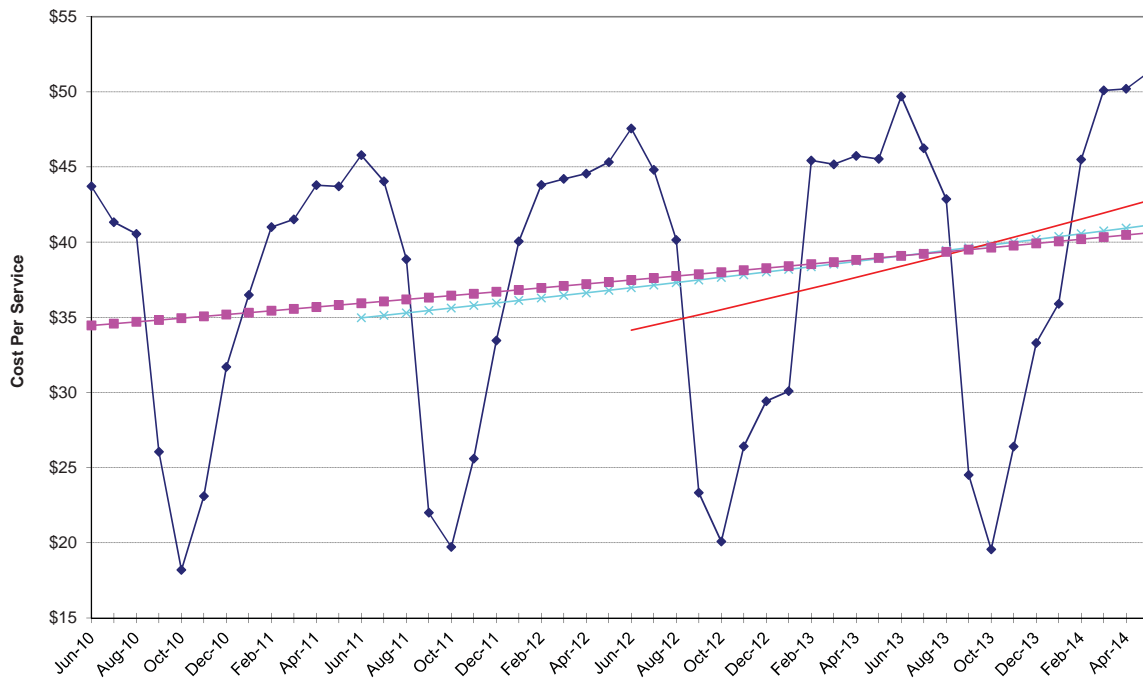
Immunizations / Injections / Allergy

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -17.2% | 12.5% | -6.8% |

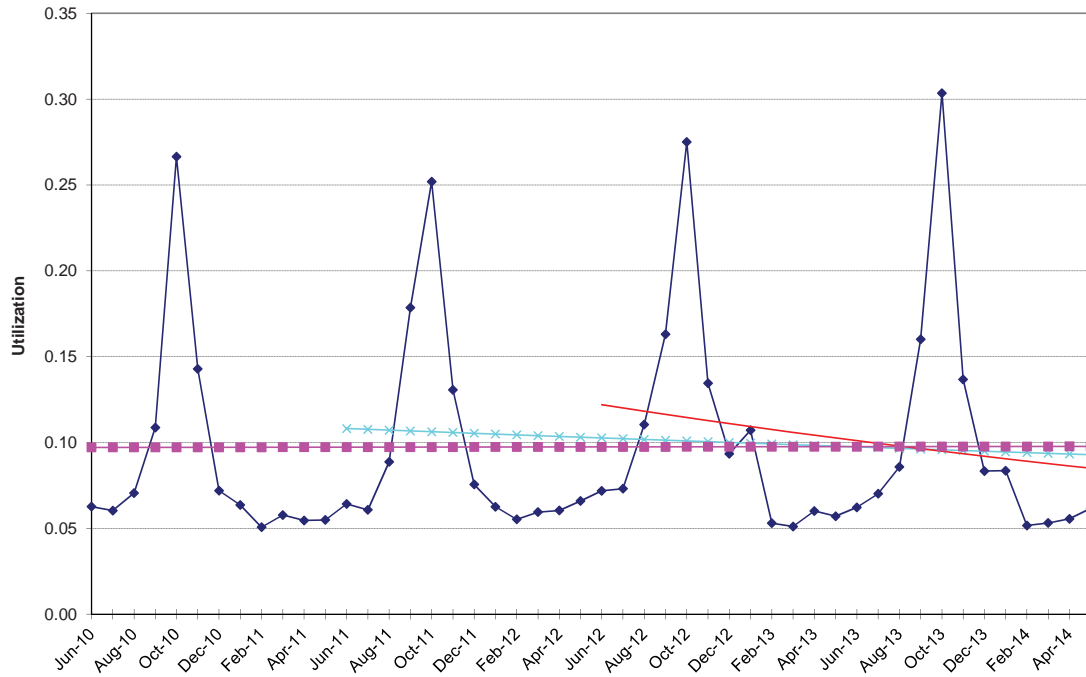
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -5.1% | 5.7% | 0.4% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.2% | 4.3% | 4.5% |

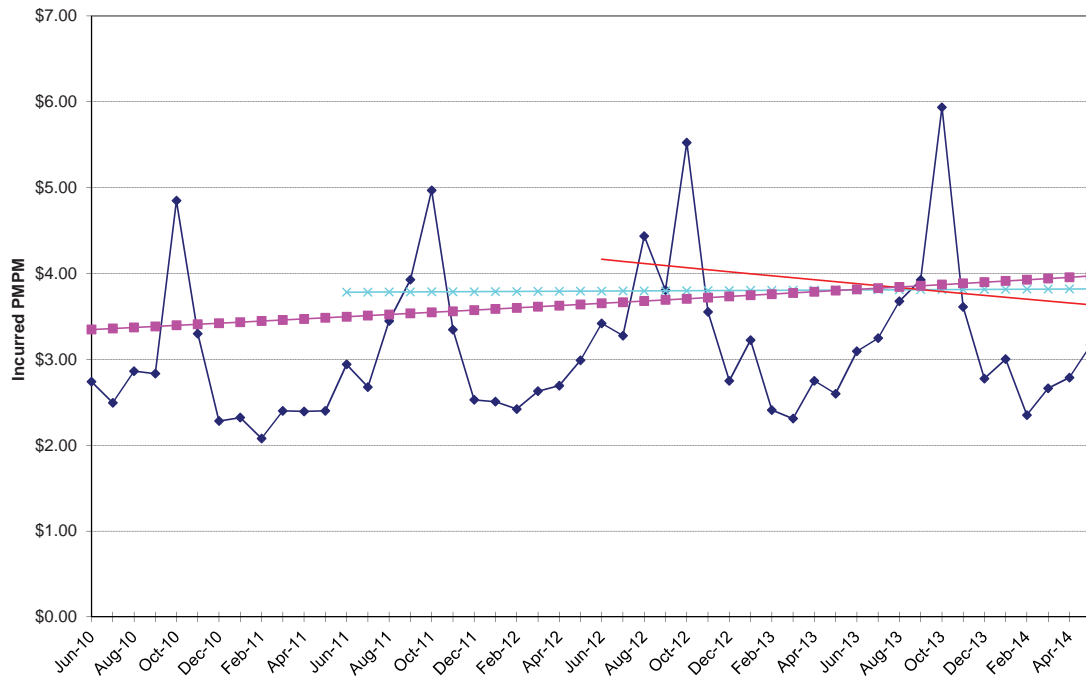
Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

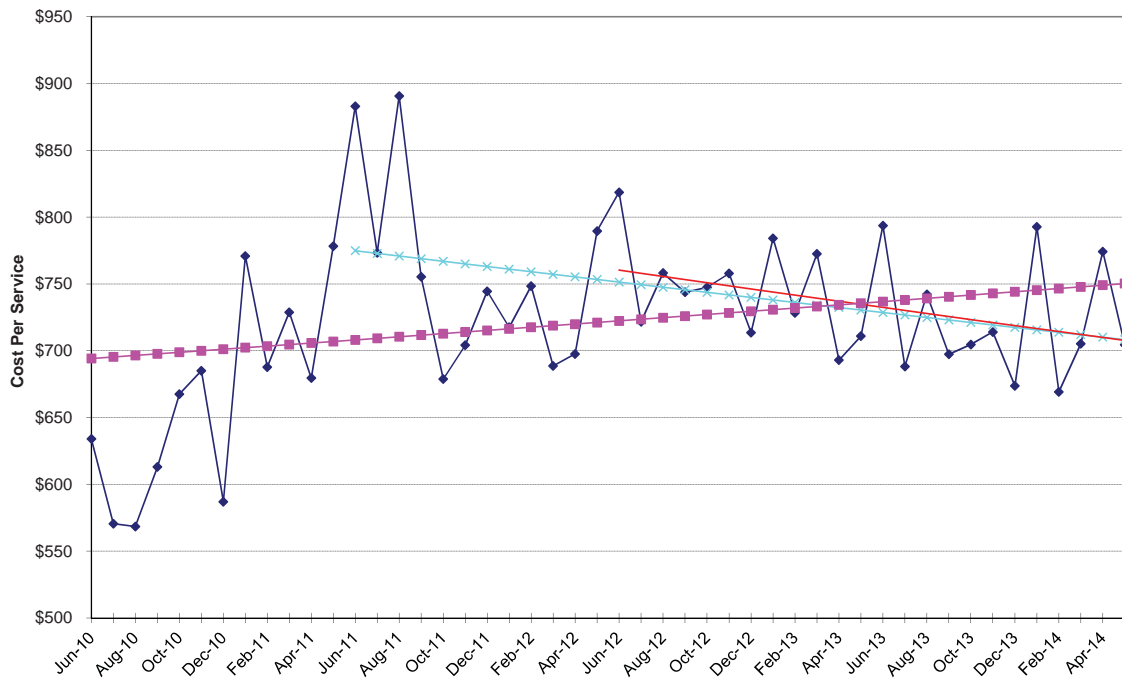
Inpatient Surgery

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -5.7% | -3.7% | -9.1% |

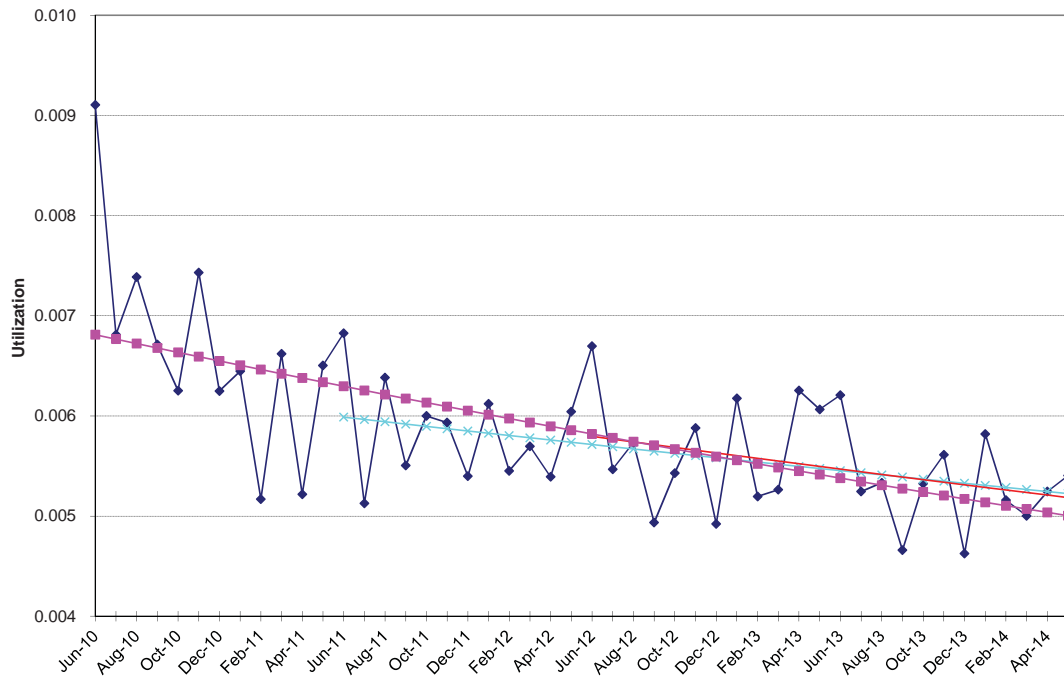
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -4.6% | -3.0% | -7.5% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -7.6% | 2.0% | -5.7% |

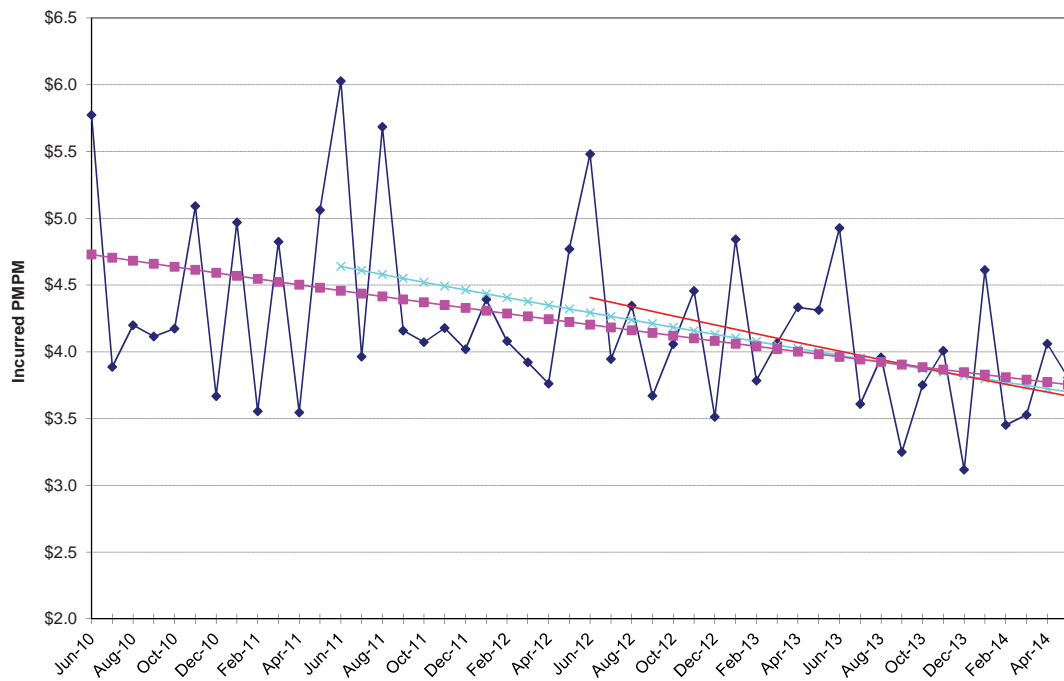
Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

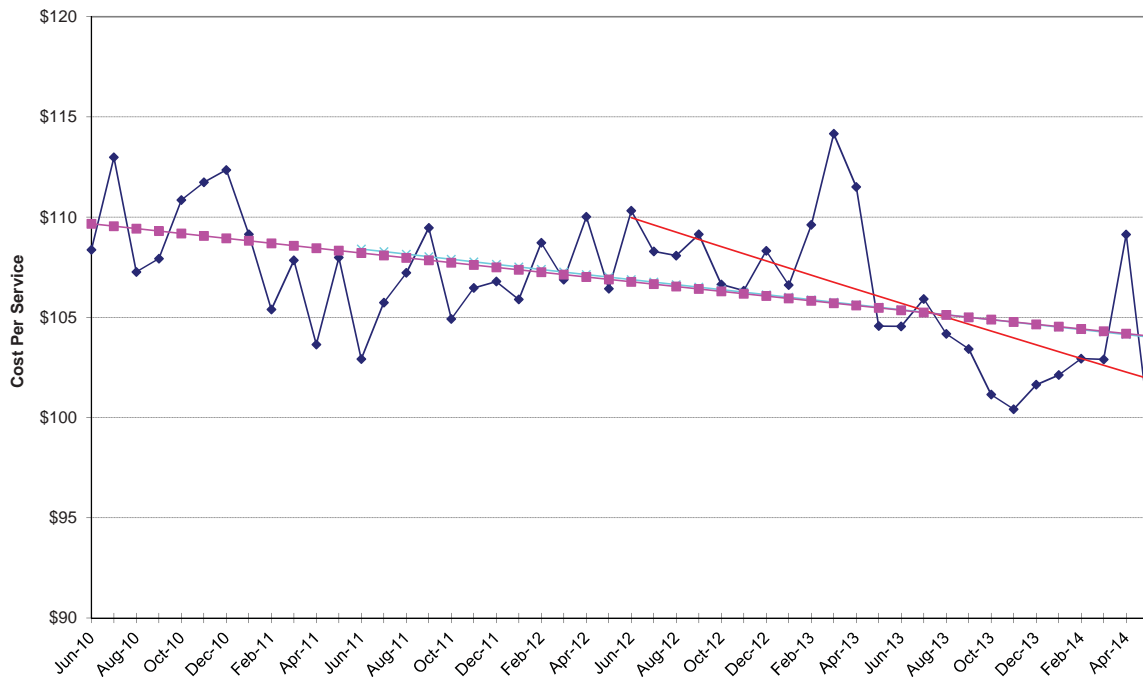
Inpatient Visits

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 1.5% | -3.9% | -2.5% |

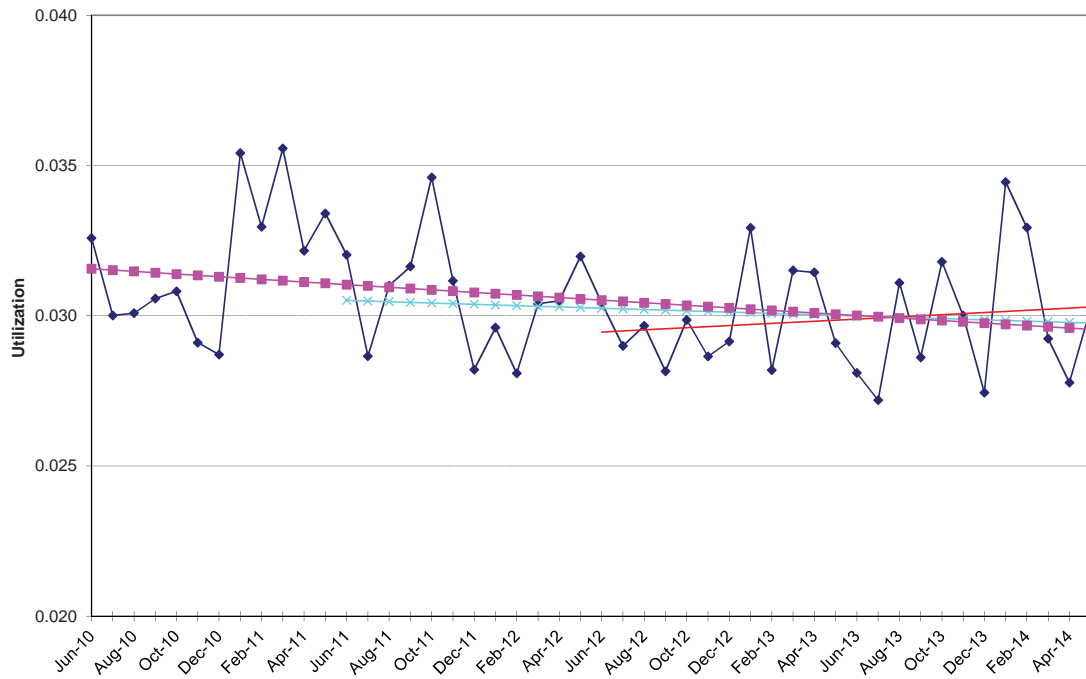
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -0.9% | -1.4% | -2.3% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -1.7% | -1.3% | -3.0% |

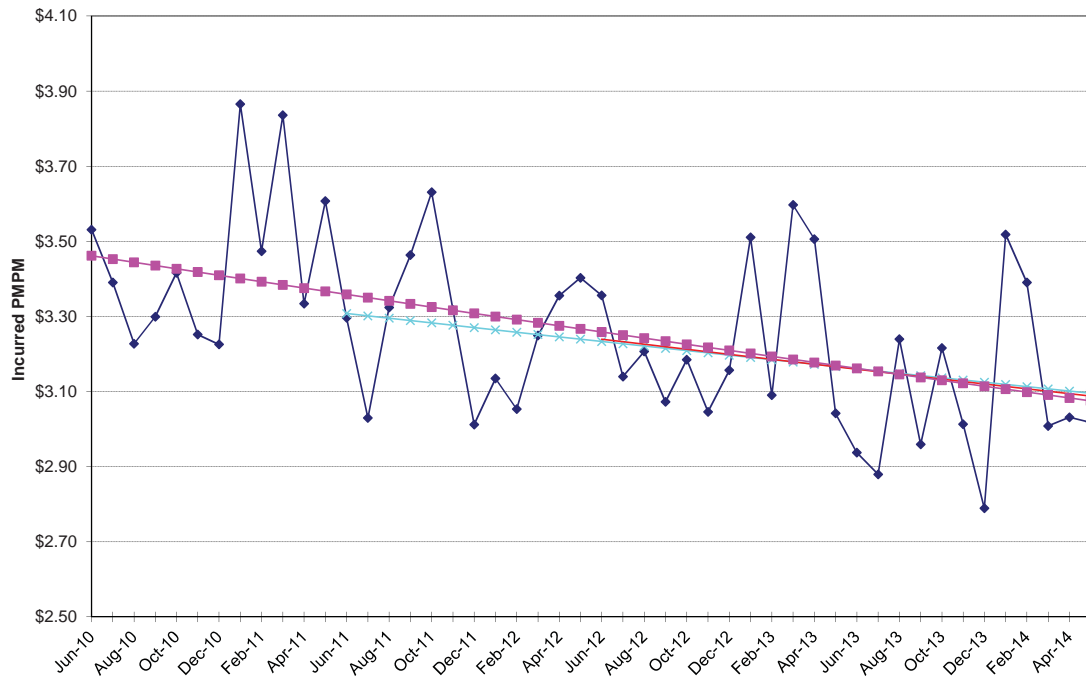
Physician Services - Inpatient Visits



Physician Services - Inpatient Visits



Physician Services - Inpatient Visits



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

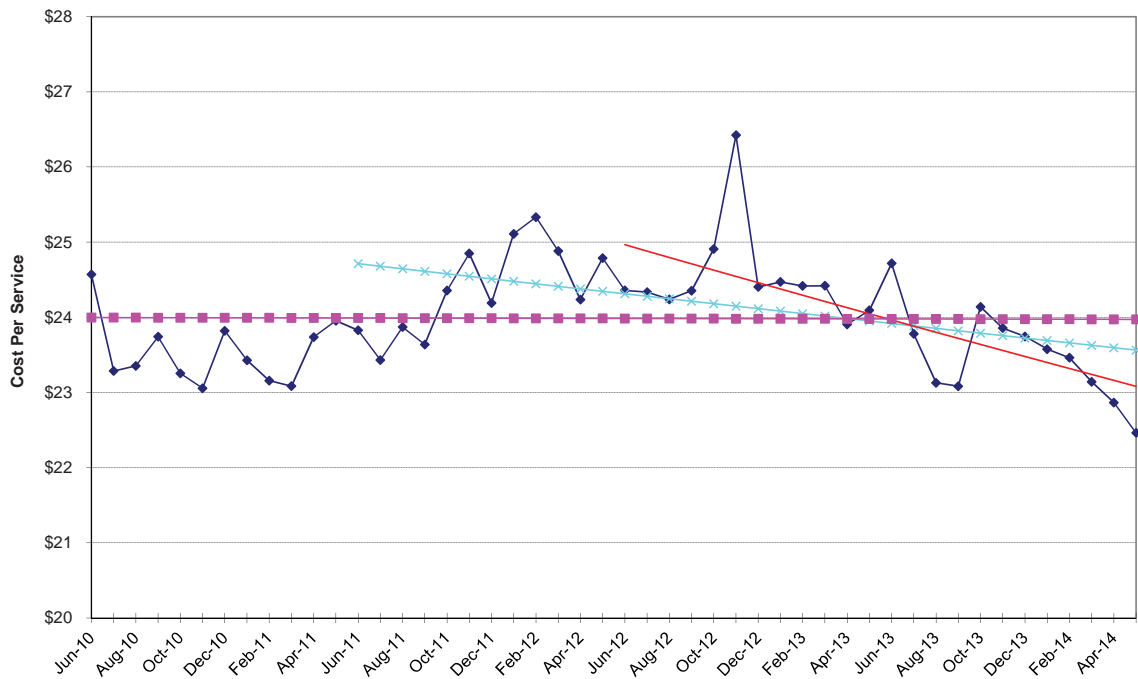
Lab & Pathology

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 1.2% | -4.0% | -2.8% |

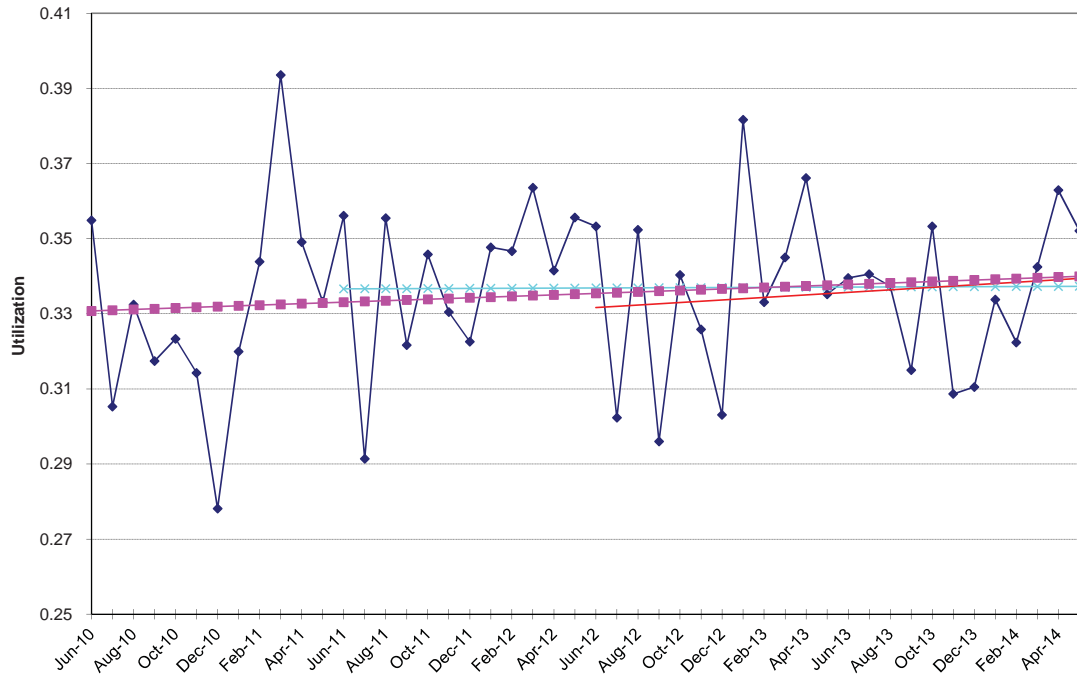
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.1% | -1.6% | -1.6% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.7% | 0.0% | 0.7% |

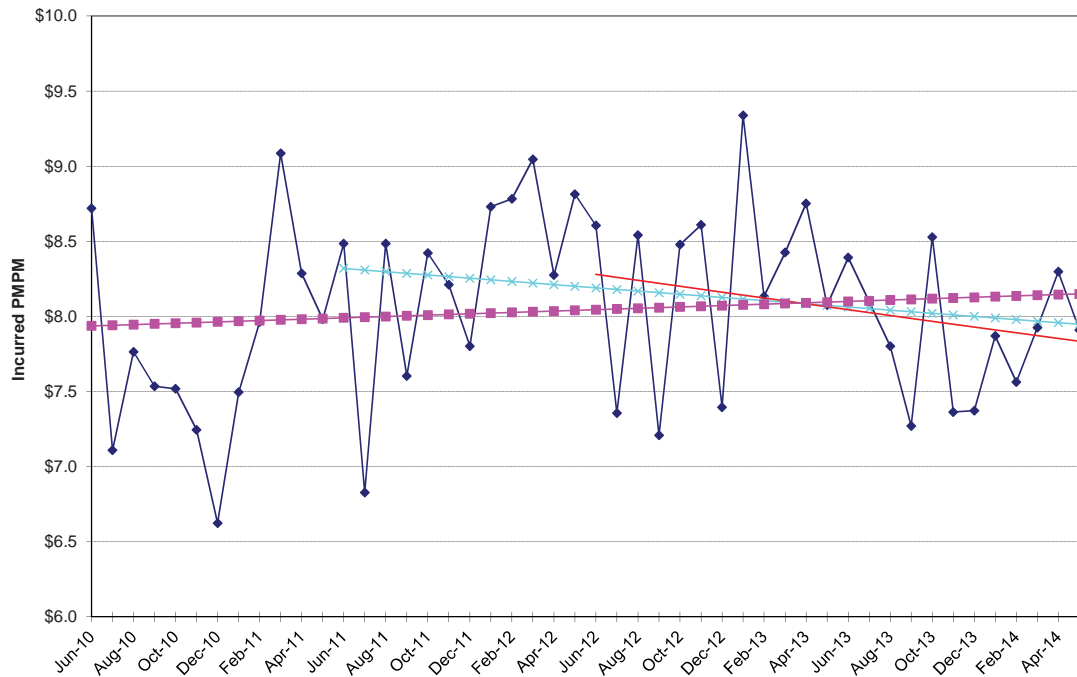
Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



NON-MEDICARE CLAIMS
Excluding Drugs

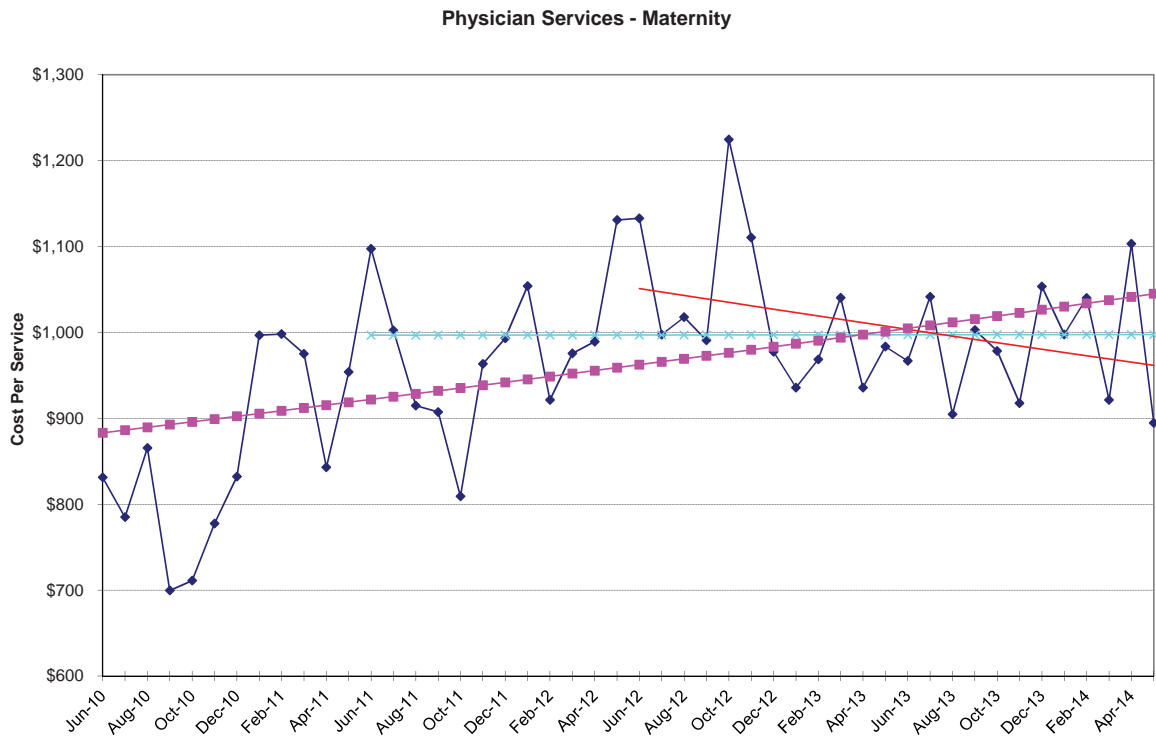
PHYSICIAN SERVICES

Maternity

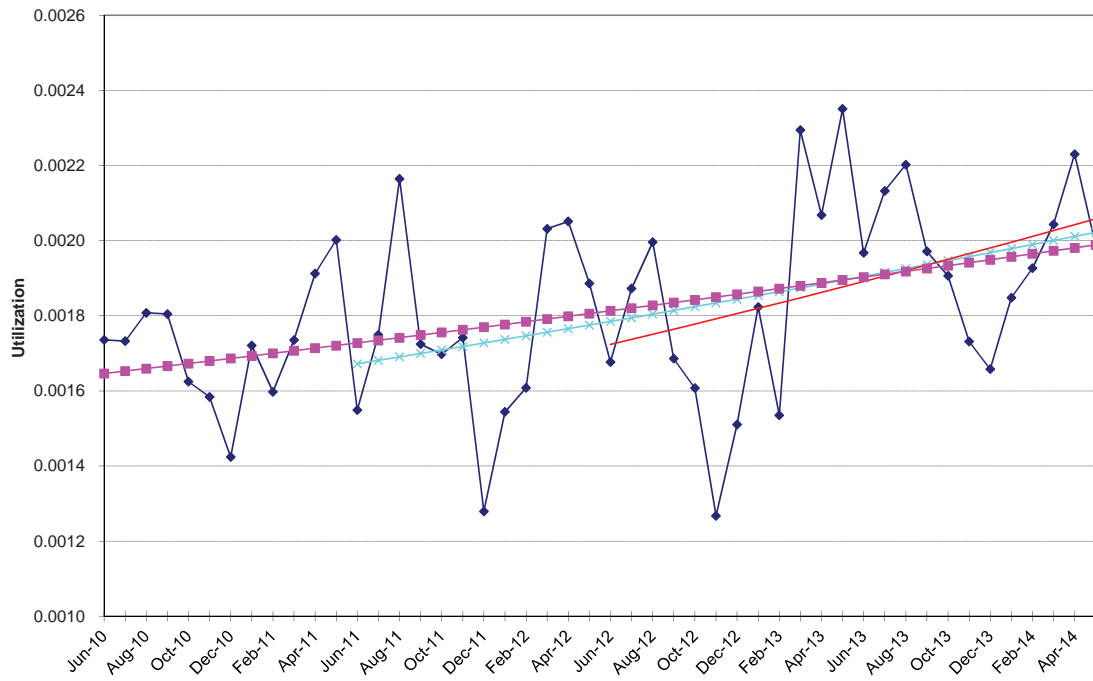
| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 9.7% | -4.5% | 4.7% |

| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 6.7% | 0.0% | 6.8% |

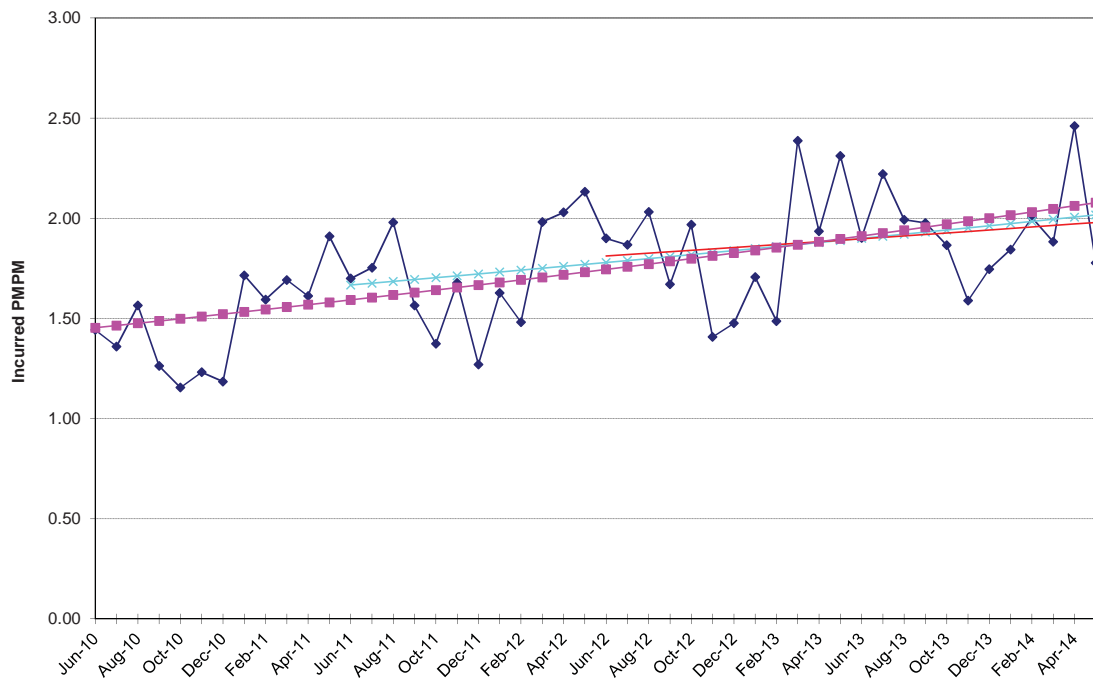
| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 4.9% | 4.4% | 9.6% |



Physician Services - Maternity



Physician Services - Maternity



NON-MEDICARE CLAIMS
Excluding Drugs

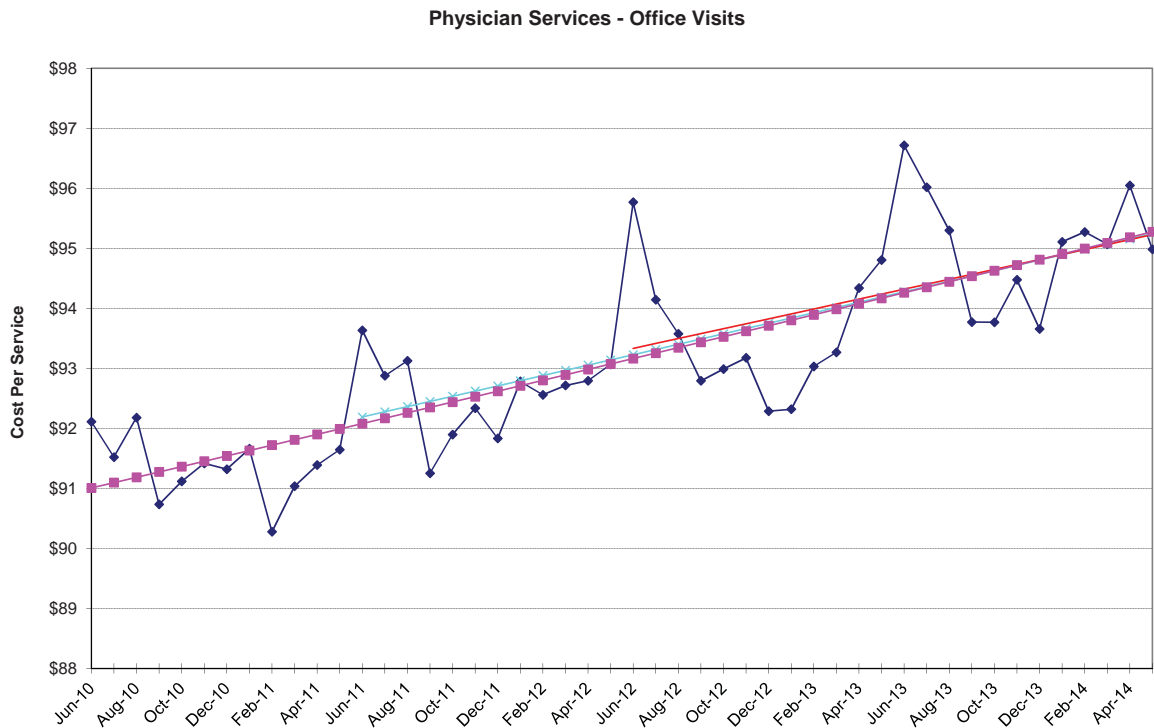
PHYSICIAN SERVICES

Office Visits

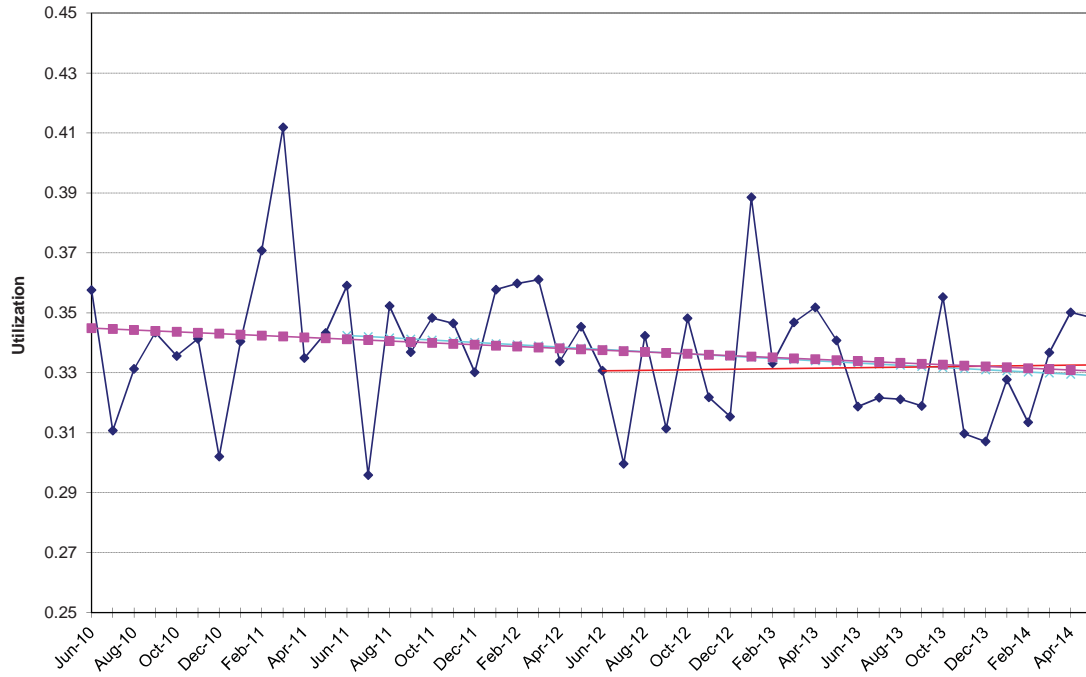
| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.3% | 1.1% | 1.4% |

| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -1.4% | 1.1% | -0.2% |

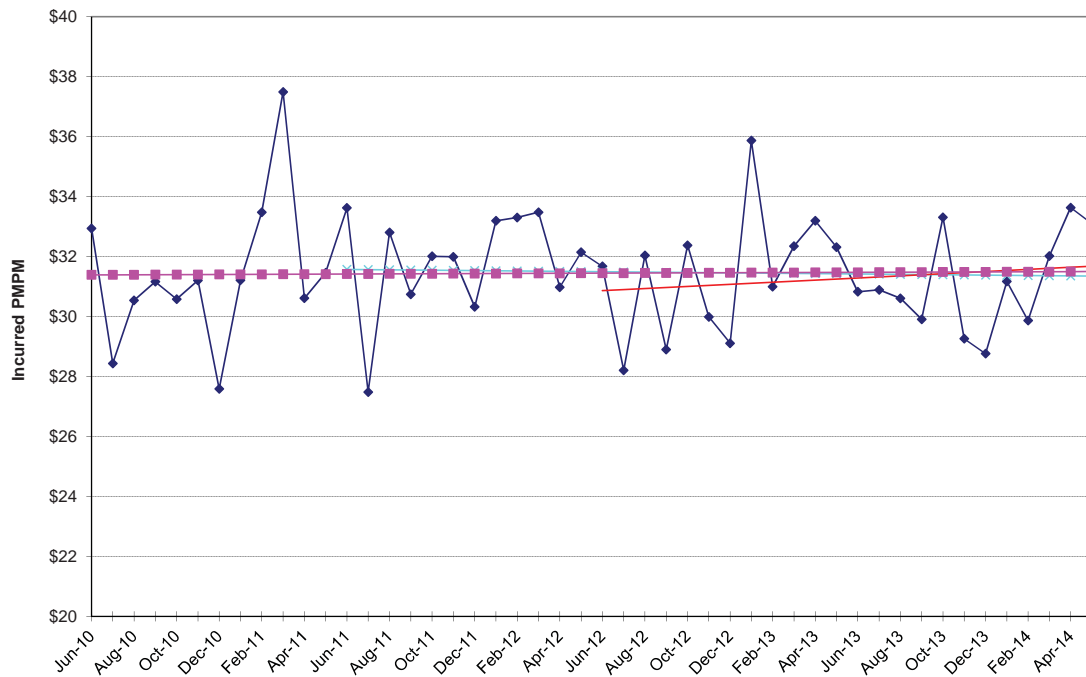
| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -1.1% | 1.2% | 0.1% |



Physician Services - Office Visits



Physician Services - Office Visits



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

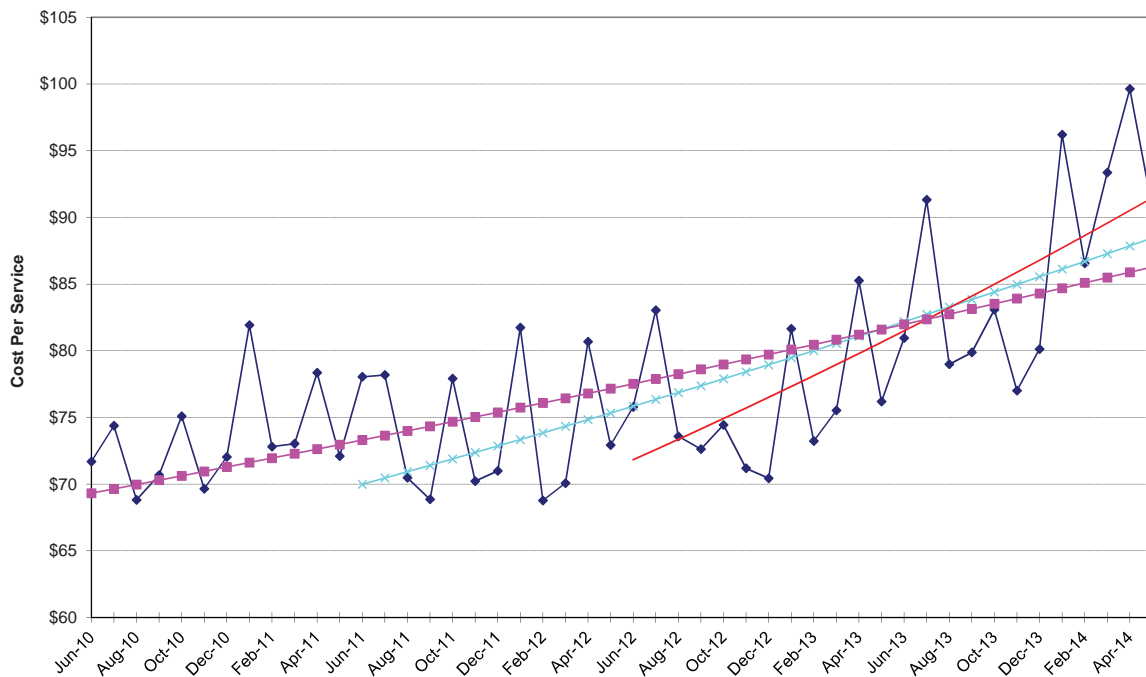
Other Services

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -3.6% | 13.4% | 9.4% |

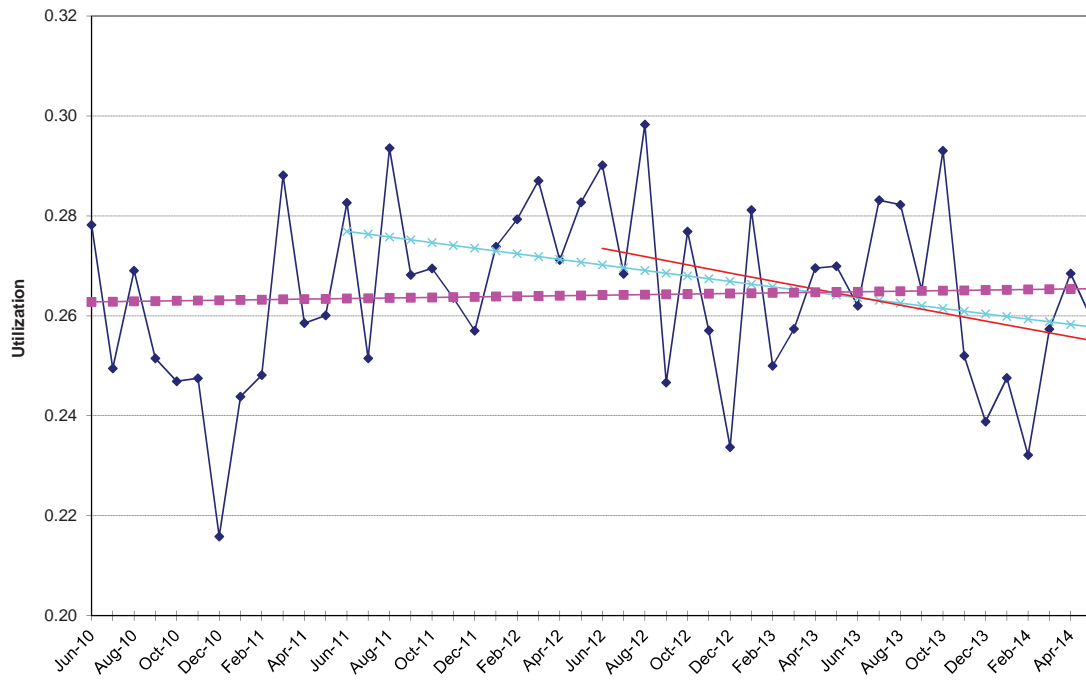
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -2.4% | 8.4% | 5.7% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.3% | 5.8% | 6.0% |

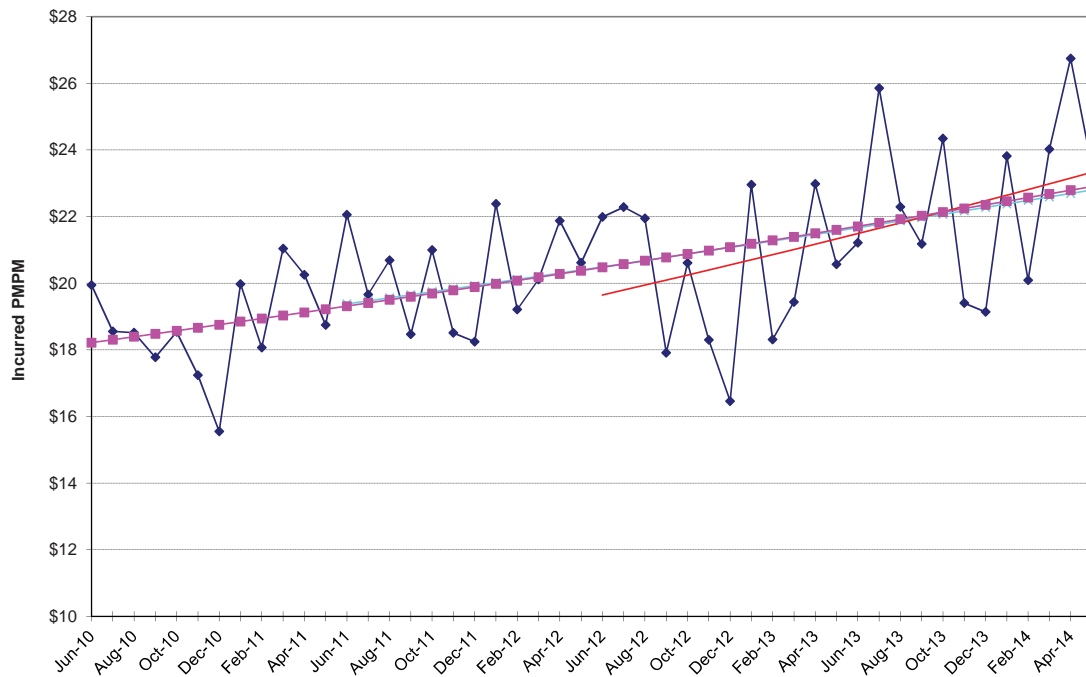
Physician Services - Other Services



Physician Services - Other Services



Physician Services - Other Services



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

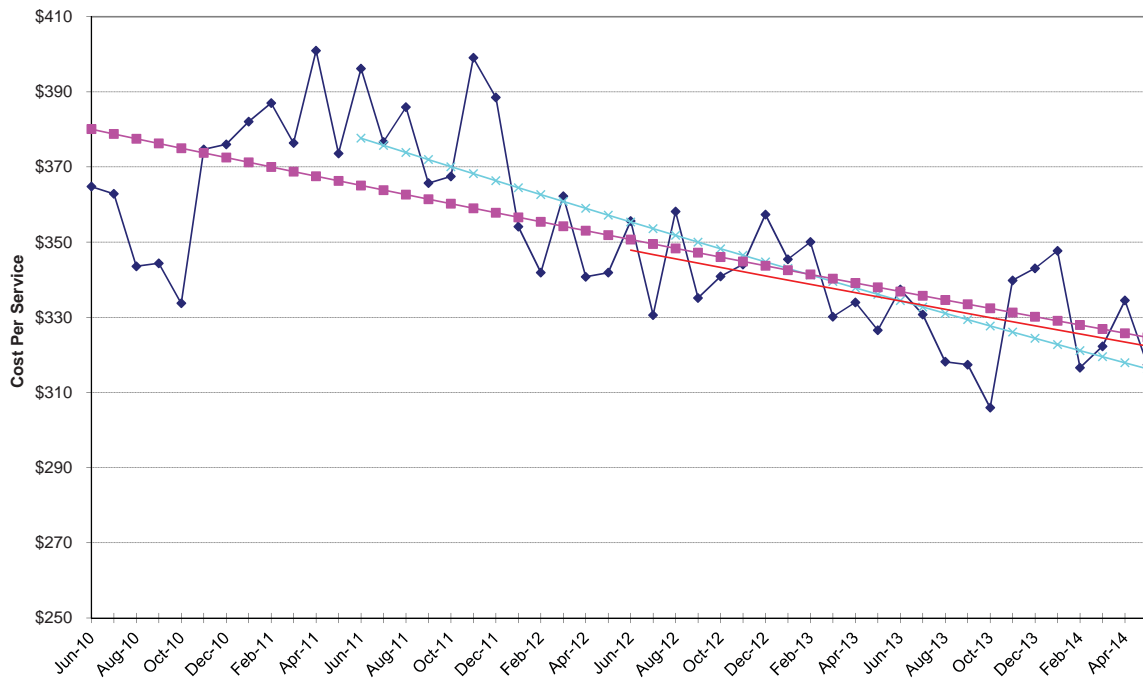
Outpatient Surgery

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -1.8% | -3.9% | -5.6% |

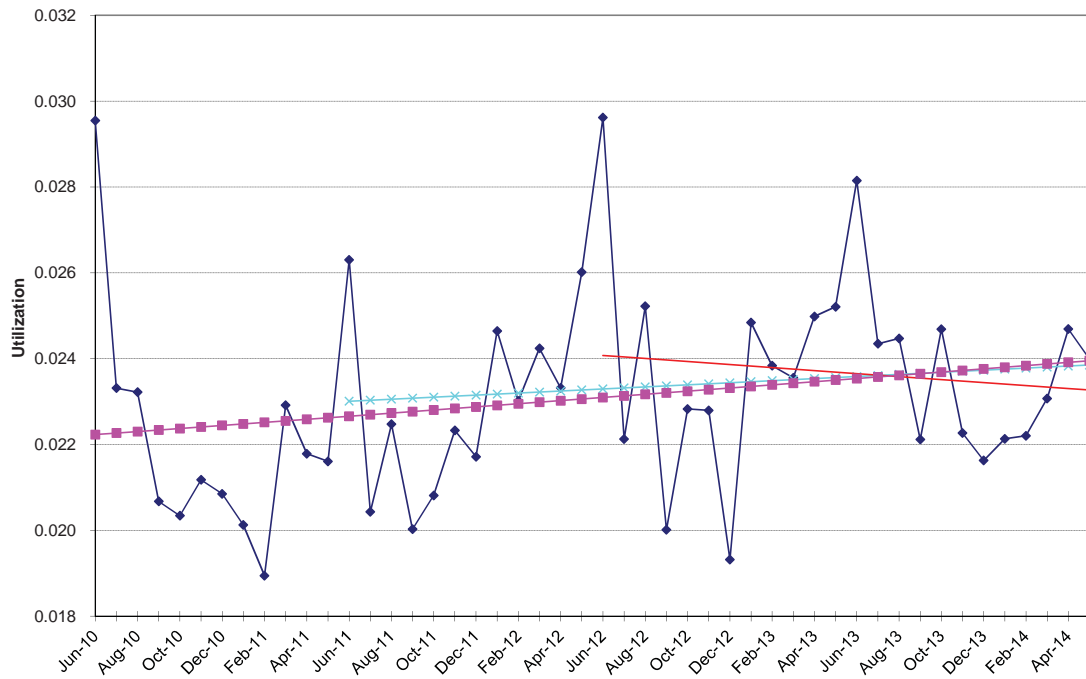
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 1.2% | -5.9% | -4.7% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 1.9% | -3.9% | -2.1% |

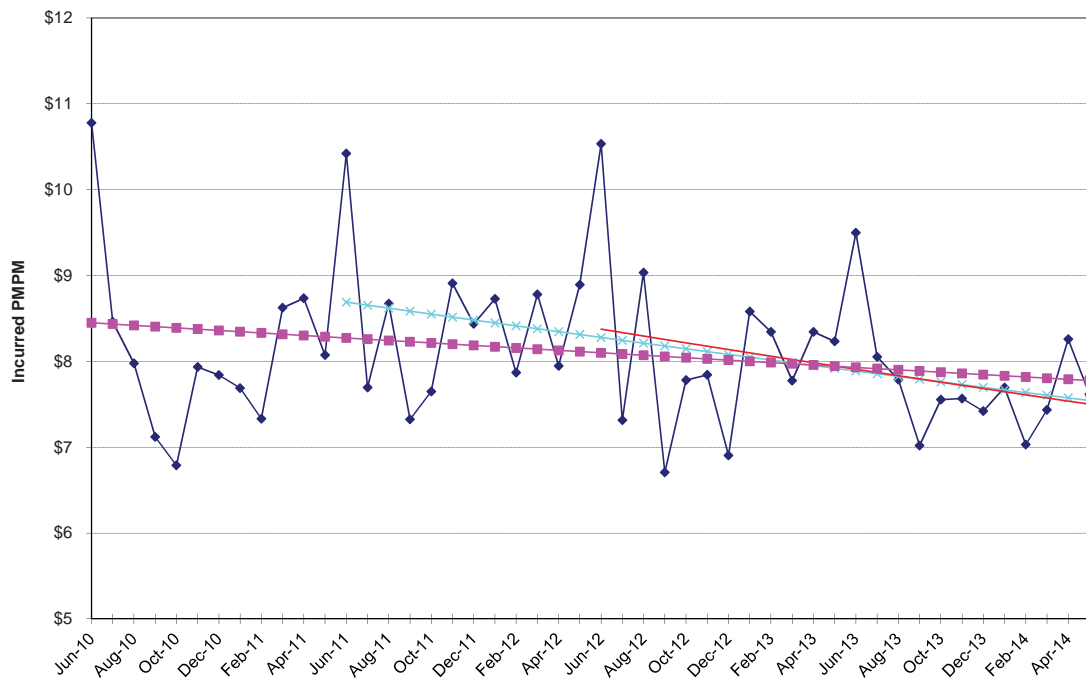
Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

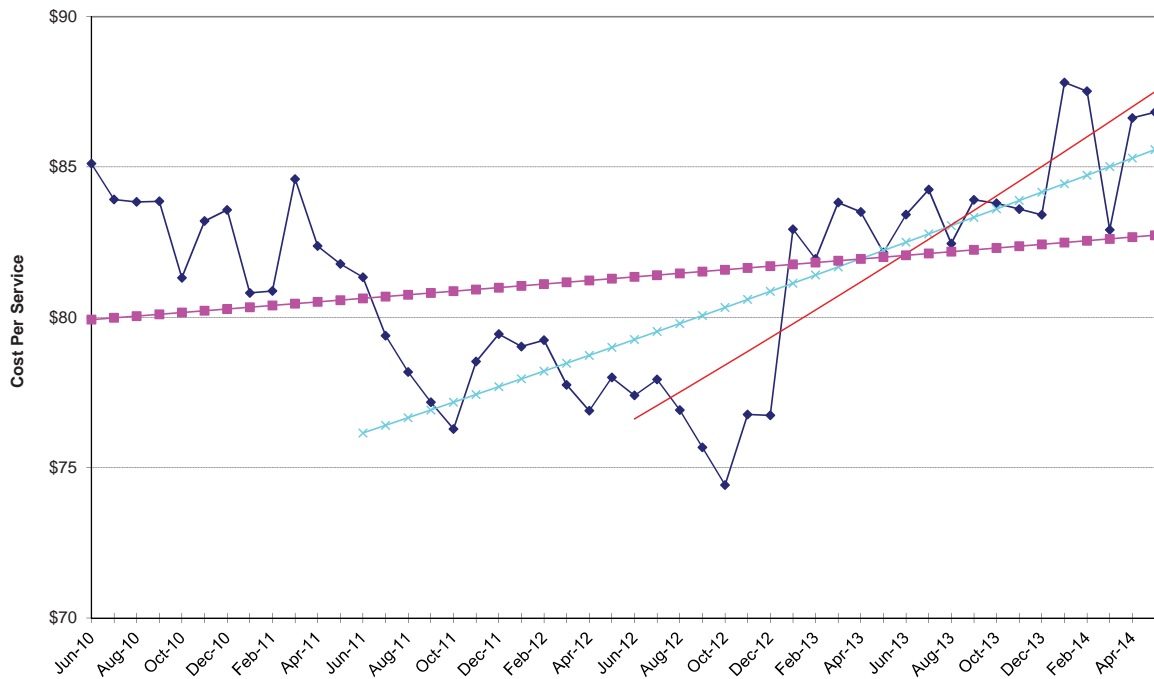
Psychiatric / Substance Abuse

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 6.9% | 7.2% | 14.5% |

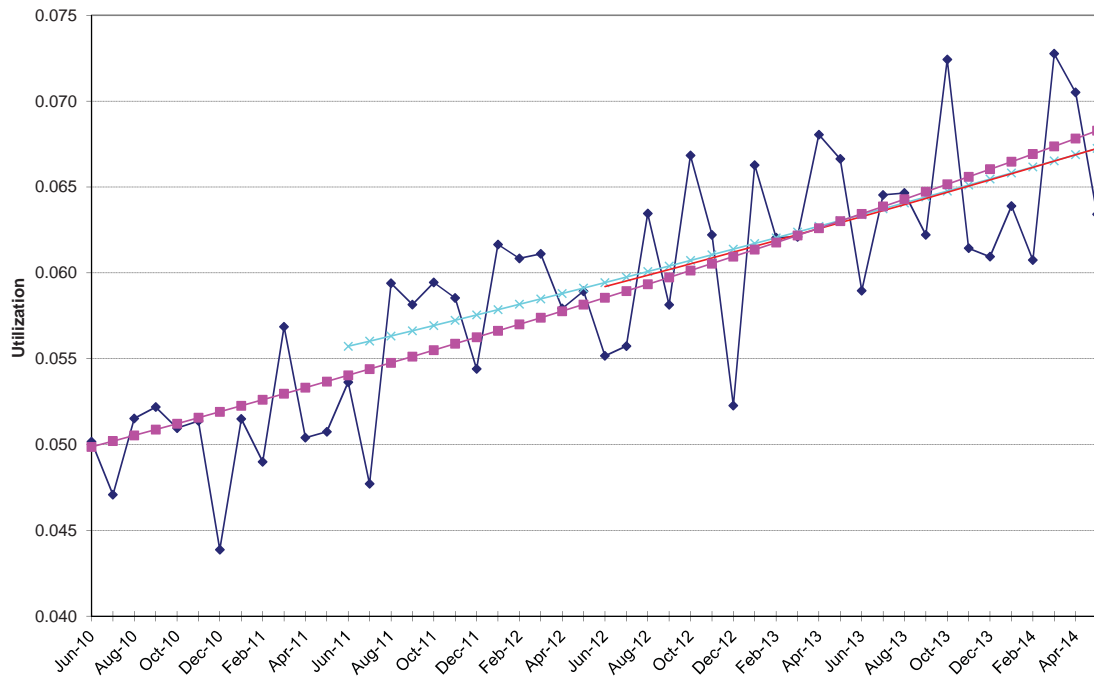
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 6.7% | 4.1% | 11.0% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 8.4% | 0.9% | 9.3% |

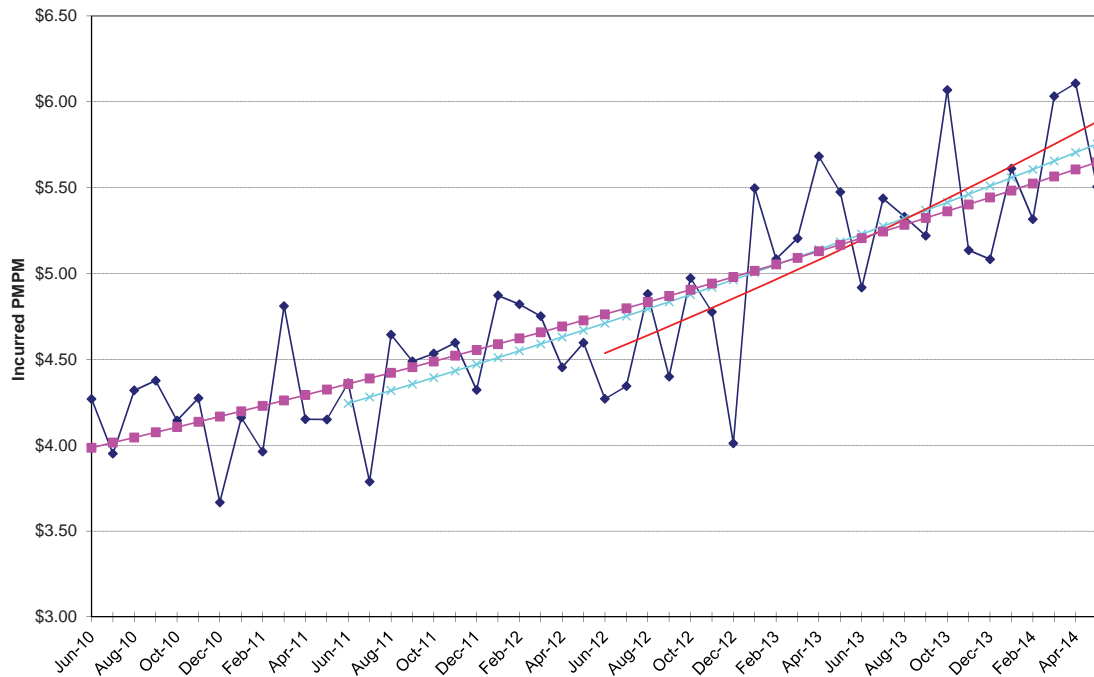
Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

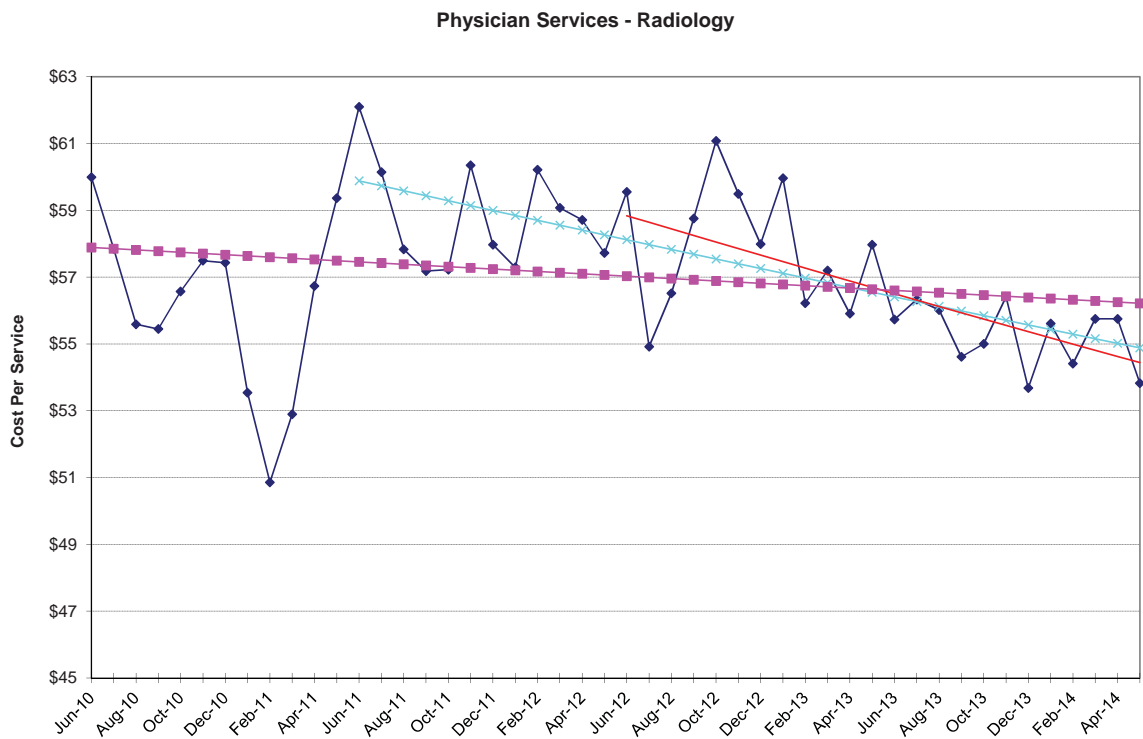
PHYSICIAN SERVICES

Radiology

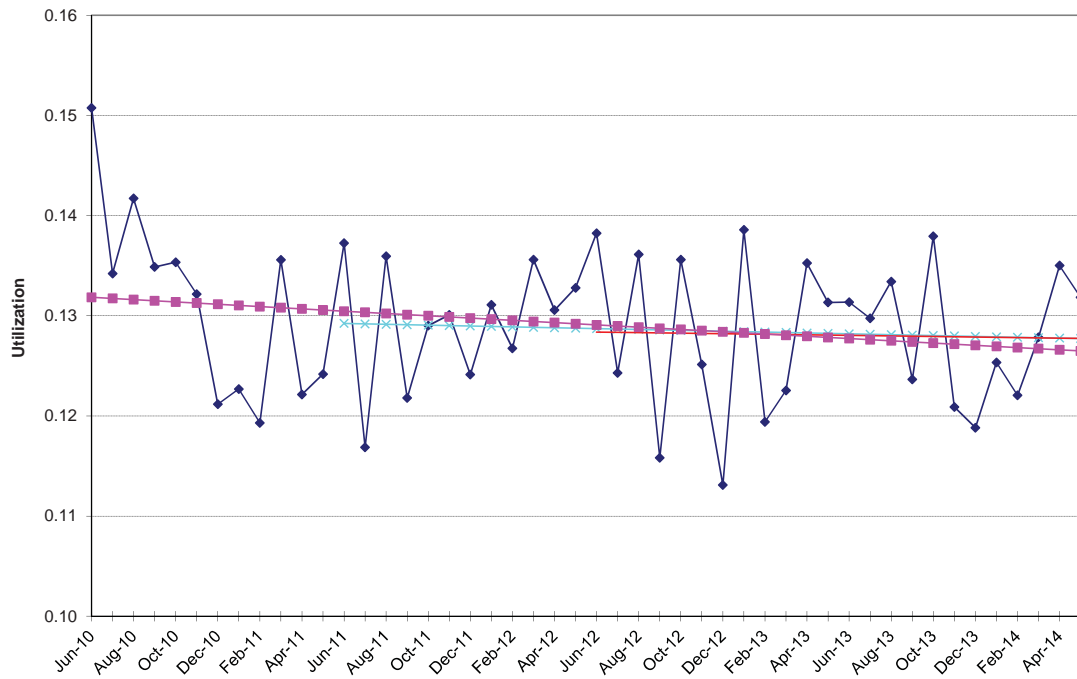
| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -0.3% | -4.0% | -4.2% |

| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -0.4% | -2.9% | -3.3% |

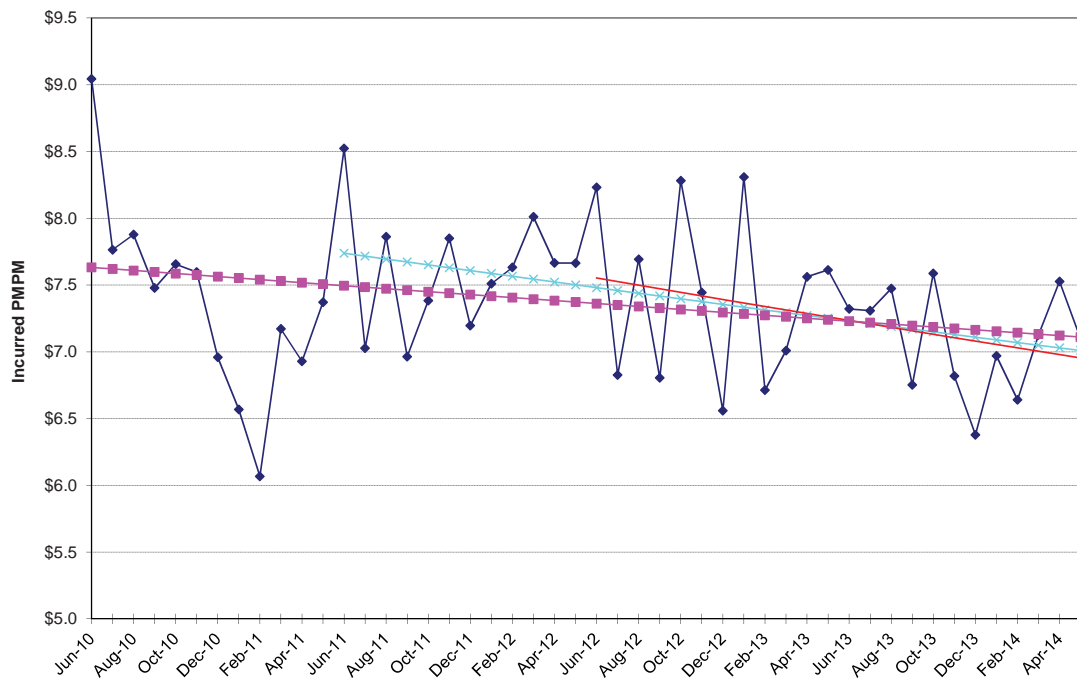
| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -1.1% | -0.7% | -1.8% |



Physician Services - Radiology



Physician Services - Radiology



NON-MEDICARE CLAIMS
Excluding Drugs

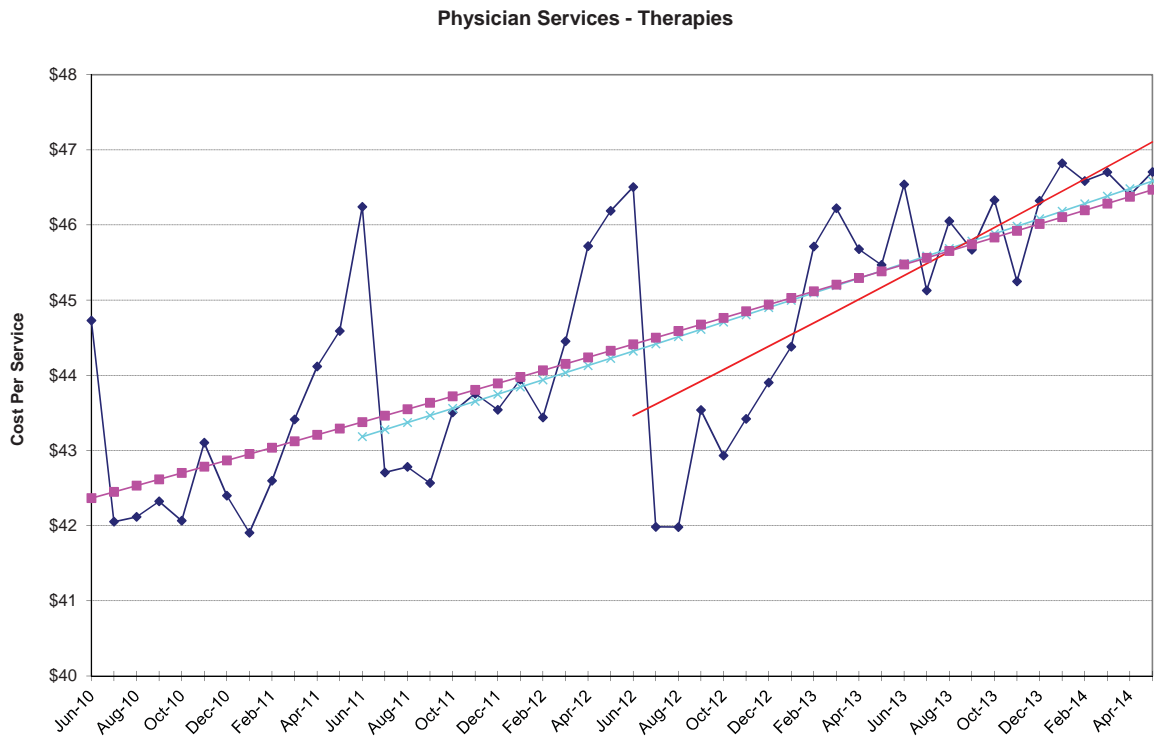
PHYSICIAN SERVICES

Therapies

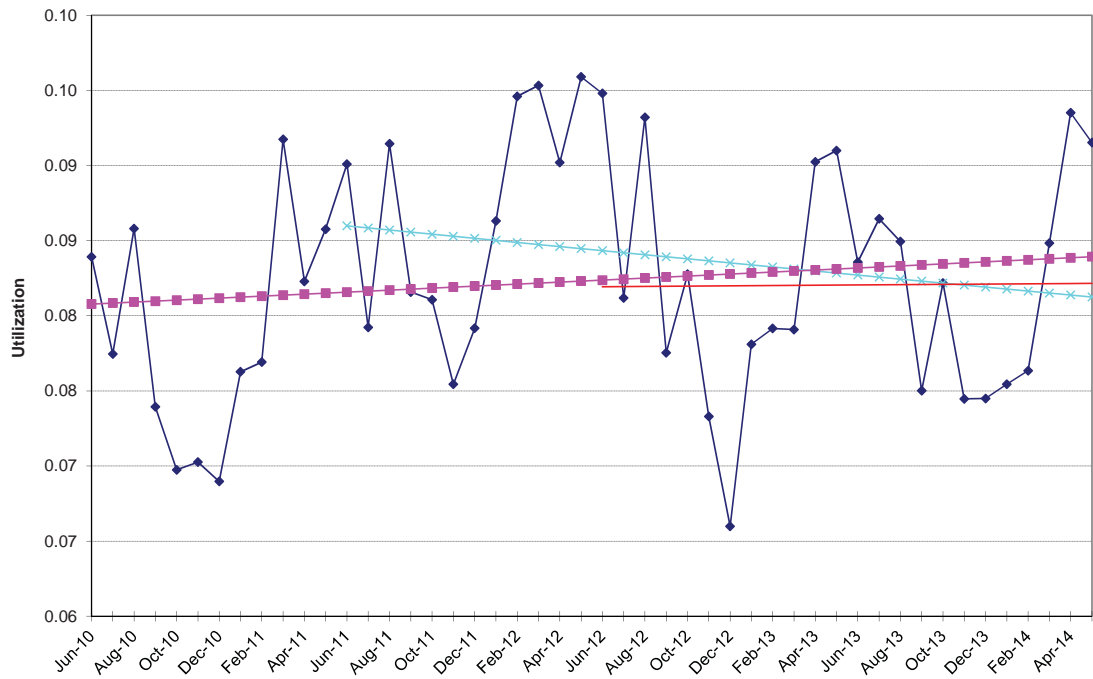
| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.1% | 4.3% | 4.4% |

| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -1.9% | 2.6% | 0.7% |

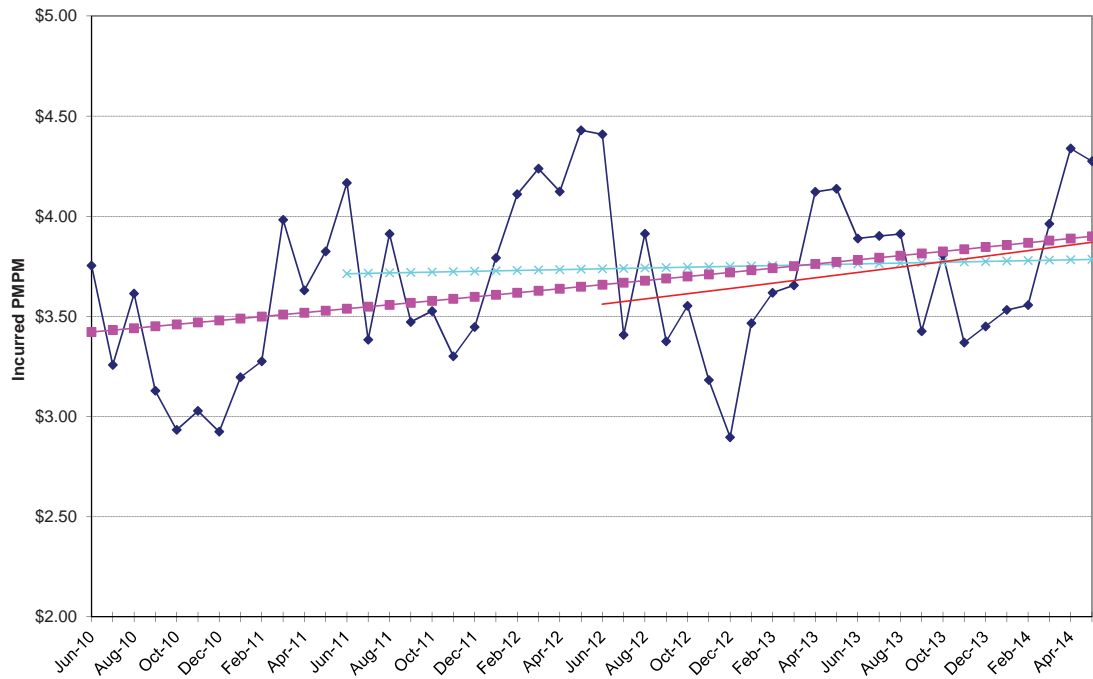
| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 1.0% | 2.4% | 3.4% |



Physician Services - Therapies



Physician Services - Therapies



NON-MEDICARE CLAIMS
Excluding Drugs

OTHER

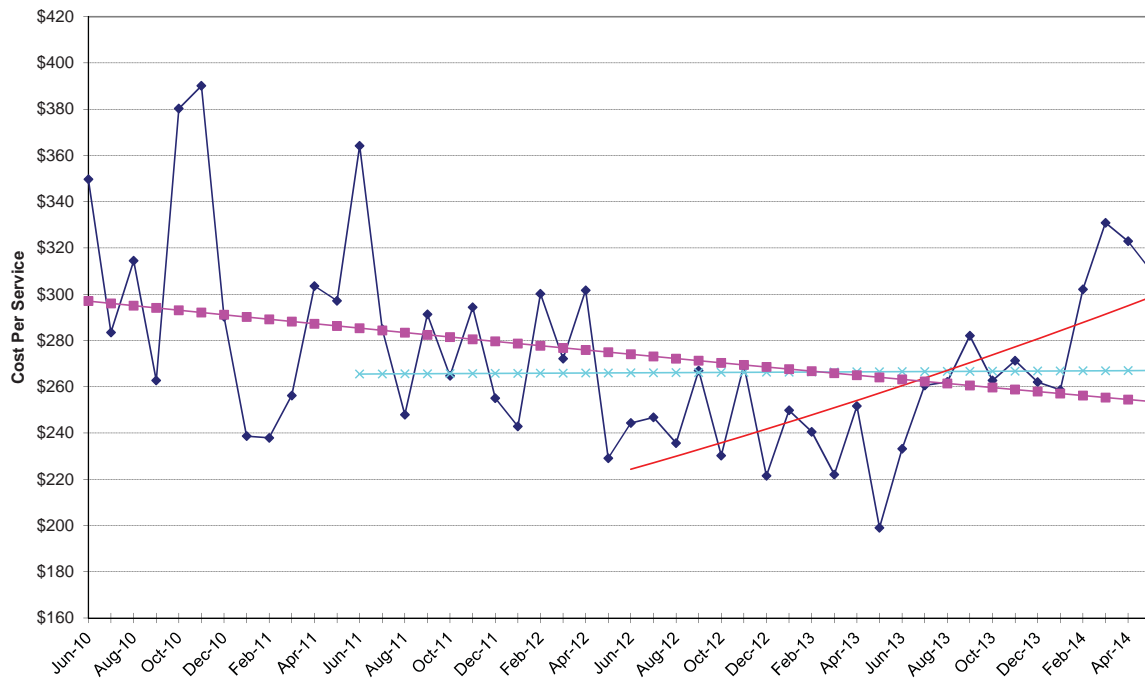
Ambulance

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -6.6% | 16.1% | 8.5% |

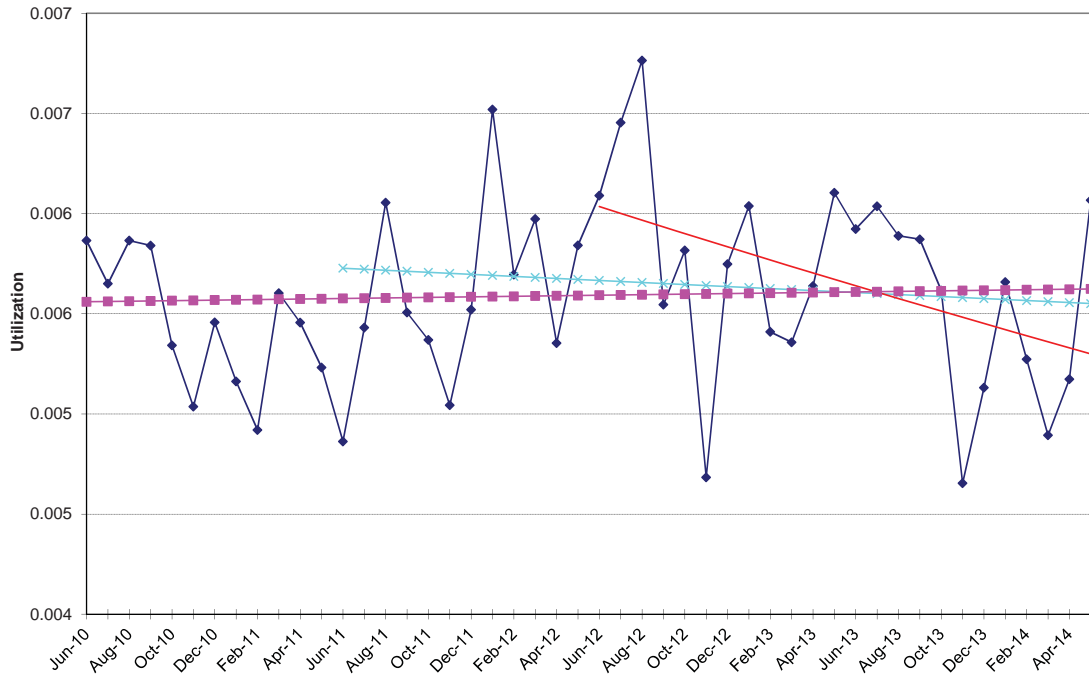
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| -1.1% | 0.2% | -0.9% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 0.3% | -4.0% | -3.7% |

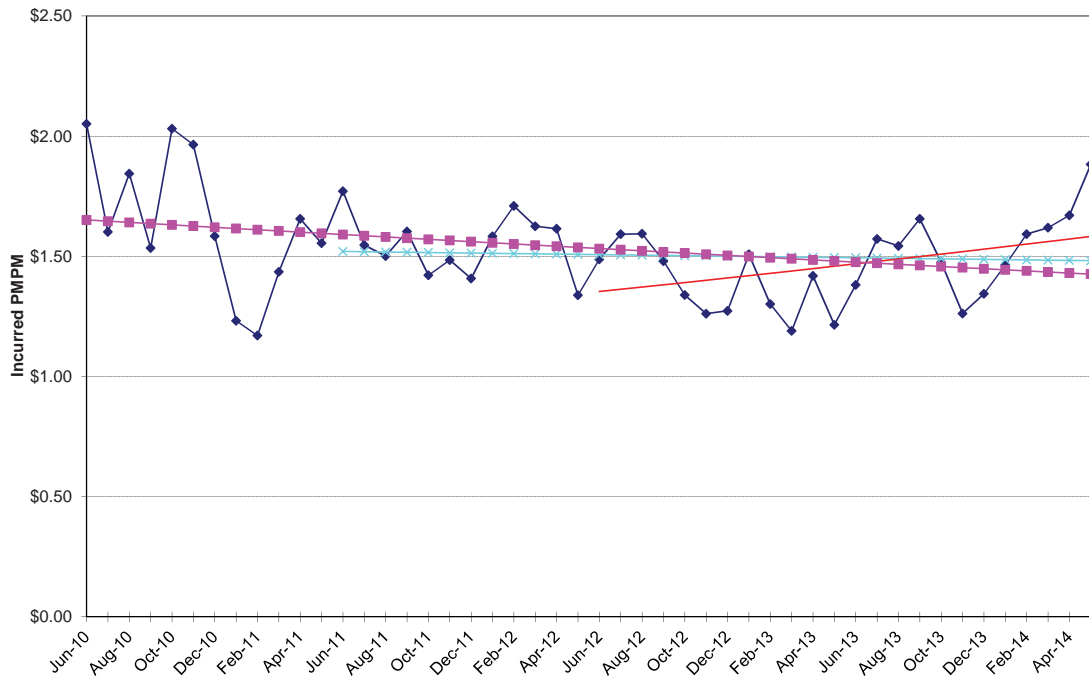
Other - Ambulance



Other - Ambulance



Other - Ambulance



NON-MEDICARE CLAIMS
Excluding Drugs

OTHER

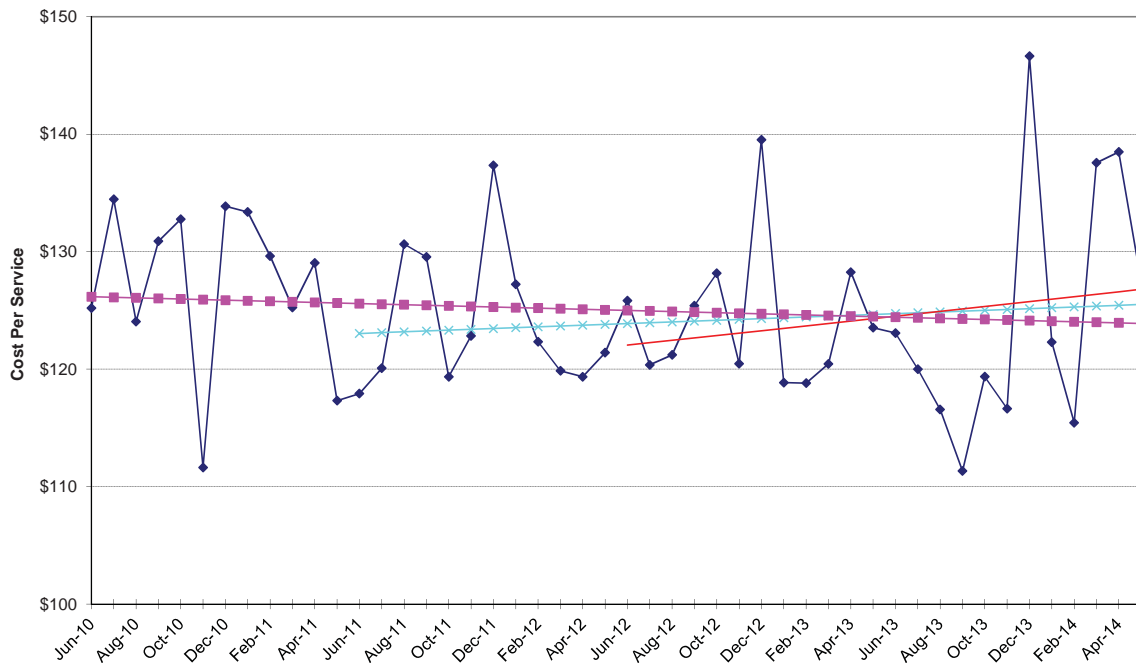
Appliances (DME)

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 9.4% | 2.0% | 11.6% |

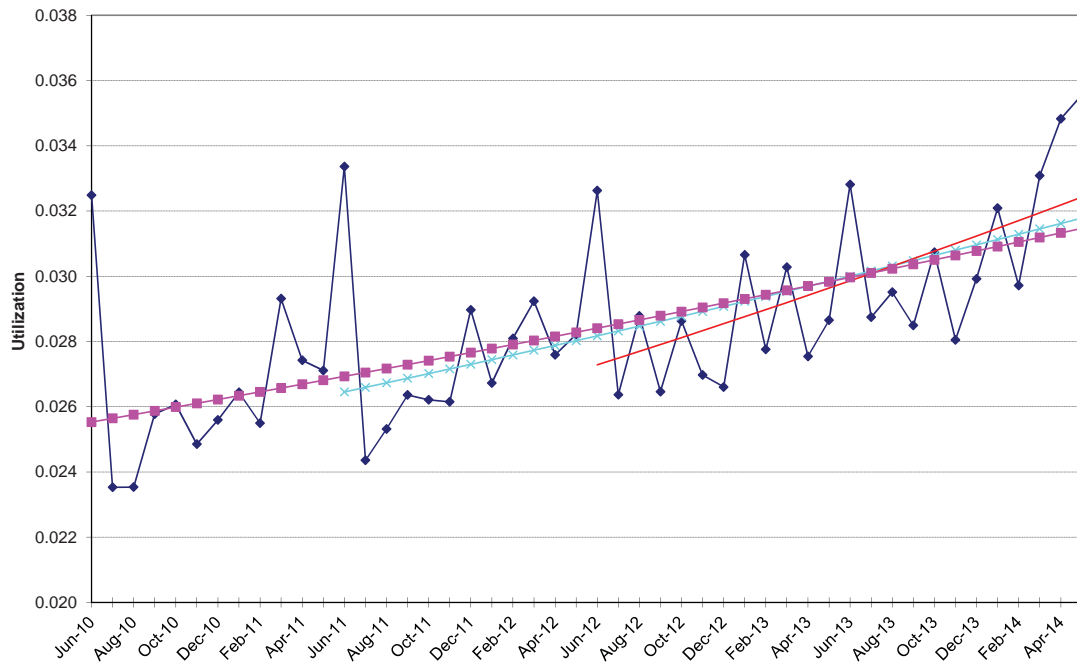
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 6.5% | 0.7% | 7.2% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 5.5% | -0.5% | 5.0% |

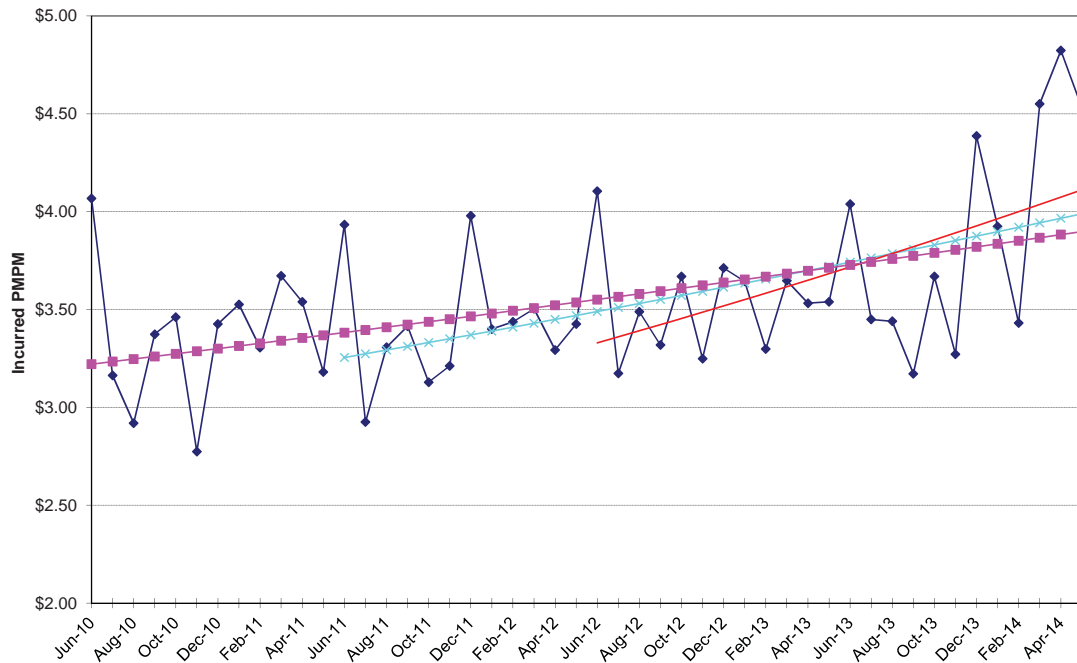
Other - Appliances (DME)



Other - Appliances (DME)



Other - Appliances (DME)



NON-MEDICARE CLAIMS
Excluding Drugs

OTHER

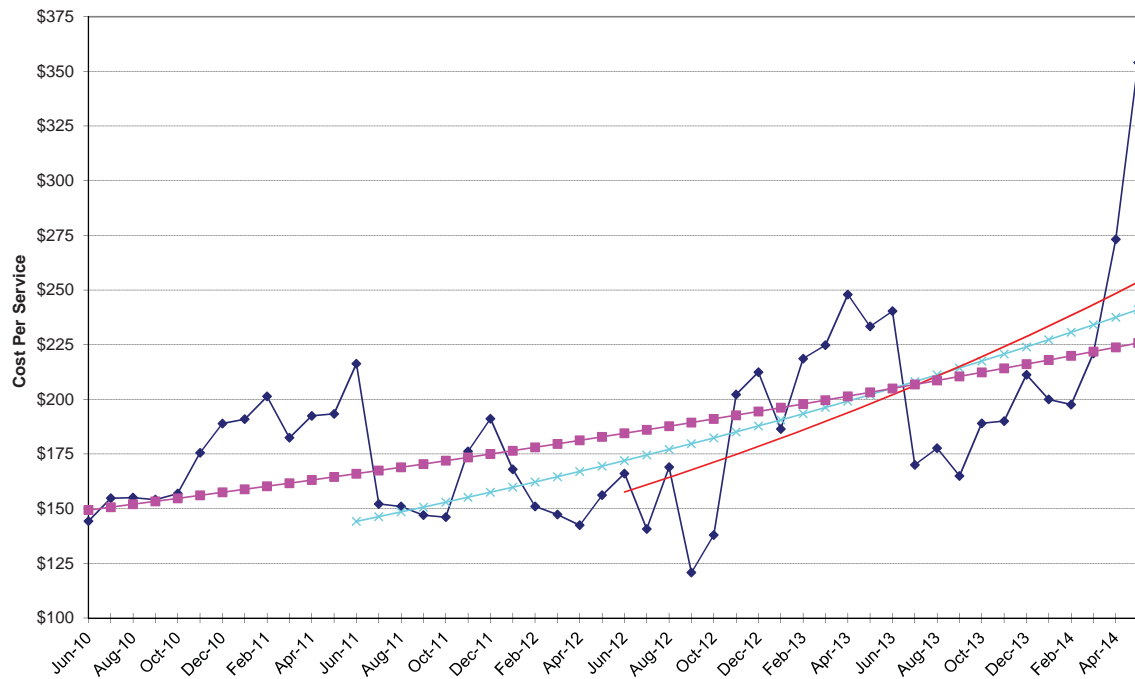
Other Services

| 24-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 3.3% | 28.2% | 32.4% |

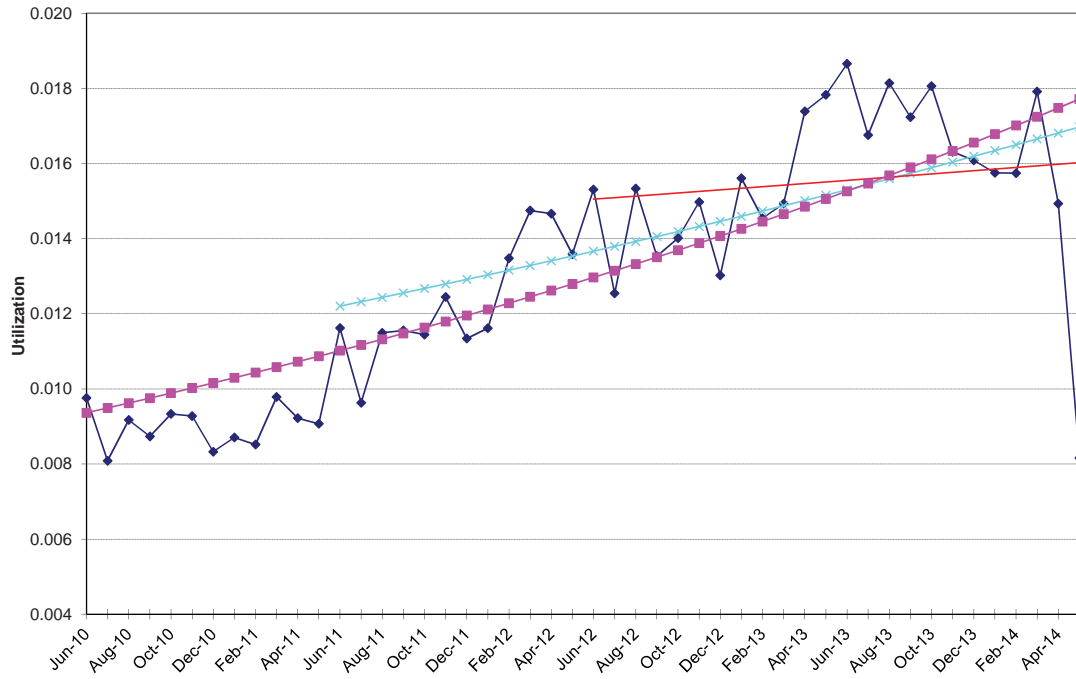
| 36-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 12.0% | 19.3% | 33.5% |

| 48-Month Trends Summary | | |
|--------------------------------|-----------------------|--------------------|
| <u>Utilization</u> | <u>Cost / Service</u> | <u>Total Trend</u> |
| 17.7% | 11.1% | 30.8% |

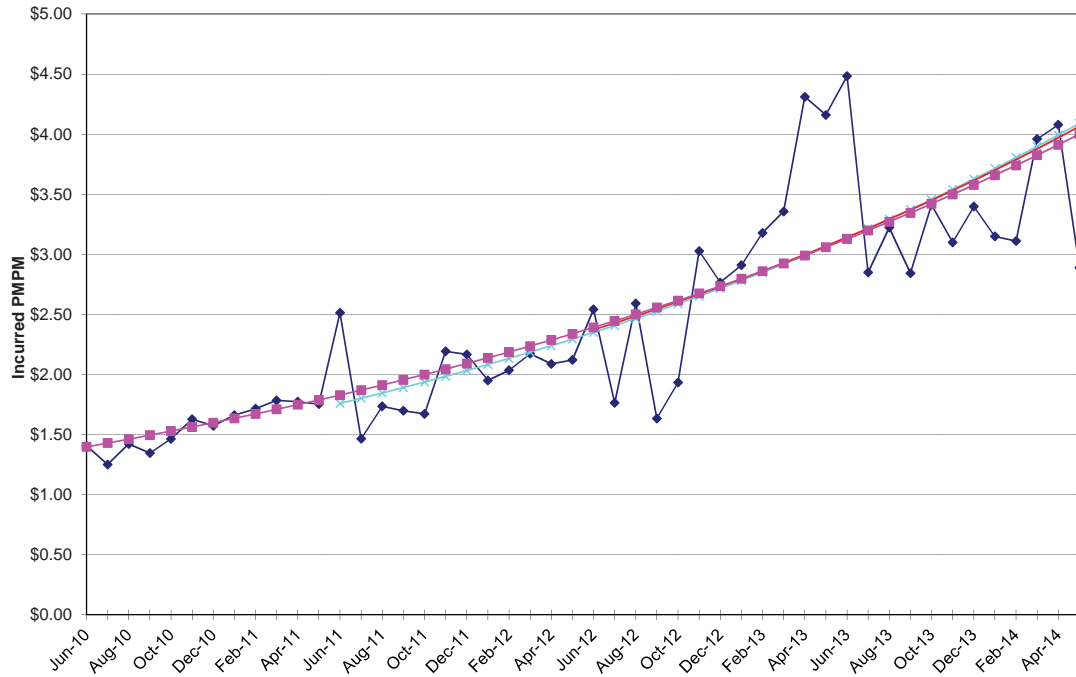
Other - Other Services



Other - Other Services



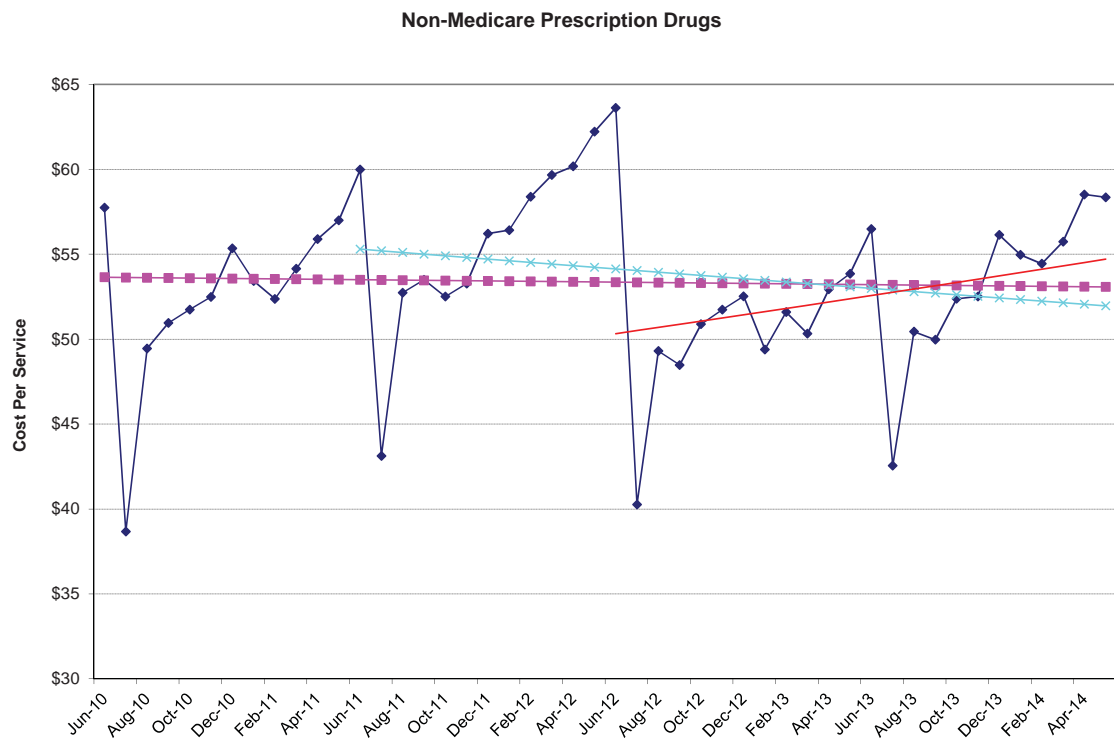
Other - Other Services



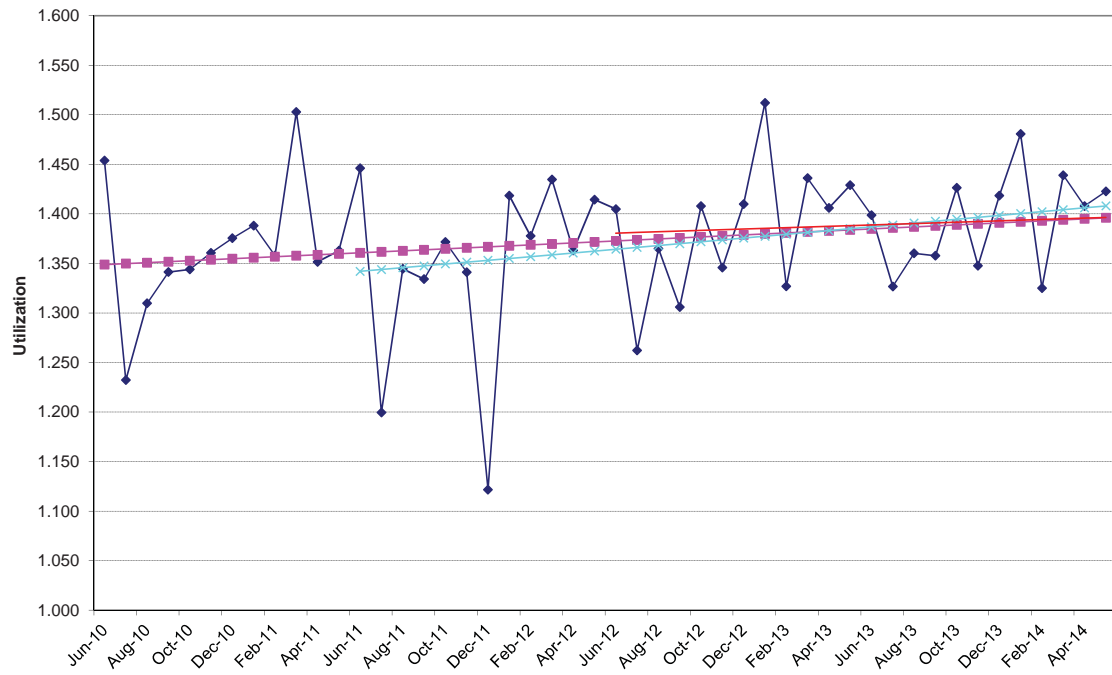
Appendix B

Non-Medicare Prescription Drugs

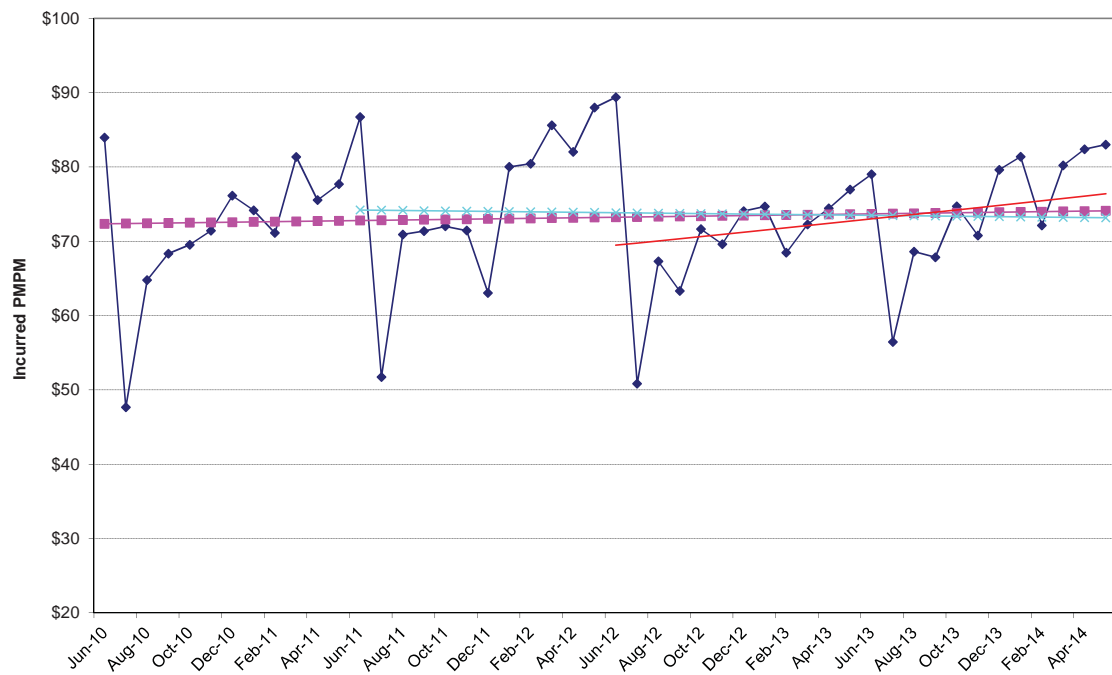
| | <u>Utilization</u> | <u>Cost / Prescription</u> | <u>Total Trend</u> |
|----------------|--------------------|----------------------------|--------------------|
| 24-Month Trend | 0.6% | 4.5% | 5.1% |
| 36-Month Trend | 1.7% | -2.1% | -0.5% |
| 48-Month Trend | 0.9% | -0.3% | 0.6% |



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 -1.5% trend and unit cost had a 6.2% trend, resulting in a composite trend of 4.5% on an unadjusted basis. The chart below summarizes components of the unadjusted prescription drug trend for the past 5 years

| Year | Utilization | Unit Cost | Composite Trend |
|------|-------------|-----------|-----------------|
| 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% |
| 2014 | -1.5% | 6.2% | 4.5% |

Prior to this analysis, the financial plan was developed using an 8.0% trend for fiscal year 2014. Based on favorable results, CCRC Actuaries has chosen to continue to use a favorable drug trend assumption of 8.0% for fiscal year 2015 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 | 2013 Ingredient Cost | | 2014 Ingredient Cost | |
|---------------|-------------------|------------------------|--------------|------------------------|--------------|
| | | Amount | % | Amount | % |
| Symbicort | 2014 | \$1,044,578.71 | 0.6% | \$1,881,045.85 | 1.0% |
| Novolog | 2014 | \$1,621,551.51 | 0.9% | \$914,739.18 | 0.5% |
| Abilify | 2014 | \$3,738,237.80 | 2.0% | \$4,377,675.49 | 2.3% |
| Diovan | 2014 | \$2,006,616.68 | 1.1% | \$2,037,169.68 | 1.1% |
| Copaxone | 2014 | \$3,489,162.72 | 1.9% | \$715,812.21 | 0.4% |
| Gleevec | 2015 | \$772,550.04 | 0.4% | \$1,026,945.83 | 0.5% |
| Lidoderm | 2015 | \$676,507.90 | 0.4% | \$142,115.88 | 0.1% |
| Epipen 2-Pak | 2015 | \$497,827.94 | 0.3% | \$455,797.26 | 0.2% |
| Crestor | 2016 | \$505,042.75 | 0.3% | \$595,610.90 | 0.3% |
| Advair Diskus | 2016 | \$3,371,029.90 | 1.8% | \$1,678,818.51 | 0.9% |
| Benicar | 2016 | \$277,642.70 | 0.1% | \$244,840.86 | 0.1% |
| Zetia | 2016 | \$2,185,831.66 | 1.2% | \$2,636,326.59 | 1.4% |
| Humira | 2016 | \$5,876,831.53 | 3.1% | \$7,861,165.73 | 4.1% |
| Strattera | 2017 | N/A | N/A | \$606,698.69 | 0.3% |
| 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 24.3% in 2013 and 5.3% in 2014:

| 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% |
| FY 2014 | 18.6% | 5.3% |

Indicator Categories

CCRC Actuaries reviewed the individual prescription data items for Fiscal Years 2013 and 2014. A total of 2,829,107 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 2014 trend by indicator code. The top 40 indicator codes were analyzed, which accounted for 94.9% of PEIA's prescription drug expenditures.

The top 5 indicators from 2013 were similar to the top 5 from 2014, with only the order changing. PEIA members continue to spend the most on drugs which treat for the seventh year in a row. The following chart lists the top 5 and the total drug spend each year.

| Rank | 2013 Indicator | 2013 Cost | 2014 Indicator | 2014 Cost |
|------|-----------------------------------|--------------|-----------------------------------|--------------|
| | | | | |
| 1 | Diabetes | \$31,401,659 | Diabetes | \$35,536,636 |
| 2 | High Blood Cholesterol | 13,746,124 | Inflammatory Conditions | 14,915,433 |
| 3 | Inflammatory Conditions | 12,117,438 | High Blood Pressure/Heart Disease | 11,774,468 |
| 4 | High Blood Pressure/Heart Disease | 11,868,206 | High Blood Cholesterol | 10,770,238 |
| 5 | Asthma | 10,221,645 | Asthma | 8,728,915 |

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 2014.

Indicators with the Largest Dollar Increase

| Indication | 2013 Total Ingredient Cost | 2014 Total Ingredient Cost | Total Increase |
|-------------------------|-------------------------------|-------------------------------|----------------|
| Diabetes | \$31,118,299 | \$35,254,477 | \$4,136,178 |
| Inflammatory Conditions | \$12,098,067 | \$14,888,591 | 2,790,524 |
| Multiple Sclerosis | \$7,621,350 | \$8,491,447 | 870,098 |
| Contraceptives | \$2,456,696 | \$3,235,931 | 779,235 |
| Pain and Inflammation | \$6,429,834 | \$7,198,078 | 768,244 |

Indicators with the Largest Increase as a Percentage

| Indication | 2013 Total Ingredient Cost | 2014 Total Ingredient Cost | Total Increase |
|---------------------------|-------------------------------|-------------------------------|----------------|
| Misc Specialty Conditions | \$436,714 | \$983,416 | 125.2% |
| Anaphylaxis | \$595,845 | \$827,433 | 38.9% |
| Contraceptives | \$2,456,696 | \$3,235,931 | 31.7% |
| Thyroid Disorders | \$1,408,405 | \$1,782,408 | 26.6% |
| Blood Modifying | \$1,289,685 | \$1,622,199 | 25.8% |

Indicators with the Largest Increase in Claim Numbers

| Indication | 2013 Prescriptions | 2014 Prescriptions | Utilization Increase |
|----------------|--------------------|--------------------|----------------------|
| Contraceptives | 56,232 | 71,155 | 14,923 |
| Allergies | 59,526 | 67,810 | 8,284 |
| Seizures | 82,377 | 86,760 | 4,383 |
| Ulcer Disease | 178,822 | 183,173 | 4,351 |
| Depression | 192,513 | 195,772 | 3,259 |

Indicators with the Largest Utilization Increase Percentage

| Indication | 2013 Prescriptions | 2014 Prescriptions | Utilization Increase |
|---|--------------------|--------------------|----------------------|
| Misc Specialty Conditions | 107 | 147 | 37.4% |
| Respiratory Conditions | 165 | 217 | 31.5% |
| Contraceptives | 56,232 | 71,155 | 26.5% |
| Antidotes/Addiction/Chemical Dependence | 6,180 | 7,265 | 17.6% |
| Fungal Infections | 17,351 | 20,124 | 16.0% |

Indicators with the Largest Increase in Cost per Prescription

| Indication | 2013 Ingredient Cost Per Prescription | 2014 Ingredient Cost Per Prescription | Ingredient Cost Per Prescription Increase |
|---------------------------|--|--|--|
| Misc Specialty Conditions | \$4,081.44 | \$6,689.90 | \$2,608.47 |
| Hepatitis | \$3,002.66 | \$3,489.37 | \$486.71 |
| Multiple Sclerosis | \$3,908.38 | \$4,325.75 | \$417.37 |
| Inflammatory Conditions | \$1,393.47 | \$1,757.80 | \$364.34 |
| Growth Deficiency | \$3,902.19 | \$4,099.49 | \$197.30 |

Indicators with the Largest Percentage Increase in Cost per Prescription

| Indication | 2013 Ingredient Cost Per Prescription | 2014 Ingredient Cost Per Prescription | Ingredient Cost Per Prescription Increase |
|---------------------------|--|--|--|
| Heart Disease | \$24.33 | \$40.36 | 65.9% |
| Misc Specialty Conditions | \$4,081.44 | \$6,689.90 | 63.9% |
| Blood Modifying | \$66.84 | \$89.58 | 34.0% |
| Ear Infection | \$52.96 | \$69.62 | 31.4% |
| Kidney Disease | \$424.84 | \$558.12 | 31.4% |

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 | 200,852 | \$176.93 | \$35,536,636 | 94.7% | 97.0% |
| 2 | Inflammatory Conditions | 9,131 | 1,633.49 | 14,915,433 | 96.1% | 95.1% |
| 3 | High Blood Press/Heart Disease | 427,725 | 27.53 | 11,774,468 | 91.7% | 98.3% |
| 4 | High Blood Cholesterol | 179,906 | 59.87 | 10,770,238 | 91.1% | 97.5% |
| 5 | Asthma | 89,562 | 97.46 | 8,728,915 | 92.5% | 92.2% |
| 6 | Multiple Sclerosis | 1,963 | 4,325.75 | 8,491,447 | 90.3% | 90.8% |
| 7 | Pain And Inflammation | 242,946 | 30.38 | 7,380,770 | 89.2% | 98.6% |
| 8 | Depression | 196,436 | 37.37 | 7,340,678 | 78.4% | 96.6% |
| 9 | Attention Disorders/Wt Loss | 36,602 | 184.11 | 6,738,801 | 88.4% | 90.9% |
| 10 | Cancer | 10,566 | 637.51 | 6,735,919 | 98.7% | 99.5% |
| 11 | Mental/Neuro Disorders | 21,741 | 277.38 | 6,030,464 | 94.8% | 98.5% |
| 12 | Infections | 220,818 | 26.35 | 5,819,399 | 94.0% | 99.2% |
| 13 | Seizures | 88,120 | 56.69 | 4,995,240 | 72.6% | 95.2% |
| 14 | Ulcer Disease | 184,307 | 23.43 | 4,318,226 | 91.9% | 99.0% |
| 15 | Hormonal Supplementation | 34,084 | 112.91 | 3,848,435 | 74.8% | 76.1% |
| 16 | Contraceptives | 80,385 | 44.60 | 3,585,249 | 59.3% | 83.3% |
| 17 | Viral Infections | 18,563 | 143.00 | 2,654,581 | 94.5% | 99.6% |
| 18 | Anticoagulant | 15,479 | 164.90 | 2,552,523 | 95.8% | 97.8% |
| 19 | Skin Conditions | 24,770 | 97.53 | 2,415,870 | 85.1% | 95.6% |
| 20 | Growth Deficiency | 518 | 4,023.95 | 2,084,406 | 37.5% | 50.6% |

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 | GI Disorders | 13,435 | 144.27 | 1,938,263 | 93.7% | 98.2% |
| 22 | Thyroid Disorders | 96,215 | 19.00 | 1,827,933 | 58.1% | 79.2% |
| 23 | Urinary Disorders | 33,609 | 50.17 | 1,686,181 | 90.1% | 97.5% |
| 24 | Blood Modifying | 18,569 | 89.06 | 1,653,742 | 99.4% | 99.5% |
| 25 | Eye Conditions | 12,956 | 124.22 | 1,609,447 | 78.1% | 80.1% |
| 26 | Pain/Cramps | 41,731 | 36.19 | 1,510,114 | 90.3% | 94.3% |
| 27 | Copd | 4,316 | 338.64 | 1,461,572 | 98.6% | 97.7% |
| 28 | Allergies | 69,552 | 20.41 | 1,419,801 | 88.7% | 98.3% |
| 29 | Acne | 9,092 | 155.52 | 1,413,961 | 86.2% | 93.2% |
| 30 | Antidotes/Addiction/Chemical Dependence | 7,526 | 174.16 | 1,310,738 | 99.7% | 99.5% |
| 31 | Anxiety | 79,315 | 15.48 | 1,227,731 | 98.8% | 99.9% |
| 32 | Transplant | 3,822 | 313.40 | 1,197,830 | 86.5% | 90.3% |
| 33 | Endocrine Disorders | 3,522 | 324.42 | 1,142,618 | 93.3% | 95.3% |
| 34 | Respiratory Conditions | 392 | 2,889.52 | 1,132,692 | 99.6% | 95.2% |
| 35 | Migraine Headaches | 15,411 | 65.00 | 1,001,767 | 88.5% | 95.9% |
| 36 | Misc Specialty Conditions | 152 | 6,521.17 | 991,218 | 100.0% | 100.0% |
| 37 | Gout | 13,017 | 75.81 | 986,773 | 100.0% | 100.0% |
| 38 | Skin Infections | 16,529 | 56.56 | 934,890 | 92.4% | 98.5% |
| 39 | Anaphylaxis | 2,698 | 310.89 | 838,770 | 98.7% | 98.7% |
| 40 | Pulmonary Hypertension | 168 | 4,897.03 | 822,701 | 94.7% | 86.9% |
| | <u>All Other Indicators</u> | <u>302,606</u> | <u>32.44</u> | <u>9,815,048</u> | <u>84.6%</u> | <u>95.9%</u> |
| | Grand Total | 2,829,107 | \$68.09 | \$192,641,489 | 89.7% | 96.0% |

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 | 194,771 | \$33,660,309 | \$172.82 | 6,081 | \$1,876,327 | \$308.56 |
| 2 | Inflammatory Conditions | 8,682 | 14,340,432 | 1,651.74 | 449 | 575,001 | 1,280.63 |
| 3 | High Blood Press/Heart Disease | 420,440 | 10,803,029 | 25.69 | 7,285 | 971,439 | 133.35 |
| 4 | High Blood Cholesterol | 175,463 | 9,806,614 | 55.89 | 4,443 | 963,624 | 216.89 |
| 5 | Asthma | 82,612 | 8,077,662 | 97.78 | 6,950 | 651,253 | 93.71 |
| 6 | Multiple Sclerosis | 1,783 | 7,666,619 | 4,299.84 | 180 | 824,828 | 4,582.38 |
| 7 | Pain And Inflammation | 239,460 | 6,586,590 | 27.51 | 3,486 | 794,180 | 227.82 |
| 8 | Depression | 189,816 | 5,753,586 | 30.31 | 6,620 | 1,587,092 | 239.74 |
| 9 | Attention Disorders/Wt Loss | 33,288 | 5,957,522 | 178.97 | 3,314 | 781,280 | 235.75 |
| 10 | Cancer | 10,515 | 6,651,331 | 632.56 | 51 | 84,588 | 1,658.59 |
| 11 | Mental/Neuro Disorders | 21,414 | 5,717,841 | 267.01 | 327 | 312,623 | 956.03 |
| 12 | Infections | 219,062 | 5,472,958 | 24.98 | 1,756 | 346,441 | 197.29 |
| 13 | Seizures | 83,903 | 3,626,204 | 43.22 | 4,217 | 1,369,037 | 324.65 |
| 14 | Ulcer Disease | 182,416 | 3,968,322 | 21.75 | 1,891 | 349,904 | 185.04 |
| 15 | Hormonal Supplementation | 25,950 | 2,876,728 | 110.86 | 8,134 | 971,708 | 119.46 |
| 16 | Contraceptives | 66,927 | 2,125,975 | 31.77 | 13,458 | 1,459,273 | 108.43 |
| 17 | Viral Infections | 18,488 | 2,507,675 | 135.64 | 75 | 146,907 | 1,958.76 |
| 18 | Anticoagulant | 15,144 | 2,446,279 | 161.53 | 335 | 106,244 | 317.15 |
| 19 | Skin Conditions | 23,686 | 2,056,848 | 86.84 | 1,084 | 359,022 | 331.20 |
| 20 | Growth Deficiency | 262 | 780,774 | 2,980.05 | 256 | 1,303,632 | 5,092.31 |

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 | Gi Disorders | 13,191 | 1,816,256 | 137.69 | 244 | 122,007 | 500.03 |
| 22 | Thyroid Disorders | 76,162 | 1,061,392 | 13.94 | 20,053 | 766,540 | 38.23 |
| 23 | Urinary Disorders | 32,779 | 1,519,039 | 46.34 | 830 | 167,142 | 201.38 |
| 24 | Blood Modifying | 18,481 | 1,643,948 | 88.95 | 88 | 9,794 | 111.30 |
| 25 | Eye Conditions | 10,377 | 1,256,404 | 121.08 | 2,579 | 353,043 | 136.89 |
| 26 | Pain/Cramps | 39,339 | 1,363,191 | 34.65 | 2,392 | 146,923 | 61.42 |
| 27 | Copd | 4,217 | 1,440,551 | 341.61 | 99 | 21,020 | 212.32 |
| 28 | Allergies | 68,401 | 1,258,933 | 18.41 | 1,151 | 160,868 | 139.76 |
| 29 | Acne | 8,470 | 1,218,813 | 143.90 | 622 | 195,149 | 313.74 |
| | Antidotes/Addiction/Chemical | | | | | | |
| 30 | Dependence | 7,491 | 1,306,358 | 174.39 | 35 | 4,380 | 125.14 |
| 31 | Anxiety | 79,254 | 1,213,329 | 15.31 | 61 | 14,402 | 236.09 |
| 32 | Transplant | 3,450 | 1,035,613 | 300.18 | 372 | 162,217 | 436.07 |
| 33 | Endocrine Disorders | 3,357 | 1,066,511 | 317.70 | 165 | 76,106 | 461.25 |
| 34 | Respiratory Conditions | 373 | 1,127,771 | 3,023.51 | 19 | 4,921 | 259.00 |
| 35 | Migraine Headaches | 14,773 | 886,287 | 59.99 | 638 | 115,480 | 181.00 |
| 36 | Misc Specialty Conditions | 152 | 991,218 | 6,521.17 | 0 | 0 | N/A |
| 37 | Gout | 13,017 | 986,773 | 75.81 | 0 | 0 | N/A |
| 38 | Skin Infections | 16,283 | 864,123 | 53.07 | 246 | 70,767 | 287.67 |
| 39 | Anaphylaxis | 2,662 | 828,271 | 311.15 | 36 | 10,499 | 291.63 |
| 40 | Pulmonary Hypertension | 146 | 778,965 | 5,335.38 | 22 | 43,736 | 1,988.00 |
| | <u>All Other Indicators</u> | <u>290,151</u> | <u>8,308,157</u> | <u>28.63</u> | <u>12,455</u> | <u>1,506,890</u> | <u>120.99</u> |
| | Grand Total | 2,716,608 | \$172,855,201 | \$63.63 | 112,499 | \$19,786,288 | \$175.88 |

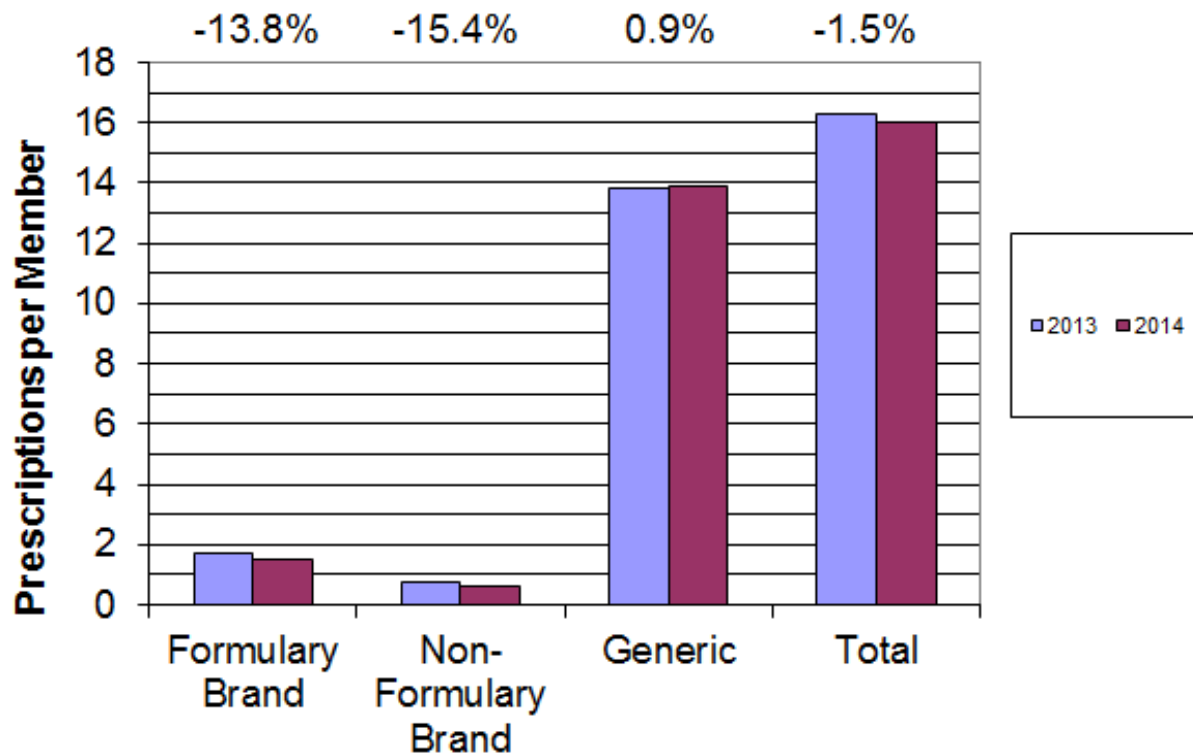
Drug Indicators by Highest Script Increase

| Rank | Indicator | Formulary Cost Per Script | Non-Formulary Cost Per Script | Increase/ Decrease |
|------|--------------------------------|------------------------------|----------------------------------|-----------------------|
| 31 | Anxiety | 15.31 | 236.09 | 1442% |
| 17 | Viral Infections | 135.64 | 1,958.76 | 1344% |
| 14 | Ulcer Disease | 21.75 | 185.04 | 751% |
| 7 | Pain And Inflammation | 27.51 | 227.82 | 728% |
| 8 | Depression | 30.31 | 239.74 | 691% |
| 12 | Infections | 24.98 | 197.29 | 690% |
| 28 | Allergies | 18.41 | 139.76 | 659% |
| 13 | Seizures | 43.22 | 324.65 | 651% |
| 38 | Skin Infections | 53.07 | 287.67 | 442% |
| 3 | High Blood Press/Heart Disease | 25.69 | 133.35 | 419% |
| 23 | Urinary Disorders | 46.34 | 201.38 | 335% |
| 4 | High Blood Cholesterol | 55.89 | 216.89 | 288% |
| 19 | Skin Conditions | 86.84 | 331.20 | 281% |
| 21 | Gi Disorders | 137.69 | 500.03 | 263% |
| 11 | Mental/Neuro Disorders | 267.01 | 956.03 | 258% |
| 16 | Contraceptives | 31.77 | 108.43 | 241% |
| 35 | Migraine Headaches | 59.99 | 181.00 | 202% |
| 22 | Thyroid Disorders | 13.94 | 38.23 | 174% |
| 10 | Cancer | 632.56 | 1,658.59 | 162% |
| 29 | Acne | 143.90 | 313.74 | 118% |

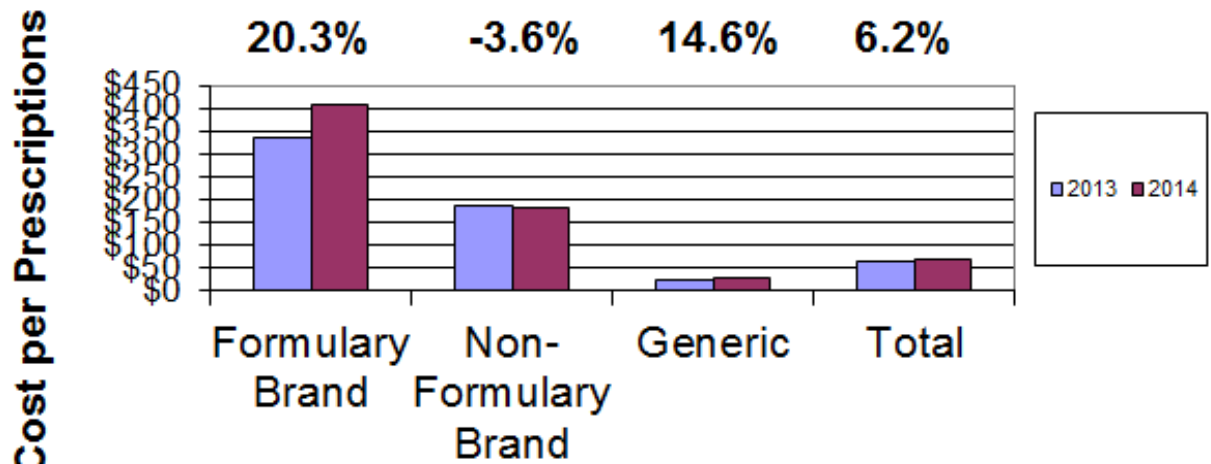
Drug Indicators by Highest Script Increase (continued)

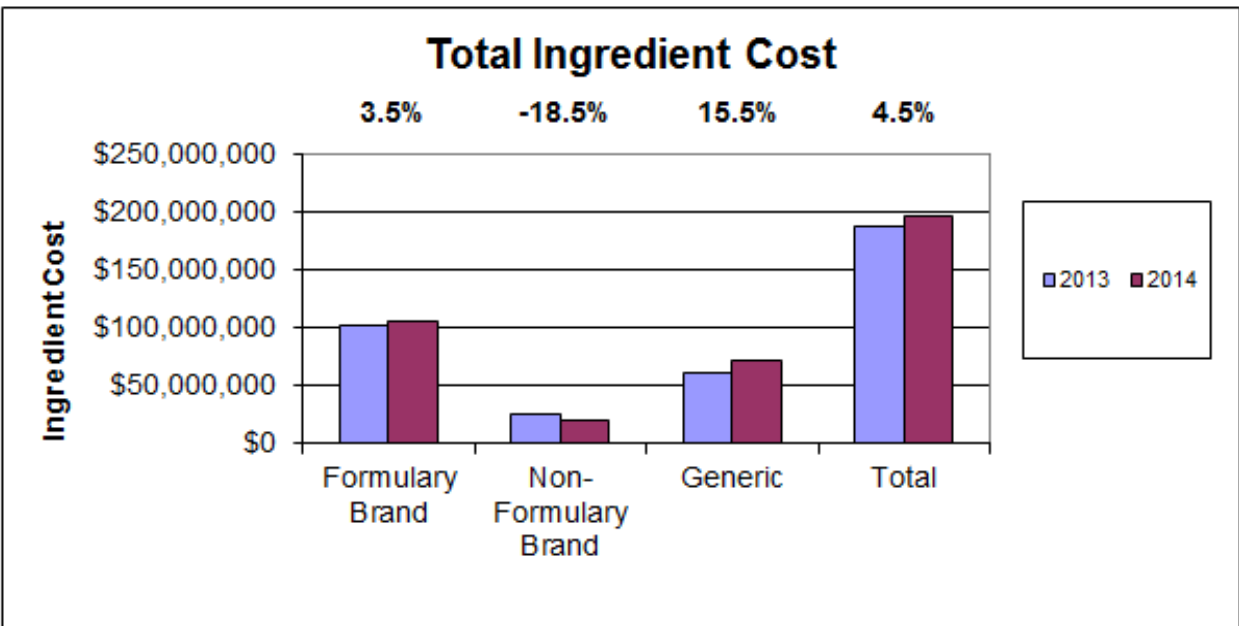
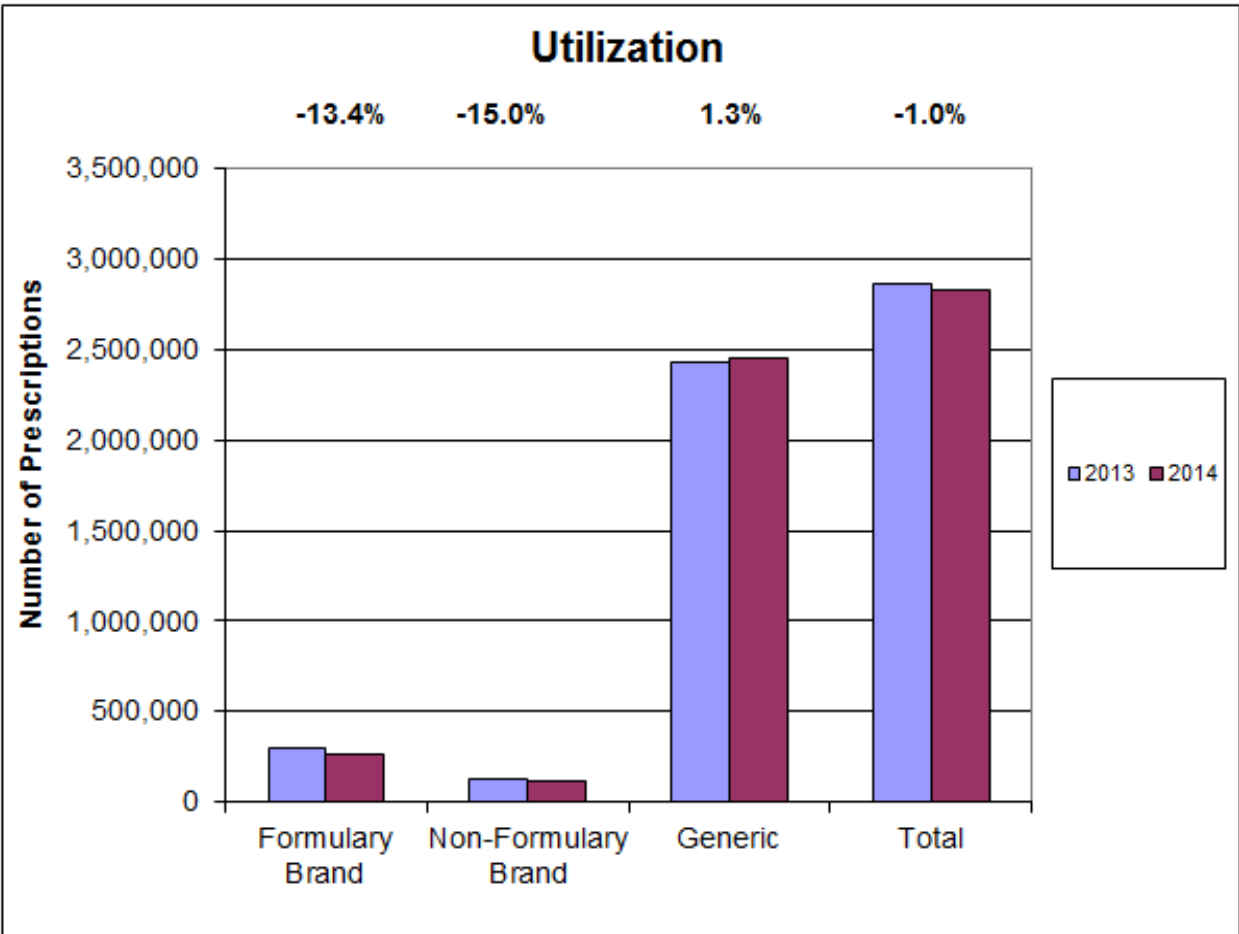
| Rank | Indicator | Formulary Cost Per Script | Non-Formulary Cost Per Script | Increase/ Decrease |
|------|---|------------------------------|----------------------------------|-----------------------|
| 18 | Anticoagulant | \$161.53 | \$317.15 | 96% |
| 1 | Diabetes | 172.82 | 308.56 | 79% |
| 26 | Pain/Cramps | 34.65 | 61.42 | 77% |
| 20 | Growth Deficiency | 2,980.05 | 5,092.31 | 71% |
| 33 | Endocrine Disorders | 317.70 | 461.25 | 45% |
| 9 | Attention Disorders/Wt Loss | 178.97 | 235.75 | 32% |
| 24 | Blood Modifying | 88.95 | 111.30 | 25% |
| 25 | Eye Conditions | 121.08 | 136.89 | 13% |
| 15 | Hormonal Supplementation | 110.86 | 119.46 | 8% |
| 6 | Multiple Sclerosis | 4,299.84 | 4,582.38 | 7% |
| 32 | Transplant | 300.18 | 436.07 | 0% |
| 5 | Asthma | 97.78 | 93.71 | -4% |
| 39 | Anaphylaxis | 311.15 | 291.63 | -6% |
| 2 | Inflammatory Conditions Antidotes/Addiction/Chemical | 1,651.74 | 1,280.63 | -22% |
| 30 | Dependence | 174.39 | 125.14 | -28% |
| 27 | Copd | 341.61 | 212.32 | -38% |
| 40 | Pulmonary Hypertension | 5,335.38 | 1,988.00 | -63% |
| 34 | Respiratory Conditions | 3,023.51 | 259.00 | -91% |
| 36 | Misc Specialty Conditions | 6,521.17 | N/A | N/A |
| 37 | Gout | 75.81 | N/A | N/A |
| | <u>All Other Indicators</u> | <u>28.63</u> | <u>120.99</u> | 323% |
| | Grand Total | \$63.63 | \$175.88 | 176% |

Number of Prescriptions per Member



Ingredient Cost per Prescription





DIABETES

In FY 2014, the Diabetes category was first in cost to PEIA with expenditure of \$35,536,636, which accounted for 18.4% of total expenditures. Formulary expenditures were \$33,660,309 or 94.7% of Diabetes expenditures and total expenditures had a 13.2% trend from 2013 to 2014. It is noteworthy that the number of non-formulary prescriptions decreases by 20.4% and generic prescriptions decreased 10.6%

Total expenditures have increased from \$14,161,011 in 2007 to \$35,536,636 in 2014, which results in a yearly trend of 14.0%. The cost per Generic script has increased by 2.0% per year since 2007, and the cost per formulary brand and non-formulary brand scripts has increased by 11.1% and 8.1% per year, respectively. The formulary brand cost trend, coupled with an increase in utilization of formulary brand scripts of 3.5% 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 | | |
|------------------------------|--------------------------------|------------------------------|-------------------------|--------------|---------------|----------------------------------|---------------|---------------|-----------------------|------------------|---------------|
| | | | 2013 | 2014 | Growth | 2013 | 2014 | Growth | 2013 | 2014 | Growth |
| Levemir Flexpen | Yes | SSB | 5,241 | 7,871 | 50.2% | \$443.71 | \$543.69 | 22.5% | \$2,325,494 | \$4,279,391 | 84.0% |
| Januvia | Yes | SSB | 9,331 | 9,092 | -2.6% | 376.84 | 430.50 | 14.2% | 3,516,319 | 3,914,089 | 11.3% |
| Humalog | Yes | SSB | 2,182 | 6,478 | 196.9% | 422.92 | 565.19 | 33.6% | 922,809 | 3,661,327 | 296.8% |
| Lantus | Yes | SSB | 6,006 | 6,774 | 12.8% | 384.28 | 509.40 | 32.6% | 2,307,978 | 3,450,647 | 49.5% |
| Contour ¹ | Yes | SSB | 18,810 | 15,676 | -16.7% | 136.46 | 130.96 | -4.0% | 2,566,859 | 2,052,927 | -20.0% |
| <u>Subtotals</u> | | | | | | | | | | | |
| Generic | Yes | Generic | 86,466 | 86,860 | 0.5% | \$33.33 | \$29.68 | -11.0% | \$2,881,587 | 2,577,571 | -10.6% |
| Formulary Brand | Yes | Brand | 96,916 | 107,911 | 11.3% | 234.95 | 288.04 | 22.6% | 22,770,895 | 31,082,738 | 36.5% |
| <u>Non-Formulary Brand</u> | <u>No</u> | <u>Brand</u> | <u>15,362</u> | <u>6,081</u> | <u>-60.4%</u> | <u>374.25</u> | <u>308.56</u> | <u>-17.6%</u> | <u>5,749,177</u> | <u>1,876,327</u> | <u>-67.4%</u> |
| Total | | | 198,744 | 200,852 | 1.1% | \$158.00 | \$176.93 | 12.0% | \$31,401,659 | \$35,536,636 | 13.2% |
| Trends Adjusted for Exposure | | | | | 1.1% | | | 12.0% | | | 13.2% |

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

INFLAMMATORY CONDITIONS

In FY 2014, the Inflammatory Conditions category was second in cost to PEIA with expenditure of \$14,915,433, which accounted for 7.7% of total expenditures overall. Formulary expenditures were \$14,340,432 or 96.1% of Inflammatory Conditions expenditures and total ingredient cost had a positive 23.1% trend.

Most noteworthy was the 13,067.0% increase in Formulary Brand Total Ingredient Cost. The cost per prescription overall rose 18.3% while the cost per prescription for Formulary drugs rose 973.1%.

| Drug | Current Formulary Status | Current Brand/ Generic | Number of Prescriptions | | | Ingredient Cost Per Prescription | | | Total Ingredient Cost | | |
|------------------------------|--------------------------------|------------------------------|-------------------------|------------|---------------|----------------------------------|-----------------|---------------|-----------------------|----------------|---------------|
| | | | 2013 | 2014 | Growth | 2013 | 2014 | Growth | 2013 | 2014 | Growth |
| Humira | Yes | SSB | 2,431 | 2,886 | 18.7% | \$2,417.45 | \$2,723.90 | 12.7% | \$5,876,832 | \$7,861,166 | 33.8% |
| Enbrel | Yes | SSB | 1,715 | 1,876 | 9.4% | 2,261.52 | 2,655.06 | 17.4% | 3,878,506 | 4,980,899 | 28.4% |
| Apriso | Yes | SSB | 1,279 | 1,520 | 18.8% | 383.11 | 416.53 | 8.7% | 489,997 | 633,131 | 29.2% |
| Pentasa | Yes | SSB | 793 | 761 | -4.0% | 691.27 | 793.13 | 14.7% | 548,174 | 603,574 | 10.1% |
| Simponi | No | SSB | 165 | 117 | -29.1% | 2,278.62 | 2,711.30 | 19.0% | 375,972 | 317,222 | -15.6% |
| <u>Subtotals</u> | | | | | | | | | | | |
| Generic | Yes | Generic | 4,628 | 1,455 | -68.6% | \$1,258.35 | \$94.38 | -92.5% | \$5,823,657 | \$137,323 | -97.6% |
| Formulary Brand | Yes | Brand | 589 | 7,227 | 1127.0% | 183.14 | 1,965.28 | 973.1% | 107,869 | 14,203,109 | 13067.0% |
| <u>Non-Formulary Brand</u> | <u>N</u> | <u>Brand</u> | <u>3,553</u> | <u>449</u> | <u>-87.4%</u> | <u>1,739.95</u> | <u>1,280.63</u> | <u>-26.4%</u> | <u>6,182,046</u> | <u>575,001</u> | <u>-90.7%</u> |
| Total | | | 8,770 | 9,131 | 4.1% | \$1,381.25 | \$1,633.49 | 18.3% | \$12,113,573 | \$14,915,433 | 23.1% |
| Trends Adjusted for Exposure | | | | | 4.1% | 18.3% | | | 23.1% | | |

HIGH BLOOD PRESSURE/HEART DISEASE

In FY 2014, this indicator category was third in cost to PEIA with expenditure of \$11,774,468, which accounted for 6.1% of total expenditures. Formulary expenditures were \$10,803,029 or 91.7% of Inflammatory Conditions expenditures. Total expenditures had a -0.8% 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 | | |
|-----------------------------------|--------------------------------|------------------------------|-------------------------|--------------|---------------|----------------------------------|---------------|--------------|-----------------------|----------------|---------------|
| | | | 2013 | 2014 | Growth | 2013 | 2014 | Growth | 2013 | 2014 | Growth |
| Diovan | Yes | SSB | 9,523 | 8,197 | -13.9% | \$210.71 | \$248.53 | 17.9% | \$2,006,617 | \$2,037,170 | 1.5% |
| Metoprolol Succinate ¹ | Yes | Gen | 34,947 | 35,422 | 1.4% | 34.55 | 33.31 | -3.6% | 1,207,519 | 1,179,959 | -2.3% |
| Lisinopril | Yes | Gen | 75,938 | 75,763 | -0.2% | 10.60 | 10.11 | -4.5% | 804,609 | 766,285 | -4.8% |
| Losartan Potassium | Yes | Gen | 21,142 | 24,484 | 15.8% | 20.90 | 22.87 | 9.4% | 441,929 | 560,001 | 26.7% |
| Amlodipine Besylate | Yes | Gen | 32,408 | 34,427 | 6.2% | 13.47 | 15.54 | 15.3% | 436,612 | 534,906 | 22.5% |
| <u>Subtotals</u> | | | | | | | | | | | |
| Generic | Yes | Generic | 409,064 | 409,676 | 0.1% | \$19.62 | \$19.82 | 1.0% | \$8,026,833 | \$8,120,379 | 1.2% |
| Formulary Brand | Yes | Brand | 11,919 | 10,764 | -9.7% | 214.99 | 249.22 | 15.9% | \$2,562,517 | 2,682,650 | 4.7% |
| <u>Non-Formulary Brand</u> | <u>No</u> | <u>Brand</u> | 9,550 | <u>7,285</u> | <u>-23.7%</u> | <u>133.91</u> | <u>133.35</u> | <u>-0.4%</u> | <u>\$1,278,856</u> | <u>971,439</u> | <u>-24.0%</u> |
| Total | | | 430,533 | 427,725 | -0.7% | \$27.57 | \$27.53 | -0.1% | \$11,868,206 | \$11,774,468 | -0.8% |
| Trends Adjusted for Exposure | | | | | -0.7% | | | -0.1% | | | -0.8% |

HIGH BLOOD CHOLESTEROL

In FY 2014, the High Blood Cholesterol indicator category was fourth in cost to PEIA with expenditure of \$10,770,238, which accounted for 5.6% of total expenditures overall. Formulary expenditures were \$9,806,614 or 91.1% of High Blood Pressure/Heart Disease expenditures and total expenditures had a negative 21.6% trend.

This category has had a significant decrease of 59.9% for the utilization of formulary drugs and overall utilization decreased significantly by 4.6%

| Drug | Current Formulary Status | Current Brand/ Generic | Number of Prescriptions | | | Ingredient Cost Per Prescription | | | Total Ingredient Cost | | |
|------------------------------|--------------------------------|------------------------------|-------------------------|--------------|---------------|----------------------------------|---------------|--------------|-----------------------|----------------|---------------|
| | | | 2013 | 2014 | Growth | 2013 | 2014 | Growth | 2013 | 2014 | Growth |
| Zetia | Yes | SSB | 8,965 | 9,428 | 5.2% | \$243.82 | \$279.63 | 14.7% | \$2,185,832 | \$2,636,327 | 20.6% |
| Atorvastatin Calcium | Yes | Generic | 29,639 | 44,304 | 49.5% | 45.74 | 35.45 | -22.5% | \$1,355,831 | 1,570,448 | 15.8% |
| Fenofibrate ¹ | Yes | Generic | 16,887 | 16,920 | 0.2% | 78.24 | 80.54 | 2.9% | \$1,321,242 | 1,362,702 | 3.1% |
| Niacin Er | Yes | Generic | 0 | 2,885 | NA | NA | 317.83 | NA | \$0 | 916,946 | NA |
| Simvastatin ¹ | Yes | Generic | 65,755 | 59,016 | -10.2% | 13.74 | 15.23 | 10.8% | \$903,214 | 898,538 | -0.5% |
| <u>Subtotals</u> | | | | | | | | | | | |
| Generic | Yes | Generic | 150,372 | 162,430 | 8.0% | \$28.10 | \$37.01 | 31.7% | \$4,225,617 | \$6,011,118 | 42.3% |
| Formulary Brand | Yes | Brand | 32,472 | 13,033 | -59.9% | 259.43 | 291.22 | 12.3% | 8,424,343 | 3,795,496 | -54.9% |
| <u>Non-Formulary Brand</u> | <u>No</u> | <u>Brand</u> | <u>5,699</u> | <u>4,443</u> | <u>-22.0%</u> | <u>192.34</u> | <u>216.89</u> | <u>12.8%</u> | <u>1,096,164</u> | <u>963,624</u> | <u>-12.1%</u> |
| Total | | | 188,543 | 179,906 | -4.6% | \$72.91 | \$59.87 | -17.9% | \$13,746,124 | \$10,770,238 | -21.6% |
| Trends Adjusted for Exposure | | | | | -4.6% | | | -17.9% | | | -21.6% |

ASTHMA

In FY 2014, the Asthma indicator category was fifth in cost to PEIA with expenditure of \$8,728,915, which accounted for 4.5% of total expenditures. Formulary expenditures were \$8,077,662 or 92.5% of Asthma expenditures and total expenditures had a -14.6% trend, largely due to the fact that the ingredient cost per prescription was favorably down at -14.1%. Asthma non-formulary utilization decreased 0.6% in fiscal year 2014 while the cost per non-formulary brand prescriptions rose 29.0%.

| Drug | Current Formulary Status | Current Brand/ Generic | Number of Prescriptions | | | Ingredient Cost Per Prescription | | | Total Ingredient Cost | | |
|---------------------------------|--------------------------------|------------------------------|-------------------------|--------------|---------------|----------------------------------|--------------|--------------|-----------------------|----------------|--------------|
| | | | 2013 | 2014 | Growth | 2013 | 2014 | Growth | 2013 | 2014 | Growth |
| Singular | Y | SSB | 3,993 | 6,580 | 64.8% | \$261.60 | \$285.87 | 9.3% | \$1,044,579 | \$1,881,046 | 80.1% |
| Montelukast Sodium ¹ | Y | Generic | 10,330 | 5,343 | -48.3% | 326.33 | 347.32 | 6.4% | 3,371,030 | 1,855,707 | -45.0% |
| Symbicort | Y | SSB | 31,561 | 38,216 | 21.1% | 52.67 | 34.11 | -35.2% | 1,662,164 | 1,303,510 | -21.6% |
| Proair HFA ¹ | Y | SSB | 18,597 | 18,473 | -0.7% | 53.03 | 54.74 | 3.2% | 986,108 | 1,011,189 | 2.5% |
| Singular ¹ | Y | SSB | 1,268 | 1,137 | -10.3% | 358.95 | 363.28 | 1.2% | 455,154 | 413,054 | -9.2% |
| <u>Subtotals</u> | | | | | | | | | | | |
| Generic | Y | Generic | 41,109 | 46,723 | 13.7% | \$57.86 | \$42.47 | -26.6% | \$2,378,374 | \$1,984,413 | -16.6% |
| Formulary Brand | Y | Brand | 41,149 | 35,889 | -12.8% | 176.72 | 169.78 | -3.9% | 7,271,840 | 6,093,249 | -16.2% |
| <u>Non-Formulary Brand</u> | <u>N</u> | <u>Brand</u> | <u>7,868</u> | <u>6,950</u> | <u>-11.7%</u> | <u>72.63</u> | <u>93.71</u> | <u>29.0%</u> | <u>571,430</u> | <u>651,253</u> | <u>14.0%</u> |
| Total | | | 90,126 | 89,562 | -0.6% | \$113.42 | \$97.46 | -14.1% | \$10,221,645 | \$8,728,915 | -14.6% |
| Trends Adjusted for Exposure | | | | | -0.6% | | | -14.1% | | | -14.6% |

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

CONTRACEPTIVES

In FY 2013, the Contraceptives category was sixteenth in cost to PEIA with expenditure of \$3,585,249, which accounted for 1.9% of total expenditures. Formulary expenditures were \$2,125,975 or 59.3% of total Contraceptives expenditures and we reviewed the contraceptives category because it represented the fourth largest dollar increase in fiscal year 2014.

Overall, total expenditures increased 30.4% in fiscal year 2014, largely driven by a 27.0% increase in the utilization of prescriptions.

| Drug | Current Formulary Status | Current Brand/ Generic | Number of Prescriptions | | | Ingredient Cost Per Prescription | | | Total Ingredient Cost | | |
|------------------------------|--------------------------------|------------------------------|-------------------------|---------------|--------------|----------------------------------|---------------|--------------|-----------------------|------------------|--------------|
| | | | 2013 | 2014 | Growth | 2013 | 2014 | Growth | 2013 | 2014 | Growth |
| Ortho Tri-Cyclen Lo | No | SSB | 1,103 | 2,648 | 140.1% | \$114.11 | \$131.83 | 15.5% | \$125,862 | \$349,081 | 177.4% |
| Nuvaring | No | SSB | 1,380 | 2,452 | 77.7% | 98.93 | 115.24 | 16.5% | 136,529 | 282,576 | 107.0% |
| Gianvi | Yes | Gen | 3,042 | 2,551 | -16.1% | 78.77 | 75.65 | -4.0% | 239,606 | 192,984 | -19.5% |
| Lo Loestrin Fe | No | SSB | 733 | 1,786 | 143.7% | 90.58 | 102.34 | 13.0% | 66,396 | 182,777 | 175.3% |
| Minastrin | No | SSB | 0 | 1,585 | NA | NA | 100.25 | NA | 0 | 158,903 | NA |
| <u>Subtotals</u> | | | | | | | | | | | |
| Generic | Yes | Generic | 54,054 | 66,897 | 23.8% | \$35.60 | \$31.45 | -11.7% | \$1,924,418 | \$2,103,951 | 9.3% |
| Formulary Brand | Yes | Brand | 0 | 30 | NA | NA | 734.14 | NA | 0 | 22,024 | NA |
| <u>Non-Formulary Brand</u> | <u>No</u> | <u>Brand</u> | <u>9,255</u> | <u>13,458</u> | <u>45.4%</u> | <u>89.41</u> | <u>108.43</u> | <u>21.3%</u> | <u>827,452</u> | <u>1,459,273</u> | <u>76.4%</u> |
| Total | | | 63,309 | 80,385 | 27.0% | \$43.47 | \$44.60 | 2.6% | \$2,751,870 | \$3,585,249 | 30.3% |
| Trends Adjusted for Exposure | | | | | 27.0% | | | 2.6% | | | 30.4% |

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

MULTIPLE SCLEROSIS

In FY 2014, the Multiple Sclerosis indicator category was sixth in cost to PEIA with expenditure of \$8,491,447, which accounted for 4.4% of total expenditures. Formulary expenditures were \$7,666,619 or 90.3% of Multiple Sclerosis expenditures and we reviewed this category since it represented the third largest dollar increase in fiscal year 2014.

This category is unique in that no generic options are available and overall expenditures increased 11.2%, largely driven by a 10.7% increase in average ingredient cost per prescription.

| Drug | Current Formulary Status | Current Brand/ Generic | Number of Prescriptions | | | Ingredient Cost Per Prescription | | | Total Ingredient Cost | | |
|------------------------------|--------------------------------|------------------------------|-------------------------|------------|---------------|----------------------------------|-----------------|--------------|-----------------------|----------------|-------------|
| | | | 2013 | 2014 | Growth | 2013 | 2014 | Growth | 2013 | 2014 | Growth |
| Copaxone ¹ | Yes | SSB | 804 | 897 | 11.6% | \$4,339.75 | \$4,678.20 | 7.8% | \$3,489,163 | \$4,196,345 | 20.3% |
| Avonex | Yes | SSB | 402 | 316 | -21.4% | 3,774.92 | 4,318.32 | 14.4% | 1,517,518 | 1,364,589 | -10.1% |
| Gilenya | Yes | SSB | 175 | 230 | 31.4% | 4,554.80 | 4,744.80 | 4.2% | 797,090 | 1,091,303 | 36.9% |
| Rebif | Yes | SSB | 214 | 157 | -26.6% | 3,917.13 | 4,518.37 | 15.3% | 838,266 | 709,384 | -15.4% |
| Avonex Pen | Yes | SSB | 46 | 102 | 121.7% | 3,887.30 | 4,346.14 | 11.8% | 178,816 | 443,307 | 147.9% |
| <u>Subtotals</u> | | | | | | | | | | | |
| Generic | Yes | Generic | 0 | 0 | NA | NA | NA | NA | \$0 | \$0 | NA |
| Formulary Brand | Yes | Brand | 1,736 | 1,783 | 2.7% | 3,933.68 | 4,299.84 | 9.3% | 6,828,869 | 7,666,619 | 12.3% |
| <u>Non-Formulary Brand</u> | <u>No</u> | <u>Brand</u> | <u>218</u> | <u>180</u> | <u>-17.4%</u> | <u>3,705.73</u> | <u>4,582.38</u> | <u>23.7%</u> | <u>807,849</u> | <u>824,828</u> | <u>2.1%</u> |
| Total | | | 1,954 | 1,963 | 0.5% | \$3,908.25 | \$4,325.75 | 10.7% | \$7,636,718 | \$8,491,447 | 11.2% |
| Trends Adjusted for Exposure | | | | | 0.5% | | | 10.7% | | | 11.2% |

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