



CCRC
Actuaries, LLC

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

Fiscal Year 2012

Detailed Medical and Prescription Drug Claim Trend Report

September 2012

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West Virginia Public Employees Insurance Agency Report of Independent Actuary

Fiscal Year 2012 Detailed Medical & Prescription Drug Claim Trend Report

OVERVIEW

CCRC Actuaries, LLC (“CCRC Actuaries”) was engaged by the West Virginia Public Employees Insurance Agency (“PEIA”) to assist the Finance Board in monitoring the plan experience for fiscal year ending June 30, 2012 on a quarterly basis and the forecasting of Fiscal Years 2013 through 2017. This annual trend report to the Finance Board serves as the basis for projecting medical and drug claims through Fiscal Year 2012 and beyond. This report is intended for the sole use of the Finance Board, and any other use requires written approval by CCRC Actuaries.

CCRC Actuaries has collected and reviewed the medical and drug claims experience using Non-Medicare claims incurred and paid through June 2012. Effective July 1, 2012, RHBT has contracted with Humana to provide a Medicare Advantage Plan (“MA”) 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 drug coverage with limited copayments. West Virginia Retiree Health Benefit Trust Fund (“Trust Fund” or “RHBT”) will leave current Coventry Advantra Freedom’s Medicare Advantage/Prescription Drug Plan (“MAPD”) as of June 30, 2012, and RHBT will assign Medicare eligible retirees to the Humana MA program starting July 1, 2012. CCRC Actuaries has not reviewed the Medicare claims experience in this report due to the lack of credibility of Medicare claims where the State is secondary.

Since July 1, 2000, HealthSmart Holding Inc. (“HealthSmart”), recently acquired the former Third Party Administrator Wells Fargo in October 2011, has been the administrator of the plan’s medical claims and has provided reports for both medical and prescription drug claims. The analysis utilized claim data supplied from HealthSmart as a primary source of claims data for this report and PEIA provided enrollment information.

Trends were developed by category for the 24-month, 36-month and the 48-month credible periods ending April 2012. Our analysis for medical claims do not include incurred claims for the months after April 2012, since the claim experience for these months is largely non-credible with substantial reserves as part of the projected monthly incurred amount. The claim information supplied by HealthSmart for the purposes of this analysis was compared to PEIA’s general ledger system to ensure accuracy of aggregate reporting. In an effort to assure accuracy, the claim information provided by HealthSmart and used in this analysis was reconciled and balanced to the PEIA general ledger amounts.

KEY FINDINGS

- The three methodologies resulted in similar results, and we chose the 24 month as the methodology that is most likely to produce accurate future trends. The overall medical trend decreased from 7.8% last year to 5.3% in Fiscal Year 2012 using a 24-month study period. Using the 24-month analysis, PEIA experienced a 5.1% utilization increase and a 0.1% unit cost increase, resulting in an aggregate trend of 5.3%. 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%

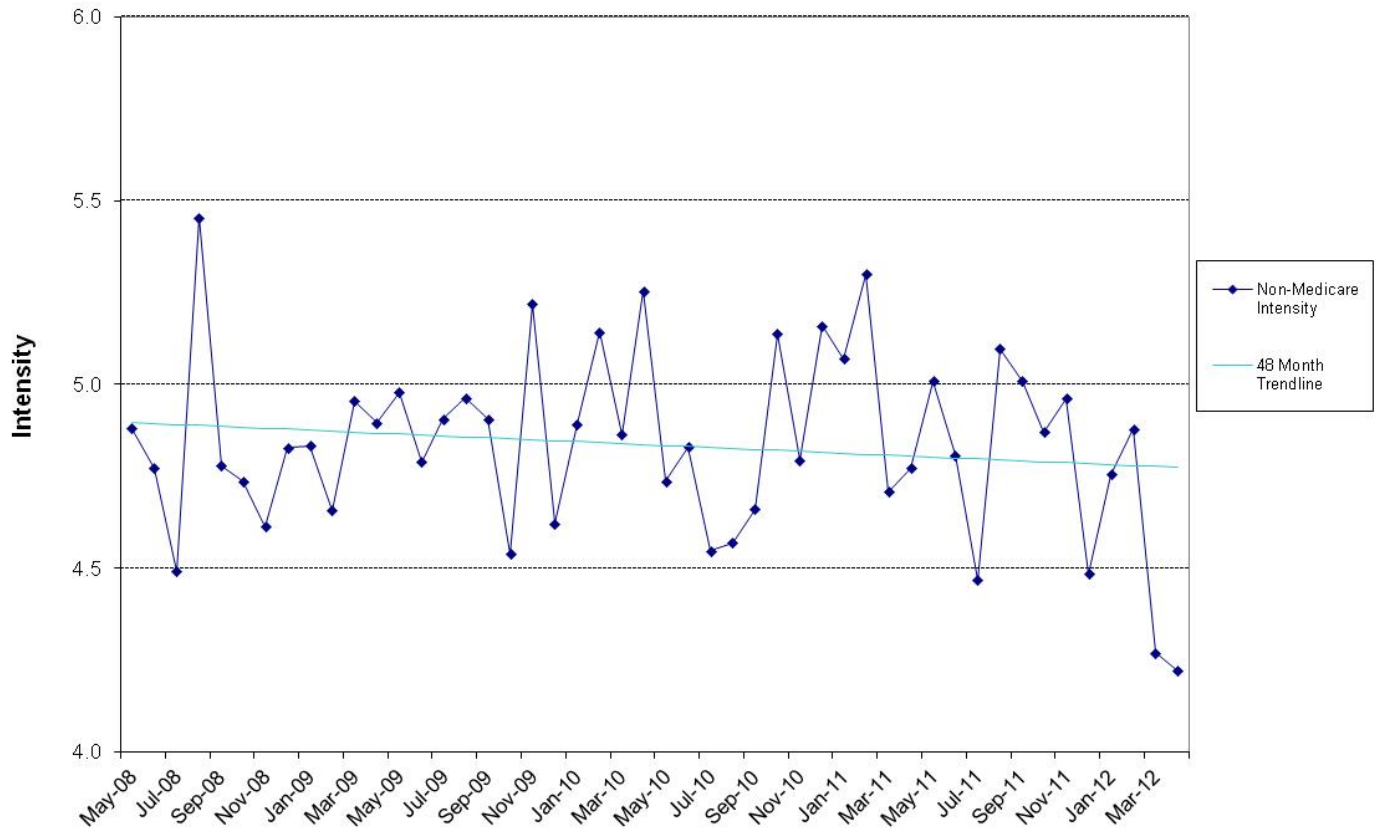
- Fiscal Year 2012 PEIA and Retiree Health Benefit Trust Fund (RHBT) detail trends are shown in the following table:

Fiscal Year 2012 Claim Type	Medical	Drugs
PEIA – Active Local	5.3%	5.7%
<u>PEIA – State</u>	<u>5.3%</u>	<u>3.9%</u>
PEIA – Total	5.3%	4.2%
RHBT – Non-Medicare	-7.1%	5.5%
Grand Total	3.6%	4.4%

- Hospital Inpatient services represent approximately 21% of all medical services and experienced the lowest increase of the broader claim categories with a total trend of 1.0%. This increase was caused by a 0.3% reduction in utilization and a 1.3% increase in unit cost.
- Hospital Outpatient services represent approximately 31% of all medical services and experienced the second largest of the broader claim categories increase with a total trend of 8.1%. This increase was caused by a 10.3% increase in utilization and a 2.0% reduction in unit cost.
- Physician services represent approximately 45% of all medical services and experienced the third largest of the broader claim categories increase with a trend of 4.8%. This increase was a result of a 3.5% increase in utilization of these services and a 1.2% increase in unit cost.
- Other services, which are services that are principally Durable Medical Services and Ambulance, represent approximately 3% of all medical services and experienced the largest increase of the broader claim categories with a total trend of 8.9%. This increase was caused by a 12.2% increase in utilization of these services and a 2.9% reduction in unit cost.
- Overall, In-State services show higher trends for Non-Medicare coverages in the 24-month analysis, with higher utilization increases for services provided In-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 5.9% and an Out-of-State trend of 4.8%. 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 5.9%, while the Out-of-State trend was 0.5%. For In-State, the cost per service trend for Non-Medicare was 0.0%, while the Out-of-State trend was 4.3%. The Out-of-State cost per service increase was fairly consistent for the major categories of Hospital Inpatient except for the Psychiatric / Substance Abuse where we observed an unfavorable upward trend.
- It should be noted that as of January 1, 2010, PEIA began following the CMS guidelines and PEIA will not reimburse for Consultations under Physician Services. We have combined the services under Consultations category into the Office Visits category.

- A component of the cost per service trend for hospital inpatient is the length of stay, or intensity. Over the 48-month analysis, the intensity for Non-Medicare hospital stays has a trend of -0.6%, compared to -0.4% last year.

Hospital Inpatient Intensity



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	1.3%	2.6%	2.5%
Intensity	-2.4%	-1.7%	-0.6%
<u>Cost/Day</u>	<u>3.5%</u>	<u>4.4%</u>	<u>5.2%</u>
Total	2.3%	5.3%	7.2%

KEY FINDINGS - DRUG

- Overall, prescription drugs trends for Non-Medicare coverages have increased significantly since last year. Using the 24-month analysis, we observe a 1.4% utilization reduction and a 5.7% prescription cost increase, resulting in an aggregate trend of 4.2%. The 24-month overall trend is lower than the 36-month and 48-month analysis.

West Virginia PEIA Prescription Drugs Total 24-Month Trend Analysis			
	<u>Utilization</u>	<u>Cost/Prescription</u>	<u>Total Trend</u>
FY 2012	-1.4%	5.7%	4.2%

METHODOLOGY

HealthSmart provided allowed and paid claim information for Non-Medicare and Medicare eligibility from July 2001 through June 2012. This data set was analyzed on Non-Medicare claims that were incurred from May 2008 through April 2012 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 drug claims are based on the paid amount because the allowed amount is less reflective of PEIA's liability since the Medicare program is primary.

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

<u>Non-Medicare Claims</u>	<u>12 months ending April 2009</u>	<u>12 months ending April 2010</u>	<u>12 months ending April 2011</u>	<u>12 months ending April 2012</u>
Hospital Inpatient	\$85,519,301	\$94,638,584	\$103,287,427	\$100,653,879
Hospital Outpatient	128,009,766	137,936,103	151,938,994	160,335,554
Physician Services	203,951,014	209,965,681	218,170,030	227,327,726
Other Services	<u>11,328,531</u>	<u>12,775,815</u>	<u>14,210,264</u>	<u>14,848,237</u>
Total	\$428,808,612	\$455,316,182	\$487,606,715	\$503,165,395

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

<u>Non-Medicare Claims</u>	<u>May 2008 to April 2009</u>	<u>May 2009 to April 2010</u>	<u>May 2010 to April 2011</u>	<u>May 2011 to April 2012</u>
HI Maternity	\$2,389,595	\$2,455,257	\$2,807,239	\$3,056,640
HI Medical/Surgical	80,445,531	89,341,484	97,153,080	93,002,445
HI Psychiatric/Substance Abuse	2,684,175	2,841,842	3,327,108	4,594,794
HO Emergency Room	19,687,712	20,999,888	22,725,651	24,212,393
HO Medical/Surgical	59,069,157	66,914,471	74,130,575	78,434,733
HO Other Services	48,262,305	48,867,722	53,804,282	55,900,487
HO Psychiatric/Substance Abuse	990,592	1,154,022	1,278,486	1,787,941
PS Anesthesia	9,721,347	10,044,840	10,735,382	11,092,847
PS Chemotherapy/Radiation	4,999,067	4,419,688	3,626,714	4,500,391
PS Emergency Room	4,866,331	5,336,863	5,517,321	5,494,340
PS Immunizations/Allergy	5,472,615	5,464,410	5,832,090	6,494,987
PS Inpatient Surgery	10,049,402	9,809,983	9,431,028	9,426,367
PS Inpatient Visits	5,484,669	5,972,627	7,384,457	6,926,833
PS Lab & Pathology	14,146,413	15,280,911	16,530,495	17,536,983
PS Maternity	3,081,514	2,956,345	3,103,109	3,590,807
PS Office Visits	59,796,845	63,241,800	66,995,817	68,221,217
PS Other Services	36,107,561	37,590,793	39,777,287	42,290,708
PS Outpatient Surgery	15,754,624	16,499,555	17,294,227	17,916,667
PS Psychiatric/Substance Abuse	7,490,938	8,214,313	8,953,976	9,537,332
PS Radiology	21,170,184	18,619,235	15,833,642	16,260,180
PS Therapy/Rehab	5,809,504	6,514,317	7,154,486	8,038,066
O Ambulance	2,619,944	3,347,538	3,588,715	3,638,778
O Durable Medical Equipment	6,189,777	6,782,662	7,306,075	7,145,291
O Other Services	2,518,810	2,645,615	3,315,474	4,064,168

COMPARISON (PAID VS. ALLOWED)

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

We have examined the trends utilizing paid claims as opposed to allowed claims. The following table summarizes the trends on a paid basis for the Fiscal Years 2009 through 2012 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%	5.3%
36-Month Trend	3.4%	4.8%
48-Month Trend	3.7%	4.5%

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

SUMMARY

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

Recent experience has shown that the Non-Medicare medical claim trends are lower than the current trend assumption for FY 2013 of 6.5%. Consequently, at this time we believe it is prudent and appropriate to reduce the FY 2013 medical claim trend assumptions for Non-Medicare medical to 5.5%.

Recent experience has also shown that Non-Medicare drug claim trends are lower than the current trend assumption for FY 2013 of 10.0%. At this time we believe it is prudent and appropriate to reduce the FY 2013 drug claim trend assumptions for Non-Medicare drug to 8.5%

Both changes are shown in the following chart.

	<i>Fiscal Year 2013 Trends</i>		
Claim Type	Previous Assumption	Updated Assumption	Change
Non-Medicare – Medical	6.5%	5.5%	-1.0%
Non-Medicare – Prescription Drugs	10.0%	8.5%	-1.5%

In the past, claim trends for the financial plan included a 0.5% margin in future years. The financial projection for medical and drug claims will continue this practice and the trends will increase by 0.5% in each successive fiscal year beginning in FY 2014.

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

Respectfully,



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

Managing Partner



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

Senior Actuarial Consultant

West Virginia PEIA Non-Medicare Total Study Period of May 2008 to April 2012

Trends Summary - Excludes Drugs

	24 Month Trends Summary				36 Month Trends Summary				48 Month Trends Summary			
	Utilization	Cost / Service	Total Trend	Weight	Utilization	Cost / Service	Total Trend	Weight	Utilization	Cost / Service	Total Trend	Weight
HOSPITAL INPATIENT												
Maternity	4.5%	8.7%	13.6%	0.6%	4.0%	8.4%	12.8%	0.6%	3.7%	4.9%	8.8%	0.6%
Medical / Surgical	-0.8%	0.1%	-0.7%	19.2%	-0.1%	2.3%	2.2%	19.3%	-0.3%	4.5%	4.2%	19.2%
Psychiatric / Substance Abuse	7.7%	25.0%	34.7%	0.8%	12.6%	15.4%	29.9%	0.7%	10.4%	9.7%	21.1%	0.7%
TOTAL	-0.3%	1.3%	1.0%	20.6%	0.5%	3.0%	3.5%	20.6%	0.2%	4.7%	4.9%	20.5%
HOSPITAL OUTPATIENT												
Emergency Room	4.3%	3.2%	7.6%	4.7%	2.1%	4.2%	6.4%	4.7%	2.2%	3.6%	5.8%	4.7%
Medical / Surgical	16.5%	-5.5%	10.1%	15.4%	10.0%	-0.9%	8.9%	15.2%	7.3%	1.9%	9.4%	14.9%
Other Services	3.6%	0.8%	4.4%	11.1%	2.3%	3.5%	5.9%	11.0%	1.8%	2.2%	4.1%	11.0%
Psychiatric / Substance Abuse	38.9%	-3.8%	33.6%	0.3%	24.8%	-0.5%	24.2%	0.3%	16.4%	3.7%	20.7%	0.3%
TOTAL	10.3%	-2.0%	8.1%	31.5%	6.2%	1.4%	7.7%	31.1%	4.6%	2.3%	7.0%	30.8%
PHYSICIAN SERVICES												
Anesthesia	3.7%	-1.9%	1.8%	2.2%	5.9%	-2.8%	3.0%	2.2%	6.2%	-3.4%	2.6%	2.2%
Chemotherapy / Radiation	12.4%	7.6%	21.0%	0.8%	1.3%	-1.7%	-0.4%	0.9%	-6.3%	-0.4%	-6.6%	0.9%
Emergency Room	2.4%	-2.3%	0.0%	1.1%	1.2%	-0.7%	0.5%	1.1%	1.8%	0.8%	2.6%	1.1%
Immunizations / Injections / Allergy	0.6%	4.4%	5.0%	1.2%	1.6%	3.9%	5.6%	1.2%	2.1%	1.2%	3.3%	1.2%
Inpatient Surgery	-17.5%	10.3%	-9.0%	1.9%	-10.8%	6.5%	-5.0%	2.0%	-7.4%	3.5%	-4.2%	2.1%
Inpatient Visits	-3.5%	-1.1%	-4.5%	1.4%	4.7%	1.9%	6.7%	1.4%	6.4%	1.0%	7.5%	1.4%
Lab & Pathology	6.0%	2.5%	8.7%	3.4%	5.4%	1.0%	6.5%	3.4%	5.2%	0.9%	6.1%	3.4%
Maternity	1.5%	12.7%	14.3%	0.7%	3.5%	4.4%	8.1%	0.7%	1.6%	1.3%	2.9%	0.7%
Office Visits	3.9%	0.8%	4.7%	13.6%	2.2%	1.3%	3.6%	13.7%	2.0%	1.5%	3.5%	13.8%
Other Services	7.0%	0.0%	7.0%	8.3%	5.8%	-0.2%	5.5%	8.3%	3.7%	0.5%	4.2%	8.3%
Outpatient Surgery	1.4%	1.2%	2.6%	3.6%	0.5%	2.0%	2.5%	3.6%	0.6%	1.9%	2.5%	3.6%
Psychiatric / Substance Abuse	14.7%	-5.5%	8.4%	1.9%	11.8%	-3.5%	7.8%	1.8%	9.4%	-1.6%	7.6%	1.8%
Radiology	-1.6%	2.0%	0.4%	3.2%	-3.6%	-5.2%	-8.6%	3.5%	-2.9%	-8.5%	-11.2%	3.8%
Therapies	10.0%	2.2%	12.5%	1.5%	9.0%	0.4%	9.5%	1.5%	7.6%	1.8%	9.5%	1.5%
TOTAL	3.5%	1.2%	4.8%	45.0%	2.8%	0.4%	3.2%	45.3%	2.2%	0.1%	2.4%	45.8%
OTHER												
Ambulance	1.2%	0.4%	1.6%	0.7%	-0.9%	4.1%	3.2%	0.7%	0.4%	8.0%	8.4%	0.7%
Appliances (DME)	5.6%	-4.2%	1.2%	1.5%	5.1%	-2.2%	2.8%	1.5%	6.0%	-1.7%	4.2%	1.5%
Other Services	35.7%	-3.5%	31.0%	0.7%	27.5%	-0.3%	27.1%	0.7%	18.3%	1.7%	20.4%	0.7%
TOTAL	12.2%	-2.9%	8.9%	2.9%	9.0%	-0.1%	8.8%	2.9%	7.5%	1.5%	9.1%	2.8%
GRAND TOTAL	5.1%	0.1%	5.3%	100.0%	3.6%	1.2%	4.8%	100.0%	2.7%	1.8%	4.5%	100.0%

West Virginia PEIA Non-Medicare Total Study Period of May 2010 to April 2012

24 Month Trends Summary - Excludes Drugs

	In State			Out of State			Total			In State Weight	Out of State Weight	Total Weight
	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend			
HOSPITAL INPATIENT												
Maternity	3.1%	-1.0%	2.1%	15.6%	15.2%	33.1%	4.5%	8.7%	13.6%	0.5%	0.7%	0.6%
Medical / Surgical	-0.5%	0.4%	-0.1%	-2.3%	4.0%	1.6%	-0.8%	0.1%	-0.7%	13.0%	34.5%	19.2%
Psychiatric / Substance Abuse	8.2%	10.1%	19.1%	12.7%	58.9%	79.0%	7.7%	25.0%	34.7%	0.7%	1.0%	0.8%
TOTAL	0.1%	0.8%	0.9%	-1.5%	5.7%	4.1%	-0.3%	1.3%	1.0%	14.2%	36.2%	20.6%
HOSPITAL OUTPATIENT												
Emergency Room	5.2%	3.2%	8.6%	-4.3%	9.8%	5.1%	4.3%	3.2%	7.6%	5.2%	3.5%	4.7%
Medical / Surgical	20.5%	-5.3%	14.1%	-4.8%	4.2%	-0.8%	16.5%	-5.5%	10.1%	15.3%	14.8%	15.4%
Other Services	4.0%	0.4%	4.4%	-2.2%	6.8%	4.5%	3.6%	0.8%	4.4%	11.4%	10.2%	11.1%
Psychiatric / Substance Abuse	26.3%	-8.4%	15.7%	60.9%	-8.0%	48.0%	38.9%	-3.8%	33.6%	0.2%	0.6%	0.3%
TOTAL	12.2%	-1.9%	10.0%	-2.5%	5.6%	3.0%	10.3%	-2.0%	8.1%	32.1%	29.2%	31.5%
PHYSICIAN SERVICES												
Anesthesia	3.6%	-2.0%	1.5%	5.0%	-1.9%	3.0%	3.7%	-1.9%	1.8%	2.4%	1.7%	2.2%
Chemotherapy / Radiation	14.3%	8.4%	23.9%	4.7%	9.2%	14.3%	12.4%	7.6%	21.0%	0.9%	0.8%	0.8%
Emergency Room	3.1%	-3.5%	-0.5%	-5.3%	8.5%	2.8%	2.4%	-2.3%	0.0%	1.3%	0.6%	1.1%
Immunizations / Injections / Allergy	0.8%	4.8%	5.7%	-2.3%	1.3%	-1.0%	0.6%	4.4%	5.0%	1.6%	0.4%	1.2%
Inpatient Surgery	-16.1%	12.8%	-5.3%	-23.0%	9.7%	-15.6%	-17.5%	10.3%	-9.0%	1.9%	2.1%	1.9%
Inpatient Visits	-3.2%	-1.7%	-4.9%	-5.0%	3.1%	-2.1%	-5.0%	-1.1%	-4.5%	1.6%	1.0%	1.4%
Lab & Pathology	0.9%	1.9%	2.8%	18.4%	-0.9%	17.4%	6.0%	2.5%	8.7%	2.7%	5.2%	3.4%
Maternity	-1.5%	14.6%	12.9%	22.0%	-2.3%	19.3%	1.5%	12.7%	14.3%	0.8%	0.3%	0.7%
Office Visits	3.8%	0.5%	4.4%	4.4%	3.1%	7.7%	3.9%	0.8%	4.7%	17.2%	5.1%	13.6%
Other Services	7.4%	0.6%	8.1%	3.9%	-0.8%	3.1%	7.0%	0.0%	7.0%	9.1%	6.3%	8.3%
Outpatient Surgery	1.9%	1.4%	3.4%	-1.5%	1.8%	0.3%	1.4%	1.2%	2.6%	3.8%	3.0%	3.6%
Psychiatric / Substance Abuse	11.0%	-3.6%	7.0%	40.1%	-14.3%	20.1%	14.7%	-5.5%	8.4%	2.3%	0.8%	1.9%
Radiology	-1.2%	1.0%	-0.2%	-5.1%	7.2%	1.8%	-1.6%	2.0%	0.4%	3.8%	2.6%	3.2%
Therapies	10.6%	2.0%	12.8%	2.7%	3.7%	6.5%	10.0%	2.2%	12.5%	2.0%	0.3%	1.5%
TOTAL	3.4%	1.2%	4.7%	4.0%	1.8%	5.8%	3.5%	1.2%	4.8%	51.3%	30.2%	45.0%
OTHER												
Ambulance	2.3%	-2.4%	-0.1%	-9.2%	18.7%	7.8%	1.2%	0.4%	1.6%	0.6%	1.0%	0.7%
Appliances (DME)	1.1%	-4.7%	-3.7%	23.4%	-10.8%	10.0%	5.6%	-4.2%	1.2%	1.2%	2.3%	1.5%
Other Services	38.9%	-5.9%	30.7%	16.1%	8.9%	26.5%	35.7%	-3.5%	31.0%	0.6%	1.1%	0.7%
TOTAL	10.5%	-4.4%	5.7%	14.1%	0.9%	15.2%	12.2%	-2.9%	8.9%	2.4%	4.4%	2.9%
GRAND TOTAL	5.9%	0.0%	5.9%	0.5%	4.3%	4.8%	5.1%	0.1%	5.3%	100.0%	100.0%	100.0%

West Virginia PEIA Non-Medicare Total Study Period of May 2009 to April 2012

36 Month Trends Summary - Excludes Drugs

	In State			Out of State			Total			In State Weight	Out of State Weight	Total Weight
	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend			
HOSPITAL INPATIENT												
Maternity	3.6%	2.4%	6.0%	5.0%	15.1%	20.8%	4.0%	8.4%	12.8%	0.5%	0.7%	0.6%
Medical / Surgical	0.5%	3.9%	4.4%	-3.1%	4.9%	1.7%	-0.1%	2.3%	2.2%	13.0%	35.3%	19.3%
Psychiatric / Substance Abuse	12.3%	6.1%	19.2%	16.1%	25.1%	45.2%	12.6%	15.4%	29.9%	0.7%	0.9%	0.7%
TOTAL	1.2%	4.0%	5.2%	-2.5%	5.6%	3.0%	0.5%	3.0%	3.5%	14.2%	36.9%	20.6%
HOSPITAL OUTPATIENT												
Emergency Room	2.4%	3.3%	5.7%	-0.3%	10.1%	9.8%	2.1%	4.2%	6.4%	5.2%	3.4%	4.7%
Medical / Surgical	11.3%	-0.6%	10.6%	2.6%	1.3%	3.9%	10.0%	-0.9%	8.9%	15.3%	14.8%	15.2%
Other Services	2.7%	1.9%	4.7%	-3.1%	12.7%	9.2%	2.3%	3.5%	5.9%	11.4%	10.0%	11.0%
Psychiatric / Substance Abuse	13.3%	-3.9%	8.9%	47.7%	-12.6%	29.2%	24.8%	-0.5%	24.2%	0.2%	0.6%	0.3%
TOTAL	6.8%	0.9%	7.8%	1.2%	6.0%	7.3%	6.2%	1.4%	7.7%	32.1%	28.7%	31.1%
PHYSICIAN SERVICES												
Anesthesia	5.2%	-2.7%	2.4%	11.6%	-6.2%	4.7%	5.9%	-2.8%	3.0%	2.4%	1.7%	2.2%
Chemotherapy / Radiation	4.5%	-3.3%	1.1%	-12.3%	5.8%	-7.2%	1.3%	-1.7%	-0.4%	0.9%	0.9%	0.9%
Emergency Room	1.6%	-2.0%	-0.5%	-2.6%	9.2%	6.4%	1.2%	-0.7%	0.5%	1.3%	0.6%	1.1%
Immunizations / Injections / Allergy	1.9%	4.0%	5.9%	-1.6%	4.1%	2.4%	1.6%	3.9%	5.6%	1.6%	0.4%	1.2%
Inpatient Surgery	-10.3%	8.8%	-2.4%	-12.7%	2.9%	-10.1%	-10.8%	6.5%	-5.0%	1.9%	2.2%	2.0%
Inpatient Visits	5.4%	1.5%	7.0%	0.6%	5.4%	6.0%	4.7%	1.9%	6.7%	1.6%	0.9%	1.4%
Lab & Pathology	2.2%	-0.3%	1.9%	13.4%	0.2%	13.6%	5.4%	1.0%	6.5%	2.7%	5.1%	3.4%
Maternity	1.8%	5.8%	7.7%	16.6%	-5.0%	10.7%	3.5%	4.4%	8.1%	0.8%	0.3%	0.7%
Office Visits	2.2%	1.2%	3.4%	2.2%	2.6%	4.9%	2.2%	1.3%	3.6%	17.2%	5.1%	13.7%
Other Services	5.9%	-0.2%	5.6%	4.5%	0.4%	5.0%	5.8%	-0.2%	5.5%	9.1%	6.3%	8.3%
Outpatient Surgery	-0.4%	2.0%	1.5%	6.2%	-0.9%	5.2%	0.5%	2.0%	2.5%	3.8%	3.0%	3.6%
Psychiatric / Substance Abuse	8.5%	-2.1%	6.3%	36.3%	-10.7%	21.7%	11.8%	-3.5%	7.8%	2.3%	0.7%	1.8%
Radiology	-3.2%	-6.8%	-9.8%	-6.7%	2.1%	-4.7%	-3.6%	-5.2%	-8.6%	3.8%	2.7%	3.5%
Therapies	9.3%	0.5%	9.9%	5.1%	-2.3%	2.7%	9.0%	0.4%	9.5%	2.0%	0.3%	1.5%
TOTAL	2.6%	0.3%	2.9%	4.0%	0.8%	4.8%	2.8%	0.4%	3.2%	51.3%	30.3%	45.3%
OTHER												
Ambulance	-1.1%	-0.5%	-1.6%	1.5%	12.1%	13.7%	-0.9%	4.1%	3.2%	0.6%	1.0%	0.7%
Appliances (DME)	2.2%	-4.1%	-2.0%	16.9%	-5.1%	10.9%	5.1%	-2.2%	2.8%	1.2%	2.3%	1.5%
Other Services	29.3%	-7.1%	20.0%	17.3%	14.9%	34.8%	27.5%	-0.3%	27.1%	0.6%	1.0%	0.7%
TOTAL	7.8%	-3.9%	3.7%	13.5%	3.6%	17.5%	9.0%	-0.1%	8.8%	2.4%	4.2%	2.9%
GRAND TOTAL	3.9%	0.9%	4.8%	1.2%	4.2%	5.4%	3.6%	1.2%	4.8%	100.0%	100.0%	100.0%

West Virginia PEIA Non-Medicare Total Study Period of May 2008 to April 2012

48 Month Trends Summary - Excludes Drugs

	In State			Out of State			Total			In State Weight	Out of State Weight	Total Weight
	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend			
HOSPITAL INPATIENT												
Maternity	3.1%	1.3%	4.5%	8.6%	5.4%	14.5%	3.7%	4.9%	8.8%	0.5%	0.7%	0.6%
Medical / Surgical	0.1%	5.4%	5.6%	-2.9%	6.1%	3.0%	-0.3%	4.5%	4.2%	12.8%	35.3%	19.2%
Psychiatric / Substance Abuse	8.8%	8.7%	18.2%	12.5%	6.1%	19.4%	10.4%	9.7%	21.1%	0.7%	0.9%	0.7%
TOTAL	0.7%	5.4%	6.1%	-2.4%	6.1%	3.6%	0.2%	4.7%	4.9%	14.0%	36.9%	20.5%
HOSPITAL OUTPATIENT												
Emergency Room	2.2%	2.9%	5.2%	1.4%	7.3%	8.9%	2.2%	3.6%	5.8%	5.2%	3.3%	4.7%
Medical / Surgical	7.1%	2.7%	9.9%	8.8%	-2.4%	6.2%	7.3%	1.9%	9.4%	15.0%	14.5%	14.9%
Other Services	2.0%	1.3%	3.3%	-1.0%	7.6%	6.6%	1.8%	2.2%	4.1%	11.4%	10.0%	11.0%
Psychiatric / Substance Abuse	1.5%	1.5%	3.0%	52.2%	-17.1%	26.2%	16.4%	3.7%	20.7%	0.2%	0.5%	0.3%
TOTAL	4.4%	2.2%	6.7%	5.2%	2.0%	7.4%	4.6%	2.3%	7.0%	31.8%	28.4%	30.8%
PHYSICIAN SERVICES												
Anesthesia	5.7%	-3.2%	2.3%	10.3%	-6.0%	3.6%	6.2%	-3.4%	2.6%	2.4%	1.7%	2.2%
Chemotherapy / Radiation	-5.4%	-2.1%	-7.4%	-9.7%	5.6%	-4.6%	-6.3%	-0.4%	-6.6%	0.9%	0.9%	0.9%
Emergency Room	2.0%	-0.7%	1.3%	-0.8%	11.5%	10.7%	1.8%	0.8%	2.6%	1.3%	0.6%	1.1%
Immunizations / Injections / Allergy	2.4%	1.0%	3.4%	-1.8%	3.6%	1.7%	2.1%	1.2%	3.3%	1.6%	0.4%	1.2%
Inpatient Surgery	-6.8%	4.5%	-2.6%	-10.0%	2.6%	-7.7%	-7.4%	3.5%	-4.2%	2.0%	2.3%	2.1%
Inpatient Visits	7.1%	1.8%	9.1%	2.4%	-1.1%	1.3%	6.4%	1.0%	7.5%	1.5%	1.0%	1.4%
Lab & Pathology	5.5%	0.1%	5.7%	4.3%	2.1%	6.5%	5.2%	0.9%	6.1%	2.7%	5.2%	3.4%
Maternity	0.6%	1.9%	2.5%	9.4%	-4.4%	4.6%	1.6%	1.3%	2.9%	0.8%	0.3%	0.7%
Office Visits	2.1%	1.3%	3.4%	1.2%	3.3%	4.5%	2.0%	1.5%	3.5%	17.2%	5.1%	13.8%
Other Services	3.8%	-0.3%	3.5%	3.3%	3.3%	6.7%	3.7%	0.5%	4.2%	9.1%	6.2%	8.3%
Outpatient Surgery	-0.3%	1.6%	1.3%	6.6%	0.1%	6.7%	0.6%	1.9%	2.5%	3.9%	3.0%	3.6%
Psychiatric / Substance Abuse	6.5%	-0.7%	5.8%	33.2%	-5.0%	26.5%	9.4%	-1.6%	7.6%	2.3%	0.7%	1.8%
Radiology	-2.5%	-8.9%	-11.2%	-6.2%	-5.1%	-10.9%	-2.9%	-8.5%	-11.2%	4.1%	3.0%	3.8%
Therapies	7.6%	2.1%	9.9%	6.5%	-3.1%	3.2%	7.6%	1.8%	9.5%	1.9%	0.3%	1.5%
TOTAL	2.2%	-0.1%	2.2%	2.1%	1.2%	3.2%	2.2%	0.1%	2.4%	51.8%	30.7%	45.8%
OTHER												
Ambulance	0.1%	2.1%	2.2%	4.2%	16.3%	21.2%	0.4%	8.0%	8.4%	0.6%	0.9%	0.7%
Appliances (DME)	2.7%	-3.3%	-0.7%	20.4%	-8.2%	10.5%	6.0%	-1.7%	4.2%	1.2%	2.2%	1.5%
Other Services	19.6%	-6.6%	11.7%	11.0%	20.2%	33.4%	18.3%	1.7%	20.4%	0.6%	0.9%	0.7%
TOTAL	6.0%	-2.6%	3.3%	14.7%	3.7%	19.0%	7.5%	1.5%	9.1%	2.4%	4.0%	2.8%
GRAND TOTAL	2.8%	1.3%	4.2%	1.8%	3.3%	5.2%	2.7%	1.8%	4.5%	100.0%	100.0%	100.0%

West Virginia PEIA Non-Medicare Prescription Drugs Total Study Period of May 2008 to April 2012

24 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	-1.4%	5.7%	4.2%

36 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	0.8%	8.8%	9.7%

48 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	1.7%	7.7%	9.6%

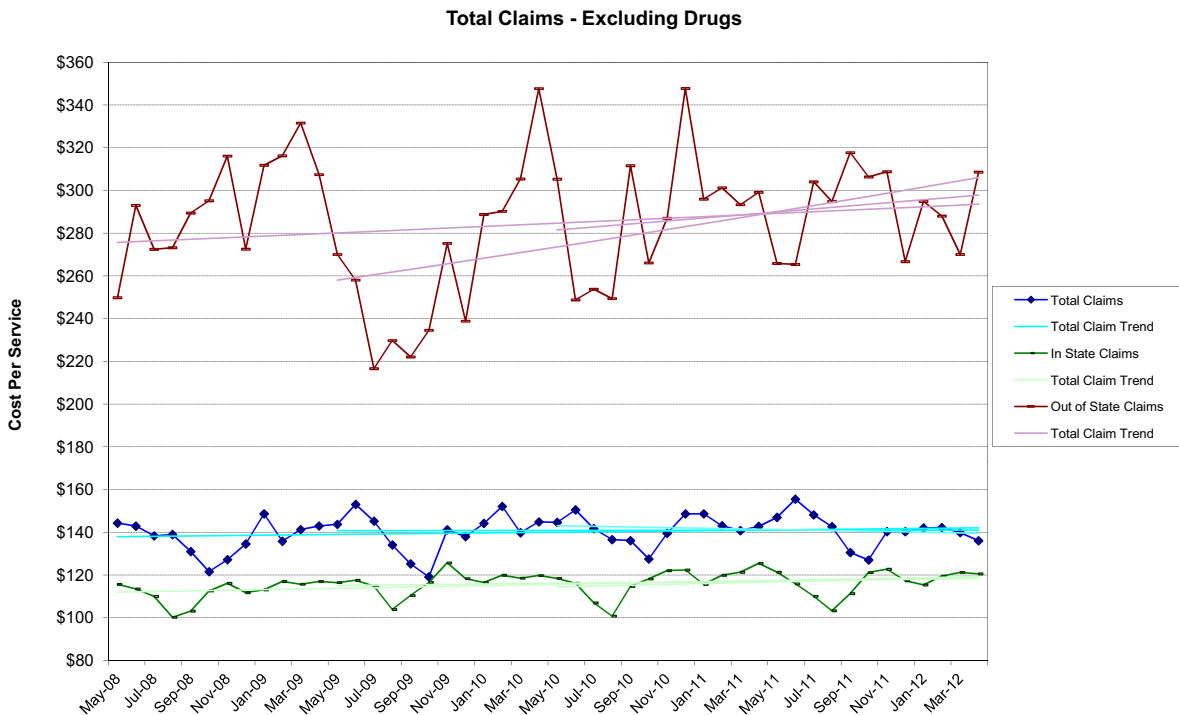
Appendix A

**NON-MEDICARE CLAIMS
Excluding Drugs
GRAND TOTAL**

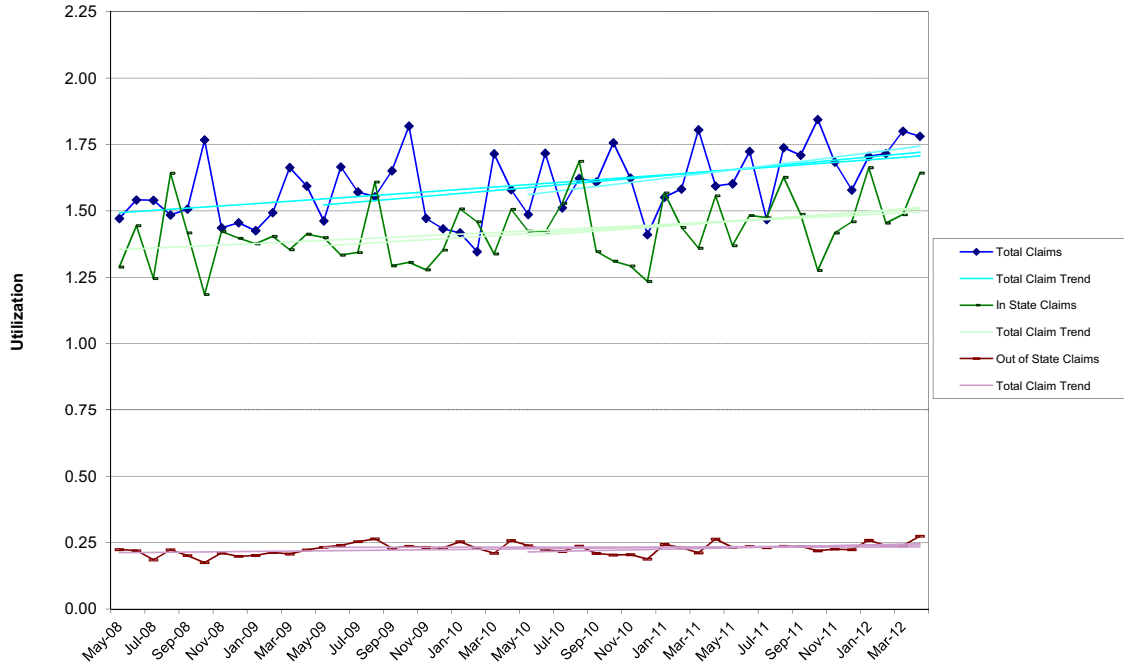
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.1%	0.1%	5.3%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.6%	1.2%	4.8%

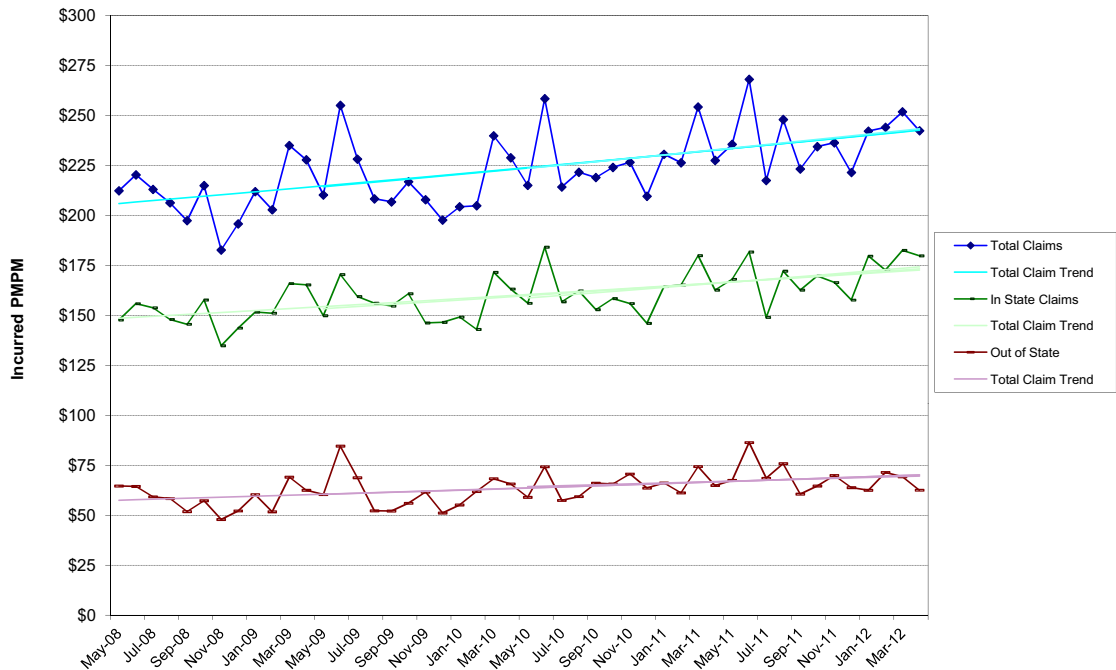
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.7%	1.8%	4.5%



Total Claims - Excluding Drugs



Total Claims - Excluding Drugs



**NON-MEDICARE CLAIMS
Excluding Drugs**

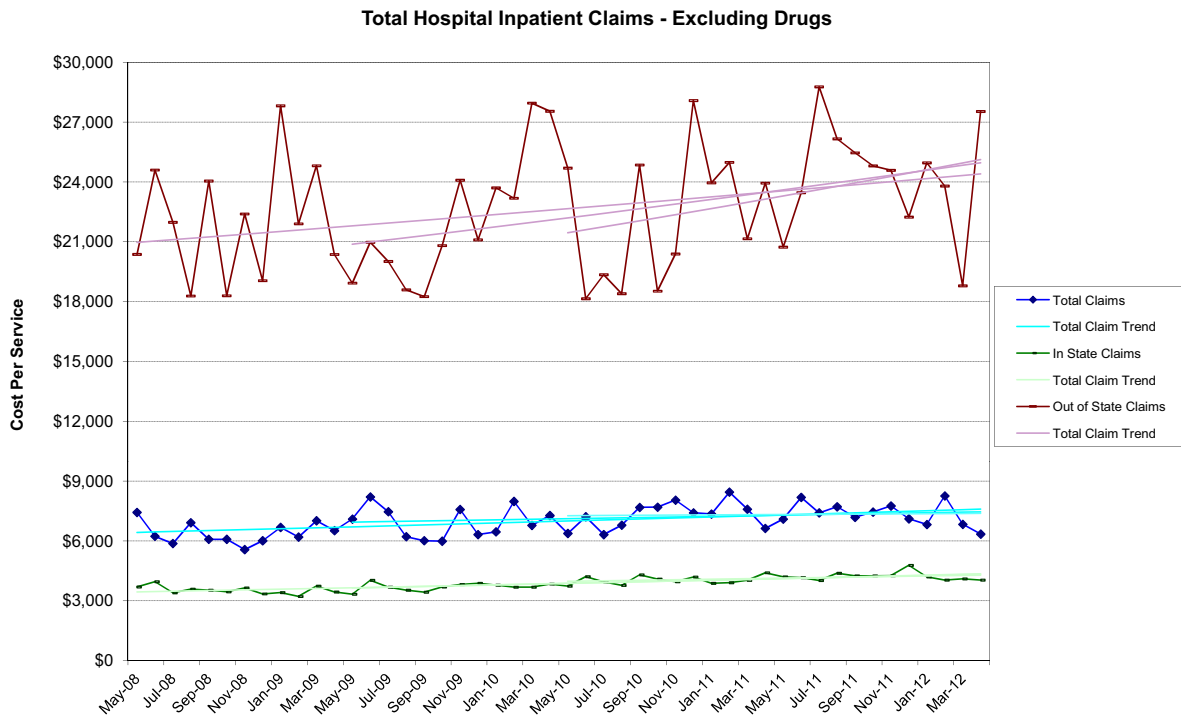
HOSPITAL INPATIENT

TOTAL

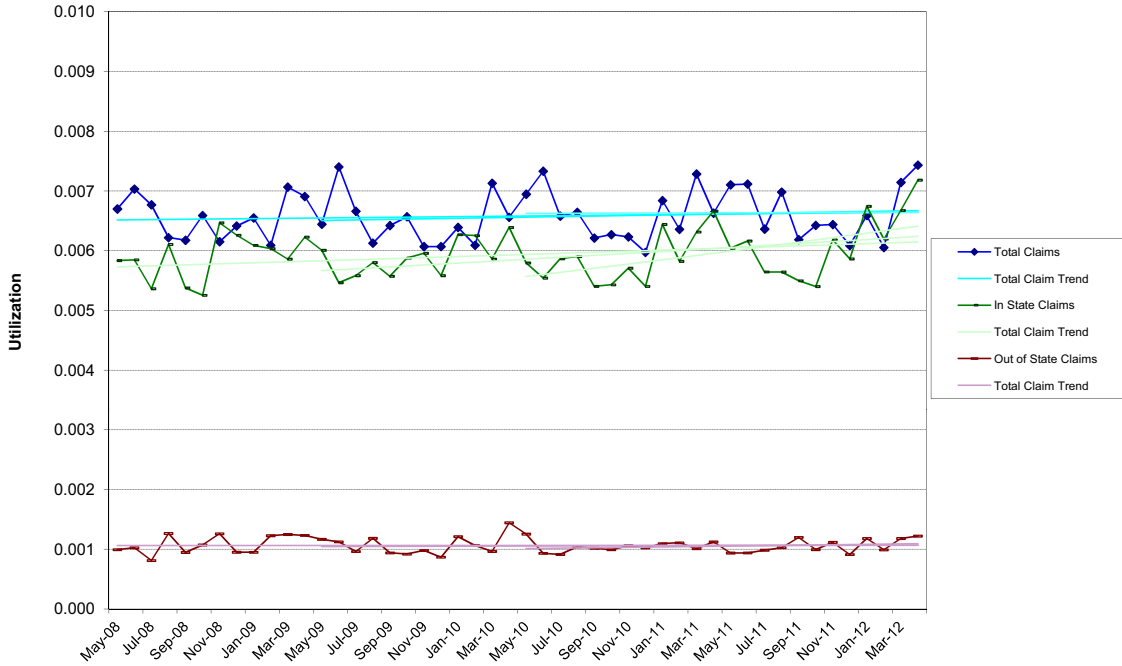
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.3%	1.3%	1.0%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.5%	3.0%	3.5%

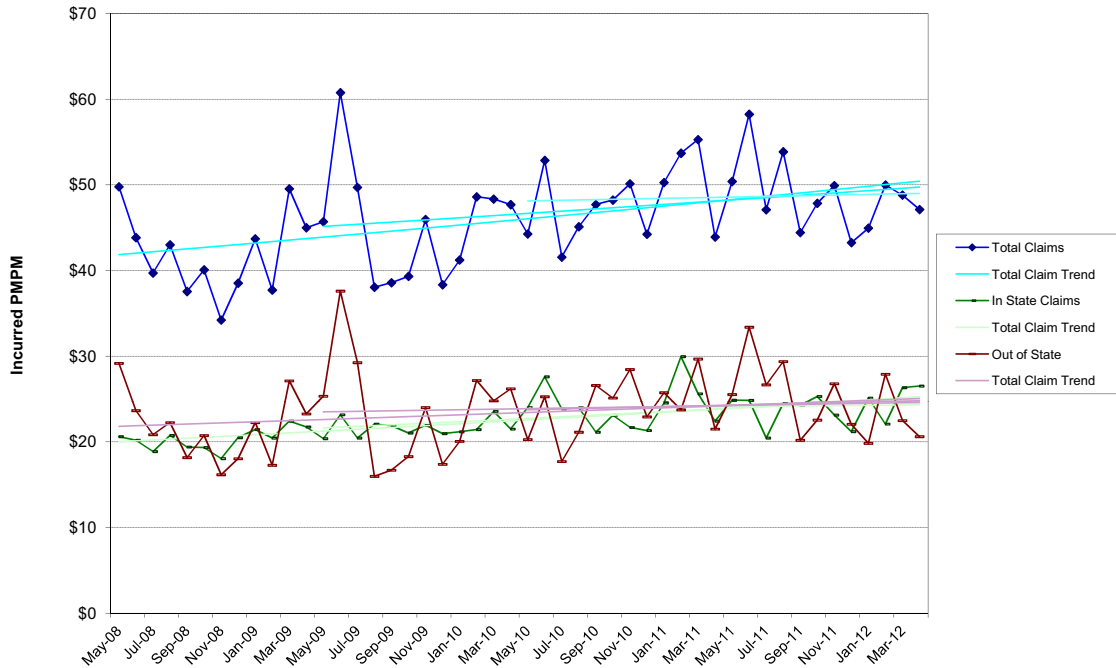
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.2%	4.7%	4.9%



Total Hospital Inpatient Claims - Excluding Drugs



Total Hospital Inpatient Claims - Excluding Drugs



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL OUTPATIENT

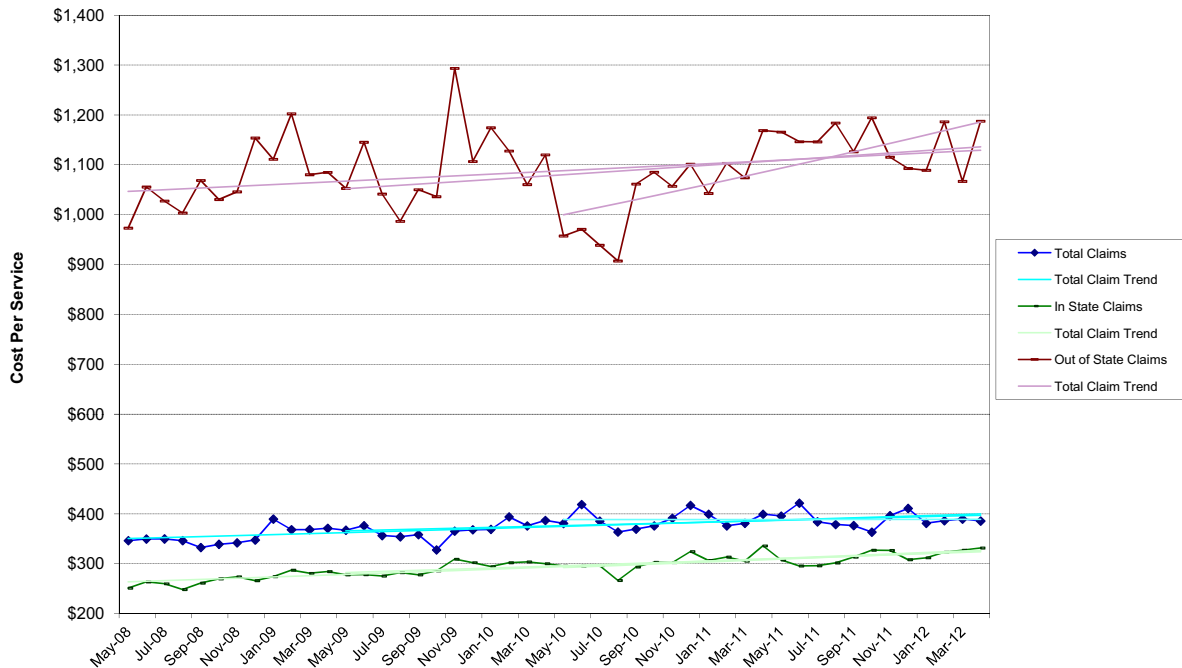
TOTAL

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
10.3%	-2.0%	8.1%

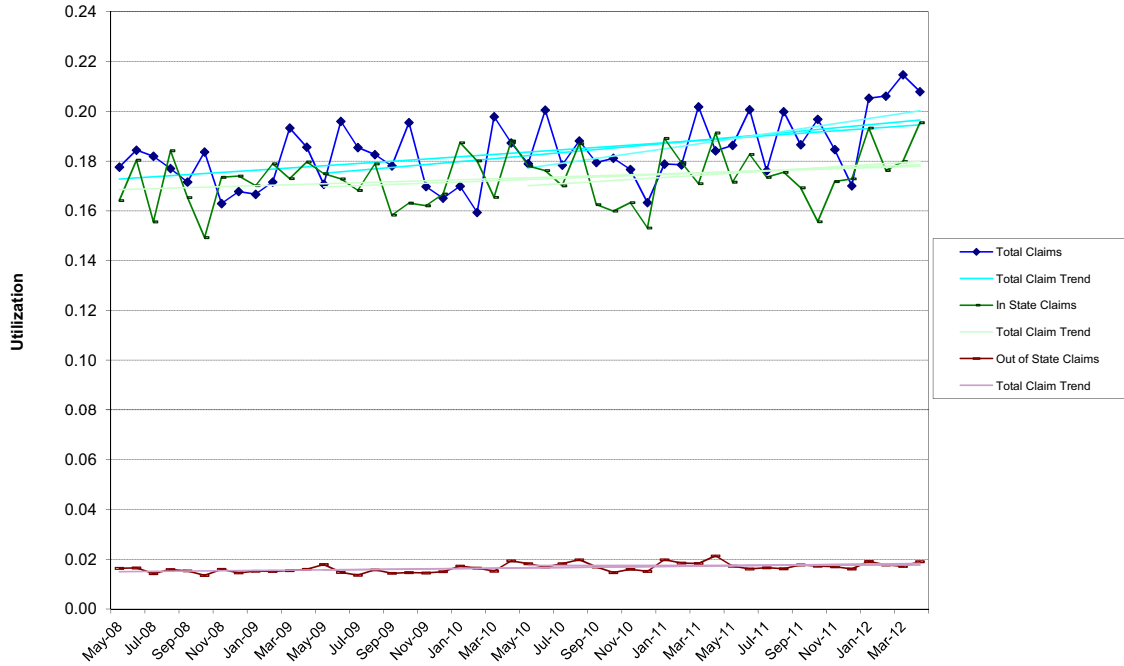
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.2%	1.4%	7.7%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.6%	2.3%	7.0%

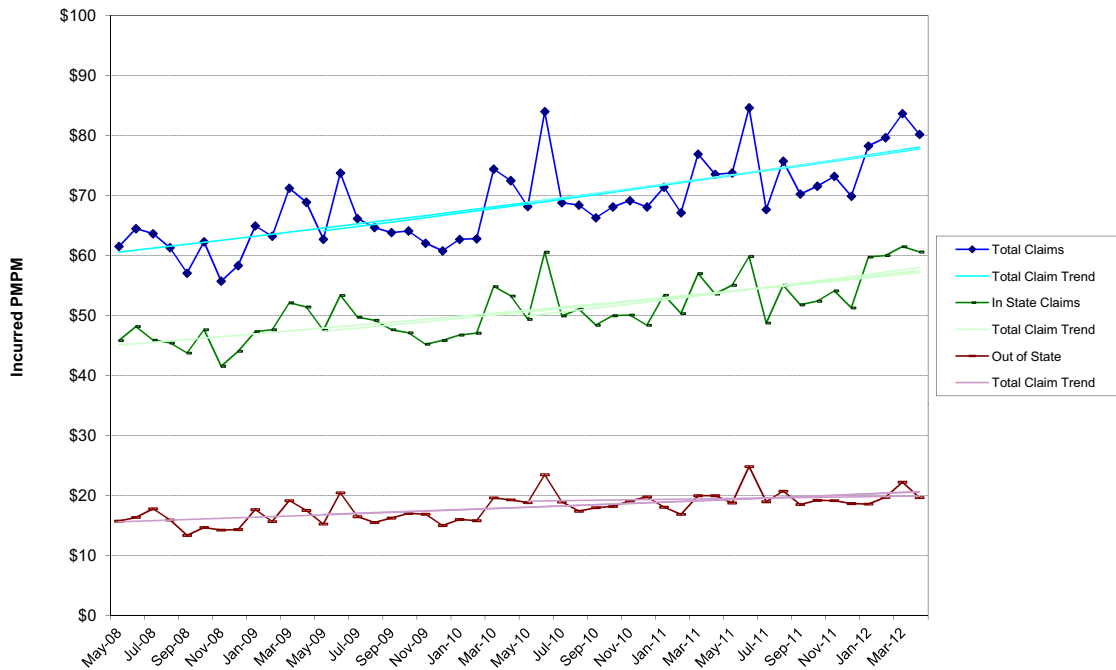
Total Hospital Outpatient Claims - Excluding Drugs



Total Hospital Outpatient Claims - Excluding Drugs



Total Hospital Outpatient Claims - Excluding Drugs



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

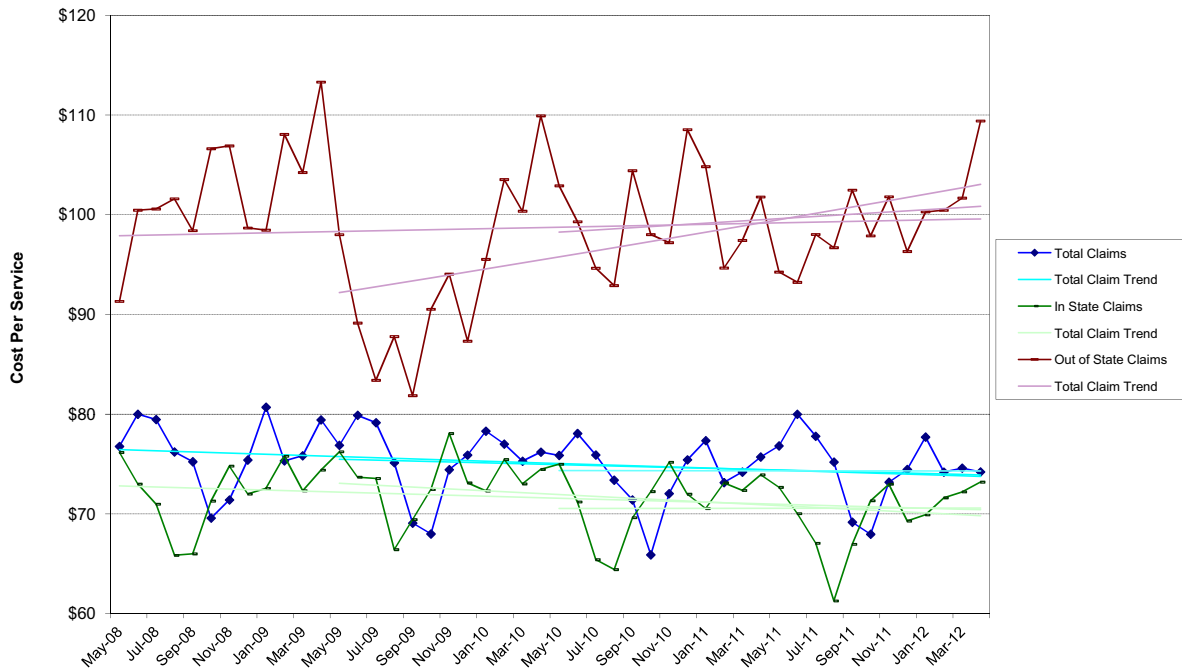
TOTAL

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

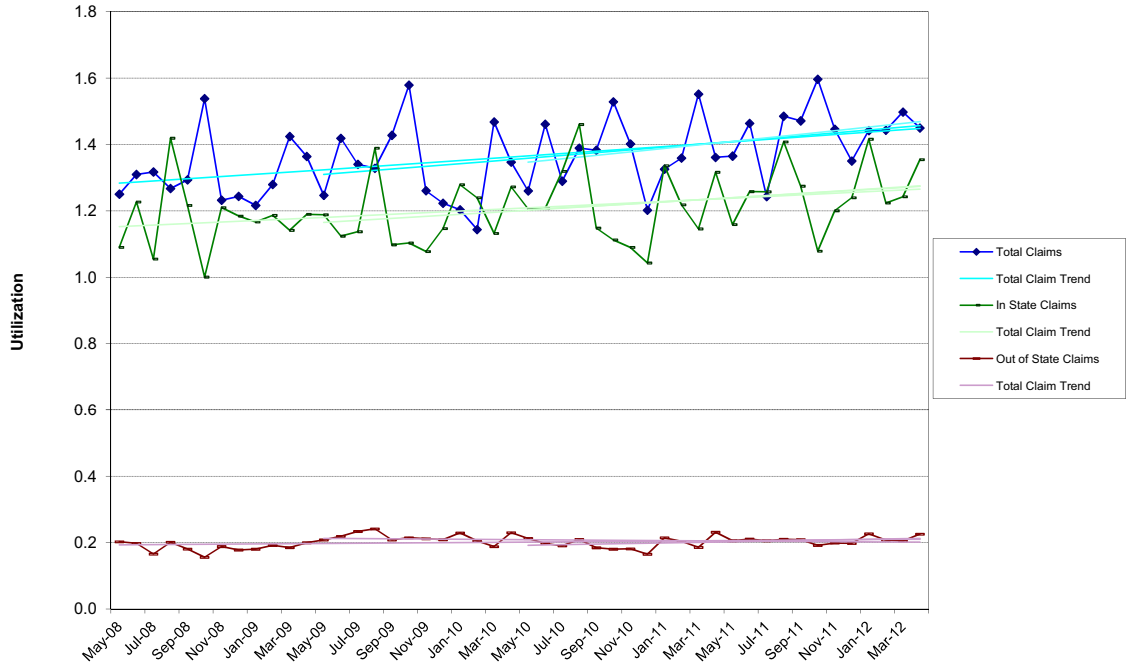
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.8%	0.4%	3.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.2%	0.1%	2.4%

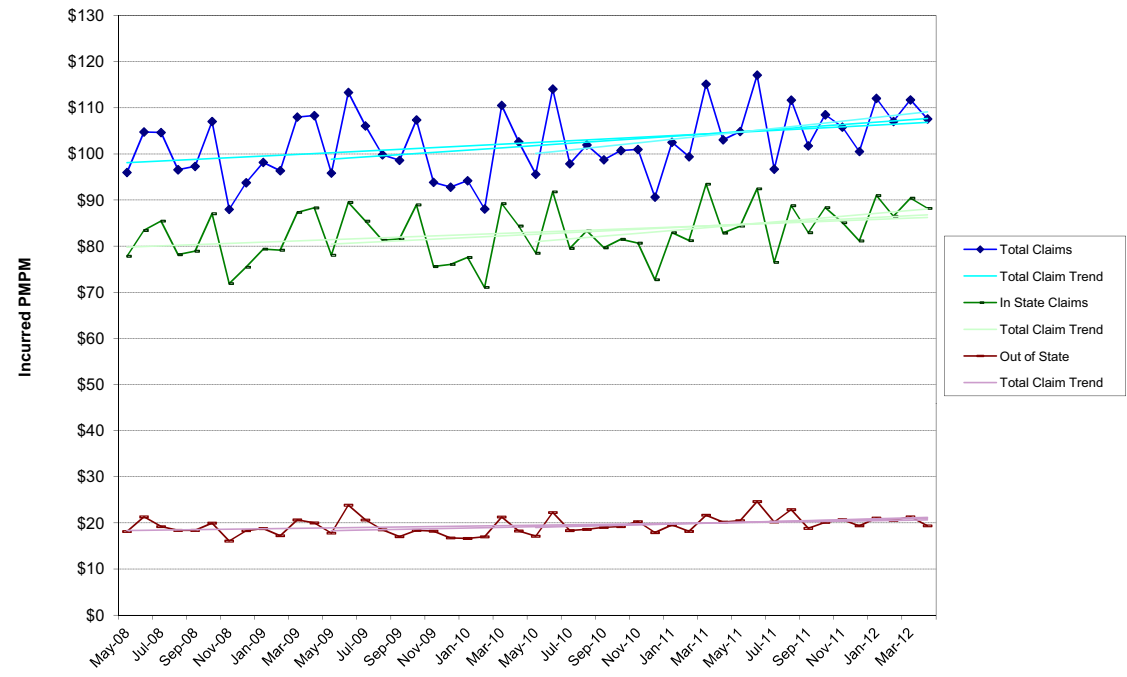
Total Physician Services Claims - Excluding Drugs



Total Physician Services Claims - Excluding Drugs



Total Physician Services Claims - Excluding Drugs



**NON-MEDICARE CLAIMS
Excluding Drugs**

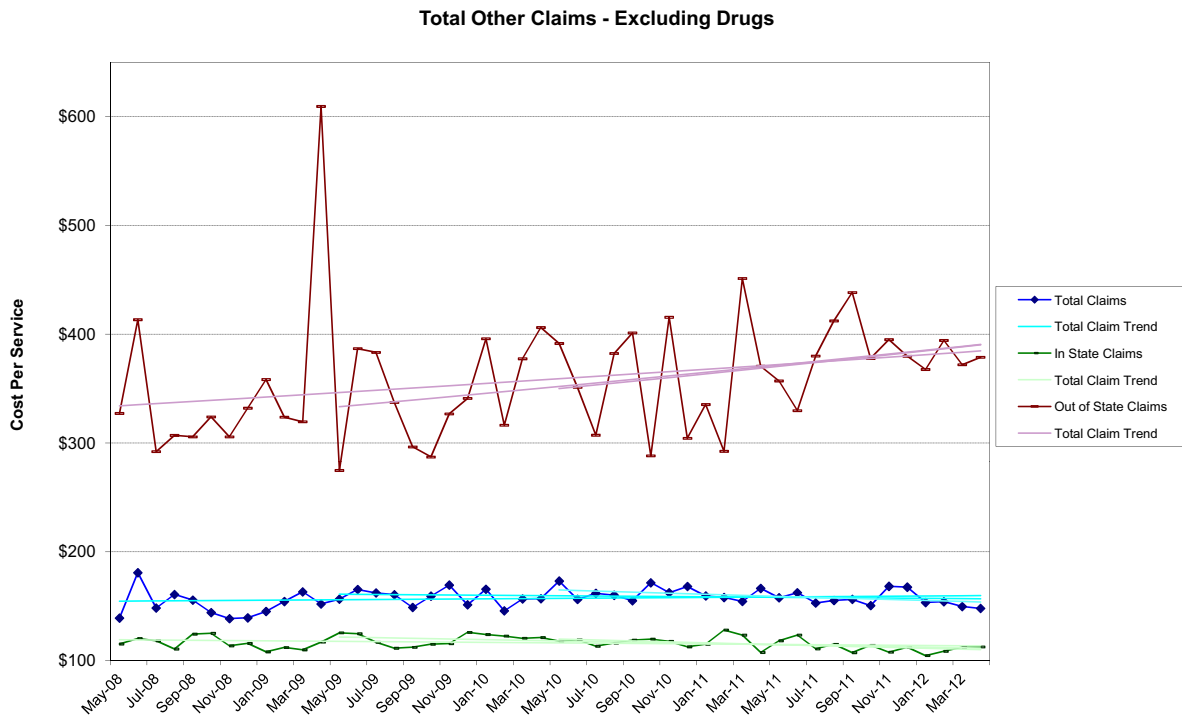
OTHER

TOTAL

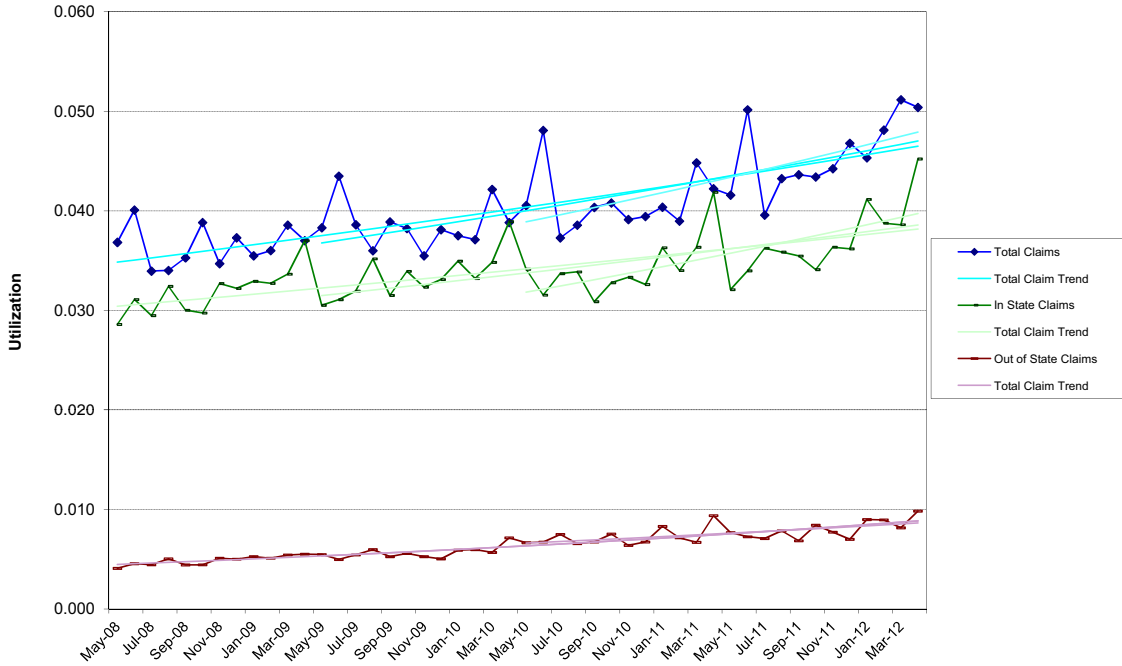
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
12.2%	-2.9%	8.9%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
9.0%	-0.1%	8.8%

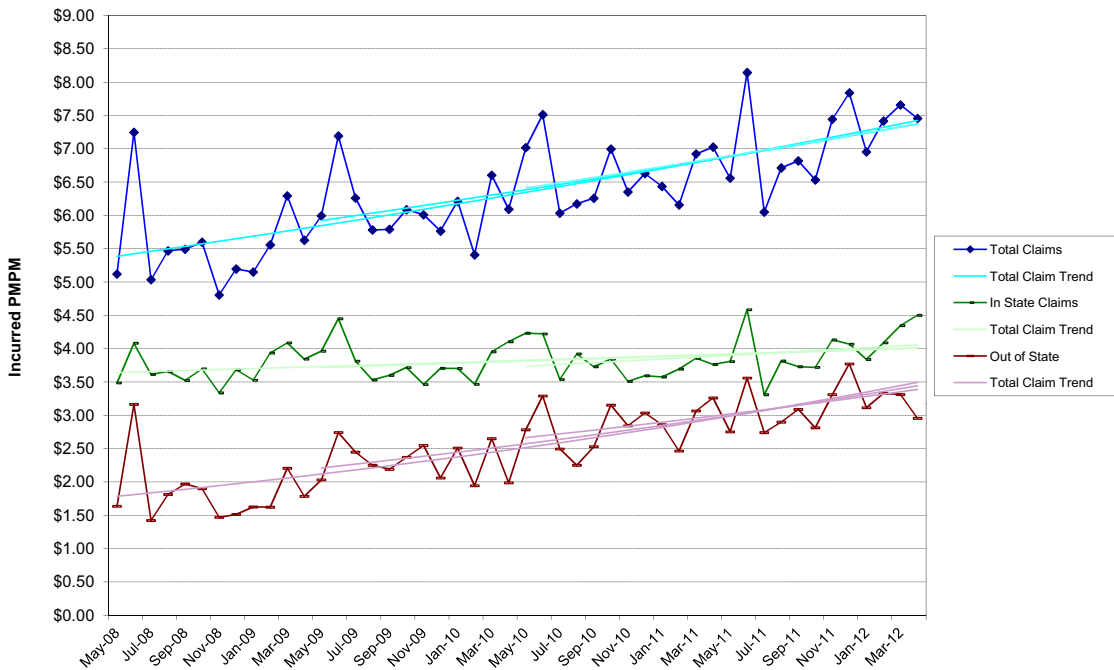
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.5%	1.5%	9.1%



Total Other Claims - Excluding Drugs



Total Other Claims - Excluding Drugs



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL INPATIENT

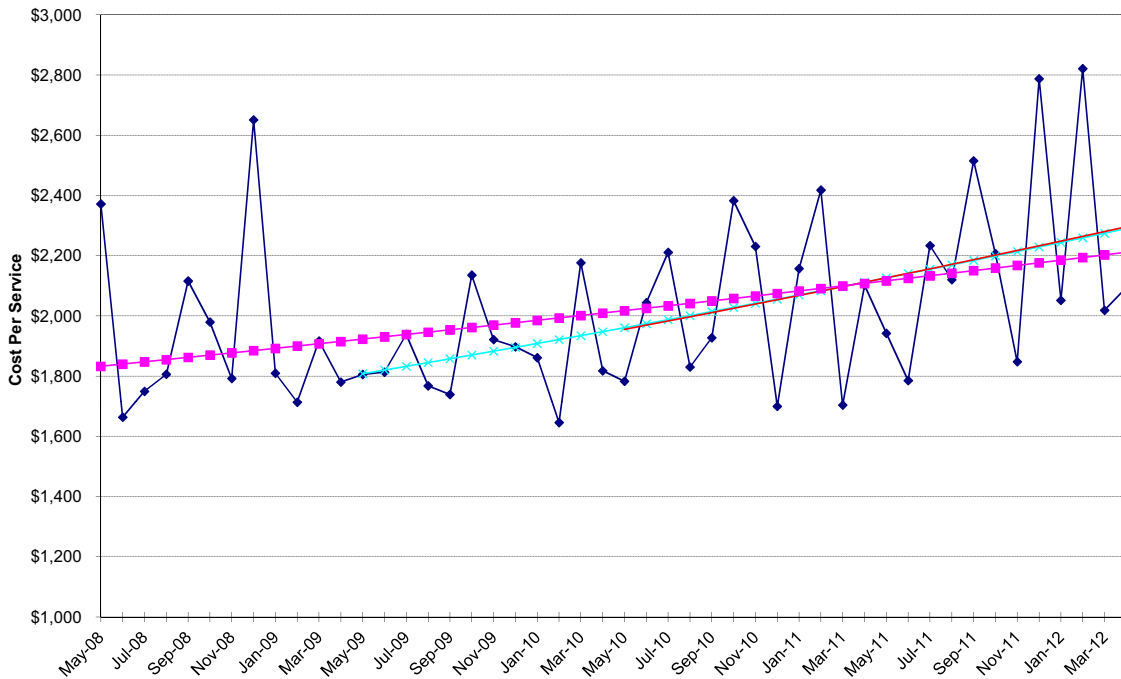
Maternity

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.5%	8.7%	13.6%

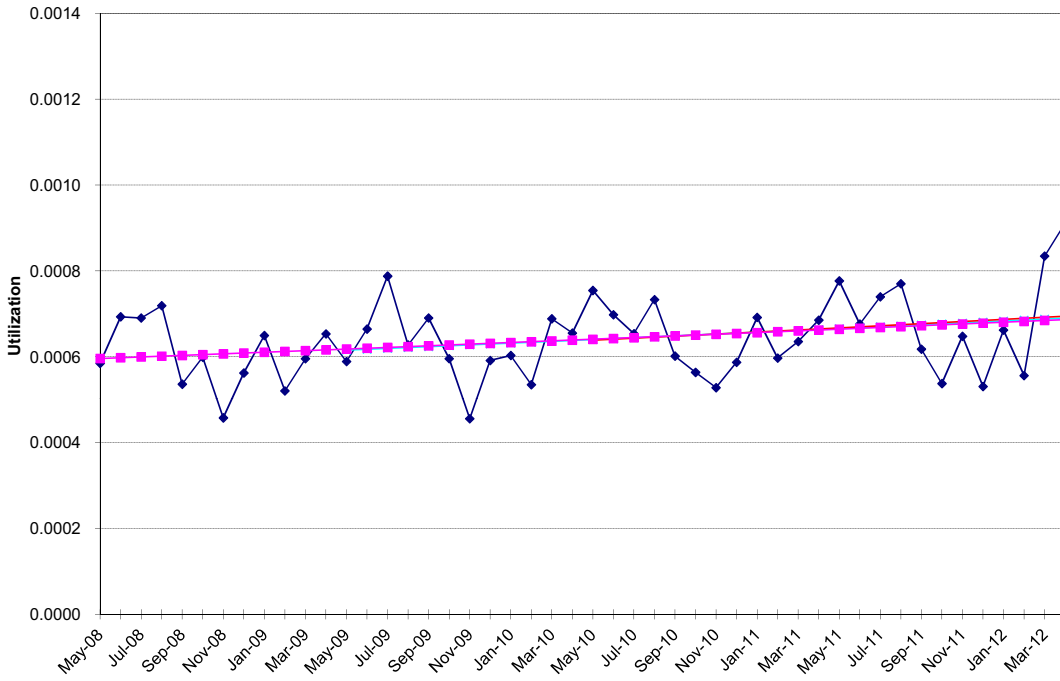
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.0%	8.4%	12.8%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.7%	4.9%	8.8%

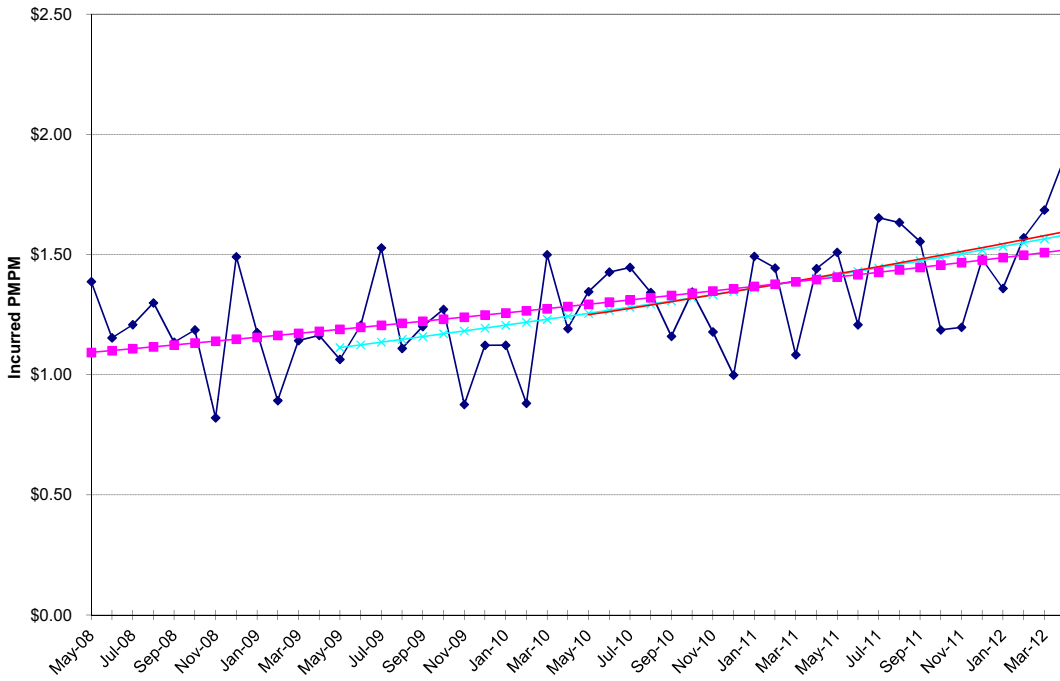
Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL INPATIENT

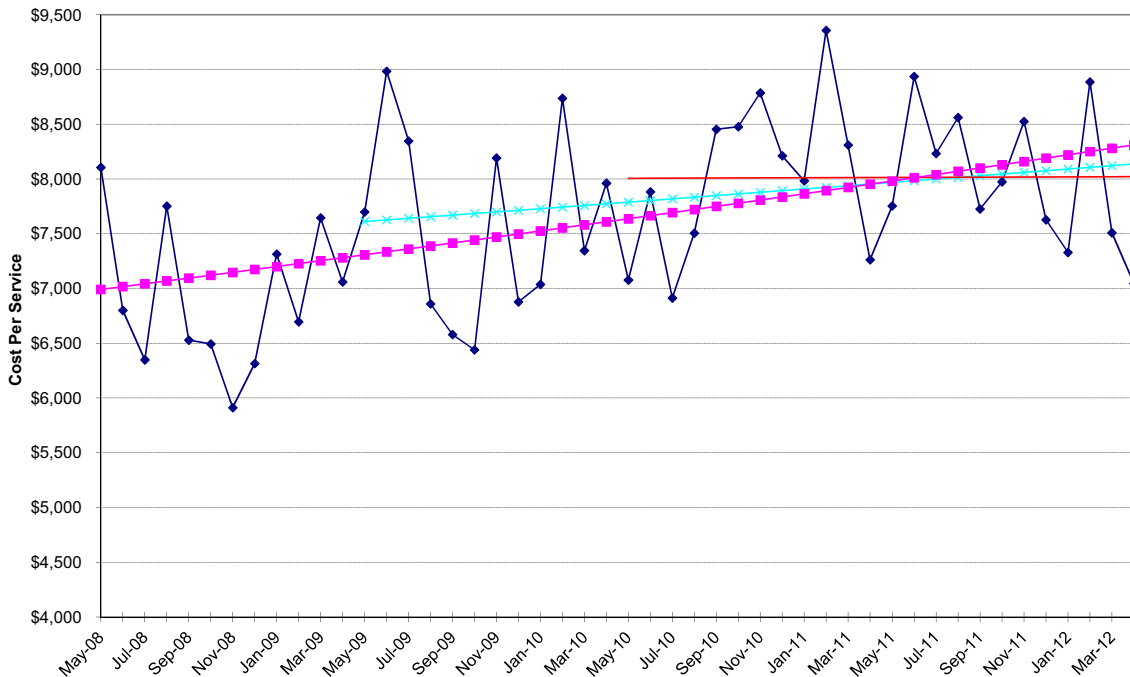
Medical / Surgical

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.8%	0.1%	-0.7%

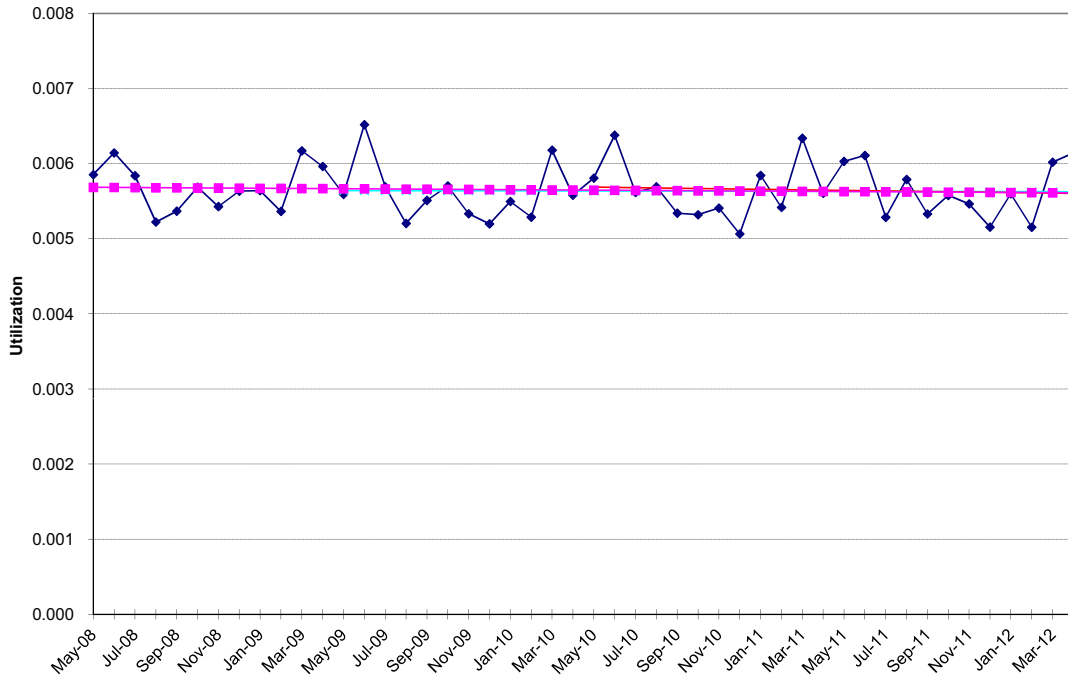
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.1%	2.3%	2.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.3%	4.5%	4.2%

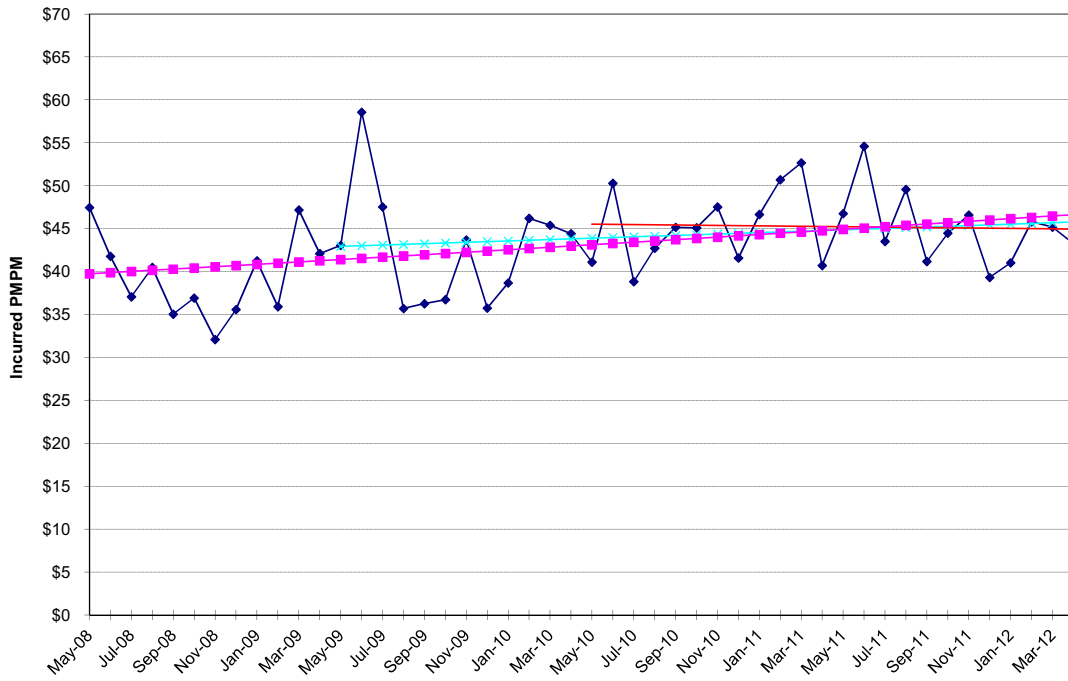
Hospital Inpatient - Medical / Surgical



Hospital Inpatient - Medical / Surgical



Hospital Inpatient - Medical / Surgical



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL INPATIENT

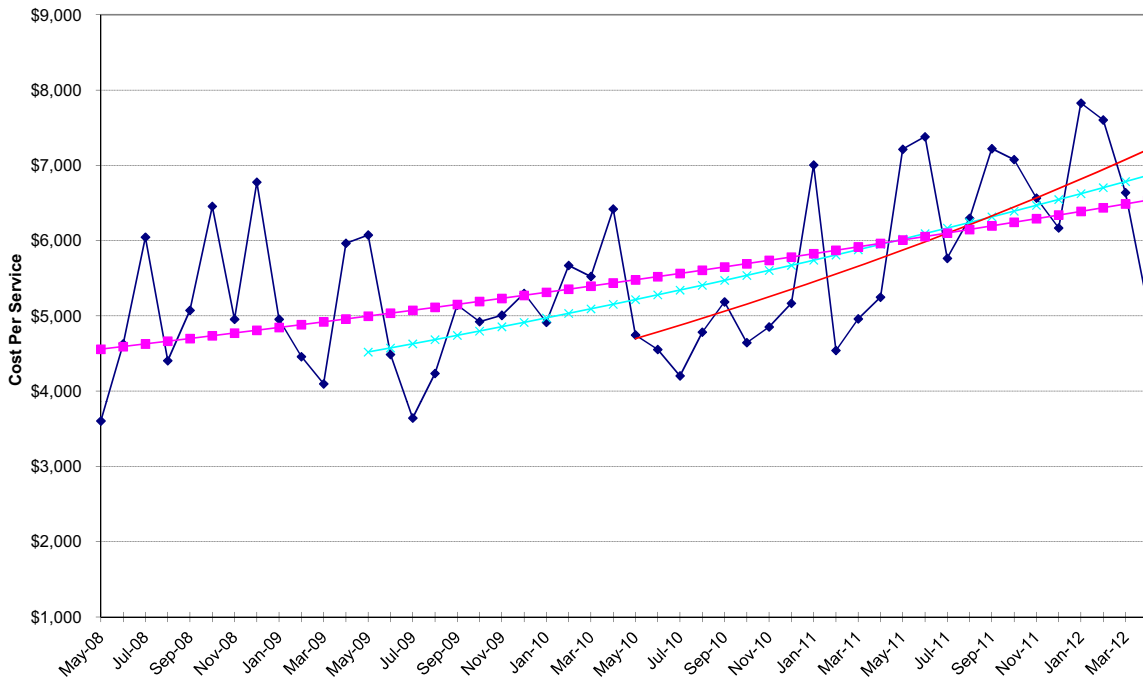
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.7%	25.0%	34.7%

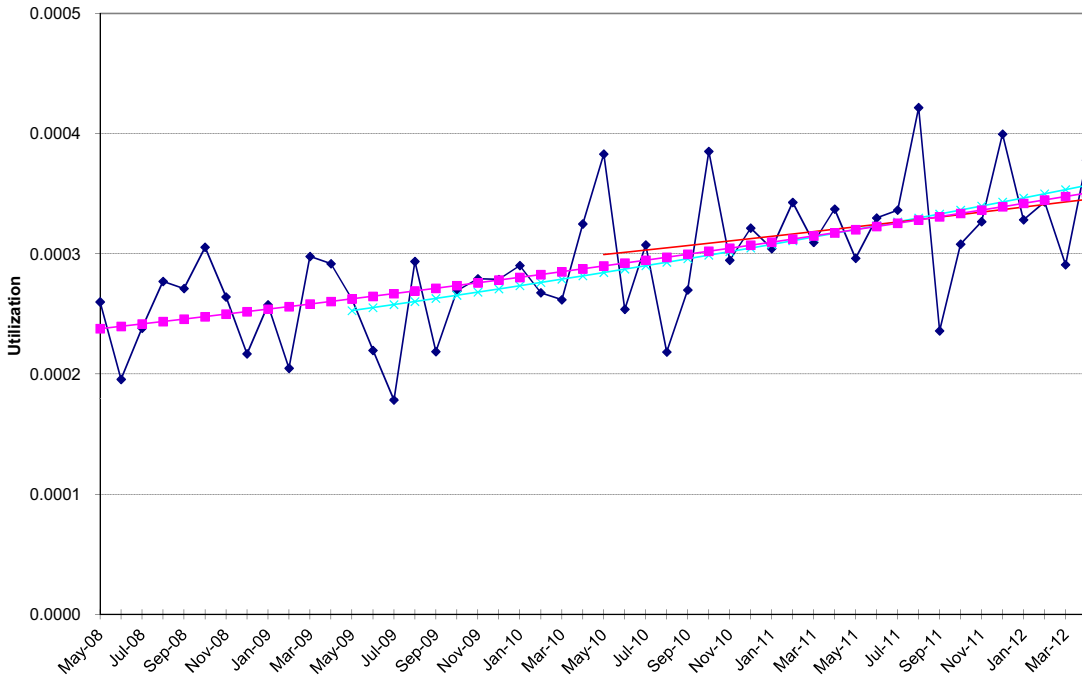
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
12.6%	15.4%	29.9%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
10.4%	9.7%	21.1%

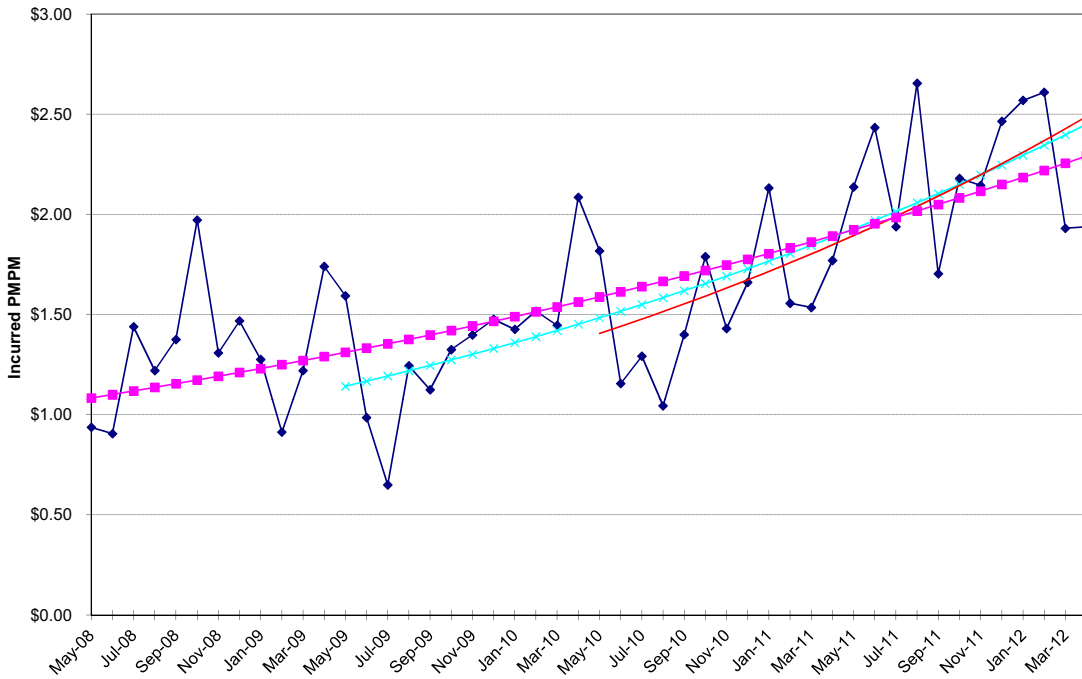
Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL OUTPATIENT

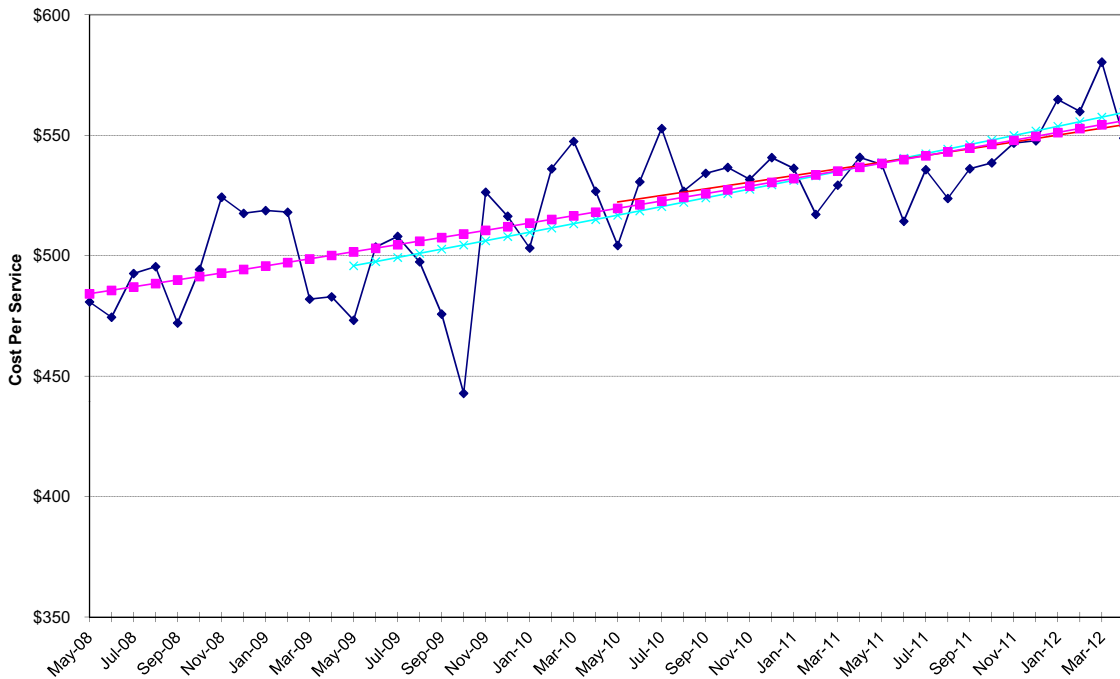
Emergency Room

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.3%	3.2%	7.6%

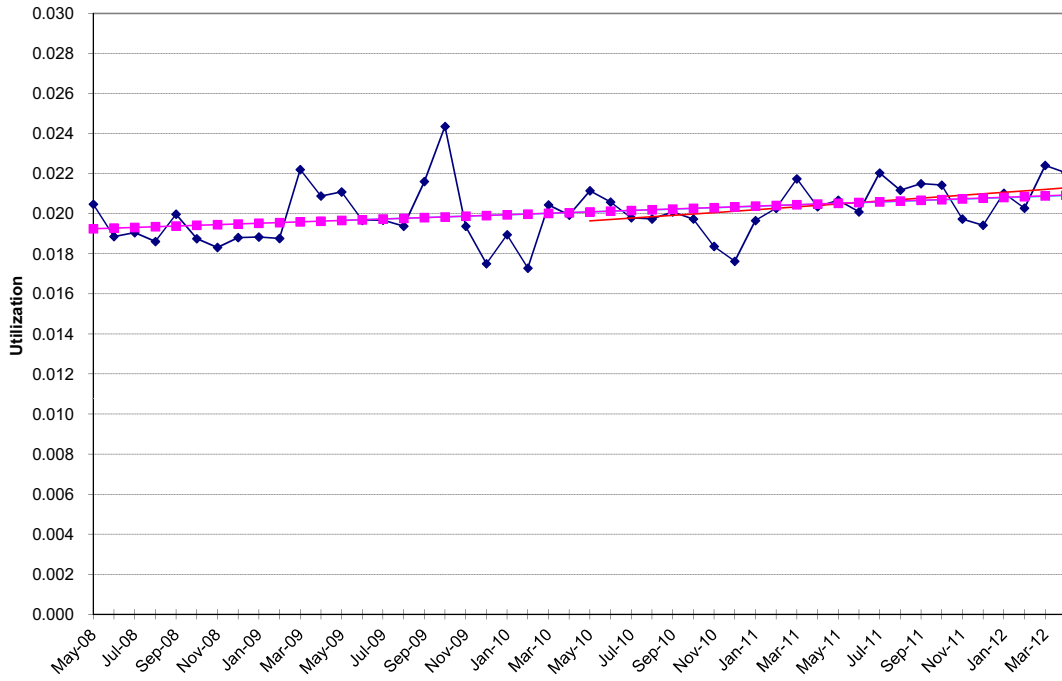
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.1%	4.2%	6.4%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.2%	3.6%	5.8%

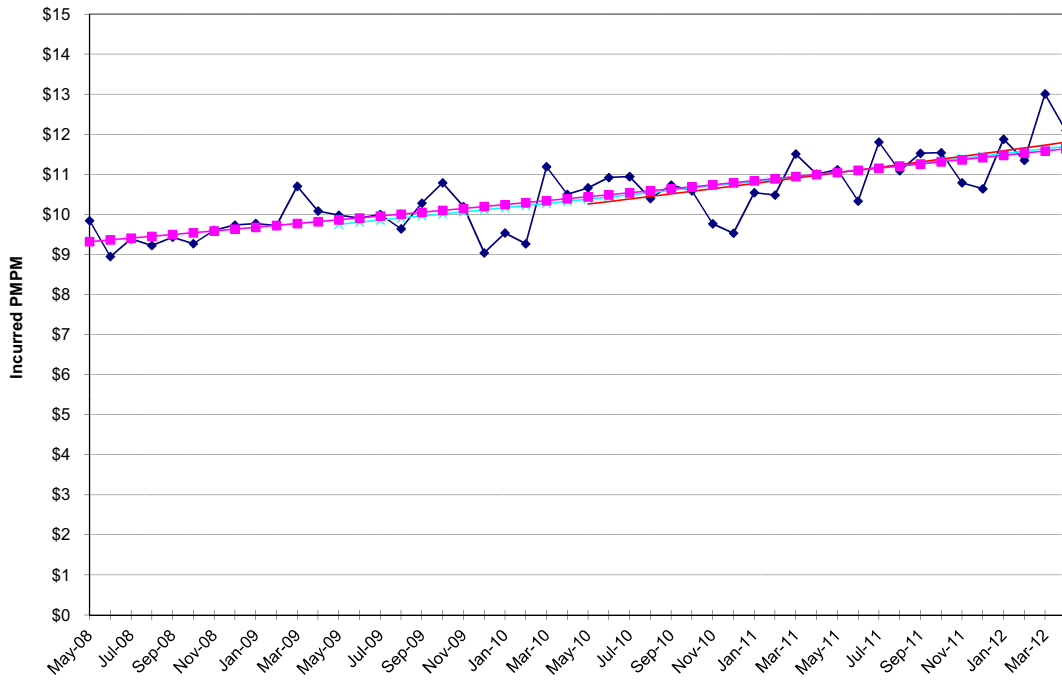
Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL OUTPATIENT

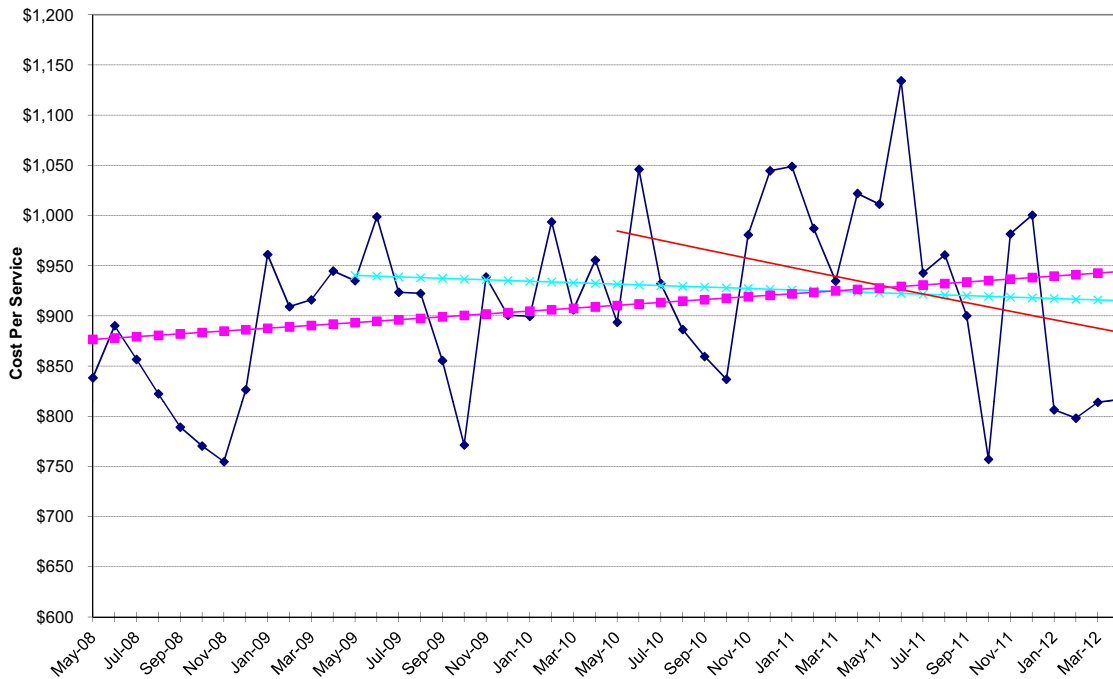
Medical / Surgical

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
16.5%	-5.5%	10.1%

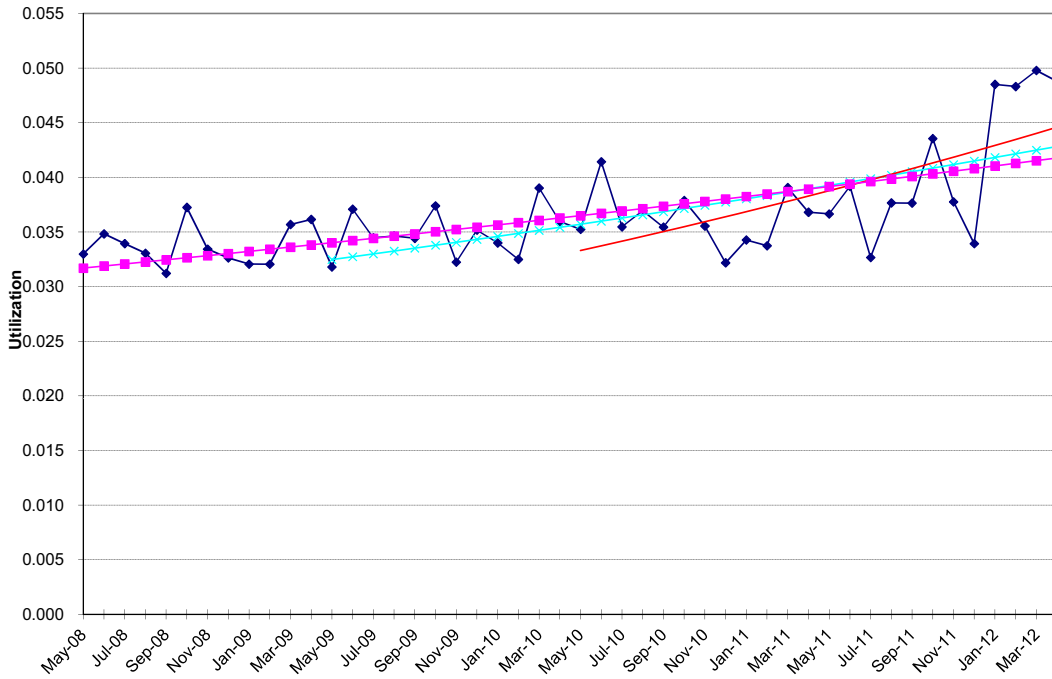
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
10.0%	-0.9%	8.9%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.3%	1.9%	9.4%

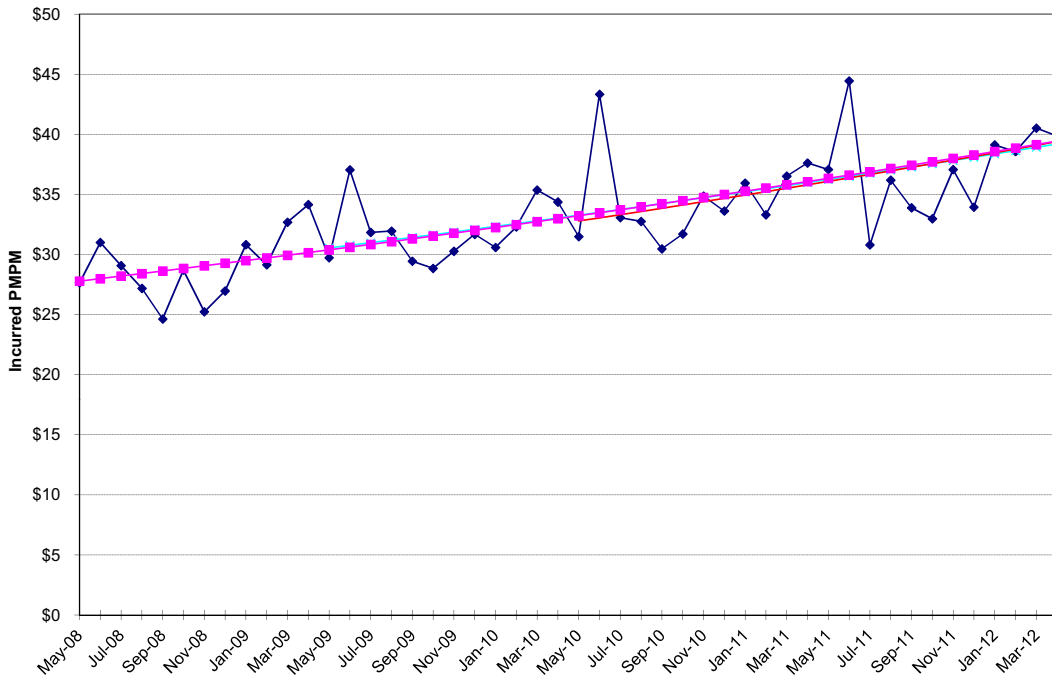
Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL OUTPATIENT

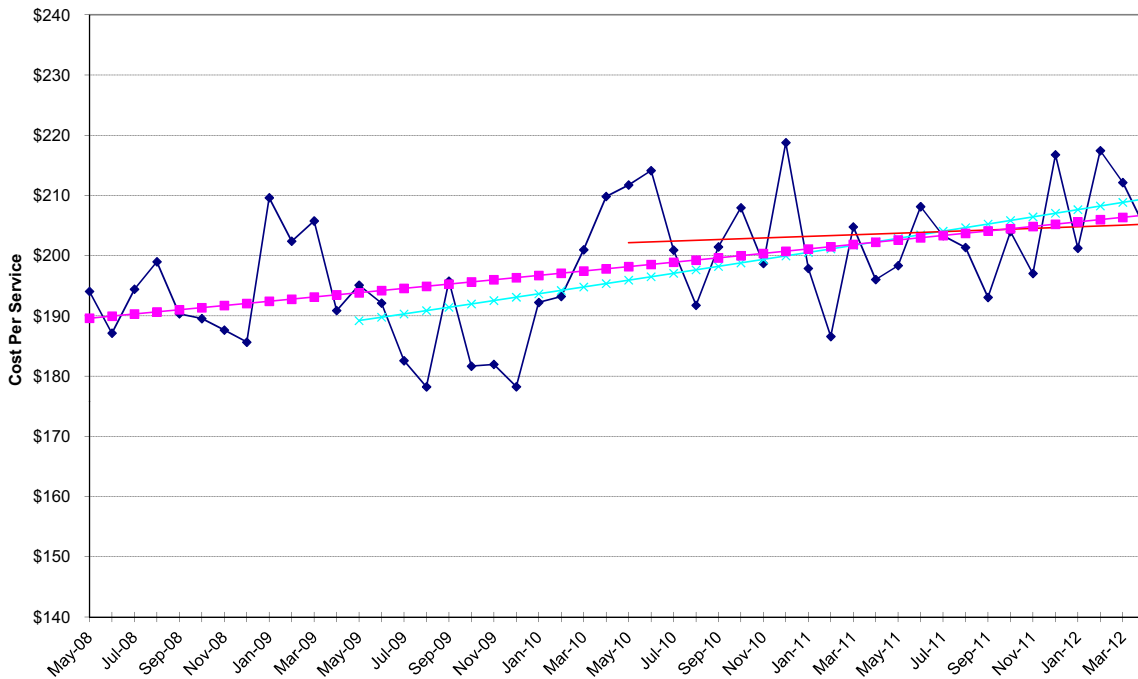
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.6%	0.8%	4.4%

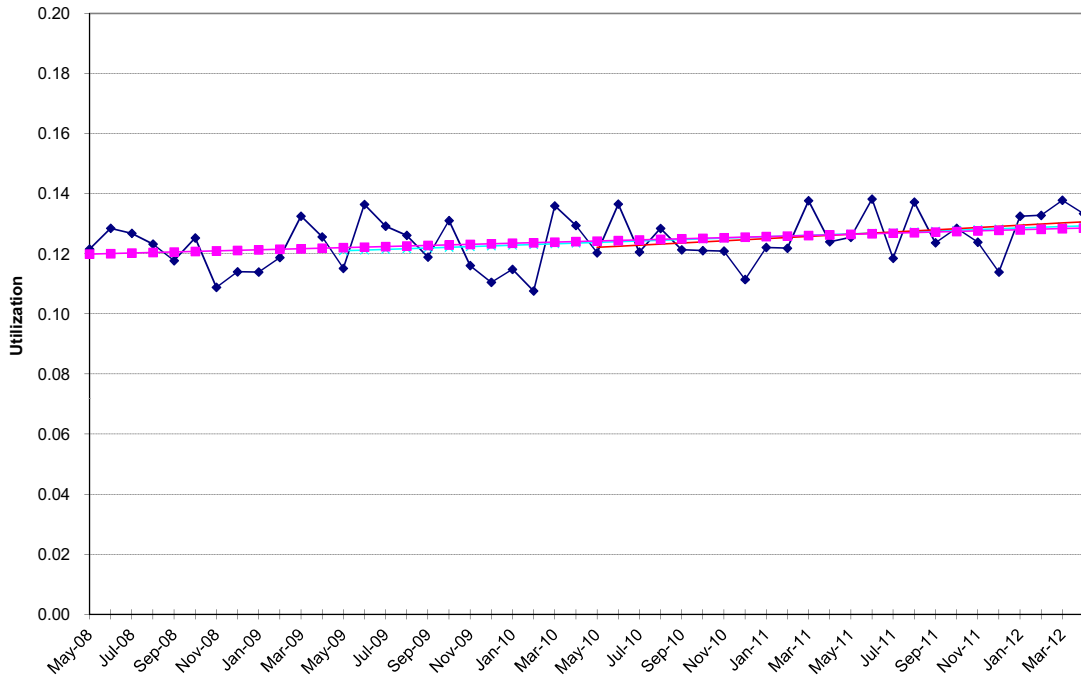
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.3%	3.5%	5.9%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.8%	2.2%	4.1%

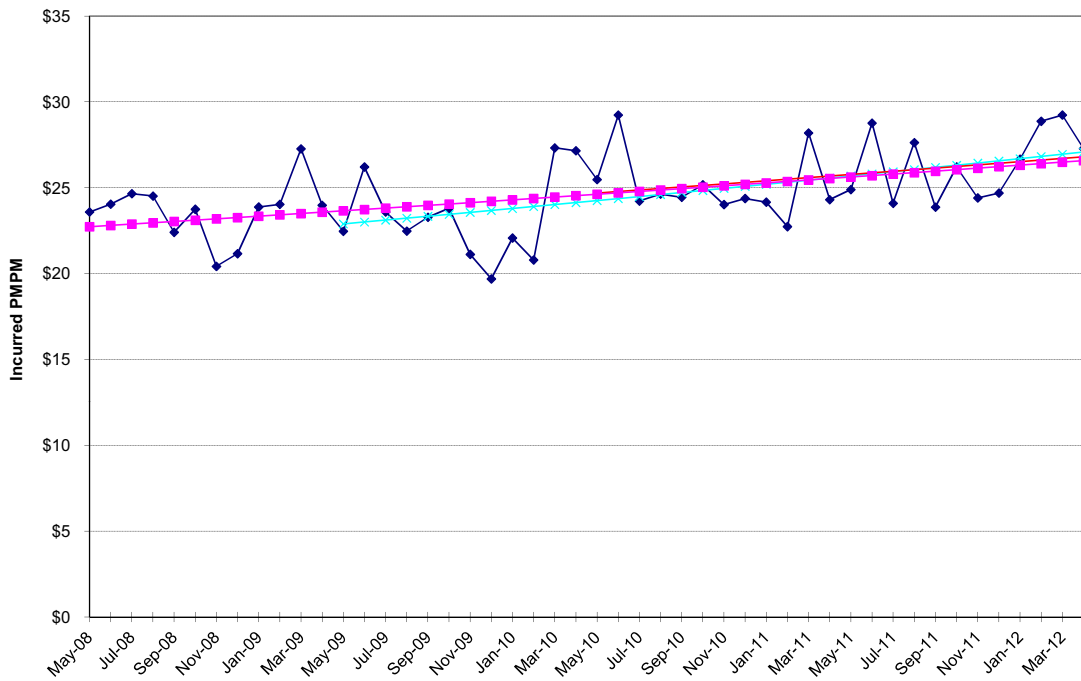
Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

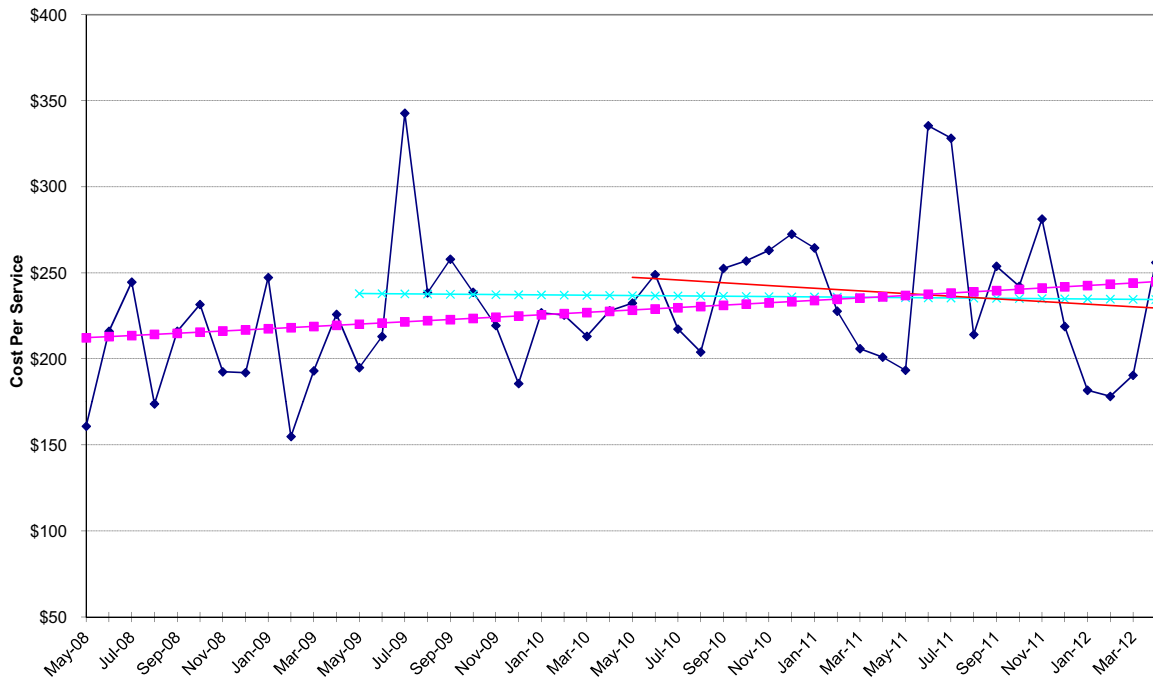
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
38.9%	-3.8%	33.6%

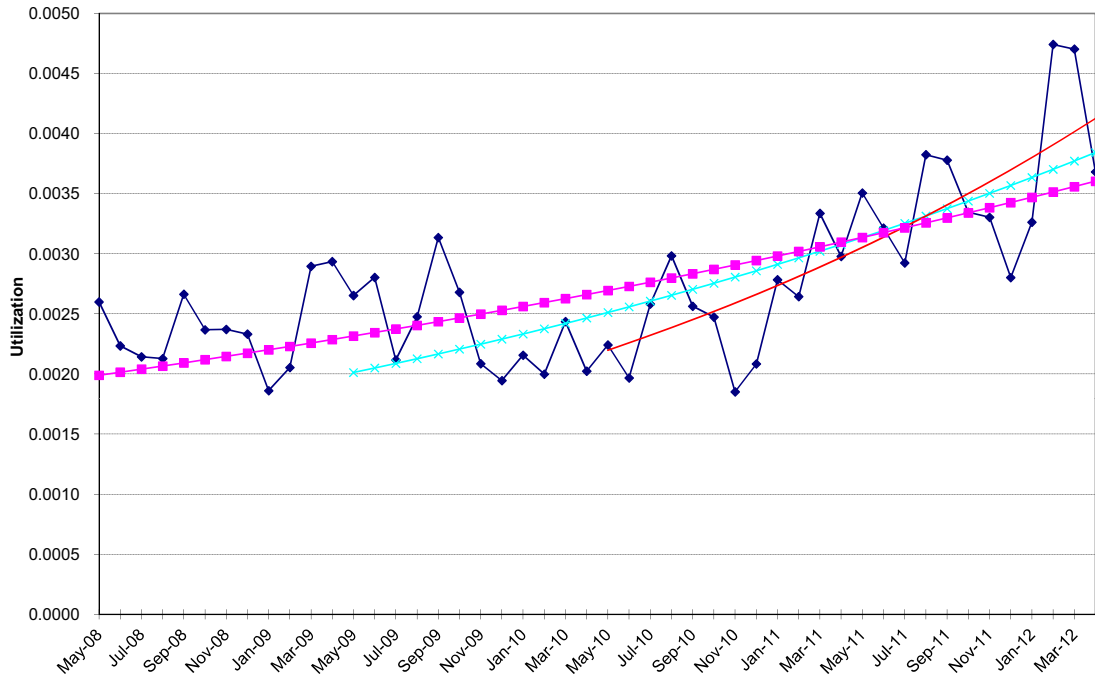
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
24.8%	-0.5%	24.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
16.4%	3.7%	20.7%

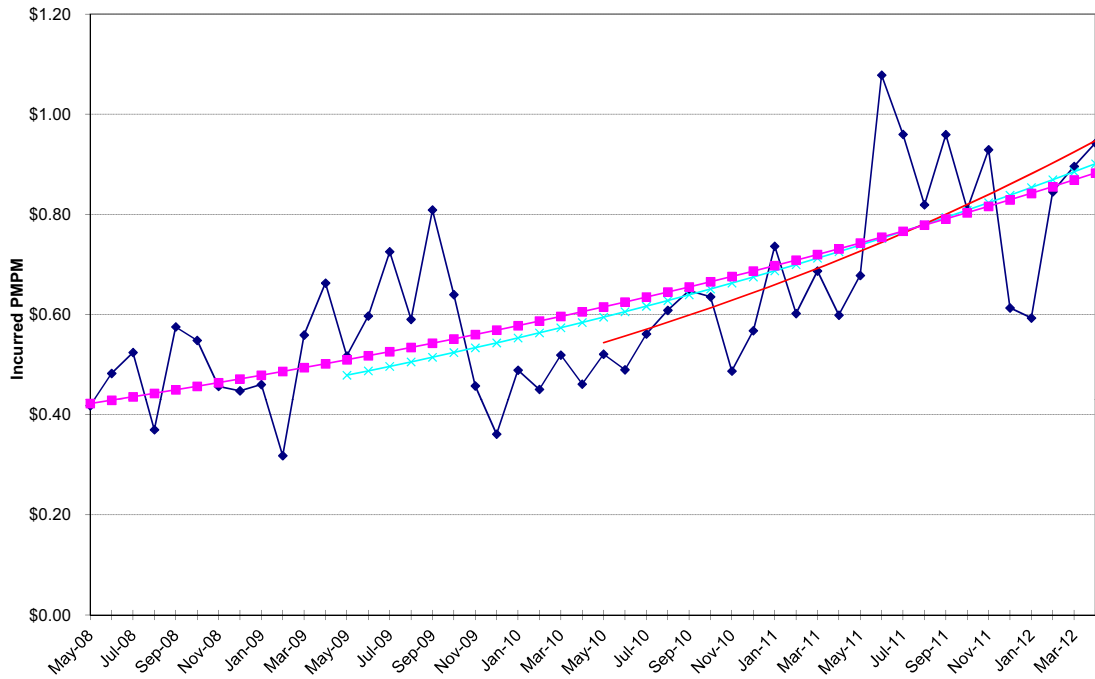
Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

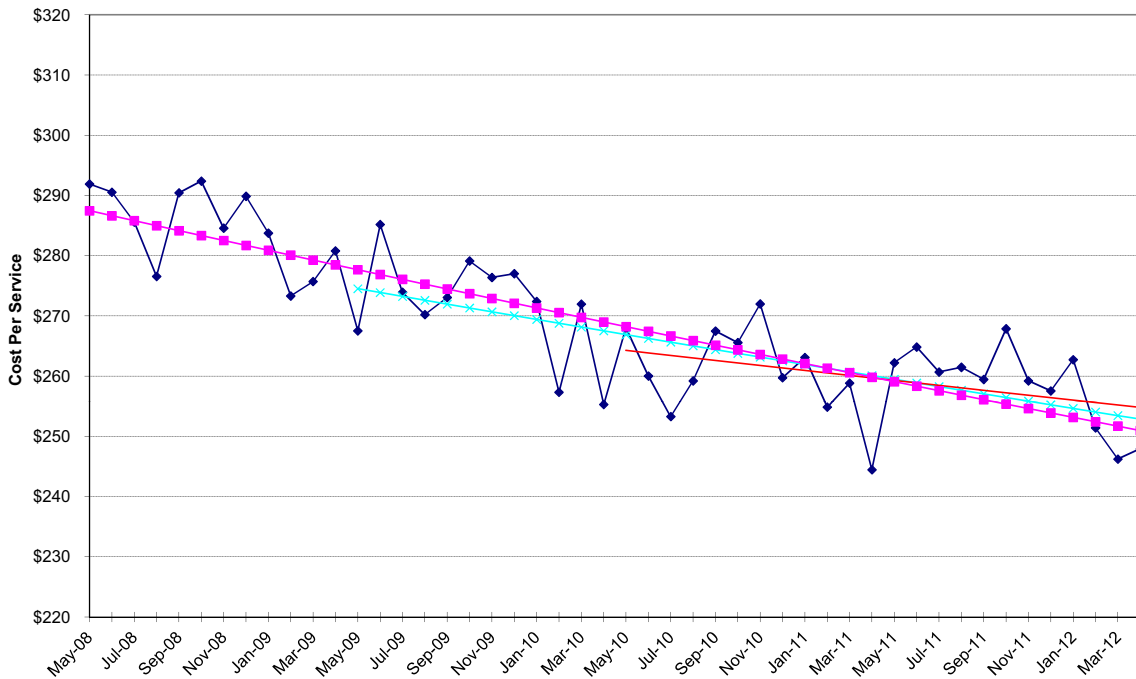
Anesthesia

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.7%	-1.9%	1.8%

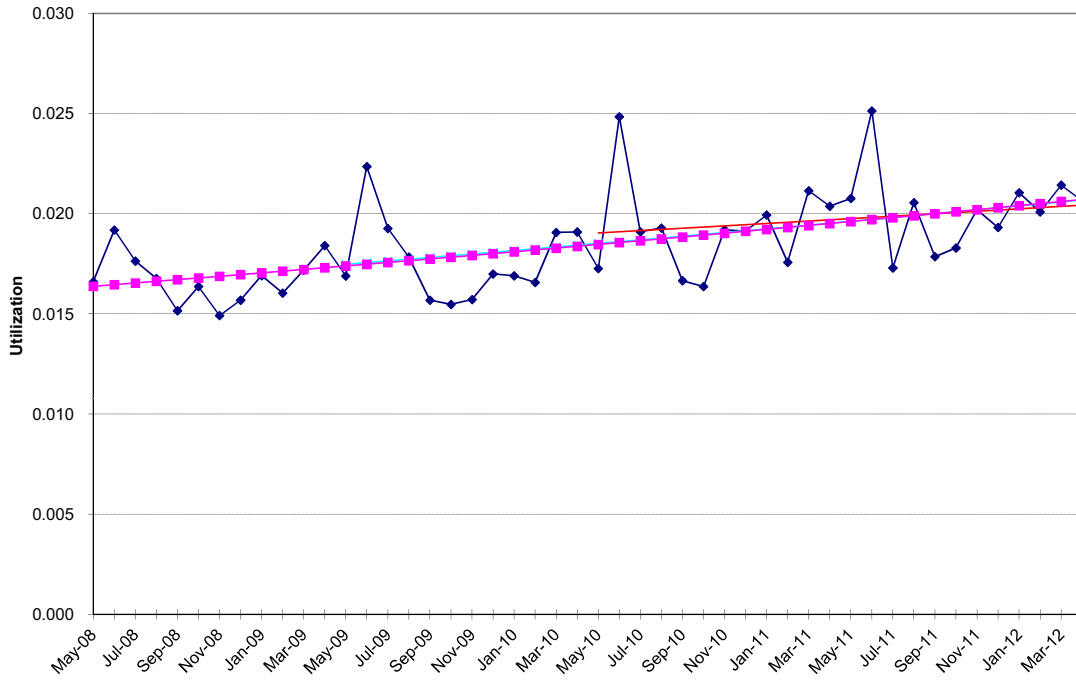
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.9%	-2.8%	3.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.2%	-3.4%	2.6%

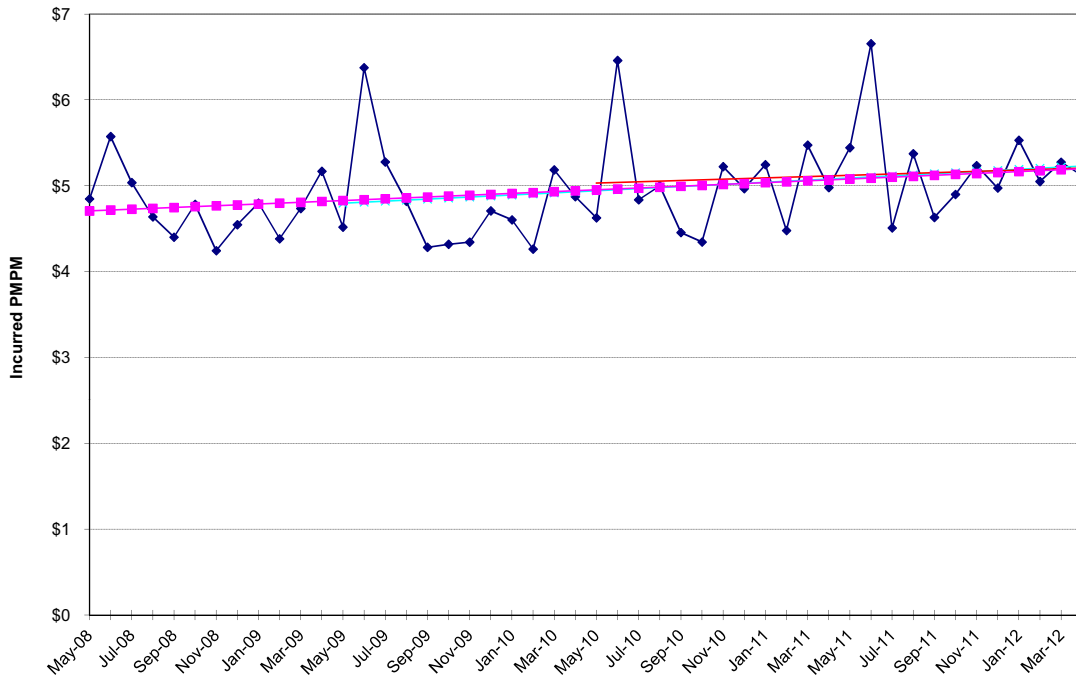
Physician Services - Anesthesia



Physician Services - Anesthesia



Physician Services - Anesthesia



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

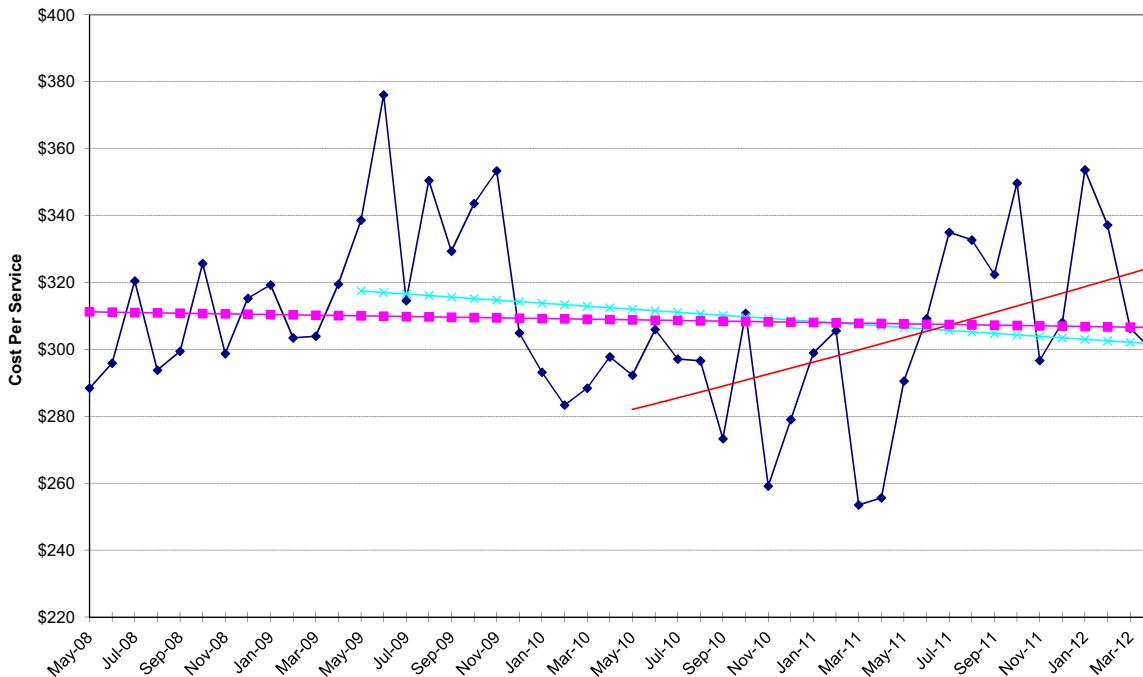
Chemotherapy / Radiation

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
12.4%	7.6%	21.0%

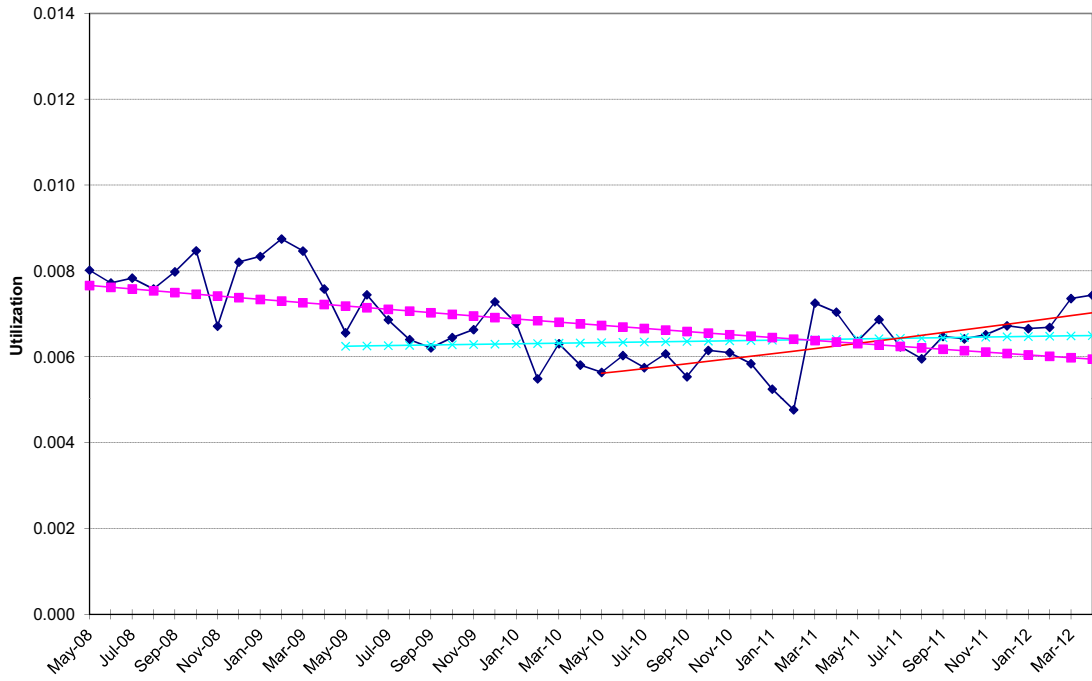
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.3%	-1.7%	-0.4%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-6.3%	-0.4%	-6.6%

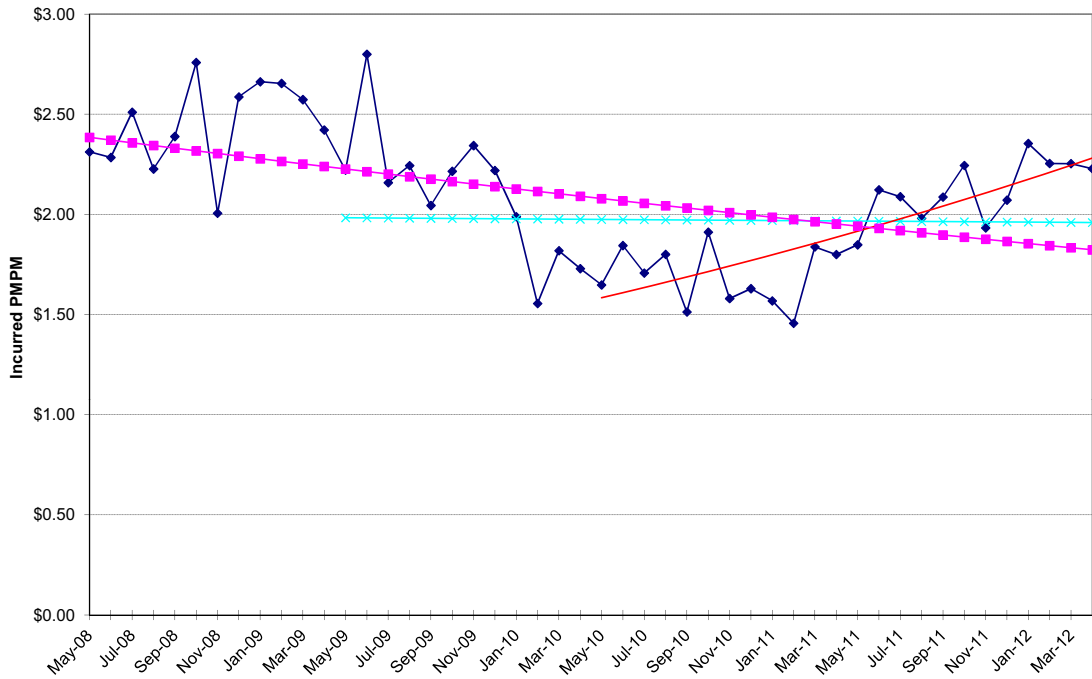
Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

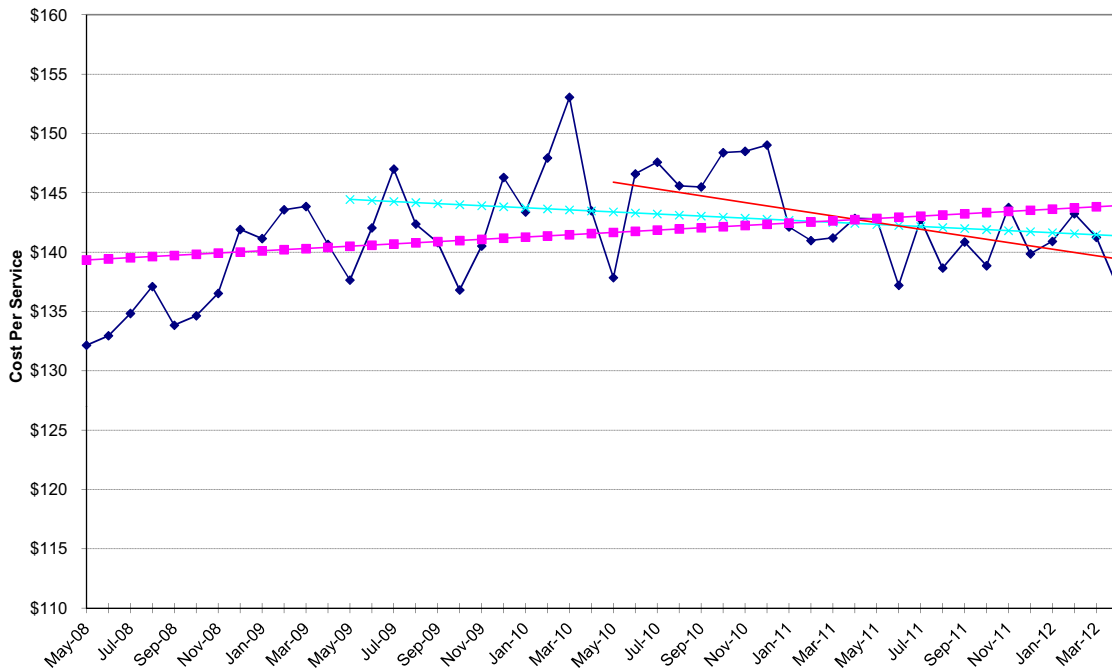
Emergency Room

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.4%	-2.3%	0.0%

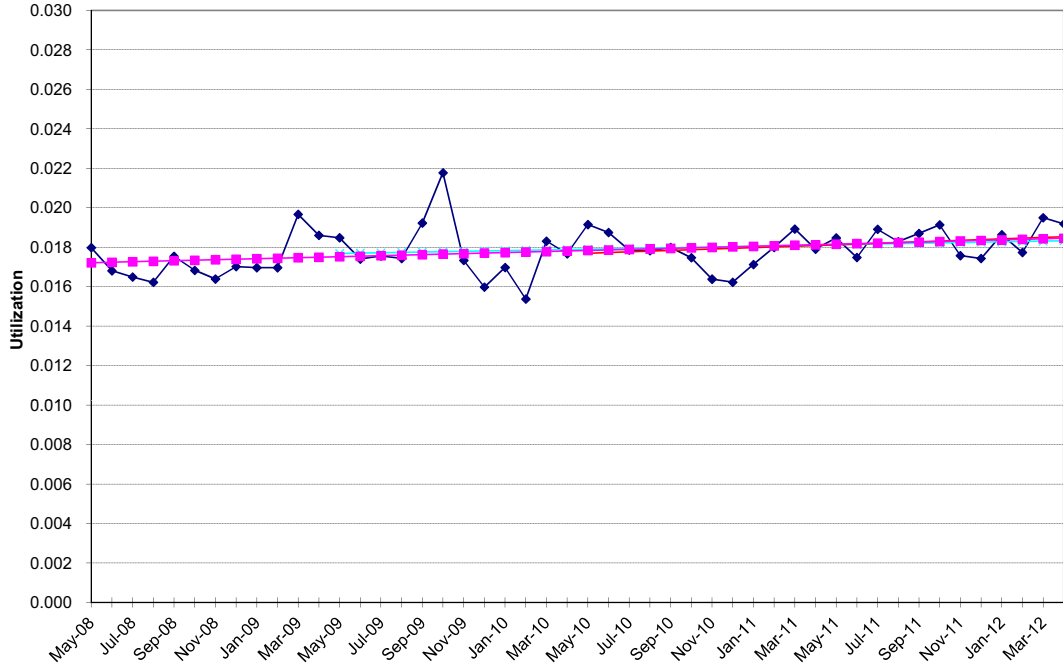
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.2%	-0.7%	0.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.8%	0.8%	2.6%

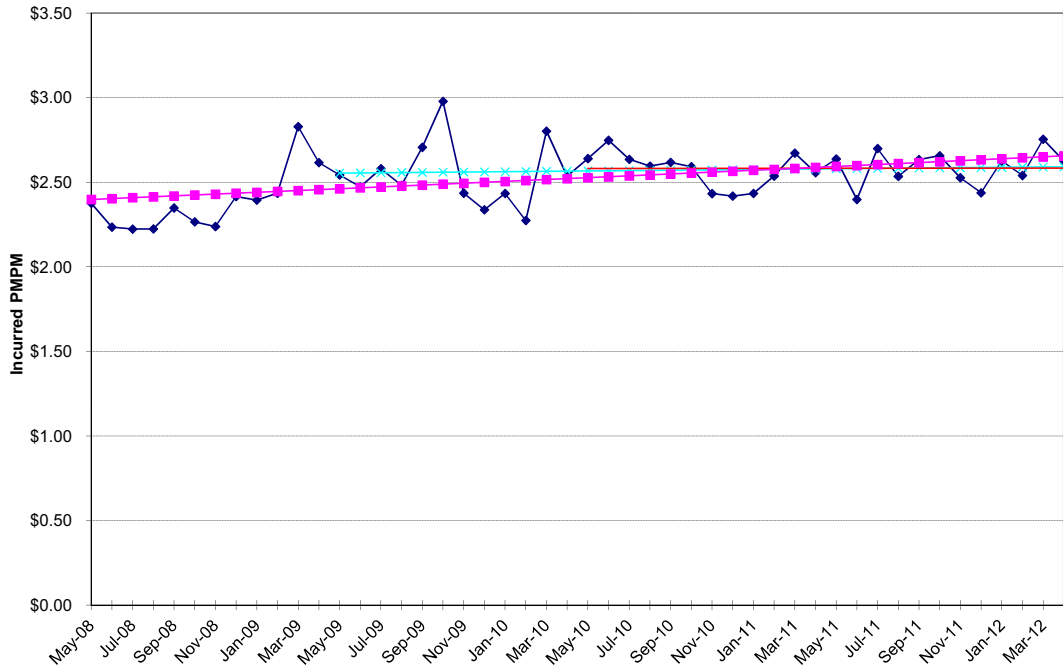
Physician Services - Emergency Room



Physician Services - Emergency Room



Physician Services - Emergency Room



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

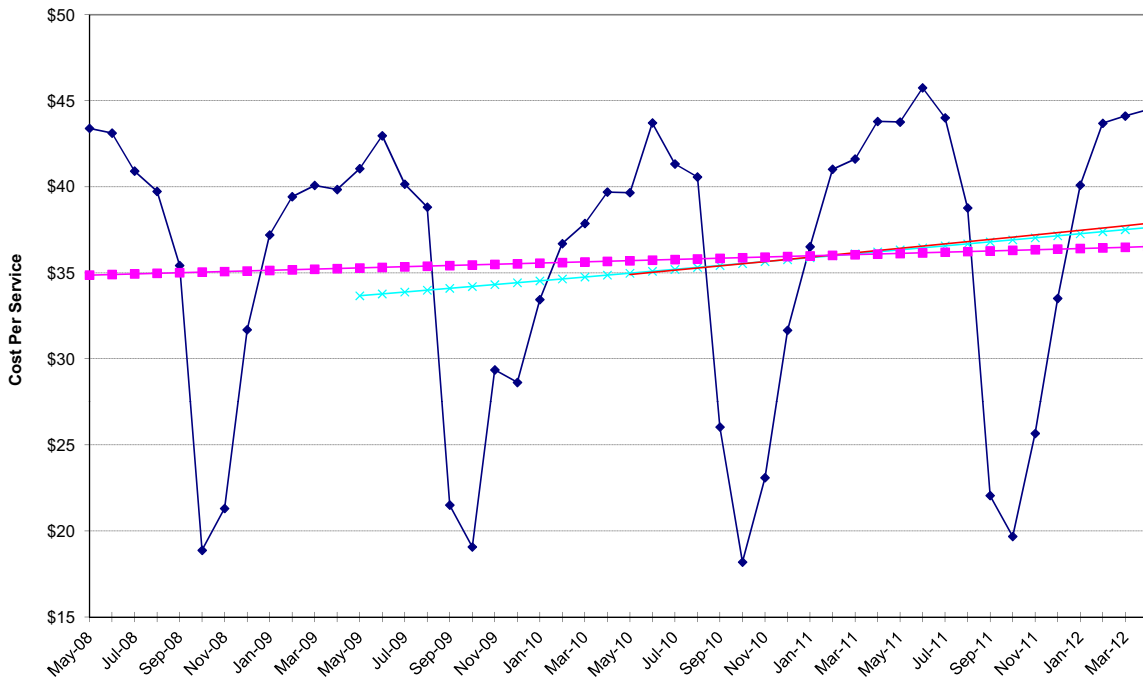
Immunizations / Injections / Allergy

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.6%	4.4%	5.0%

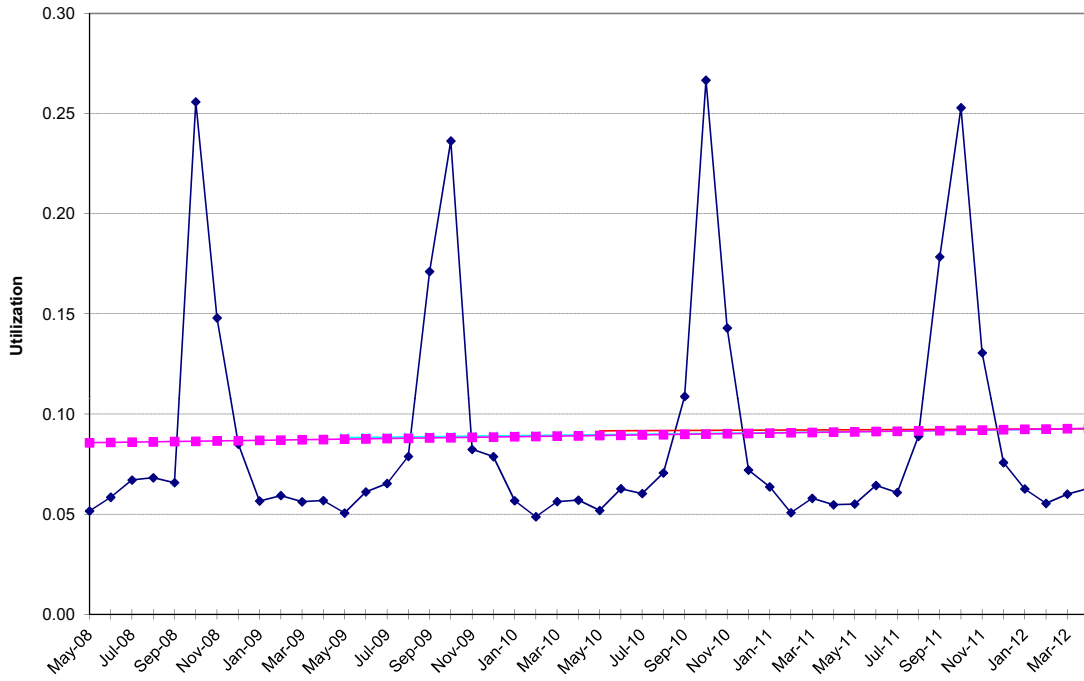
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.6%	3.9%	5.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.1%	1.2%	3.3%

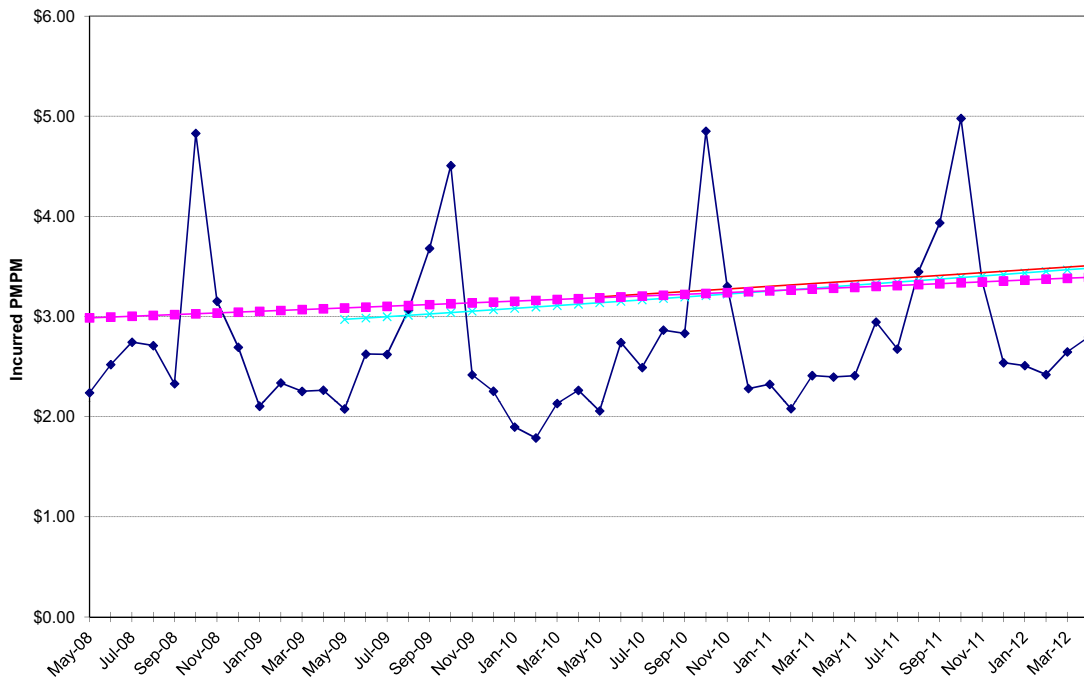
Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

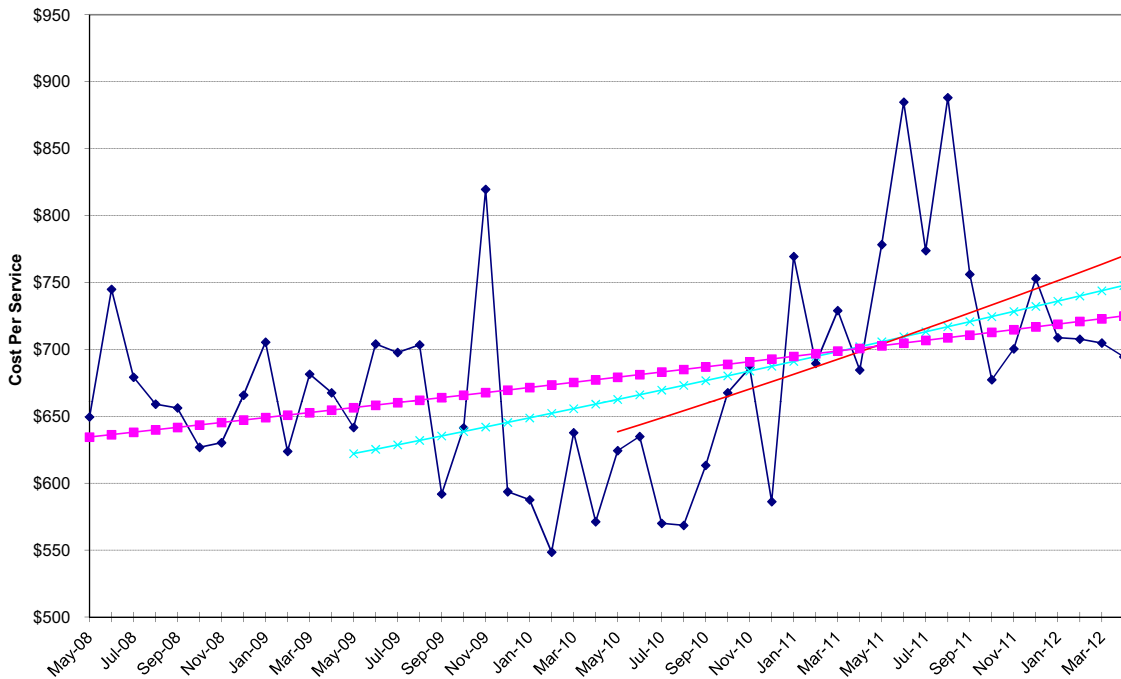
Inpatient Surgery

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-17.5%	10.3%	-9.0%

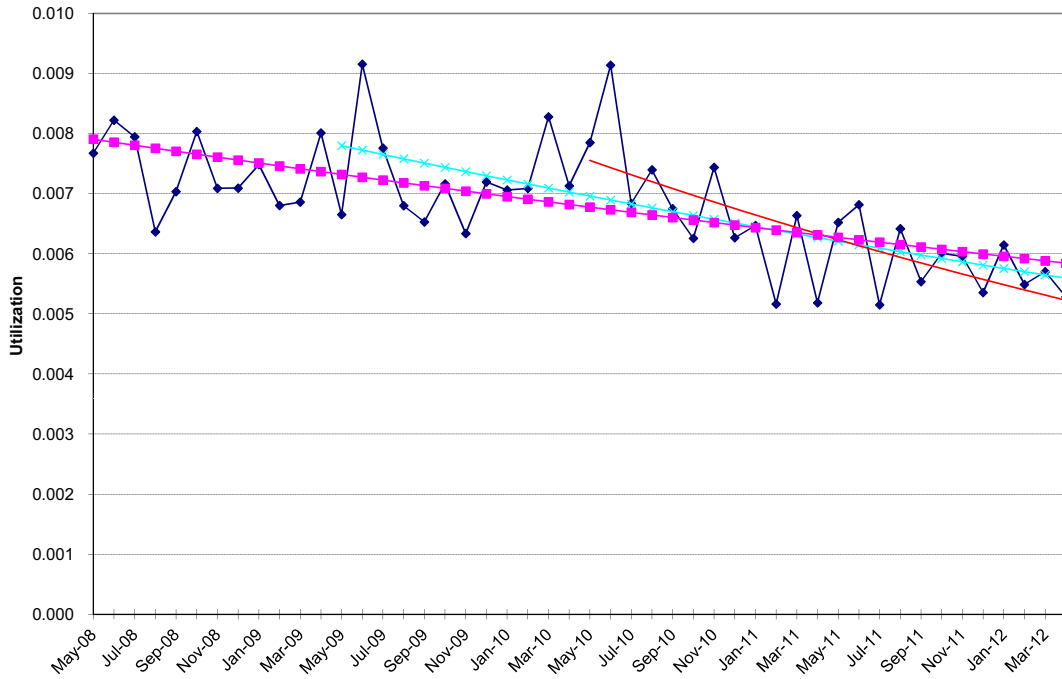
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-10.8%	6.5%	-5.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-7.4%	3.5%	-4.2%

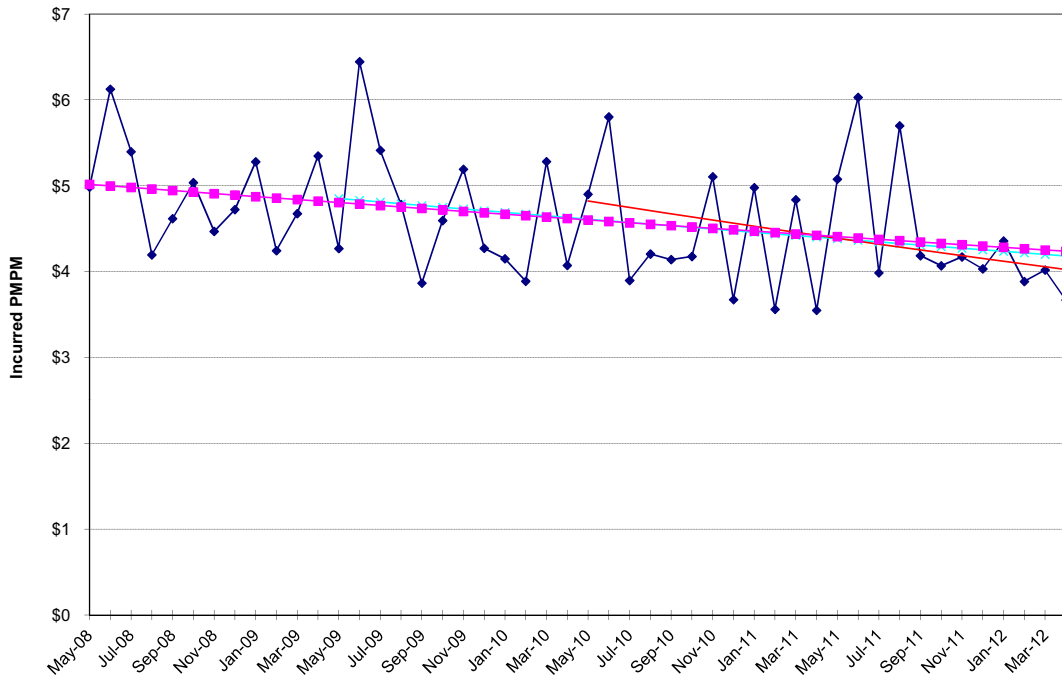
Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

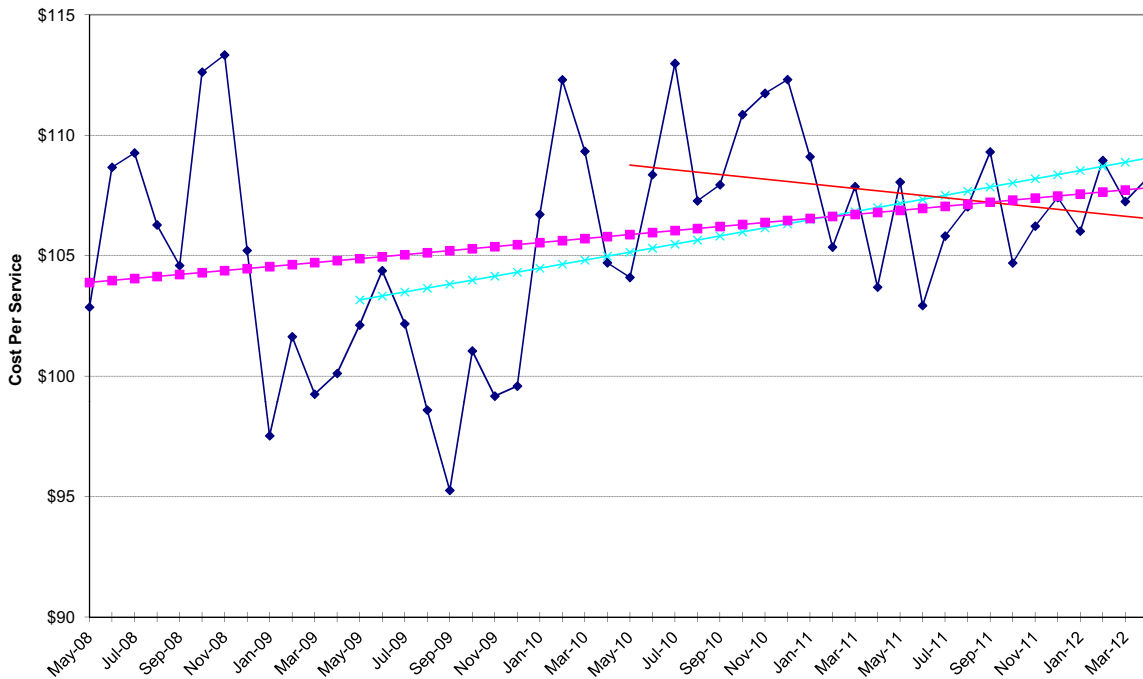
Inpatient Visits

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-3.5%	-1.1%	-4.5%

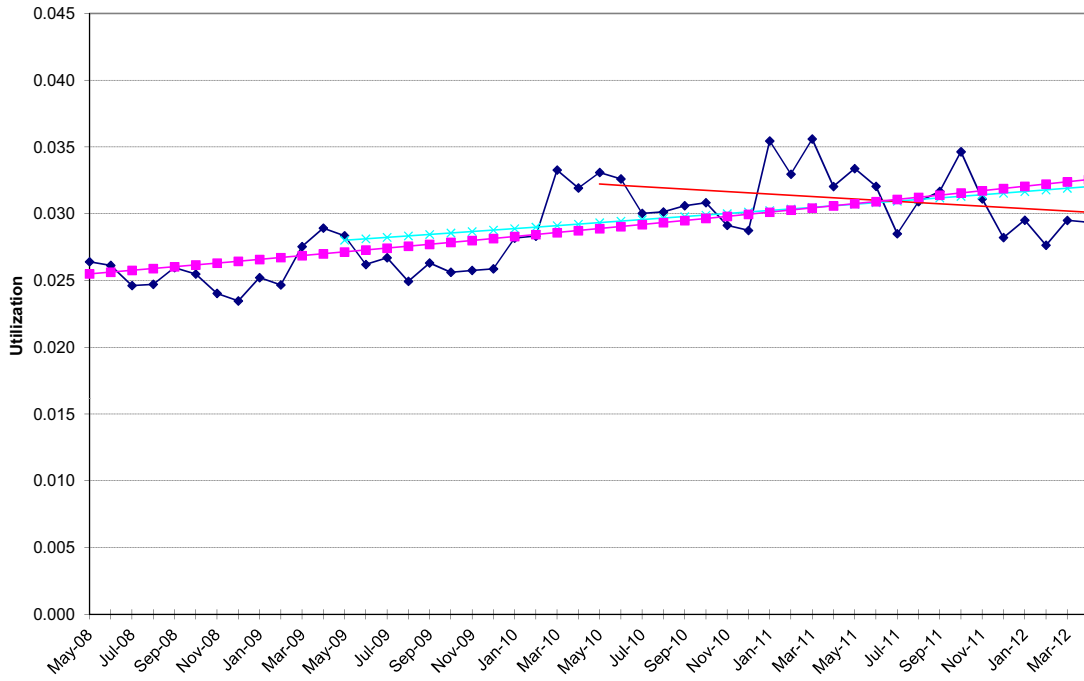
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.7%	1.9%	6.7%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.4%	1.0%	7.5%

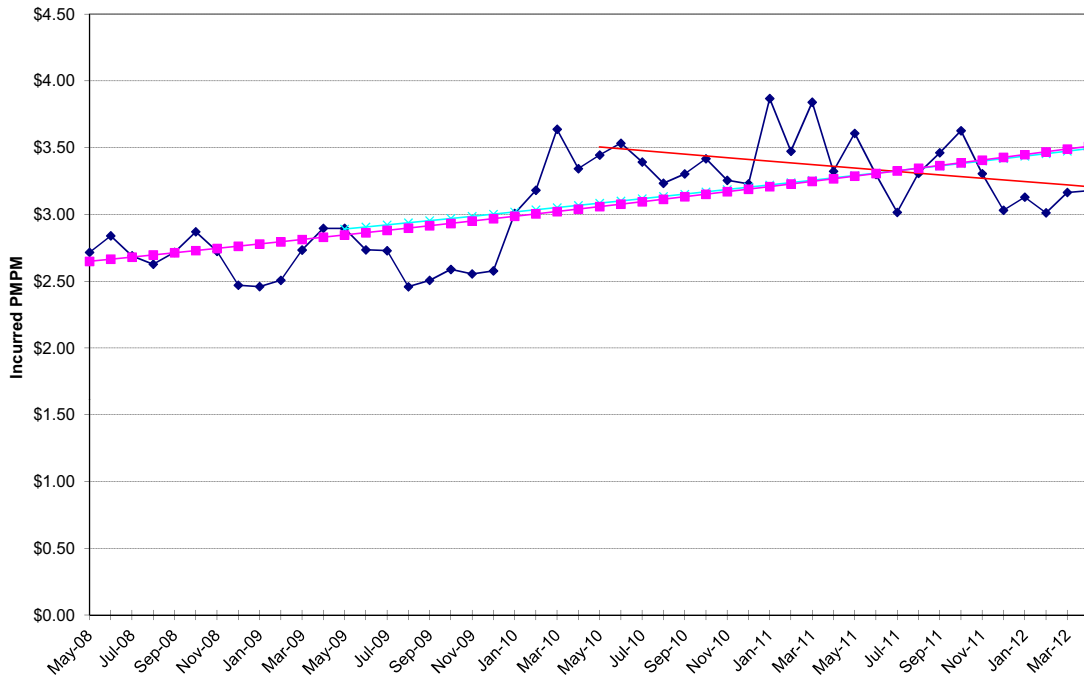
Physician Services - Inpatient Visits



Physician Services - Inpatient Visits



Physician Services - Inpatient Visits



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

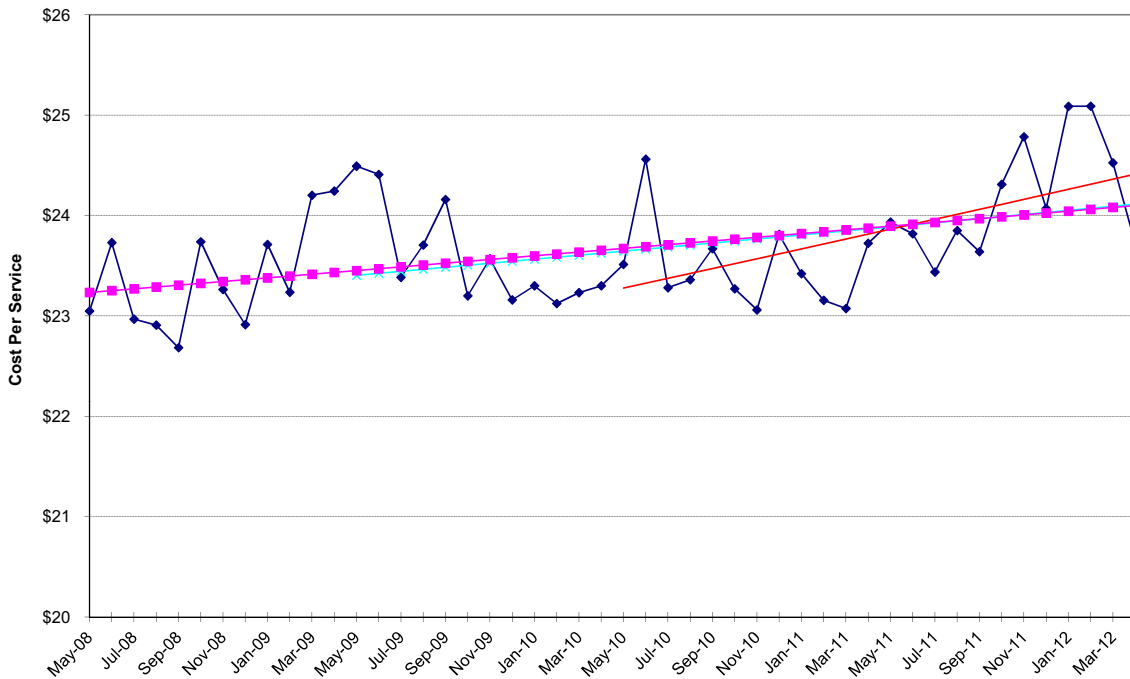
Lab & Pathology

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.0%	2.5%	8.7%

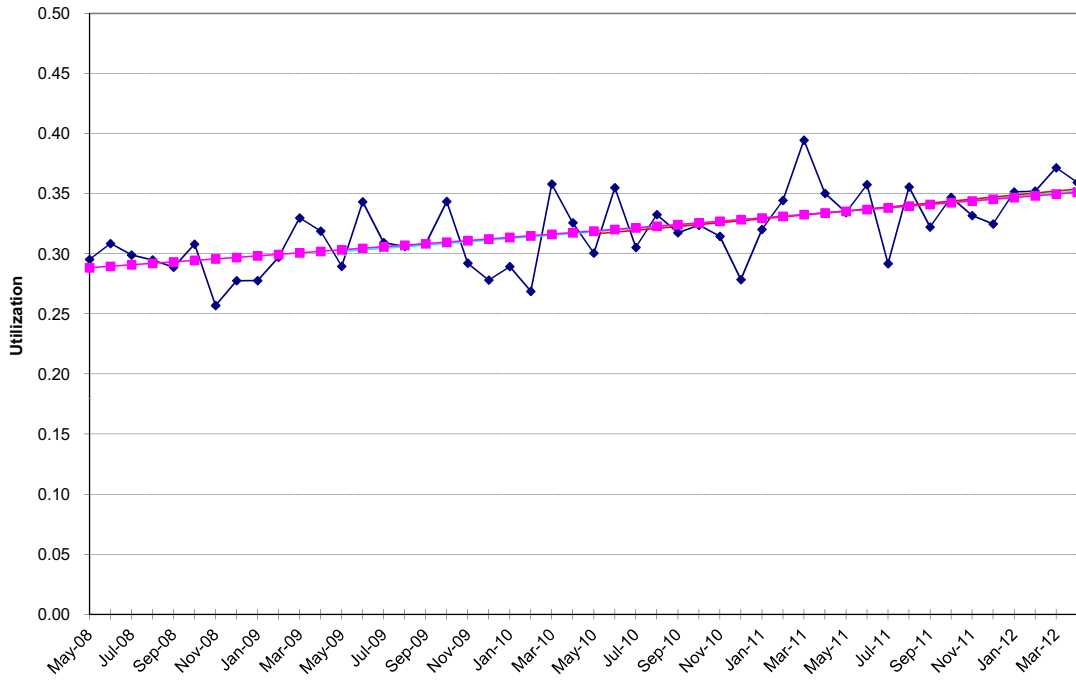
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.4%	1.0%	6.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.2%	0.9%	6.1%

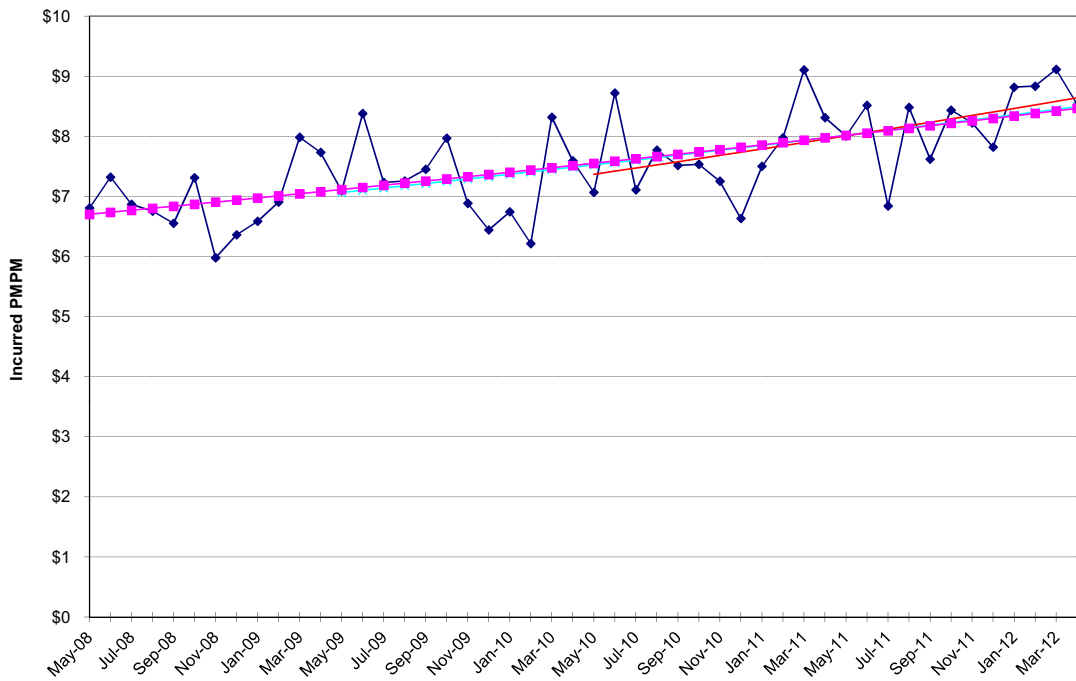
Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

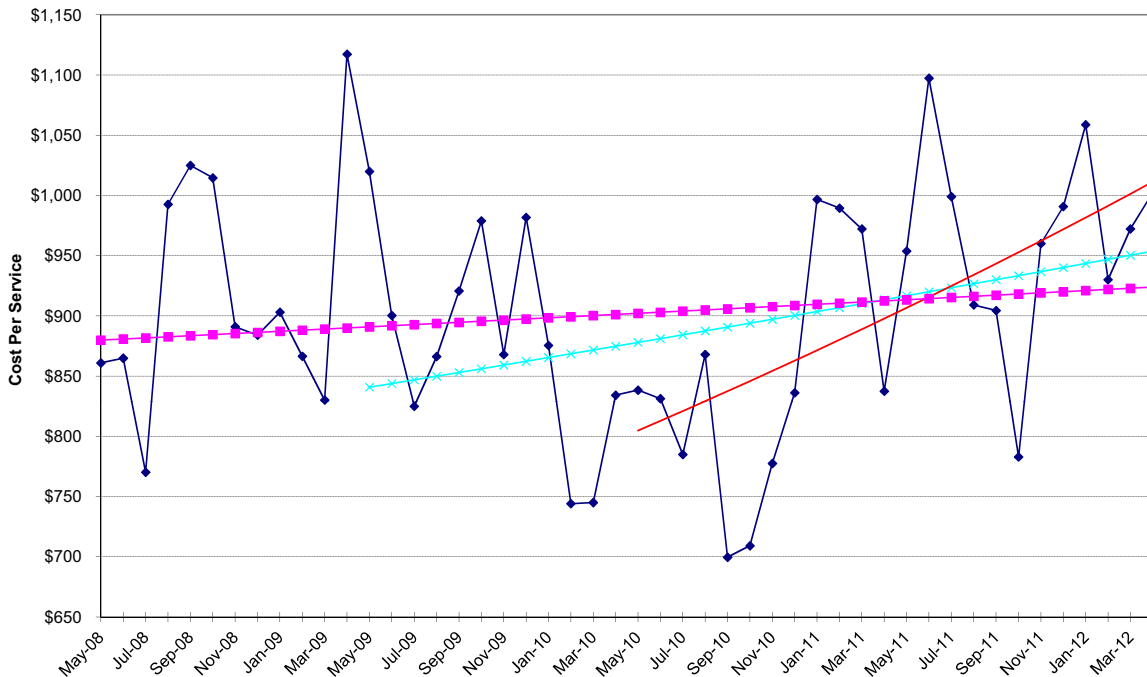
Maternity

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.5%	12.7%	14.3%

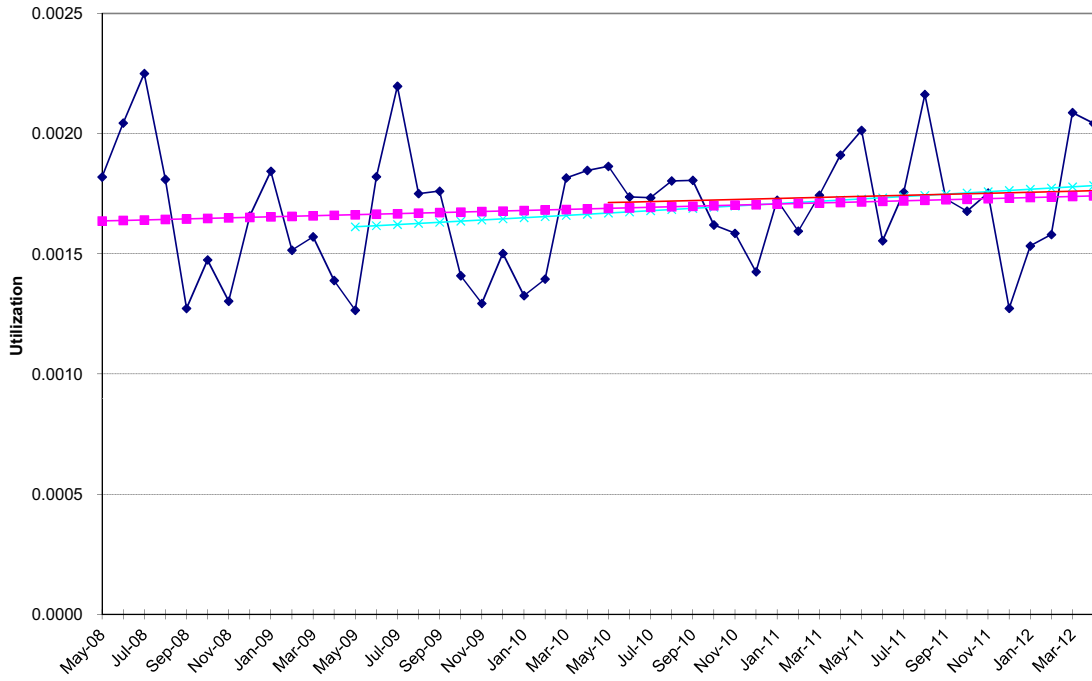
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.5%	4.4%	8.1%

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

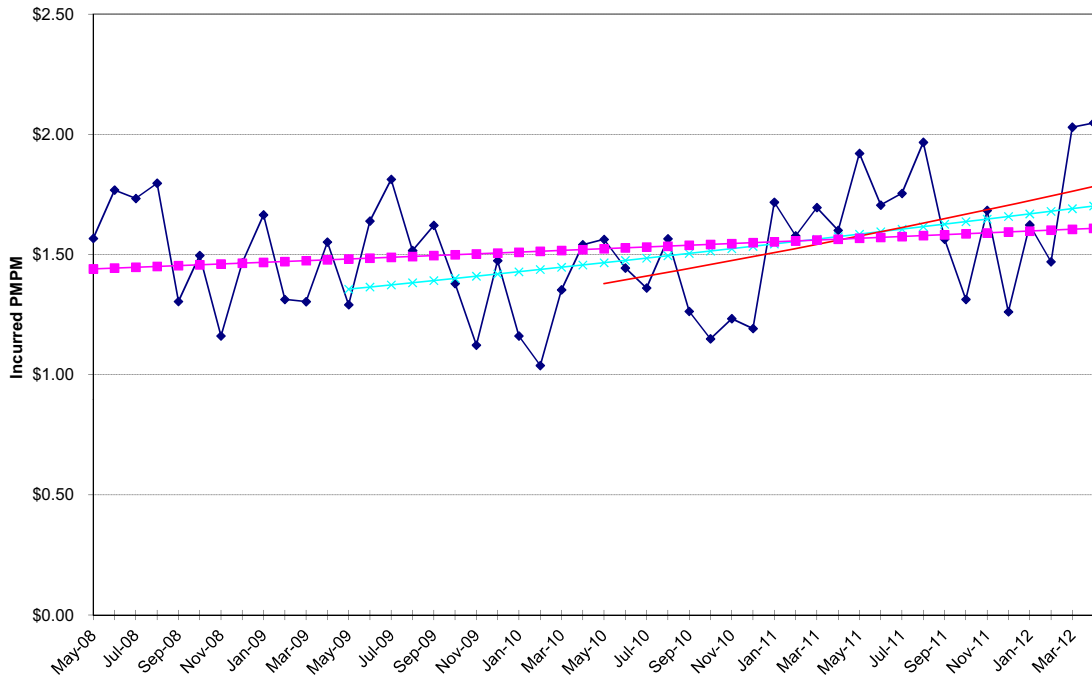
Physician Services - Maternity



Physician Services - Maternity



Physician Services - Maternity



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

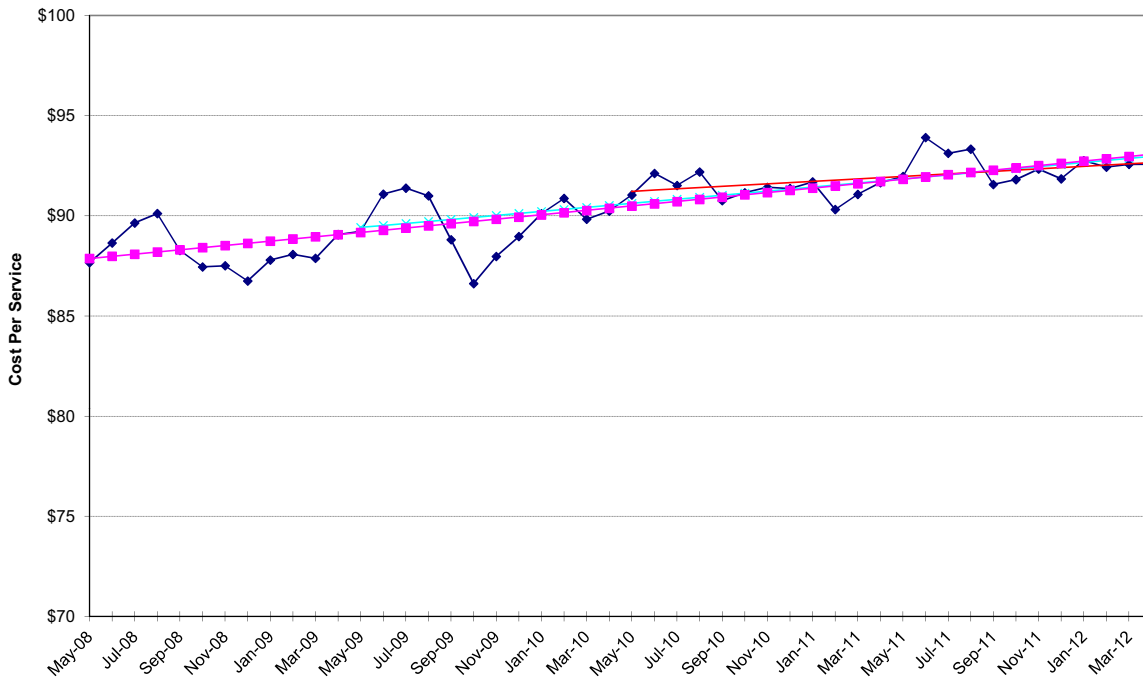
Office Visits

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.9%	0.8%	4.7%

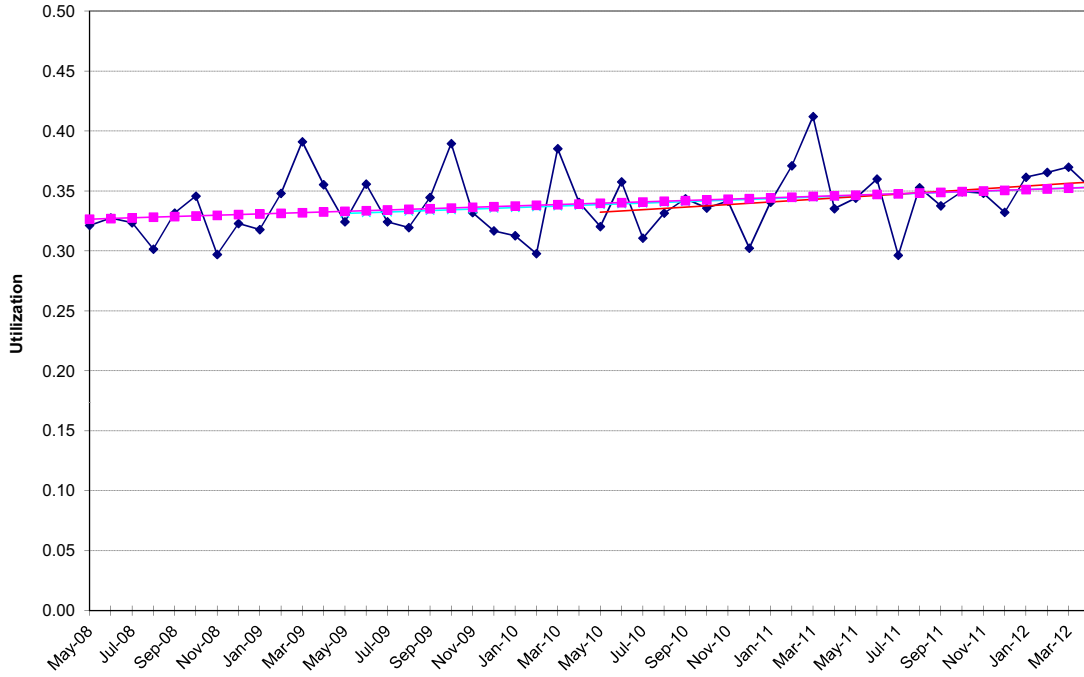
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.2%	1.3%	3.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.0%	1.5%	3.5%

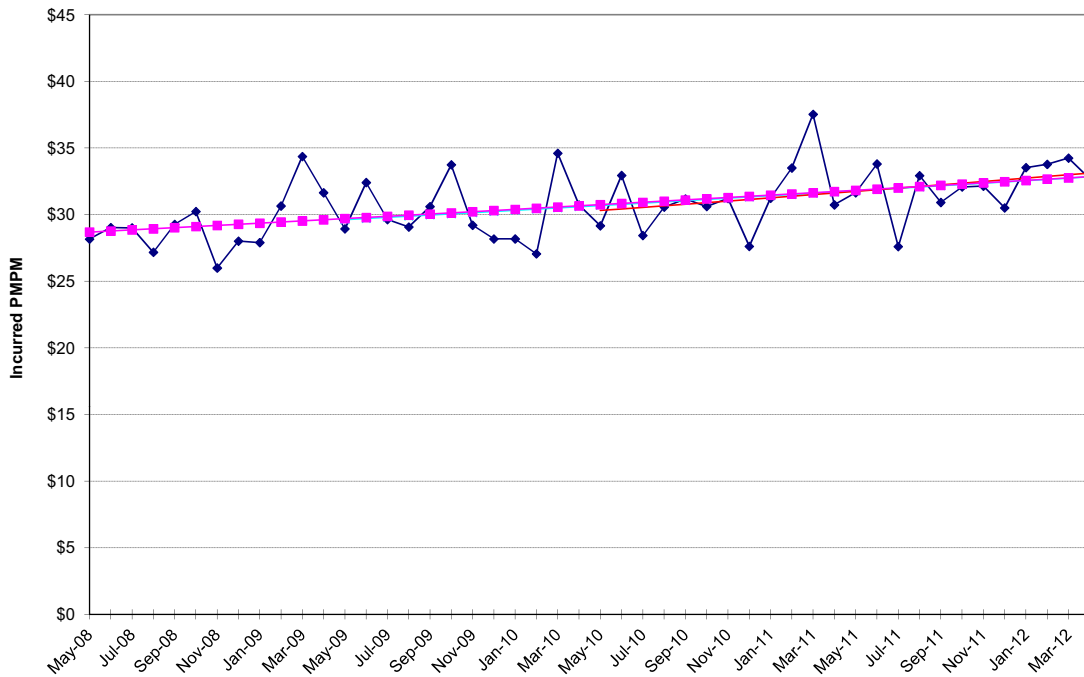
Physician Services - Office Visits



Physician Services - Office Visits



Physician Services - Office Visits



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

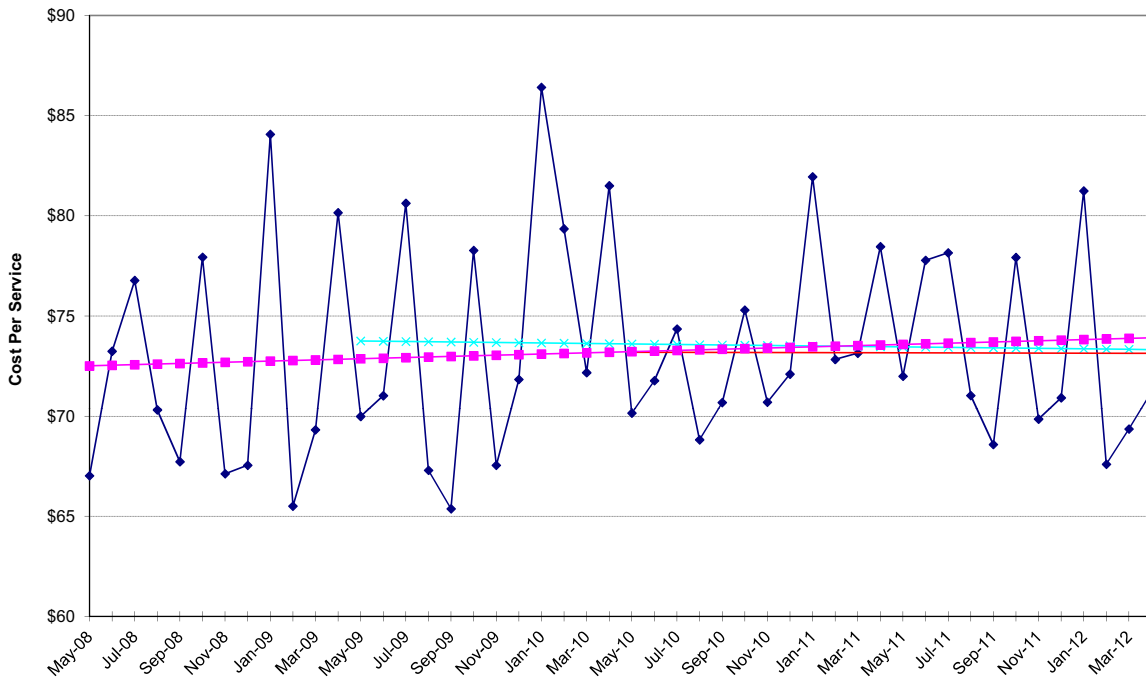
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.0%	0.0%	7.0%

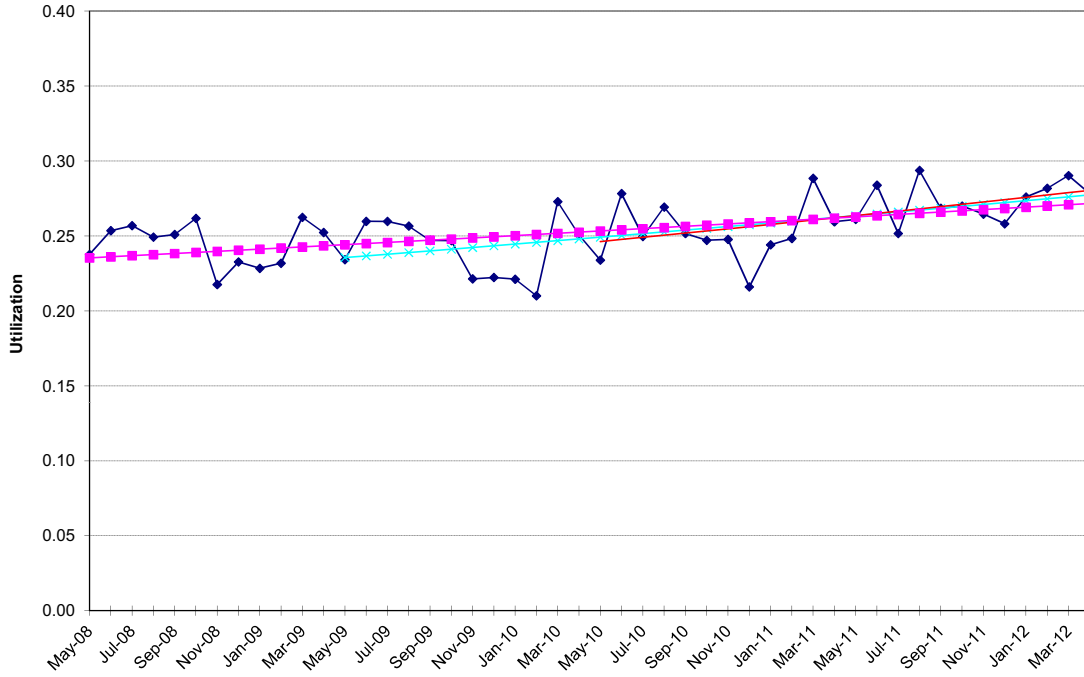
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.8%	-0.2%	5.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.7%	0.5%	4.2%

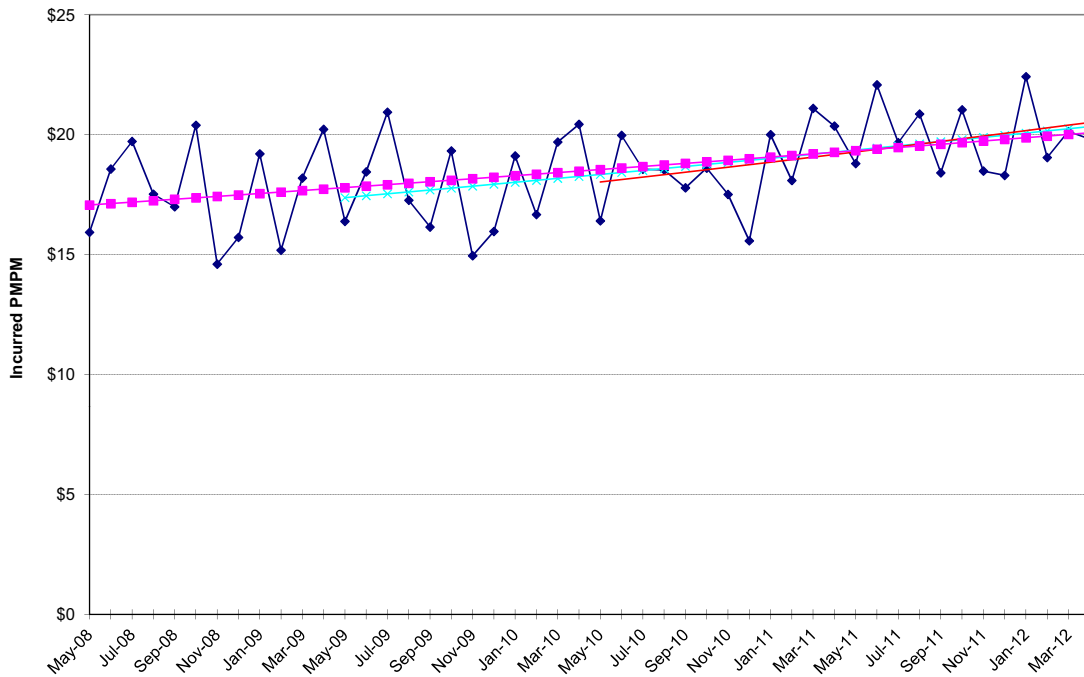
Physician Services - Other Services



Physician Services - Other Services



Physician Services - Other Services



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

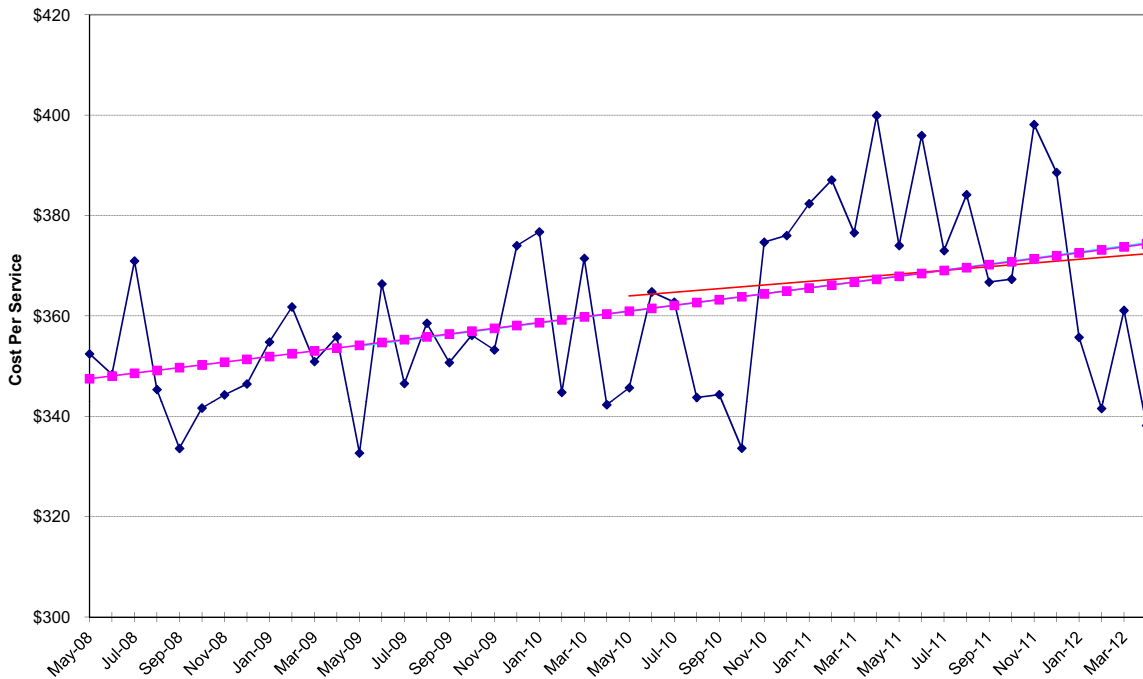
Outpatient Surgery

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.4%	1.2%	2.6%

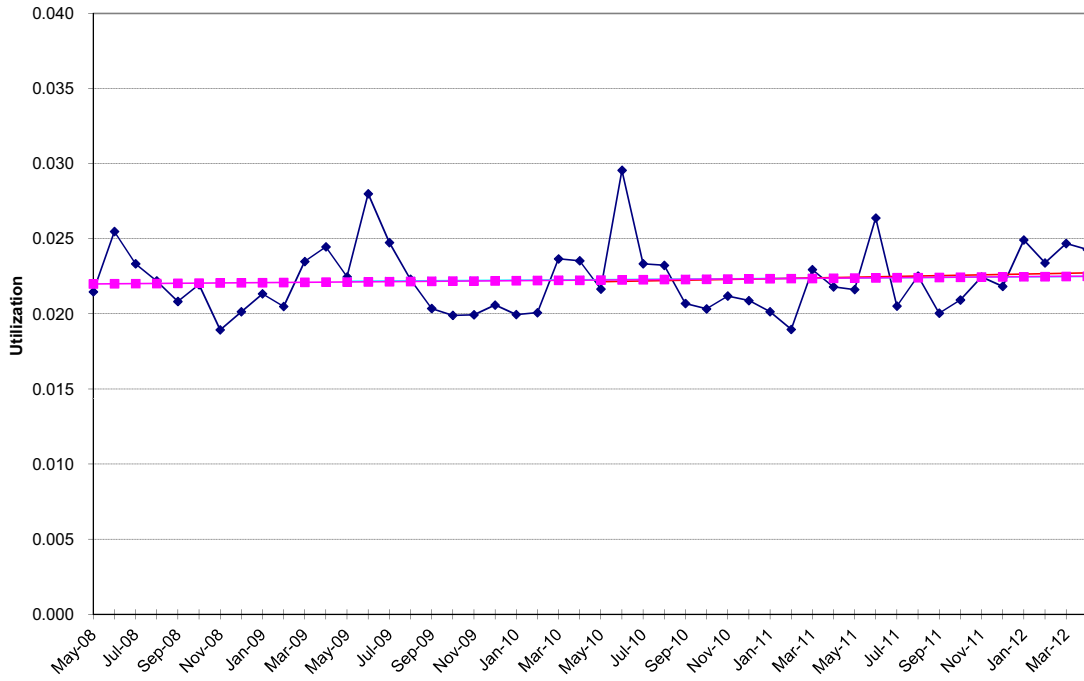
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.5%	2.0%	2.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.6%	1.9%	2.5%

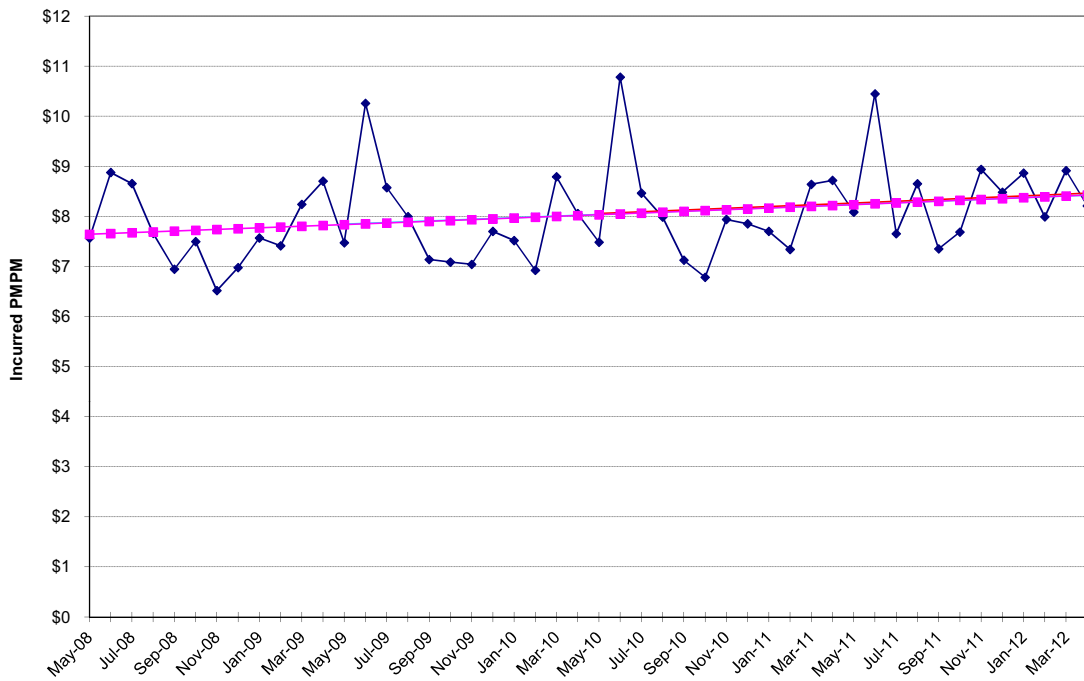
Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

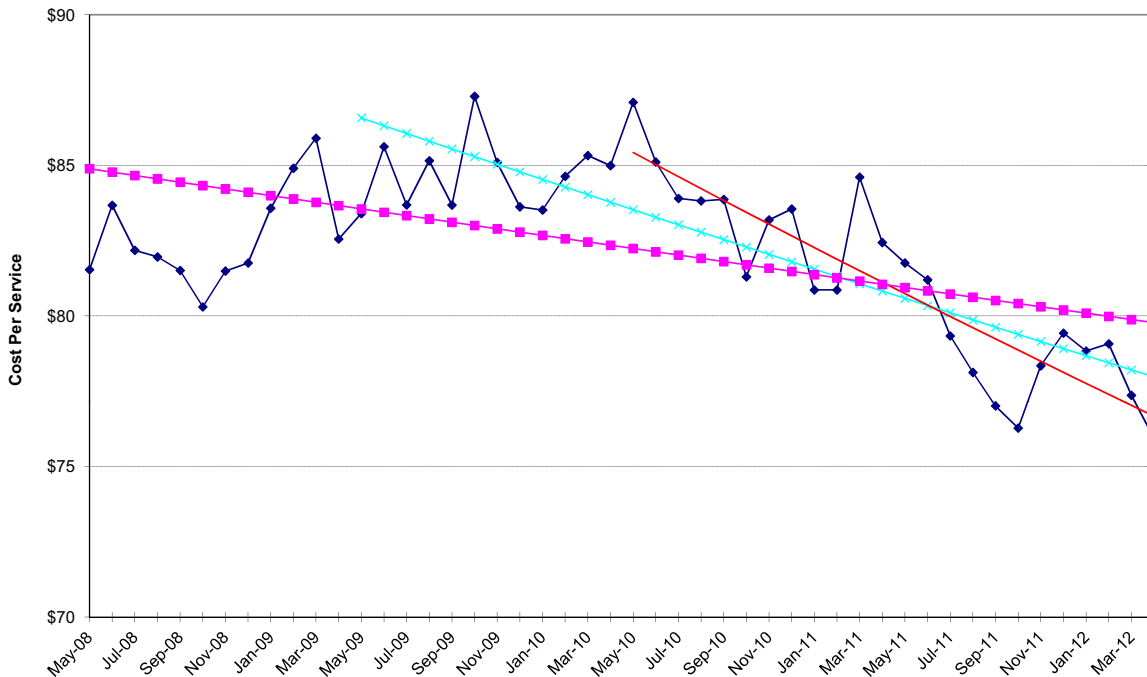
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
14.7%	-5.5%	8.4%

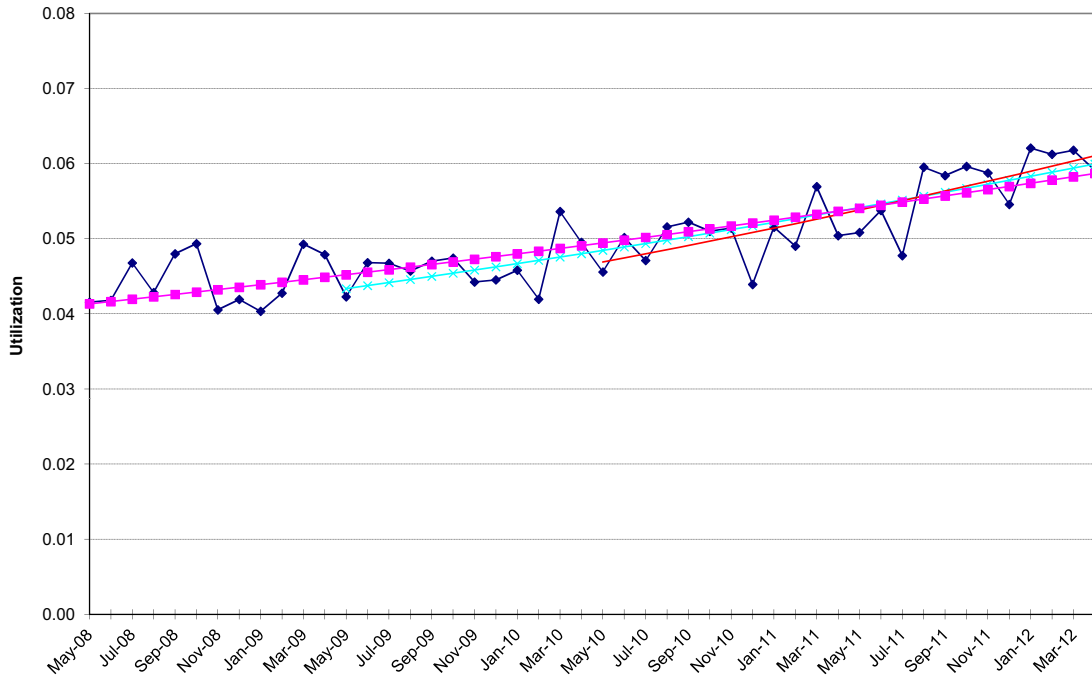
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
11.8%	-3.5%	7.8%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
9.4%	-1.6%	7.6%

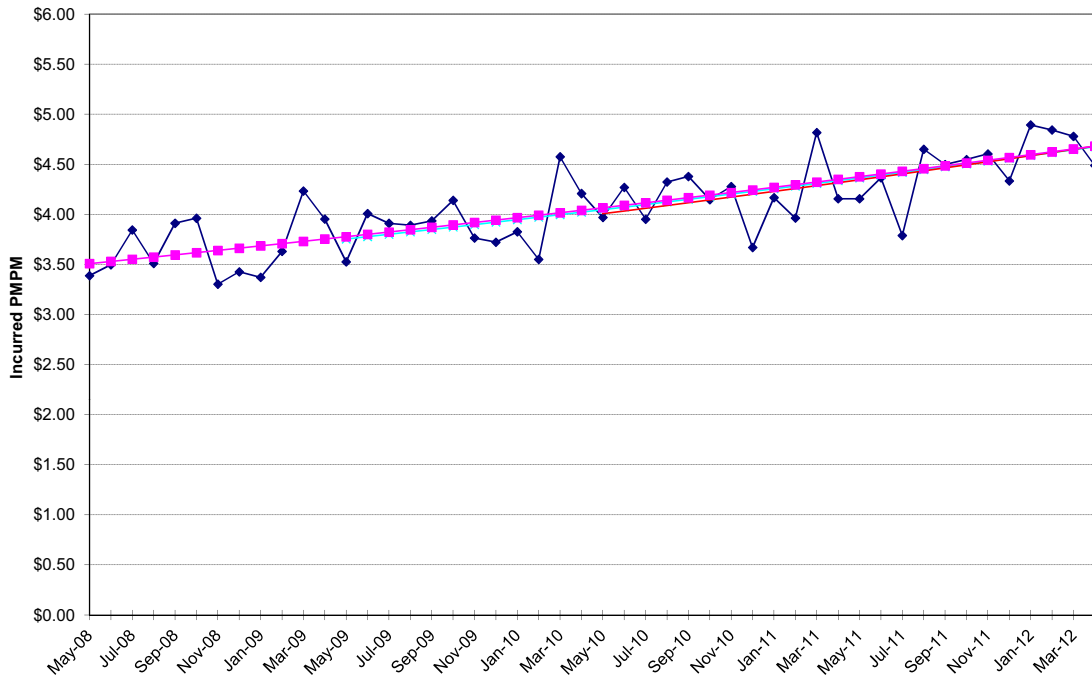
Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

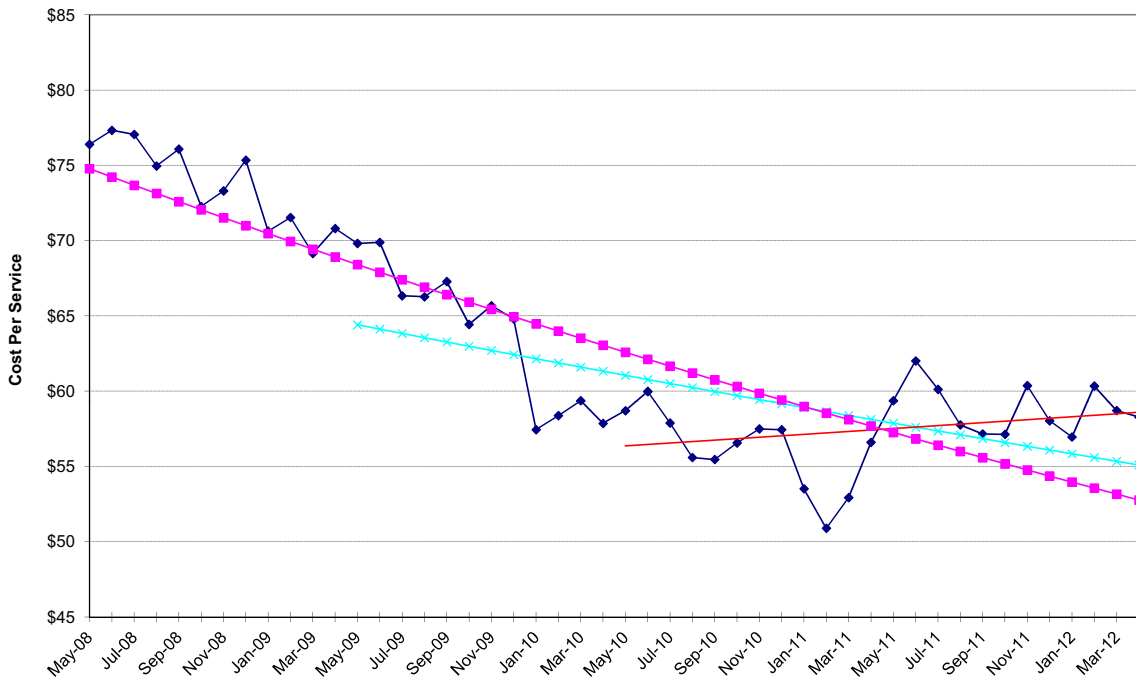
Radiology

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.6%	2.0%	0.4%

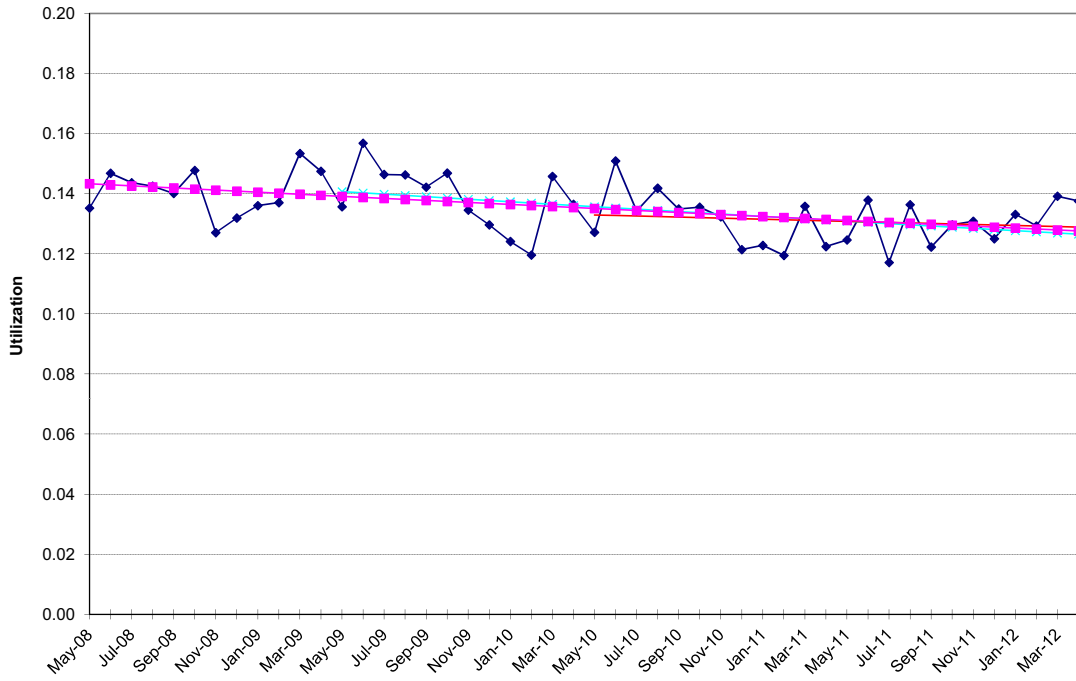
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-3.6%	-5.2%	-8.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.9%	-8.5%	-11.2%

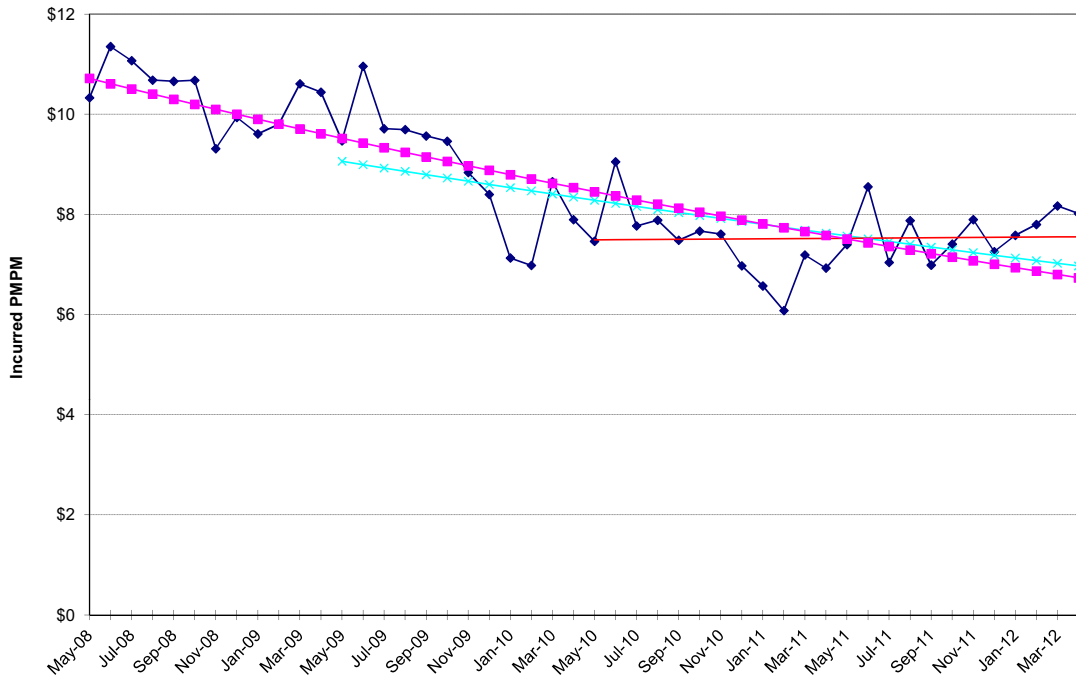
Physician Services - Radiology



Physician Services - Radiology



Physician Services - Radiology



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

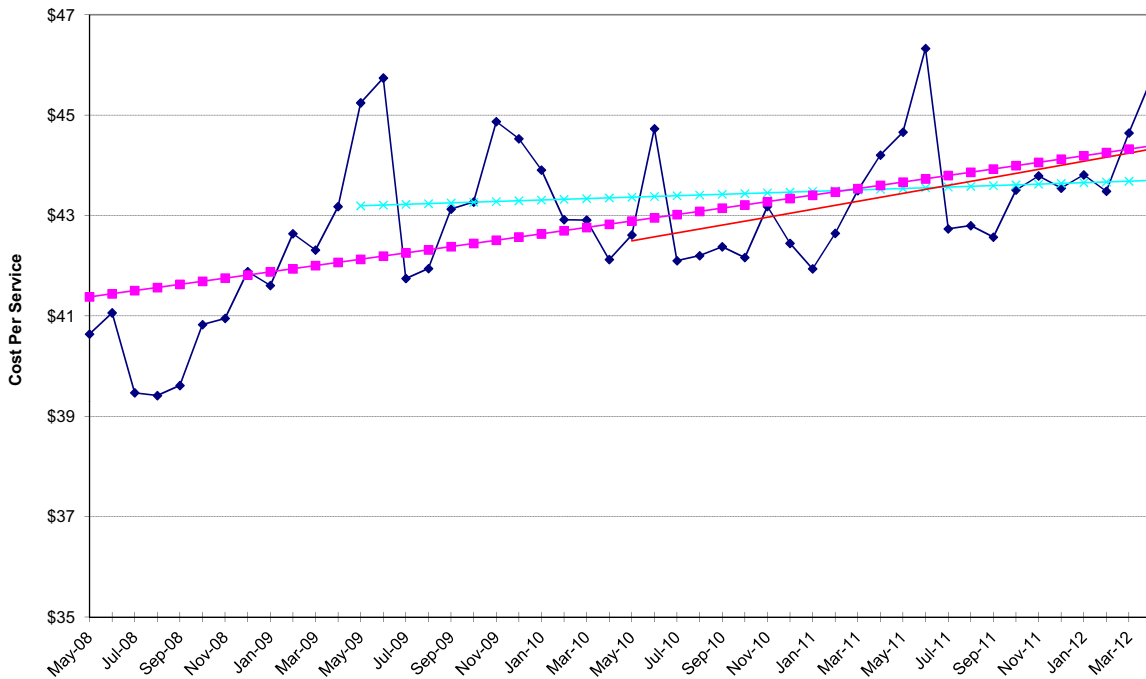
Therapies

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
10.0%	2.2%	12.5%

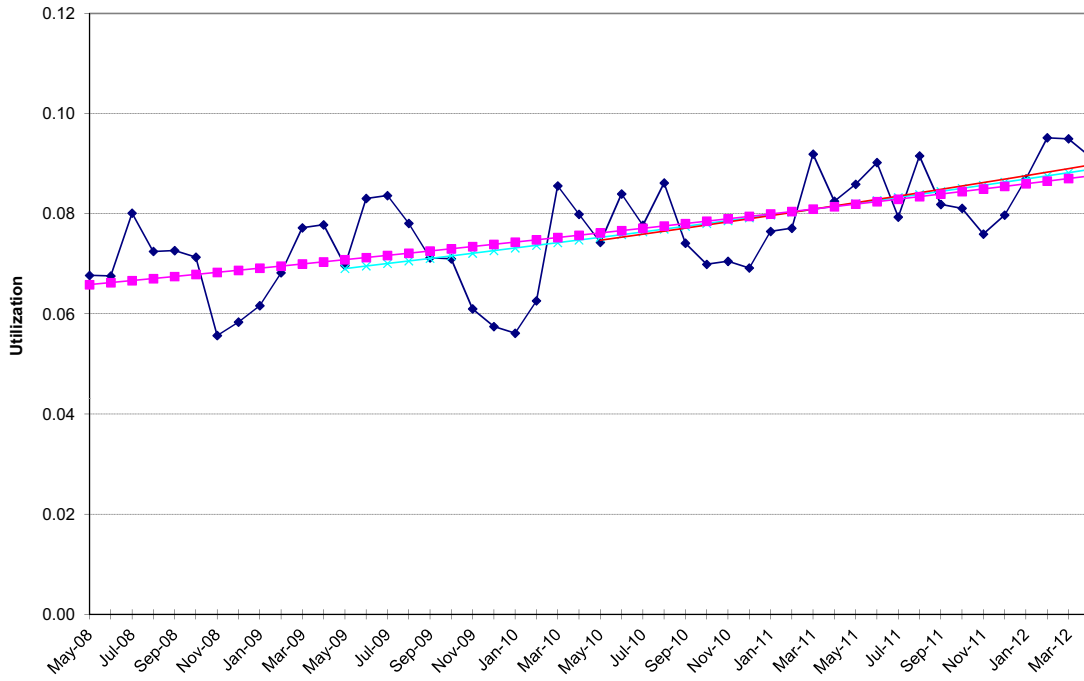
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
9.0%	0.4%	9.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.6%	1.8%	9.5%

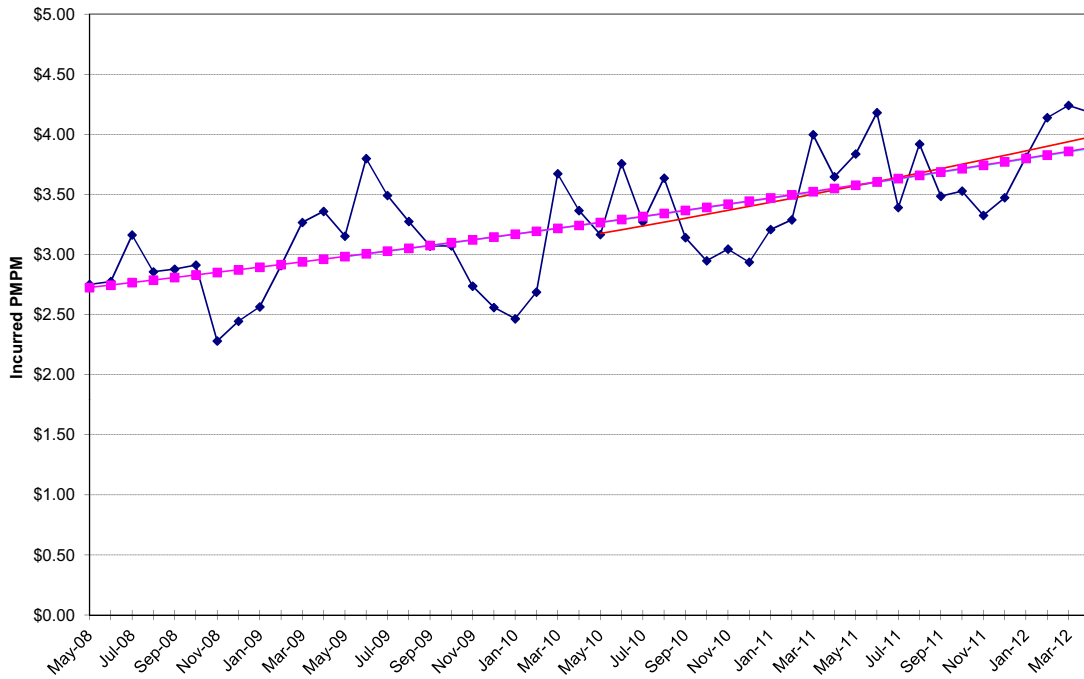
Physician Services - Therapies



Physician Services - Therapies



Physician Services - Therapies



**NON-MEDICARE CLAIMS
Excluding Drugs**

OTHER

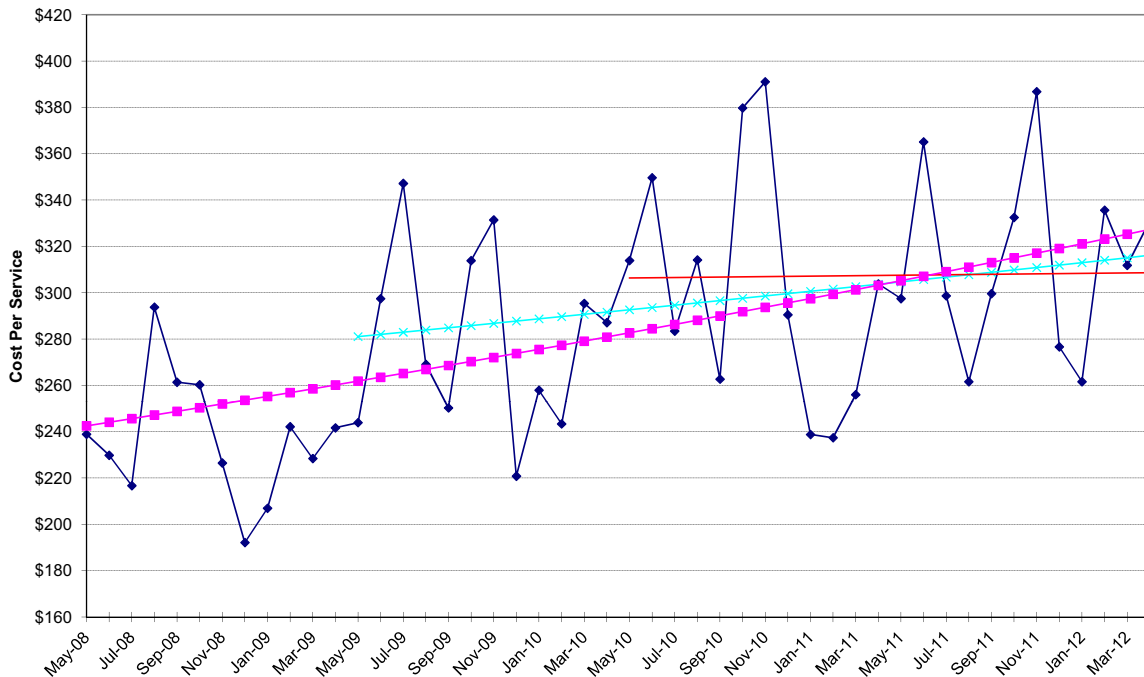
Ambulance

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

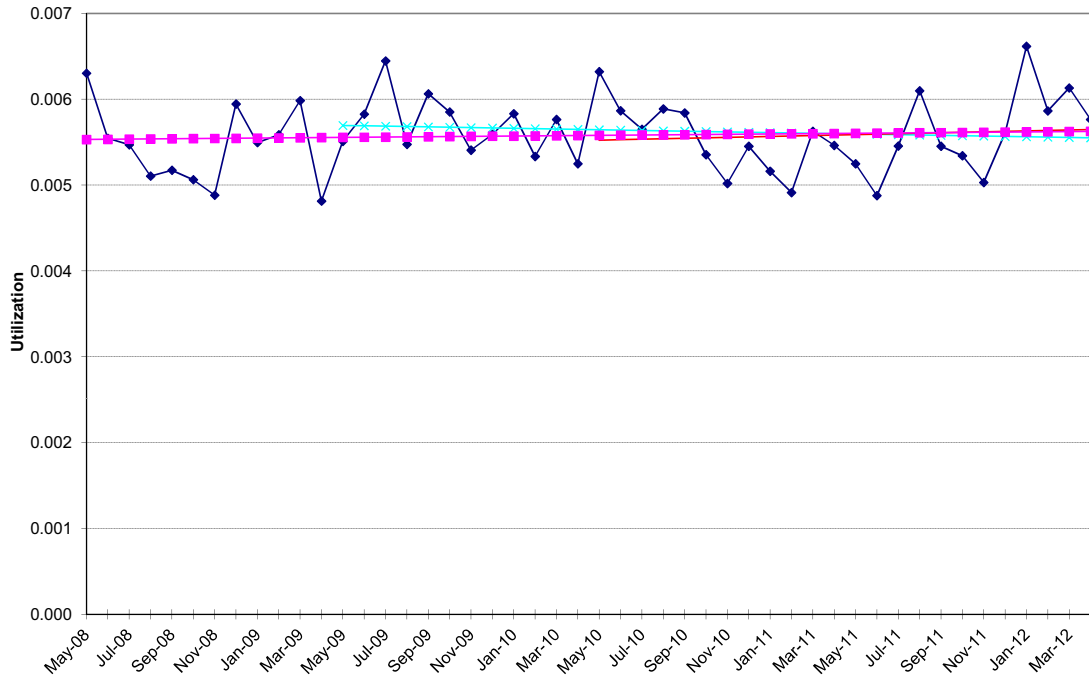
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.9%	4.1%	3.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.4%	8.0%	8.4%

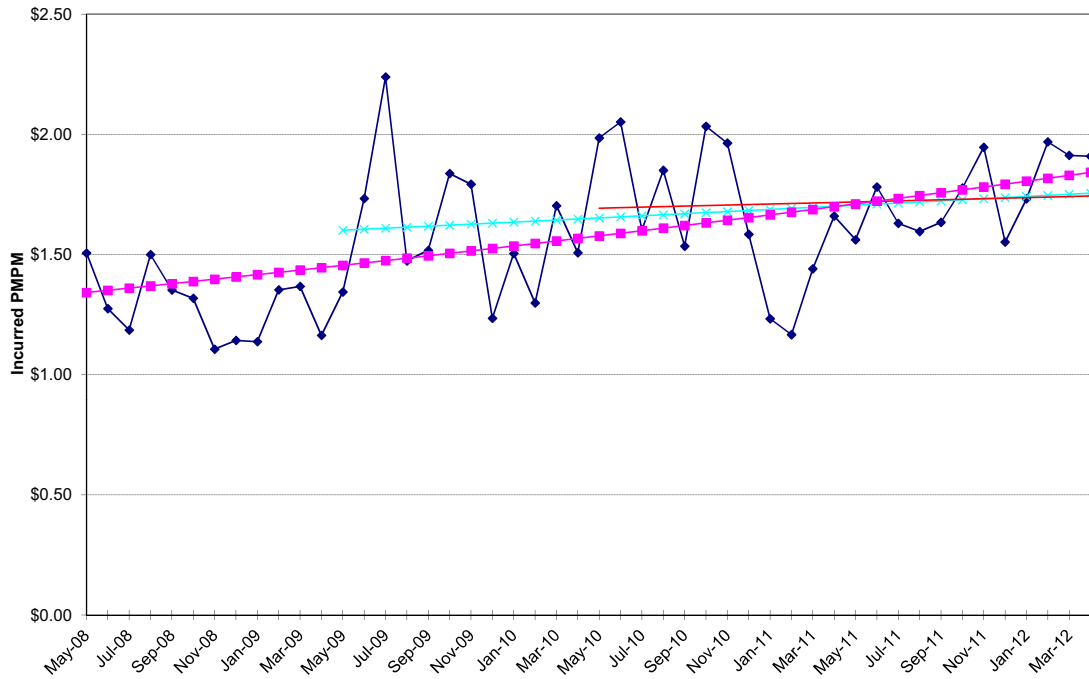
Other - Ambulance



Other - Ambulance



Other - Ambulance



**NON-MEDICARE CLAIMS
Excluding Drugs**

OTHER

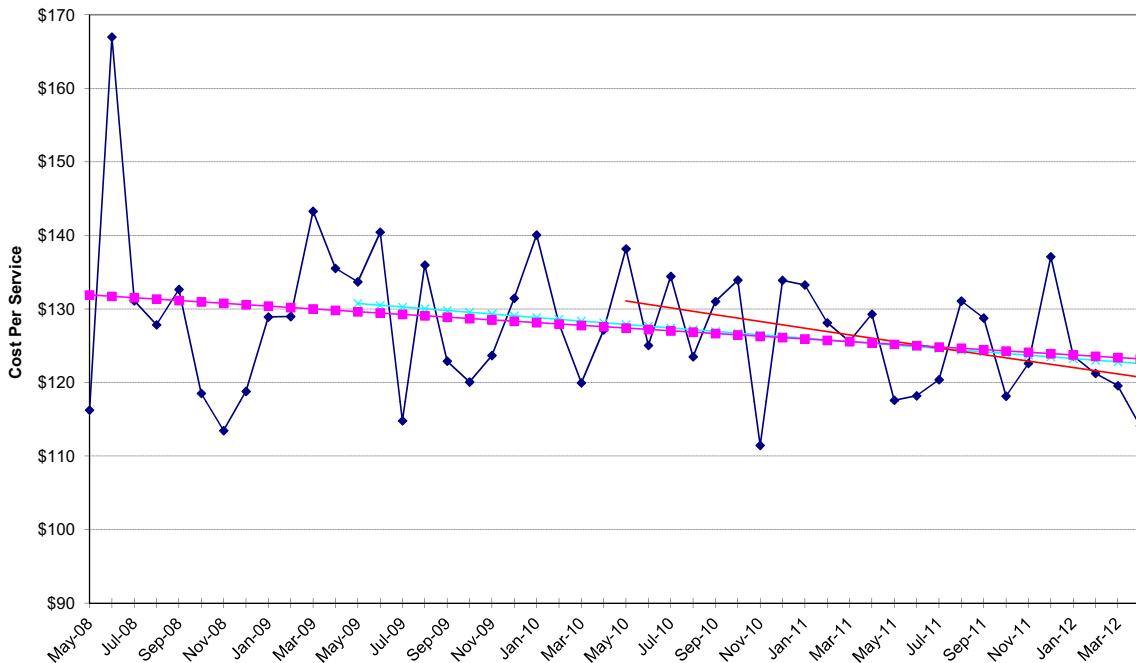
Appliances (DME)

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.6%	-4.2%	1.2%

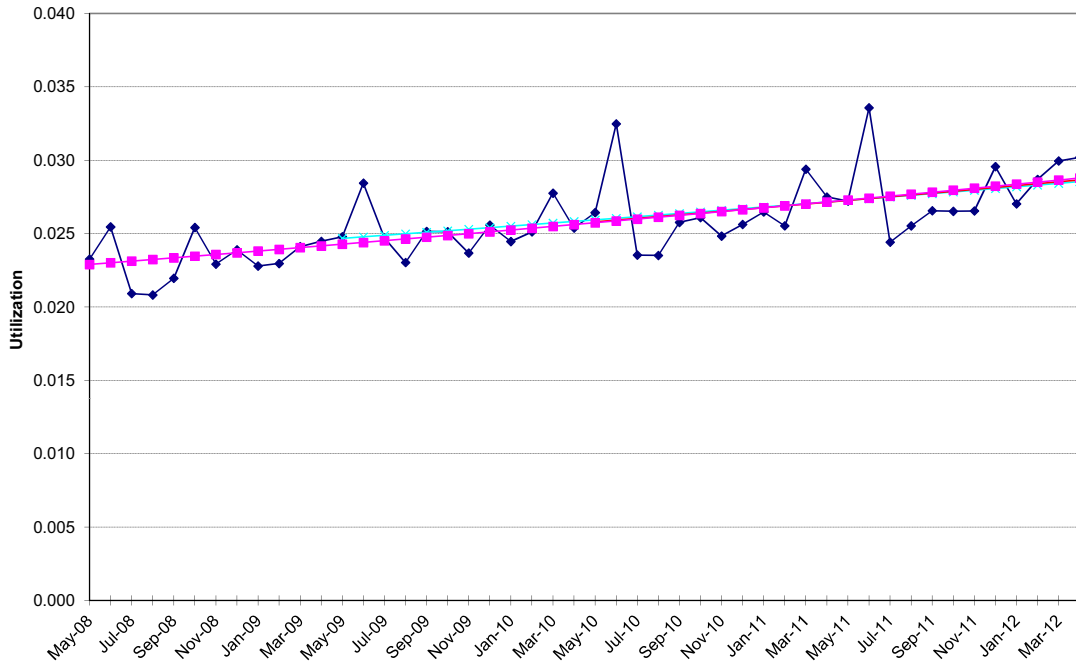
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.1%	-2.2%	2.8%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.0%	-1.7%	4.2%

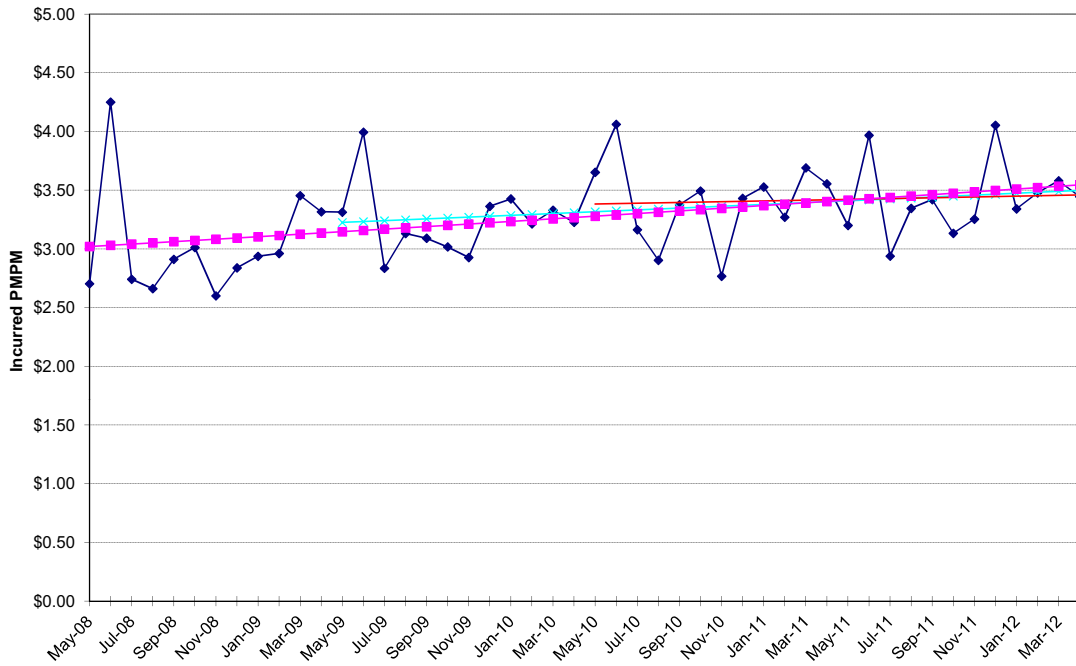
Other - Appliances (DME)



Other - Appliances (DME)



Other - Appliances (DME)



**NON-MEDICARE CLAIMS
Excluding Drugs**

OTHER

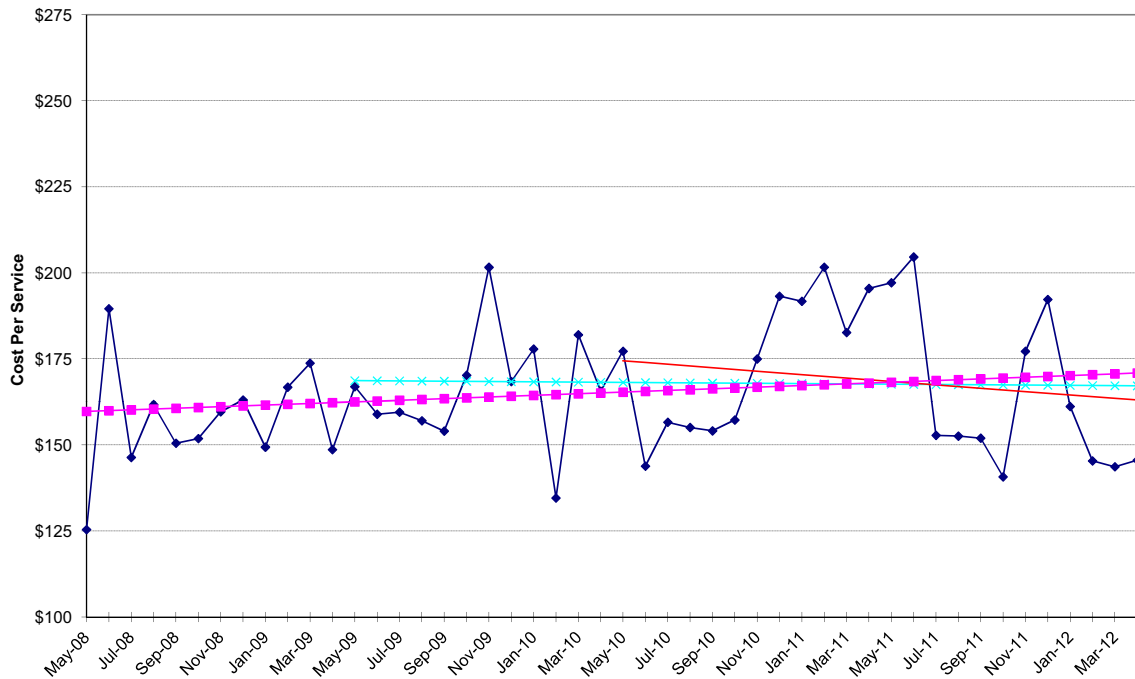
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
35.7%	-3.5%	31.0%

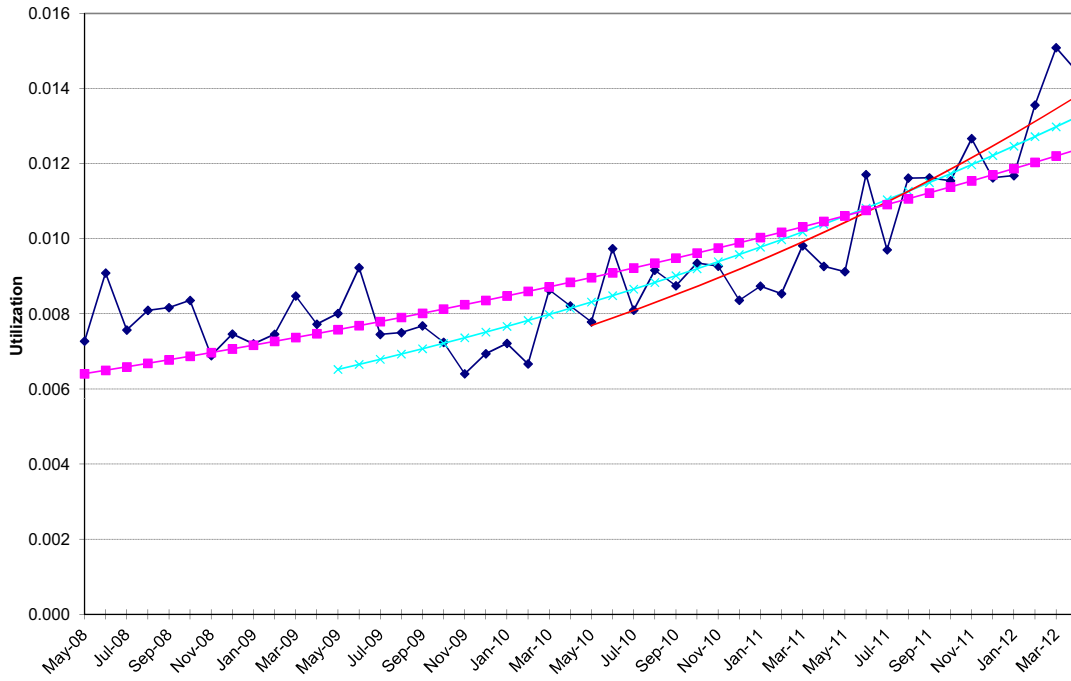
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
27.5%	-0.3%	27.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
18.3%	1.7%	20.4%

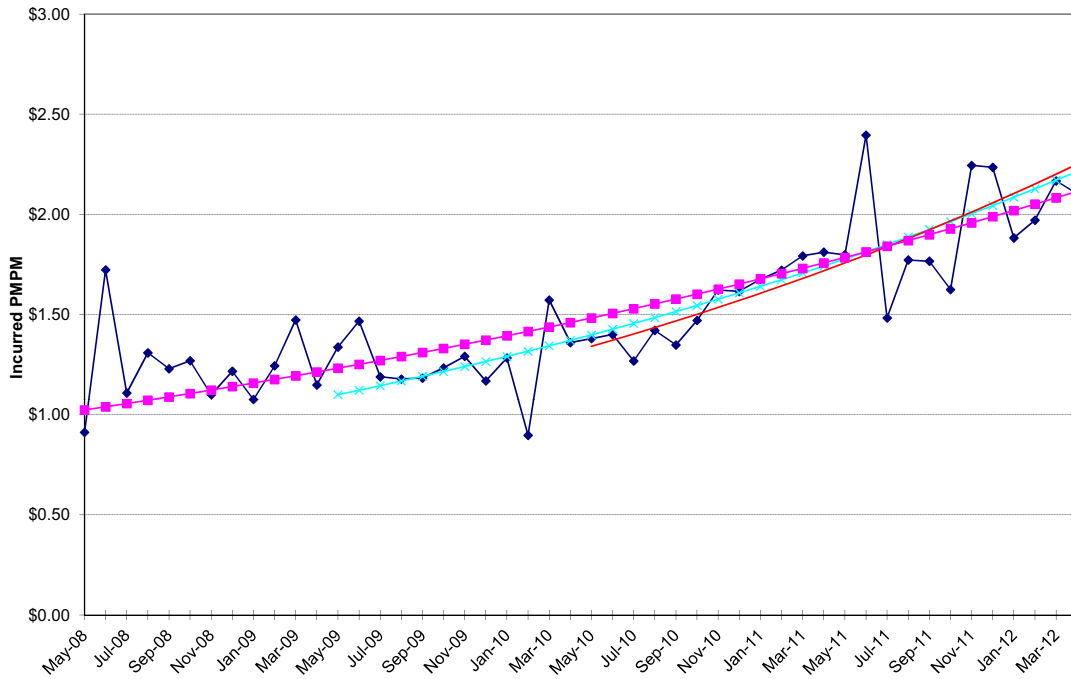
Other - Other Services



Other - Other Services



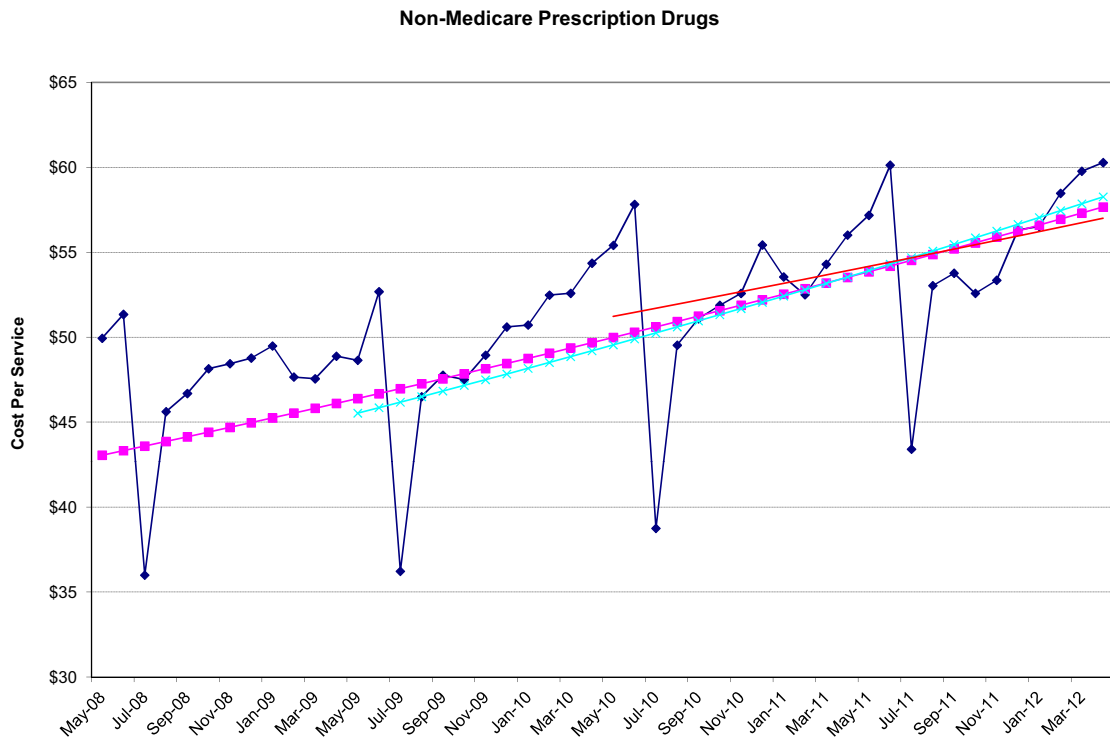
Other - Other Services



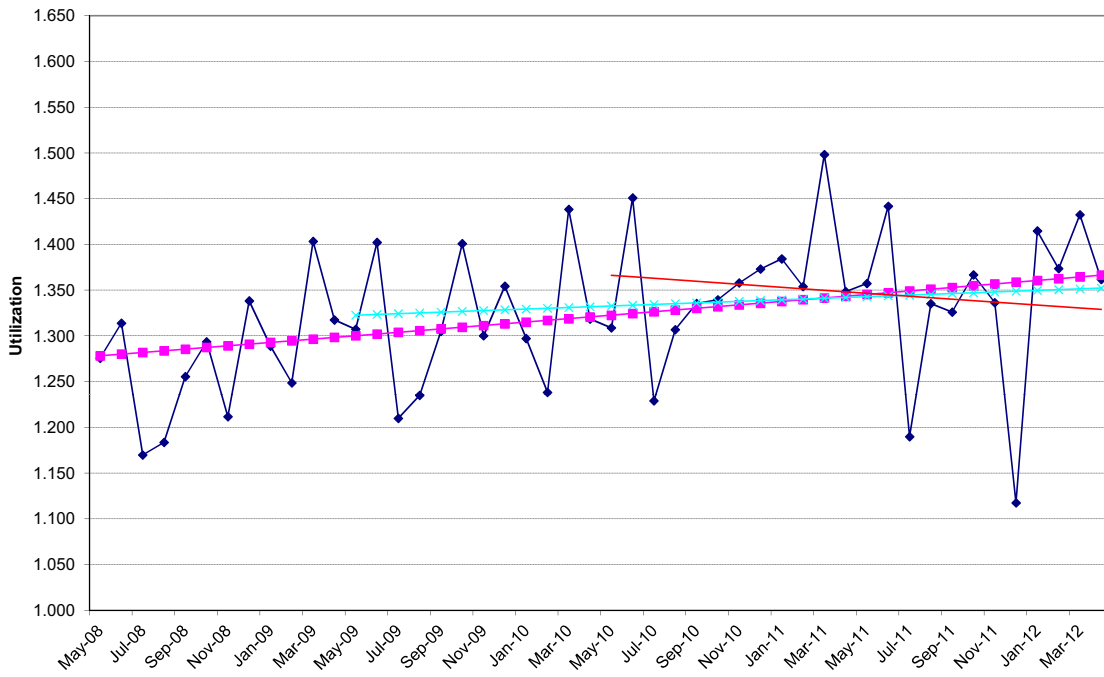
Appendix B

Non-Medicare Prescription Drugs

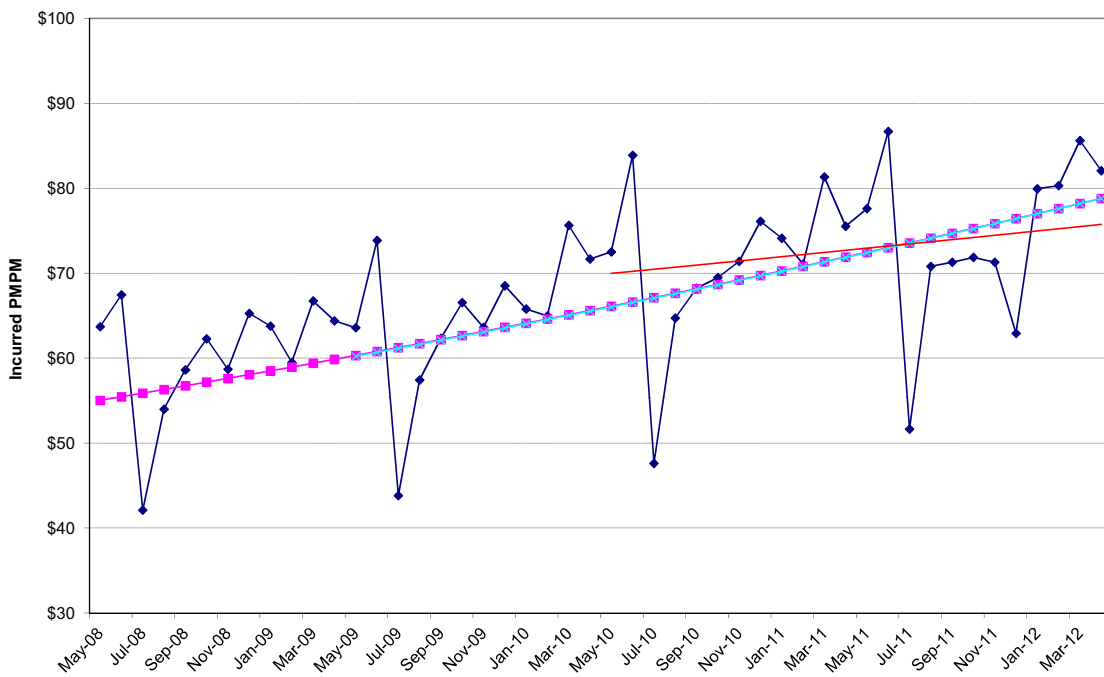
	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
24-Month Trend	-1.4%	5.7%	4.2%
36-Month Trend	0.8%	8.8%	9.7%
48-Month Trend	1.7%	7.7%	9.6%



Non-Medicare Prescription Drugs



Non-Medicare Prescription Drugs



Appendix C – Prescription Drug Trends

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 -1.4% trend and unit cost had a 5.7% trend, resulting in a composite trend of 4.2%.

CCRC Actuaries has chosen to use a favorable drug trend assumption of 8.5% in the financial plan. This decision 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	2011 Ingredient Cost		2012 Ingredient Cost	
		Amount	%	Amount	%
Singulair	February 2012	\$4,852,379.90	2.5%	\$5,983,415.06	2.9%
Lexapro	March 2012	\$1,216,391.17	0.6%	\$841,177.83	0.4%
Diovan	September 2012	\$906,919.34	0.8%	\$709,009.74	0.8%
Cymbalta	June 2013	\$4,013,013.04	2.1%	\$5,146,611.95	2.5%
Zetia	September 2013	\$1,657,563.62	0.9%	\$1,779,217.26	0.9%
Niaspan	September 2013	\$1,504,540.90	0.8%	\$1,500,421.78	0.7%
Total		\$14,150,807.97	7.7%	\$15,959,853.62	8.2%

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 19.7% in 2011 and 12.2% in 2012:

Period	Specialty Drugs	
	Percent of Total	Growth
FY 2009	10.7%	15.1%
FY 2010	11.3%	5.6%
FY 2011	12.6%	19.7%
FY 2012	13.4%	12.2%

CCRC Actuaries reviewed the individual prescription data items for Fiscal Years 2011 and 2012. A total of 2,832,977 scripts were written for approximately 3,000 different kinds of prescriptions in 2012. The prescriptions were grouped by indicator codes, providing a basis to develop the Fiscal Year 2012 trend by indicator code. The top 40 indicator codes were analyzed, which accounted for 95.1% of PEIA's prescription drug expenditures.

The top 5 indicators from 2011 were once again the top 5 in 2012, only in a slightly different order. PEIA members continue to spend the most on drugs which treat Diabetes and High Blood Cholesterol for the fifth year in a row. The following chart lists the top 5 and the total drug spend each year.

Rank	2011 Indicator	2011 Cost	2012 Indicator	2012 Cost
1	DIABETES	\$26,295,487	DIABETES	\$29,640,575
2	HIGH BLOOD CHOLESTEROL	18,062,992	HIGH BLOOD CHOLESTEROL	18,437,370
3	HIGH BLOOD PRESS/HEART DISEASE	14,375,258	ASTHMA	13,311,206
4	DEPRESSION	13,156,379	HIGH BLOOD PRESS/HEART DISEASE	13,097,161
5	ASTHMA	11,518,547	DEPRESSION	11,445,597

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 2012.

Indicators with the Largest Dollar Increase

Indication	2011 Total Ingredient Cost	2012 Total Ingredient Cost	Total Increase
DIABETES	\$26,295,487	\$29,640,575	\$3,345,088
ASTHMA	\$11,518,547	\$13,311,206	1,792,659
HEPATITIS	\$287,861	\$1,628,113	1,340,252
ATTENTION DISORDERS/WT LOSS	\$5,134,256	\$6,275,207	1,140,951
INFLAMMATORY CONDITIONS	\$8,587,033	\$9,641,727	1,054,695

Indicators with the Largest Increase as a Percentage

Indication	2011 Total Ingredient Cost	2012 Total Ingredient Cost	Total Increase
HEPATITIS	\$287,861	\$1,628,113	465.6%
GI DISORDERS	\$839,588	\$1,477,096	75.9%
ANAPHYLAXIS	\$247,165	\$428,109	73.2%
GOUT	\$479,470	\$796,594	66.1%
SKIN INFECTIONS	\$574,003	\$952,563	66.0%

Indicators with the Largest Increase in Claim Numbers

Indication	2011 Prescriptions	2012 Prescriptions	Utilization Increase
ULCER DISEASE	161,833	172,621	10,788
SLEEP DISORDERS	29,774	39,839	10,065
URINARY DISORDERS	28,878	34,798	5,920
SEIZURES	76,020	81,197	5,177
THYROID DISORDERS	89,123	92,802	3,679

Indicators with the Largest Utilization Increase

Indication	2011 Prescriptions	2012 Prescriptions	Utilization Increase
HEPATITIS	189	529	179.9%
IRREGULAR HEART BEAT	3,183	4,437	39.4%
SLEEP DISORDERS	29,774	39,839	33.8%
NAUSEA/VOMITING	7,863	10,421	32.5%
ANAPHYLAXIS	1,947	2,356	21.0%

Indicators with the Largest Increase in Cost per Prescription

Indication	2011 Ingredient Cost Per Prescription	2012 Ingredient Cost Per Prescription	Ingredient Cost Per Prescription Increase
HEPATITIS	\$1,523.07	\$3,077.72	\$1,554.64
RESPIRATORY CONDITIONS	\$2,524.45	\$3,437.81	\$913.36
BLOOD CELL DEFICIENCY	\$2,243.73	\$2,808.64	\$564.91
MULTIPLE SCLEROSIS	\$2,877.13	\$3,386.77	\$509.64
INFLAMMATORY CONDITIONS	\$1,061.70	\$1,157.89	\$96.19

Indicators with the Largest Percentage Increase in Cost per Prescription

Indication	2011 Ingredient Cost Per Prescription	2012 Ingredient Cost Per Prescription	Ingredient Cost Per Prescription Increase
HEPATITIS	\$1,523.07	\$3,077.72	102.1%
GI DISORDERS	\$66.54	\$111.21	67.1%
SKIN INFECTIONS	\$32.56	\$51.42	57.9%
GOUT	\$40.79	\$63.35	55.3%
ANAPHYLAXIS	\$126.95	\$181.71	43.1%

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	193,980	\$152.80	\$29,640,575	77.2%	90.1%
2	HIGH BLOOD CHOLESTEROL	194,829	94.63	18,437,370	86.1%	94.4%
3	ASTHMA	82,595	161.16	13,311,206	93.3%	88.9%
4	HIGH BLOOD PRESS/HEART DISEASE	427,076	30.67	13,097,161	76.3%	95.5%
5	DEPRESSION	193,774	59.07	11,445,597	84.9%	94.3%
6	INFLAMMATORY CONDITIONS	8,327	1,157.89	9,641,727	85.8%	75.8%
7	ULCER DISEASE	172,621	51.05	8,811,576	90.1%	97.4%
8	PAIN AND INFLAMMATION	255,007	31.49	8,030,033	82.2%	97.5%
9	INFECTIONS	246,235	28.19	6,942,280	86.7%	98.8%
10	MULTIPLE SCLEROSIS	2,011	3,386.77	6,810,796	88.2%	88.8%
11	MENTAL/NEURO DISORDERS	22,756	279.08	6,350,806	90.8%	93.4%
12	ATTENTION DISORDERS/WT LOSS	32,359	193.92	6,275,207	71.8%	74.8%
13	BLOOD MODIFYING	20,486	263.88	5,405,930	98.9%	98.8%
14	SEIZURES	81,197	60.85	4,940,904	61.0%	91.8%
15	CANCER	9,707	495.44	4,809,224	97.1%	99.4%
16	HORMONAL SUPPLEMENTATION	35,886	101.18	3,631,066	47.4%	67.6%
17	CONTRACEPTIVES	61,128	48.42	2,959,950	64.4%	81.1%
18	SKIN CONDITIONS	26,107	94.42	2,464,950	60.1%	87.4%
19	ANTICOAGULANT	15,393	155.65	2,395,990	87.7%	93.9%
20	ALLERGIES	60,666	35.17	2,133,713	83.6%	94.7%

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	VIRAL INFECTIONS	14,554	143.14	2,083,255	99.3%	99.2%
22	URINARY DISORDERS	34,798	52.99	1,843,814	66.1%	91.3%
23	HEPATITIS	529	3,077.72	1,628,113	99.7%	99.6%
24	ANXIETY	83,856	19.40	1,626,713	98.2%	99.8%
25	EYE CONDITIONS	13,437	116.08	1,559,724	66.7%	67.7%
26	PAIN/CRAMPS	40,112	38.37	1,539,208	88.0%	91.4%
27	GI DISORDERS	13,282	111.21	1,477,096	92.4%	97.0%
28	MIGRAINE HEADACHES	14,302	98.89	1,414,382	46.3%	77.8%
29	ENDOCRINE DISORDERS	4,794	292.20	1,400,817	88.6%	94.4%
30	THYROID DISORDERS	92,802	15.05	1,396,403	54.8%	77.8%
31	ACNE	8,723	154.72	1,349,636	56.8%	72.3%
32	GROWTH DEFICIENCY	324	4,014.34	1,300,645	11.3%	18.2%
33	COPD	4,713	274.39	1,293,195	97.6%	96.4%
34	TRANSPLANT	4,057	273.18	1,108,306	76.5%	86.0%
35	VITAMINS AND MINERALS	43,816	24.12	1,056,675	95.6%	98.5%
36	MISC CONDITIONS	8,016	129.33	1,036,697	98.6%	99.0%
37	ANTIDOTES/ADDICTION/CHEMICAL DEPENDENCE	6,036	159.27	961,349	98.2%	97.6%
38	SKIN INFECTIONS	18,526	51.42	952,563	86.5%	96.3%
39	GOUT	12,574	63.35	796,594	100.0%	100.0%
40	BLOOD CELL DEFICIENCY	282	2,808.64	792,036	98.3%	95.0%
	<u>All Other Indicators</u>	<u>271,304</u>	<u>37.12</u>	<u>10,069,682</u>	<u>70.1%</u>	<u>92.2%</u>
	Grand Total	2,832,977	\$72.09	\$204,222,967	81.5%	93.1%

**Drug Indicators by Highest Cost
Analysis of Formulary Distribution**

Rank	Indicator	<u>Formulary</u>			<u>Non-Formulary</u>		
		Scripts	Ingredient Cost	Cost Per Script	Scripts	Ingredient Cost	Cost Per Script
1	DIABETES	174,691	\$22,882,624	\$130.99	19,289	\$6,757,951	\$350.35
2	HIGH BLOOD CHOLESTEROL	183,897	15,871,282	86.31	10,932	2,566,088	234.73
3	ASTHMA	73,461	12,423,360	169.12	9,134	887,845	97.20
4	HIGH BLOOD PRESS/HEART DISEASE	407,929	9,991,197	24.49	19,147	3,105,964	162.22
5	DEPRESSION	182,746	9,714,674	53.16	11,028	1,730,924	156.96
6	INFLAMMATORY CONDITIONS	6,314	8,273,130	1,310.28	2,013	1,368,597	679.88
7	ULCER DISEASE	168,157	7,938,901	47.21	4,464	872,675	195.49
8	PAIN AND INFLAMMATION	248,735	6,599,876	26.53	6,272	1,430,157	228.02
9	INFECTIONS	243,316	6,017,210	24.73	2,919	925,069	316.91
10	MULTIPLE SCLEROSIS	1,785	6,010,345	3,367.14	226	800,452	3,541.82
11	MENTAL/NEURO DISORDERS	21,258	5,763,574	271.12	1,498	587,232	392.01
12	ATTENTION DISORDERS/WT LOSS	24,200	4,504,670	186.14	8,159	1,770,537	217.00
13	BLOOD MODIFYING	20,240	5,345,816	264.12	246	60,114	244.37
14	SEIZURES	74,520	3,013,410	40.44	6,677	1,927,495	288.68
15	CANCER	9,651	4,672,159	484.11	56	137,065	2,447.59
16	HORMONAL SUPPLEMENTATION	24,262	1,719,743	70.88	11,624	1,911,323	164.43
17	CONTRACEPTIVES	49,580	1,906,228	38.45	11,548	1,053,722	91.25
18	SKIN CONDITIONS	22,830	1,481,986	64.91	3,277	982,963	299.96
19	ANTICOAGULANT	14,461	2,102,118	145.36	932	293,872	315.31
20	ALLERGIES	57,450	1,783,676	31.05	3,216	350,037	108.84

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	VIRAL INFECTIONS	14,431	2,068,888	143.36	123	14,367	116.81
22	URINARY DISORDERS	31,761	1,218,765	38.37	3,037	625,050	205.81
23	HEPATITIS	527	1,623,196	3,080.07	2	4,917	2,458.56
24	ANXIETY	83,692	1,597,476	19.09	164	29,237	178.27
25	EYE CONDITIONS	9,097	1,040,932	114.43	4,340	518,793	119.54
26	PAIN/CRAMPS	36,649	1,353,745	36.94	3,463	185,463	53.56
27	GI DISORDERS	12,887	1,365,354	105.95	395	111,743	282.89
28	MIGRAINE HEADACHES	11,132	655,470	58.88	3,170	758,912	239.40
29	ENDOCRINE DISORDERS	4,524	1,241,336	274.39	270	159,481	590.67
30	THYROID DISORDERS	72,180	765,784	10.61	20,622	630,620	30.58
31	ACNE	6,304	766,331	121.56	2,419	583,305	241.13
32	GROWTH DEFICIENCY	59	147,390	2,498.14	265	1,153,254	4,351.90
33	COPD	4,541	1,262,702	278.07	172	30,493	177.28
34	TRANSPLANT	3,489	848,184	243.10	568	260,122	457.96
35	VITAMINS AND MINERALS	43,179	1,010,179	23.40	637	46,496	72.99
36	MISC CONDITIONS	7,937	1,022,335	128.81	79	14,362	181.80
37	ANTIDOTES/ADDICTION/CHEMICAL DEPENDENCE	5,891	943,716	160.20	145	17,634	121.61
38	SKIN INFECTIONS	17,839	824,301	46.21	687	128,263	186.70
39	GOUT	12,573	796,489	63.35	1	105	104.98
40	BLOOD CELL DEFICIENCY	268	778,278	2,904.02	14	13,758	982.72
	<u>All Other Indicators</u>	<u>250,177</u>	<u>7,055,847</u>	<u>28.20</u>	<u>21,127</u>	<u>3,013,835</u>	<u>142.65</u>
	Grand Total	2,638,620	\$166,402,677	\$63.06	194,357	\$37,820,290	\$194.59

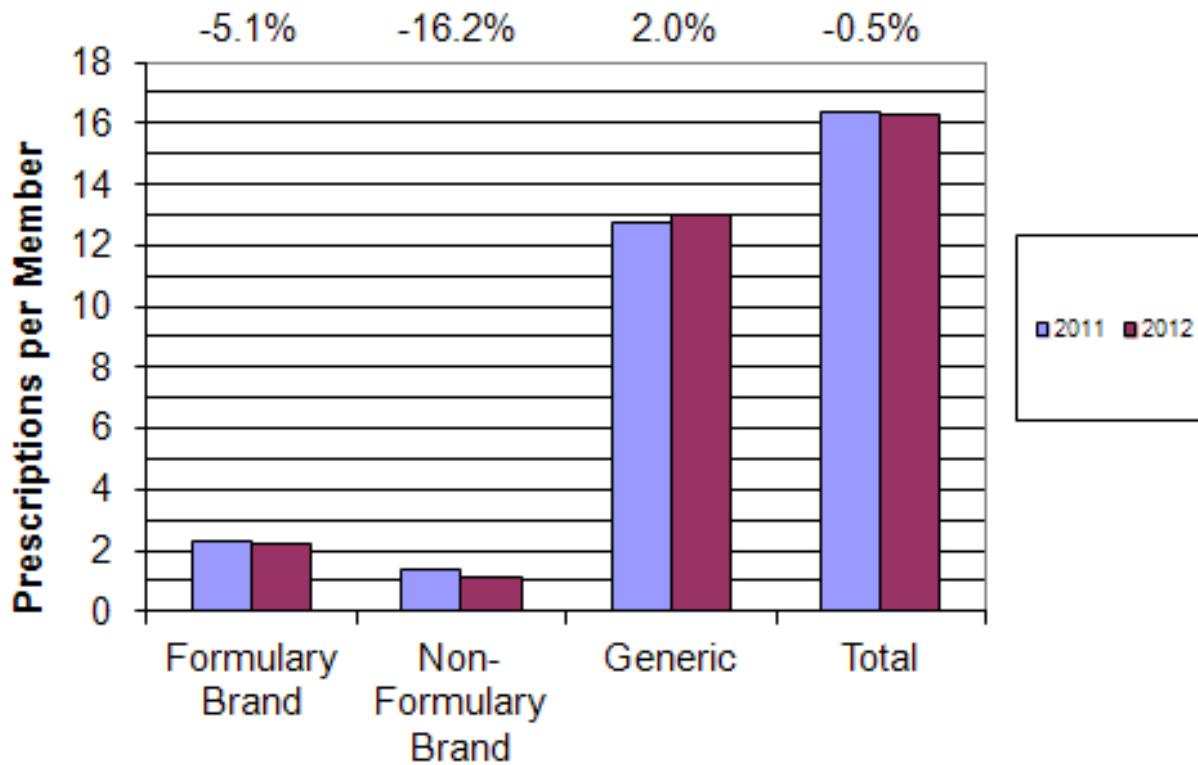
Drug Indicators by Highest Script Increase

Rank	Indicator	Formulary Cost Per Script	Non-Formulary Cost Per Script	Increase/ Decrease
9	INFECTIONS	24.73	316.91	1181%
24	ANXIETY	19.09	178.27	834%
8	PAIN AND INFLAMMATION	26.53	228.02	759%
14	SEIZURES	40.44	288.68	614%
4	HIGH BLOOD PRESS/HEART DISEASE	24.49	162.22	562%
22	URINARY DISORDERS	38.37	205.81	436%
15	CANCER	484.11	2,447.59	406%
18	SKIN CONDITIONS	64.91	299.96	362%
7	ULCER DISEASE	47.21	195.49	314%
28	MIGRAINE HEADACHES	58.88	239.40	307%
38	SKIN INFECTIONS	46.21	186.70	304%
20	ALLERGIES	31.05	108.84	251%
35	VITAMINS AND MINERALS	23.40	72.99	212%
5	DEPRESSION	53.16	156.96	195%
30	THYROID DISORDERS	10.61	30.58	188%
2	HIGH BLOOD CHOLESTEROL	\$86.31	\$234.73	172%
1	DIABETES	130.99	350.35	167%
27	GI DISORDERS	105.95	282.89	167%
17	CONTRACEPTIVES	38.45	91.25	137%
16	HORMONAL SUPPLEMENTATION	70.88	164.43	132%

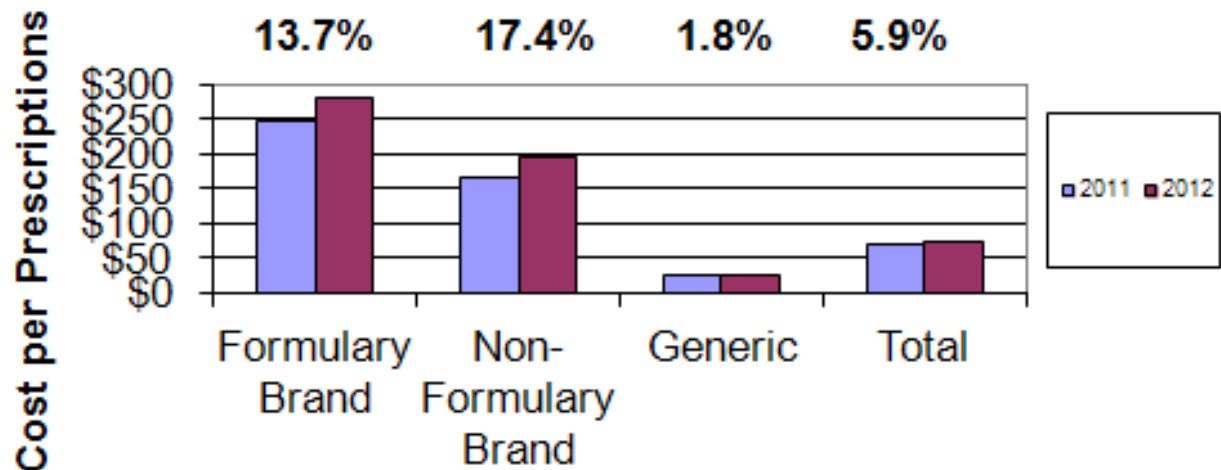
Drug Indicators by Highest Script Increase (continued)

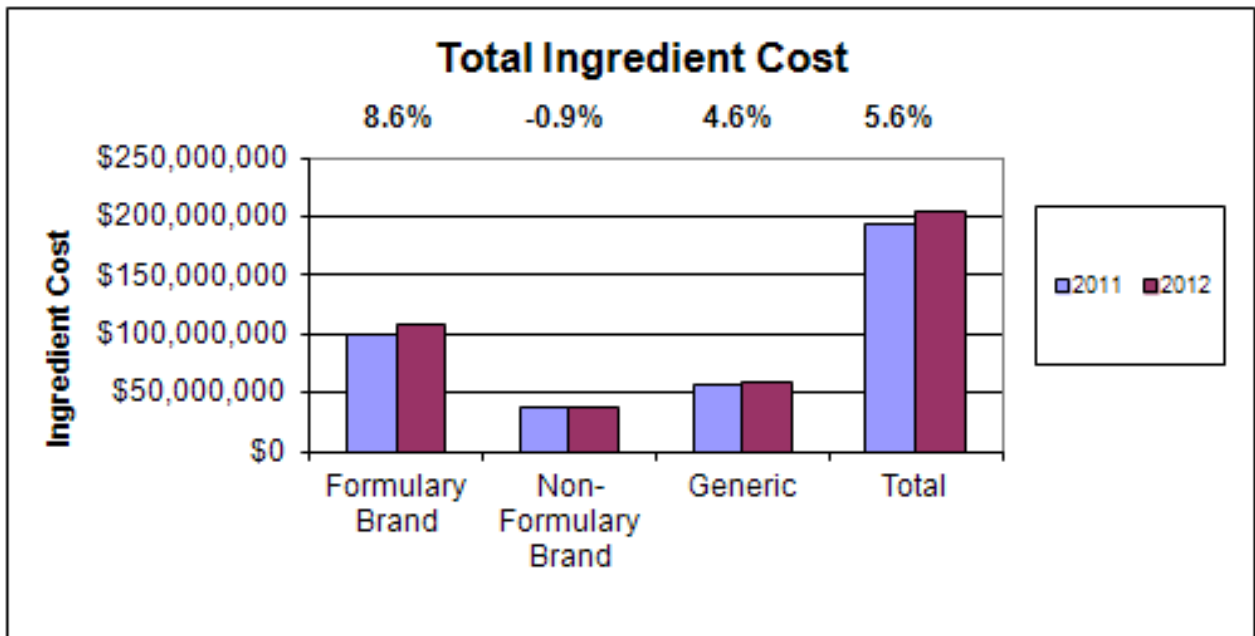
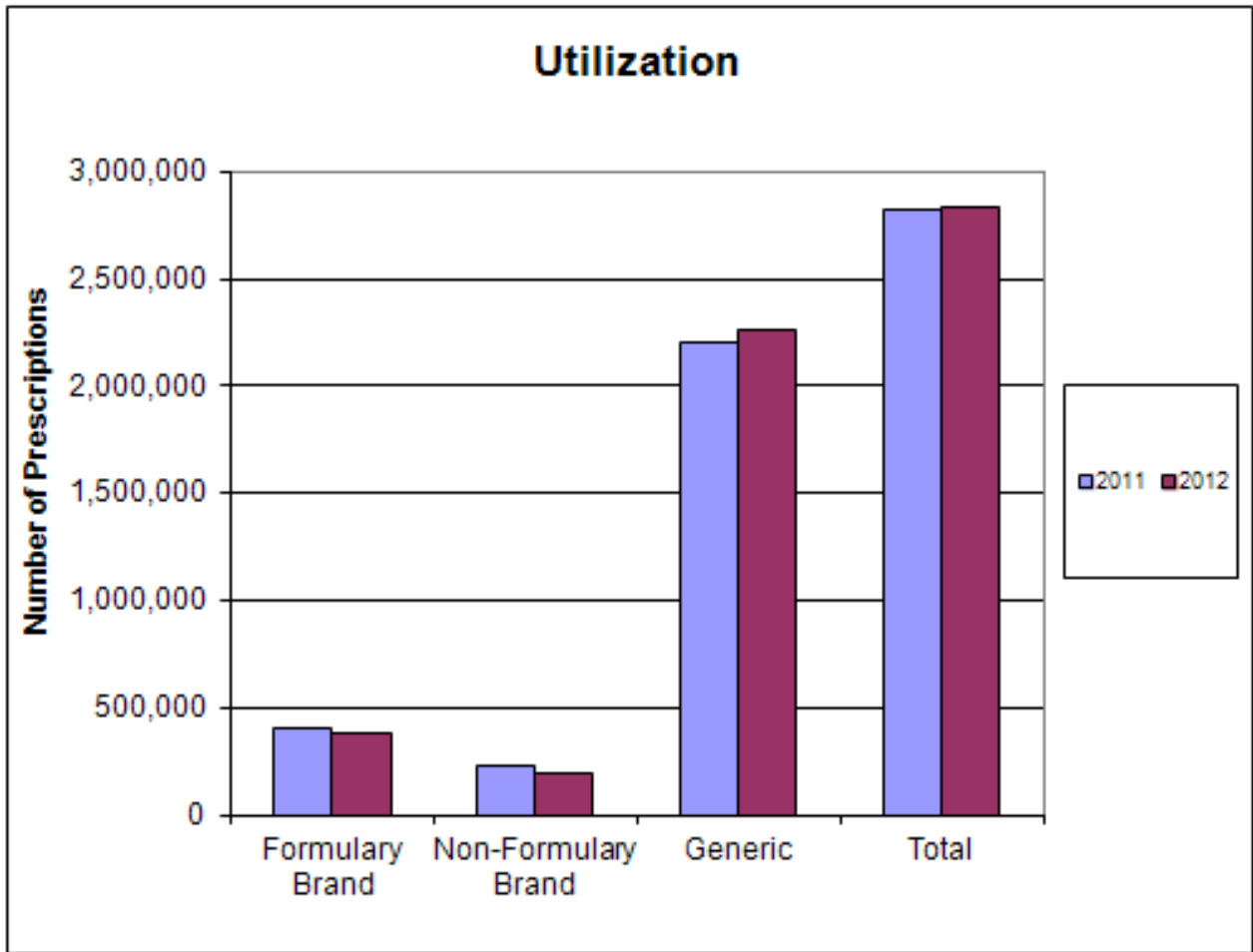
Rank	Indicator	Formulary Cost Per Script	Non-Formulary Cost Per Script	Increase/ Decrease
19	ANTICOAGULANT	145.36	315.31	117%
29	ENDOCRINE DISORDERS	274.39	590.67	115%
31	ACNE	121.56	241.13	98%
34	TRANSPLANT	243.10	457.96	88%
32	GROWTH DEFICIENCY	2,498.14	4,351.90	74%
39	GOUT	63.35	104.98	66%
26	PAIN/CRAMPS	36.94	53.56	45%
11	MENTAL/NEURO DISORDERS	271.12	392.01	45%
36	MISC CONDITIONS	128.81	181.80	41%
12	ATTENTION DISORDERS/WT LOSS	186.14	217.00	17%
10	MULTIPLE SCLEROSIS	3,367.14	3,541.82	5%
25	EYE CONDITIONS	114.43	119.54	4%
13	BLOOD MODIFYING	264.12	244.37	-7%
21	VIRAL INFECTIONS	143.36	116.81	-19%
23	HEPATITIS	3,080.07	2,458.56	-20%
37	ANTIDOTES/ADDICTION/CHEMICAL DEPENDENCE	160.20	121.61	-24%
33	COPD	278.07	177.28	-36%
3	ASTHMA	169.12	97.20	-43%
6	INFLAMMATORY CONDITIONS	1,310.28	679.88	-48%
40	BLOOD CELL DEFICIENCY	2,904.02	982.72	-66%
	<u>All Other Indicators</u>	<u>28.20</u>	<u>142.65</u>	<u>406%</u>
	Grand Total	\$59.79	\$165.69	177%

Number of Prescriptions per Member



Ingredient Cost per Prescription





DIABETES

In FY 2012, this indicator category was first in cost to PEIA with expenditure of \$29,640,575, which accounted for 14.5% of total expenditures. Formulary expenditures were \$22,882,624 or 77.2% of Diabetes expenditures. Total expenditures had a 12.7% trend from 2011 to 2012.

Total expenditures have increased from \$14,161,011 in 2007 to \$29,640,575 in 2012, which results in a yearly trend of 15.9%. While the cost per Generic script has decreased by 4.2% per year since 2007, the cost per Formulary Brand and Non-Formulary Brand scripts has increased by 9.9% and 14.3% per year, respectively. The Formulary Brand cost trend, coupled with an increase in utilization of Formulary Brand scripts of 2.6% per year, accounts for most of the high trend in Diabetes drug costs.

Drug	Current Formulary	Current Brand/	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
	Status	Generic	2011	2012	Growth	2011	2012	Growth	2011	2012	Growth
ACTOS	Y	SSB	12,664	8,820	-30.4%	\$346.22	\$409.74	18.3%	\$4,384,499	\$3,613,945	-17.6%
JANUVIA	Y	SSB	8,545	8,882	3.9%	307.21	340.96	11.0%	2,625,111	3,028,426	15.4%
CONTOUR	Y	SSB	18,502	19,032	2.9%	137.30	139.96	1.9%	2,540,285	2,663,712	4.9%
NOVOLOG	Y	SSB	5,117	6,006	17.4%	375.63	421.30	12.2%	1,922,096	2,530,342	31.6%
LANTUS SOLOSTAR	N	SSB	4,282	5,787	35.1%	315.32	345.67	9.6%	1,350,189	2,000,366	48.2%
<u>Subtotals</u>											
Generic	Y	GEN	76,615	78,299	2.2%	\$22.24	\$20.90	-6.0%	\$1,704,007	1,636,334	-4.0%
Formulary Brand	Y	Brand	98,457	96,392	-2.1%	201.95	220.42	9.1%	19,883,231	21,246,289	6.9%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>15,817</u>	<u>19,289</u>	<u>22.0%</u>	<u>297.67</u>	<u>350.35</u>	<u>17.7%</u>	<u>4,708,249</u>	<u>6,757,951</u>	<u>43.5%</u>
Total			190,889	193,980	1.6%	\$137.75	\$152.80	10.9%	\$26,295,487	\$29,640,575	12.7%
Trends Adjusted for Exposure					1.6%			10.9%			12.7%

HIGH BLOOD CHOLESTEROL

In FY 2012, this indicator category was second in cost to PEIA with expenditure of \$18,437,370, which accounted for 9.0% of total expenditures. Formulary expenditures were \$15,871,282 or 86.1% of High Blood Cholesterol expenditures. Total ingredient cost had a 2.1% trend.

This category has had a significant decrease in the utilization of formulary brand drugs and non-formulary brand drugs, and an increase in generics. The decrease in brand utilization and increase in generic utilization contributed to the low overall trend of 2.1%. Future spending growth should be kept at a minimum, with Crestor set to lose its patent protection in 2012.

Drug	Current Formulary	Current Brand/	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
	Status	Generic	2011	2012	Growth	2011	2012	Growth	2011	2012	Growth
CRESTOR	Y	SSB	31,100	32,078	3.1%	\$204.45	\$223.29	9.2%	\$6,358,273	\$7,162,791	12.7%
ZETIA	Y	SSB	8,910	8,538	-4.2%	186.03	208.39	12.0%	\$1,657,564	1,779,217	7.3%
NIASPAN	Y	SSB	7,114	6,305	-11.4%	211.49	237.97	12.5%	\$1,504,541	1,500,422	-0.3%
LOVAZA	Y	SSB	8,350	5,821	-30.3%	210.31	238.63	13.5%	\$1,756,121	1,389,090	-20.9%
SIMVASTATIN	Y	GEN	83,284	73,764	-11.4%	22.91	17.56	-23.4%	\$1,908,445	1,294,951	-32.1%
<u>Subtotals</u>											
Generic	Y	GEN	128,059	131,155	2.4%	\$28.64	\$30.80	7.5%	\$3,667,772	\$4,039,761	10.1%
Formulary Brand	Y	Brand	55,474	52,742	-4.9%	203.28	224.33	10.4%	11,276,499	11,831,520	4.9%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>15,364</u>	<u>10,932</u>	<u>-28.8%</u>	<u>202.99</u>	<u>234.73</u>	<u>15.6%</u>	<u>3,118,721</u>	<u>2,566,088</u>	<u>-17.7%</u>
Total			198,897	194,829	-2.0%	\$90.82	\$94.63	4.2%	\$18,062,992	\$18,437,370	2.1%
Trends Adjusted for Exposure					-2.1%			4.2%			2.1%

ASTHMA

In FY 2012, this indicator category was third in cost to PEIA with expenditure of \$13,311,206, which accounted for 6.5% of total expenditures. Formulary expenditures were \$12,423,360 or 93.3% of Asthma expenditures. Total expenditures had a 15.5% trend.

For this category, both utilization and unit cost trends contributed to the indicator's overall trend. Utilization are driven by Formulary Brand Drugs, while unit cost has increased the most for Non-Formulary drugs.

Drug	Current Formulary	Current Brand/	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
	Status	Generic	2011	2012	Growth	2011	2012	Growth	2011	2012	Growth
SINGULAIR	Y	SSB	27,846	28,944	3.9%	\$174.26	\$206.72	18.6%	\$4,852,380	\$5,983,415	23.3%
ADVAIR DISKUS	Y	SSB	11,314	10,559	-6.7%	271.06	293.82	8.4%	3,066,794	3,102,489	1.2%
PROAIR HFA ¹	Y	SSB	15,062	17,216	14.3%	44.54	47.53	6.7%	670,847	818,359	22.0%
SYMBICORT	Y	SSB	2,891	3,233	11.8%	225.33	243.02	7.9%	651,418	785,691	20.6%
COMBIVENT	Y	SSB	1,801	1,649	-8.4%	208.04	262.94	26.4%	374,684	433,588	15.7%
<u>Subtotals</u>											
Generic	Y	GEN	8,592	8,535	-0.7%	\$63.23	\$69.84	10.4%	\$543,300	\$596,093	9.7%
Formulary Brand	Y	Brand	61,777	64,926	5.1%	164.42	182.17	10.8%	10,157,263	11,827,268	16.4%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>9,879</u>	<u>9,134</u>	<u>-7.5%</u>	<u>82.80</u>	<u>97.20</u>	<u>17.4%</u>	<u>817,985</u>	<u>887,845</u>	<u>8.5%</u>
Total			80,248	82,595	2.9%	\$143.54	\$161.16	12.3%	\$11,518,547	\$13,311,206	15.6%
Trends Adjusted for Exposure					2.9%				12.3%	15.5%	

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

HIGH BLOOD PRESS/HEART DISEASE

In FY 2012, this indicator category was fourth in cost to PEIA with expenditure of \$13,097,161, which accounted for 6.4% of total expenditures. Formulary expenditures were \$9,991,197 or 76.3% of High Blood Pressure/Heart Disease expenditures. Total expenditures had a -8.9% trend.

This category has had a significant decrease in the utilization of formulary drugs, and an increase in generics. Utilization factored heavily in the favorable trend. This is a category we would expect to not be in the top 5 indicators in 2013/2014, due to scheduled patent expirations of Diovan in 2012.

Drug	Current Formulary	Current Brand/	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
	Status	Generic	2011	2012	Growth	2011	2012	Growth	2011	2012	Growth
DIOVAN	Y	SSB	9,952	9,692	-2.6%	\$151.87	\$177.39	16.8%	\$1,511,457	\$1,719,262	13.7%
METOPROLOL SUCCINATE	Y	GEN	31,538	33,566	6.4%	51.50	46.82	-9.1%	1,624,336	1,571,420	-3.3%
LISINOPRIL	Y	GEN	75,353	75,882	0.7%	13.42	11.87	-11.5%	1,011,353	900,988	-10.9%
AMLODIPINE BESYLATE- BENZAEPRI	Y	GEN	8,139	8,104	-0.4%	101.60	98.16	-3.4%	826,949	795,463	-3.8%
DIOVAN HCT	N	SSB	5,483	3,487	-36.4%	165.41	203.33	22.9%	906,919	709,010	-21.8%
<u>Subtotals</u>											
Generic	Y	GEN	389,317	395,844	1.7%	\$21.59	\$19.68	-8.9%	\$8,405,574	\$7,789,614	-7.3%
Formulary Brand	Y	Brand	16,876	12,085	-28.4%	148.73	182.17	22.5%	\$2,510,042	2,201,582	-12.3%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	23,744	<u>19,147</u>	<u>-19.4%</u>	<u>145.71</u>	<u>162.22</u>	<u>11.3%</u>	<u>\$3,459,642</u>	<u>3,105,964</u>	<u>-10.2%</u>
Total			429,937	427,076	-0.7%	\$33.44	\$30.67	-8.3%	\$14,375,258	\$13,097,161	-8.9%
Trends Adjusted for Exposure					-0.7%			-8.3%			-8.9%

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

DEPRESSION

In FY 2012, this indicator category was fifth in cost to PEIA with expenditure of \$11,445,597, which accounted for 5.6% of total expenditures. Formulary expenditures were \$9,714,674 or 84.9% of Depression expenditures. Total expenditures had a -13.0% trend.

For this category, unit cost was favorably down at -11.6% which was compounded by an overall -1.6% utilization trend. The increase in Generic drug utilization is a primary driver of the favorable trend.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2011	2012	Growth	2011	2012	Growth	2011	2012	Growth
CYMBALTA	Y	SSB	21,161	22,676	7.2%	\$189.64	\$226.96	19.7%	\$4,013,013	\$5,146,612	28.2%
LEXAPRO ¹	N	SSB	9,399	5,730	-39.0%	129.42	150.29	16.1%	1,216,391	861,167	-29.2%
VENLAFAXINE HCL ER ¹	Y	GEN	15,383	17,867	16.1%	166.51	42.99	-74.2%	2,561,427	768,165	-70.0%
BUPROPION XL	Y	GEN	9,005	11,445	27.1%	85.70	65.43	-23.7%	771,718	748,791	-3.0%
SERTRALINE HCL	Y	GEN	30,787	32,010	4.0%	29.31	23.23	-20.7%	902,267	743,600	-17.6%
<u>Subtotals</u>											
Generic	Y	GEN	94,846	160,070	68.8%	\$73.71	\$28.54	-61.3%	\$6,991,401	\$4,568,062	-34.7%
Formulary Brand	Y	Brand	16,498	22,676	37.4%	35.10	226.96	546.7%	579,031	5,146,612	788.8%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>85,510</u>	<u>11,028</u>	<u>-87.1%</u>	<u>65.33</u>	<u>156.96</u>	<u>140.3%</u>	<u>5,585,948</u>	<u>1,730,924</u>	<u>-69.0%</u>
Total			196,854	193,774	-1.6%	\$66.83	\$59.07	-11.6%	\$13,156,379	\$11,445,597	-13.0%
Trends Adjusted for Exposure					-1.6%			-11.6%			-13.0%

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