



CCRC
Actuaries, LLC

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

Fiscal Year 2011

Detailed Medical and Prescription Drug Claim Trend Report

September 2011

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West Virginia Public Employees Insurance Agency Report of Independent Actuary

Fiscal Year 2011 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, 2011 on a quarterly basis and the forecasting of Fiscal Years 2012 through 2016. This annual trend report to the Finance Board serves as the basis for projecting medical and drug claims through Fiscal Year 2011 and beyond. This report is intended for the sole use of the Finance Board, and any other use requires written approval by CCRC Actuaries.

CCRC Actuaries has collected and reviewed the medical and drug claims experience using Non-Medicare claims incurred and paid through August 2011. It should be noted that effective July 1, 2007, PEIA has contracted with Coventry Health Care, Inc. to provide Medicare Advantage/Prescription Drug (MAPD) Benefits to Medicare-eligible retired employees and dependents. Under this arrangement, Coventry Health Care, Inc. has assumed the financial risk of providing comprehensive medical and prescription drug coverage with limited copayments. Coventry health Care, Inc. was subsequently replaced by Humana Health Care. CCRC Actuaries has not reviewed the Medicare claims experience in this report due to the lack of credibility of Medicare claims where the State is secondary.

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

Trends were developed by category for the 24-month, 36-month and the 48-month credible periods ending June 2011. Our analysis for medical claims do not include incurred claims for the months after June 2011, since the claim experience for these months is largely non-credible with substantial reserves as part of the projected monthly incurred amount. The claim information supplied by Wells Fargo for the purposes of this analysis was compared to PEIA’s general ledger system to ensure accuracy of aggregate reporting. In an effort to assure accuracy, the claim information provided by Wells Fargo and used in this analysis was reconciled and balanced to the PEIA general ledger amounts.

KEY FINDINGS

- The three methodologies resulted in 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 4.4% last year to 7.8% in Fiscal Year 2011 using a 24-month study period. Using the 24-month analysis, PEIA experienced a 4.2% utilization increase and a 3.5% unit cost increase, resulting in an aggregate trend of 7.8%. 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 in Fiscal Years 2002.

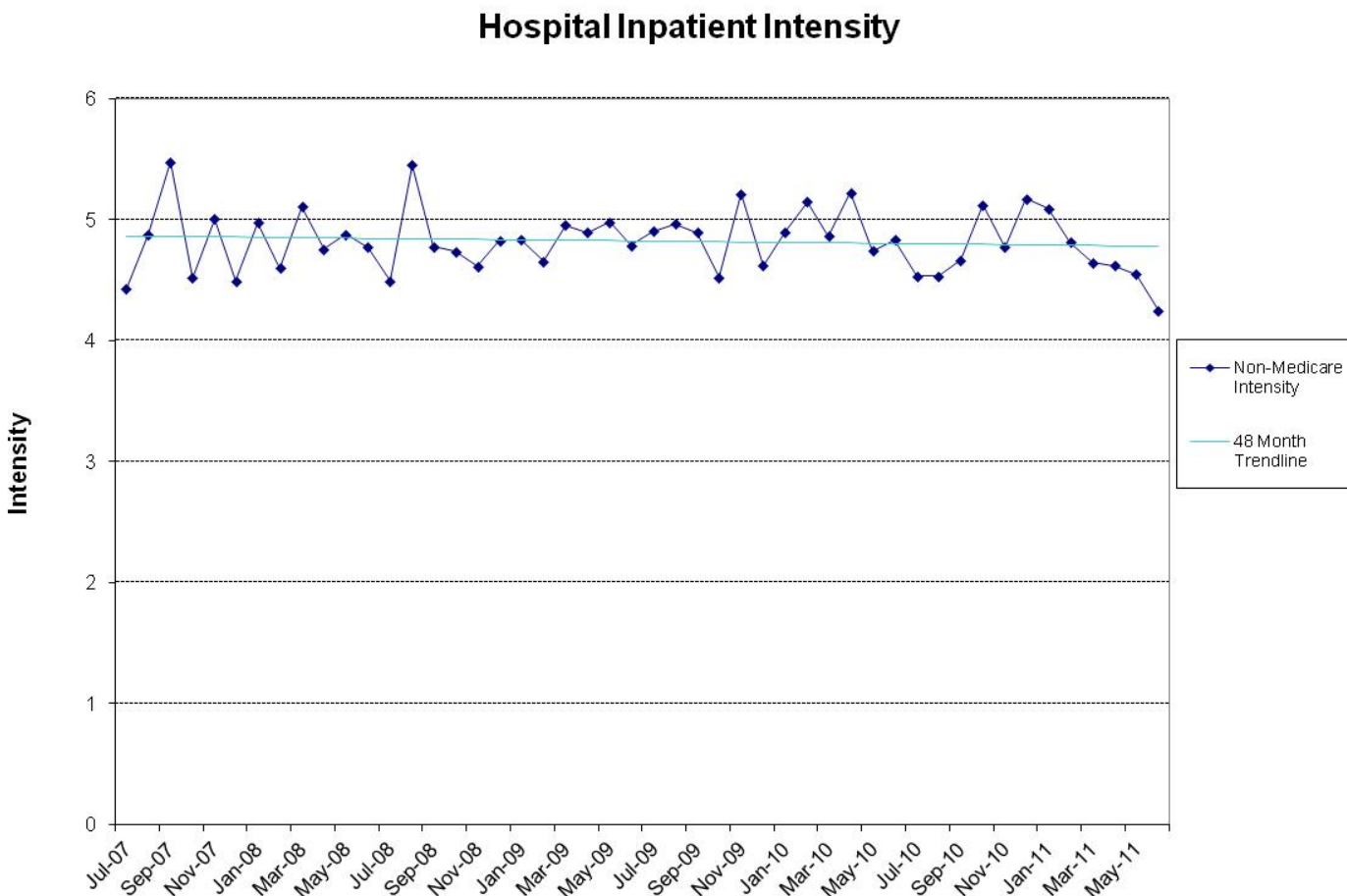
West Virginia PEIA Non-Medicare Total 24-Month Trend Analysis			
	<u>Utilization</u>	<u>Cost/Service</u>	<u>Total Trend</u>
2002	4.1%	3.6%	7.8%
2003	9.8%	-3.0%	6.5%
2004	11.7%	-6.8%	4.0%
2005	2.8%	-1.1%	1.7%
2006	2.9%	1.0%	4.0%
2007	7.2%	-2.0%	5.1%
2008	2.9%	3.9%	6.9%
2009	2.5%	2.6%	5.1%
2010	2.5%	1.8%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

- Fiscal Year 2011 PEIA and Retiree Health Benefit Trust Fund (RHBT) detail trends are shown in the following table:

Fiscal Year 2011 Claim Type	Medical	Drugs
PEIA – Active Local	7.7%	14.4%
<u>PEIA – State</u>	<u>7.8%</u>	<u>14.2%</u>
PEIA – Total	7.8%	14.2%
RHBT – Non-Medicare	9.8%	15.8%
Grand Total	8.1%	14.4%

- Hospital Inpatient services represent approximately 20% of all medical services and experienced the second largest of the broader claim categories increase with a total trend of 12.4%. This increase was caused by a 6.9% increase in utilization and a 5.2% increase in unit cost.
- Hospital Outpatient services represent approximately 31% of all medical services and experienced the third largest of the broader claim categories increase with a total trend of 9.3%. This increase was caused by a 2.5% increase in utilization and a 6.6% increase in unit cost.
- Physician services represent approximately 46% of all medical services and experienced the lowest increase of the broader claim categories with a trend of 4.3%. This increase was a result of a 3.6% increase in utilization of these services and a 0.7% 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 14.4%. This increase was caused by a 10.8% increase in utilization of these services and a 3.2% reduction in unit cost.
- Overall, Out-of-State services show higher trends for Non-Medicare coverages in the 24-month analysis, with higher utilization and cost per service increases for services provided out of state. A comparison of Non-Medicare medical trends for In-State claims versus Out-of-State claims over the 24-month period analysis reveals an aggregate In-State trend of 6.6% and an Out-of-State trend of 11.2%. For Out-of-State, both the utilization and the cost per service increases have been higher. For Out-of-State, the utilization trend for Non-Medicare was 4.1%, while the In-State trend was 3.8%. For Out-of-State, the cost per service trend for Non-Medicare was 6.9%, while the In-State trend was 2.6%. 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 -0.4%, compared to -2.0% 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	9.9%	5.8%	4.1%
Intensity	-3.1%	-1.0%	-0.4%
<u>Cost/Day</u>	<u>8.6%</u>	<u>6.9%</u>	<u>5.0%</u>
Total	15.7%	11.9%	8.8%

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 3.0% utilization increase and a 10.8% prescription cost increase, resulting in an aggregate trend of 14.2%. 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 2011	3.0%	10.8%	14.2%

METHODOLOGY

Wells Fargo provided allowed and paid claim information for Non-Medicare and Medicare eligibility from July 2001 through August 2011. This data set was analyzed on Non-Medicare claims that were incurred from July 2007 through June 2011 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 Wells Fargo. Wells Fargo provides the information based on the location that the service was performed, rather than the billing location of the provider. CCRC Actuaries verified that the Wells Fargo information balanced in total to previously produced claim lag reports that PEIA personnel have balanced to the PEIA ledger accounts.

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

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

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

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

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

<u>Non-Medicare Claims</u>	<u>12 months ending June 2008</u>	<u>12 months ending June 2009</u>	<u>12 months ending June 2010</u>	<u>12 months ending June 2011</u>
Hospital Inpatient	\$84,626,344	\$88,054,459	\$93,268,396	\$99,464,525
Hospital Outpatient	118,241,447	130,239,615	140,852,240	150,473,639
Physician Services	196,672,711	206,060,292	210,287,797	217,478,256
<u>Other Services</u>	<u>10,291,937</u>	<u>11,506,404</u>	<u>13,009,101</u>	<u>13,643,661</u>
Total	\$409,832,438	\$435,860,770	\$457,417,535	\$481,060,080

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

<u>Non-Medicare Claims</u>	<u>July 2007 to June 2008</u>	<u>July 2008 to June 2009</u>	<u>July 2009 to June 2010</u>	<u>July 2010 to June 2011</u>
HI Maternity	\$2,329,020	\$2,351,032	\$2,540,974	\$2,740,716
HI Medical/Surgical	80,277,104	82,891,224	87,810,328	93,323,615
HI Psychiatric/Substance Abuse	2,020,219	2,812,203	2,917,094	3,400,194
HO Emergency Room	17,351,730	19,936,563	21,317,955	22,278,638
HO Medical/Surgical	53,992,506	60,665,705	68,447,036	73,933,856
HO Other Services	46,073,328	48,607,220	49,950,267	52,939,566
HO Psychiatric/Substance Abuse	823,883	1,030,127	1,136,983	1,321,578
PS Anesthesia	9,547,584	9,838,698	10,094,514	10,800,489
PS Chemotherapy/Radiation	5,137,849	5,087,521	4,161,855	3,662,892
PS Emergency Room	4,662,845	4,949,969	5,404,477	5,372,953
PS Immunizations/Allergy	5,317,366	5,479,113	5,482,082	5,876,385
PS Inpatient Surgery	10,584,414	10,017,646	9,826,276	9,329,576
PS Inpatient Visits	5,550,123	5,515,467	6,216,092	7,174,690
PS Lab & Pathology	13,225,595	14,424,611	15,344,361	16,377,004
PS Maternity	3,170,125	3,022,115	2,972,009	3,180,552
PS Office Visits	57,260,761	60,696,300	63,446,417	67,124,386
PS Other Services	33,174,507	36,274,205	37,892,903	39,779,234
PS Outpatient Surgery	15,260,421	16,026,762	16,618,420	17,130,654
PS Psychiatric/Substance Abuse	7,140,352	7,624,680	8,345,417	8,822,403
PS Radiology	21,192,923	21,030,510	17,963,970	15,597,052
PS Therapy/Rehab	5,447,847	6,072,693	6,519,003	7,249,985
O Ambulance	2,439,956	2,680,561	3,541,137	3,338,100
O Durable Medical Equipment	5,520,820	6,270,702	6,822,445	6,858,752
O Other Services	2,331,160	2,555,141	2,645,519	3,446,808

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 2008 through 2011 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	8.2%	7.8%
36-Month Trend	5.2%	5.2%
48-Month Trend	4.6%	4.6%

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 higher than the current trend assumption for FY 2012 of 5.5%. Consequently, at this time we believe it is prudent and appropriate to increase the FY 2012 trend assumptions for Non-Medicare medical to 6.5%.

Recent experience has shown that Non-Medicare drug claim trends are higher than the current trend assumption of 9.0%. At this time we believe it is prudent and appropriate to increase the current trend assumptions for Non-Medicare drug to 10.0%.

Both changes are shown in the following chart.

	<i>Fiscal Year 2012 Trends</i>		
Claim Type	Previous Assumption	Updated Assumption	Change
Non-Medicare – Medical	5.5%	6.5%	+1.0%
Non-Medicare – Prescription Drugs	9.0%	10.0%	+1.0%

In the past, claim trends for the financial plan included a 0.5% margin in future years. We have assumed that trends will remain the same for the medical and prescription drugs at 6.5% and 10%, respectively, in FY 2013. 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,

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Managing Partner

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Senior Actuarial Consultant

West Virginia PEIA Non-Medicare Total Study Period of July 2007 to June 2011

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	8.4%	3.3%	11.9%	0.6%	6.1%	1.8%	7.9%	0.6%	3.3%	2.1%	5.5%	0.6%
Medical / Surgical	6.5%	4.8%	11.7%	19.3%	2.3%	6.0%	8.4%	19.2%	1.0%	4.7%	5.8%	19.3%
Psychiatric / Substance Abuse	16.5%	16.6%	35.8%	0.7%	10.5%	3.4%	14.3%	0.7%	8.9%	7.7%	17.3%	0.6%
TOTAL	6.9%	5.2%	12.4%	20.5%	2.6%	5.8%	8.6%	20.4%	1.3%	4.7%	6.1%	20.5%
HOSPITAL OUTPATIENT												
Emergency Room	-0.3%	3.8%	3.5%	4.6%	0.9%	3.1%	4.1%	4.6%	0.6%	5.8%	6.4%	4.5%
Medical / Surgical	3.0%	9.0%	12.2%	15.2%	3.4%	7.1%	10.8%	14.8%	3.6%	6.4%	10.3%	14.4%
Other Services	3.0%	4.8%	7.9%	11.0%	1.9%	1.9%	3.8%	11.0%	1.3%	2.1%	3.4%	11.1%
Psychiatric / Substance Abuse	13.1%	-2.7%	10.0%	0.3%	5.0%	5.2%	10.5%	0.3%	4.1%	9.1%	13.7%	0.2%
TOTAL	2.5%	6.6%	9.3%	31.0%	2.5%	4.6%	7.2%	30.7%	2.3%	4.7%	7.2%	30.3%
PHYSICIAN SERVICES												
Anesthesia	15.1%	-3.9%	10.6%	2.2%	9.8%	-4.1%	5.2%	2.2%	7.5%	-3.7%	3.5%	2.3%
Chemotherapy / Radiation	-2.7%	-9.3%	-11.7%	0.8%	-11.6%	-4.7%	-15.7%	0.9%	-12.5%	-0.8%	-13.2%	1.0%
Emergency Room	-1.2%	-0.6%	-1.8%	1.1%	1.0%	1.6%	2.6%	1.1%	0.7%	2.7%	3.4%	1.1%
Immunizations / Injections / Allergy	-19.0%	16.0%	-6.0%	1.2%	-7.6%	4.7%	-3.3%	1.2%	-2.1%	0.2%	-1.9%	1.2%
Inpatient Surgery	-8.5%	9.3%	0.1%	2.0%	-5.0%	2.7%	-2.5%	2.1%	-4.4%	0.3%	-4.1%	2.2%
Inpatient Visits	11.8%	3.9%	16.2%	1.4%	10.9%	1.3%	12.3%	1.4%	7.3%	0.8%	8.1%	1.4%
Lab & Pathology	8.2%	-0.4%	7.8%	3.4%	6.2%	-0.1%	6.1%	3.4%	5.2%	0.8%	6.0%	3.3%
Maternity	2.6%	5.2%	7.9%	0.7%	2.2%	-1.6%	0.6%	0.7%	1.1%	-2.6%	-1.6%	0.7%
Office Visits	4.6%	1.7%	6.4%	13.9%	2.7%	1.6%	4.3%	13.9%	2.2%	1.7%	4.0%	13.9%
Other Services	5.5%	0.0%	5.5%	8.3%	2.3%	1.0%	3.3%	8.3%	1.9%	2.4%	4.3%	8.2%
Outpatient Surgery	1.8%	4.7%	6.6%	3.6%	0.5%	3.1%	3.7%	3.6%	1.5%	1.5%	3.0%	3.6%
Psychiatric / Substance Abuse	7.1%	-2.3%	4.6%	1.8%	5.7%	-0.1%	5.6%	1.8%	5.0%	0.4%	5.5%	1.8%
Radiology	-4.9%	-9.7%	-14.2%	3.6%	-3.6%	-12.0%	-15.2%	4.0%	-1.9%	-9.6%	-11.3%	4.2%
Therapies	11.1%	1.0%	12.3%	1.5%	6.7%	2.2%	9.0%	1.4%	5.9%	2.3%	8.4%	1.4%
TOTAL	3.6%	0.7%	4.3%	45.6%	2.0%	-0.1%	2.0%	46.1%	1.8%	0.2%	1.9%	46.5%
OTHER												
Ambulance	-4.5%	2.3%	-2.3%	0.7%	1.1%	9.3%	10.5%	0.7%	0.4%	11.2%	11.7%	0.7%
Appliances (DME)	14.6%	-2.6%	11.6%	1.5%	10.9%	-1.7%	9.0%	1.5%	10.1%	-0.8%	9.2%	1.4%
Other Services	19.6%	17.5%	40.5%	0.6%	9.4%	10.6%	21.1%	0.6%	7.1%	7.8%	15.5%	0.6%
TOTAL	10.8%	3.2%	14.4%	2.8%	8.1%	3.8%	12.3%	2.8%	7.0%	4.1%	11.4%	2.7%
GRAND TOTAL	4.2%	3.5%	7.8%	100.0%	2.5%	2.7%	5.2%	100.0%	2.0%	2.6%	4.6%	100.0%

West Virginia PEIA Non-Medicare Total Study Period of July 2009 to June 2011

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	9.4%	0.2%	9.7%	-0.6%	15.3%	14.6%	8.4%	3.3%	11.9%	0.5%	0.7%	0.6%
Medical / Surgical	6.9%	4.3%	11.4%	4.3%	7.7%	12.3%	6.5%	4.8%	11.7%	12.9%	35.2%	19.3%
Psychiatric / Substance Abuse	19.2%	3.2%	23.0%	12.7%	113.2%	140.3%	16.5%	16.6%	35.8%	0.6%	0.6%	0.7%
TOTAL	7.5%	4.1%	11.9%	4.4%	9.7%	14.5%	6.9%	5.2%	12.4%	14.0%	36.5%	20.5%
HOSPITAL OUTPATIENT												
Emergency Room	-0.1%	2.3%	2.2%	-2.7%	11.1%	8.1%	-0.3%	3.8%	3.5%	5.1%	3.3%	4.6%
Medical / Surgical	2.4%	10.5%	13.1%	6.4%	2.9%	9.4%	3.0%	9.0%	12.2%	14.8%	15.1%	15.2%
Other Services	3.6%	3.3%	7.0%	-5.0%	15.3%	9.5%	3.0%	4.8%	7.9%	11.4%	9.9%	11.0%
Psychiatric / Substance Abuse	2.0%	-4.6%	-2.7%	40.1%	-29.5%	-1.3%	13.1%	-2.7%	10.0%	0.2%	0.5%	0.3%
TOTAL	2.4%	6.4%	9.0%	2.0%	7.5%	9.7%	2.5%	6.6%	9.3%	31.6%	28.9%	31.0%
PHYSICIAN SERVICES												
Anesthesia	14.3%	-4.0%	9.8%	21.2%	-7.7%	11.9%	15.1%	-3.9%	10.6%	2.4%	1.7%	2.2%
Chemotherapy / Radiation	-1.6%	-15.1%	-16.4%	-8.1%	6.0%	-2.6%	-2.7%	-9.3%	-11.7%	0.9%	0.9%	0.8%
Emergency Room	-0.8%	-1.8%	-2.6%	-6.6%	10.2%	2.9%	-1.2%	-0.6%	-1.8%	1.4%	0.6%	1.1%
Immunizations / Injections / Allergy	-19.0%	16.1%	-6.0%	-18.5%	16.9%	-4.7%	-19.0%	16.0%	-6.0%	1.5%	0.4%	1.2%
Inpatient Surgery	-8.9%	13.3%	3.2%	-6.4%	-0.7%	-7.0%	-8.5%	9.3%	0.1%	2.0%	2.3%	2.0%
Inpatient Visits	12.0%	2.9%	15.2%	10.8%	8.2%	19.9%	11.8%	3.9%	16.2%	1.5%	1.0%	1.4%
Lab & Pathology	7.9%	-2.5%	5.2%	9.0%	2.4%	11.6%	8.2%	-0.4%	7.8%	2.7%	4.9%	3.4%
Maternity	1.9%	6.7%	8.8%	8.5%	-4.6%	3.5%	2.6%	5.2%	7.9%	0.8%	0.3%	0.7%
Office Visits	4.9%	1.7%	6.6%	2.2%	2.4%	4.6%	4.6%	1.7%	6.4%	17.3%	5.2%	13.9%
Other Services	5.3%	-1.6%	3.6%	7.2%	4.9%	12.4%	5.5%	0.0%	5.5%	9.1%	6.5%	8.3%
Outpatient Surgery	0.4%	4.6%	5.0%	10.5%	0.9%	11.4%	1.8%	4.7%	6.6%	3.9%	3.0%	3.6%
Psychiatric / Substance Abuse	5.2%	-1.4%	3.8%	22.3%	-8.8%	11.5%	7.1%	-2.3%	4.6%	2.3%	0.7%	1.8%
Radiology	-4.4%	-12.3%	-16.2%	-8.9%	3.2%	-6.0%	-4.9%	-9.7%	-14.2%	4.3%	2.8%	3.6%
Therapies	11.6%	1.5%	13.2%	5.2%	-8.0%	-3.2%	11.1%	1.0%	12.3%	1.9%	0.3%	1.5%
TOTAL	3.4%	0.1%	3.5%	4.6%	2.3%	7.0%	3.6%	0.7%	4.3%	52.0%	30.5%	45.6%
OTHER												
Ambulance	-4.9%	-0.9%	-5.8%	-0.7%	6.5%	5.8%	-4.5%	2.3%	-2.3%	0.6%	1.0%	0.7%
Appliances (DME)	14.1%	-6.4%	6.9%	16.7%	1.4%	18.3%	14.6%	-2.6%	11.6%	1.2%	2.2%	1.5%
Other Services	20.4%	7.9%	29.9%	15.1%	36.2%	56.8%	19.6%	17.5%	40.5%	0.5%	1.0%	0.6%
TOTAL	10.5%	-1.6%	8.7%	12.3%	10.7%	24.3%	10.8%	3.2%	14.4%	2.4%	4.1%	2.8%
GRAND TOTAL	3.8%	2.6%	6.6%	4.1%	6.9%	11.2%	4.2%	3.5%	7.8%	100.0%	100.0%	100.0%

West Virginia PEIA Non-Medicare Total Study Period of July 2008 to June 2011

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	5.8%	0.7%	6.5%	5.0%	-1.0%	4.0%	6.1%	1.8%	7.9%	0.5%	0.6%	0.6%
Medical / Surgical	2.7%	6.5%	9.4%	-0.2%	7.4%	7.3%	2.3%	6.0%	8.4%	12.9%	35.5%	19.2%
Psychiatric / Substance Abuse	12.3%	8.8%	22.1%	5.2%	-3.1%	2.0%	10.5%	3.4%	14.3%	0.6%	0.7%	0.7%
TOTAL	3.3%	6.4%	9.9%	0.0%	7.1%	7.1%	2.6%	5.8%	8.6%	14.0%	36.9%	20.4%
HOSPITAL OUTPATIENT												
Emergency Room	0.9%	2.3%	3.2%	1.1%	6.3%	7.6%	0.9%	3.1%	4.1%	5.1%	3.3%	4.6%
Medical / Surgical	1.7%	8.7%	10.5%	15.2%	-4.8%	9.7%	3.4%	7.1%	10.8%	14.8%	14.7%	14.8%
Other Services	2.1%	1.6%	3.8%	-1.5%	5.4%	3.8%	1.9%	1.9%	3.8%	11.4%	10.0%	11.0%
Psychiatric / Substance Abuse	-9.7%	3.8%	-6.3%	49.4%	-24.9%	12.2%	5.0%	5.2%	10.5%	0.2%	0.4%	0.3%
TOTAL	1.6%	5.1%	6.8%	8.2%	-0.2%	7.9%	2.5%	4.6%	7.2%	31.6%	28.4%	30.7%
PHYSICIAN SERVICES												
Anesthesia	9.1%	-3.9%	4.9%	15.1%	-7.5%	6.5%	9.8%	-4.1%	5.2%	2.4%	1.7%	2.2%
Chemotherapy / Radiation	-11.1%	-7.5%	-17.7%	-13.4%	2.9%	-10.9%	-11.6%	-4.7%	-15.7%	0.9%	1.0%	0.9%
Emergency Room	1.2%	0.0%	1.2%	-2.0%	13.8%	11.5%	1.0%	1.6%	2.6%	1.4%	0.6%	1.1%
Immunizations / Injections / Allergy	-7.5%	4.3%	-3.6%	-8.8%	8.8%	-0.8%	-7.6%	4.7%	-3.3%	1.5%	0.4%	1.2%
Inpatient Surgery	-4.9%	3.2%	-1.9%	-5.5%	1.2%	-4.4%	-5.0%	2.7%	-2.5%	2.0%	2.4%	2.1%
Inpatient Visits	11.2%	2.6%	14.1%	8.9%	-3.6%	5.0%	10.9%	1.3%	12.3%	1.5%	1.0%	1.4%
Lab & Pathology	11.1%	-0.5%	10.5%	-4.4%	3.8%	-0.8%	6.2%	-0.1%	6.1%	2.7%	5.1%	3.4%
Maternity	2.6%	-2.2%	0.3%	-0.5%	1.3%	0.8%	2.2%	-1.6%	0.6%	0.8%	0.3%	0.7%
Office Visits	2.9%	1.4%	4.4%	0.2%	3.5%	3.7%	2.7%	1.6%	4.3%	17.3%	5.2%	13.9%
Other Services	2.4%	-0.8%	1.5%	2.2%	7.6%	10.0%	2.3%	1.0%	3.3%	9.1%	6.3%	8.3%
Outpatient Surgery	-0.8%	2.5%	1.7%	9.3%	1.1%	10.5%	0.5%	3.1%	3.7%	3.9%	3.0%	3.6%
Psychiatric / Substance Abuse	3.8%	0.3%	4.1%	22.4%	-1.3%	20.9%	5.7%	-0.1%	5.6%	2.3%	0.6%	1.8%
Radiology	-3.0%	-12.3%	-15.0%	-8.0%	-8.3%	-15.6%	-3.6%	-12.0%	-15.2%	4.3%	3.1%	4.0%
Therapies	6.6%	2.6%	9.4%	7.1%	-5.0%	1.8%	6.7%	2.2%	9.0%	1.9%	0.3%	1.4%
TOTAL	2.3%	-0.4%	1.8%	0.5%	2.0%	2.5%	2.0%	-0.1%	2.0%	52.0%	30.9%	46.1%
OTHER												
Ambulance	0.2%	3.5%	3.8%	10.8%	12.1%	24.2%	1.1%	9.3%	10.5%	0.6%	0.8%	0.7%
Appliances (DME)	8.3%	-4.7%	3.2%	22.6%	-4.7%	16.9%	10.9%	-1.7%	9.0%	1.2%	2.1%	1.5%
Other Services	9.6%	-2.5%	6.9%	8.3%	38.3%	49.8%	9.4%	10.6%	21.1%	0.5%	0.8%	0.6%
TOTAL	6.4%	-2.0%	4.3%	16.8%	8.6%	26.8%	8.1%	3.8%	12.3%	2.4%	3.8%	2.8%
GRAND TOTAL	2.3%	2.2%	4.6%	3.1%	3.5%	6.7%	2.5%	2.7%	5.2%	100.0%	100.0%	100.0%

West Virginia PEIA Non-Medicare Total Study Period of July 2007 to June 2011

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	3.6%	1.1%	4.7%	1.2%	4.9%	6.2%	3.3%	2.1%	5.5%	0.5%	0.6%	0.6%
Medical / Surgical	1.4%	6.2%	7.7%	-1.0%	4.9%	3.9%	1.0%	4.7%	5.8%	12.8%	36.1%	19.3%
Psychiatric / Substance Abuse	7.2%	9.2%	17.0%	12.5%	3.9%	16.9%	8.9%	7.7%	17.3%	0.6%	0.7%	0.6%
TOTAL	1.7%	6.1%	8.0%	-0.7%	4.9%	4.1%	1.3%	4.7%	6.1%	13.9%	37.4%	20.5%
HOSPITAL OUTPATIENT												
Emergency Room	0.5%	5.0%	5.5%	2.0%	8.1%	10.3%	0.6%	5.8%	6.4%	5.1%	3.2%	4.5%
Medical / Surgical	2.4%	8.2%	10.8%	12.2%	-2.9%	9.0%	3.6%	6.4%	10.3%	14.4%	14.4%	14.4%
Other Services	1.4%	2.0%	3.5%	-0.2%	3.4%	3.1%	1.3%	2.1%	3.4%	11.5%	10.1%	11.1%
Psychiatric / Substance Abuse	-8.6%	7.7%	-1.6%	53.8%	-13.3%	33.3%	4.1%	9.1%	13.7%	0.2%	0.4%	0.2%
TOTAL	1.7%	5.4%	7.2%	7.2%	0.4%	7.7%	2.3%	4.7%	7.2%	31.1%	28.1%	30.3%
PHYSICIAN SERVICES												
Anesthesia	7.2%	-3.2%	3.8%	9.3%	-6.0%	2.8%	7.5%	-3.7%	3.5%	2.4%	1.8%	2.3%
Chemotherapy / Radiation	-14.7%	-3.0%	-17.3%	-2.2%	1.3%	-0.9%	-12.5%	-0.8%	-13.2%	1.0%	0.9%	1.0%
Emergency Room	0.8%	1.0%	1.7%	-0.4%	15.6%	15.2%	0.7%	2.7%	3.4%	1.4%	0.5%	1.1%
Immunizations / Injections / Allergy	-2.0%	-0.2%	-2.2%	-3.6%	4.5%	0.7%	-2.1%	0.2%	-1.9%	1.6%	0.4%	1.2%
Inpatient Surgery	-3.9%	1.6%	-2.3%	-6.7%	-1.5%	-8.1%	-4.4%	0.3%	-4.1%	2.1%	2.6%	2.2%
Inpatient Visits	7.7%	2.0%	9.9%	5.1%	-3.4%	1.5%	7.3%	0.8%	8.1%	1.5%	1.0%	1.4%
Lab & Pathology	6.2%	0.2%	6.4%	3.2%	2.0%	5.2%	5.2%	0.8%	6.0%	2.7%	4.9%	3.3%
Maternity	0.9%	-2.3%	-1.4%	2.4%	-6.4%	-4.1%	1.1%	-2.6%	-1.6%	0.8%	0.3%	0.7%
Office Visits	2.3%	1.6%	4.0%	0.3%	3.2%	3.5%	2.2%	1.7%	4.0%	17.3%	5.2%	13.9%
Other Services	1.9%	0.5%	2.5%	2.1%	9.4%	11.7%	1.9%	2.4%	4.3%	9.1%	6.1%	8.2%
Outpatient Surgery	0.7%	1.1%	1.8%	7.4%	0.2%	7.6%	1.5%	1.5%	3.0%	3.9%	2.9%	3.6%
Psychiatric / Substance Abuse	3.2%	0.9%	4.1%	22.4%	-1.7%	20.4%	5.0%	0.4%	5.5%	2.3%	0.6%	1.8%
Radiology	-1.5%	-9.6%	-11.0%	-4.8%	-8.2%	-12.6%	-1.9%	-9.6%	-11.3%	4.6%	3.4%	4.2%
Therapies	6.0%	2.8%	9.0%	4.3%	-4.7%	-0.6%	5.9%	2.3%	8.4%	1.9%	0.3%	1.4%
TOTAL	1.8%	-0.1%	1.7%	1.6%	1.5%	3.1%	1.8%	0.2%	1.9%	52.6%	31.0%	46.5%
OTHER												
Ambulance	-0.3%	5.3%	5.0%	8.4%	17.4%	27.3%	0.4%	11.2%	11.7%	0.6%	0.8%	0.7%
Appliances (DME)	7.4%	-2.6%	4.6%	22.6%	-5.5%	15.8%	10.1%	-0.8%	9.2%	1.2%	2.0%	1.4%
Other Services	6.6%	-1.9%	4.6%	10.2%	29.1%	42.3%	7.1%	7.8%	15.5%	0.6%	0.8%	0.6%
TOTAL	5.2%	-0.3%	4.8%	16.8%	7.0%	25.0%	7.0%	4.1%	11.4%	2.4%	3.6%	2.7%
GRAND TOTAL	1.8%	2.5%	4.4%	2.8%	2.7%	5.6%	2.0%	2.6%	4.6%	100.0%	100.0%	100.0%

West Virginia PEIA Non-Medicare Prescription Drugs Total Study Period of July 2007 to June 2011

24 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	3.0%	10.8%	14.2%

36 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	2.8%	8.4%	11.4%

48 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	2.9%	6.0%	9.1%

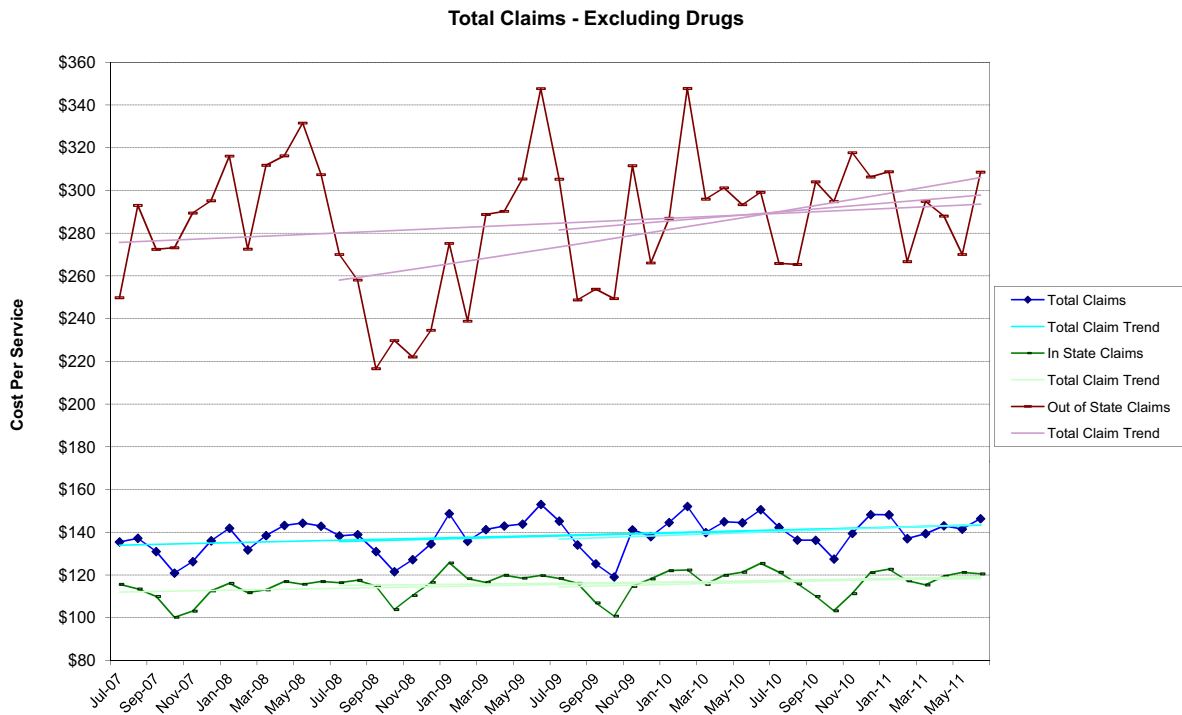
Appendix A

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

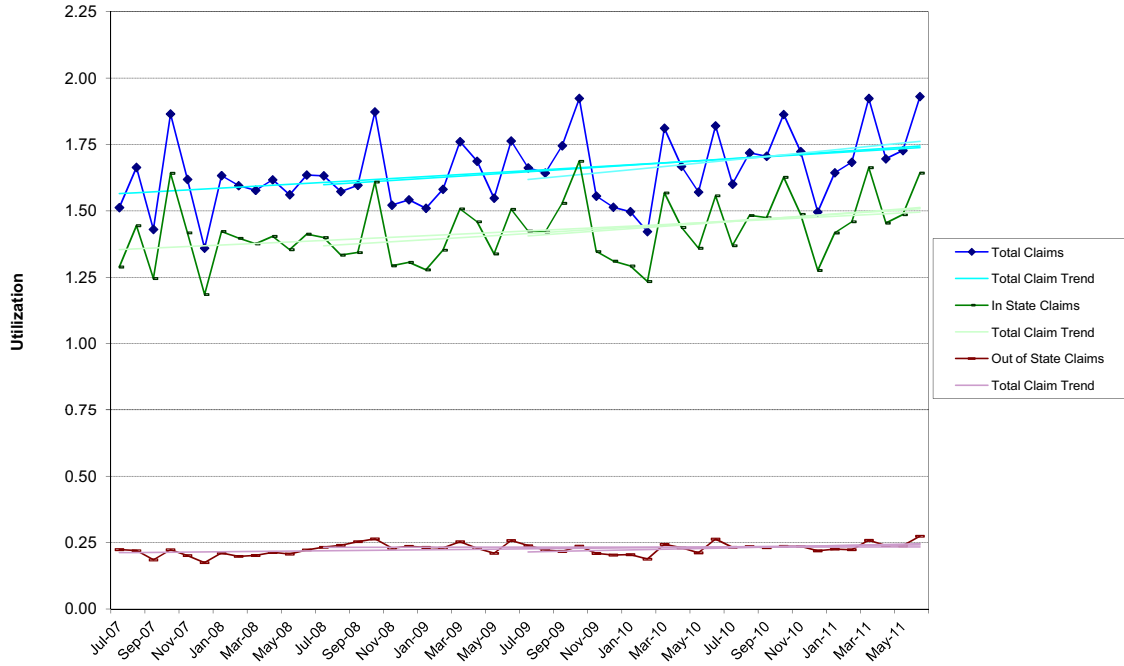
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.2%	3.5%	7.8%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.5%	2.7%	5.2%

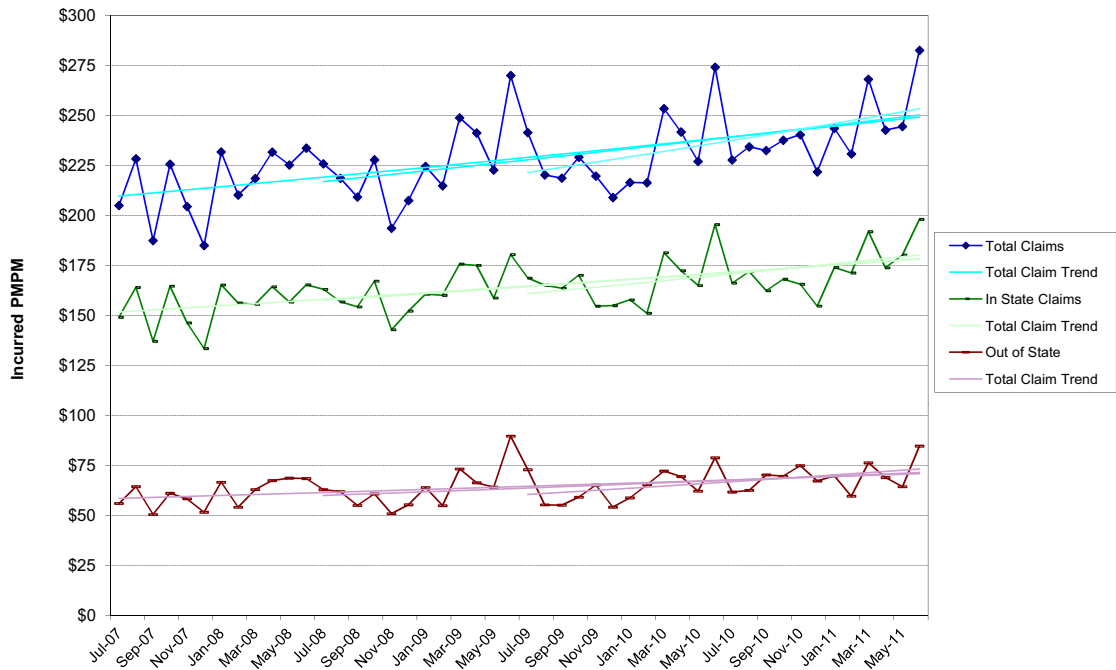
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.0%	2.6%	4.6%



Total Claims - Excluding Drugs



Total Claims - Excluding Drugs



**NON-MEDICARE CLAIMS
Excluding Drugs**

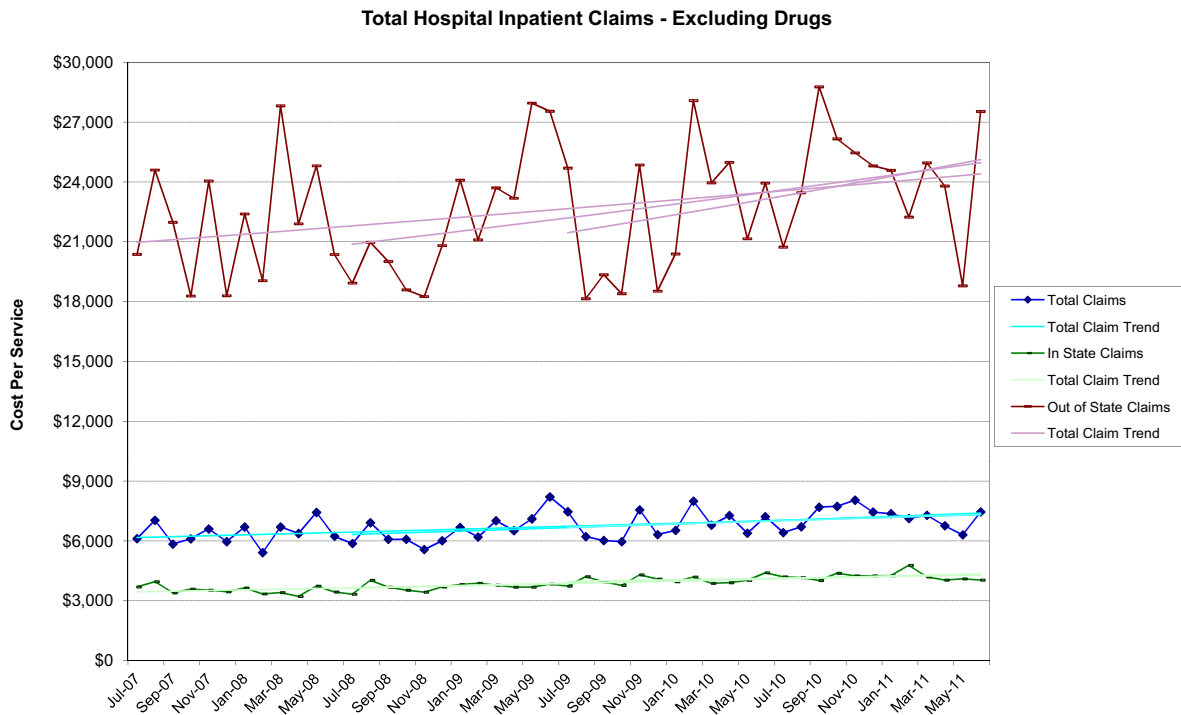
HOSPITAL INPATIENT

TOTAL

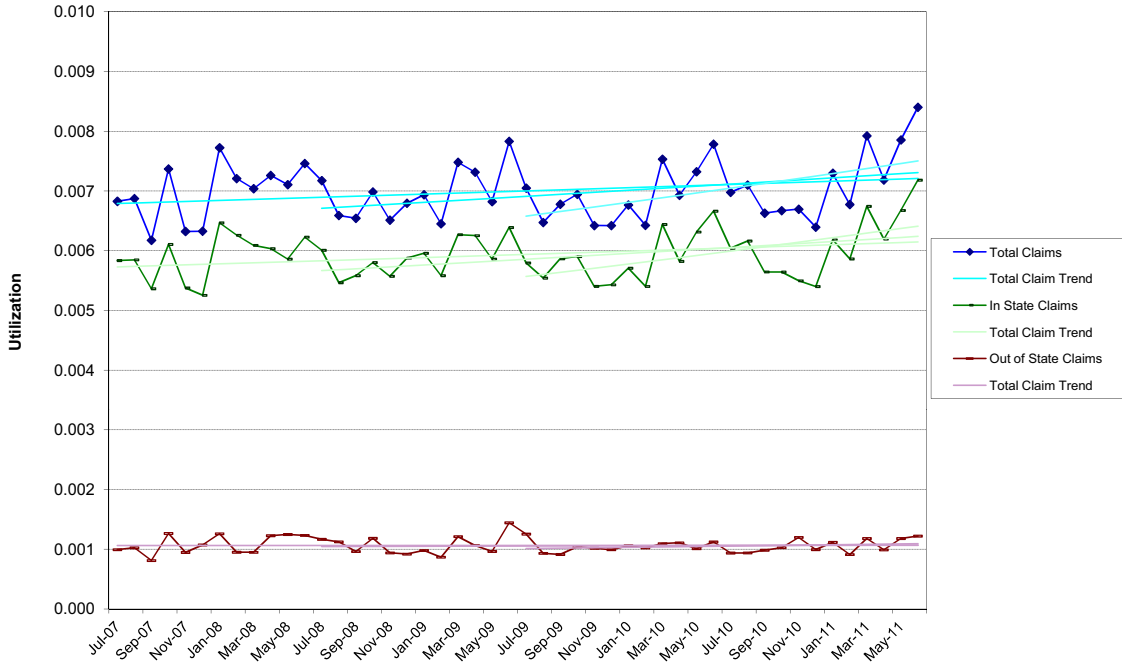
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.9%	5.2%	12.4%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.6%	5.8%	8.6%

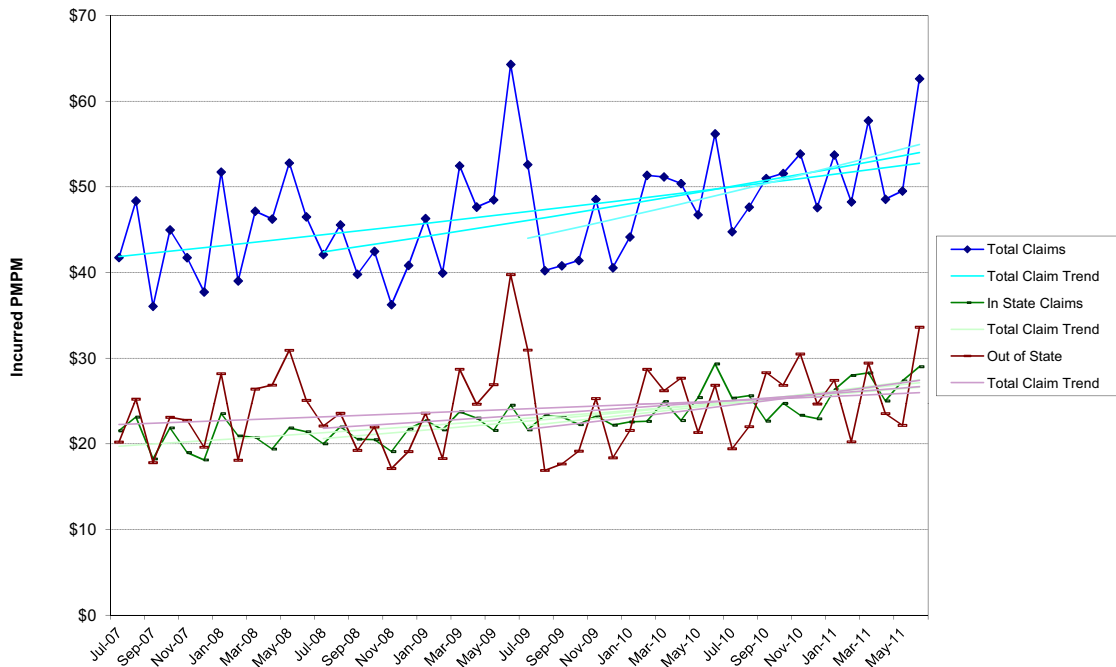
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.3%	4.7%	6.1%



Total Hospital Inpatient Claims - Excluding Drugs



Total Hospital Inpatient Claims - Excluding Drugs



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL OUTPATIENT

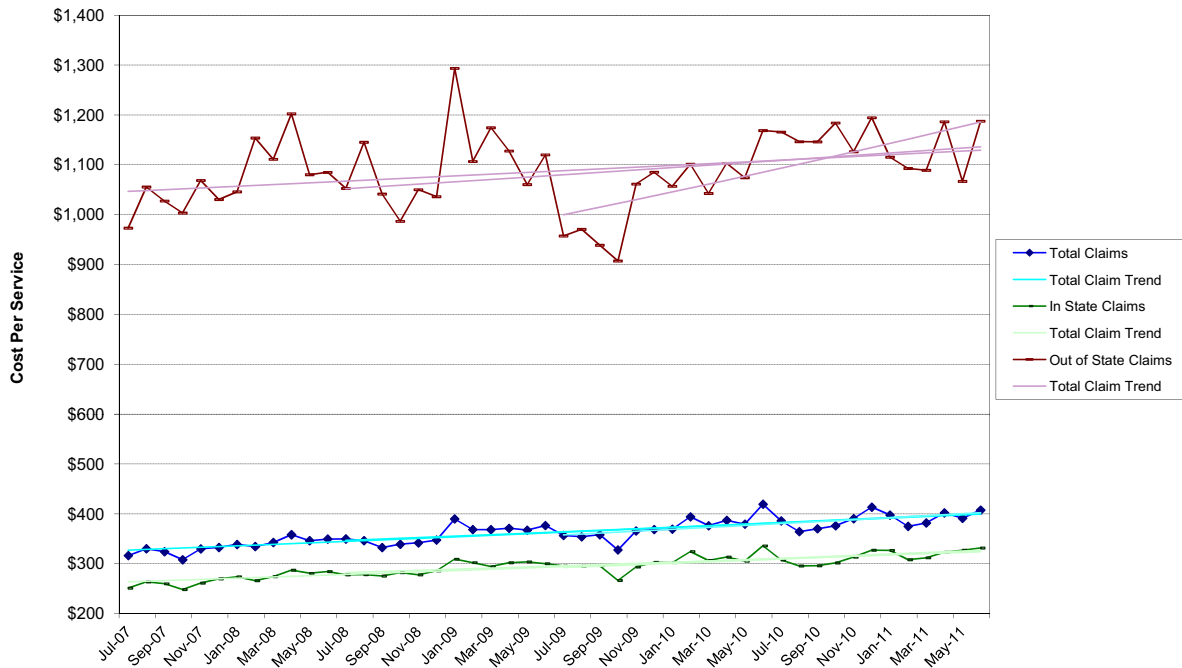
TOTAL

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.5%	6.6%	9.3%

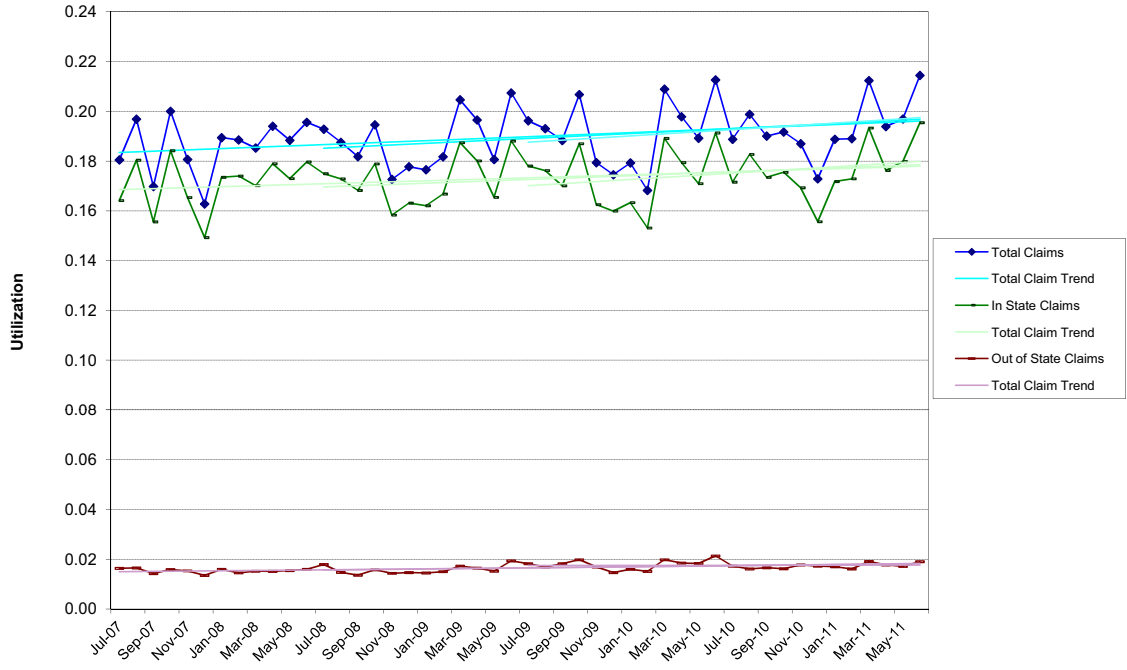
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.5%	4.6%	7.2%

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

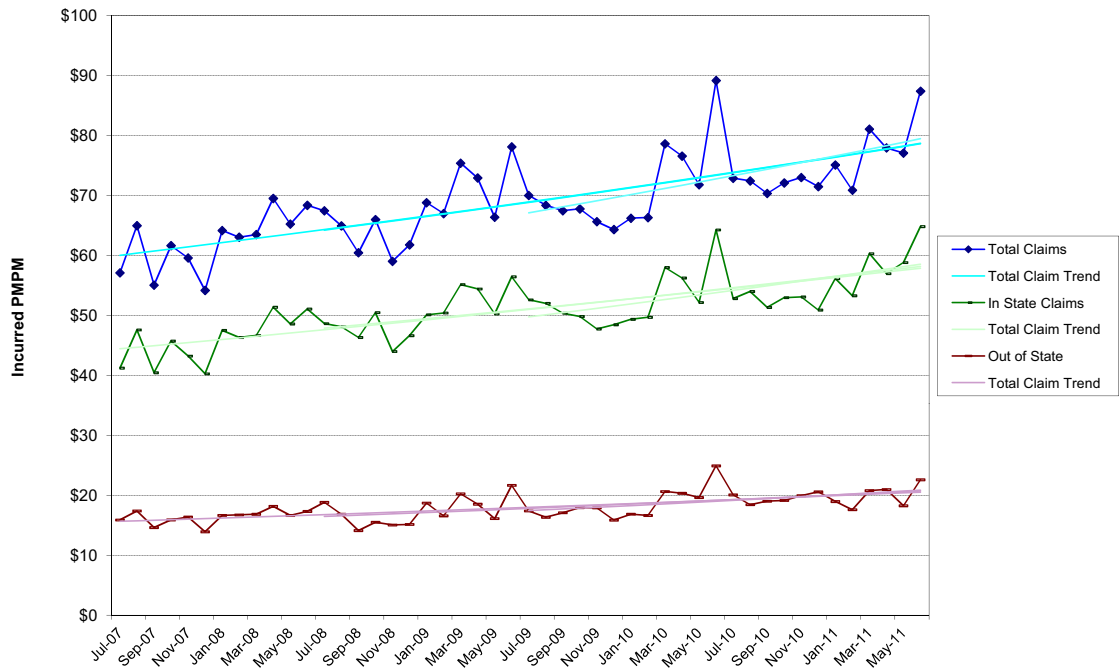
Total Hospital Outpatient Claims - Excluding Drugs



Total Hospital Outpatient Claims - Excluding Drugs



Total Hospital Outpatient Claims - Excluding Drugs



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

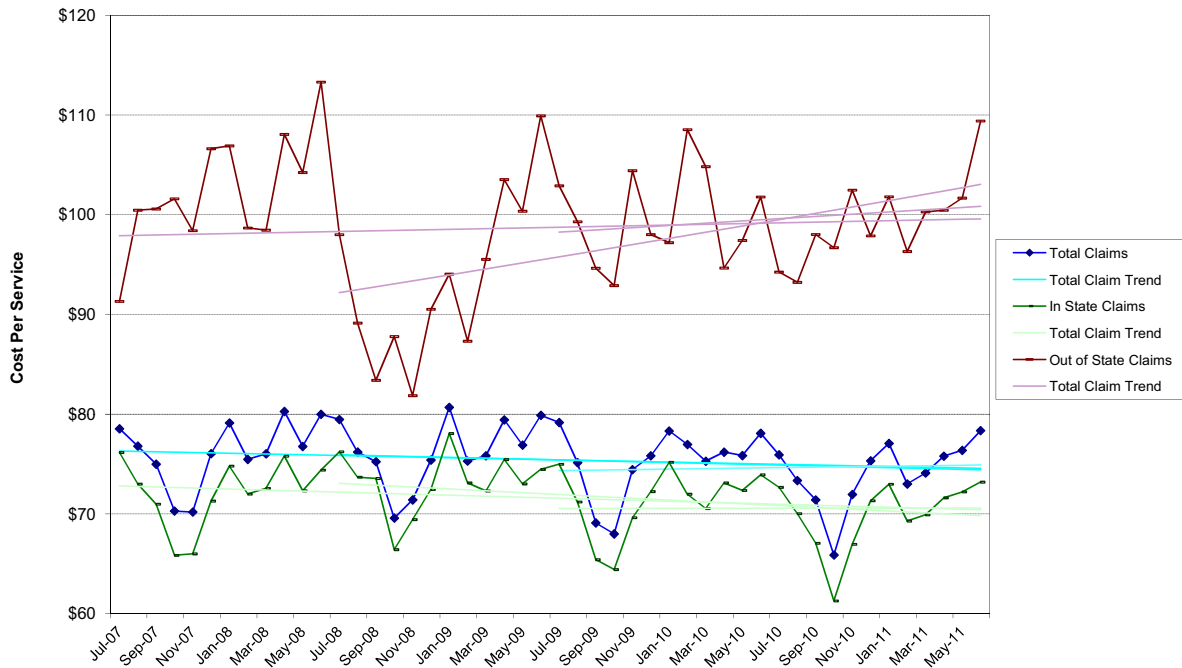
TOTAL

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.6%	0.7%	4.3%

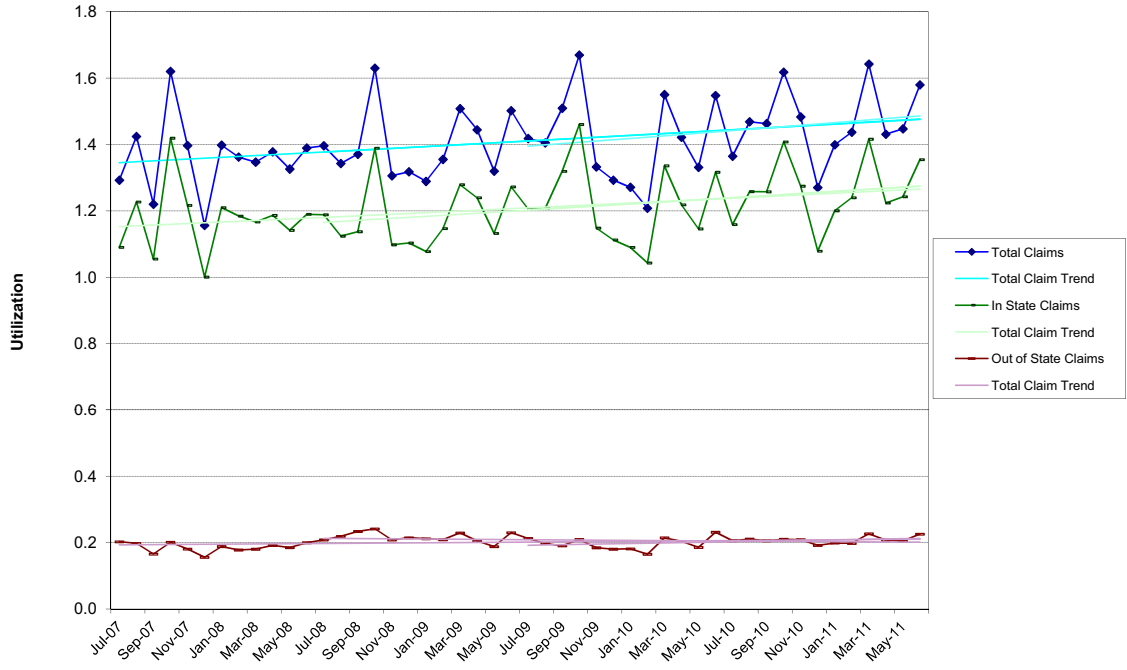
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.0%	-0.1%	2.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.8%	0.2%	1.9%

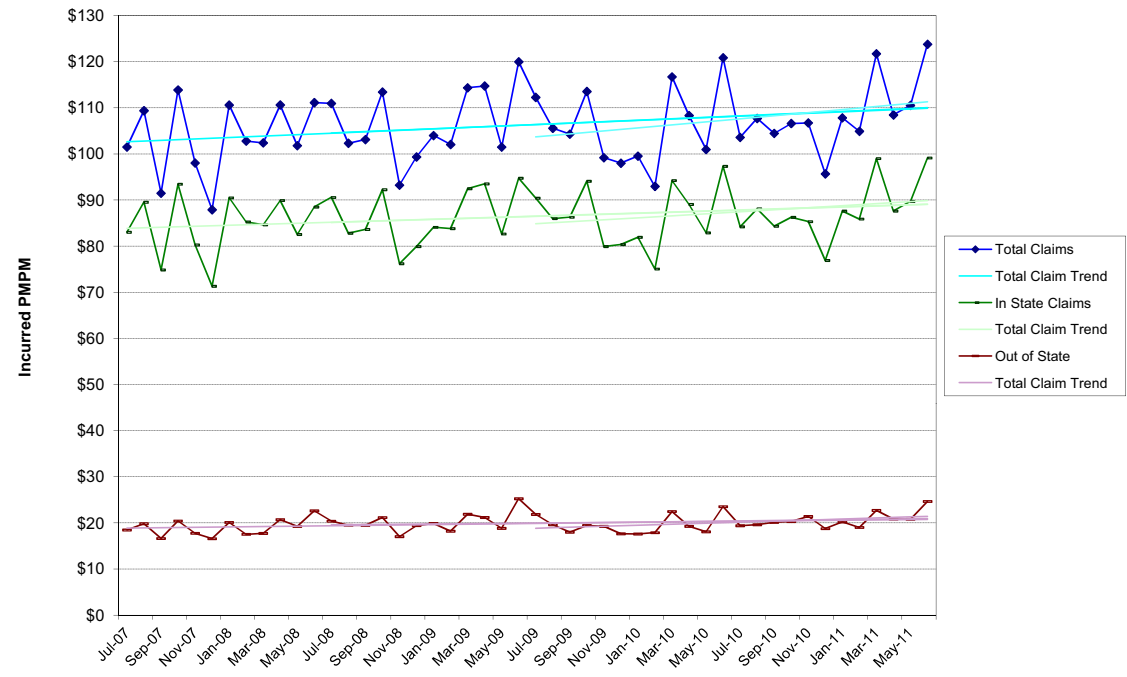
Total Physician Services Claims - Excluding Drugs



Total Physician Services Claims - Excluding Drugs



Total Physician Services Claims - Excluding Drugs



**NON-MEDICARE CLAIMS
Excluding Drugs**

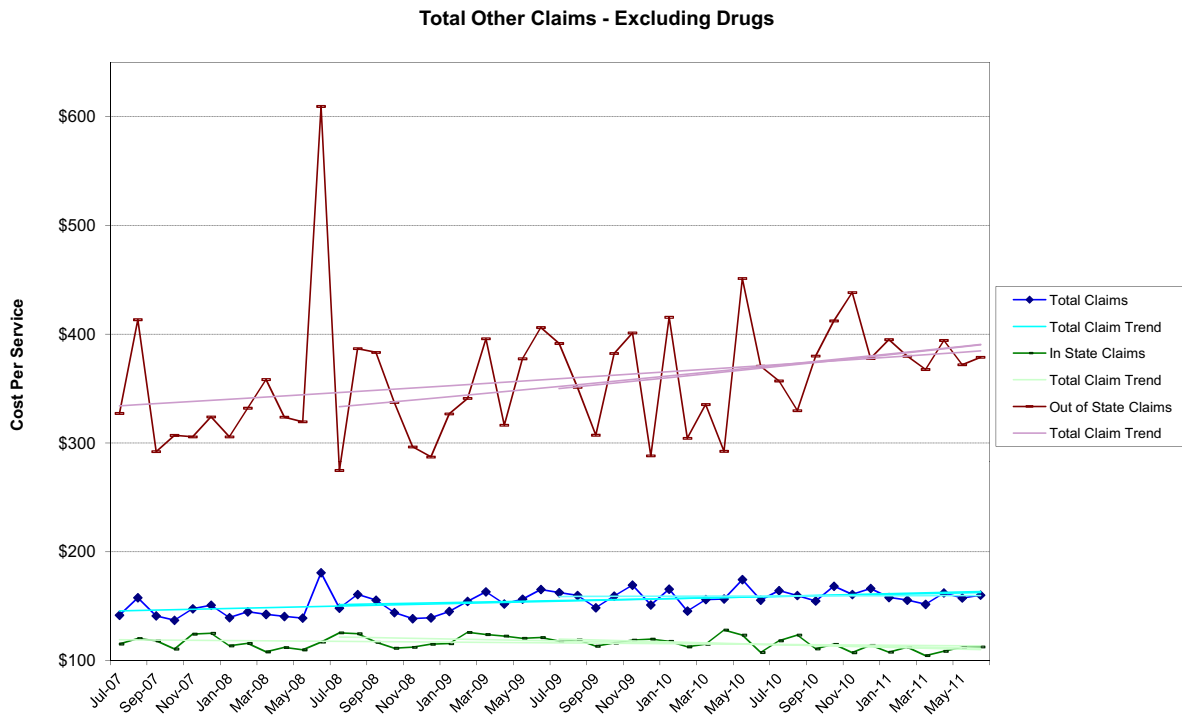
OTHER

TOTAL

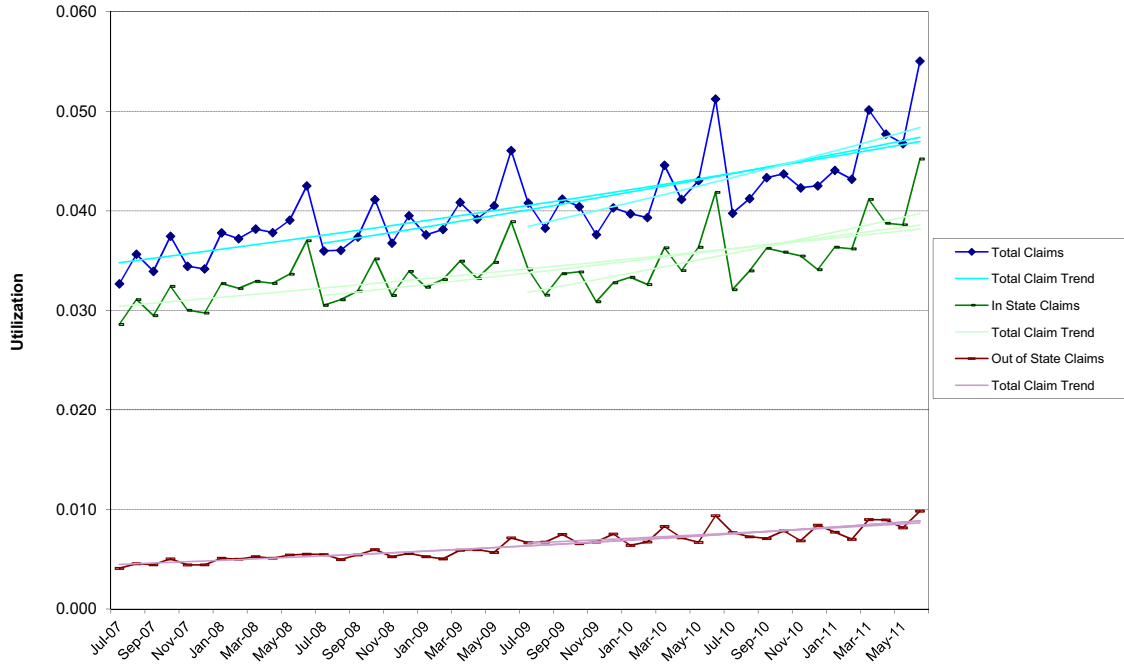
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
10.8%	3.2%	14.4%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.1%	3.8%	12.3%

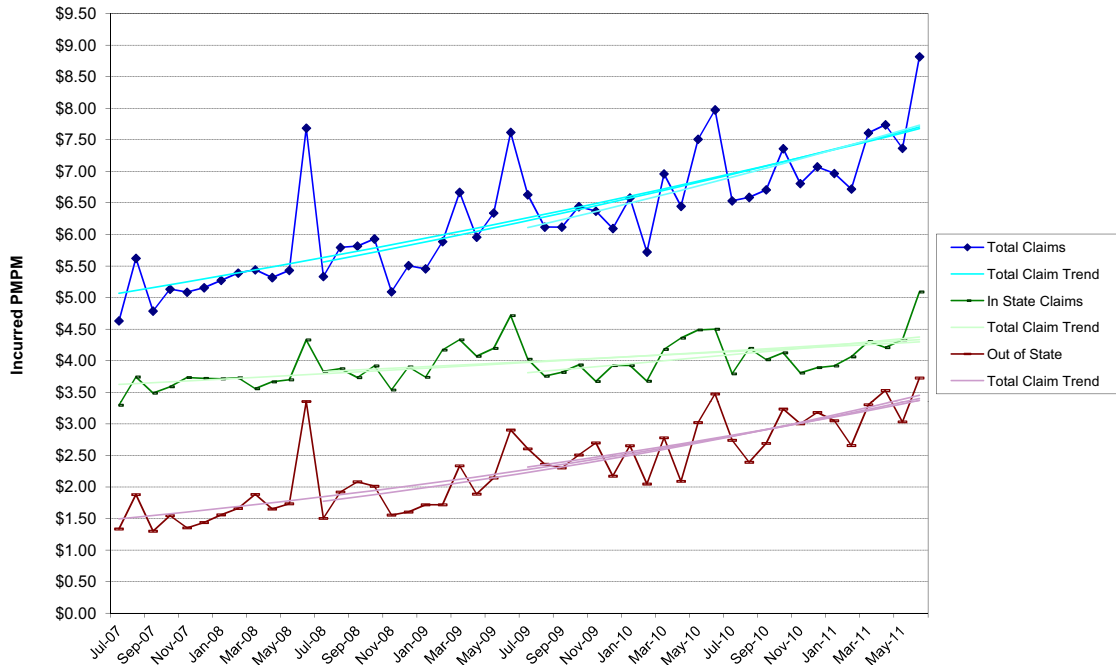
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.0%	4.1%	11.4%



Total Other Claims - Excluding Drugs



Total Other Claims - Excluding Drugs



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL INPATIENT

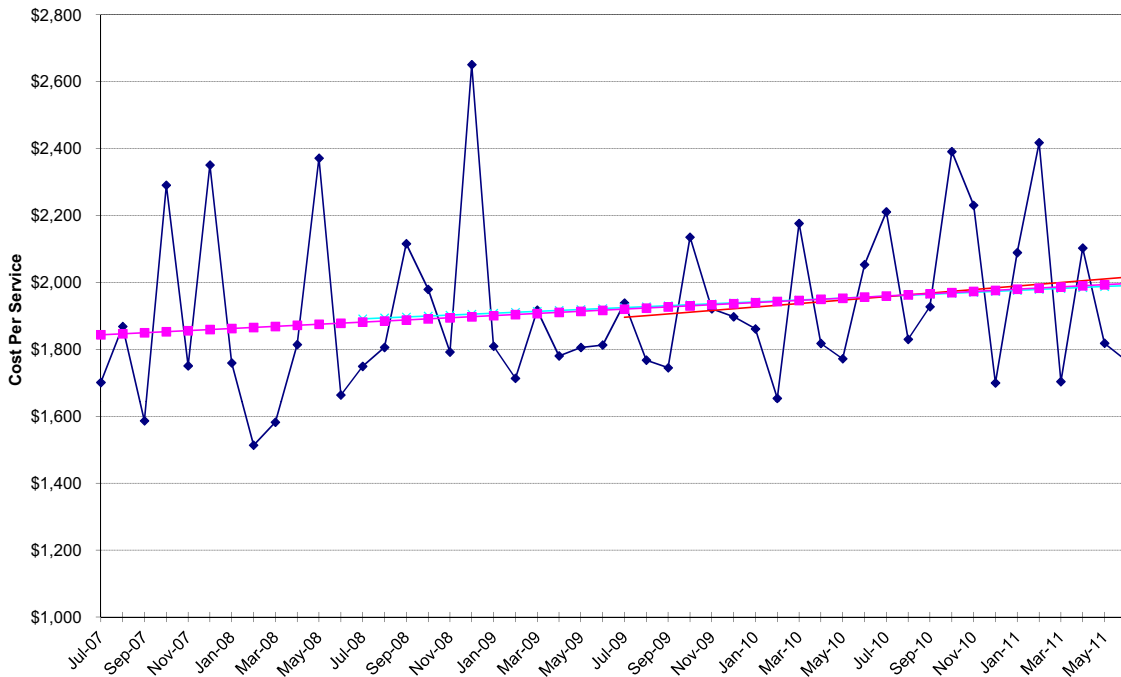
Maternity

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.4%	3.3%	11.9%

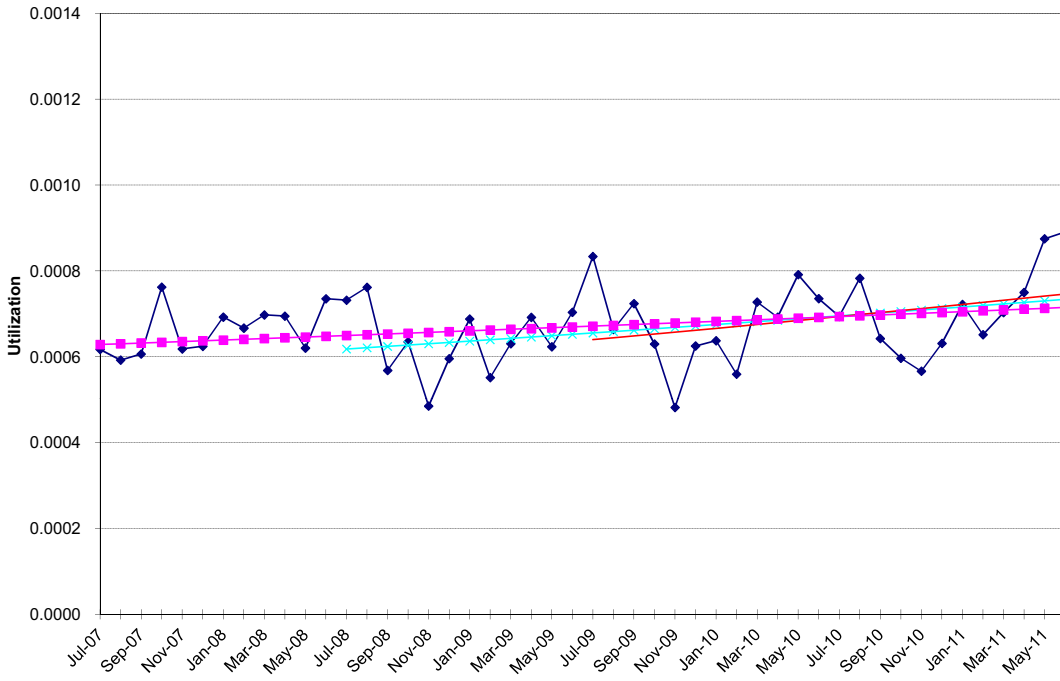
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.1%	1.8%	7.9%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.3%	2.1%	5.5%

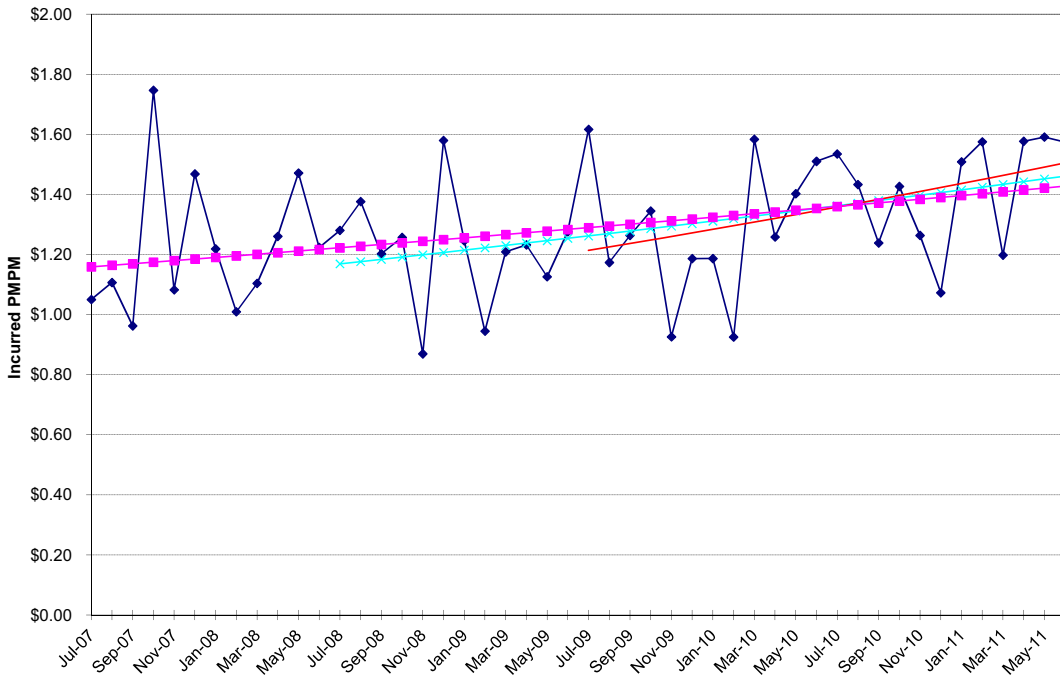
Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL INPATIENT

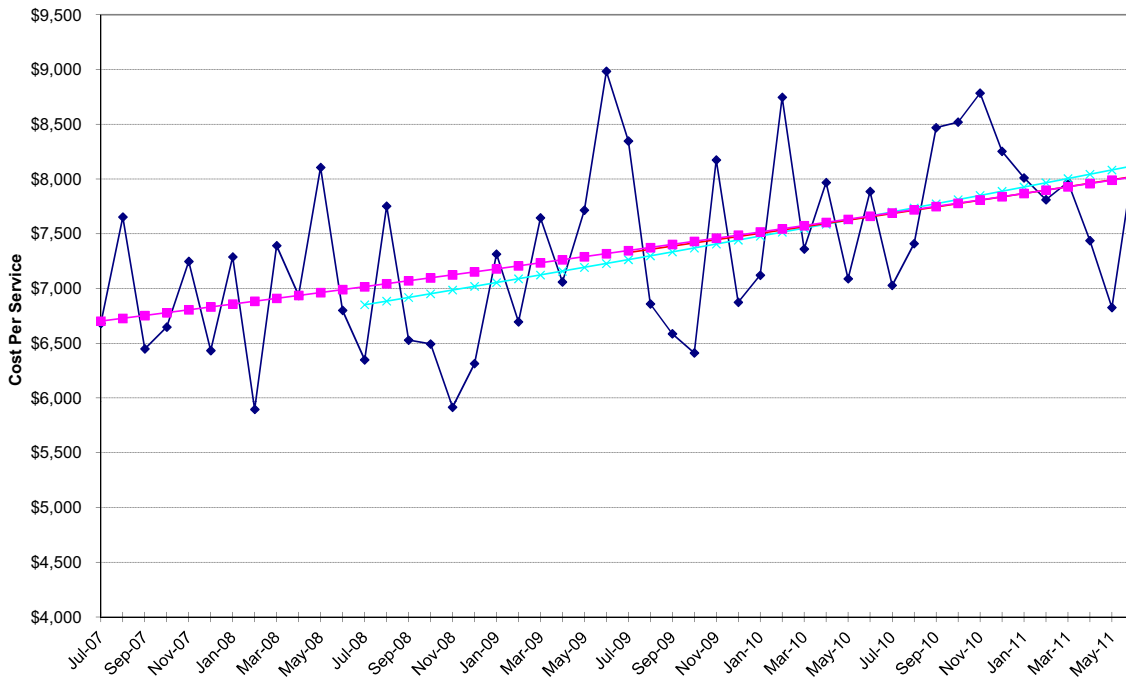
Medical / Surgical

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.5%	4.8%	11.7%

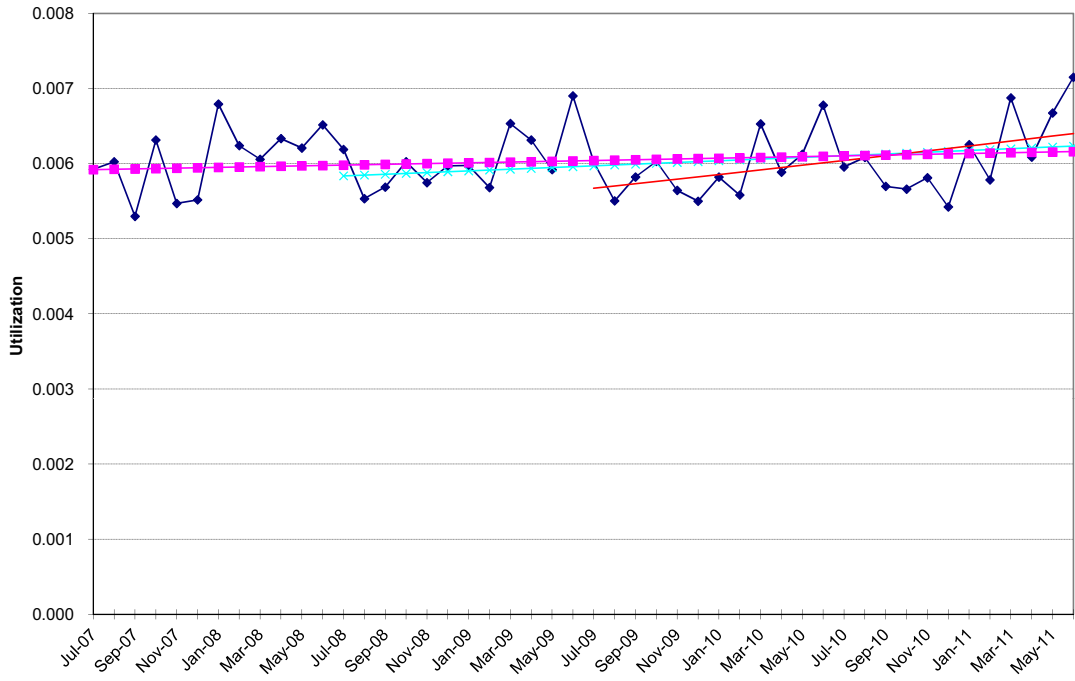
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.3%	6.0%	8.4%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.0%	4.7%	5.8%

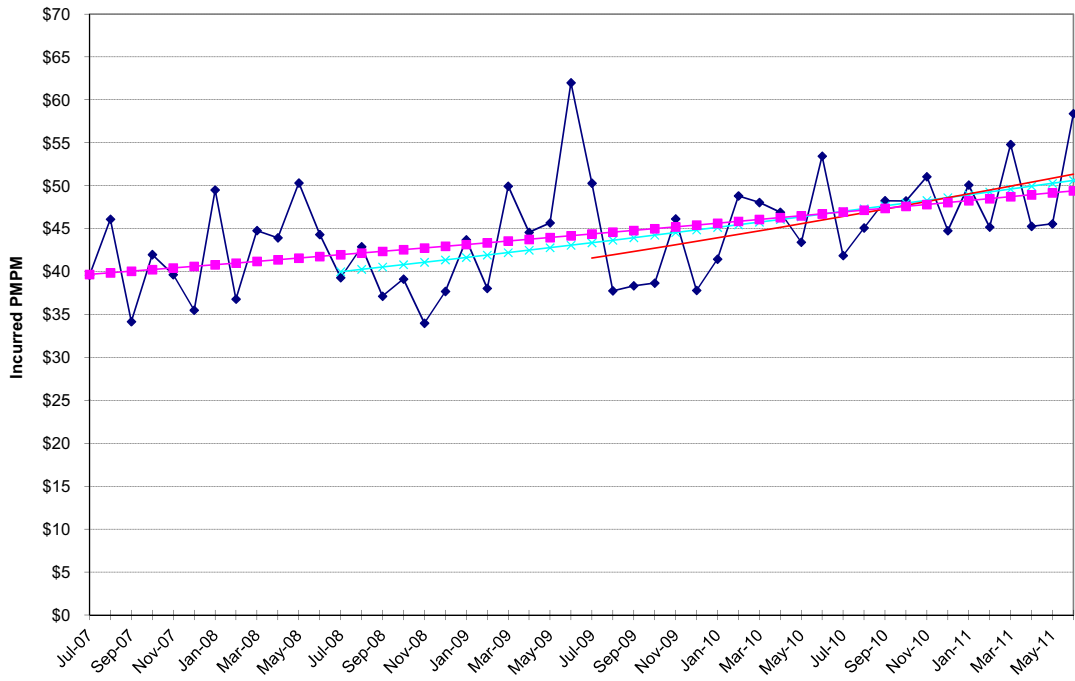
Hospital Inpatient - Medical / Surgical



Hospital Inpatient - Medical / Surgical



Hospital Inpatient - Medical / Surgical



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

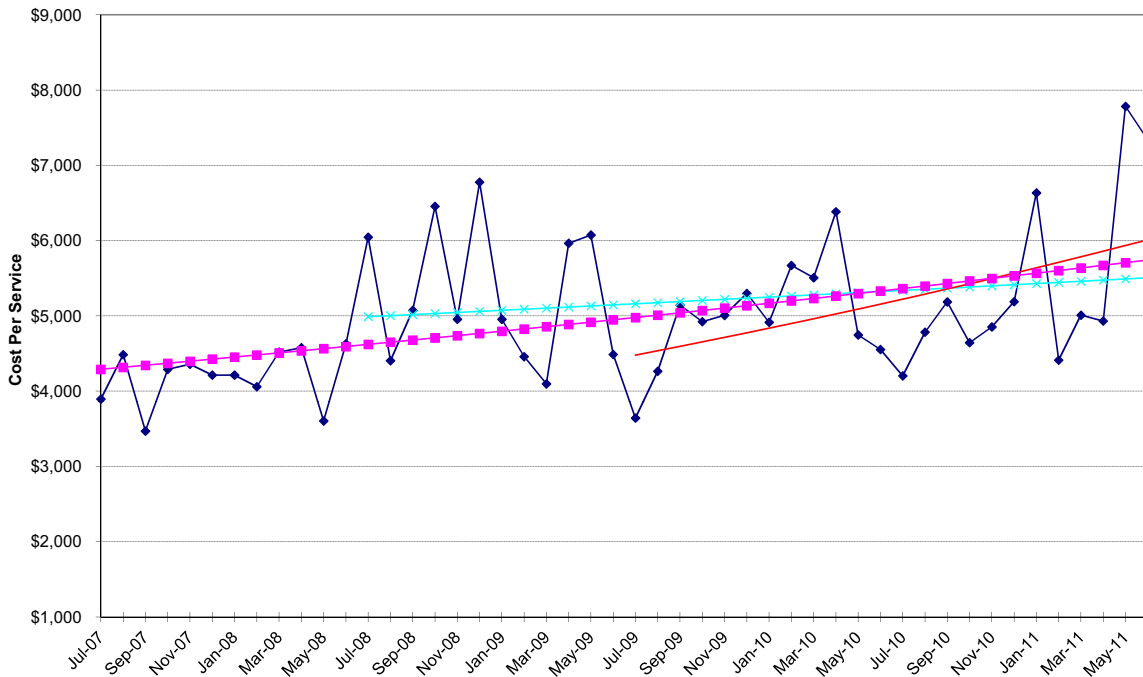
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
16.5%	16.6%	35.8%

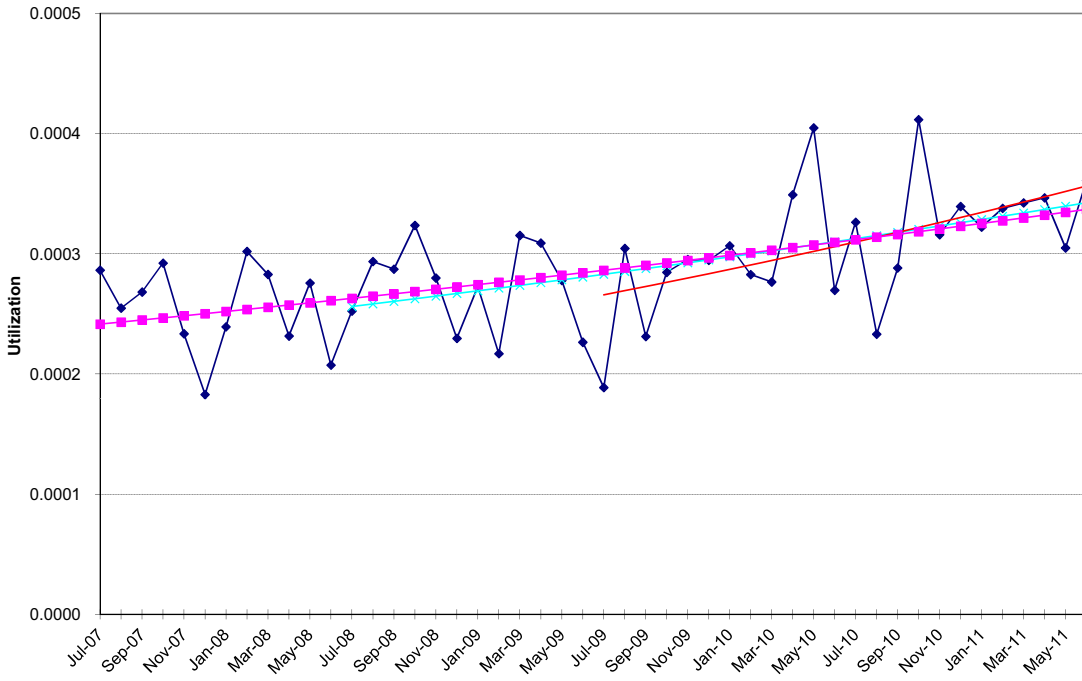
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
10.5%	3.4%	14.3%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.9%	7.7%	17.3%

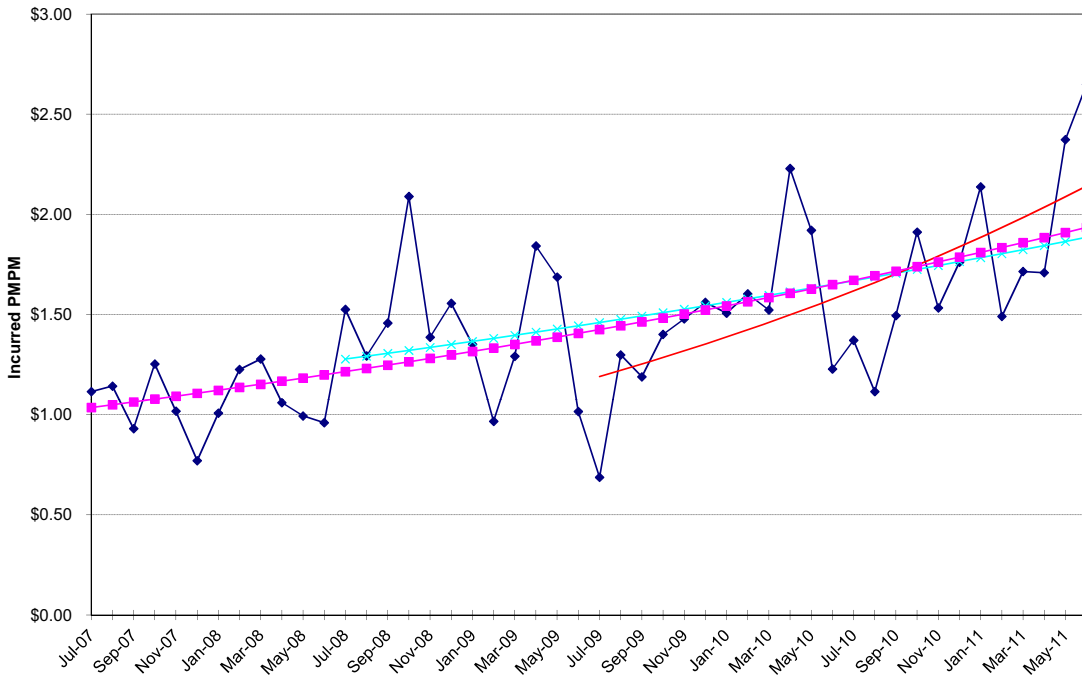
Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL OUTPATIENT

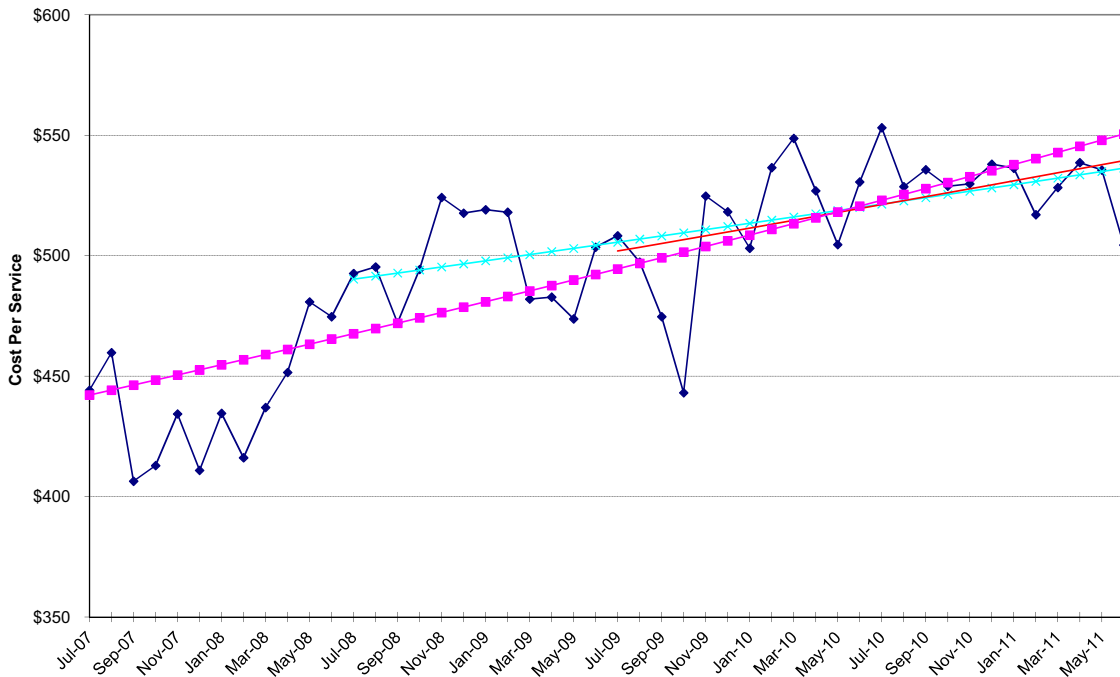
Emergency Room

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.3%	3.8%	3.5%

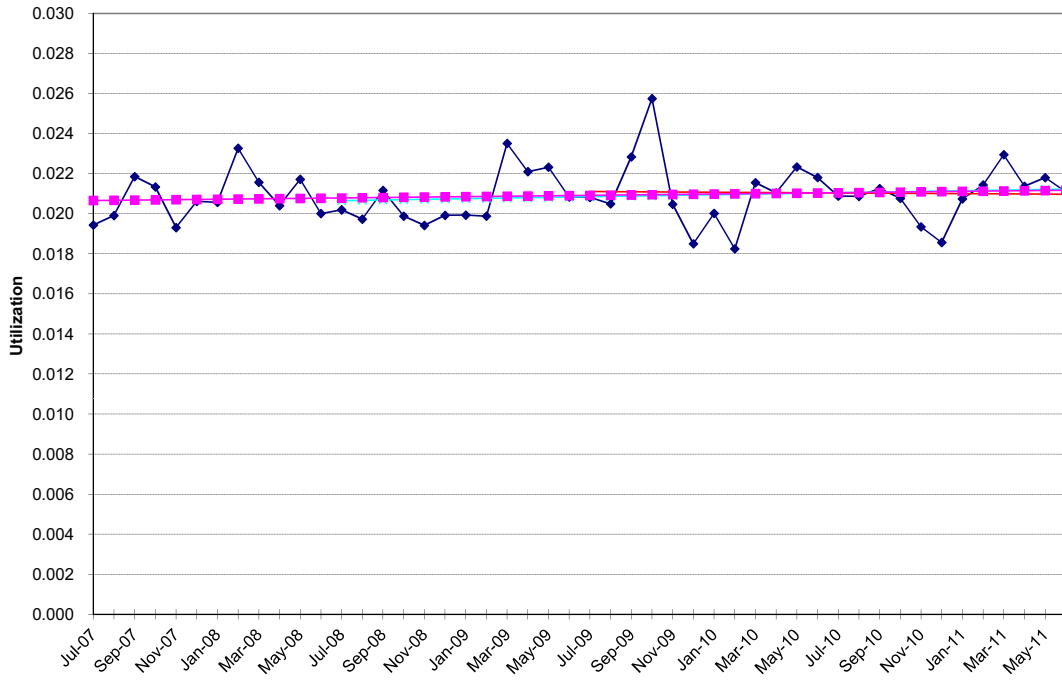
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.9%	3.1%	4.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.6%	5.8%	6.4%

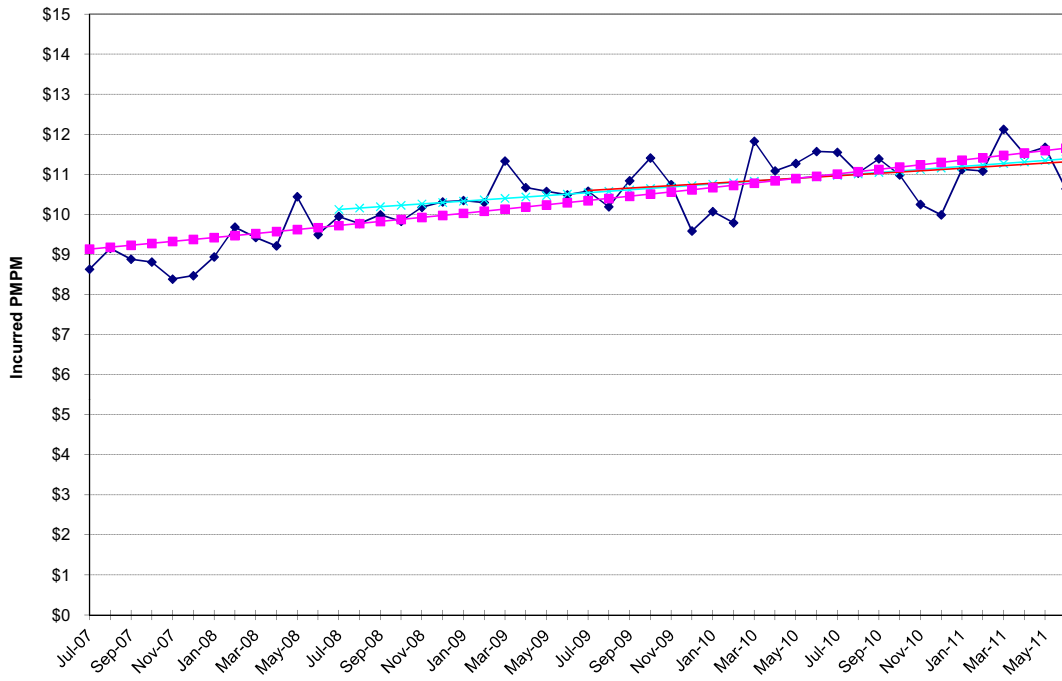
Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL OUTPATIENT

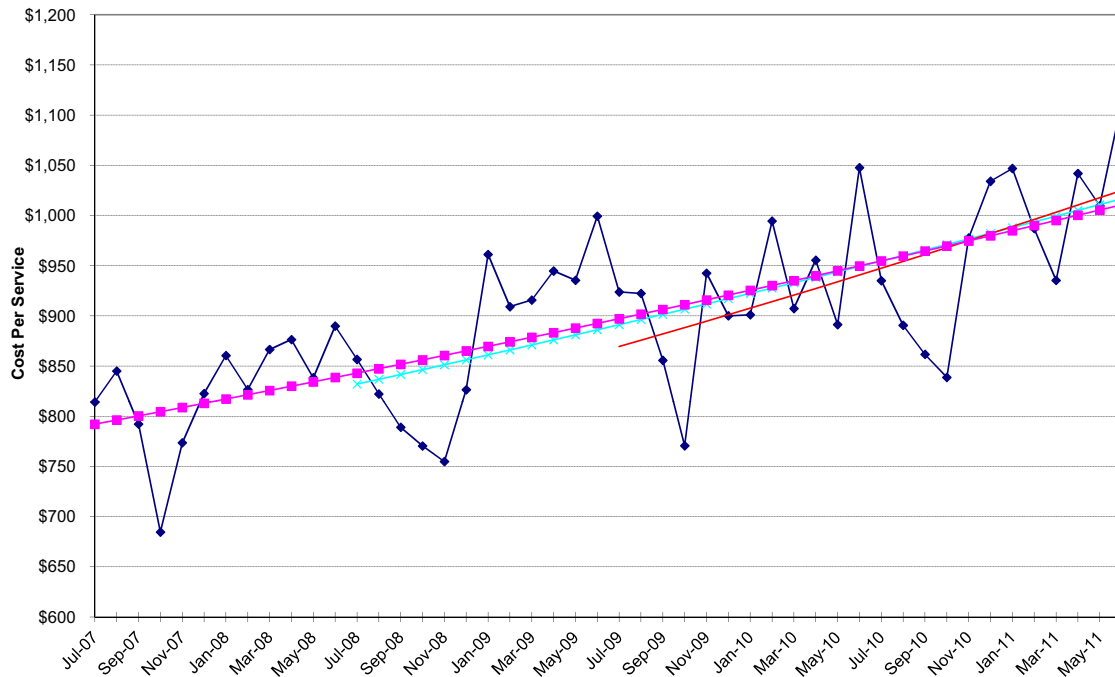
Medical / Surgical

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.0%	9.0%	12.2%

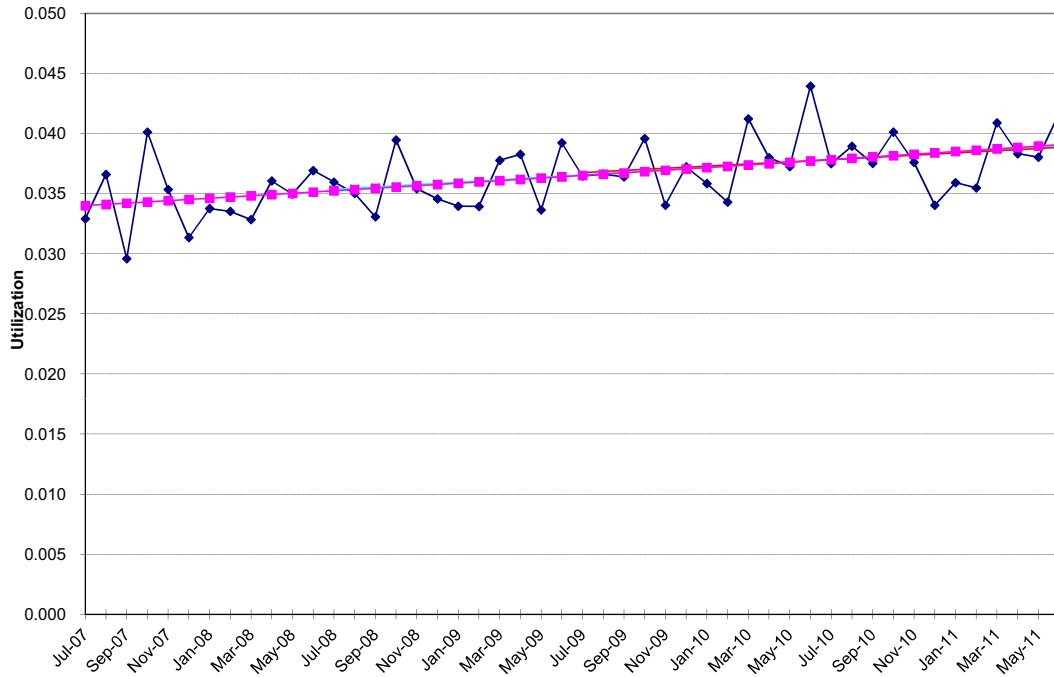
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.4%	7.1%	10.8%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.6%	6.4%	10.3%

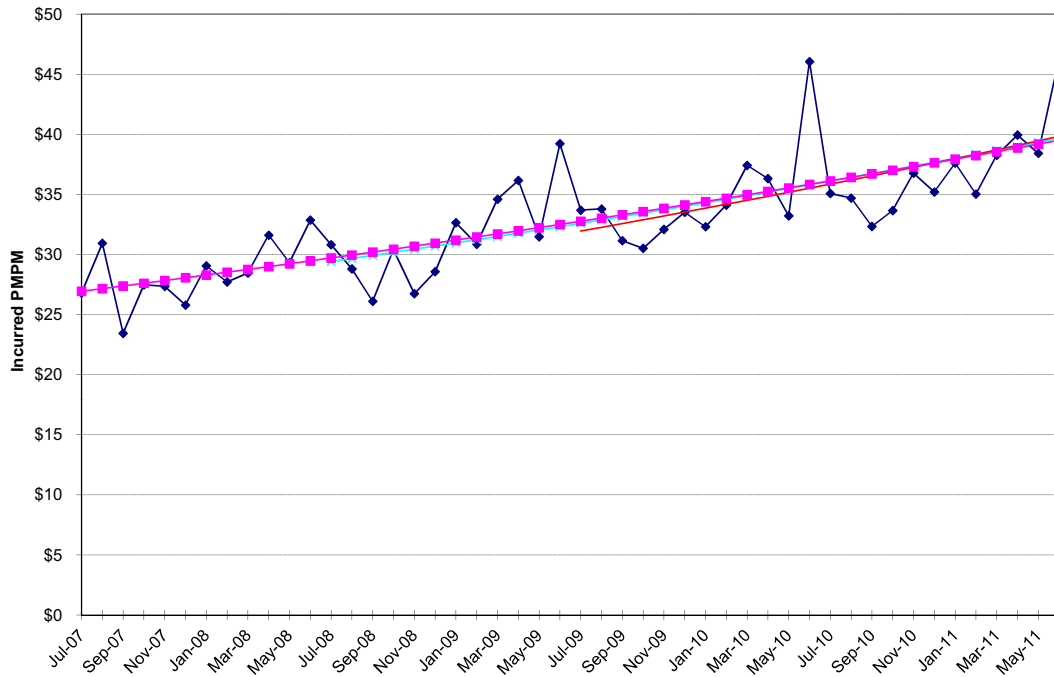
Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



**NON-MEDICARE CLAIMS
Excluding Drugs**

HOSPITAL OUTPATIENT

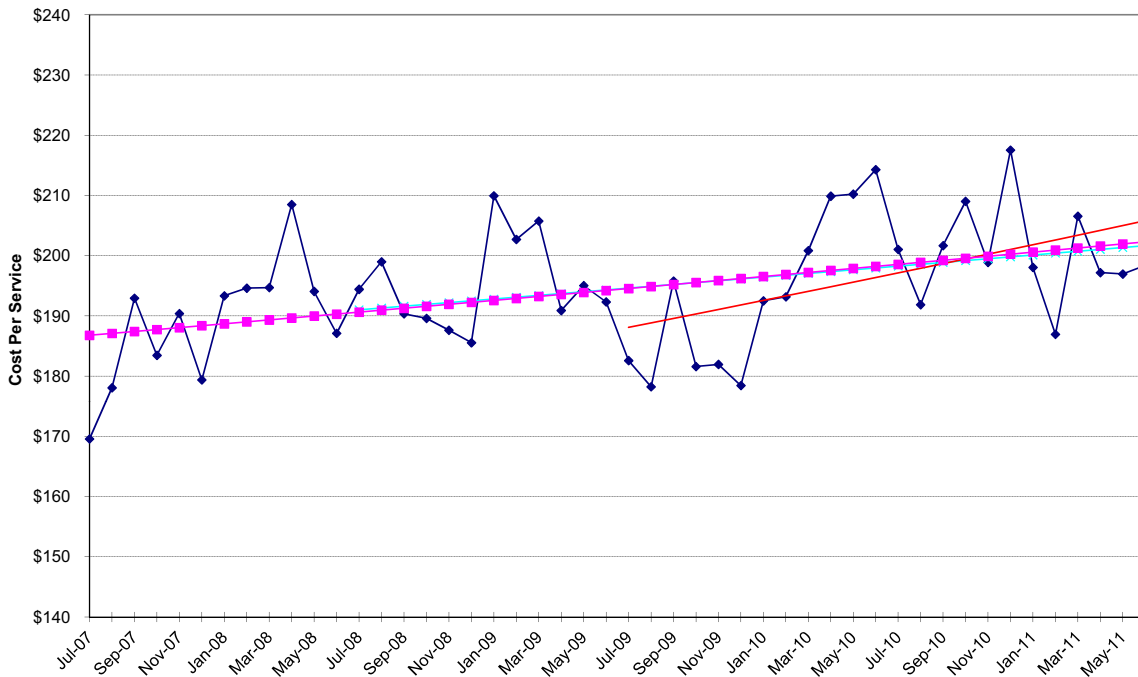
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.0%	4.8%	7.9%

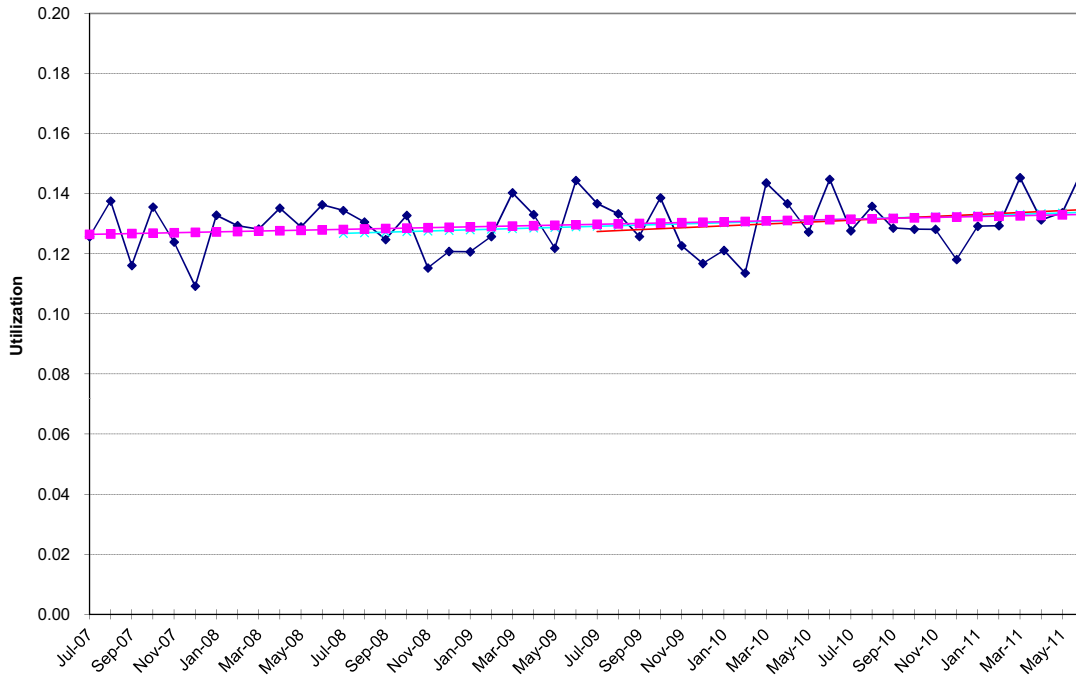
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.9%	1.9%	3.8%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.3%	2.1%	3.4%

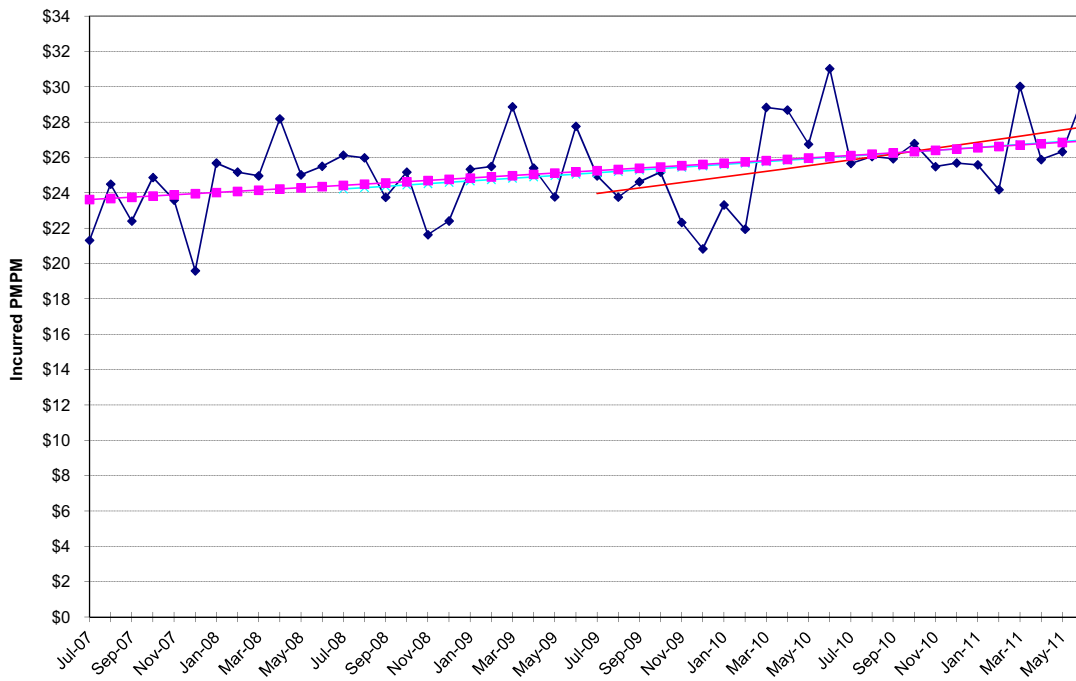
Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

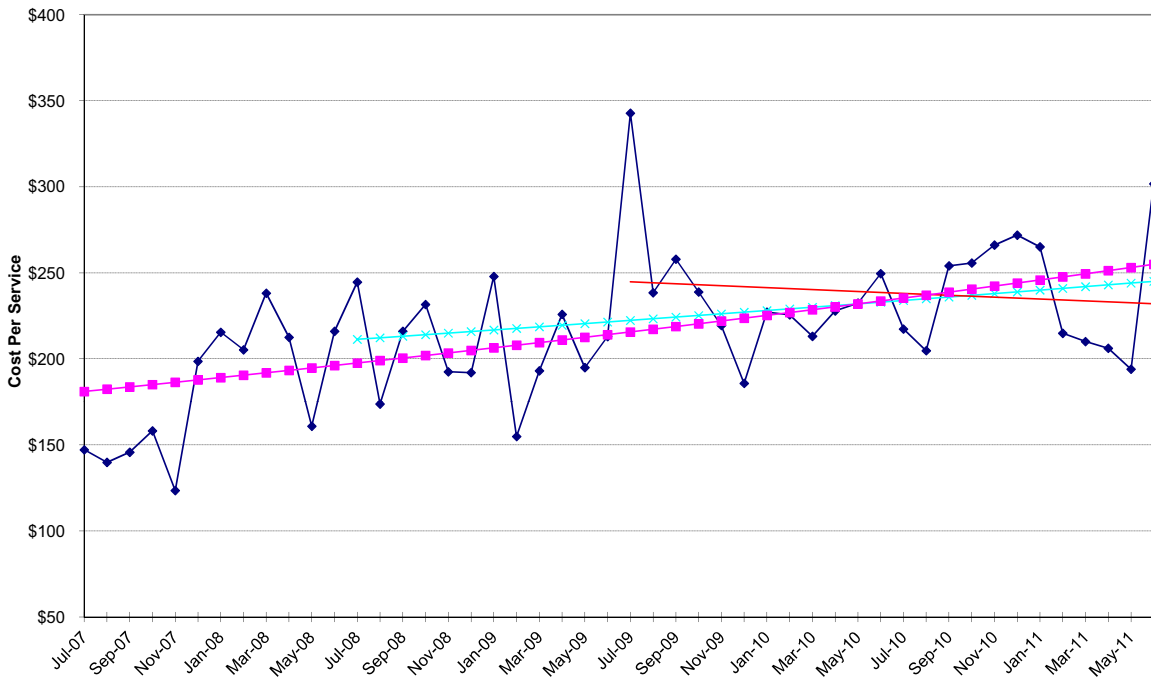
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
13.1%	-2.7%	10.0%

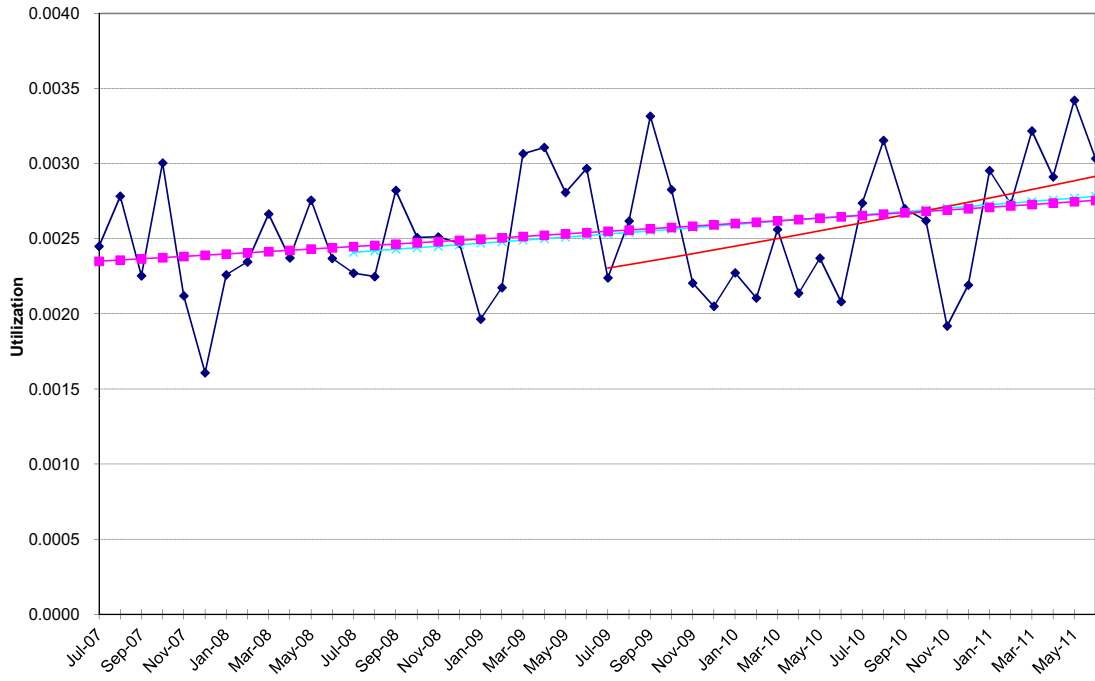
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.0%	5.2%	10.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.1%	9.1%	13.7%

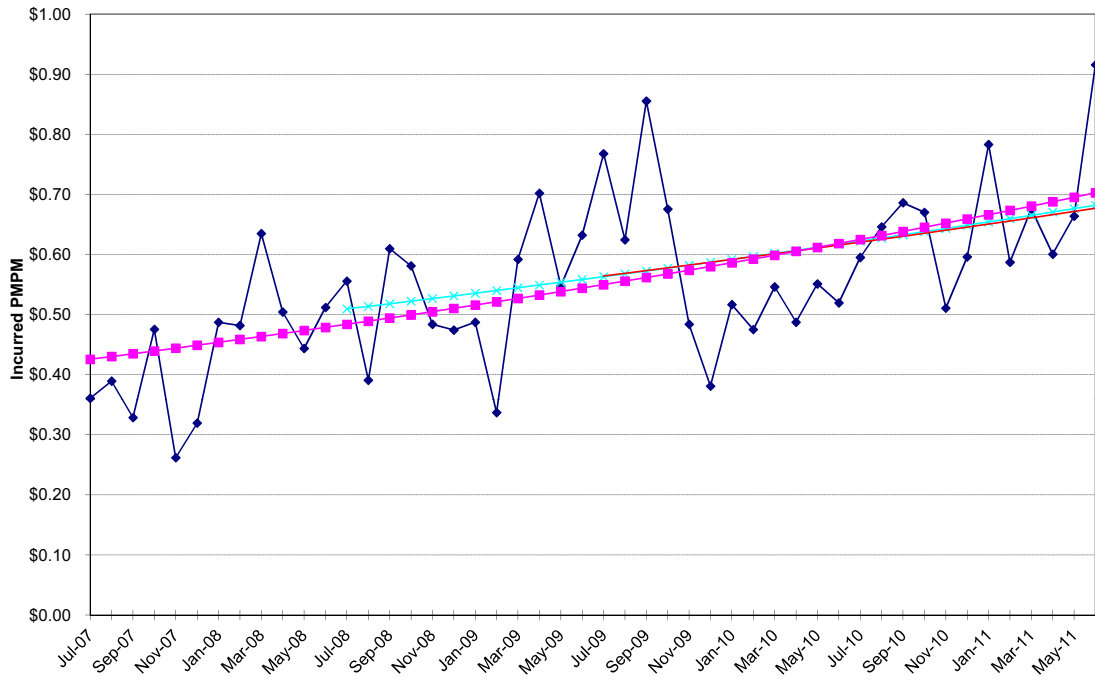
Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

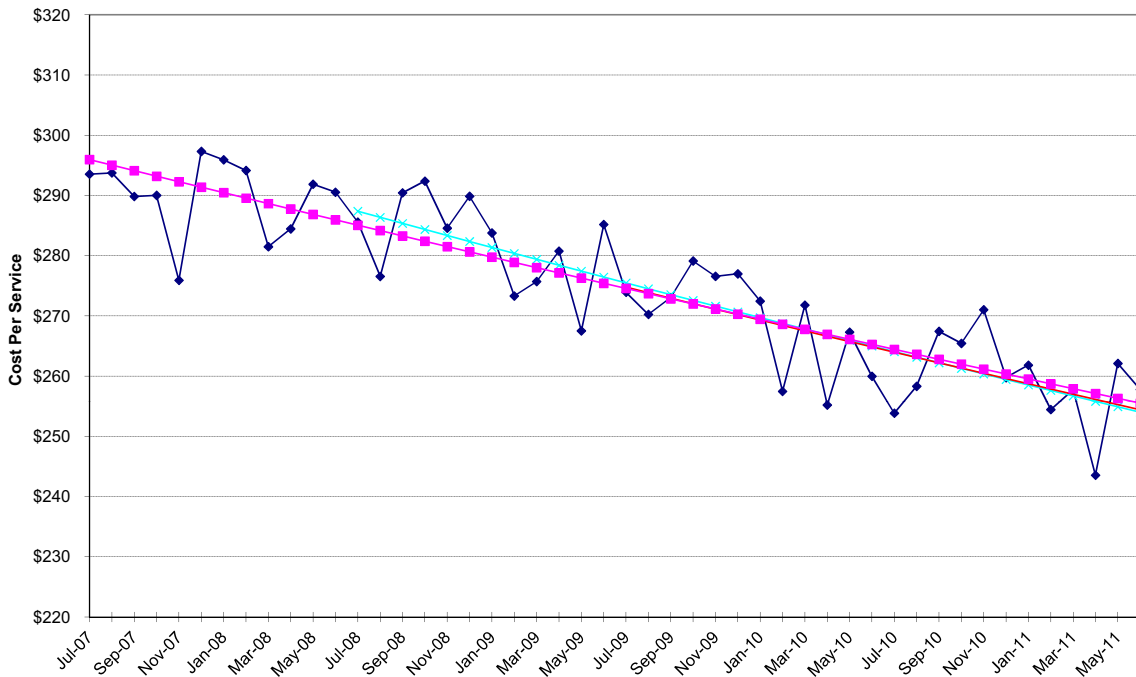
Anesthesia

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
15.1%	-3.9%	10.6%

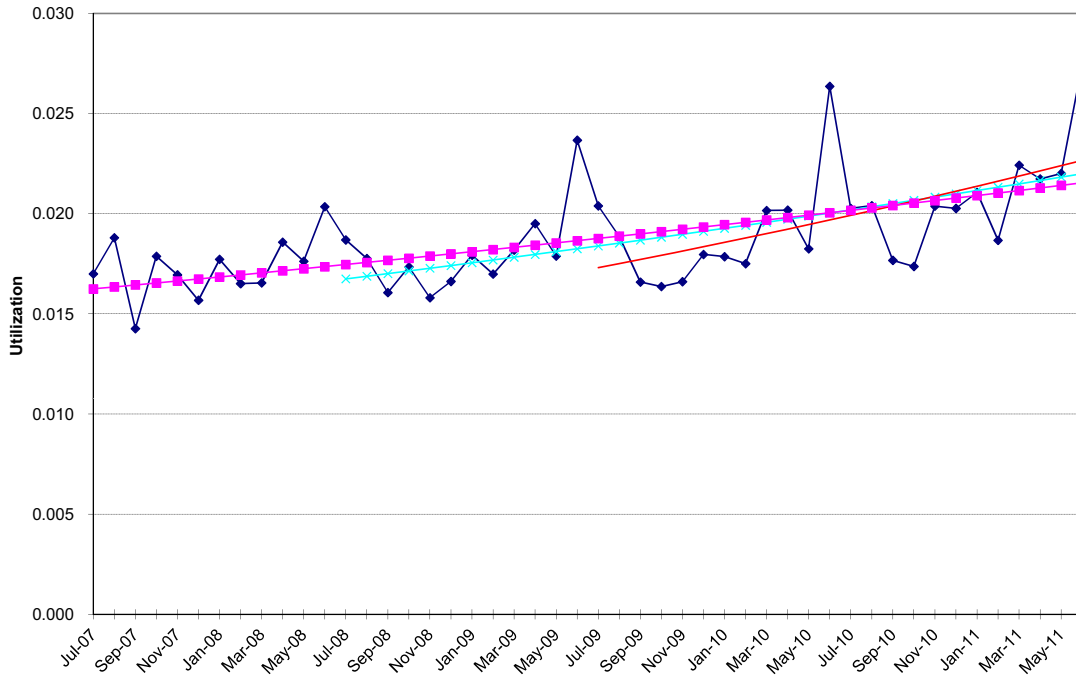
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
9.8%	-4.1%	5.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.5%	-3.7%	3.5%

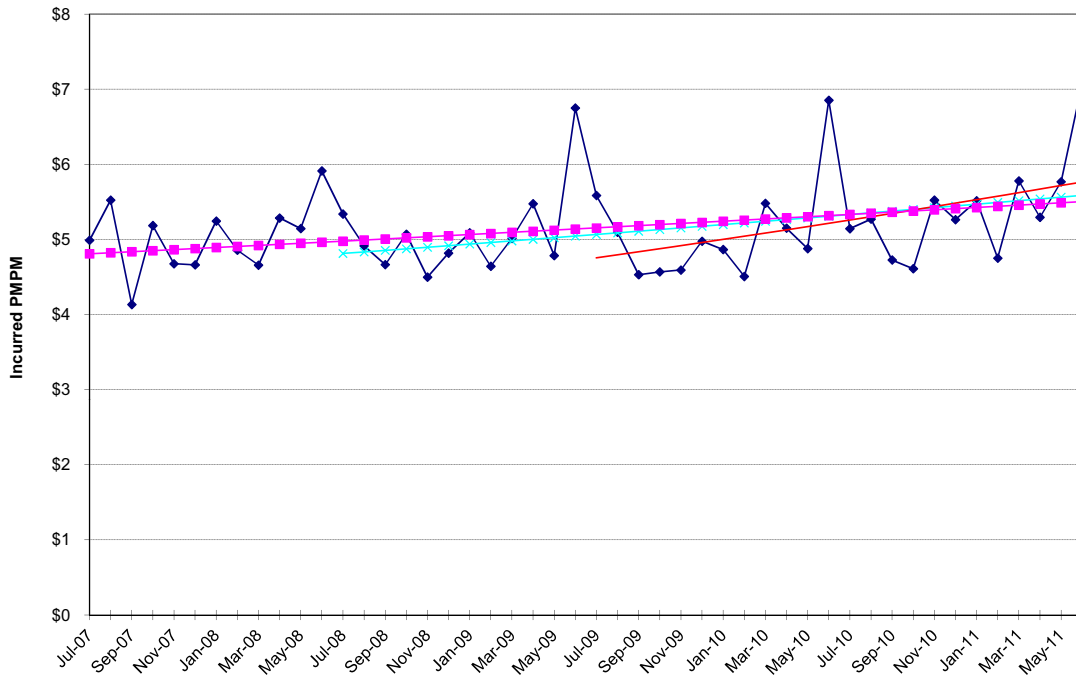
Physician Services - Anesthesia



Physician Services - Anesthesia



Physician Services - Anesthesia



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

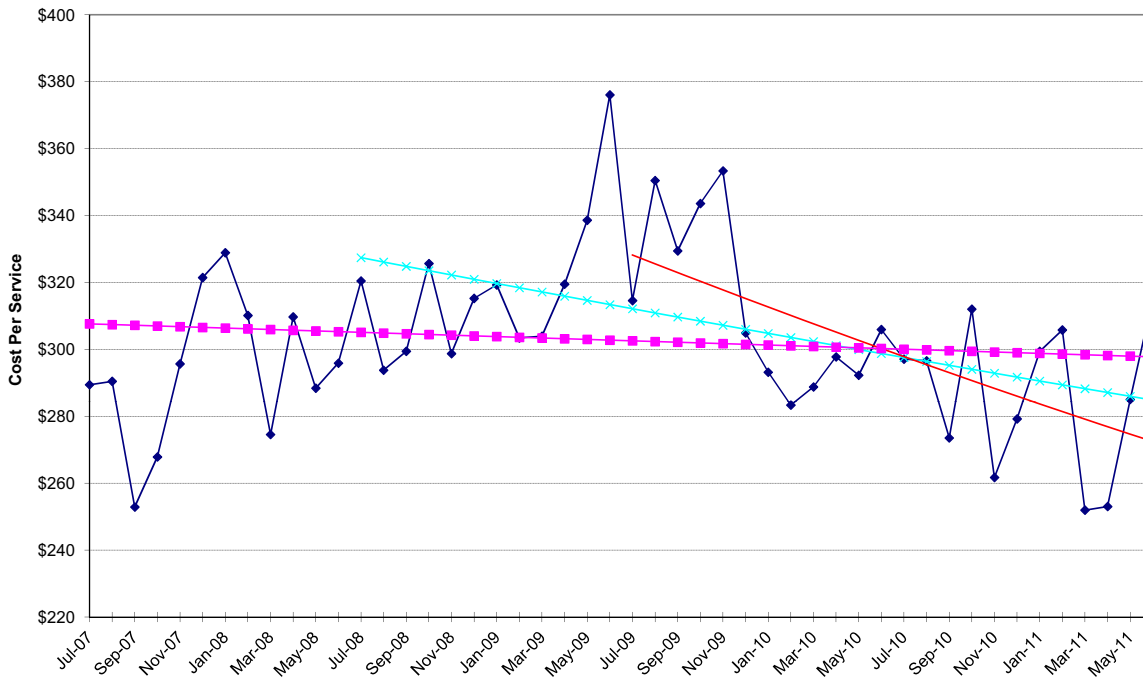
Chemotherapy / Radiation

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.7%	-9.3%	-11.7%

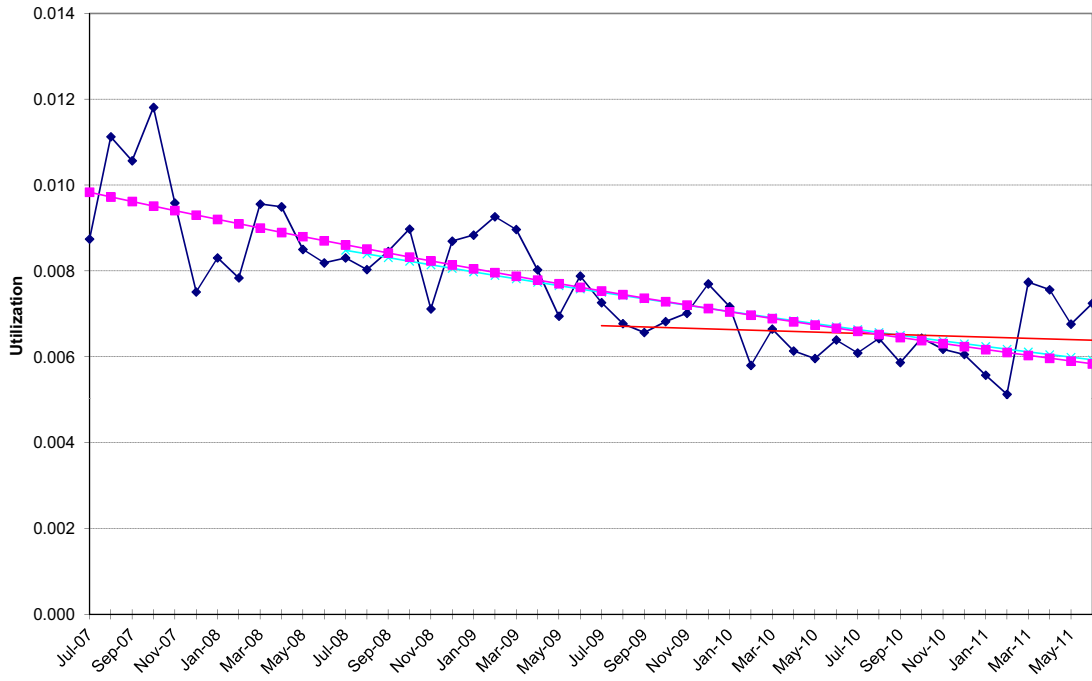
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-11.6%	-4.7%	-15.7%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-12.5%	-0.8%	-13.2%

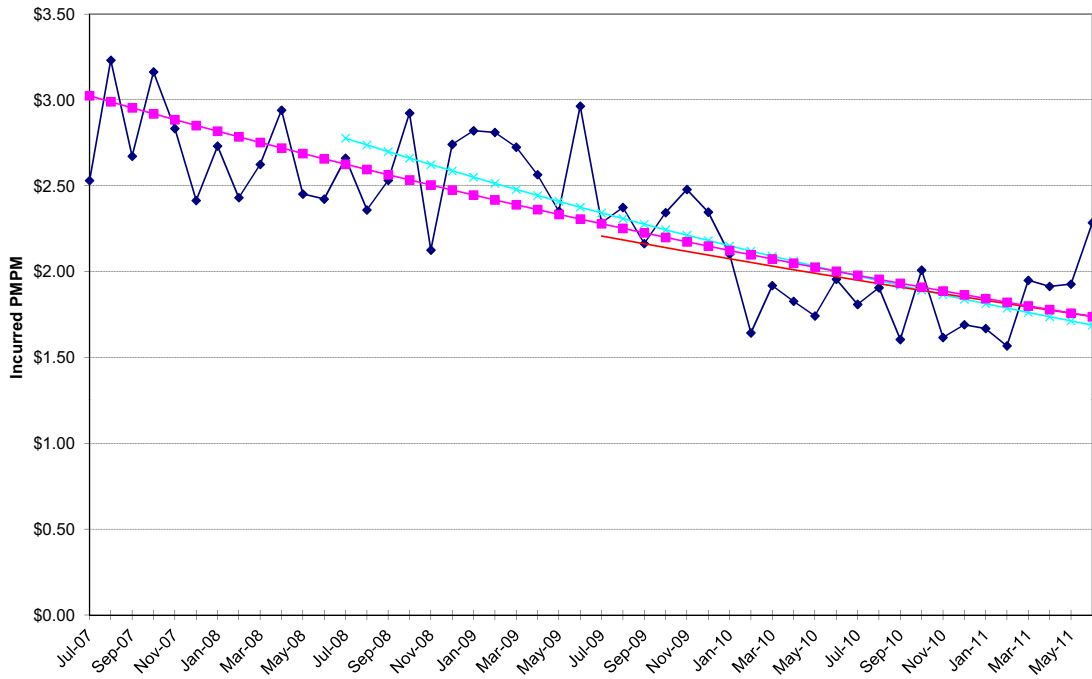
Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

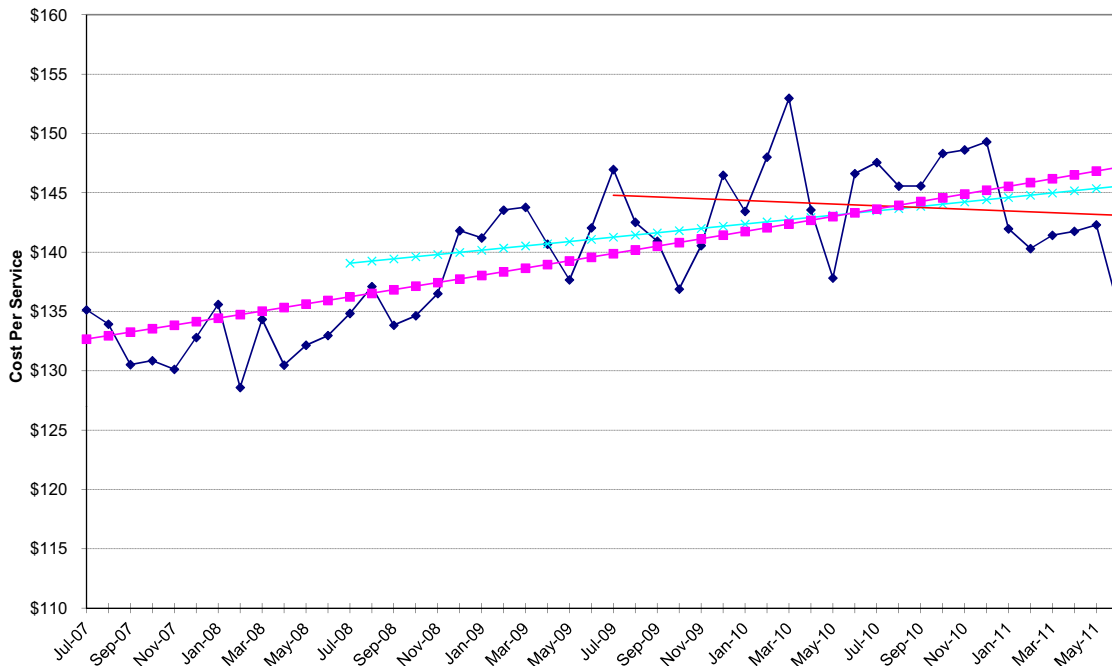
Emergency Room

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.2%	-0.6%	-1.8%

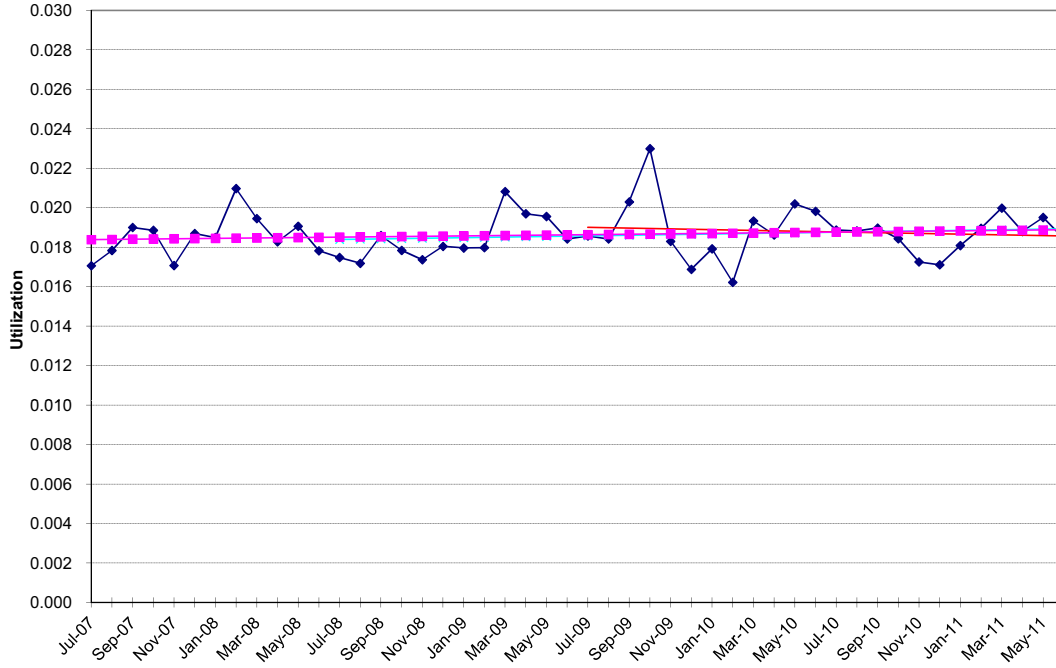
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.0%	1.6%	2.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.7%	2.7%	3.4%

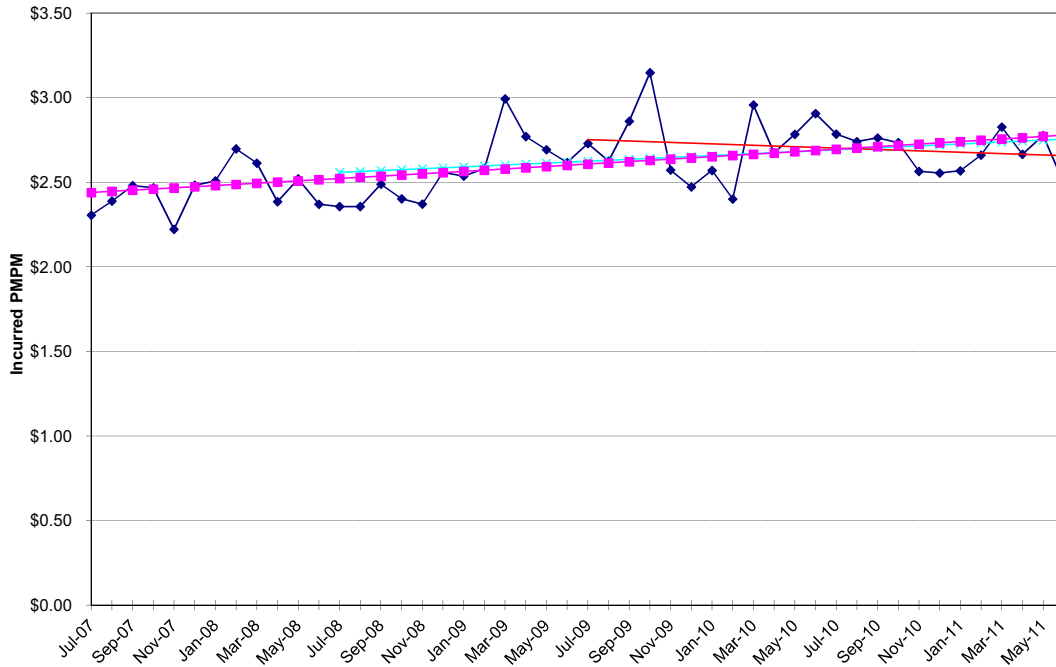
Physician Services - Emergency Room



Physician Services - Emergency Room



Physician Services - Emergency Room



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

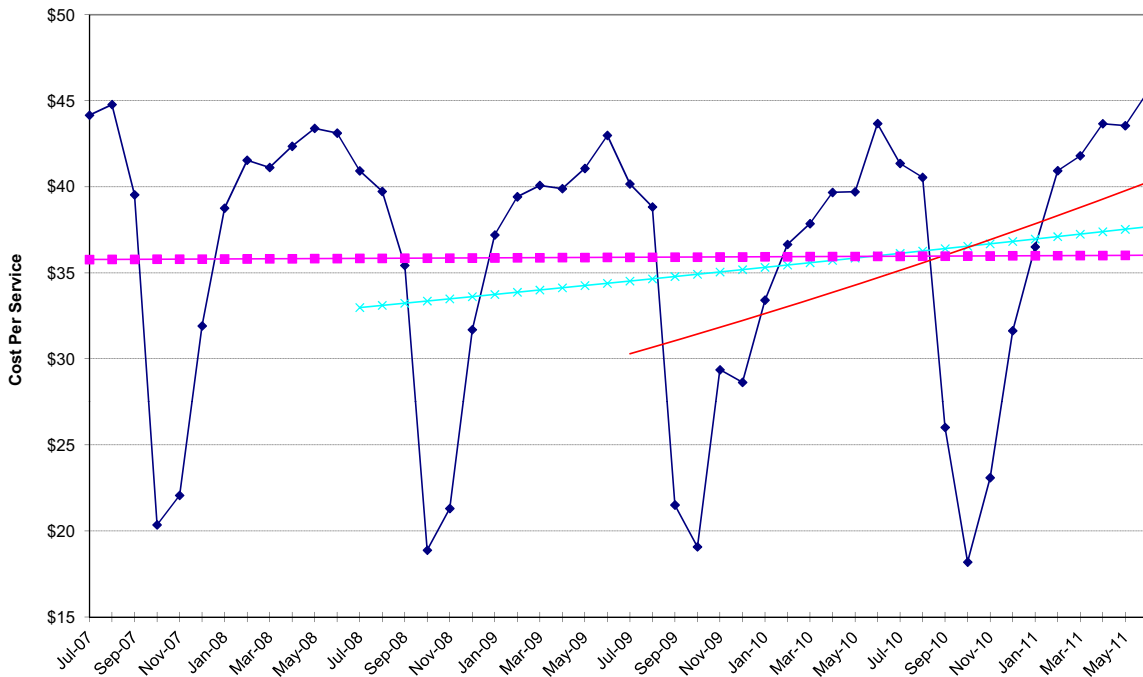
Immunizations / Injections / Allergy

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-19.0%	16.0%	-6.0%

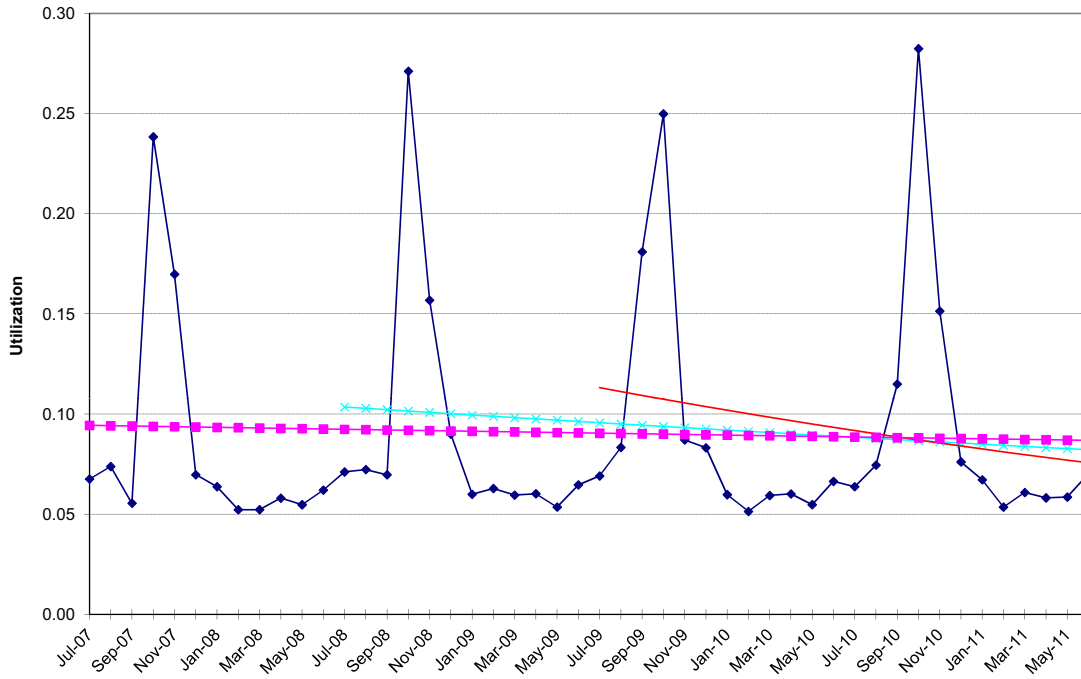
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-7.6%	4.7%	-3.3%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.1%	0.2%	-1.9%

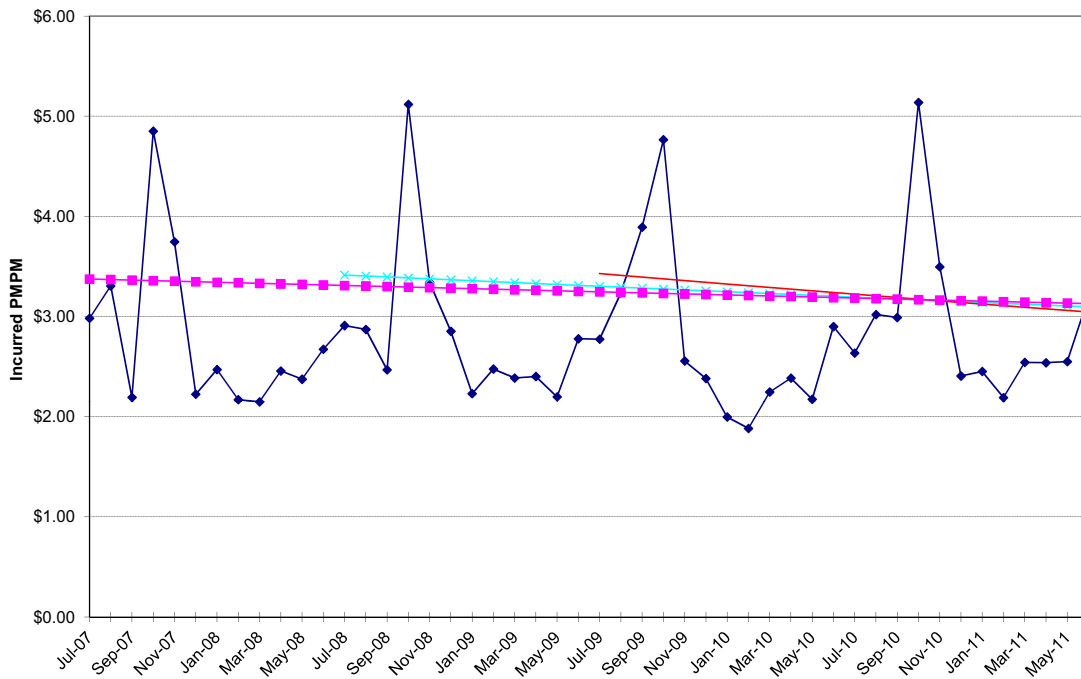
Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

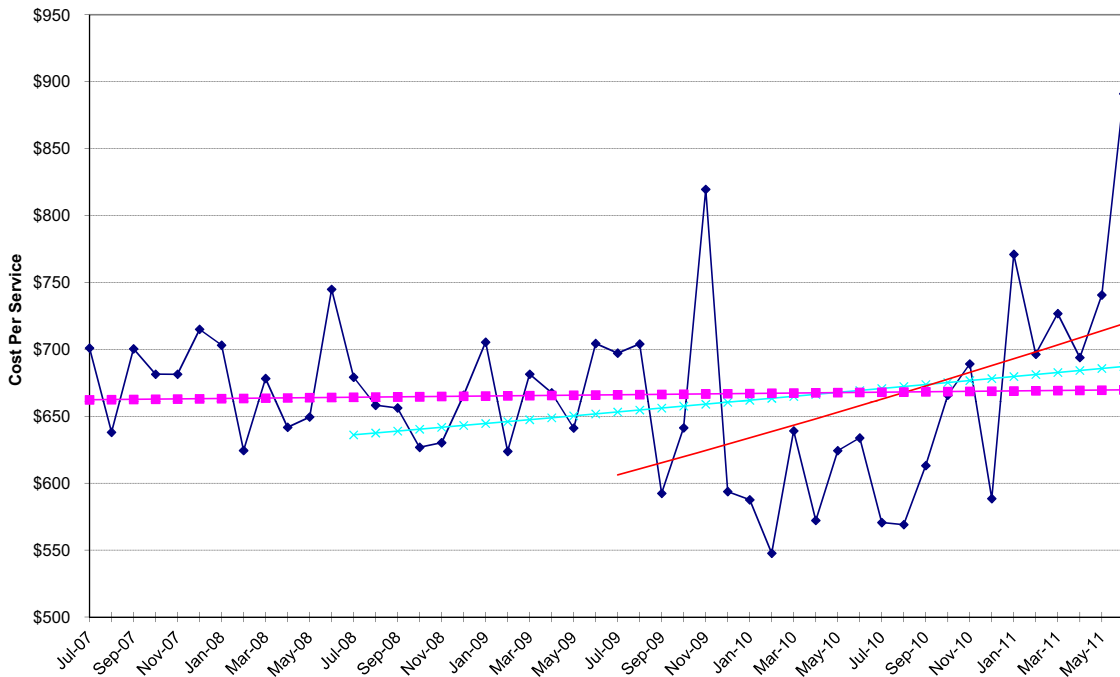
Inpatient Surgery

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-8.5%	9.3%	0.1%

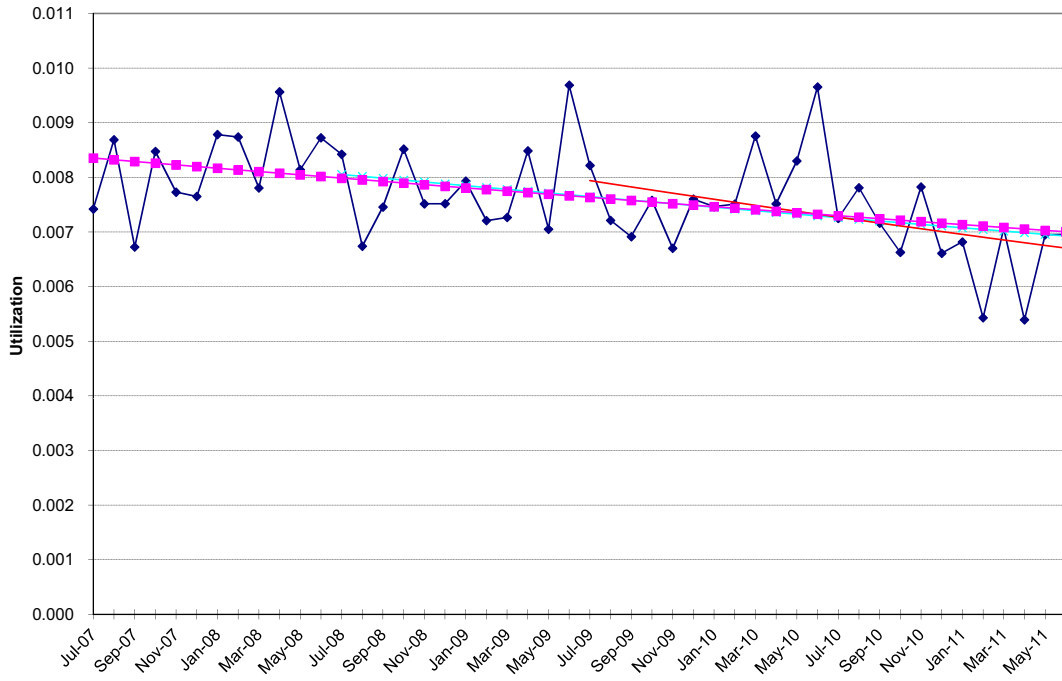
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-5.0%	2.7%	-2.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-4.4%	0.3%	-4.1%

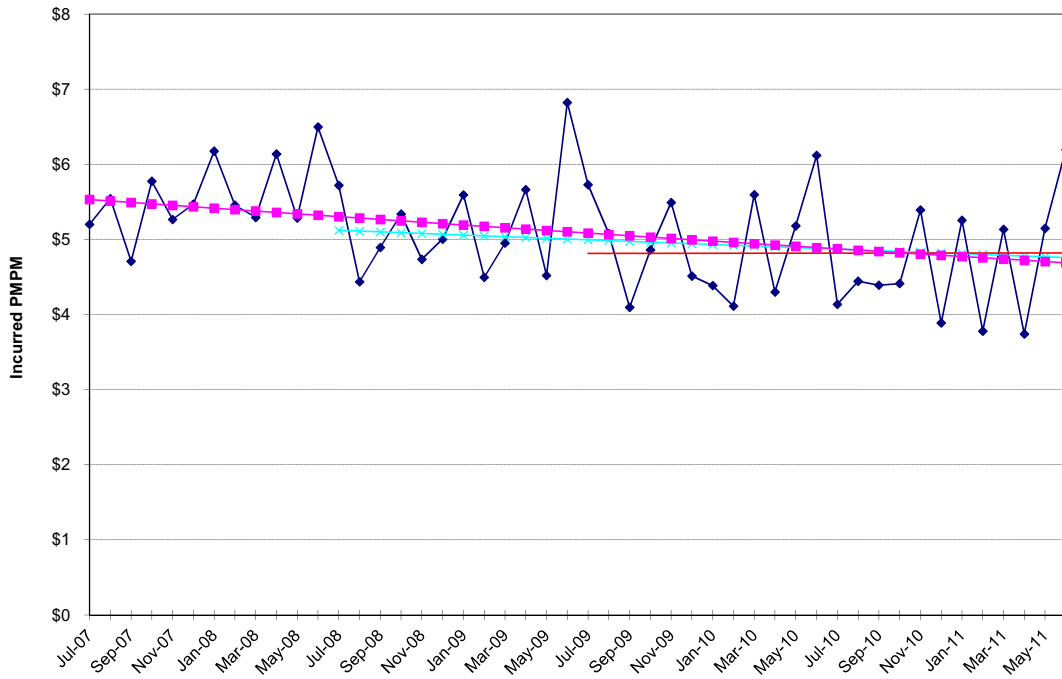
Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

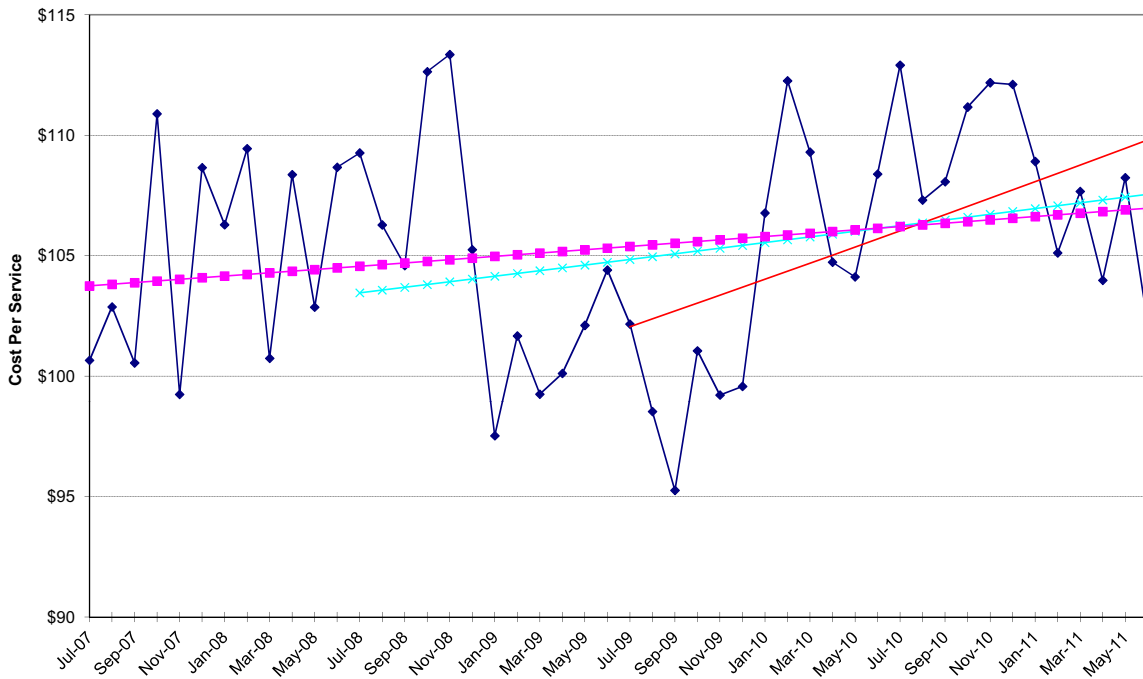
Inpatient Visits

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
11.8%	3.9%	16.2%

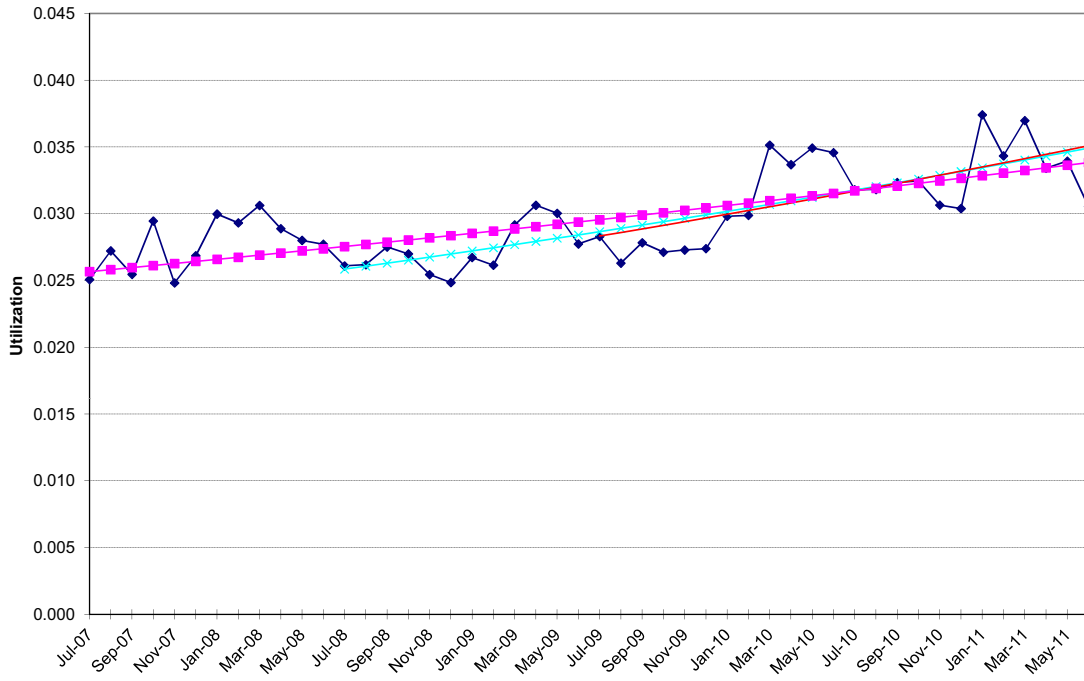
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
10.9%	1.3%	12.3%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.3%	0.8%	8.1%

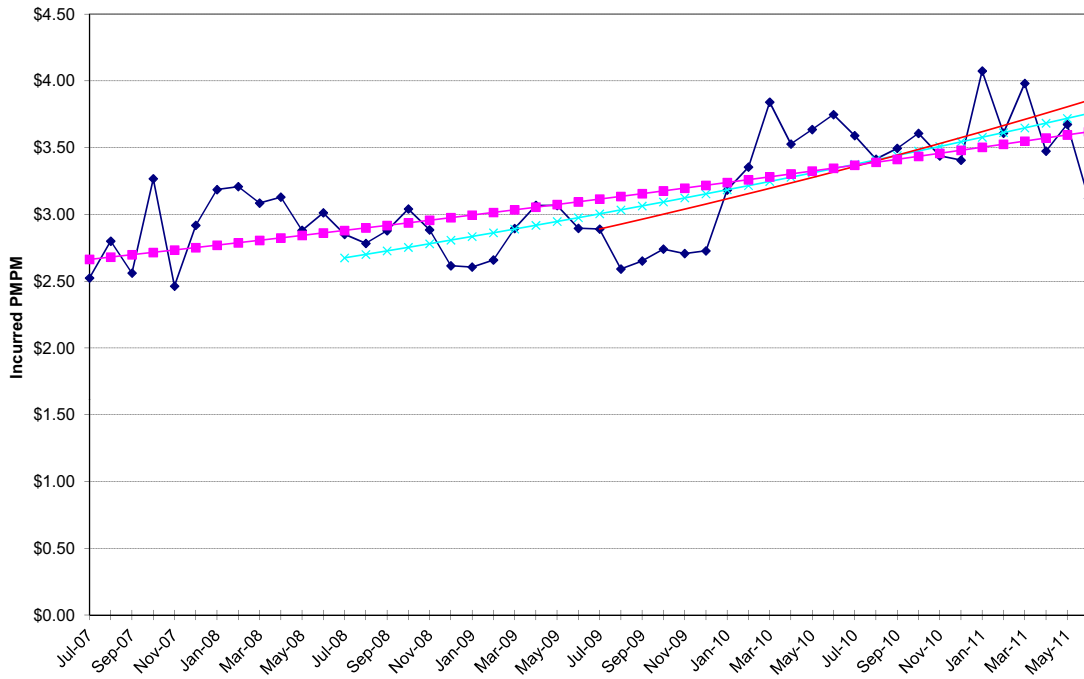
Physician Services - Inpatient Visits



Physician Services - Inpatient Visits



Physician Services - Inpatient Visits



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

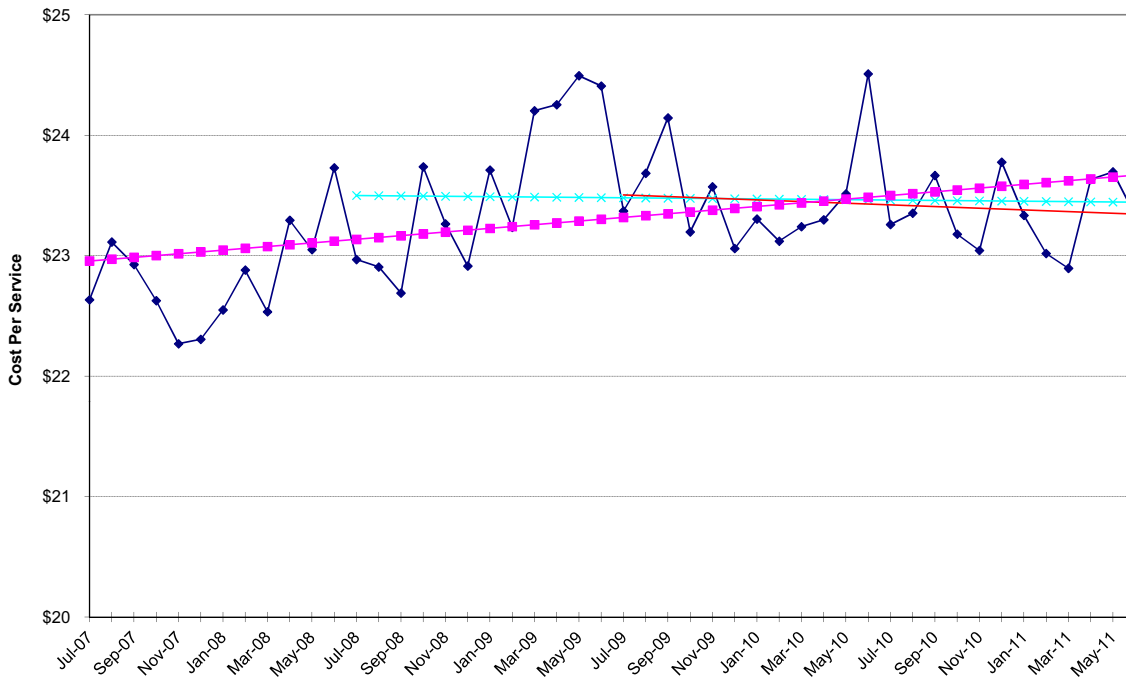
Lab & Pathology

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.2%	-0.4%	7.8%

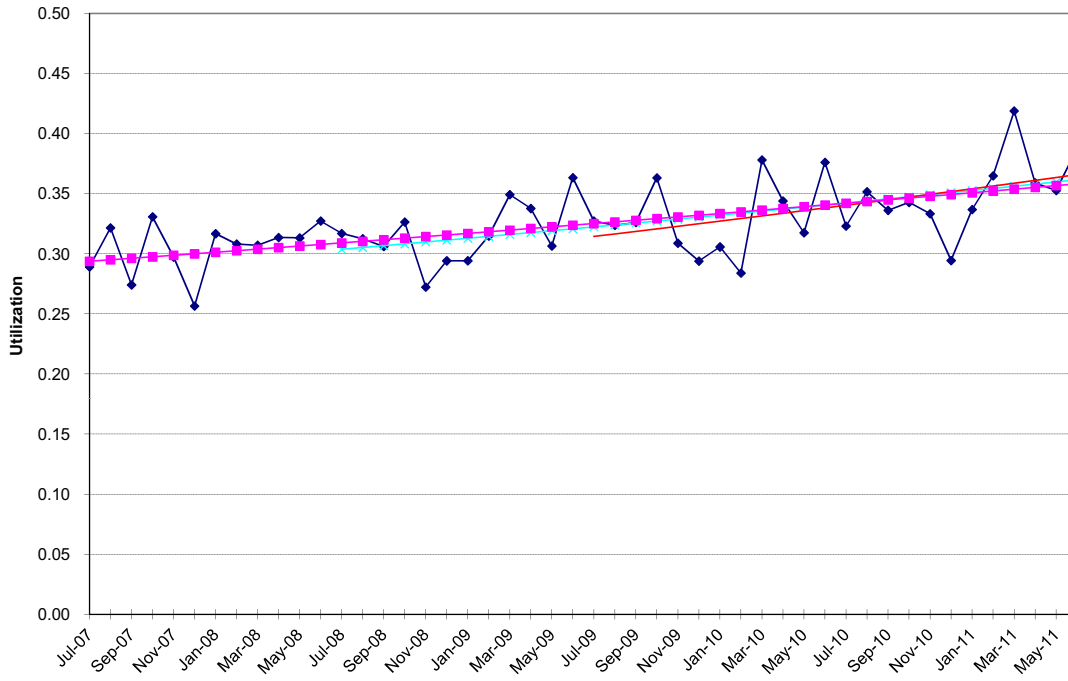
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.2%	-0.1%	6.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.2%	0.8%	6.0%

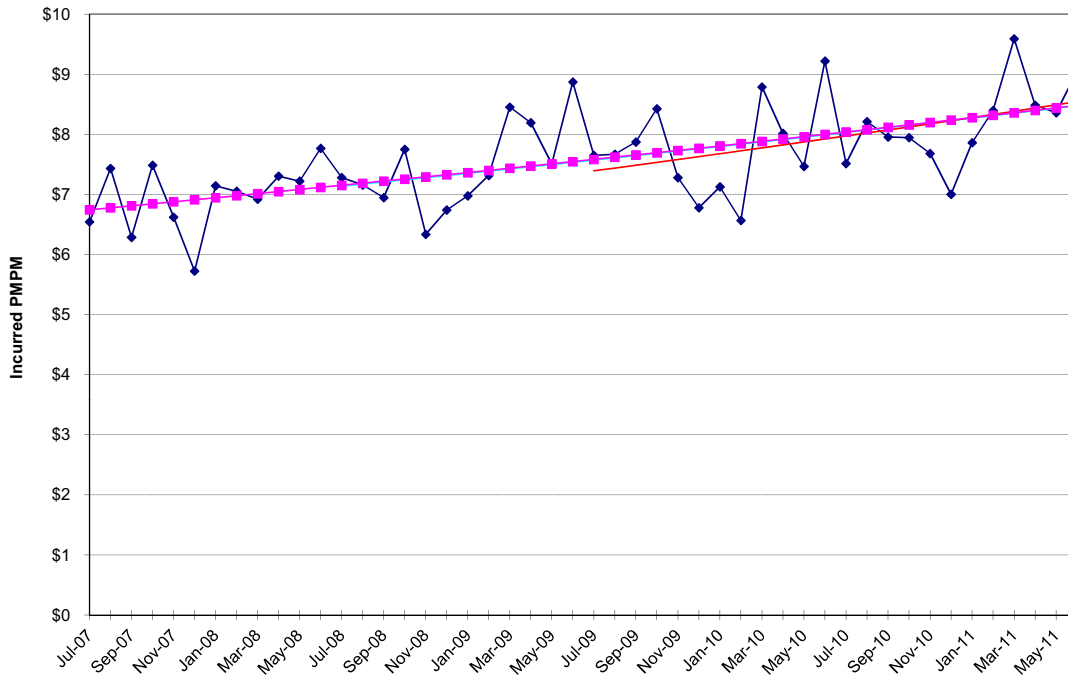
Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

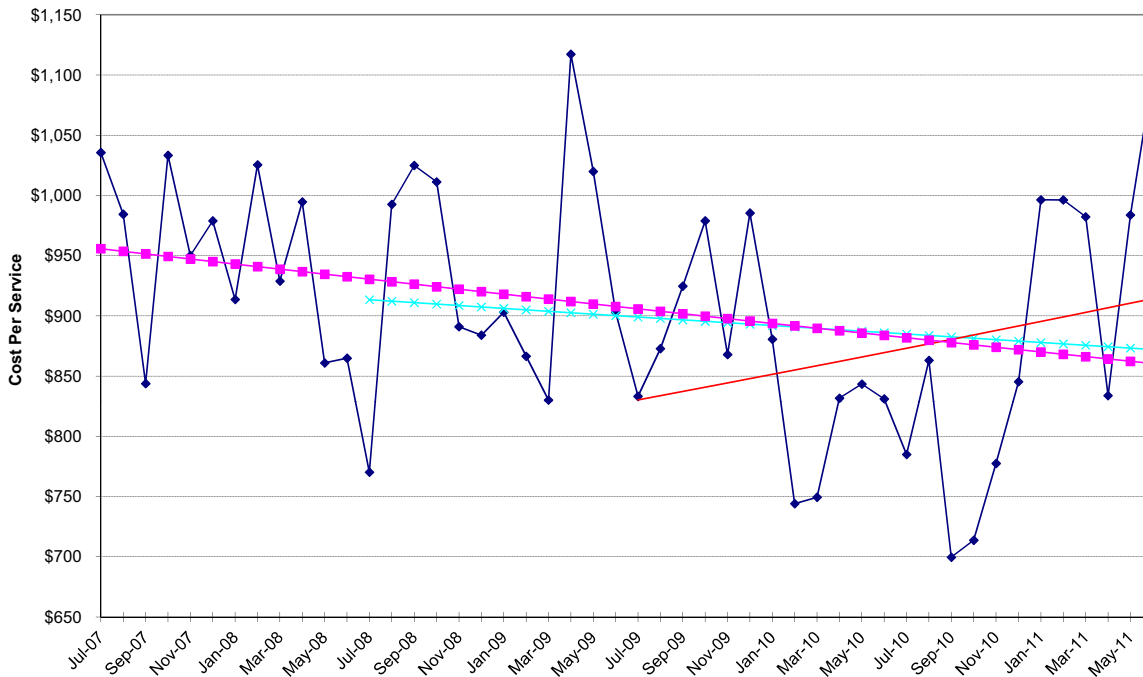
Maternity

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.6%	5.2%	7.9%

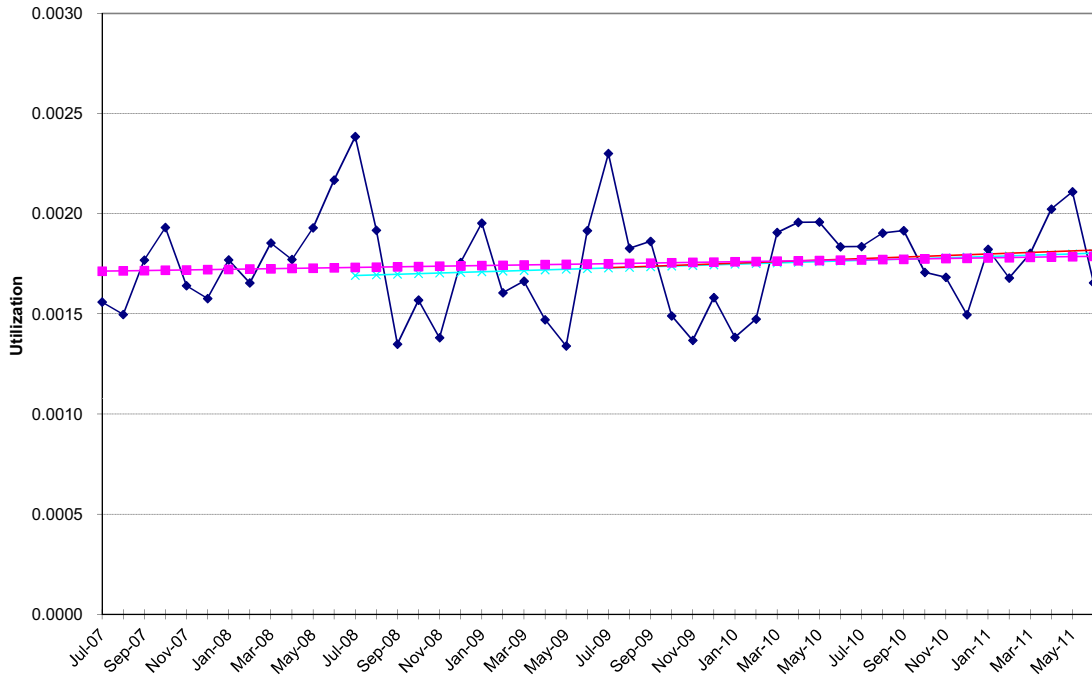
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.2%	-1.6%	0.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.1%	-2.6%	-1.6%

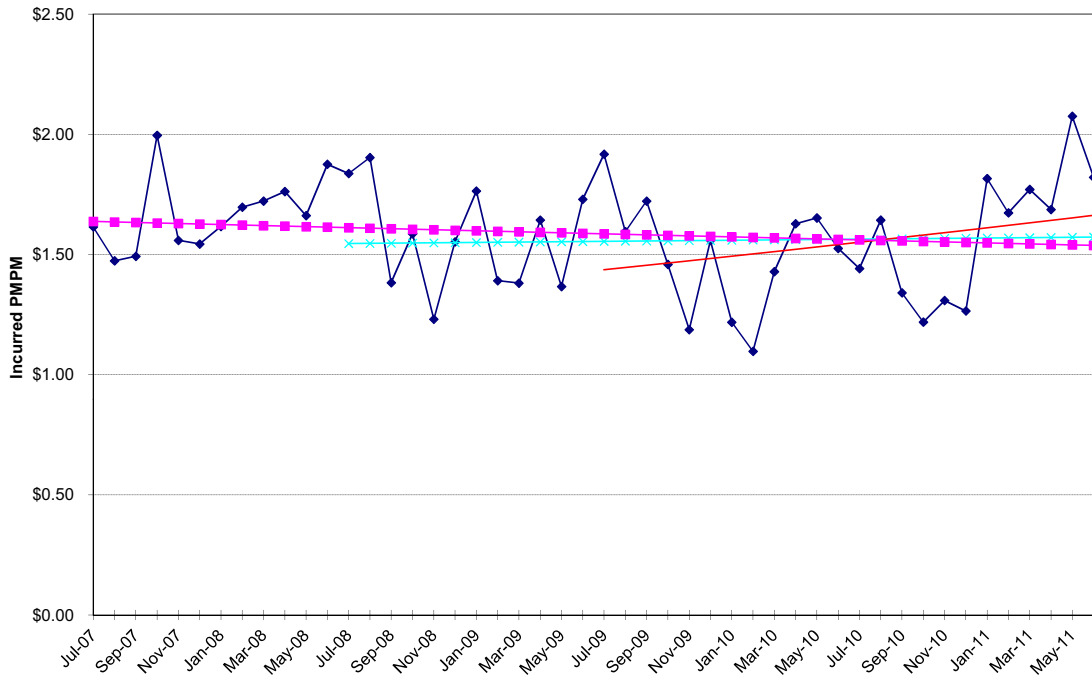
Physician Services - Maternity



Physician Services - Maternity



Physician Services - Maternity



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

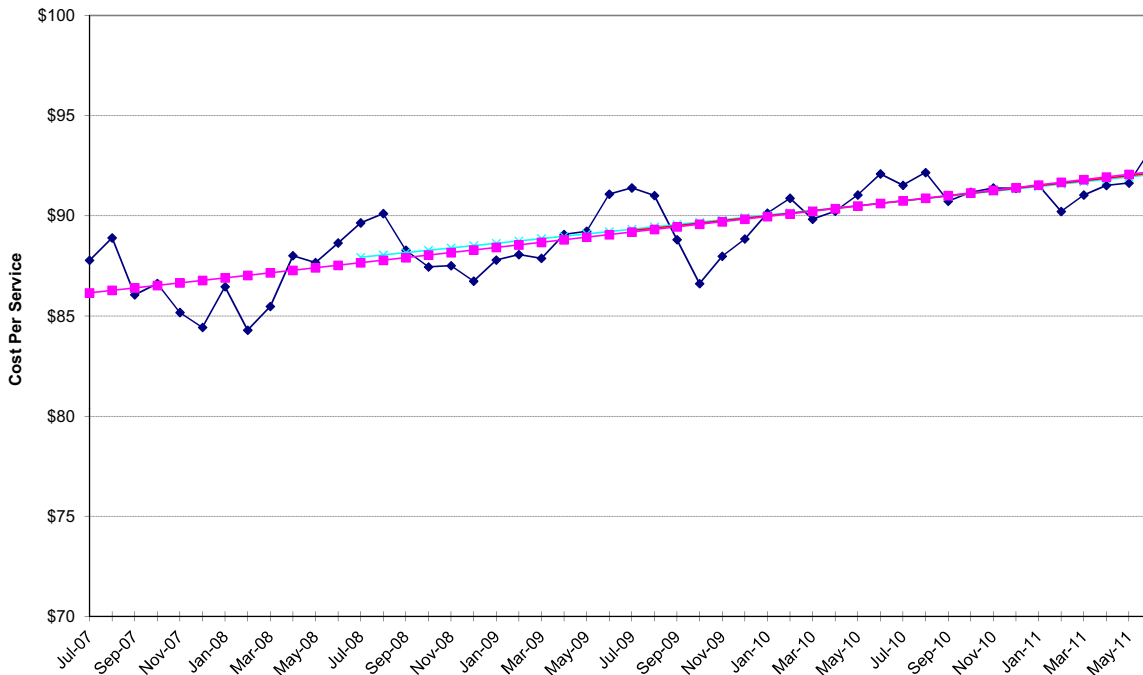
Office Visits

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.6%	1.7%	6.4%

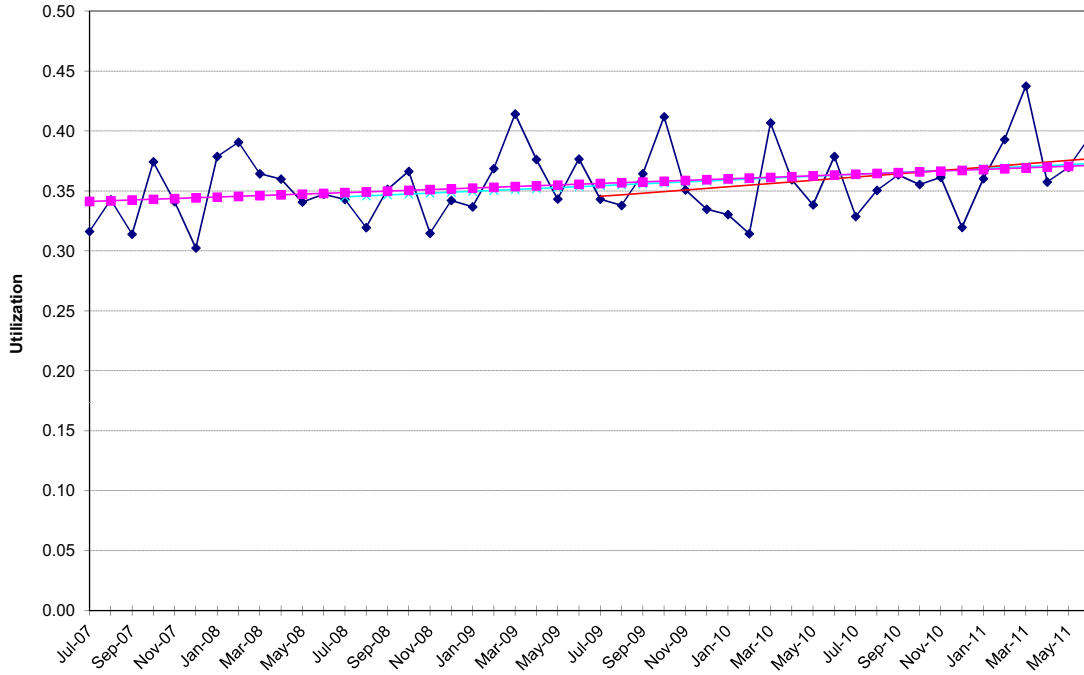
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.7%	1.6%	4.3%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.2%	1.7%	4.0%

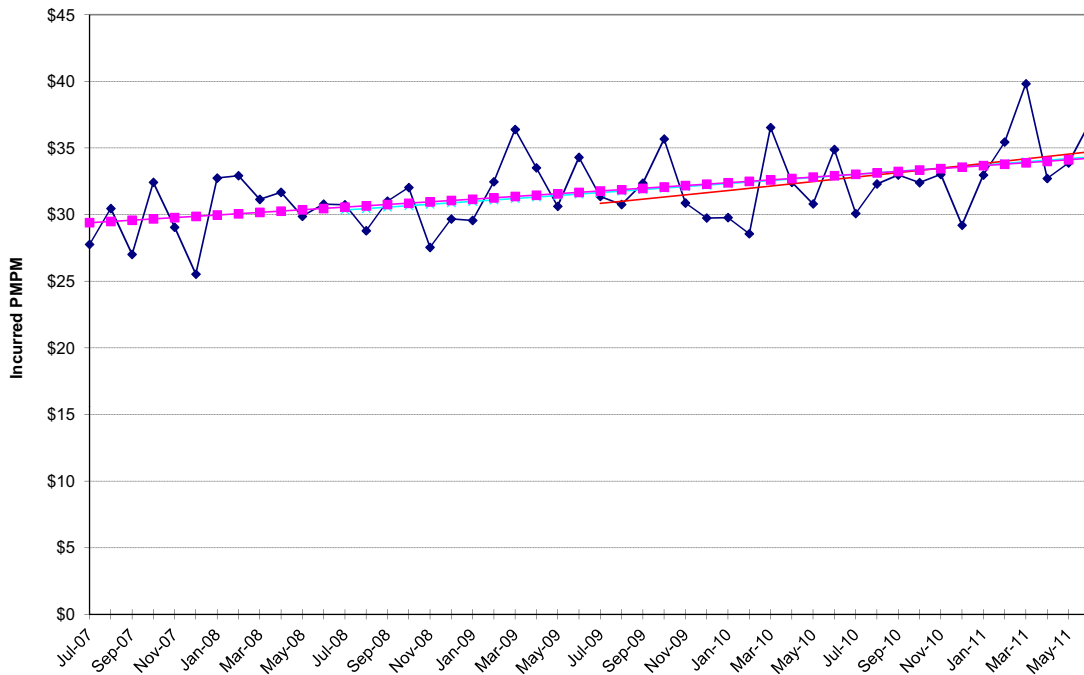
Physician Services - Office Visits



Physician Services - Office Visits



Physician Services - Office Visits



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

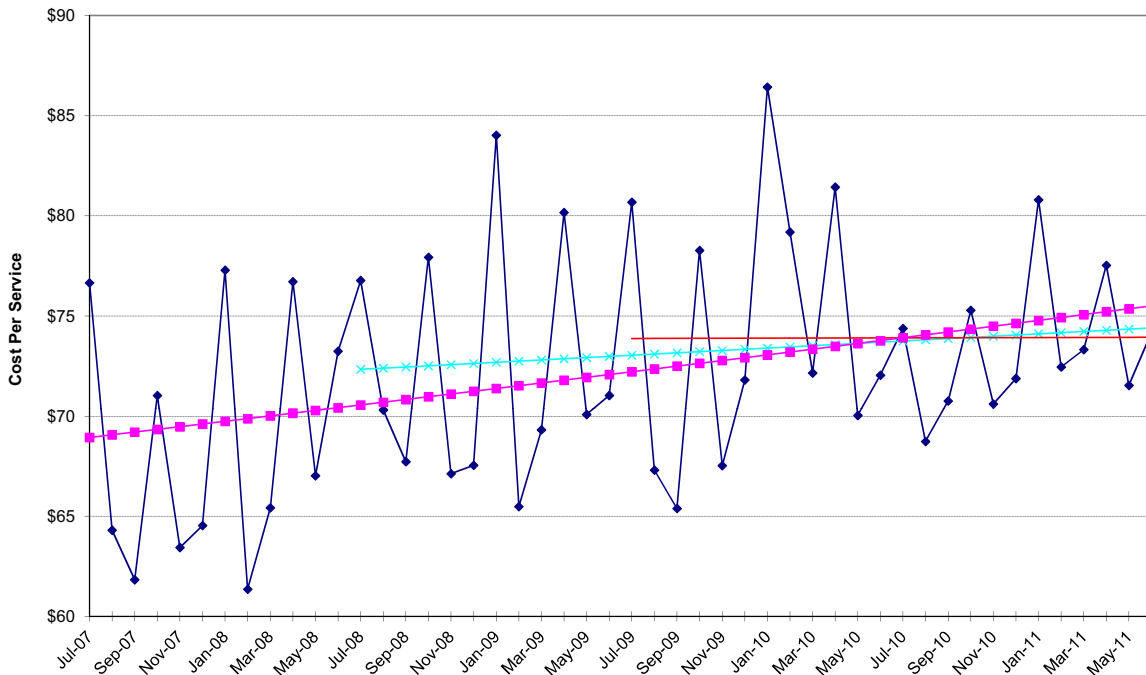
Other Services

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

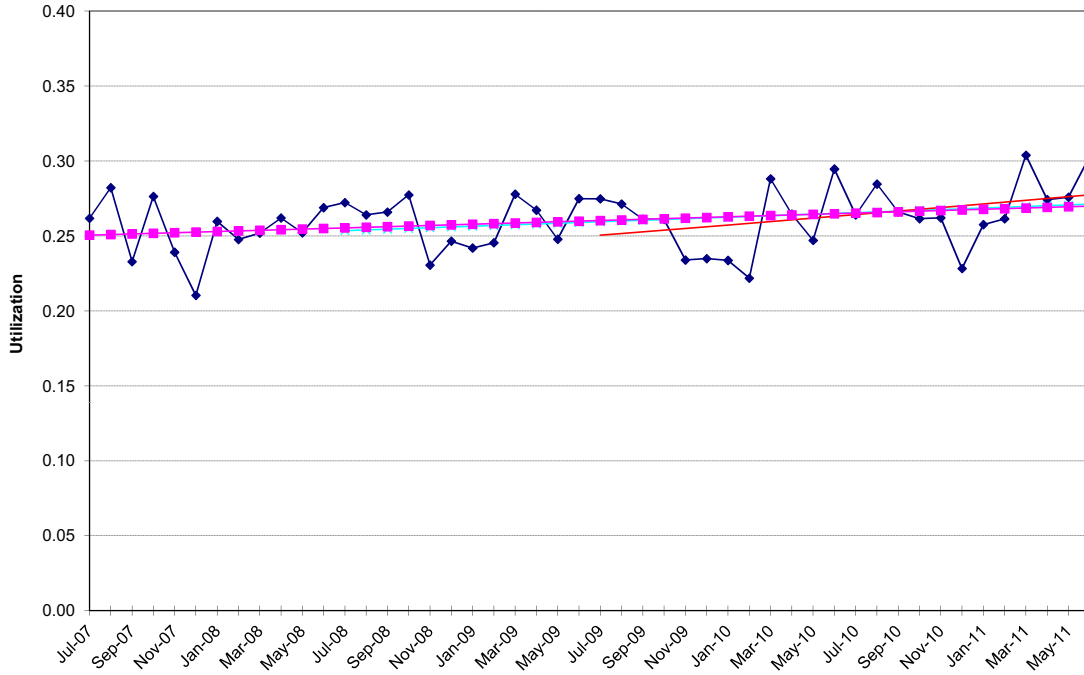
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.3%	1.0%	3.3%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.9%	2.4%	4.3%

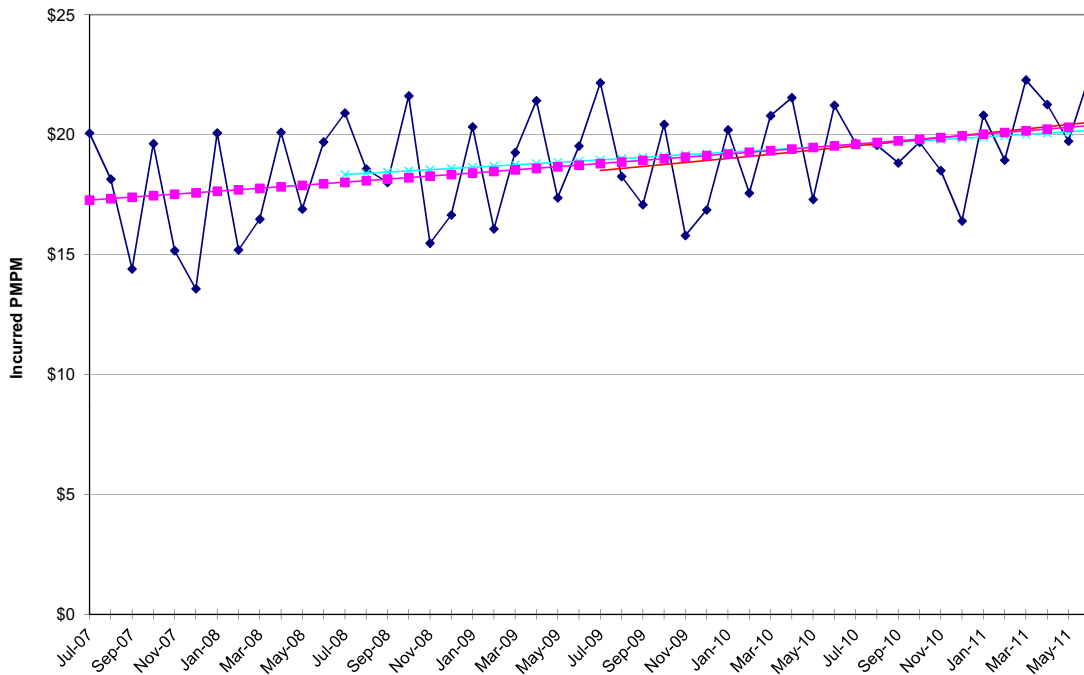
Physician Services - Other Services



Physician Services - Other Services



Physician Services - Other Services



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

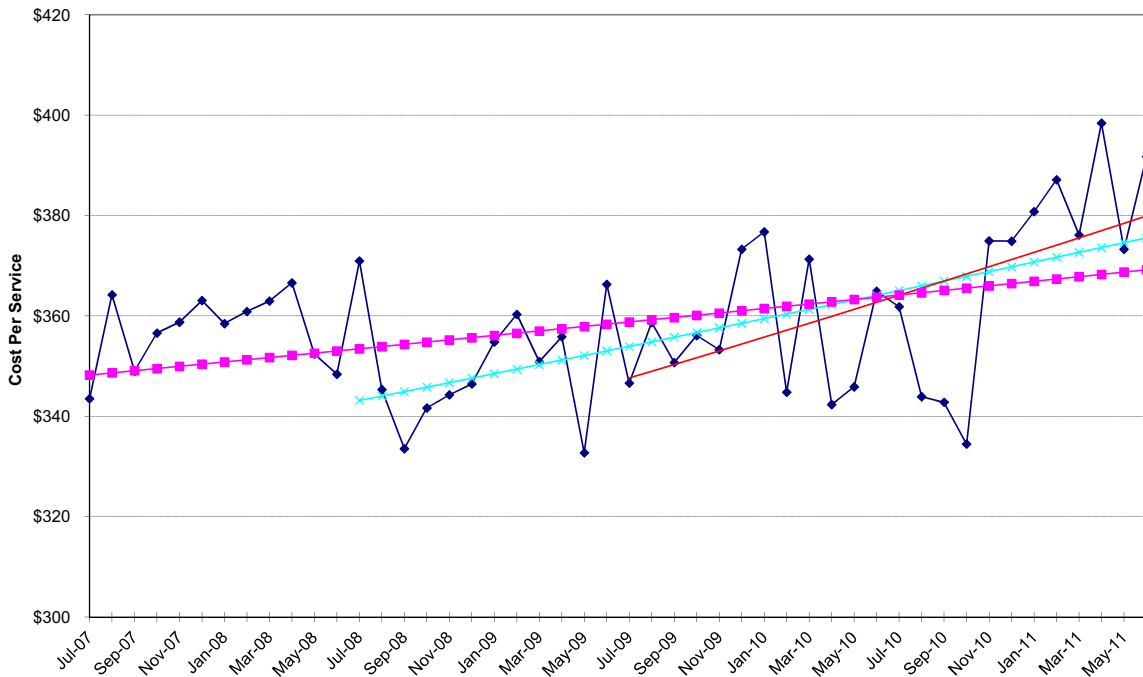
Outpatient Surgery

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.8%	4.7%	6.6%

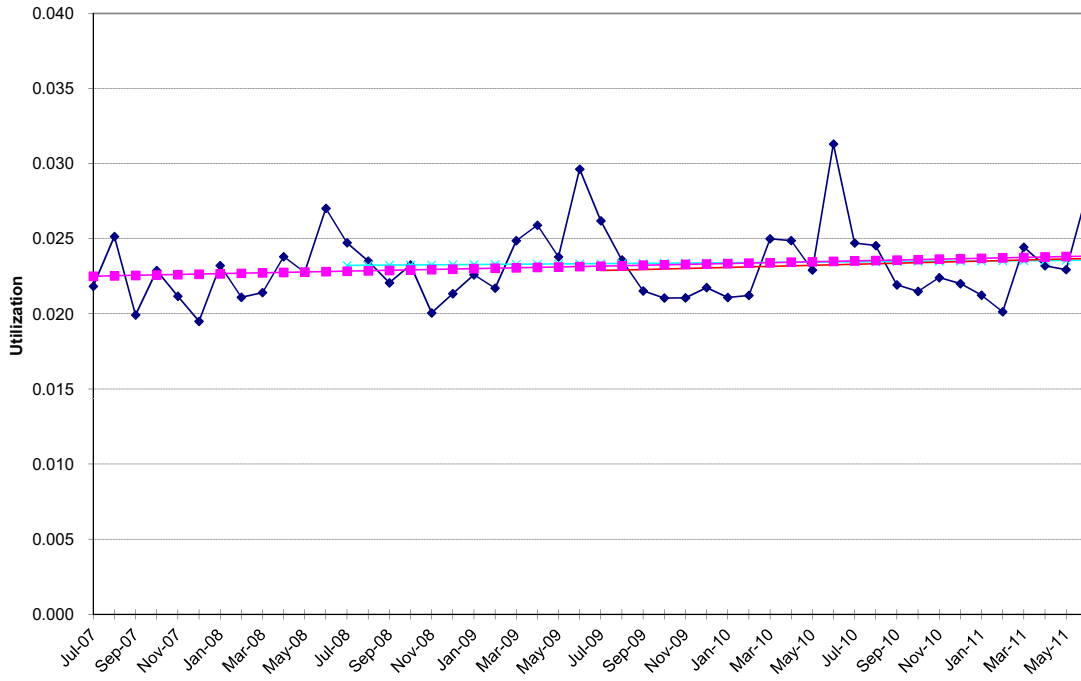
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.5%	3.1%	3.7%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.5%	1.5%	3.0%

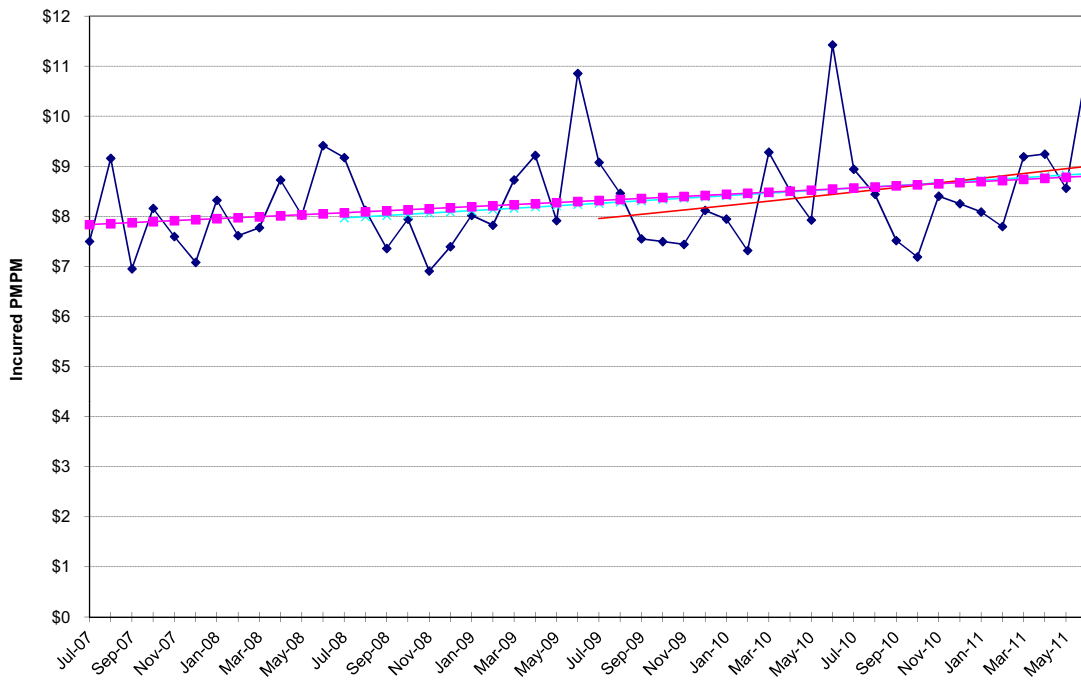
Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

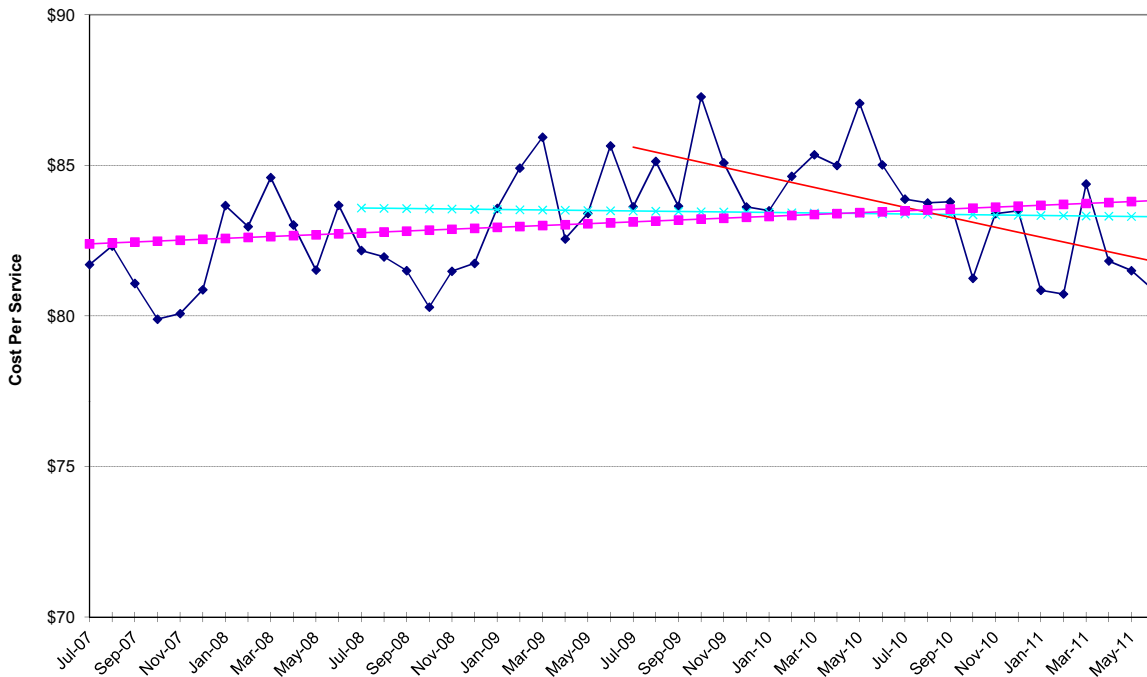
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.1%	-2.3%	4.6%

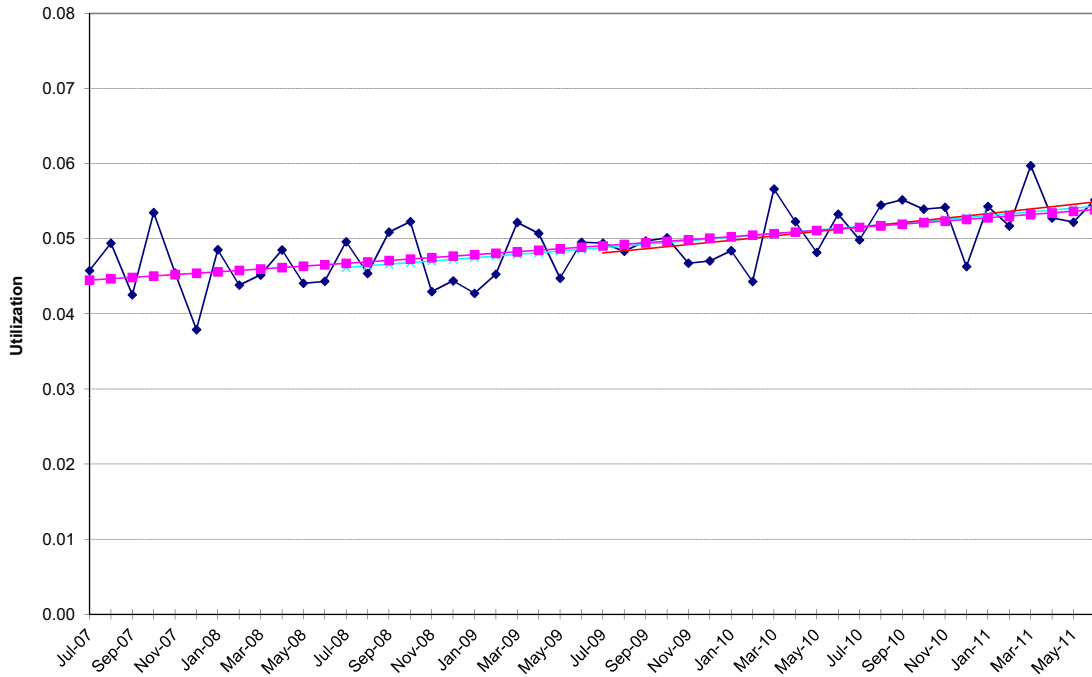
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.7%	-0.1%	5.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.0%	0.4%	5.5%

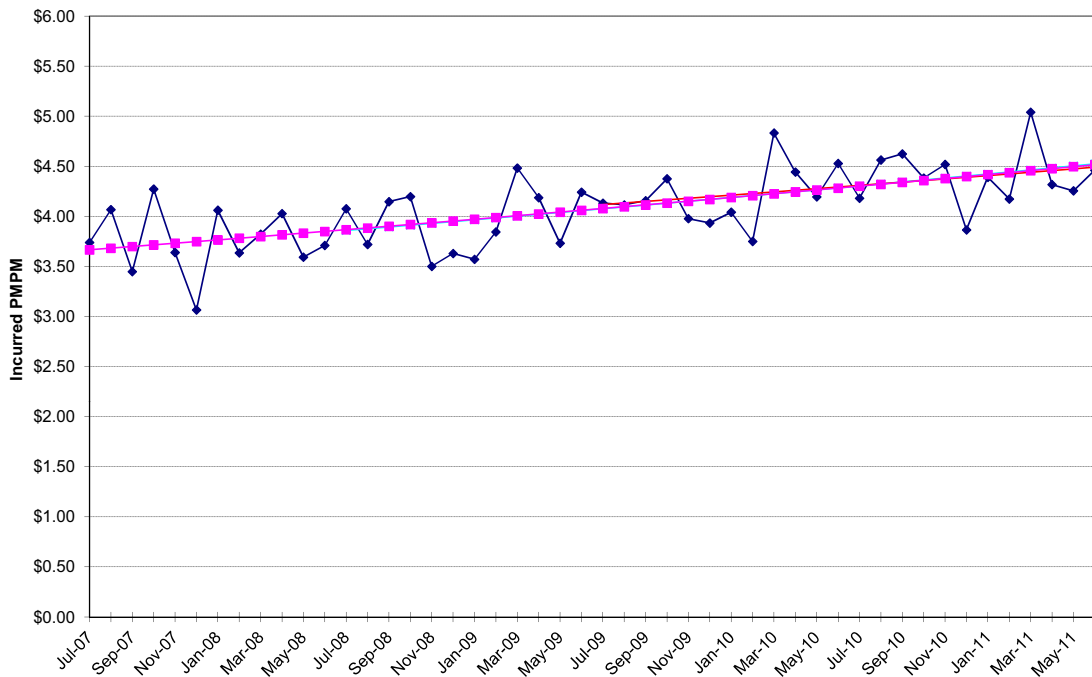
Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

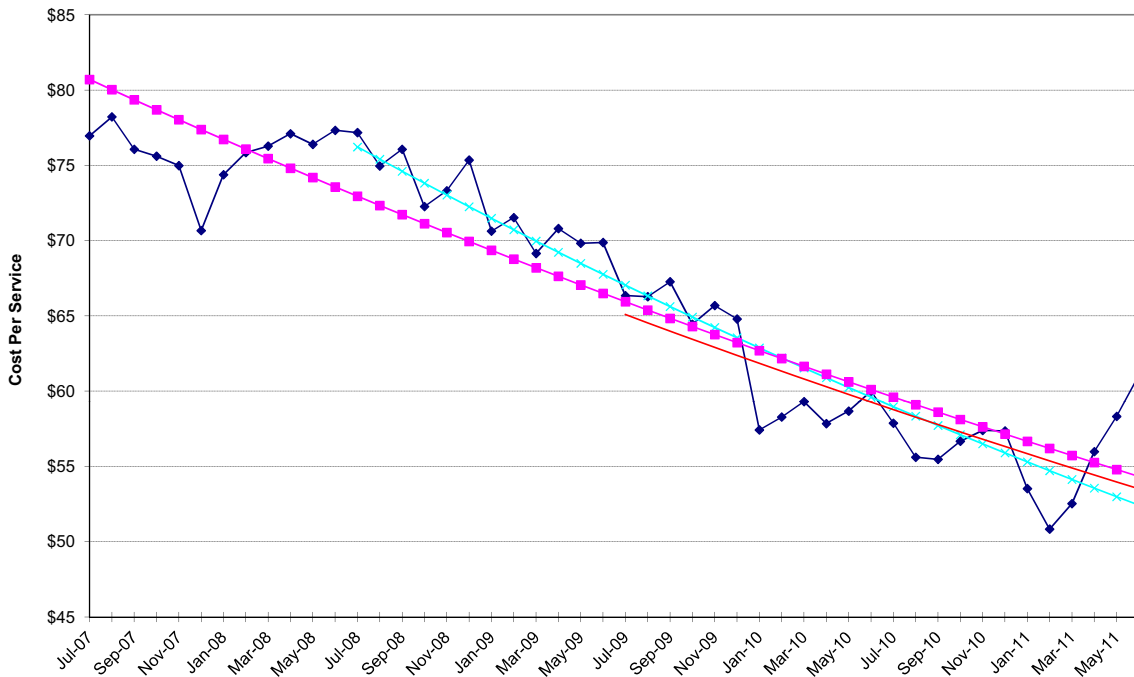
Radiology

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-4.9%	-9.7%	-14.2%

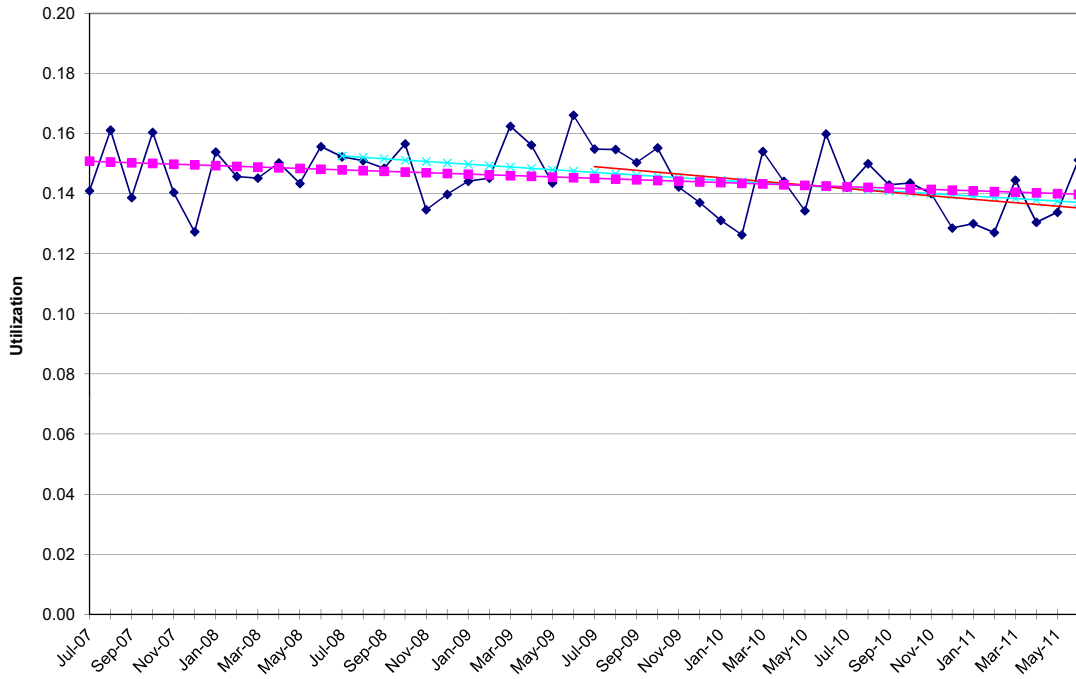
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-3.6%	-12.0%	-15.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.9%	-9.6%	-11.3%

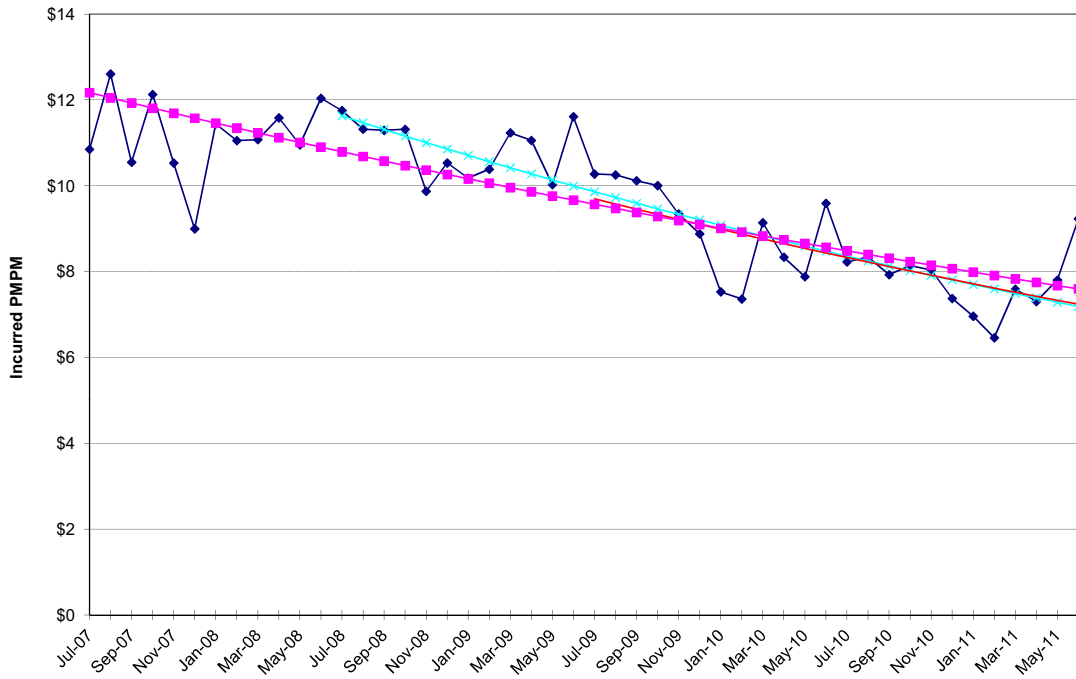
Physician Services - Radiology



Physician Services - Radiology



Physician Services - Radiology



**NON-MEDICARE CLAIMS
Excluding Drugs**

PHYSICIAN SERVICES

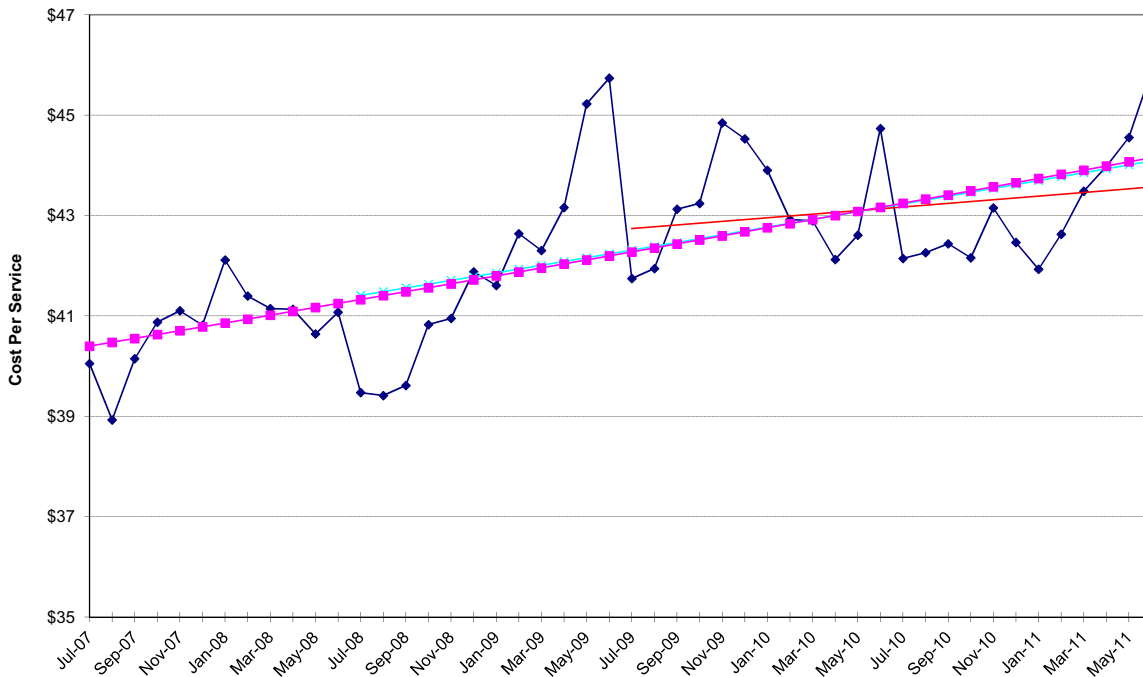
Therapies

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
11.1%	1.0%	12.3%

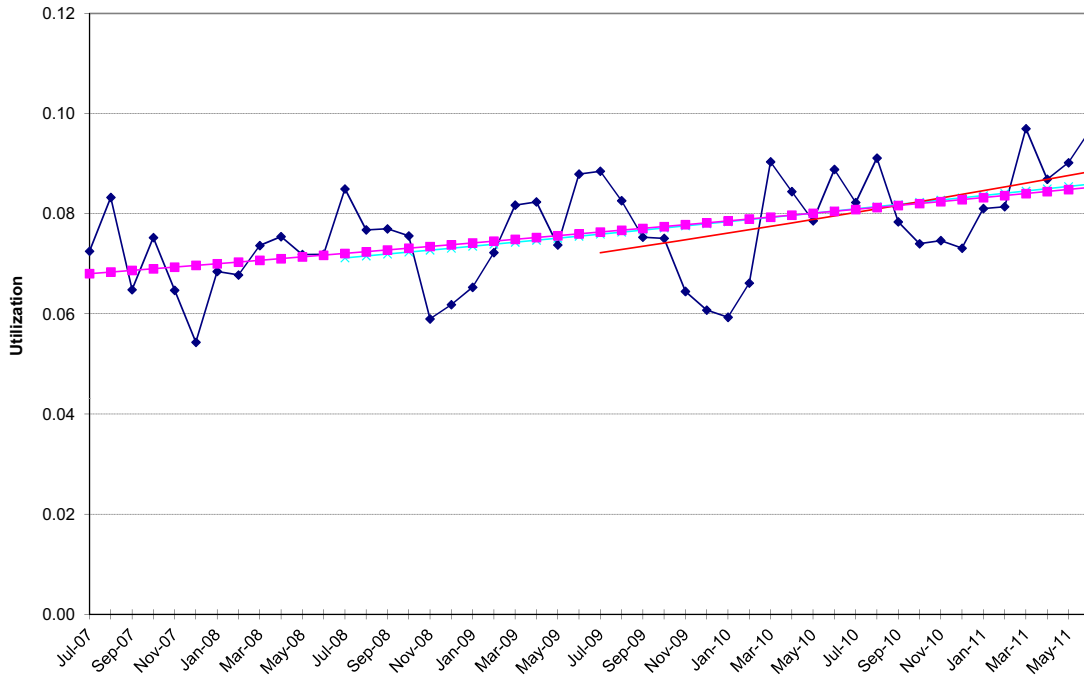
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.7%	2.2%	9.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.9%	2.3%	8.4%

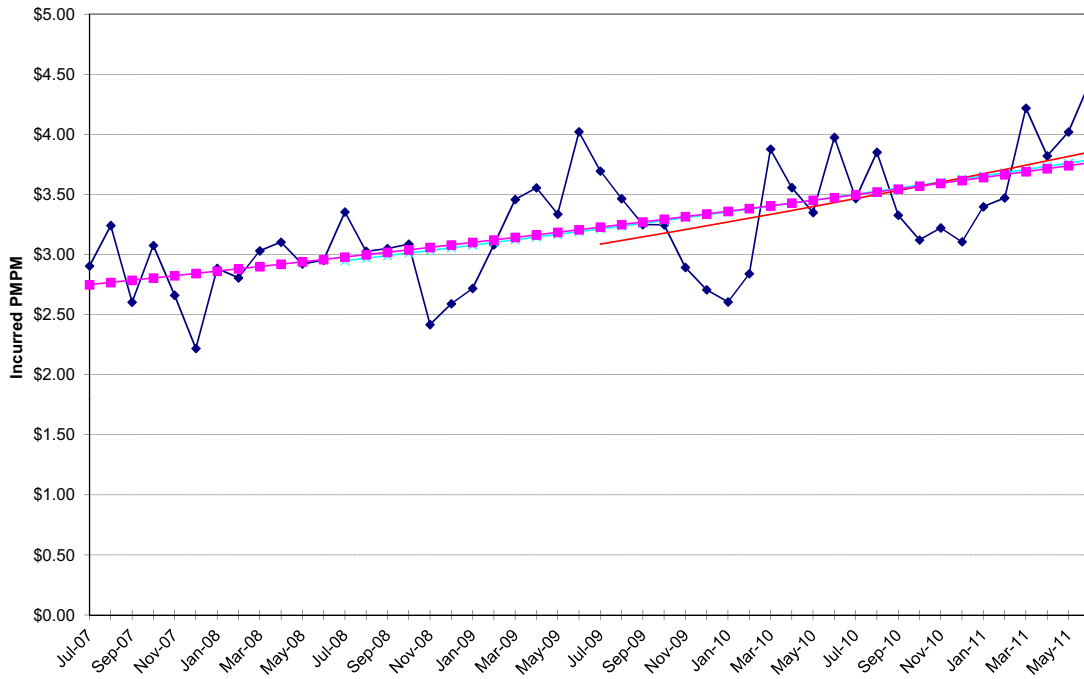
Physician Services - Therapies



Physician Services - Therapies



Physician Services - Therapies



**NON-MEDICARE CLAIMS
Excluding Drugs**

OTHER

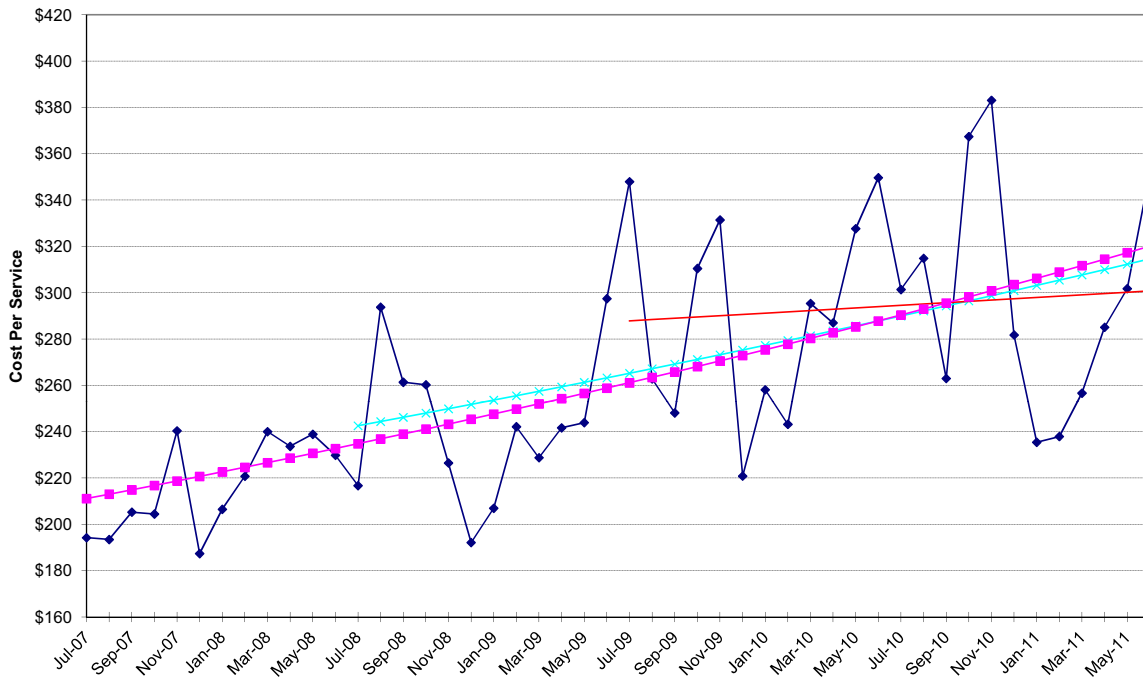
Ambulance

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-4.5%	2.3%	-2.3%

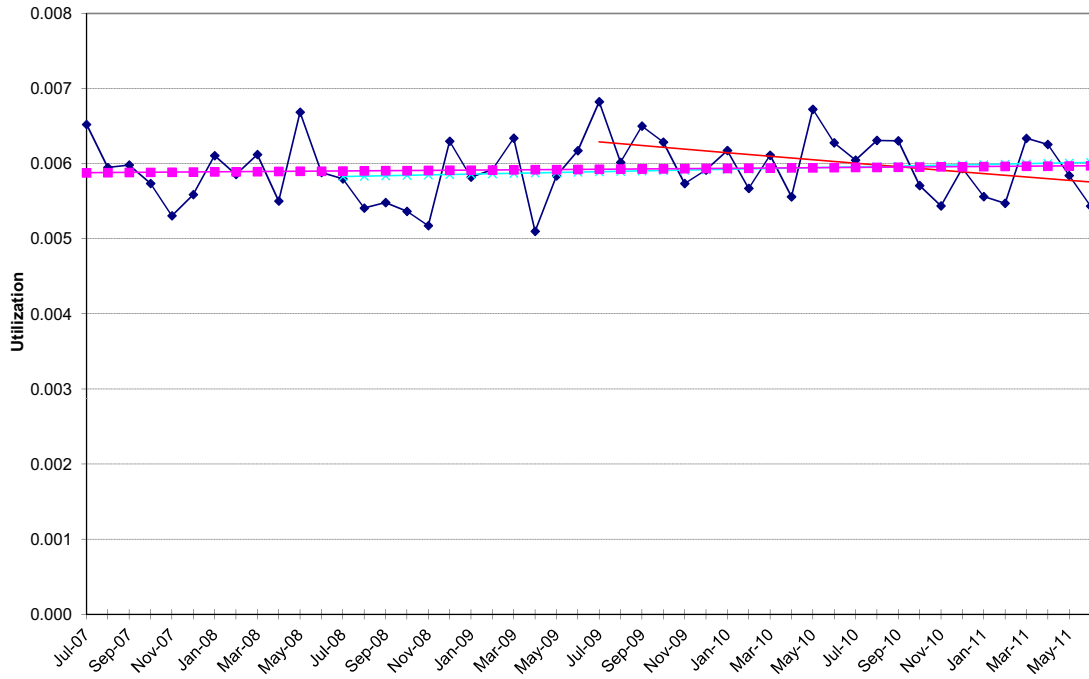
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.1%	9.3%	10.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.4%	11.2%	11.7%

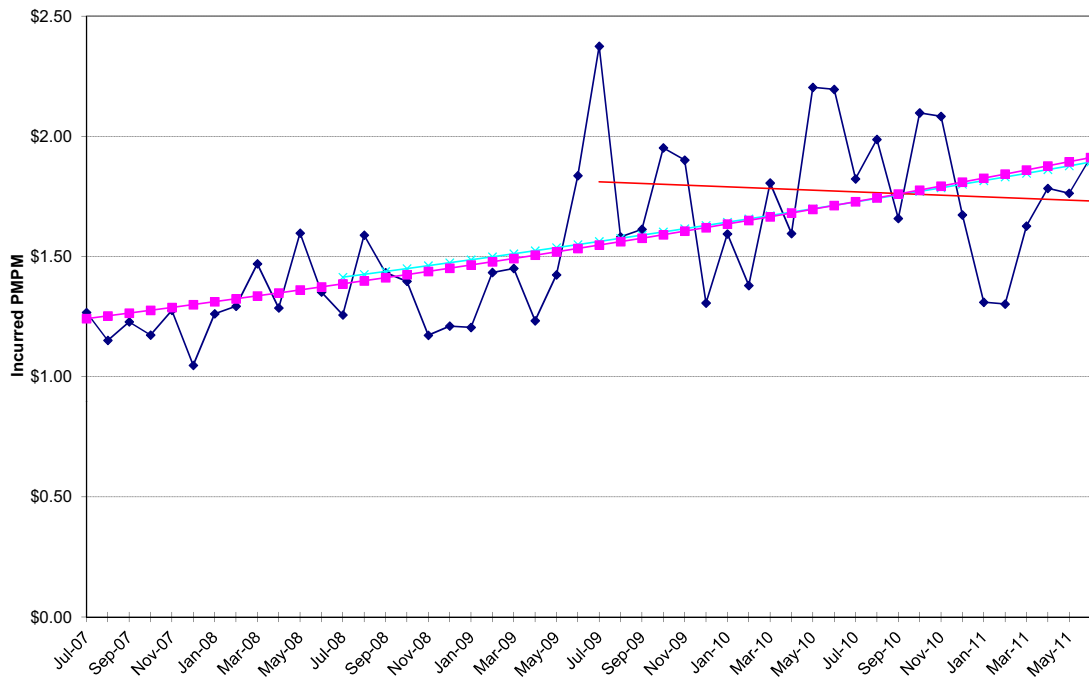
Other - Ambulance



Other - Ambulance



Other - Ambulance



**NON-MEDICARE CLAIMS
Excluding Drugs**

OTHER

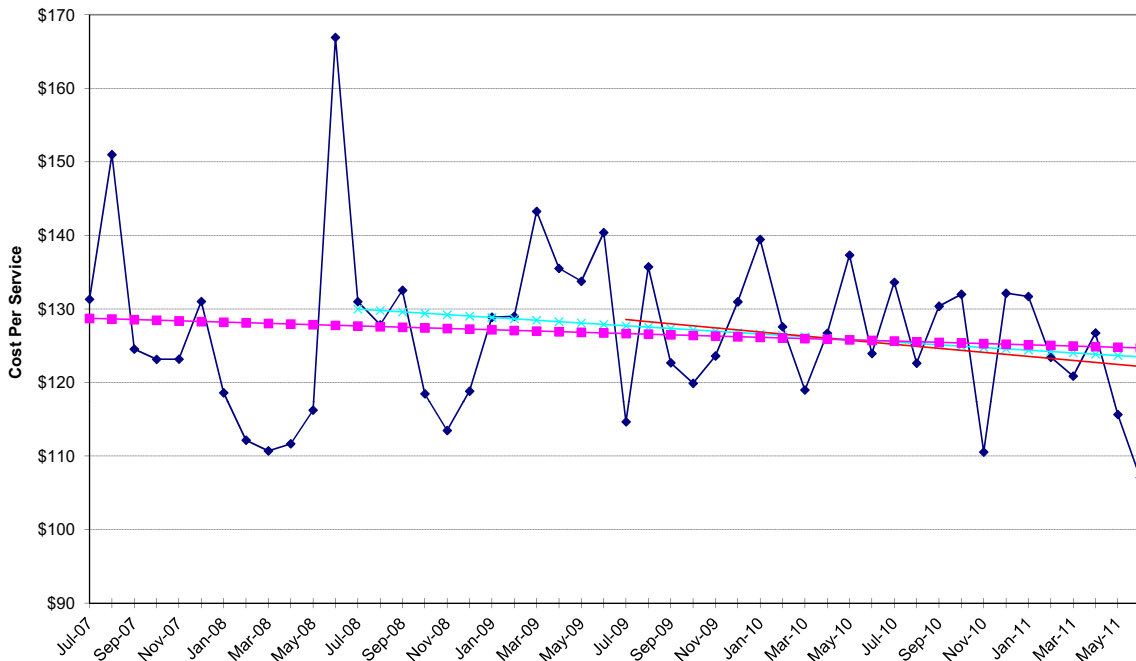
Appliances (DME)

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
14.6%	-2.6%	11.6%

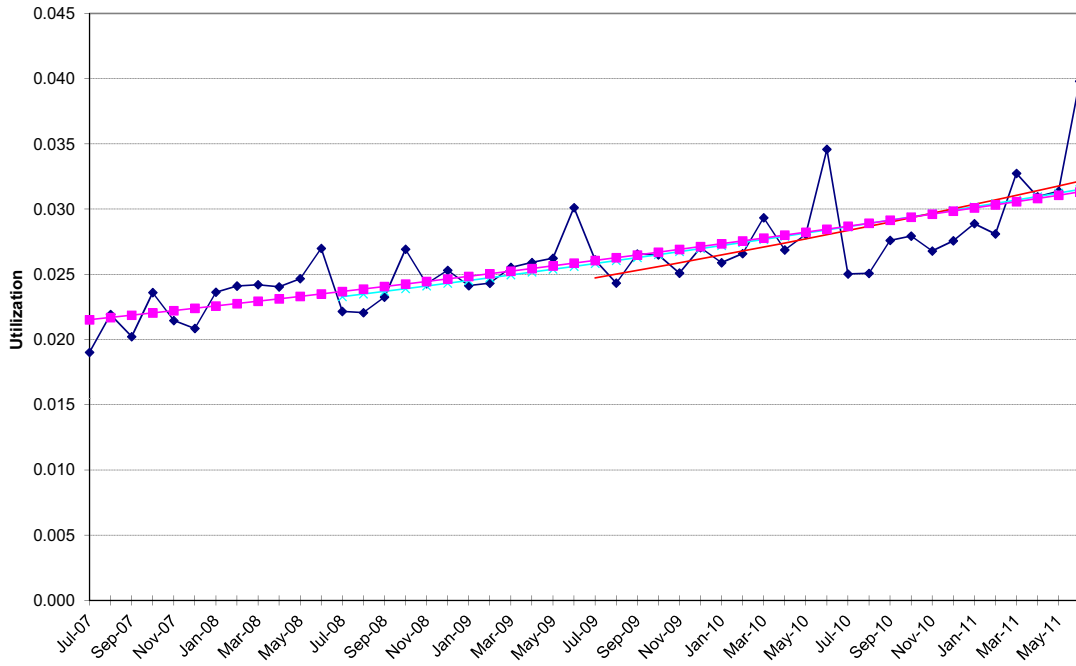
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
10.9%	-1.7%	9.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
10.1%	-0.8%	9.2%

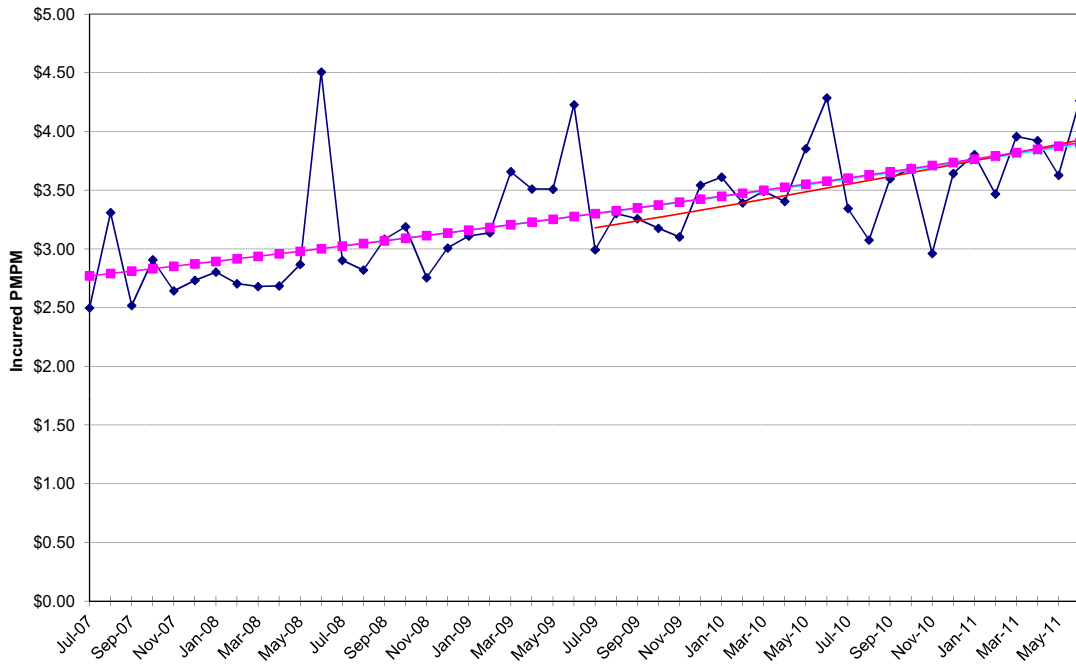
Other - Appliances (DME)



Other - Appliances (DME)



Other - Appliances (DME)



**NON-MEDICARE CLAIMS
Excluding Drugs**

OTHER

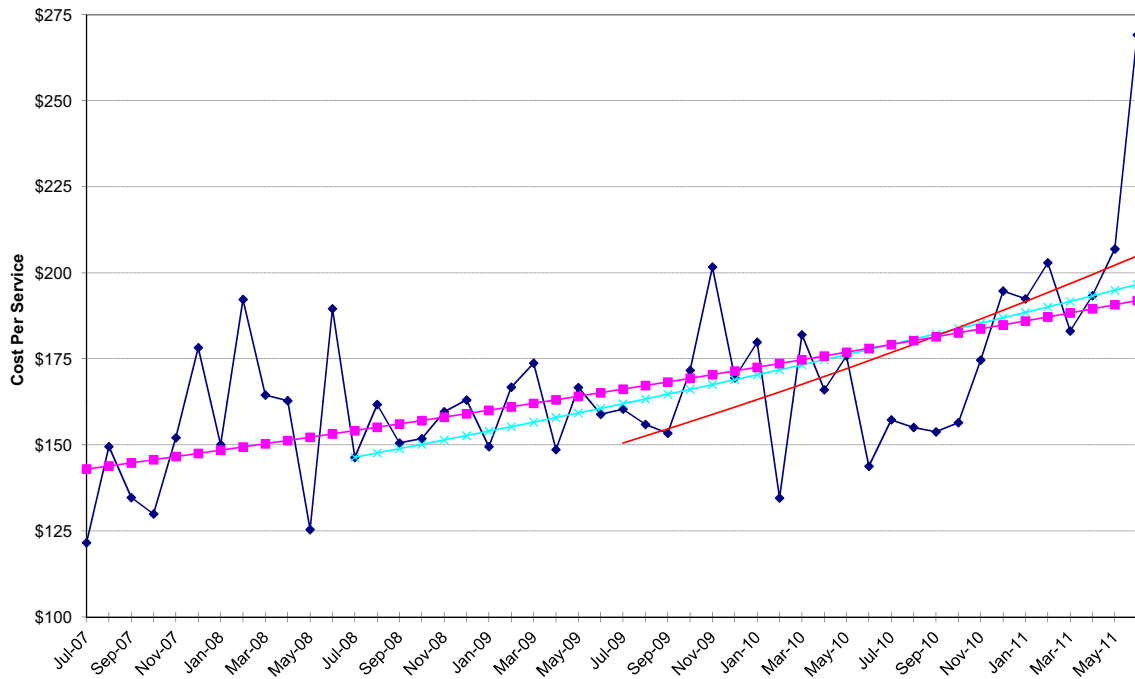
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
19.6%	17.5%	40.5%

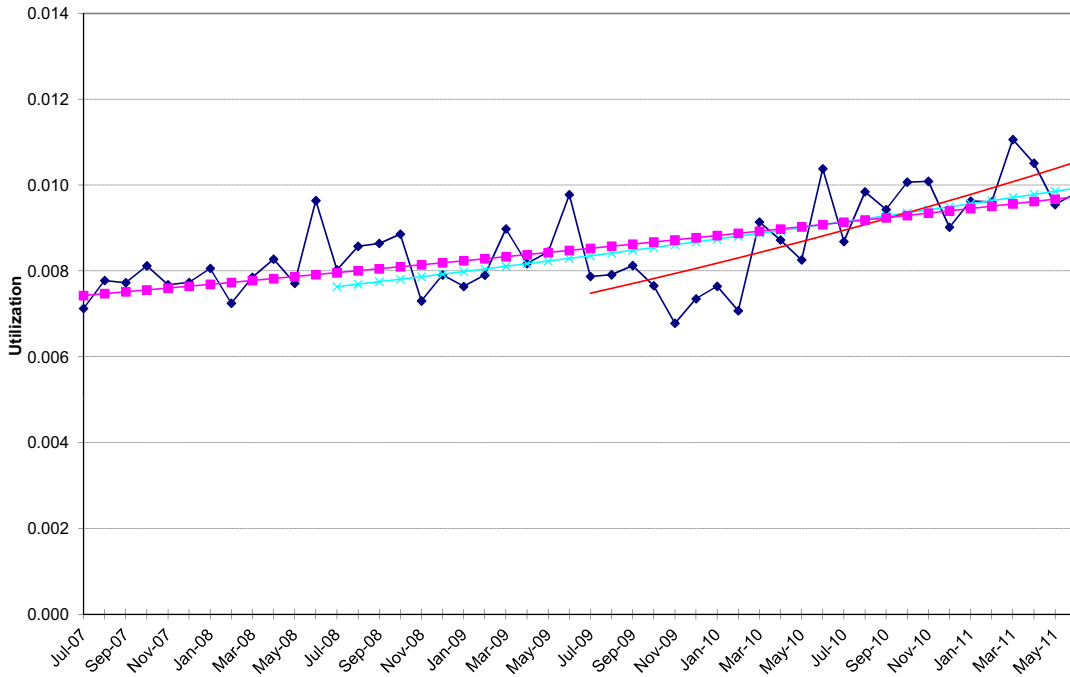
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
9.4%	10.6%	21.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.1%	7.8%	15.5%

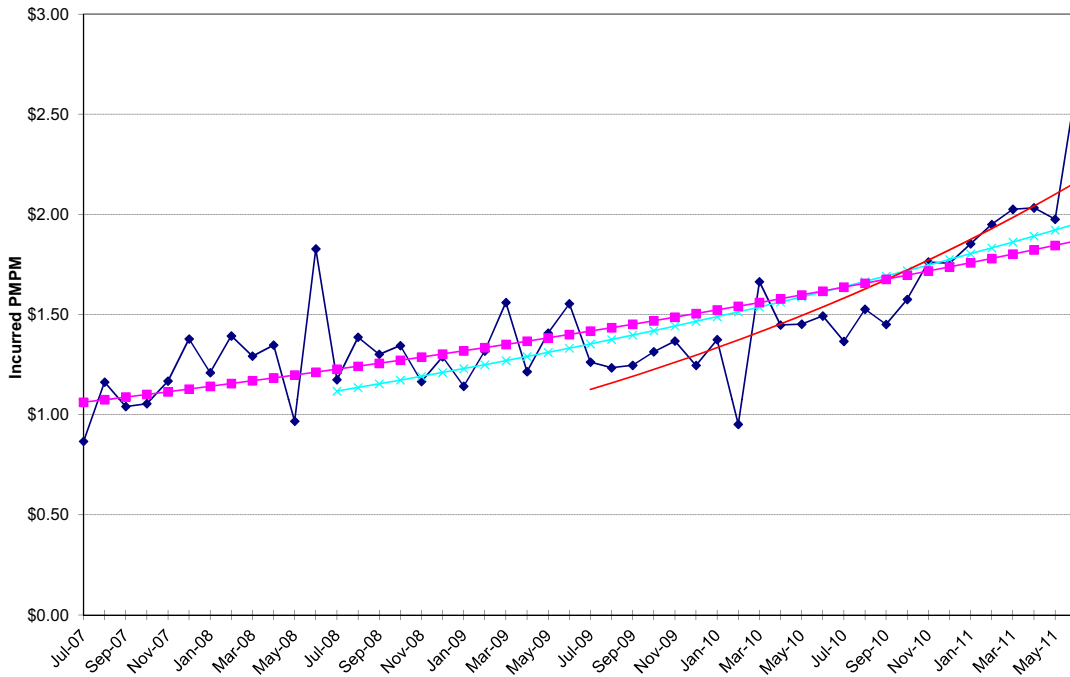
Other - Other Services



Other - Other Services



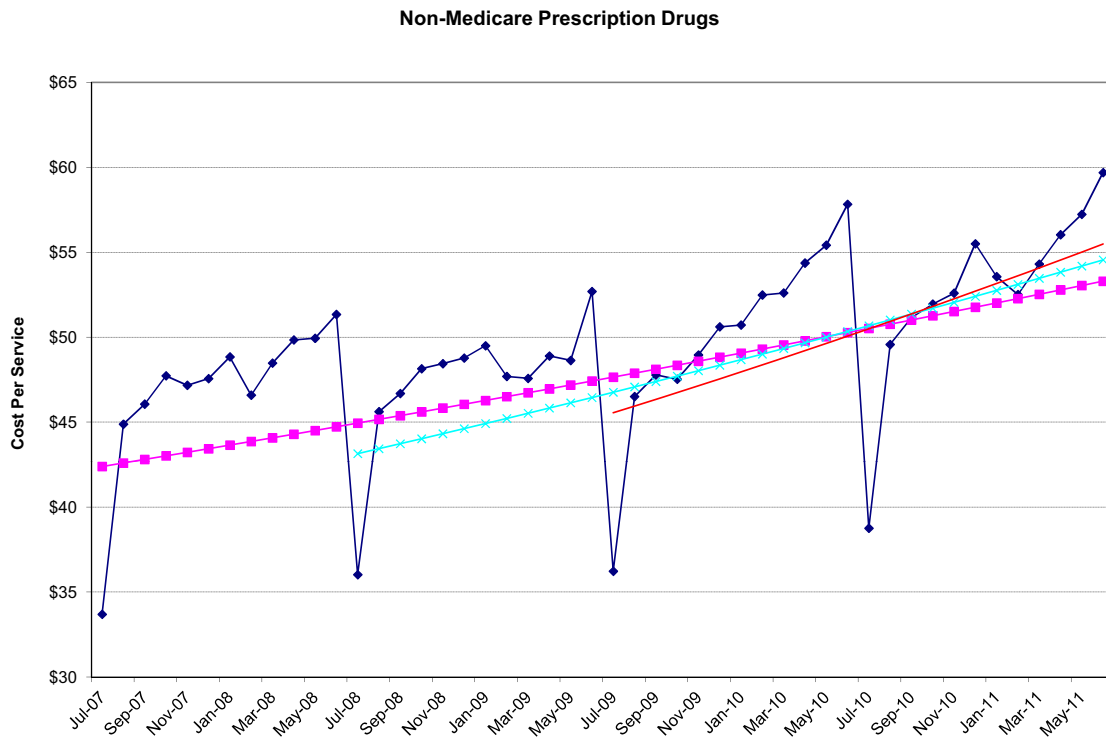
Other - Other Services



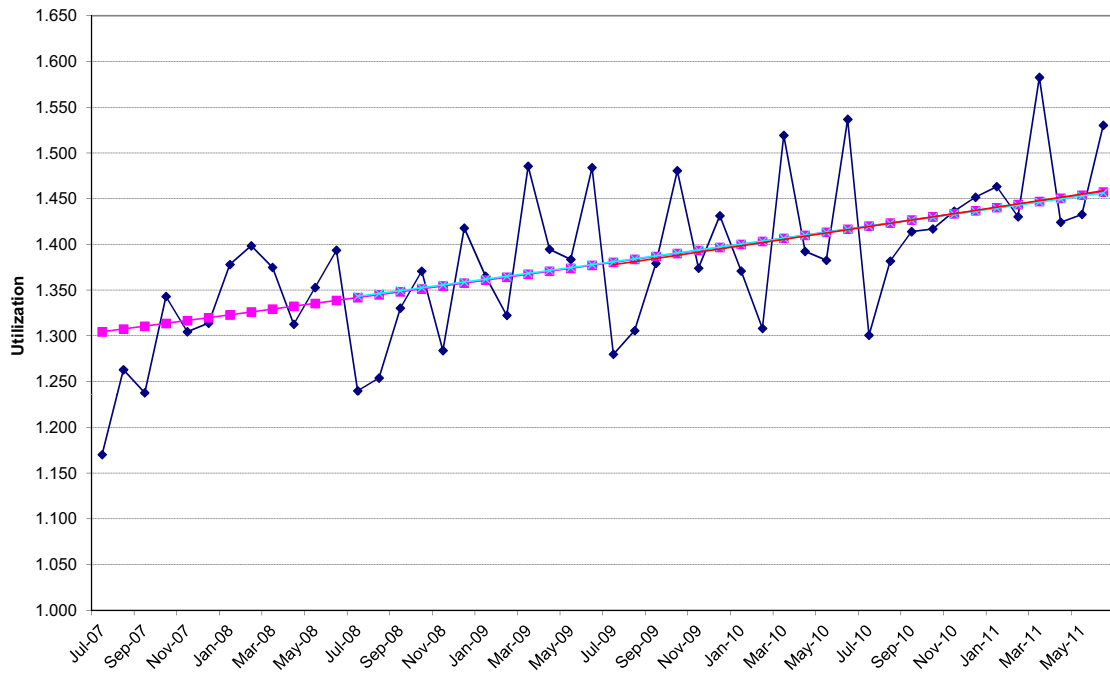
Appendix B

Non-Medicare Prescription Drugs

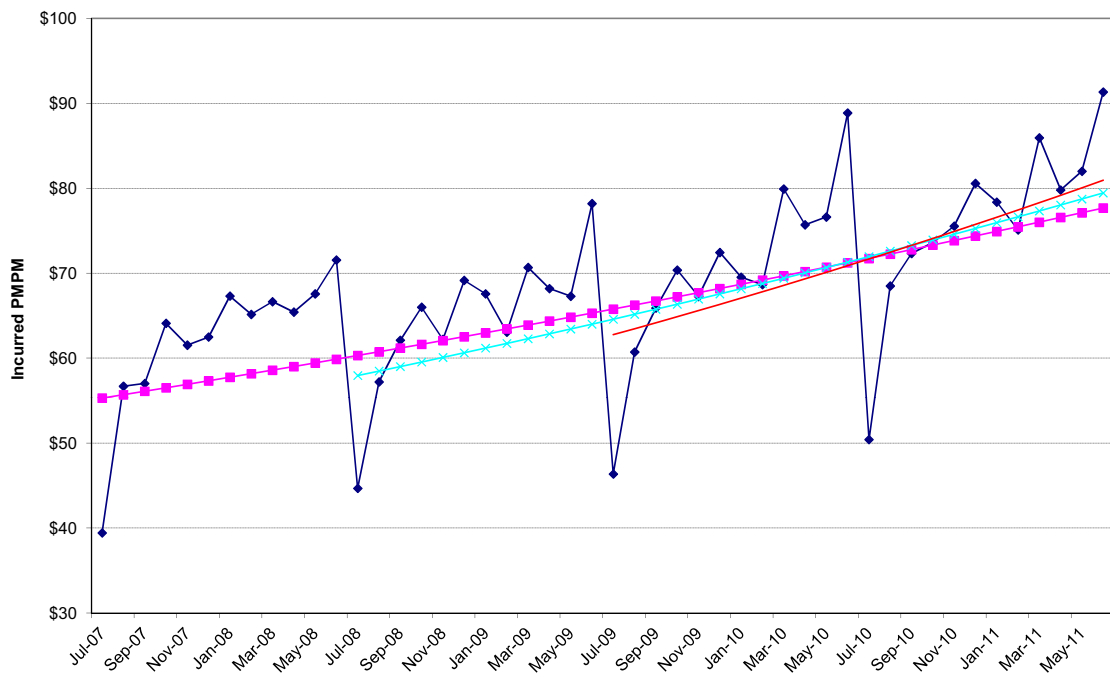
	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
24-Month Trend	3.0%	10.8%	14.2%
36-Month Trend	2.8%	8.4%	11.4%
48-Month Trend	2.9%	6.0%	9.1%



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 3.0% trend and unit cost had a 10.8% trend, resulting in a composite trend of 14.2%.

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 5.6% in 2010 and 19.7% in 2011:

Period	Specialty Drug Percentage	Specialty Drug Growth
FY 2008	9.3%	
FY 2009	10.7%	15.1%
FY 2010	11.3%	5.6%
FY 2011	12.6%	19.7%

CCRC Actuaries reviewed the individual prescription data items for Fiscal Years 2010 and 2011. A total of 2,827,641 scripts were written for approximately 3,000 different kinds of prescriptions in 2011. The prescriptions were grouped by indicator codes, providing a basis to develop the Fiscal Year 2011 trend by indicator code. The top 40 indicator codes were analyzed, which accounted for 95.5% of PEIA’s prescription drug expenditures.

The following charts summarize the utilization and cost per service for formulary and non-formulary drugs for each indicator code. The “Top Five Increases in Drug Trends” chart is calculated with indicators which grossed at least \$200,000 in ingredient cost in 2011.

Indicators with the Largest Dollar Increase

Indication	2010 Total Ingredient Cost	2011 Total Ingredient Cost	Total Increase
DIABETES	\$22,401,499	\$26,295,487	\$3,893,988
HIGH BLOOD CHOLESTEROL	\$16,070,089	\$18,062,992	1,992,902
INFLAMMATORY CONDITIONS	\$7,326,708	\$8,587,033	1,260,325
ASTHMA	\$10,345,197	\$11,518,547	1,173,350
MULTIPLE SCLEROSIS	\$4,784,757	\$5,889,485	1,104,728

Indicators with the Largest Increase as a Percentage

Indication	2010 Total Ingredient Cost	2011 Total Ingredient Cost	Total Increase
ENZYME DEFICIENCIES	\$127,350	\$742,270	482.9%
INFLAMMATION/IMMUNE DISORDERS	\$211,147	\$628,883	197.8%
GOUT	\$175,057	\$479,470	173.9%
VITAMINS AND MINERALS	\$674,727	\$957,399	41.9%
ALLERGIES	\$2,636,876	\$3,716,621	40.9%

Indicators with the Largest Increase in Claim Numbers

Indication	2010 Prescriptions	2011 Prescriptions	Utilization Increase
HIGH BLOOD PRESS/HEART DISEASE	404,235	429,937	25,702
INFECTIONS	233,438	250,589	17,151
DEPRESSION	180,322	196,854	16,532
ULCER DISEASE	148,546	161,833	13,287
DIABETES	178,225	190,889	12,664

Indicators with the Largest Utilization Increase

Indication	2010 Prescriptions	2011 Prescriptions	Utilization Increase
ENZYME DEFICIENCIES	739	1,555	110.4%
NAUSEA/VOMITING	5,234	7,863	50.2%
VITAMINS AND MINERALS	36,093	43,471	20.4%
EYE CONDITIONS	10,640	12,644	18.8%
CANCER	8,591	9,605	11.8%

Indicators with the Largest Increase in Cost per Prescription

Indication	2010 Ingredient Cost Per Prescription	2011 Ingredient Cost Per Prescription	Ingredient Cost Per Prescription Increase
HEPATITIS	\$1,172.52	\$1,523.07	\$350.56
ENZYME DEFICIENCIES	\$172.33	\$477.34	\$305.02
RESPIRATORY CONDITIONS	\$2,243.98	\$2,524.45	\$280.47
MULTIPLE SCLEROSIS	\$2,603.24	\$2,877.13	\$273.89
PULMONARY HYPERTENSION	\$4,280.84	\$4,443.30	\$162.45

Indicators with the Largest Percentage Increase in Cost per Prescription

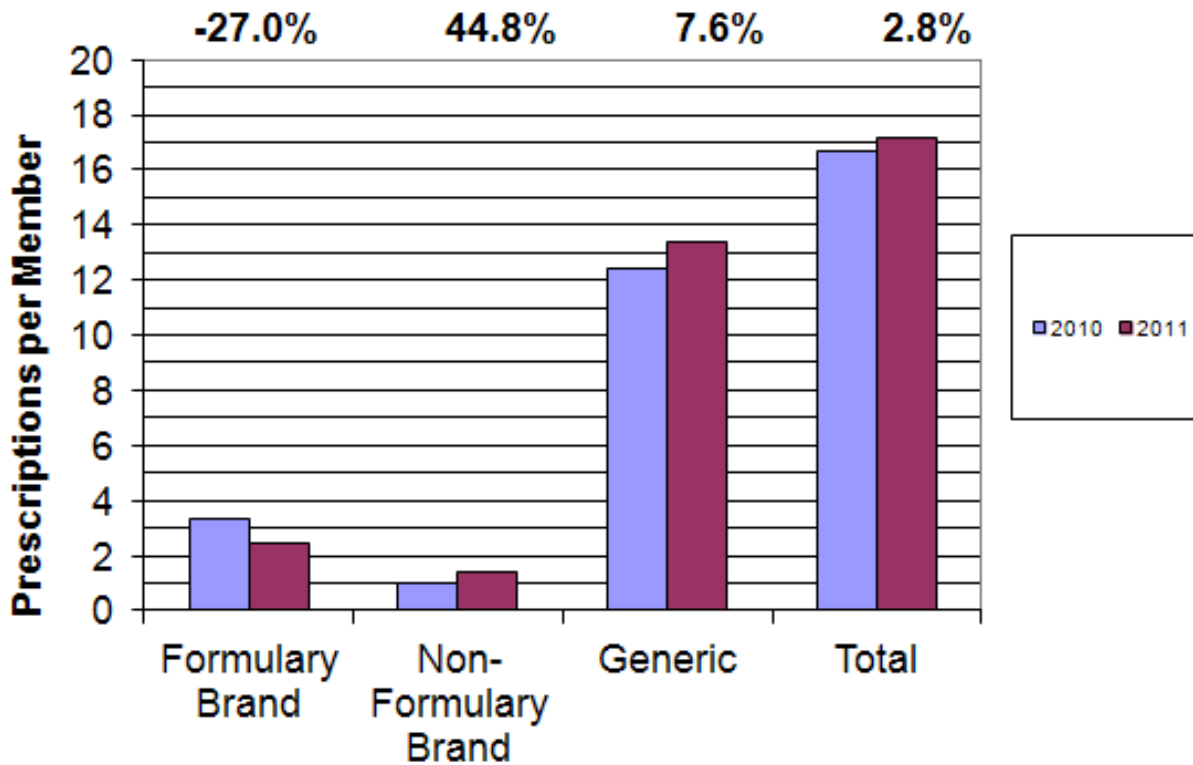
Indication	2010 Ingredient Cost Per Prescription	2011 Ingredient Cost Per Prescription	Ingredient Cost Per Prescription Increase
ENZYME DEFICIENCIES	\$172.33	\$477.34	177.0%
INFLAMMATION/IMMUNE DISORDERS	\$5.19	\$14.08	171.5%
GOUT	\$16.50	\$40.79	147.1%
IRREGULAR HEART BEAT	\$103.01	\$161.14	56.4%
ALLERGIES	\$28.94	\$41.39	43.0%

Rank	Indicator	Number of Prescriptions	Cost Per Prescription	Program Costs	Formulary Percent (cost)	Formulary Percent (Scripts)
1	DIABETES	190,889	\$137.75	\$26,295,487	82.1%	91.7%
2	HIGH BLOOD CHOLESTEROL	198,897	90.82	18,062,992	82.7%	92.3%
3	HIGH BLOOD PRESS/HEART DISEASE	429,937	33.44	14,375,258	75.9%	94.5%
4	DEPRESSION	196,854	66.83	13,156,379	81.7%	91.7%
5	ASTHMA	80,248	143.54	11,518,547	92.9%	87.7%
6	ULCER DISEASE	161,833	57.05	9,232,287	90.9%	97.2%
7	INFLAMMATORY CONDITIONS	8,088	1,061.70	8,587,033	83.2%	73.9%
8	PAIN AND INFLAMMATION	252,282	29.68	7,487,710	78.9%	95.6%
9	INFECTIONS	250,589	29.61	7,421,042	68.8%	96.1%
10	MULTIPLE SCLEROSIS	2,047	2,877.13	5,889,485	100.0%	100.0%
11	MENTAL/NEURO DISORDERS	21,437	259.52	5,563,328	89.0%	91.9%
12	BLOOD MODIFYING	20,828	251.97	5,248,016	99.7%	99.4%
13	ATTENTION DISORDERS/WT LOSS	29,768	172.48	5,134,256	69.0%	73.4%
14	CANCER	9,605	491.52	4,721,095	98.2%	99.4%
15	SEIZURES	76,020	56.81	4,318,604	57.7%	90.4%
16	ALLERGIES	89,790	41.39	3,716,621	85.7%	93.1%
17	HORMONAL SUPPLEMENTATION	36,740	88.13	3,238,003	45.3%	63.7%
18	CONTRACEPTIVES	58,835	47.17	2,775,277	62.3%	79.6%
19	SKIN CONDITIONS	26,927	95.85	2,580,967	65.0%	87.6%
20	VIRAL INFECTIONS	16,039	152.16	2,440,531	97.8%	98.1%
21	URINARY DISORDERS	28,878	66.86	1,930,838	70.0%	88.9%
22	ANTICOAGULANT	14,884	120.45	1,792,831	76.1%	92.9%
23	ANXIETY	82,909	17.26	1,431,353	98.4%	99.8%
24	MIGRAINE HEADACHES	14,252	98.08	1,397,822	45.5%	73.8%
25	ACNE	10,051	138.73	1,394,354	49.1%	66.6%
26	PAIN/CRAMPS	37,858	36.06	1,365,250	80.0%	87.4%
27	EYE CONDITIONS	12,644	105.83	1,338,163	66.4%	66.2%
28	GROWTH DEFICIENCY	320	4,044.01	1,294,083	6.5%	16.3%
29	THYROID DISORDERS	89,123	14.46	1,288,478	53.0%	76.9%
30	TRANSPLANT	4,022	313.37	1,260,382	68.6%	80.7%
31	ENDOCRINE DISORDERS	4,677	218.62	1,022,485	98.4%	99.4%
32	COPD	4,364	232.32	1,013,864	100.0%	100.0%
33	VITAMINS AND MINERALS	43,471	22.02	957,399	94.3%	97.8%
34	COUGH AND COLD	38,966	21.86	851,892	69.8%	88.6%
35	BONE CONDITIONS	14,550	58.53	851,678	51.1%	84.8%
36	GI DISORDERS	12,618	66.54	839,588	90.5%	96.2%
37	PULMONARY HYPERTENSION	176	4,443.30	782,020	87.4%	84.1%
38	BLOOD CELL DEFICIENCY	339	2,243.73	760,623	96.6%	91.4%
39	ENZYME DEFICIENCIES	1,555	477.34	742,270	35.9%	73.2%
40	GLAUCOMA/EYE INFLAMMATION	8,372	81.63	683,366	66.7%	76.6%
	<u>All Other Indicators</u>	<u>245,959</u>	<u>35.34</u>	<u>8,691,810</u>	<u>77.6%</u>	<u>93.2%</u>
	Grand Total	2,827,641	\$68.42	\$193,453,467	80.3%	91.9%

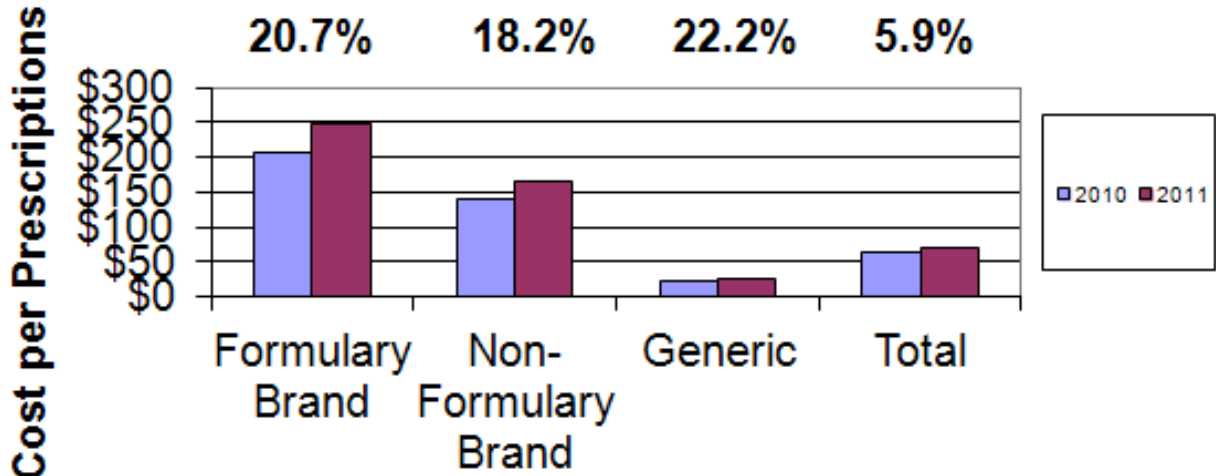
Rank	Indicator	Scripts	Formulary		Non-Formulary		
			Ingredient Cost	Cost Per Script	Scripts	Ingredient Cost	Cost Per Script
1	DIABETES	175,072	\$21,587,237	\$123.30	15,817	\$4,708,249	\$297.67
2	HIGH BLOOD CHOLESTEROL	183,533	14,944,271	81.43	15,364	3,118,721	202.99
3	HIGH BLOOD PRESS/HEART DISEASE	406,193	10,915,616	26.87	23,744	3,459,642	145.71
4	DEPRESSION	180,502	10,752,043	59.57	16,352	2,404,336	147.04
5	ASTHMA	70,369	10,700,563	152.06	9,879	817,985	82.80
6	ULCER DISEASE	157,230	8,387,688	53.35	4,603	844,600	183.49
7	INFLAMMATORY CONDITIONS	5,973	7,141,688	1,195.66	2,115	1,445,344	683.38
8	PAIN AND INFLAMMATION	241,234	5,908,058	24.49	11,048	1,579,651	142.98
9	INFECTIONS	240,843	5,106,111	21.20	9,746	2,314,931	237.53
10	MULTIPLE SCLEROSIS	2,047	5,889,485	2,877.13	0	0	N/A
11	MENTAL/NEURO DISORDERS	19,699	4,952,556	251.41	1,738	610,772	351.42
12	BLOOD MODIFYING	20,708	5,231,820	252.65	120	16,196	134.97
13	ATTENTION DISORDERS/WT LOSS	21,847	3,544,690	162.25	7,921	1,589,566	200.68
14	CANCER	9,543	4,635,864	485.79	62	85,232	1,374.70
15	SEIZURES	68,756	2,490,852	36.23	7,264	1,827,753	251.62
16	ALLERGIES	83,608	3,185,332	38.10	6,182	531,288	85.94
17	HORMONAL SUPPLEMENTATION	23,390	1,466,364	62.69	13,350	1,771,639	132.71
18	CONTRACEPTIVES	46,837	1,727,662	36.89	11,998	1,047,615	87.32
19	SKIN CONDITIONS	23,583	1,677,536	71.13	3,344	903,432	270.16
20	VIRAL INFECTIONS	15,734	2,386,286	151.66	305	54,244	177.85
21	URINARY DISORDERS	25,680	1,351,718	52.64	3,198	579,121	181.09
22	ANTICOAGULANT	13,821	1,364,017	98.69	1,063	428,814	403.40
23	ANXIETY	82,729	1,408,528	17.03	180	22,825	126.80
24	MIGRAINE HEADACHES	10,517	636,155	60.49	3,735	761,667	203.93
25	ACNE	6,689	685,157	102.43	3,362	709,197	210.94
26	PAIN/CRAMPS	33,088	1,092,233	33.01	4,770	273,018	57.24
27	EYE CONDITIONS	8,372	888,234	106.10	4,272	449,929	105.32
28	GROWTH DEFICIENCY	52	84,120	1,617.69	268	1,209,963	4,514.79
29	THYROID DISORDERS	68,562	682,840	9.96	20,561	605,637	29.46
30	TRANSPLANT	3,245	864,289	266.34	777	396,093	509.77
31	ENDOCRINE DISORDERS	4,650	1,005,805	216.30	27	16,680	617.79
32	COPD	4,364	1,013,864	232.32	0	0	N/A
33	VITAMINS AND MINERALS	42,515	902,679	21.23	956	54,720	57.24
34	COUGH AND COLD	34,534	595,038	17.23	4,432	256,853	57.95
35	BONE CONDITIONS	12,342	434,873	35.24	2,208	416,805	188.77
36	GI DISORDERS	12,133	760,153	62.65	485	79,435	163.78
37	PULMONARY HYPERTENSION	148	683,356	4,617.27	28	98,665	3,523.75
38	BLOOD CELL DEFICIENCY	310	734,823	2,370.40	29	25,800	889.65
39	ENZYME DEFICIENCIES	1,138	266,213	233.93	417	476,057	1,141.62
40	GLAUCOMA/EYE INFLAMMATION	6,409	456,121	71.17	1,963	227,245	115.76
	<u>All Other Indicators</u>	<u>229,308</u>	<u>6,747,638</u>	<u>29.43</u>	<u>16,651</u>	<u>1,944,172</u>	<u>116.76</u>
	Grand Total	2,597,307	\$155,289,575	\$59.79	230,334	\$38,163,892	\$165.69

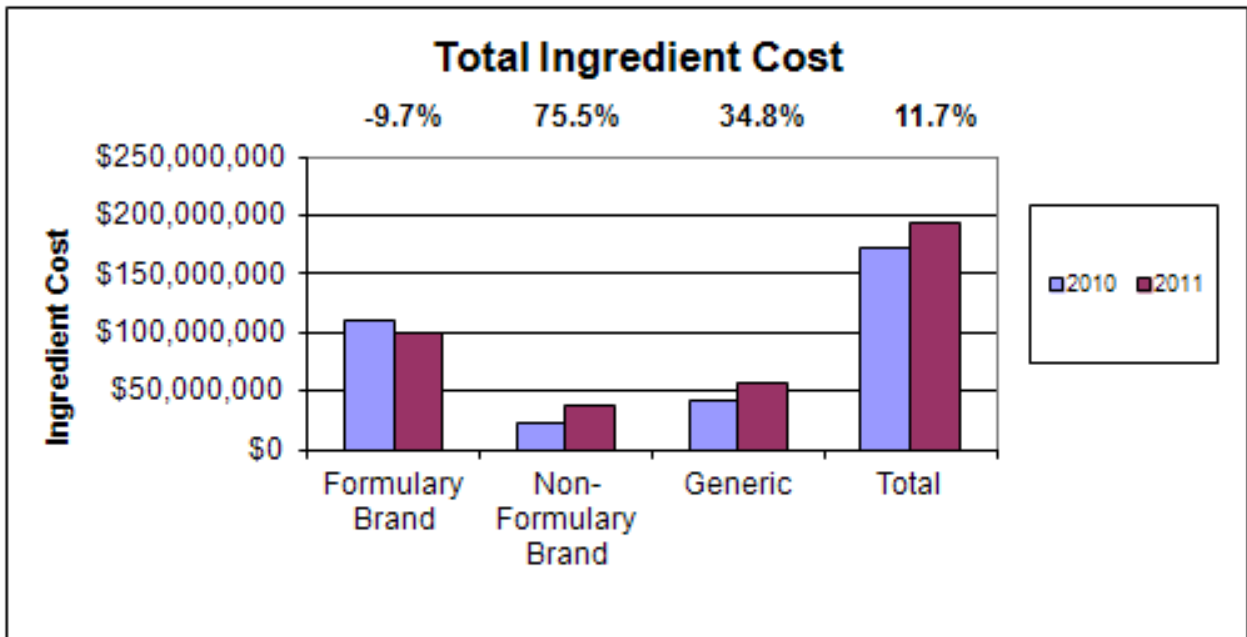
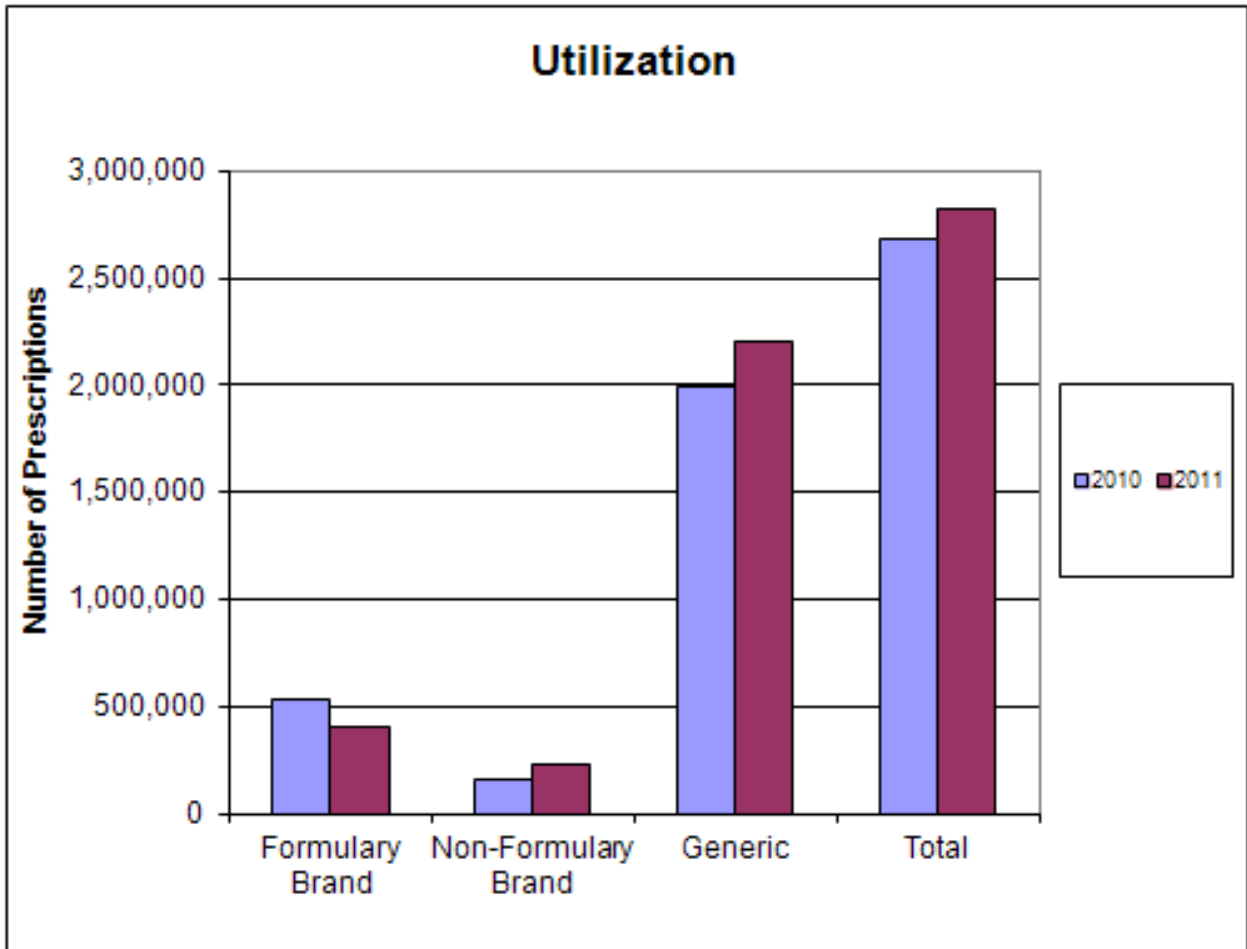
Rank	Indicator	Formulary Cost Per Script	Non-Formulary Cost Per Script	Increase/ Decrease
9	INFECTIONS	\$21.20	\$237.53	1020%
23	ANXIETY	17.03	126.80	645%
15	SEIZURES	36.23	251.62	595%
8	PAIN AND INFLAMMATION	24.49	142.98	484%
3	HIGH BLOOD PRESS/HEART DISEASE	26.87	145.71	442%
35	BONE CONDITIONS	35.24	188.77	436%
39	ENZYME DEFICIENCIES	233.93	1,141.62	388%
22	ANTICOAGULANT	98.69	403.40	309%
19	SKIN CONDITIONS	71.13	270.16	280%
21	URINARY DISORDERS	52.64	181.09	244%
6	ULCER DISEASE	53.35	183.49	244%
24	MIGRAINE HEADACHES	60.49	203.93	237%
34	COUGH AND COLD	17.23	57.95	236%
29	THYROID DISORDERS	9.96	29.46	196%
31	ENDOCRINE DISORDERS	216.30	617.79	186%
14	CANCER	485.79	1,374.70	183%
28	GROWTH DEFICIENCY	1,617.69	4,514.79	179%
33	VITAMINS AND MINERALS	21.23	57.24	170%
36	GI DISORDERS	62.65	163.78	161%
2	HIGH BLOOD CHOLESTEROL	81.43	202.99	149%
4	DEPRESSION	59.57	147.04	147%
1	DIABETES	123.30	297.67	141%
18	CONTRACEPTIVES	36.89	87.32	137%
16	ALLERGIES	38.10	85.94	126%
17	HORMONAL SUPPLEMENTATION	62.69	132.71	112%
25	ACNE	102.43	210.94	106%
30	TRANSPLANT	266.34	509.77	91%
26	PAIN/CRAMPS	33.01	57.24	73%
40	GLAUCOMA/EYE INFLAMMATION	71.17	115.76	63%
11	MENTAL/NEURO DISORDERS	251.41	351.42	40%
13	ATTENTION DISORDERS/WT LOSS	162.25	200.68	24%
20	VIRAL INFECTIONS	151.66	177.85	17%
27	EYE CONDITIONS	106.10	105.32	-1%
37	PULMONARY HYPERTENSION	4,617.27	3,523.75	-24%
7	INFLAMMATORY CONDITIONS	1,195.66	683.38	-43%
5	ASTHMA	152.06	82.80	-46%
12	BLOOD MODIFYING	252.65	134.97	-47%
38	BLOOD CELL DEFICIENCY	2,370.40	889.65	-62%
10	MULTIPLE SCLEROSIS	2,877.13	N/A	N/A
32	COPD	232.32	N/A	N/A
	<u>All Other Indicators</u>	<u>29.43</u>	<u>116.76</u>	<u>297%</u>
	Grand Total	\$59.79	\$165.69	177%

Number of Prescriptions per Member



Ingredient Cost per Prescription





DIABETES

In FY 2011, this indicator category was first in cost to PEIA with expenditure of \$26,295,487, which accounted for 13.6% of total expenditures. Formulary expenditures were \$21,587,237 or 82.1% of Diabetes expenditures. Total expenditures had a 17.2% trend from 2010 to 2011.

Total expenditures have increased from \$14,161,011 in 2007 to \$26,295,487 in 2011, which results in a yearly trend of 16.7%. While the cost per Generic script has decreased by 3.8% per year since 2007, the cost per Formulary Brand and Non-Formulary Brand scripts has increased by 10.1% and 13.5% per year, respectively. The Formulary Brand cost trend, coupled with an increase in utilization of Formulary Brand scripts of 3.8% per year, accounts for most of the high trend in Diabetes drug costs.

Nationwide, utilization of diabetes drugs increased 5% in 2010 in comparison to 2009. The amount of money per day spent on diabetes medication grew 2.5% in 2010. For PEIA in 2011, the category represented 19.2% of plan growth in prescription drug spending.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2010	2011	Growth	2010	2011	Growth	2010	2011	Growth
ACTOS	Y	SSB	12,988	12,664	-2.5%	\$316.23	\$346.22	9.5%	\$4,107,140	\$4,384,499	6.8%
JANUVIA	Y	SSB	8,687	8,545	-1.6%	275.28	307.21	11.6%	2,391,362	2,625,111	9.8%
CONTOUR	Y	SSB	16,805	18,502	10.1%	129.64	137.30	5.9%	2,178,593	2,540,285	16.6%
NOVOLOG	Y	SSB	3,626	5,117	41.1%	327.33	375.63	14.8%	1,186,913	1,922,096	61.9%
LANTUS ¹	Y	SSB	6,869	6,543	-4.7%	248.47	276.76	11.4%	1,706,738	1,810,861	6.1%
<u>Subtotals</u>											
Generic	Y	GEN	70,632	76,615	8.5%	\$22.76	\$22.24	-2.3%	\$1,607,858	1,704,007	6.0%
Formulary Brand	Y	Brand	99,576	98,457	-1.1%	188.77	201.95	7.0%	18,797,298	19,883,231	5.8%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>8,017</u>	<u>15,817</u>	<u>97.3%</u>	<u>249.01</u>	<u>297.67</u>	<u>19.5%</u>	<u>1,996,342</u>	<u>4,708,249</u>	<u>135.8%</u>
Total			178,225	190,889	7.1%	\$125.69	\$137.75	9.6%	\$22,401,499	\$26,295,487	17.4%
Trends Adjusted for Exposure					6.9%			9.6%			17.2%

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

HIGH BLOOD CHOLESTEROL

In FY 2010, this indicator category was second in cost to PEIA with expenditure of \$18,062,992, which accounted for 9.3% of total expenditures. Formulary expenditures were \$14,944,271 or 82.7% of High Blood Cholesterol expenditures. Total ingredient cost had a 12.2% trend.

This category has had a significant decrease in the utilization of formulary brand drugs, and an increase in generics and non-formulary brand drugs. Utilization and cost per script contributed almost evenly to the overall 12.2% trend for this indicator. 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	2010	2011	Growth	2010	2011	Growth	2010	2011	Growth
CRESTOR	Y	SSB	30,520	31,100	1.9%	\$184.07	\$204.45	11.1%	\$5,617,690	\$6,358,273	13.2%
SIMVASTATIN	Y	GEN	77,271	83,284	7.8%	13.20	22.91	73.6%	\$1,020,204	1,908,445	87.1%
LOVAZA	Y	SSB	7,703	8,350	8.4%	195.04	210.31	7.8%	\$1,502,424	1,756,121	16.9%
ZETIA	Y	SSB	9,447	8,910	-5.7%	167.43	186.03	11.1%	\$1,581,749	1,657,564	4.8%
NIASPAN	Y	SSB	6,679	7,114	6.5%	185.40	211.49	14.1%	\$1,238,316	1,504,541	21.5%
<u>Subtotals</u>											
Generic	Y	GEN	110,700	128,059	15.7%	\$17.76	\$28.64	61.3%	\$1,966,039	\$3,667,772	86.6%
Formulary Brand	Y	Brand	64,681	55,474	-14.2%	181.01	203.28	12.3%	11,708,134	11,276,499	-3.7%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>13,168</u>	<u>15,364</u>	<u>16.7%</u>	<u>181.95</u>	<u>202.99</u>	<u>11.6%</u>	<u>2,395,917</u>	<u>3,118,721</u>	<u>30.2%</u>
Total			188,549	198,897	5.5%	\$85.23	\$90.82	6.6%	\$16,070,089	\$18,062,992	12.4%
Trends Adjusted for Exposure					6.3%			6.6%			12.2%

HIGH BLOOD PRESS/HEART DISEASE

In FY 2011, this indicator category was third in cost to PEIA with expenditure of 14,375,258, which accounted for 7.4% of total expenditures. Formulary expenditures were 10,915,616 or 75.9% of High Blood Pressure/Heart Disease expenditures. Total expenditures had a 3.4% 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	2010	2011	Growth	2010	2011	Growth	2010	2011	Growth
METOPROLOL SUCCINATE	Y	GEN	28,492	31,538	10.7%	\$48.91	\$51.50	5.3%	\$1,393,535	\$1,624,336	16.6%
DIOVAN	Y	SSB	9,556	9,952	4.1%	130.73	151.87	16.2%	1,249,242	1,511,457	21.0%
LISINOPRIL	Y	GEN	70,163	75,353	7.4%	9.87	13.42	36.0%	692,471	1,011,353	46.0%
DIOVAN HCT	N	SSB	10,675	5,483	-48.6%	150.00	165.41	10.3%	1,601,252	906,919	-43.4%
AMLODIPINE BESYLATE-BENZAPRIL ¹	Y	GEN	8,115	8,139	0.3%	100.52	101.60	1.1%	815,758	826,949	1.4%
<u>Subtotals</u>											
Generic	Y	GEN	350,384	389,317	11.1%	\$19.18	\$21.59	12.5%	\$6,721,720	\$8,405,574	25.1%
Formulary Brand	Y	Brand	40,463	16,876	-58.3%	134.61	148.73	10.5%	\$5,446,798	2,510,042	-53.9%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	13,388	<u>23,744</u>	<u>77.4%</u>	<u>127.36</u>	<u>145.71</u>	<u>14.4%</u>	<u>\$1,705,116</u>	<u>3,459,642</u>	<u>102.9%</u>
Total			404,235	429,937	6.4%	\$34.32	\$33.44	-2.6%	\$13,873,634	\$14,375,258	3.6%
Trends Adjusted for Exposure					6.2%			-2.6%			3.4%

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

DEPRESSION

In FY 2011, this indicator category was fourth in cost to PEIA with expenditure of 13,156,379, which accounted for 6.8% of total expenditures. Formulary expenditures were 10,752,043 or 81.7% of Depression expenditures. Total expenditures had a 7.8% trend.

For this category, unit cost was favorably down at 1% but this was more than offset by utilization increasing by 8.9%.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2010	2011	Growth	2010	2011	Growth	2010	2011	Growth
CYMBALTA	Y	SSB	20,414	21,161	3.7%	\$160.04	\$189.64	18.5%	\$3,267,010	\$4,013,013	22.8%
VENLAFAXINE HCL ER ¹	Y	GEN	841	15,383	1729.1%	144.91	166.51	14.9%	121,868	2,561,427	2001.8%
LEXAPRO	N	SSB	14,933	9,399	-37.1%	117.69	129.42	10.0%	1,757,428	1,216,391	-30.8%
SERTRALINE HCL	Y	GEN	28,411	30,787	8.4%	18.79	29.31	56.0%	533,902	902,267	69.0%
BUPROPION XL	Y	GEN	8,052	9,005	11.8%	71.36	85.70	20.1%	574,569	771,718	34.3%
<u>Subtotals</u>											
Generic	Y	GEN	122,787	159,315	29.7%	\$26.49	\$42.29	59.6%	\$3,253,238	\$6,737,523	107.1%
Formulary Brand	Y	Brand	55,992	21,187	-62.2%	155.10	189.48	22.2%	8,684,561	4,014,520	-53.8%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>1,543</u>	<u>16,352</u>	<u>959.8%</u>	<u>151.91</u>	<u>147.04</u>	<u>-3.2%</u>	<u>234,401</u>	<u>2,404,336</u>	<u>925.7%</u>
Total			180,322	196,854	9.2%	\$67.50	\$66.83	-1.0%	\$12,172,200	\$13,156,379	8.1%
Trends Adjusted for Exposure					8.9%			-1.0%			7.8%

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

ASTHMA

In FY 2011, this indicator category was fifth in cost to PEIA with expenditure of \$11,518,547, which accounted for 6.0% of total expenditures. Formulary expenditures were \$10,700,563 or 92.9% of Asthma expenditures. Total expenditures had a 11.3% trend.

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

Drug	Current Formulary	Current Brand/	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
	Status	Generic	2010	2011	Growth	2010	2011	Growth	2010	2011	Growth
SINGULAIR	Y	SSB	26,342	27,846	5.7%	\$155.86	\$174.26	11.8%	\$4,105,690	\$4,852,380	18.2%
ADVAIR DISKUS	Y	SSB	11,574	11,314	-2.2%	255.39	271.06	6.1%	2,955,925	3,066,794	3.8%
PROAIR HFA ¹	Y	SSB	13,520	15,062	11.4%	43.42	44.54	2.6%	587,088	670,847	14.3%
SYMBICORT	Y	SSB	2,466	2,891	17.2%	209.94	225.33	7.3%	517,720	651,418	25.8%
COMBIVENT	Y	SSB	2,002	1,801	-10.0%	166.14	208.04	25.2%	332,616	374,684	12.6%
<u>Subtotals</u>											
Generic	Y	GEN	8,006	8,592	7.3%	\$44.51	\$63.23	42.1%	\$356,334	\$543,300	52.5%
Formulary Brand	Y	Brand	66,457	61,777	-7.0%	144.23	164.42	14.0%	9,585,145	10,157,263	6.0%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>3,909</u>	<u>9,879</u>	<u>152.7%</u>	<u>103.28</u>	<u>82.80</u>	<u>-19.8%</u>	<u>403,718</u>	<u>817,985</u>	<u>102.6%</u>
Total			78,372	80,248	2.4%	\$132.00	\$143.54	8.7%	\$10,345,197	\$11,518,547	11.3%
Trends Adjusted for Exposure					2.3%				8.7%	11.3%	

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