



**CCRC**  
Actuaries, LLC

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## STATE OF WEST VIRGINIA



### PUBLIC EMPLOYEES INSURANCE AGENCY

**Fiscal Year 2014**

### Detailed Medical and Prescription Drugs Claim Trend Report

*September 2014*

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# **West Virginia Public Employees Insurance Agency Report of Independent Actuary**

## **Fiscal Year 2014 Detailed Medical & Prescription Drugs Claim Trend Report**

### **OVERVIEW**

CCRC Actuaries, LLC (“CCRC Actuaries”) was engaged by the West Virginia Public Employees Insurance Agency (“PEIA”) to assist the Finance Board in monitoring the plan experience for fiscal year ending June 30, 2014 on a quarterly basis and the forecasting of Fiscal Years 2015 through 2019. This annual trend report to the Finance Board serves as the basis for projecting medical and drugs claims through Fiscal Year 2014 and beyond. This report is intended for the sole use of the Finance Board, and any other use requires written approval by CCRC Actuaries.

CCRC Actuaries has collected and reviewed the medical and drugs claims experience using Non-Medicare claims incurred and paid through July 2014. Effective July 1, 2012, West Virginia Retiree Health Benefit Trust Fund (“Trust Fund” or “RHBT”) had contracted with Humana to provide a Medicare Advantage Plan (“Humana MAPD”) benefit to Medicare-eligible retired employees and their Medicare-eligible dependents. Under this arrangement, Humana has assumed the financial risk of providing comprehensive medical and drugs coverage with limited copayments. Non-Medicare retirees will continue enrollment in PEIA’s Preferred Provider Benefit or the Managed Care Option.

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

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

Trends were developed by category for the 24-month, 36-month and 48-month credible periods ending May 2014. Our analysis for medical claims do not include incurred claims for the months after May 2014, since the claim experience for these months is largely non-credible with substantial reserves as part of the projected monthly incurred amount. The claim information supplied by HealthSmart for the purposes of this analysis was compared to PEIA’s general ledger system to ensure accuracy of aggregate reporting. In an effort to assure accuracy, the claim information provided by HealthSmart and used in this analysis was reconciled and balanced to the PEIA general ledger amounts as of July 2014.

## **KEY FINDINGS - MEDICAL**

- The 24-month, 36-month and 48-month methodologies resulted in similar results, and we chose the 24-month as the methodology that is most likely to produce accurate future trends. The overall medical trend increased from 0.9% last year to 4.1% in Fiscal Year 2014 using a 24-month study period. Using the 24-month analysis, PEIA experienced a -0.4% utilization decrease and a 4.5% unit cost increase, resulting in an aggregate trend of 4.1%. The 36-month and 48-month overall show similar trends due to the favorable experience in the previous fiscal years to the 24-month analysis.

These results compare similarly to the 24-month trend calculated since Fiscal Year 2002.

<b>West Virginia PEIA Non-Medicare Total 24-Month Trend Analysis</b>			
	<u>Utilization</u>	<u>Cost/Service</u>	<u>Total Trend</u>
2002	4.1%	3.6%	7.8%
2003	9.8%	-3.0%	6.5%
2004	11.7%	-6.8%	4.0%
2005	2.8%	-1.1%	1.7%
2006	2.9%	1.0%	4.0%
2007	7.2%	-2.0%	5.1%
2008	2.9%	3.9%	6.9%
2009	2.5%	2.6%	5.1%
2010	2.5%	1.8%	4.4%
2011	4.2%	3.5%	7.8%
2012	5.1%	0.1%	5.3%
2013	2.6%	-1.6%	0.9%
2014	-0.4%	4.5%	4.1%

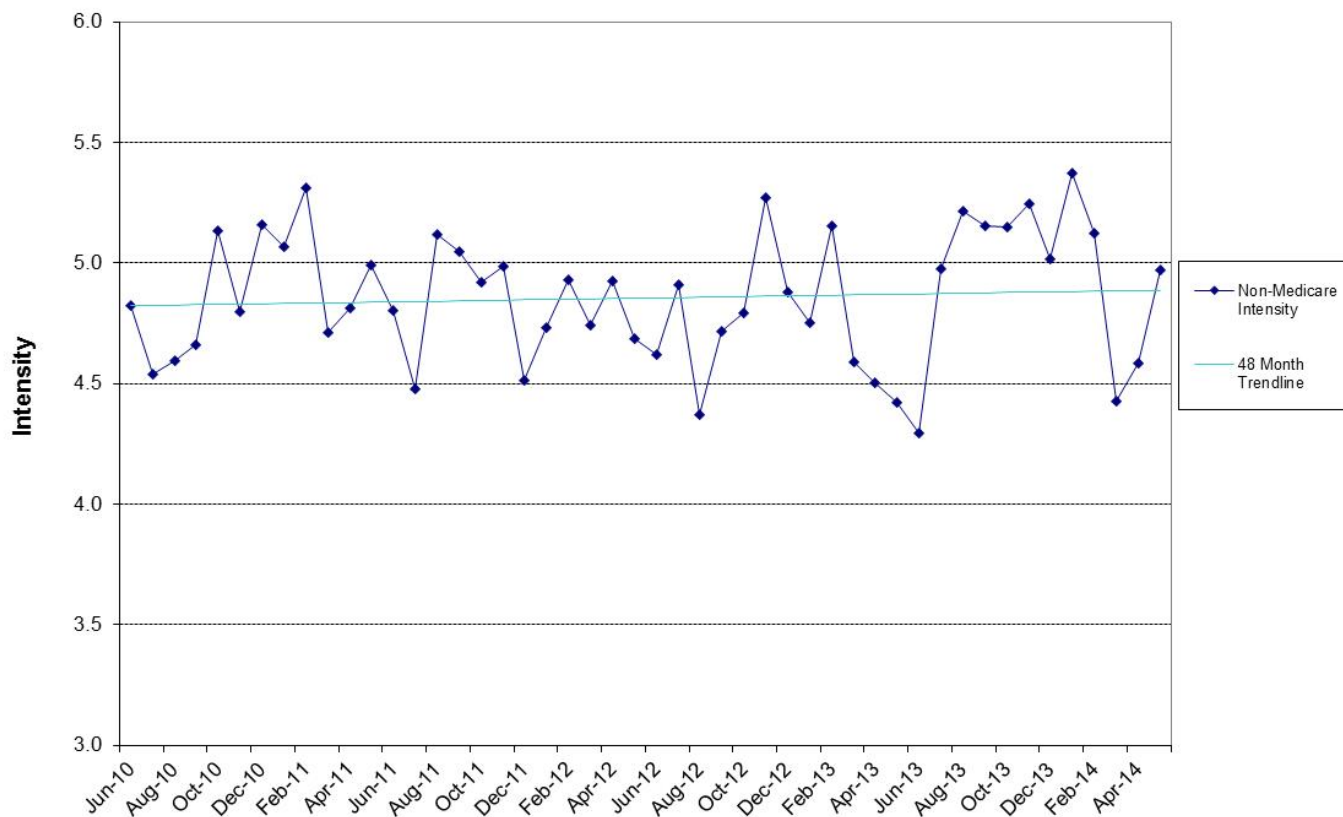
- Fiscal Year 2014 PEIA and Retiree Health Benefit Trust Fund (RHBT) 24-month detail trends are shown in the following table:

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

- Hospital Inpatient services (“HI”) represent approximately 19% of all medical services and experienced the second favorable trend of the broader claim categories with a total trend of 3.2%. This increasing trend was caused by a 0.2% reduction in utilization and a 3.4% increase in unit cost.
- Hospital Outpatient services (“HO”) represent approximately 34% of all medical services and experienced the third favorable trend of the broader claim categories with a total trend of 6.1%. This increasing trend was caused by a 0.2% reduction in utilization and a 6.3% increase in unit cost.
- Physician Services (“PS”) represent approximately 44% of all medical services and experienced the most favorable trend of the broader claim categories with a total trend of 1.8%. This increasing trend was a result of a 1.0% reduction in utilization of these services and a 2.9% increase in unit cost.
- Other services (“O”), which are services that are principally Durable Medical Services and Ambulance, represent approximately 3% of all medical services and experienced the least favorable trend of the broader claim categories with a total trend of 19.3%. This increasing trend was caused by a 4.3% increase in utilization of these services and a 14.3% increase in unit cost.
- Overall, Out-of-State services show slightly higher trends for Non-Medicare coverages in the 24-month analysis, with higher unit cost increases for Physician Services and Other services provided Out-of-State. A comparison of Non-Medicare medical trends for In-State claims versus Out-of-State claims over the 24-month period analysis reveals an aggregate In-State trend of 4.3% and an Out-of-State trend of 4.5%. For In-State, the utilization trend has been higher while the cost per service trend has been lower compared to Out-of-State. For In-State, the utilization trend for Non-Medicare was -0.4%, while the Out-of-State trend was -3.3%. For In-State, the cost per service trend for Non-Medicare was 4.6%, while the Out-of-State trend was 8.1%. The Out-of-State trend increase was fairly consistent for the major categories except for the Hospital Inpatient’s Psychiatric/Substance Abuse, Physician Services’ Other Services, and Other’s Other Services categories where we observed unfavorable upward trends of 30.1%, 35.2% and 35.5%, respectively.
- It should be noted that as of January 1, 2010, PEIA began following the CMS guidelines and PEIA will not reimburse for Consultations under Physician Services. We have continued to combine the services under Consultations category into the Office Visits category.

- A component of the cost per service trend for hospital inpatient is the length of stay, or intensity. Over the 48-month analysis, the intensity for Non-Medicare hospital stays has a trend of 0.3%, compared to -1.4% last year.

### Hospital Inpatient Intensity



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

<b>West Virginia PEIA Non-Medicare Hospital Inpatient Trend Analysis</b>			
	<u>24-Month</u>	<u>36-Month</u>	<u>48-Month</u>
Visits	-2.9%	-3.4%	-3.0%
Intensity	2.9%	1.1%	0.3%
<u>Cost/Day</u>	<u>-0.3%</u>	<u>1.6%</u>	<u>2.1%</u>
Total	-0.3%	-0.8%	-0.5%

## **KEY FINDINGS - DRUGS**

- Overall, prescription drugs trends for Non-Medicare coverages have increased significantly compared to -3.0% last year. Using the 24-month analysis, we observed a 0.6% utilization increase and a 4.5% prescription cost increase, resulting in an aggregate trend of 5.1%. The 24-month overall trend is higher than the 36-month and 48-month analysis.

<b>West Virginia PEIA Prescription Drugs Total 24-Month Trend Analysis</b>			
	<u>Utilization</u>	<u>Cost/Prescription</u>	<u>Total Trend</u>
FY 2014	0.6%	4.5%	5.1%

## **METHODOLOGY**

HealthSmart provided allowed and paid claim information for Non-Medicare and Medicare eligibility from July 2001 through July 2014. This data set was analyzed on Non-Medicare claims that were incurred from June 2010 through May 2014 for the 48-month credible period. This claim data was consolidated into 24 categories for Hospital Inpatient, Hospital Outpatient, Physician Services and Other. In addition, claim experience was analyzed based on the state of service as defined by HealthSmart. HealthSmart provides the information based on the location that the service was performed, rather than the billing location of the provider. CCRC Actuaries verified that the HealthSmart information balanced in total to previously produced claim lag reports that PEIA personnel have balanced to the PEIA ledger accounts.

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

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

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

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

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

<b><u>Non-Medicare Claims</u></b>	<b>12 months ending 12 months ending 12 months ending 12 months ending</b>			
	<b><u>May 2011</u></b>	<b><u>May 2012</u></b>	<b><u>May 2013</u></b>	<b><u>May 2014</u></b>
Hospital Inpatient	\$104,680,151	\$103,532,587	\$101,027,639	\$101,888,463
Hospital Outpatient	153,587,637	166,573,316	175,392,603	180,589,296
Physician Services	220,235,494	232,035,882	231,083,616	227,810,771
Other Services	14,140,935	15,043,727	16,868,938	18,471,006
<b>Total</b>	<b>\$492,644,217</b>	<b>\$517,185,513</b>	<b>\$524,372,796</b>	<b>\$528,759,535</b>

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

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

## **COMPARISON (PAID VS. ALLOWED)**

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

We have examined the trends utilizing paid claims as opposed to allowed claims. The following table summarizes the trends on a paid basis for the Fiscal Years 2011 through 2014 and on an allowed basis for Non-Medicare medical claims. This exercise is important since interim trend updates throughout the years are based on a paid basis.

<b>West Virginia PEIA Non-Medicare Medical Total Trend Analysis</b>		
	<u>Paid Basis</u>	<u>Allowed Basis</u>
24-Month Trend	2.4%	4.1%
36-Month Trend	1.5%	2.7%
48-Month Trend	2.3%	3.1%

## **TOP 5 CATEGORIES**

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

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

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

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

**SUMMARY**

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

Recent experience has shown that the Non-Medicare medical claim trends are lower than the current trend assumption of 5.5% for FY 2015. Consequently, at this time we believe it is appropriate to change the FY 2015 medical claim trend assumptions for Non-Medicare medical to 5.0%. Recent experience has also shown that Non-Medicare drugs claim trends are lower than the current trend assumption of 8.5% for FY 2015. At this time we believe it is appropriate to change the FY 2015 drugs claim trend assumptions for Non-Medicare drugs to 8.0%

Both changes are shown in the following chart.

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

In the past, claim trends for the financial plan included a 0.5% margin in future years. It should be noted that we have assumed the medical and drugs claim trends for the financial projection will increase by 0.5% in FY 2016 and in each successive fiscal year. We will continue to monitor the claim trend experience and incorporate changes as necessary throughout the fiscal year based on the relatively volatile nature of recent trend experience at PEIA.

Respectfully,

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Managing Partner

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Senior Actuarial Consultant

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

### Trends Summary - Excludes Drugs

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

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

### 24 Month Trends Summary - Excludes Drugs

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

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

### 36 Month Trends Summary - Excludes Drugs

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

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

### 48 Month Trends Summary - Excludes Drugs

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

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

### 24 Month Trends Summary

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

### 36 Month Trends Summary

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

### 48 Month Trends Summary

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

# Appendix A

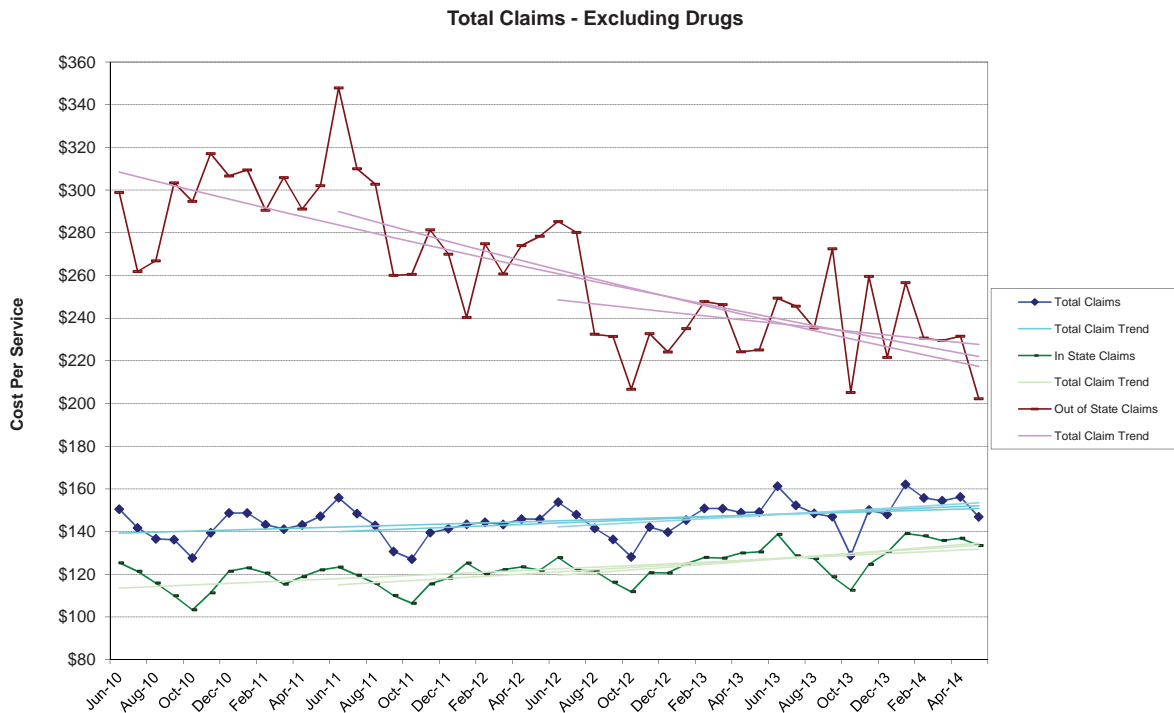
**NON-MEDICARE CLAIMS  
Excluding Drugs**

**GRAND TOTAL**

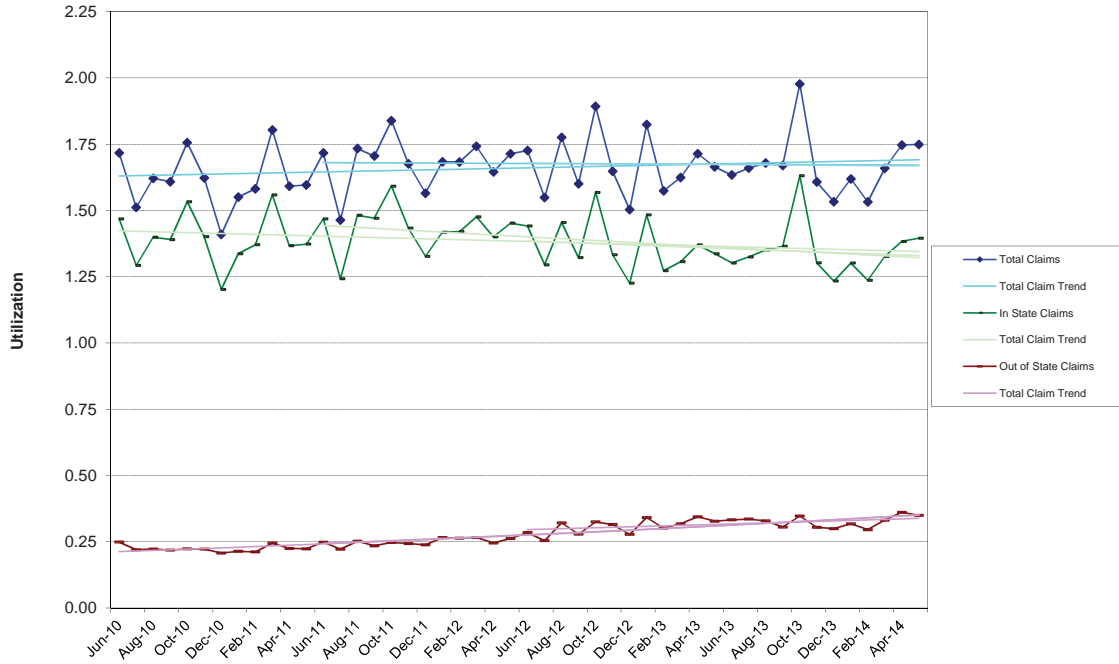
<b>24-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.4%	4.5%	<b>4.1%</b>

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

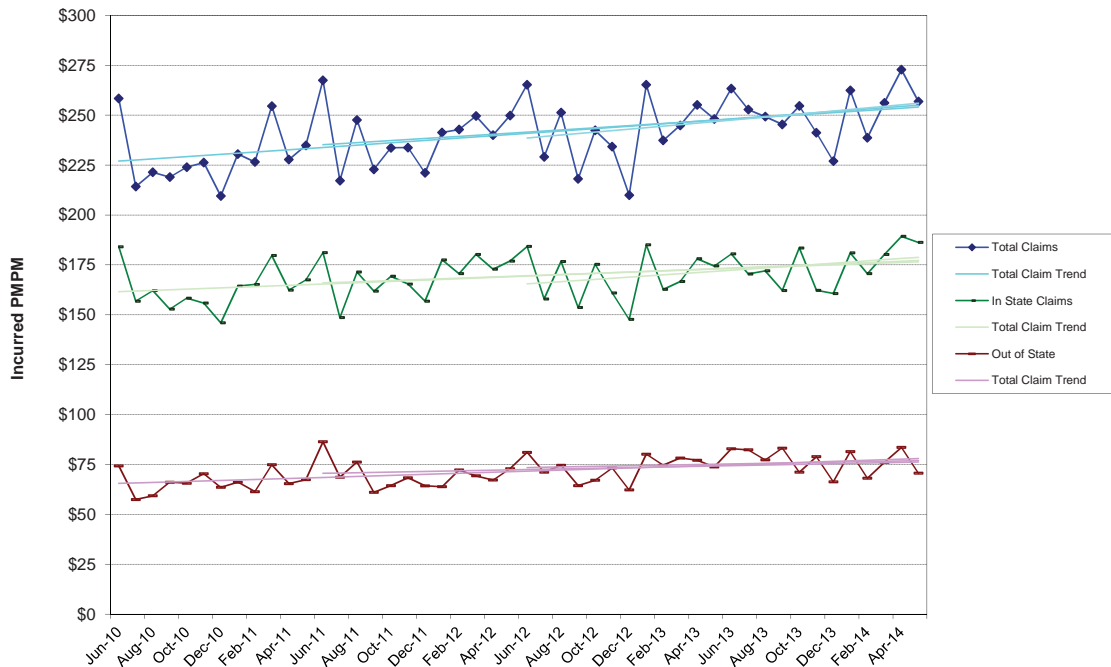
<b>48-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.5%	1.6%	<b>3.1%</b>



### Total Claims - Excluding Drugs



### Total Claims - Excluding Drugs



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**HOSPITAL INPATIENT**

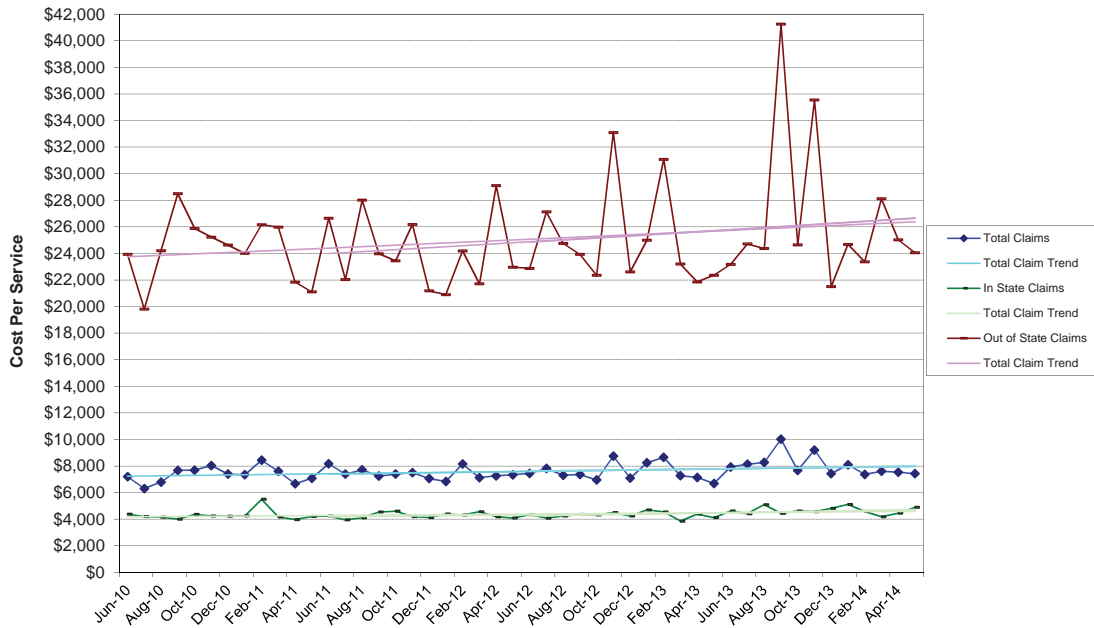
TOTAL

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

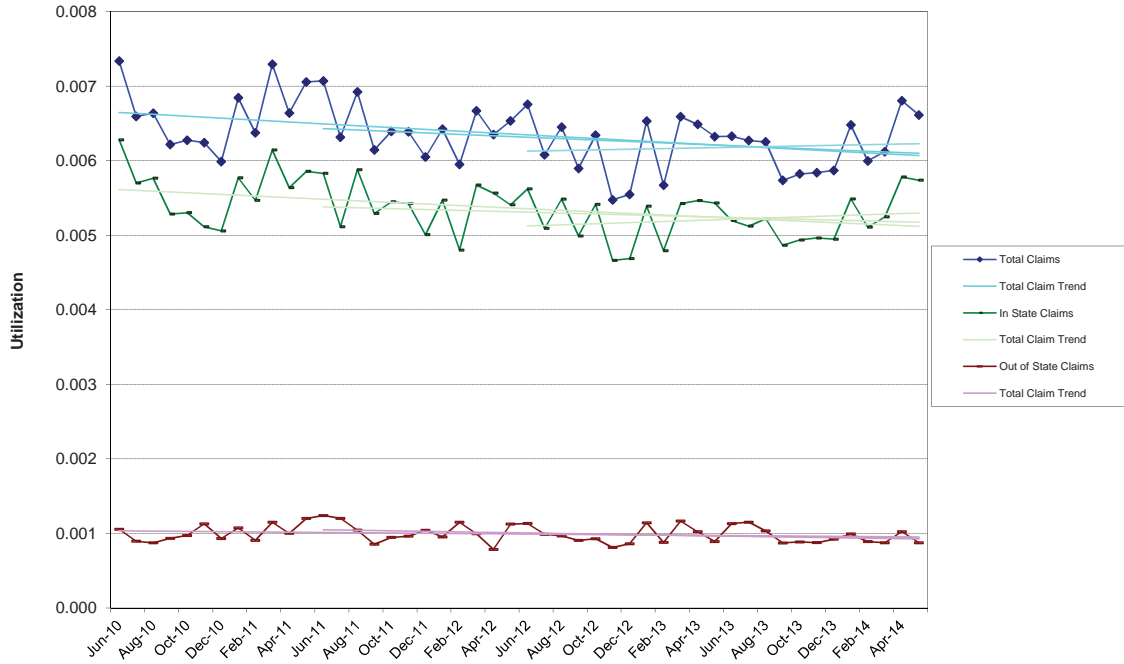
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.5%	3.5%	<b>0.9%</b>

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

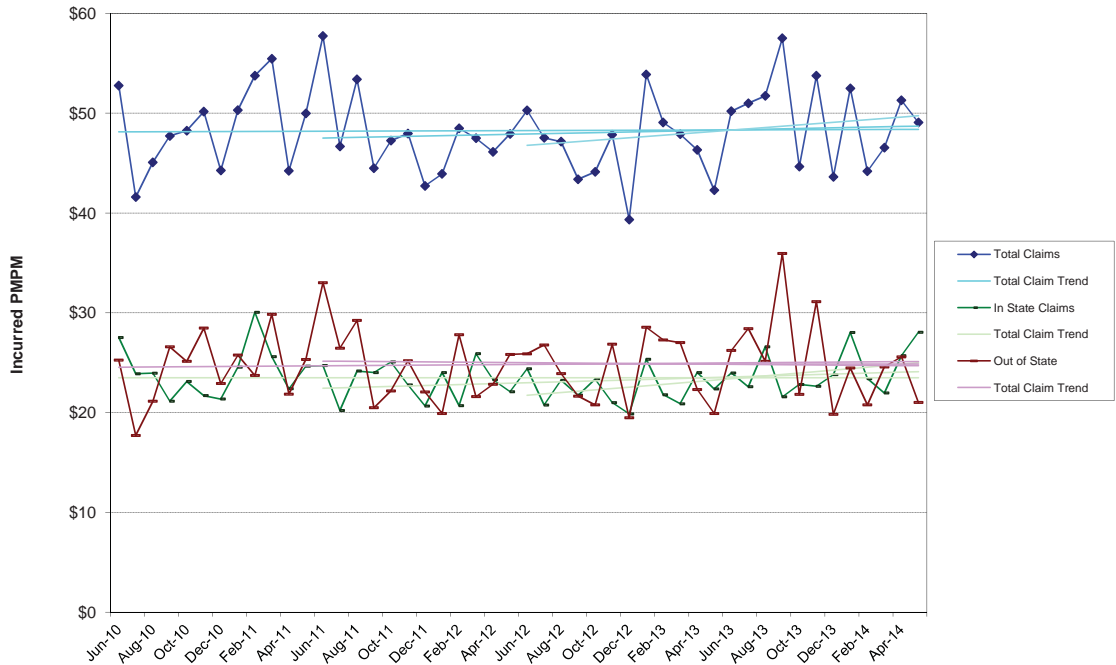
**Total Hospital Inpatient Claims - Excluding Drugs**



### Total Hospital Inpatient Claims - Excluding Drugs



### Total Hospital Inpatient Claims - Excluding Drugs



**NON-MEDICARE CLAIMS  
Excluding Drugs**

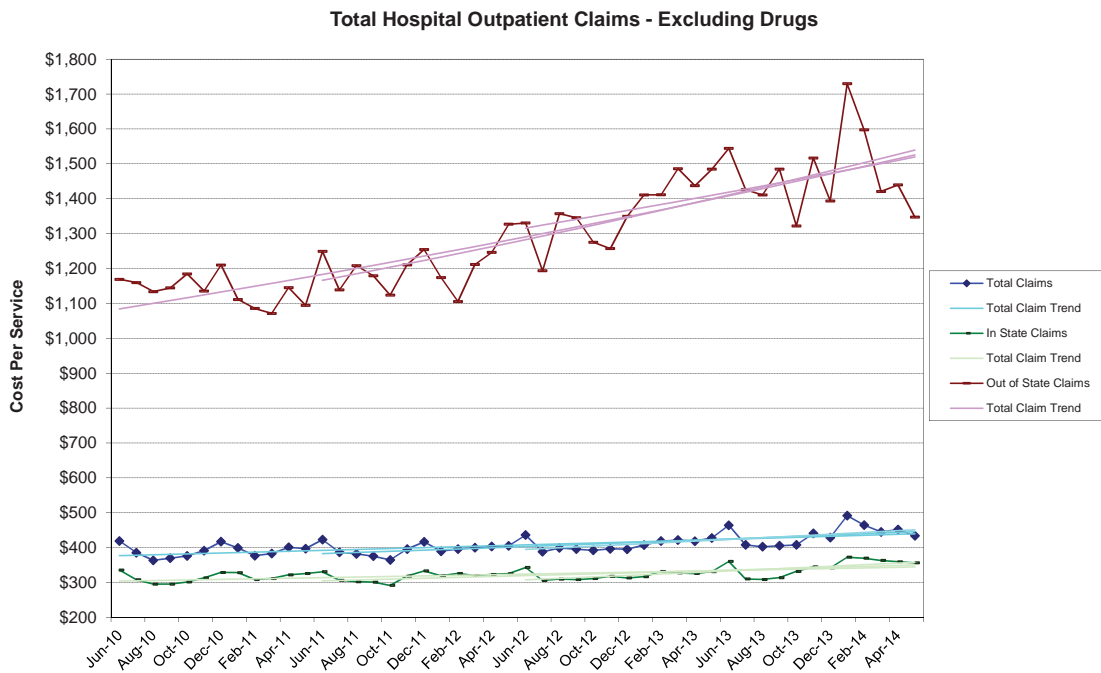
**HOSPITAL OUTPATIENT**

TOTAL

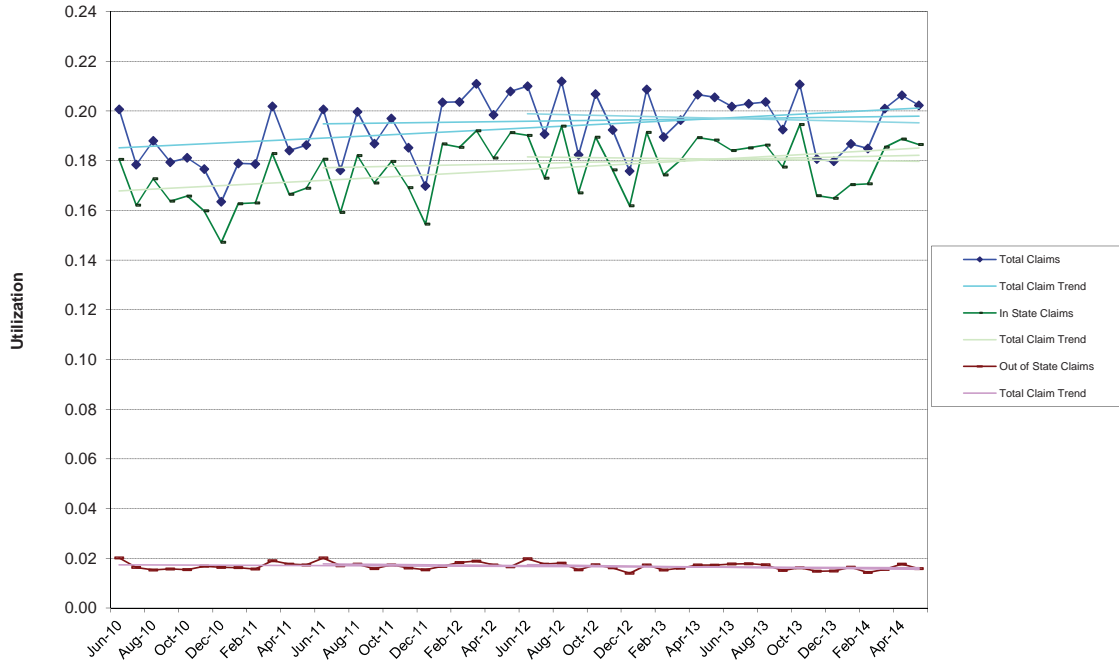
<b>24-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.2%	6.3%	<b>6.1%</b>

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

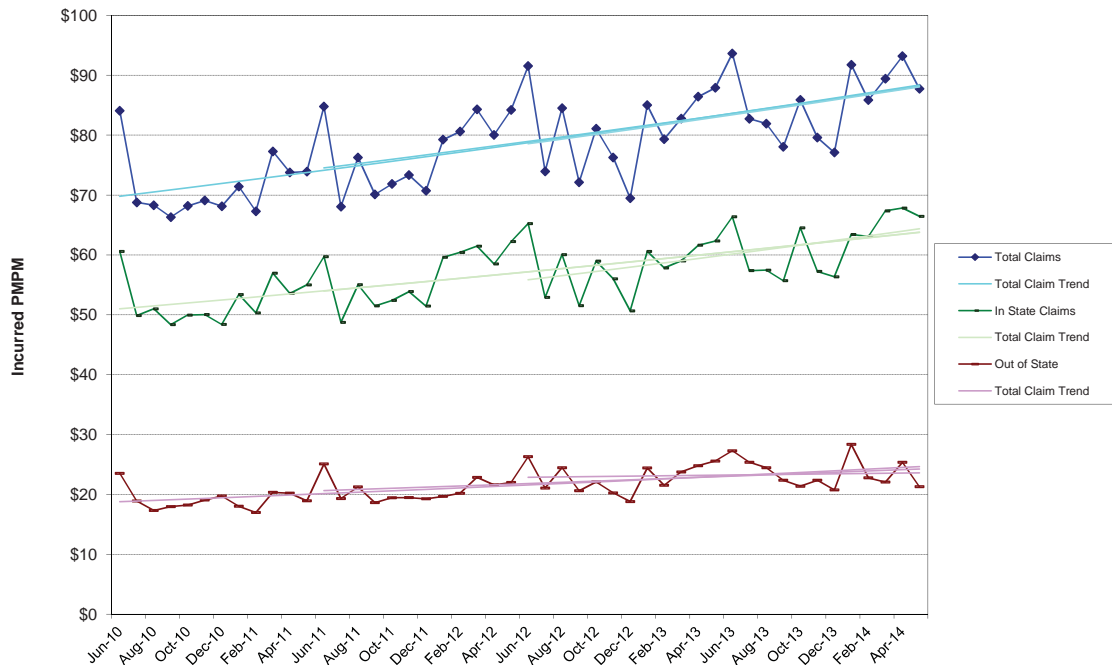
<b>48-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.3%	0.6%	<b>6.0%</b>



### Total Hospital Outpatient Claims - Excluding Drugs



### Total Hospital Outpatient Claims - Excluding Drugs



**NON-MEDICARE CLAIMS  
Excluding Drugs**

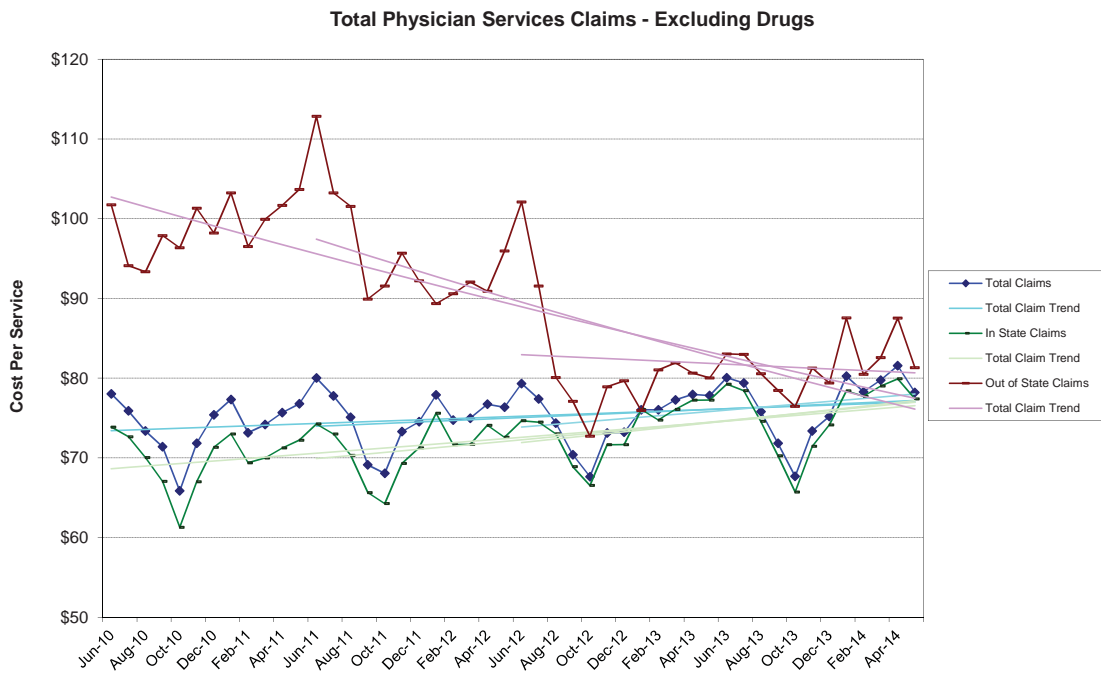
**PHYSICIAN SERVICES**

TOTAL

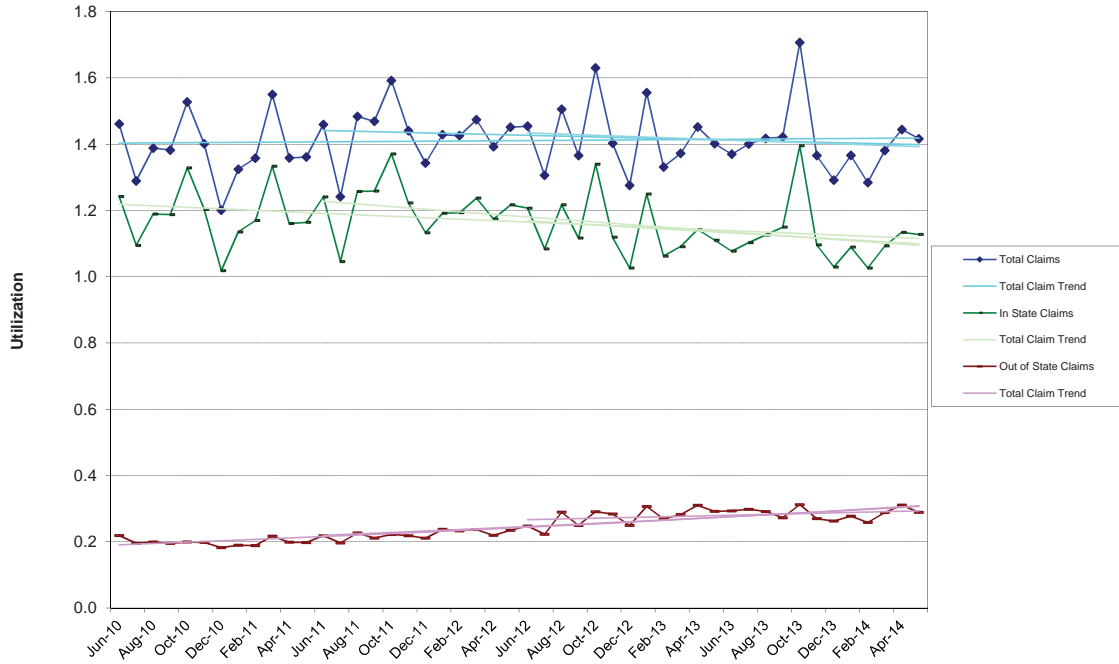
<b>24-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.0%	2.9%	<b>1.8%</b>

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

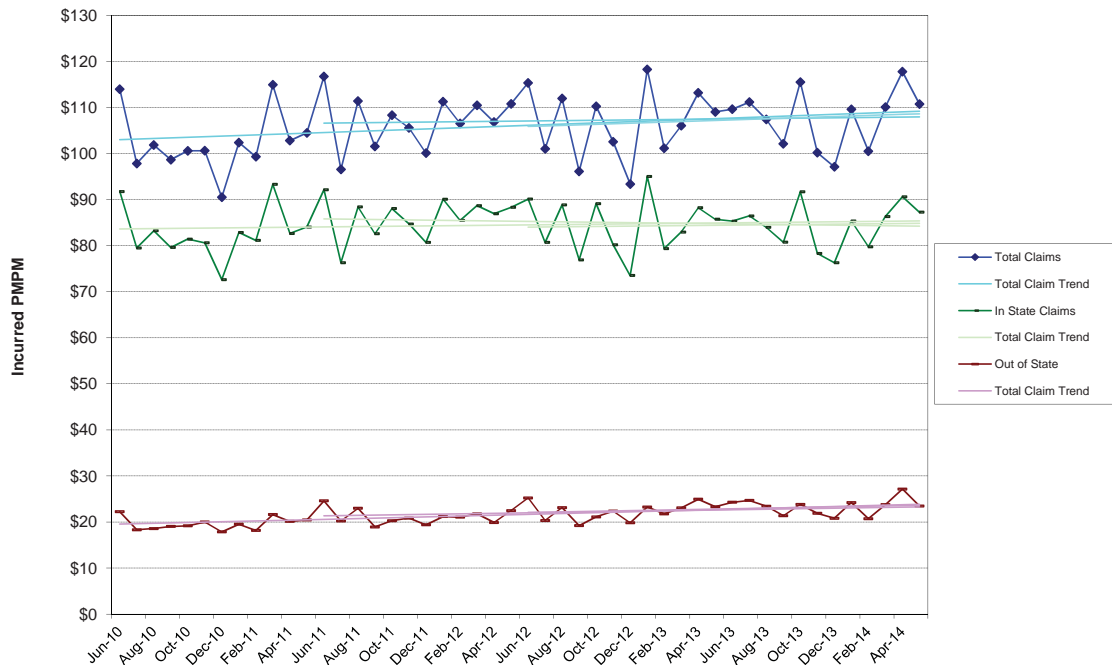
<b>48-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.1%	1.5%	<b>1.6%</b>



### Total Physician Services Claims - Excluding Drugs



### Total Physician Services Claims - Excluding Drugs



**NON-MEDICARE CLAIMS  
Excluding Drugs**

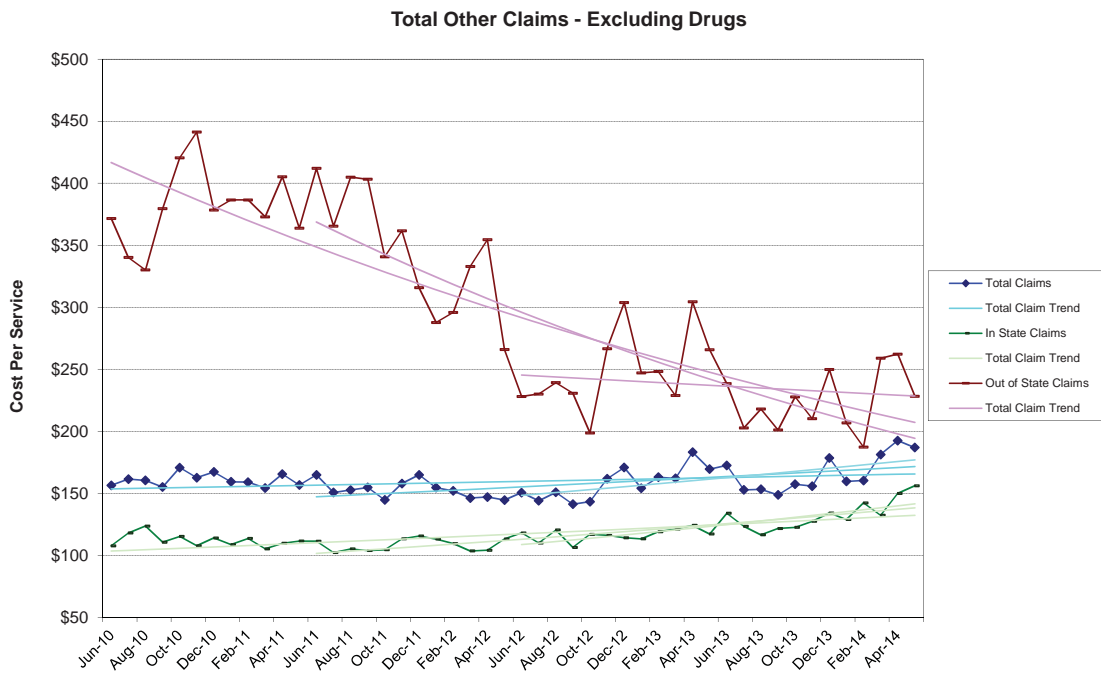
OTHER

TOTAL

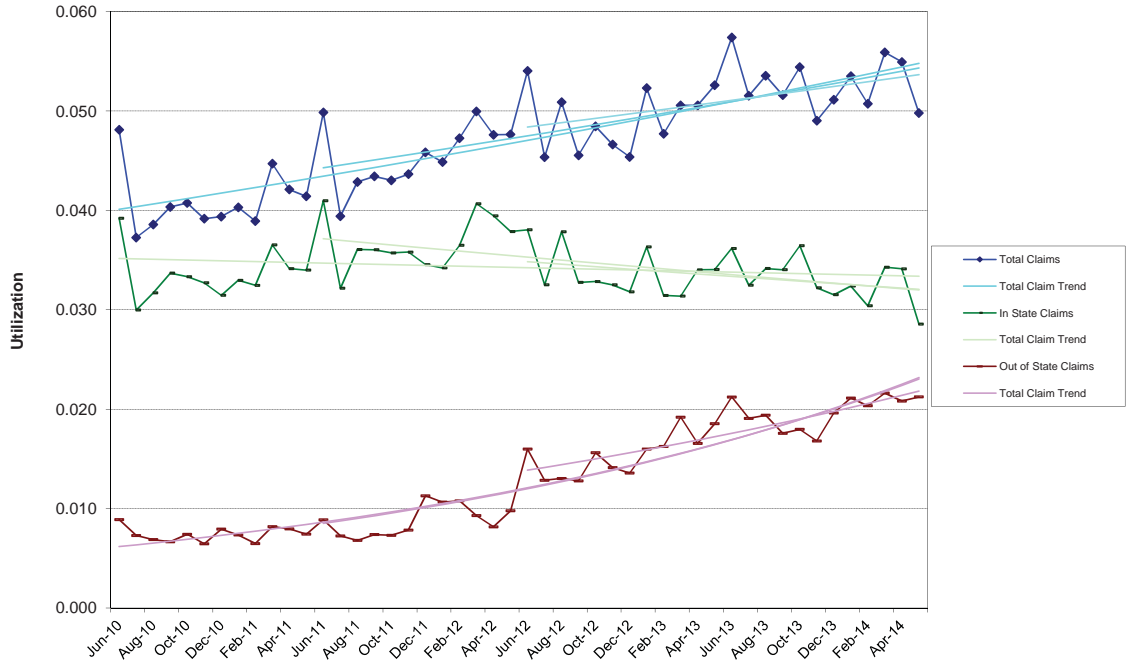
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.3%	14.3%	<b>19.3%</b>

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

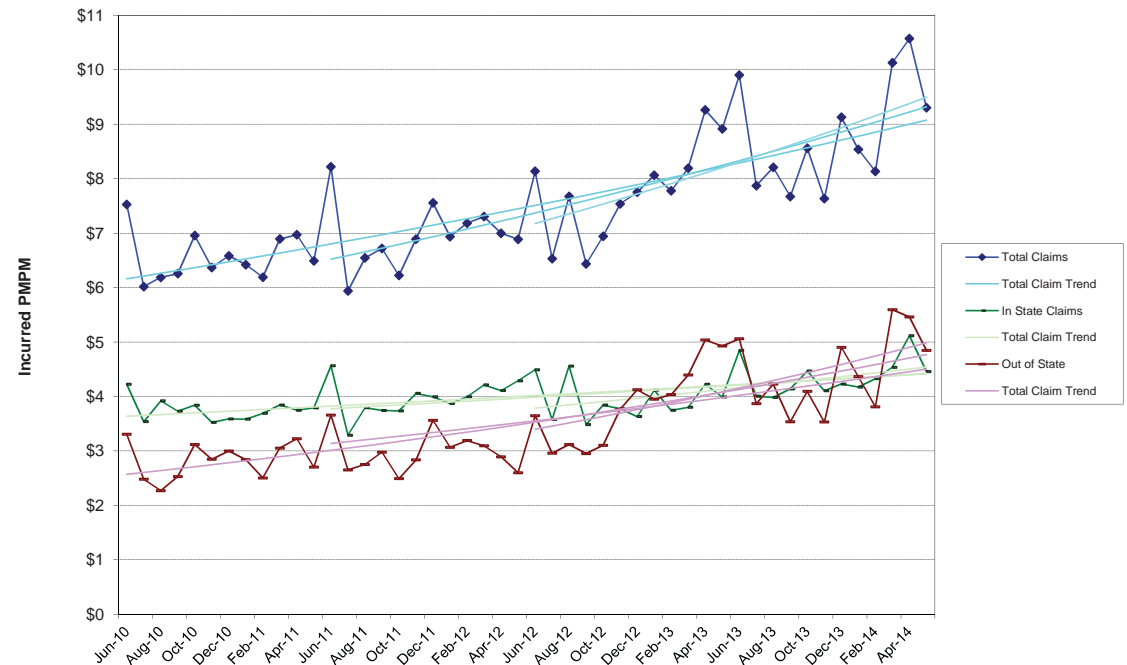
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.4%	2.6%	<b>11.2%</b>



### Total Other Claims - Excluding Drugs



### Total Other Claims - Excluding Drugs



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**HOSPITAL INPATIENT**

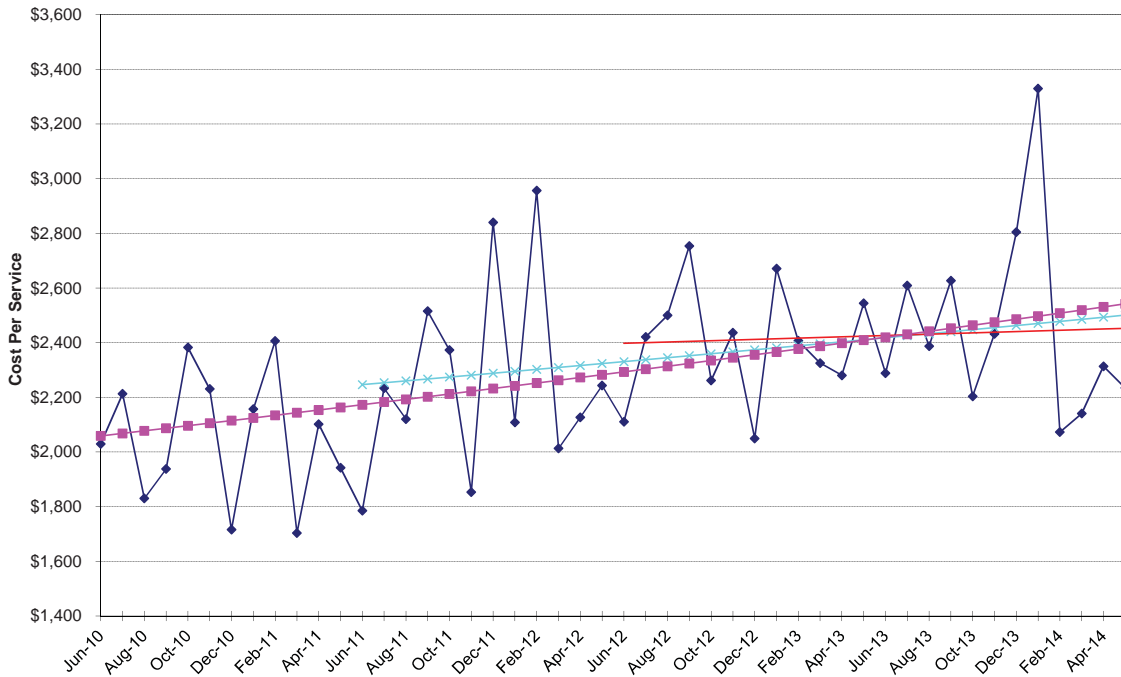
Maternity

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

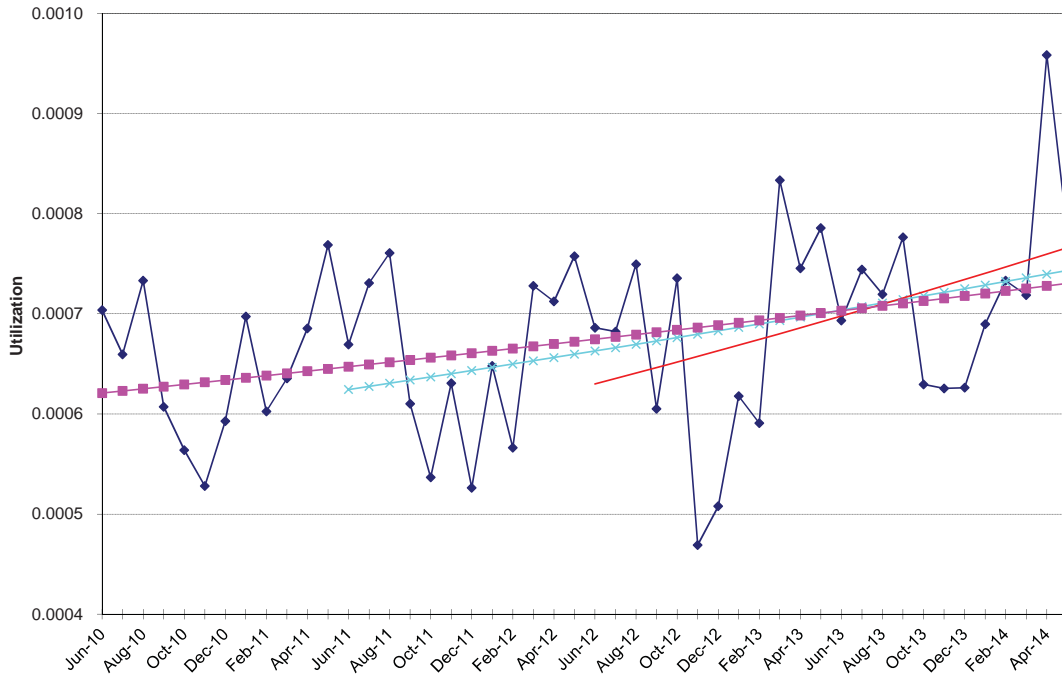
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.2%	3.7%	<b>10.1%</b>

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

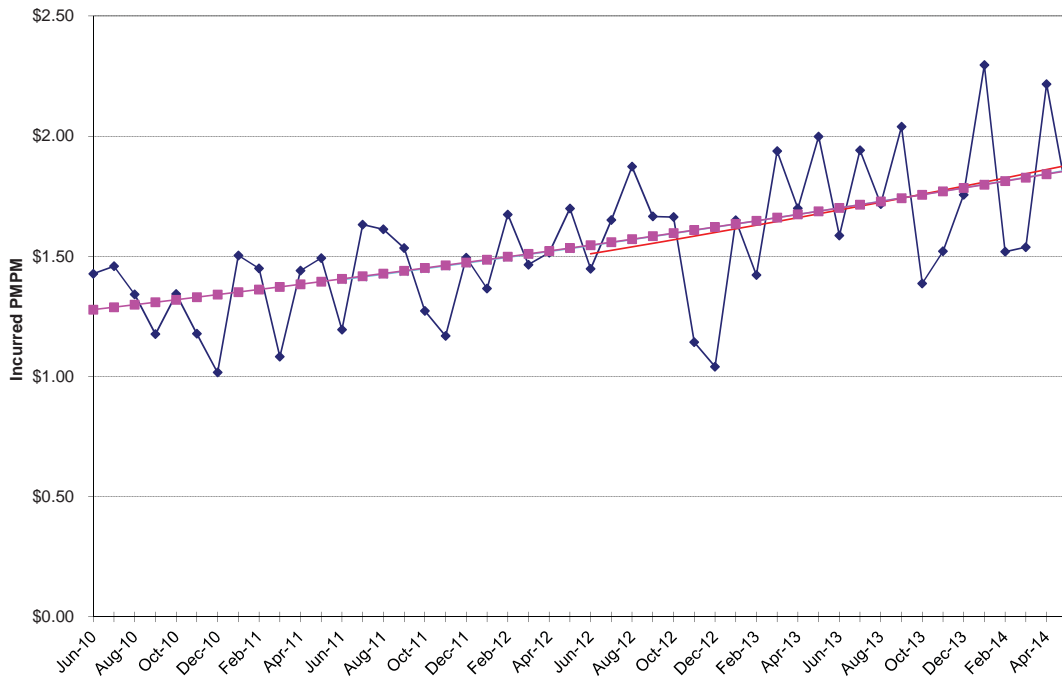
**Hospital Inpatient - Maternity**



Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**HOSPITAL INPATIENT**

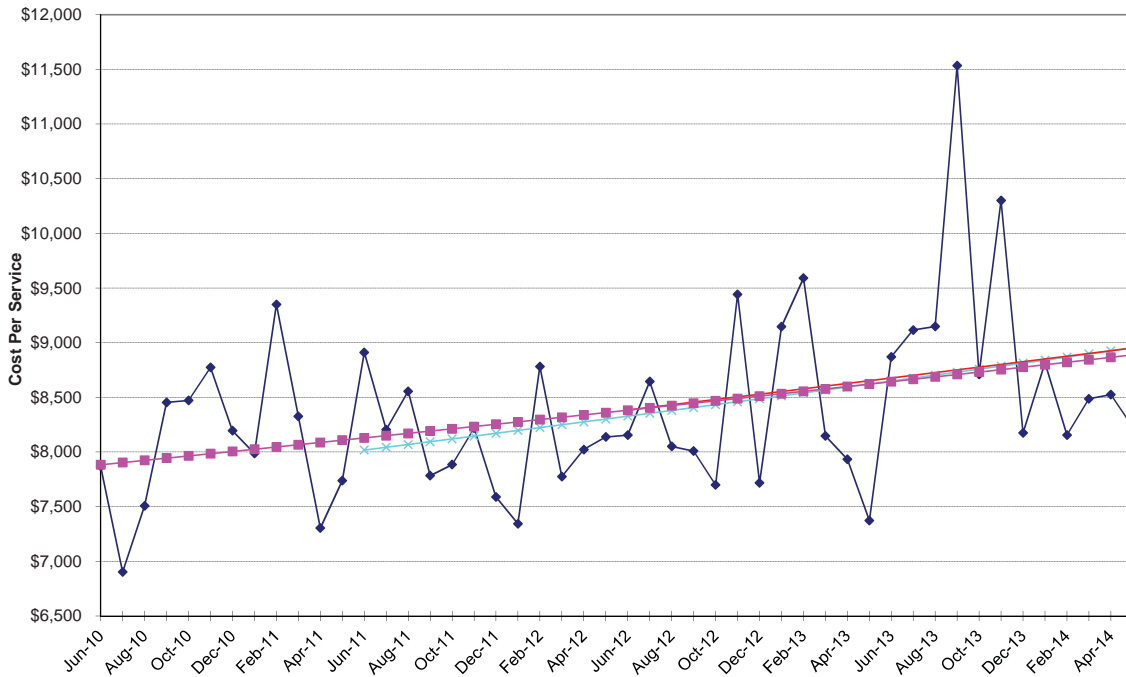
Medical / Surgical

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

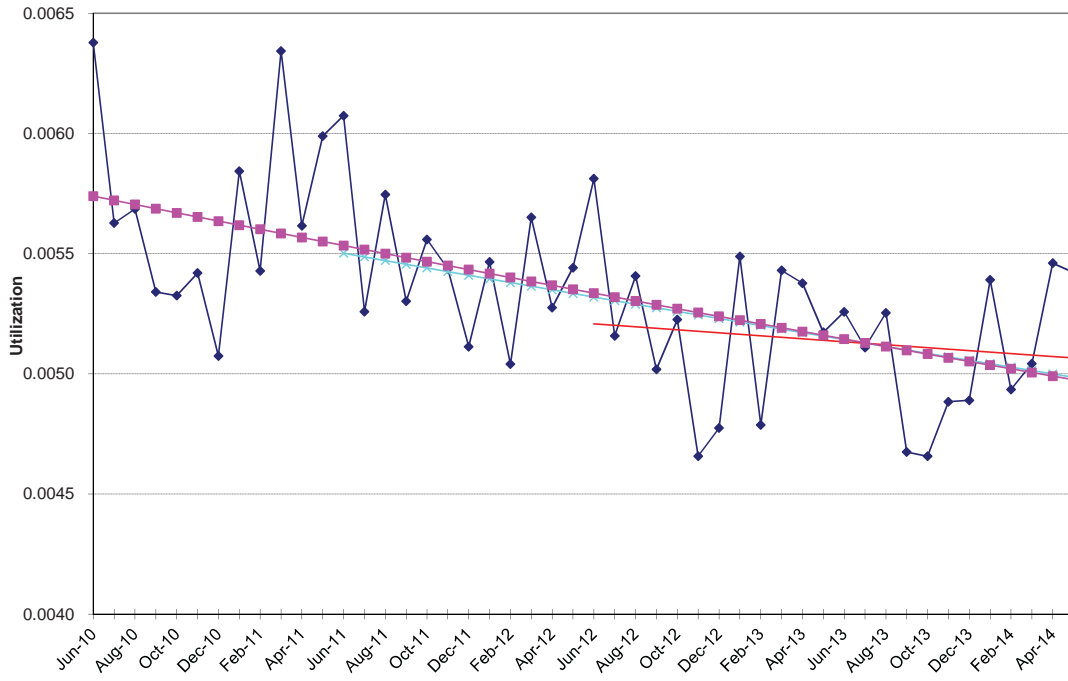
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-3.3%	3.9%	<b>0.4%</b>

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

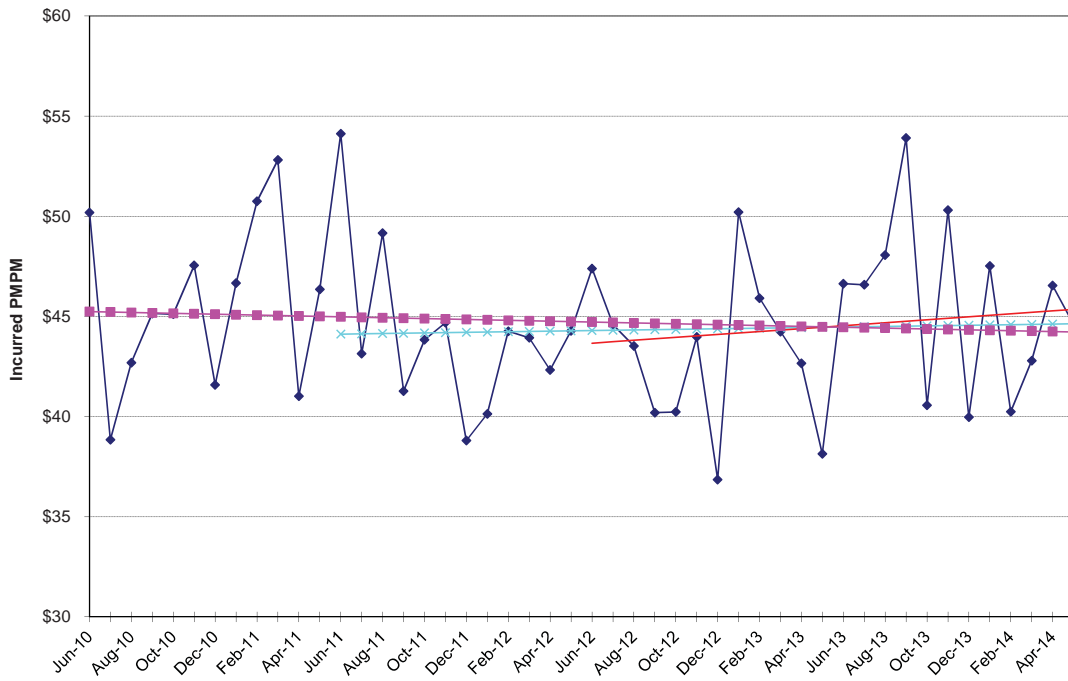
**Hospital Inpatient - Medical / Surgical**



### Hospital Inpatient - Medical / Surgical



### Hospital Inpatient - Medical / Surgical



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**HOSPITAL INPATIENT**

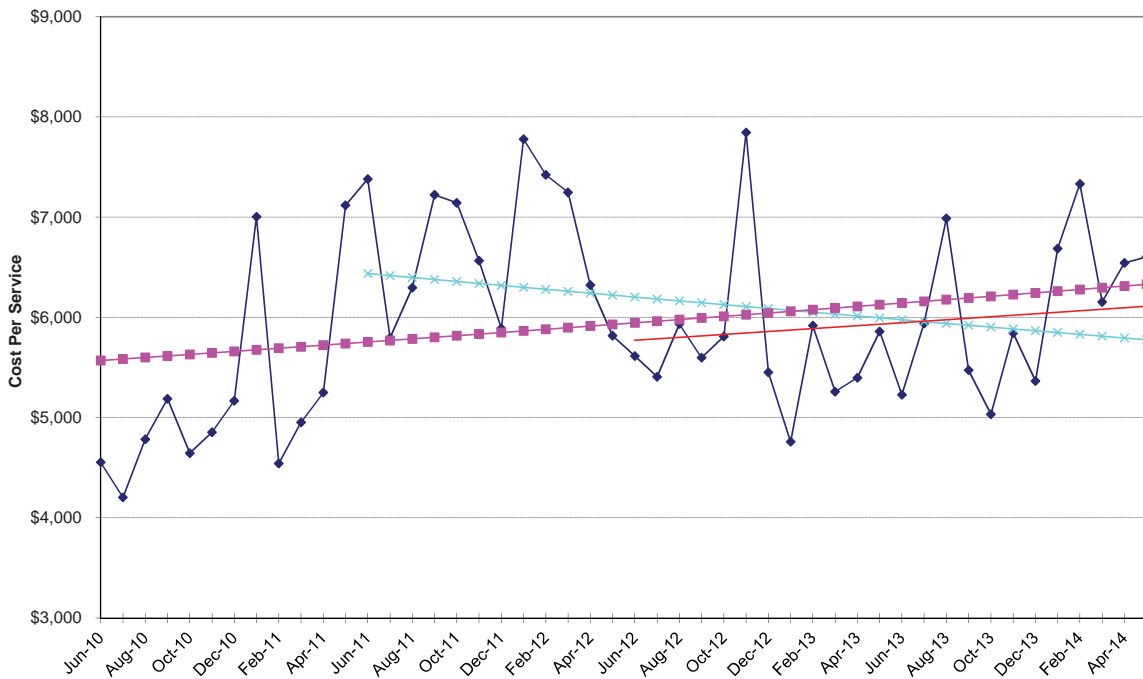
Psychiatric / Substance Abuse

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

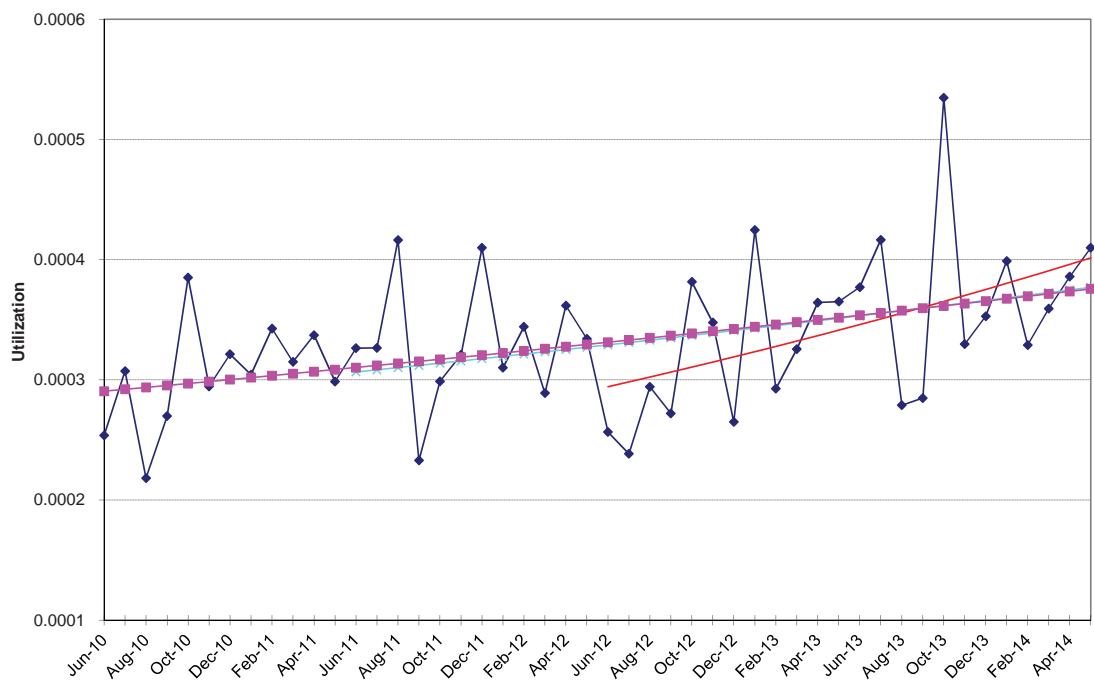
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.4%	-3.6%	<b>3.4%</b>

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

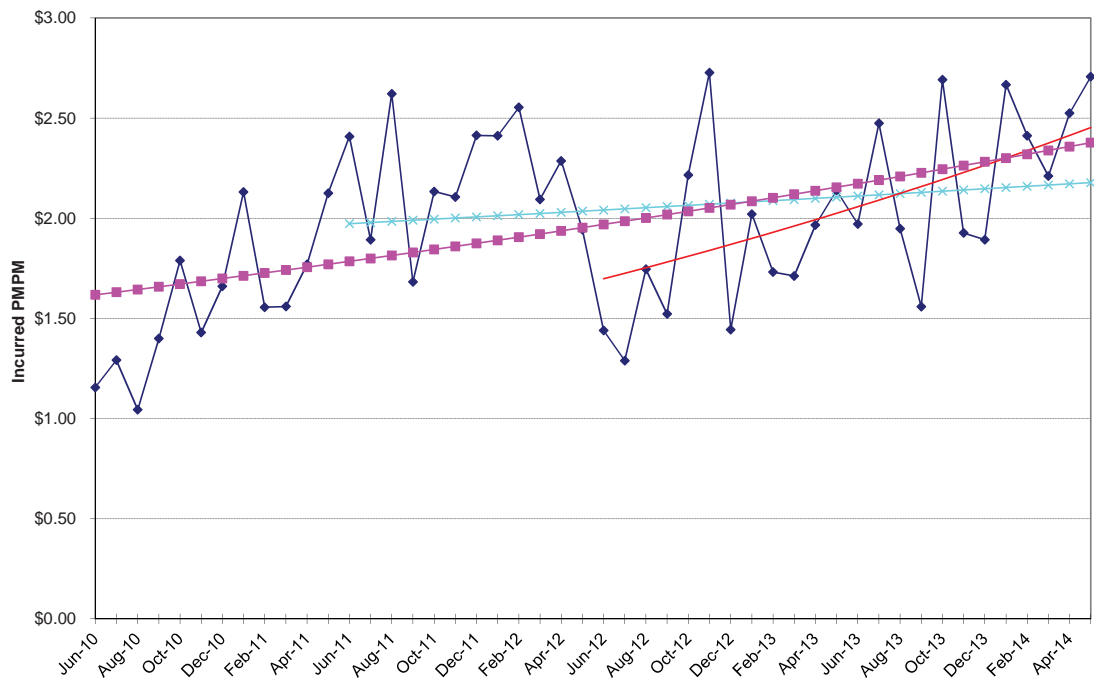
**Hospital Inpatient - Psychiatric / Substance Abuse**



Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**HOSPITAL OUTPATIENT**

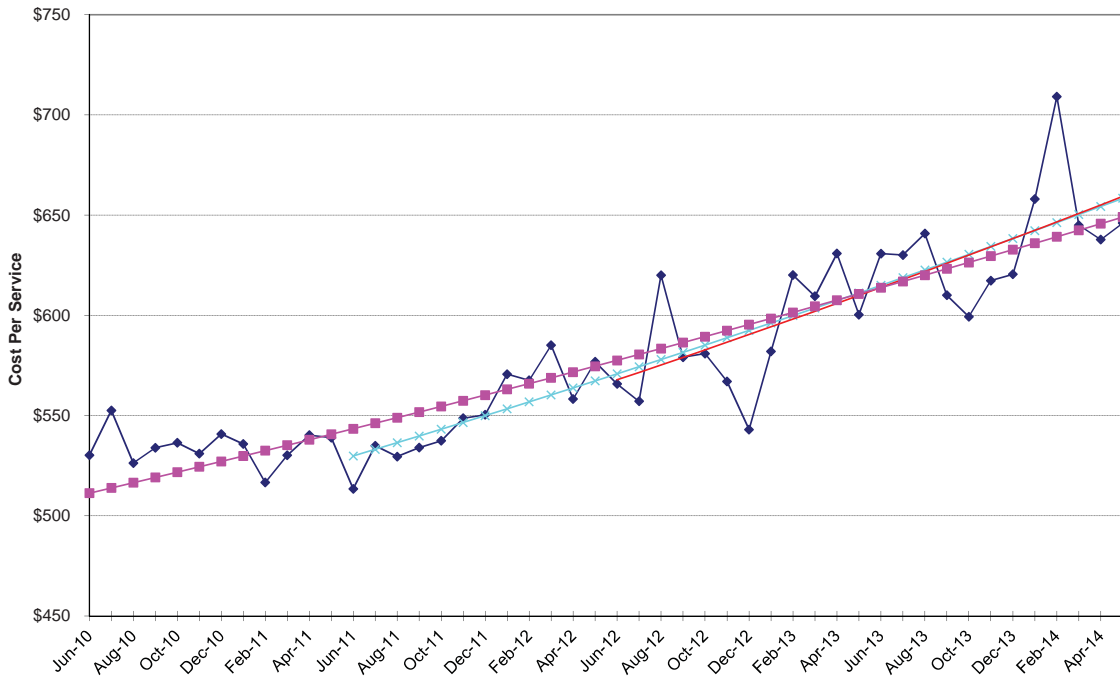
Emergency Room

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

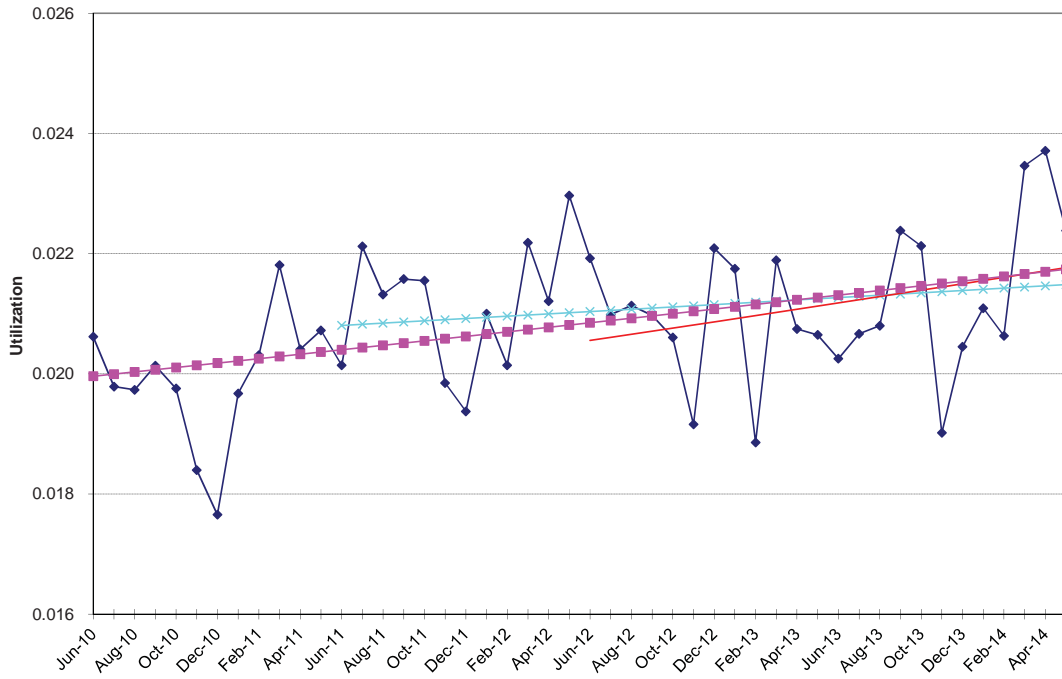
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.1%	7.7%	<b>8.9%</b>

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

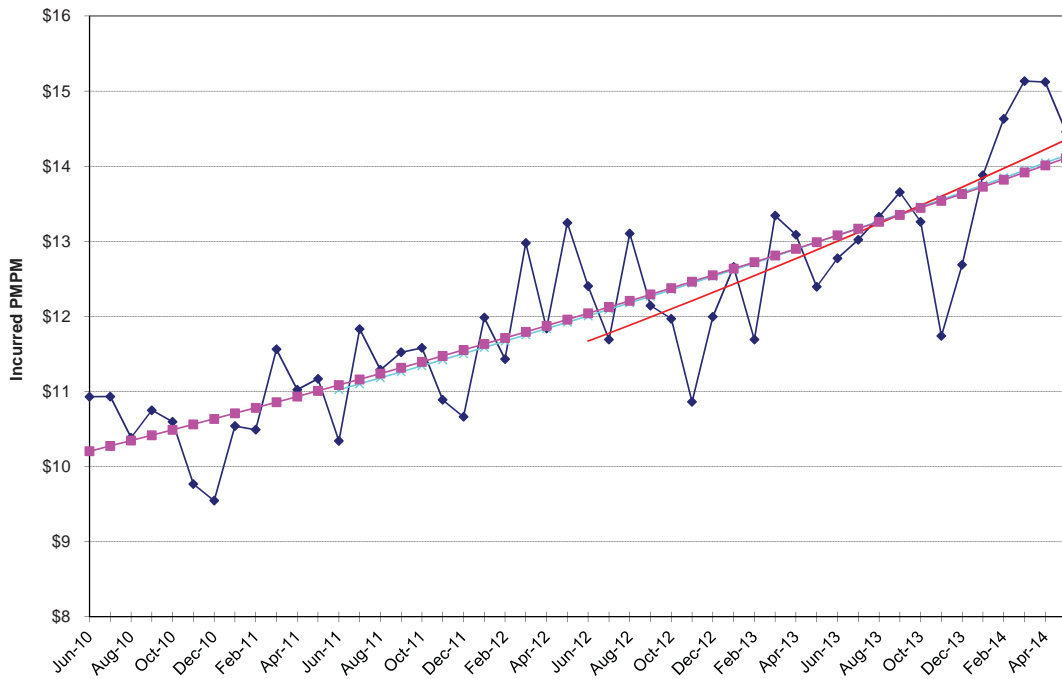
**Hospital Outpatient - Emergency Room**



### Hospital Outpatient - Emergency Room



### Hospital Outpatient - Emergency Room



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**HOSPITAL OUTPATIENT**

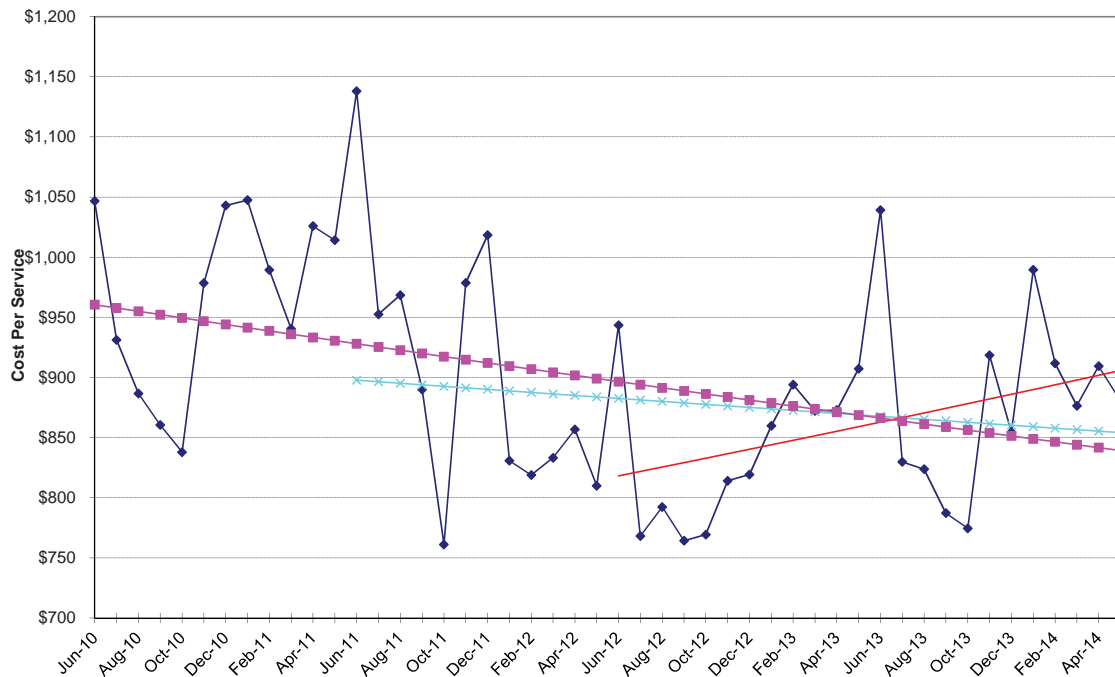
Medical / Surgical

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

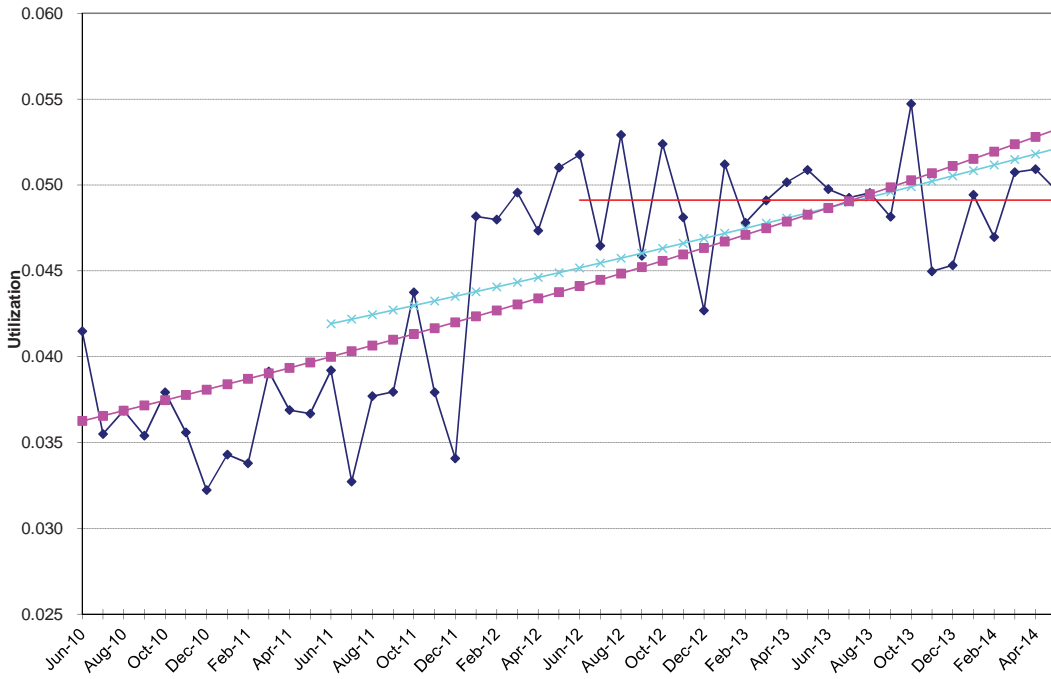
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.8%	-1.7%	<b>5.9%</b>

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

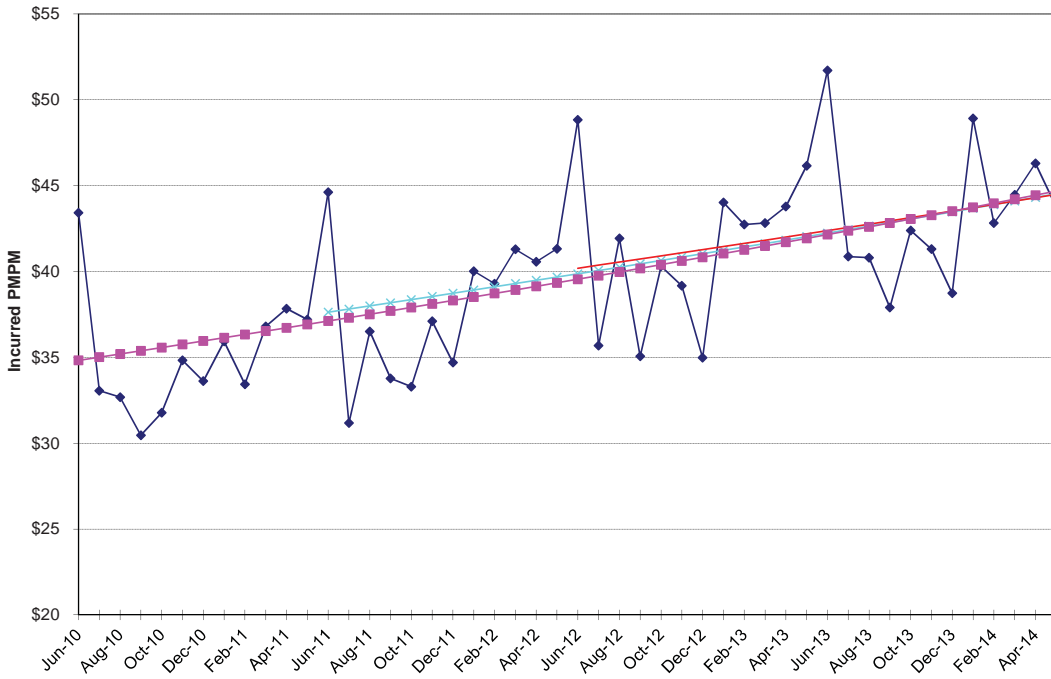
**Hospital Outpatient - Medical / Surgical**



### Hospital Outpatient - Medical / Surgical



### Hospital Outpatient - Medical / Surgical



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**HOSPITAL OUTPATIENT**

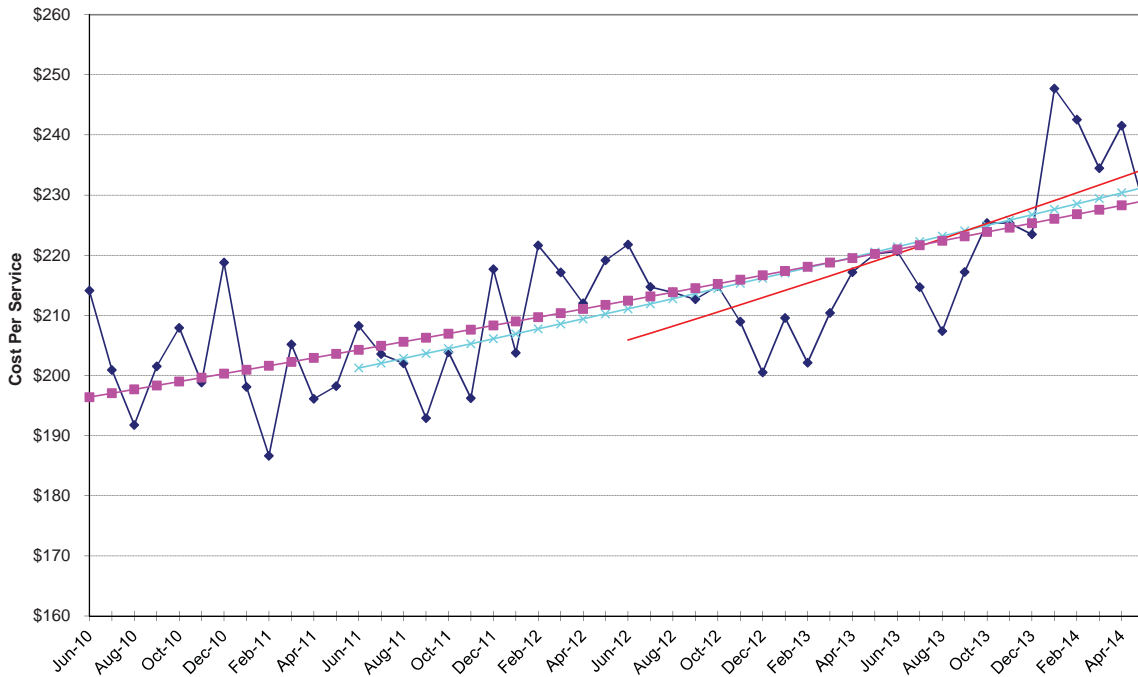
Other Services

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

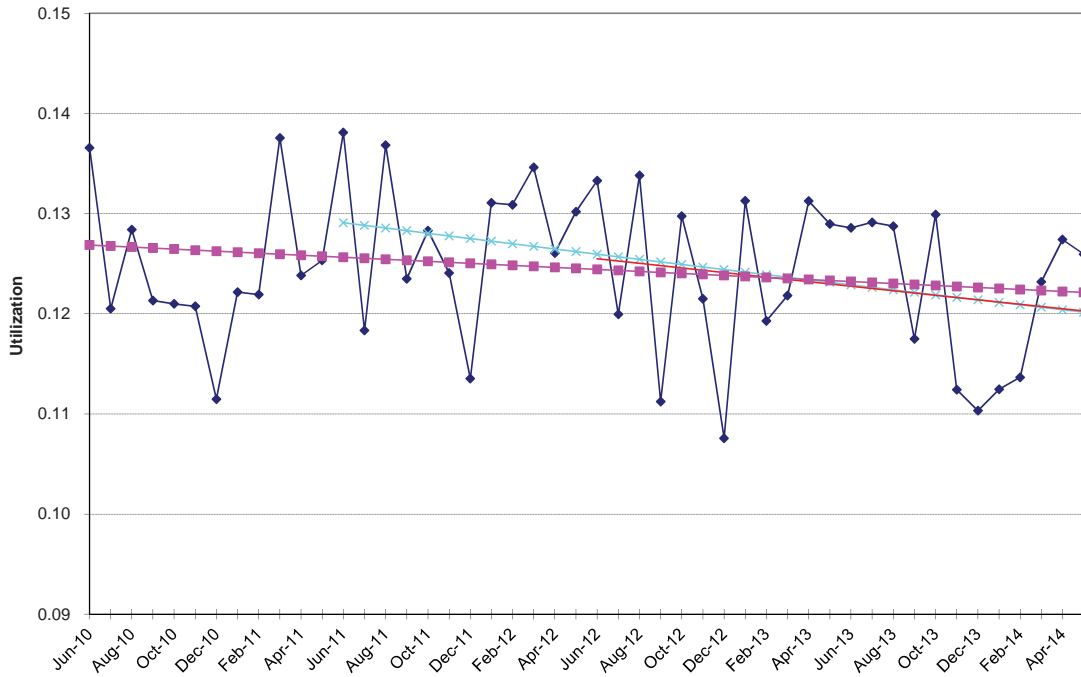
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.4%	4.9%	<b>2.3%</b>

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

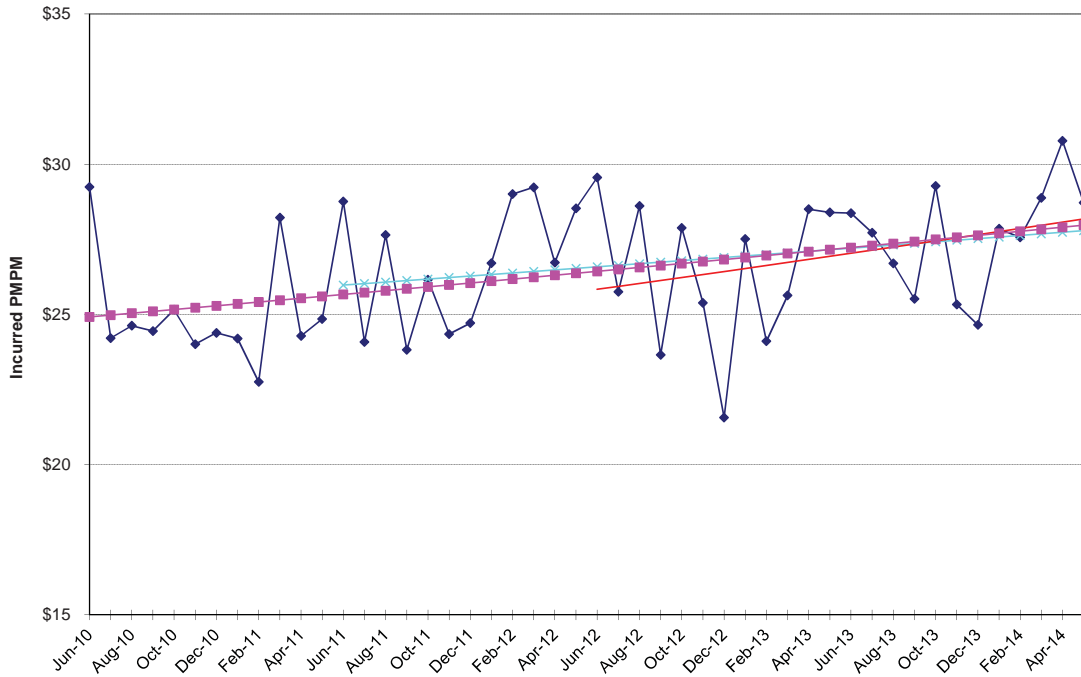
**Hospital Outpatient - Other Services**



### Hospital Outpatient - Other Services



### Hospital Outpatient - Other Services



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**HOSPITAL OUTPATIENT**

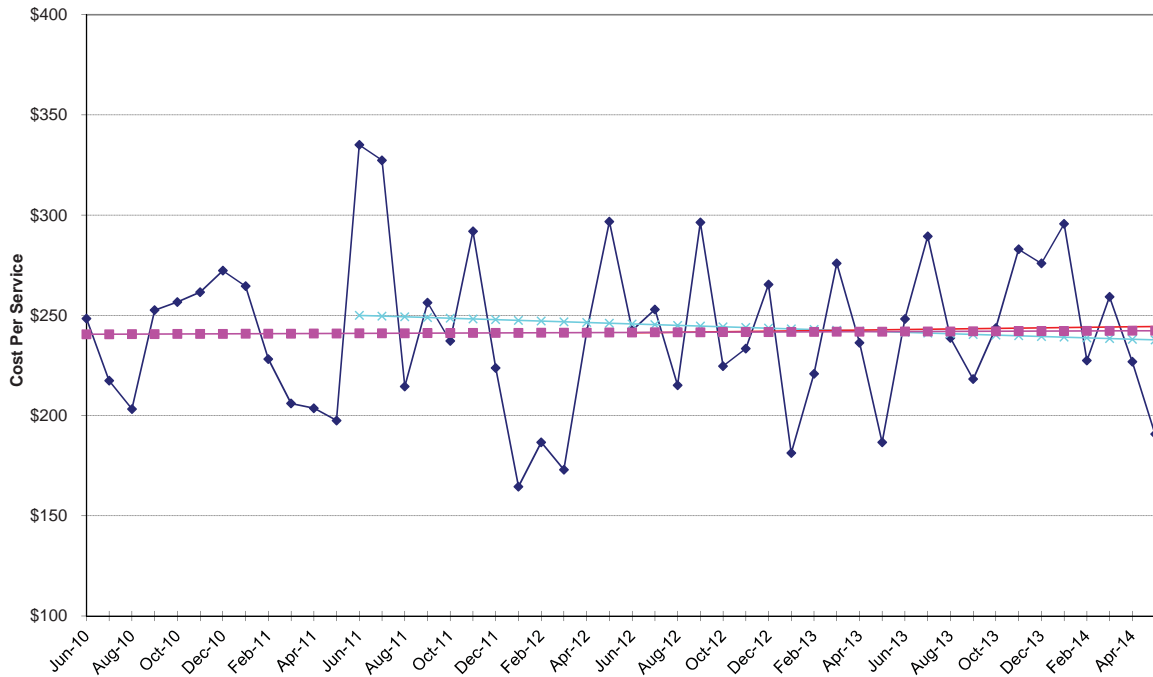
Psychiatric / Substance Abuse

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

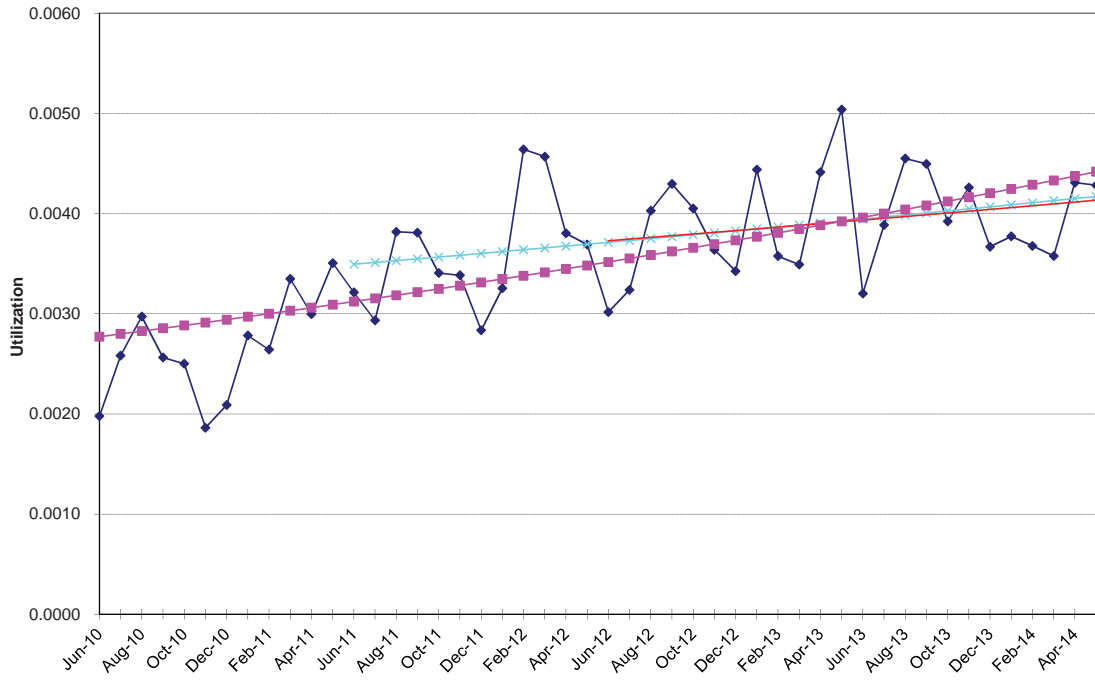
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.3%	-1.7%	<b>4.4%</b>

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

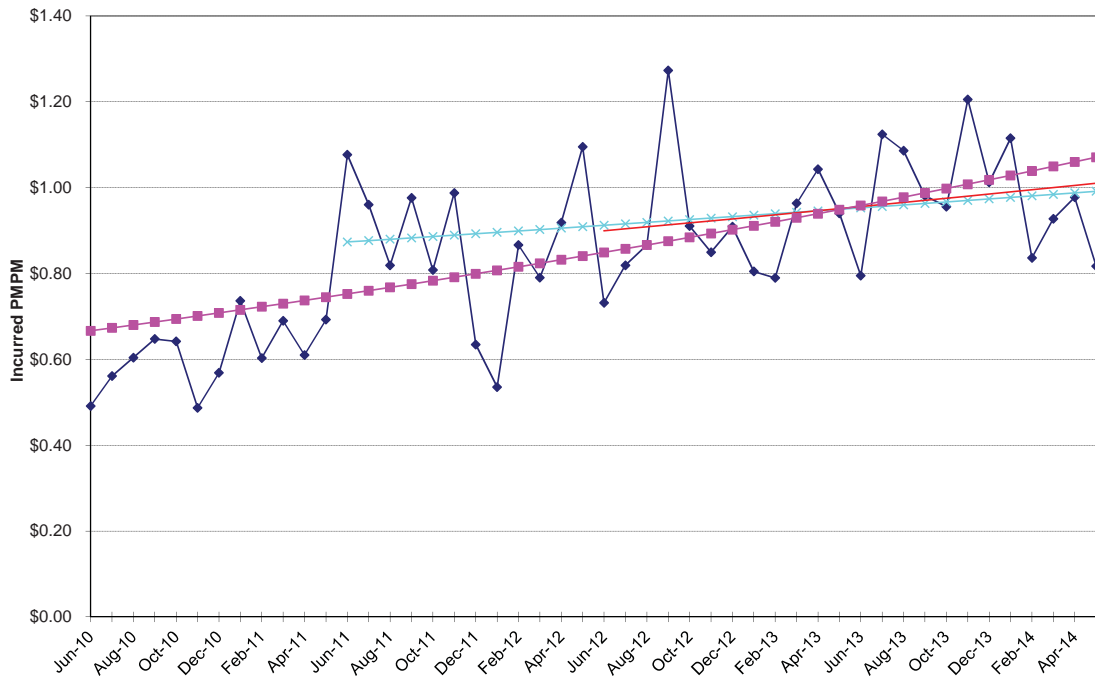
**Hospital Outpatient - Psychiatric / Substance Abuse**



Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**PHYSICIAN SERVICES**

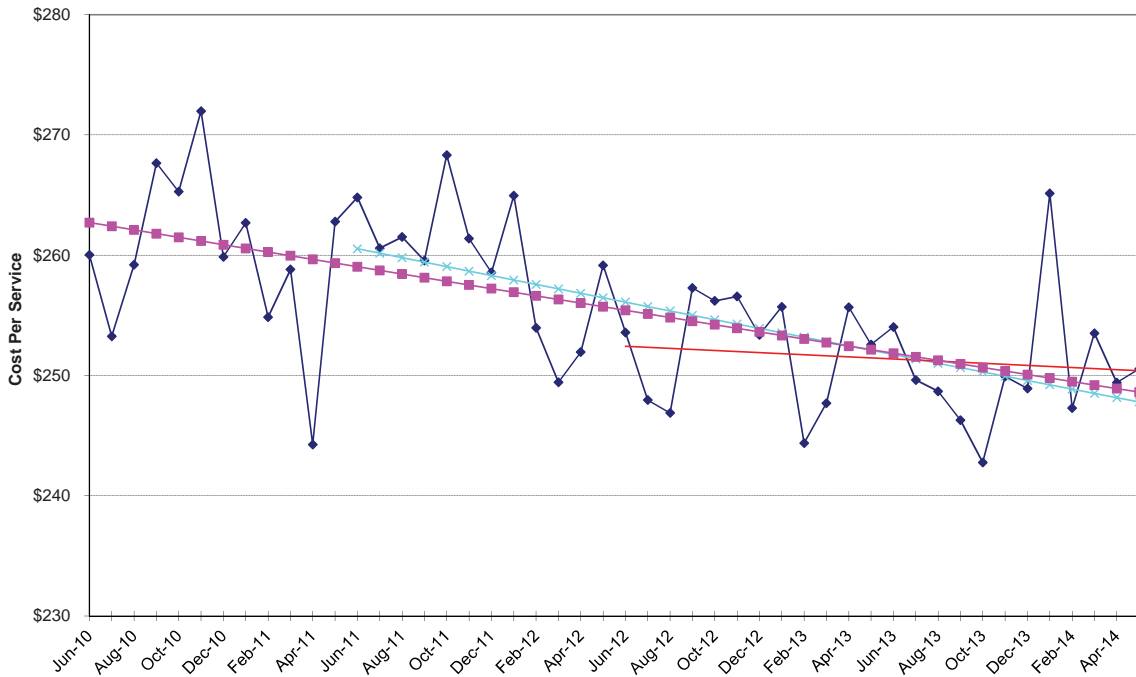
Anesthesia

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

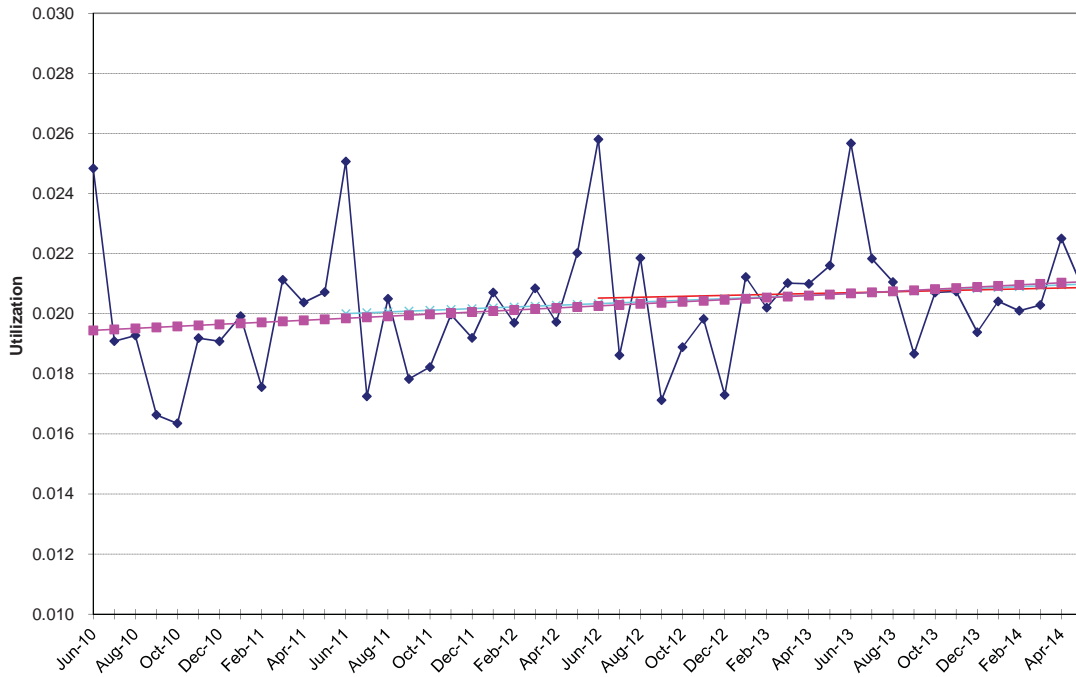
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.7%	-1.7%	<b>-0.1%</b>

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

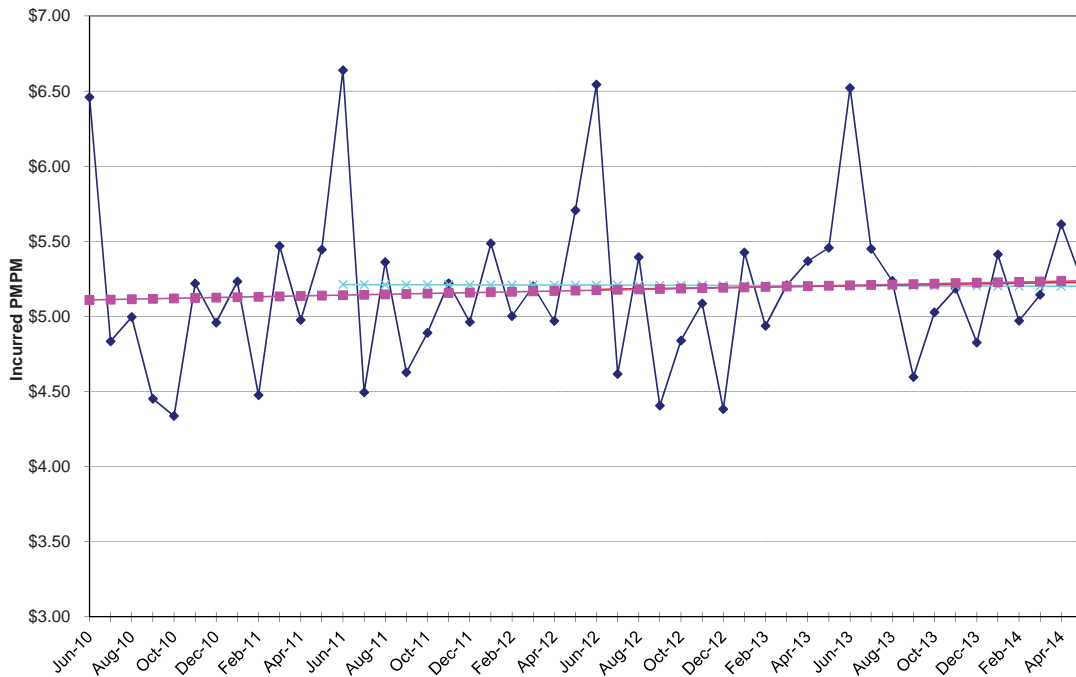
**Physician Services - Anesthesia**



Physician Services - Anesthesia



Physician Services - Anesthesia



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**PHYSICIAN SERVICES**

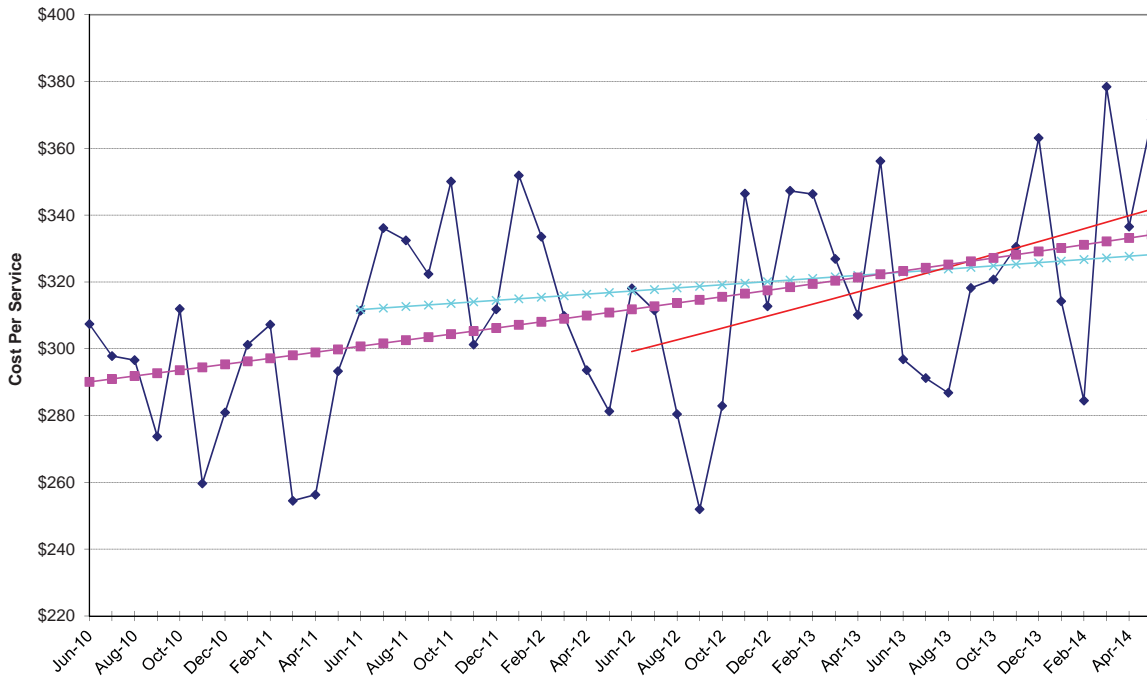
Chemotherapy / Radiation

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

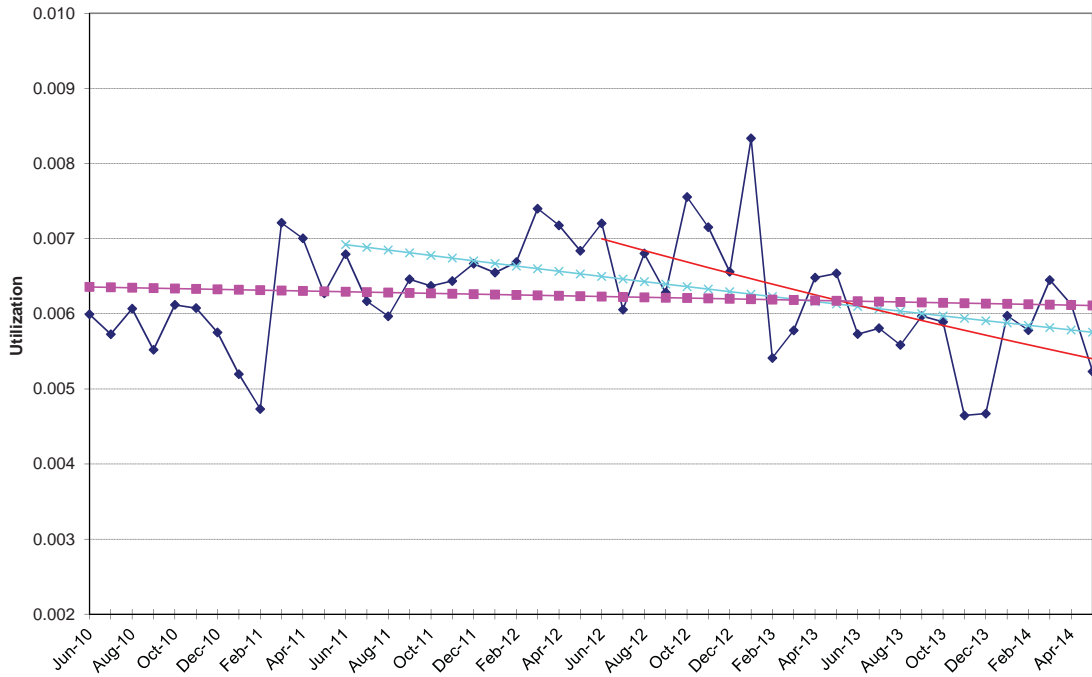
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-6.1%	1.8%	<b>-4.5%</b>

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

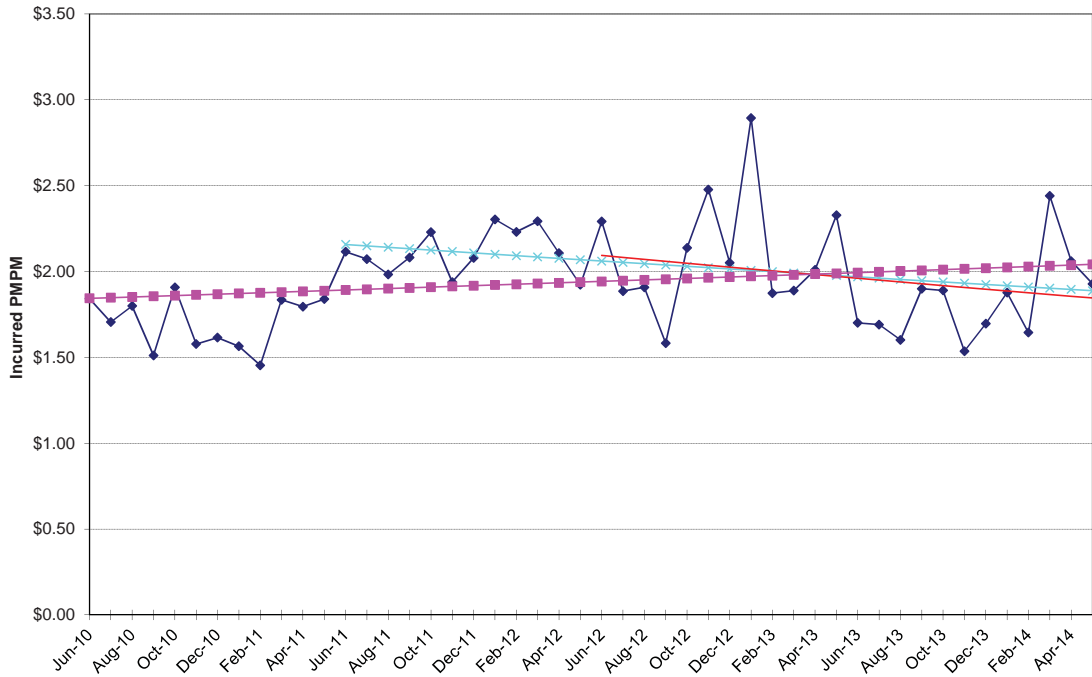
**Physician Services - Chemotherapy Radiation**



Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**PHYSICIAN SERVICES**

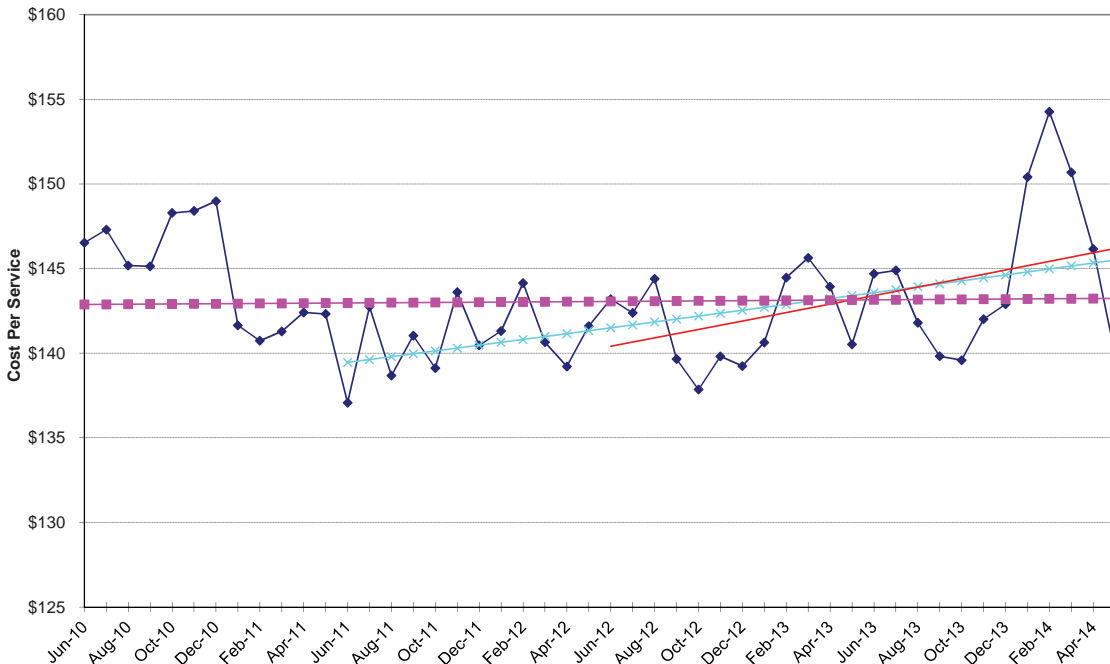
Emergency Room

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

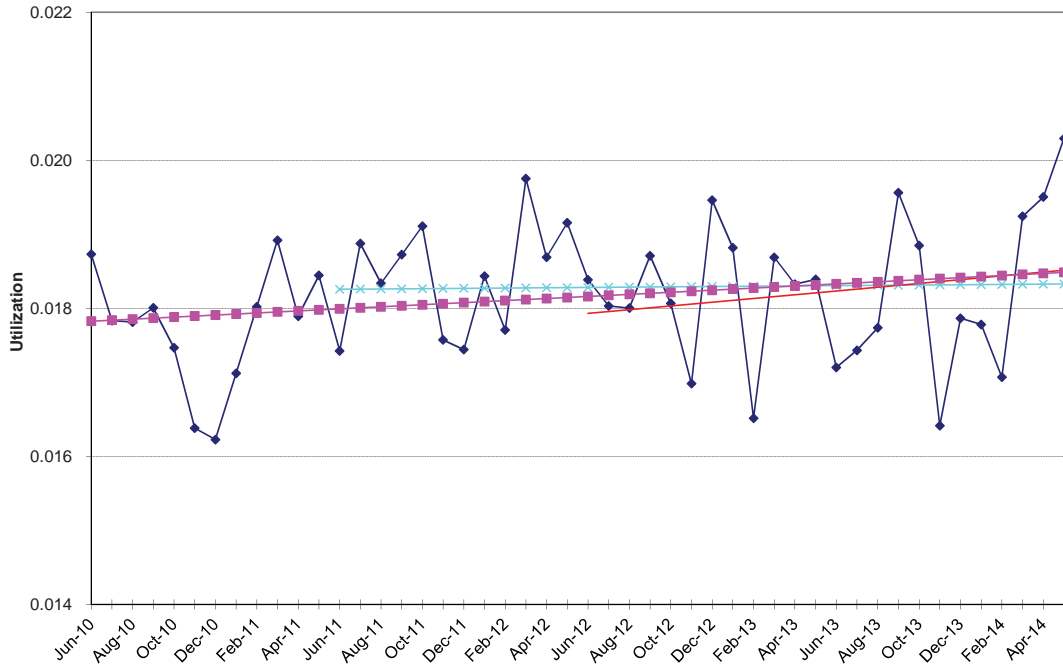
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.1%	1.5%	<b>1.6%</b>

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

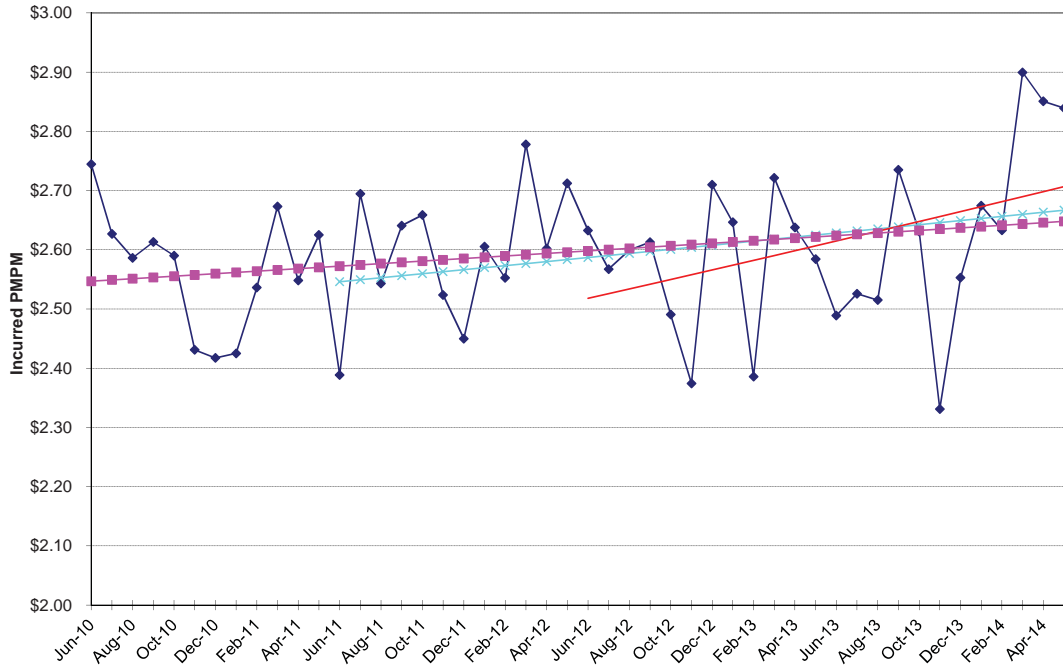
**Physician Services - Emergency Room**



Physician Services - Emergency Room



Physician Services - Emergency Room



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**PHYSICIAN SERVICES**

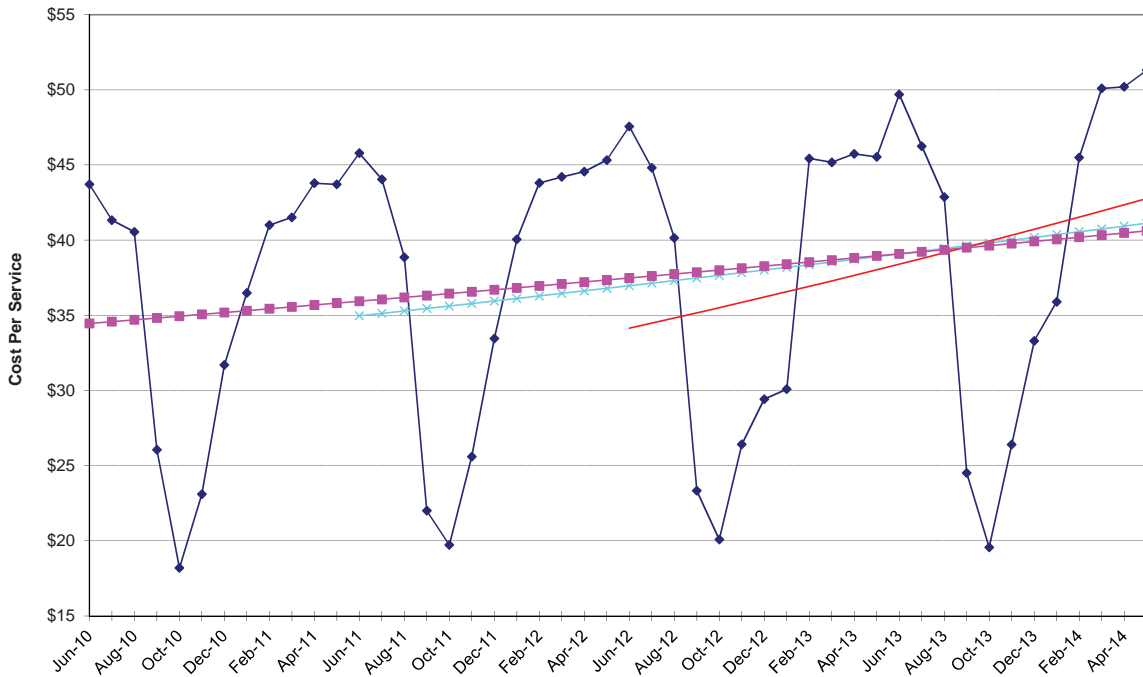
Immunizations / Injections / Allergy

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

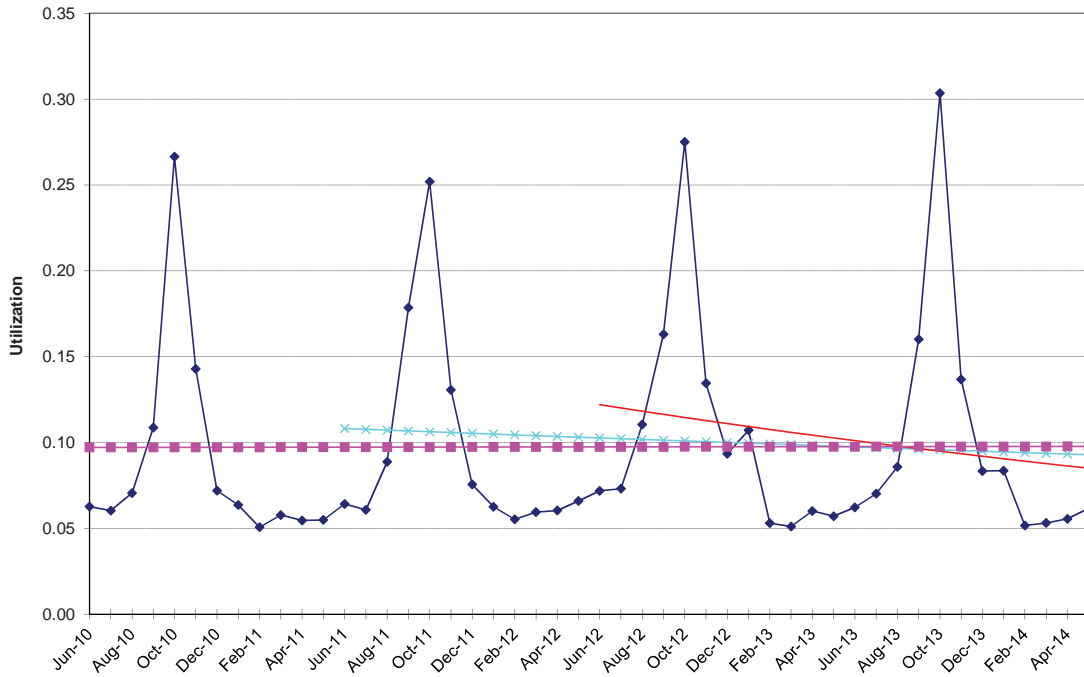
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-5.1%	5.7%	<b>0.4%</b>

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

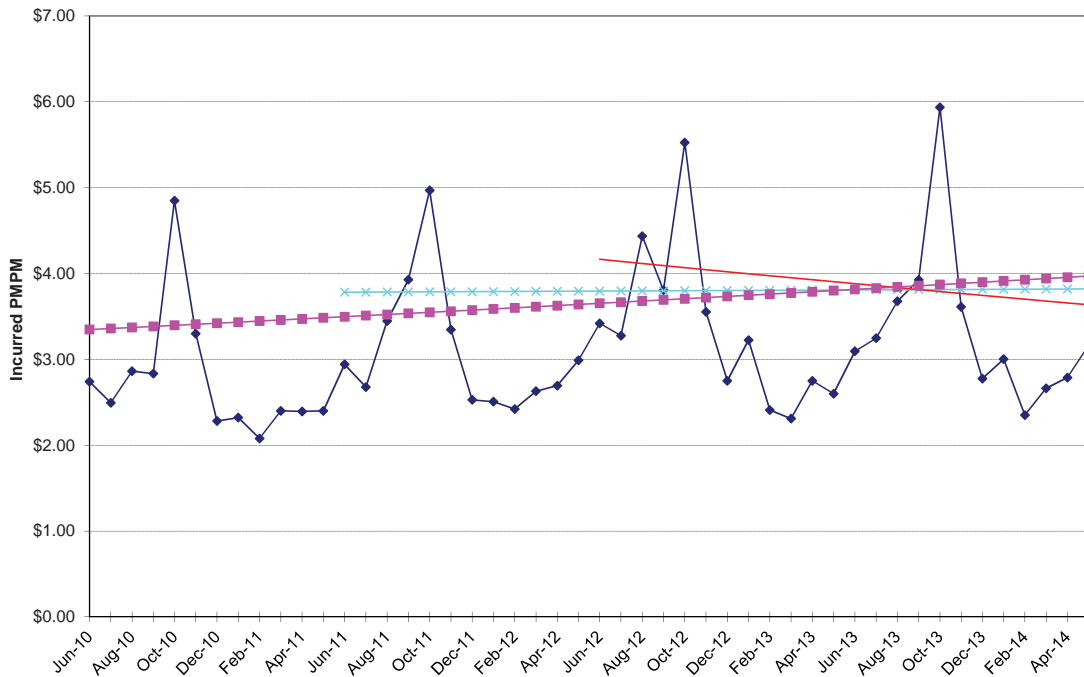
**Physician Services - Immunizations / Allergy**



Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**PHYSICIAN SERVICES**

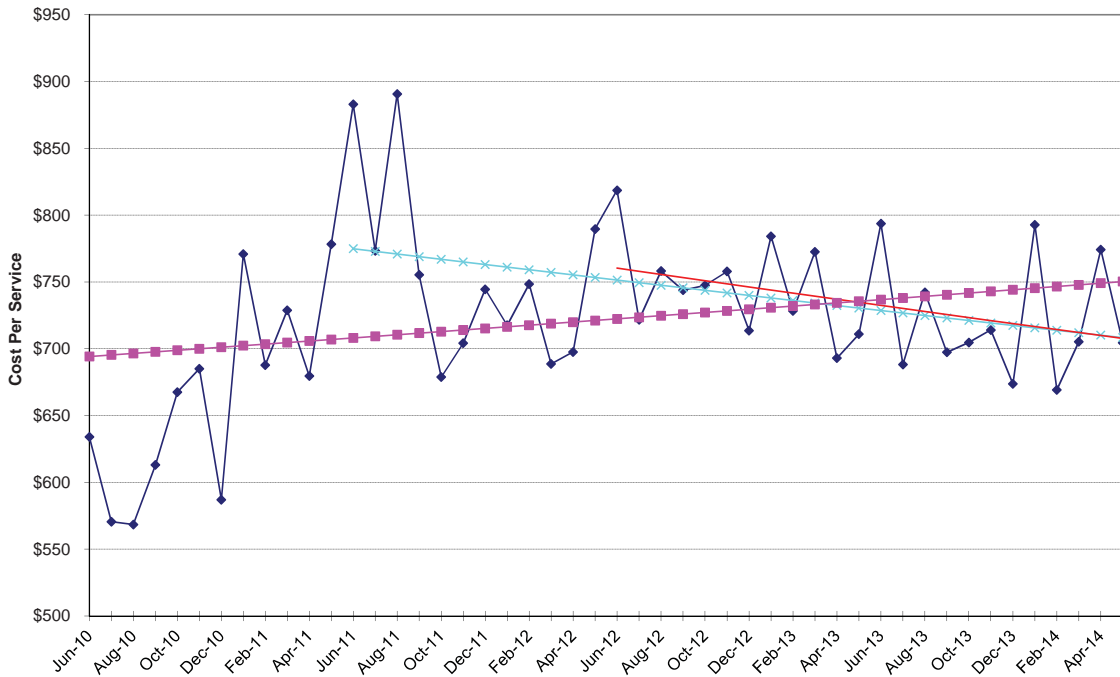
Inpatient Surgery

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

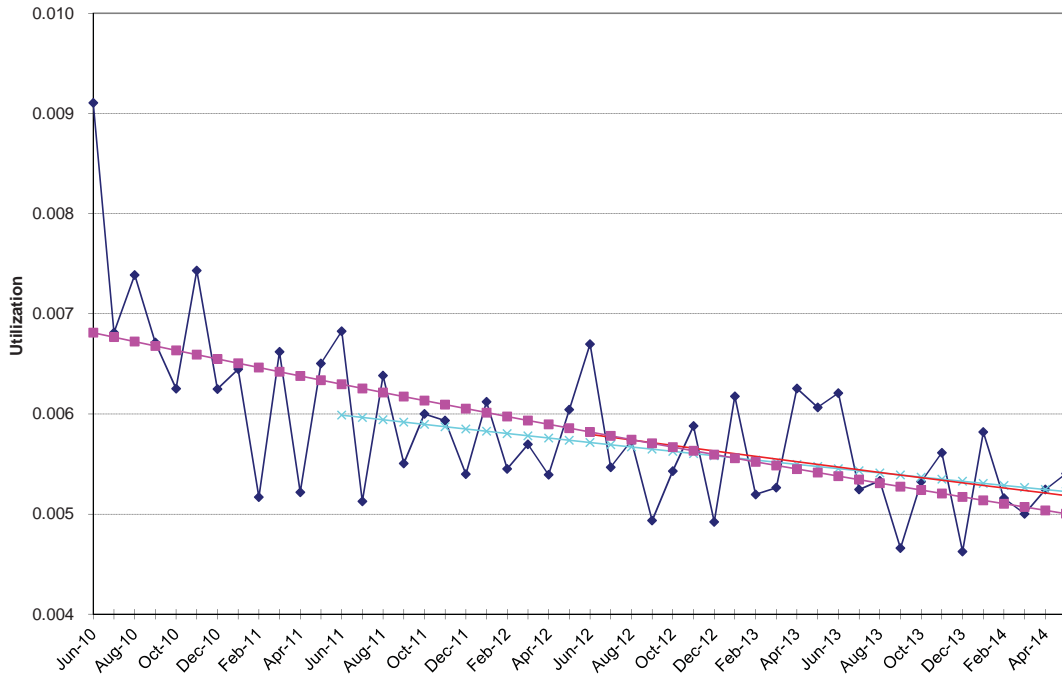
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-4.6%	-3.0%	<b>-7.5%</b>

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

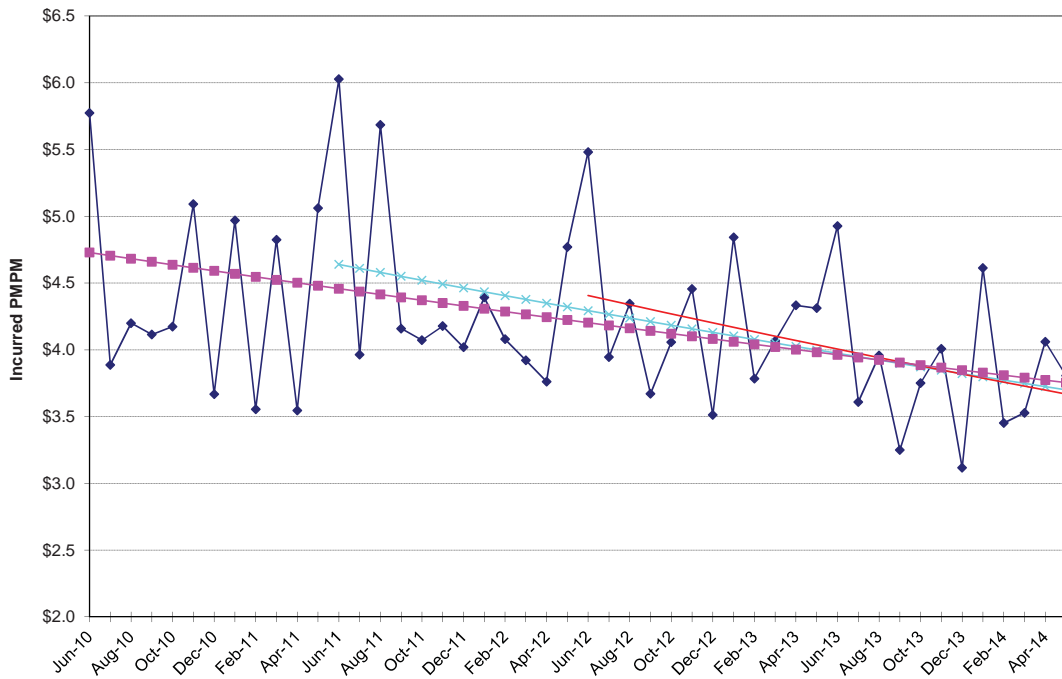
**Physician Services - Inpatient Surgery**



Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**PHYSICIAN SERVICES**

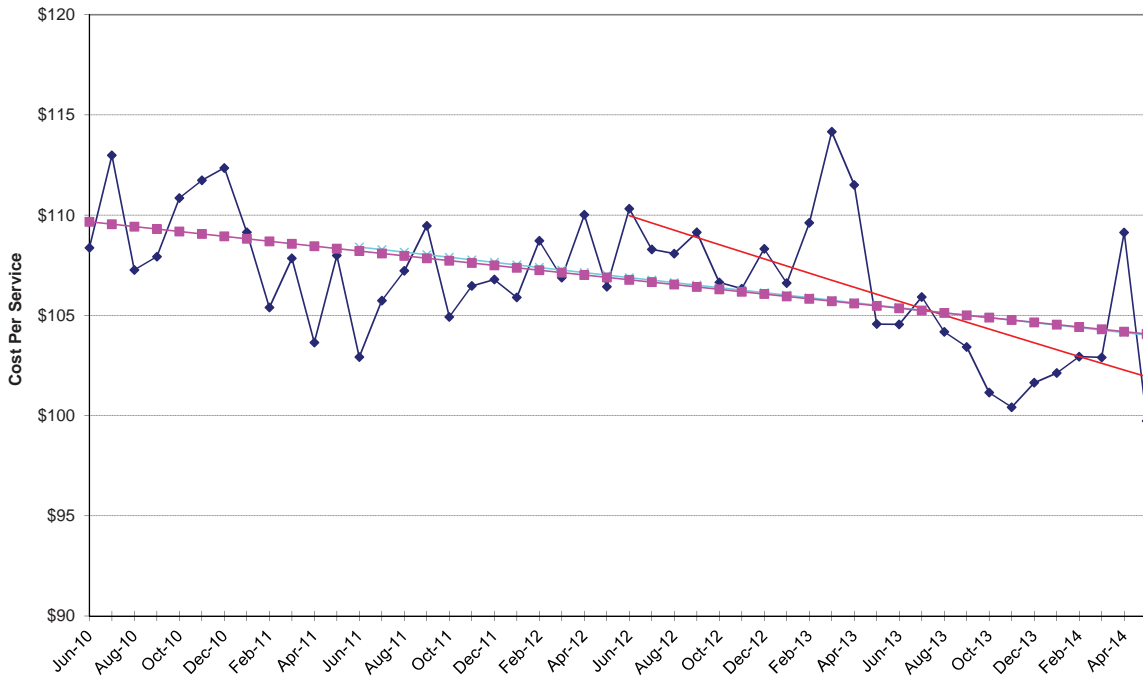
Inpatient Visits

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

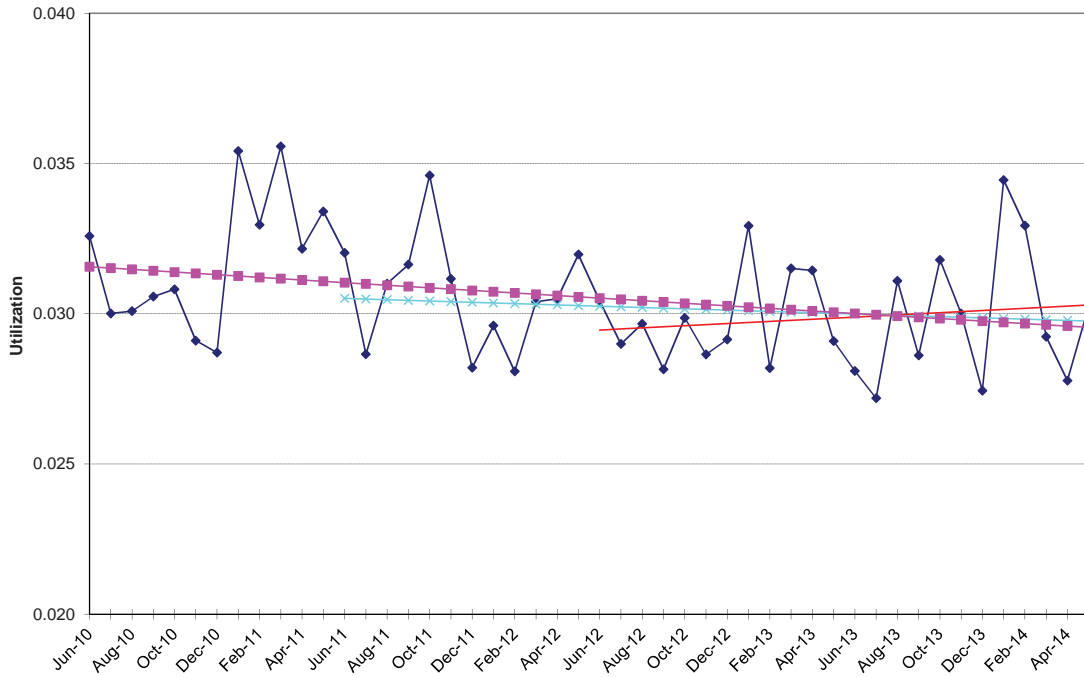
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.9%	-1.4%	<b>-2.3%</b>

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

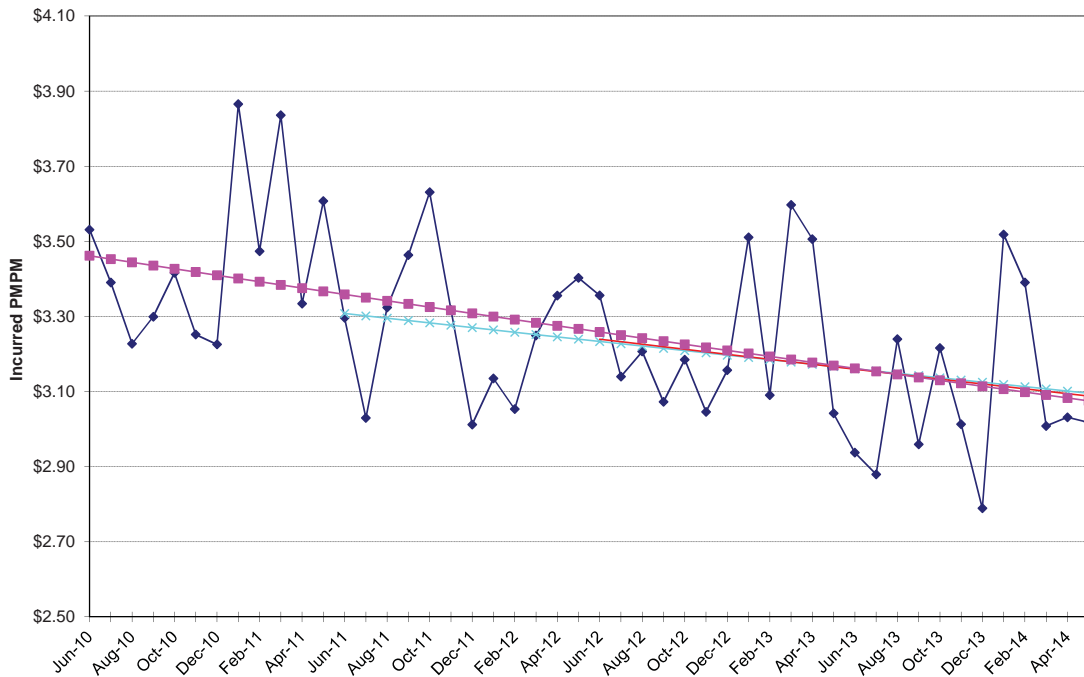
**Physician Services - Inpatient Visits**



Physician Services - Inpatient Visits



Physician Services - Inpatient Visits



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**PHYSICIAN SERVICES**

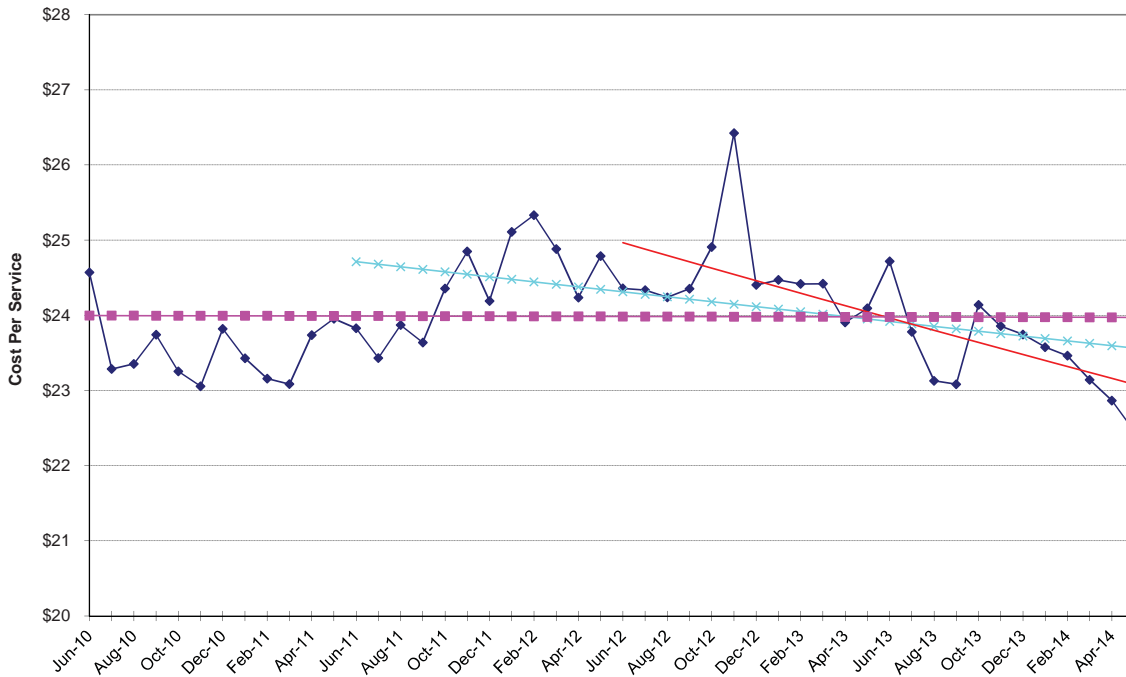
Lab & Pathology

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

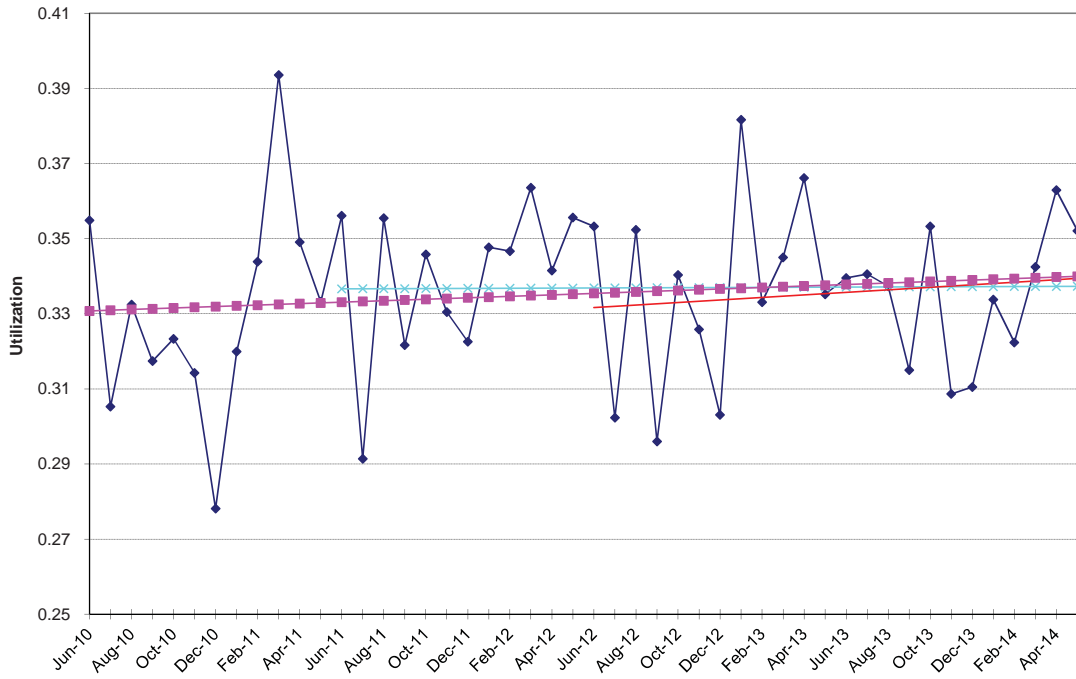
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.1%	-1.6%	<b>-1.6%</b>

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

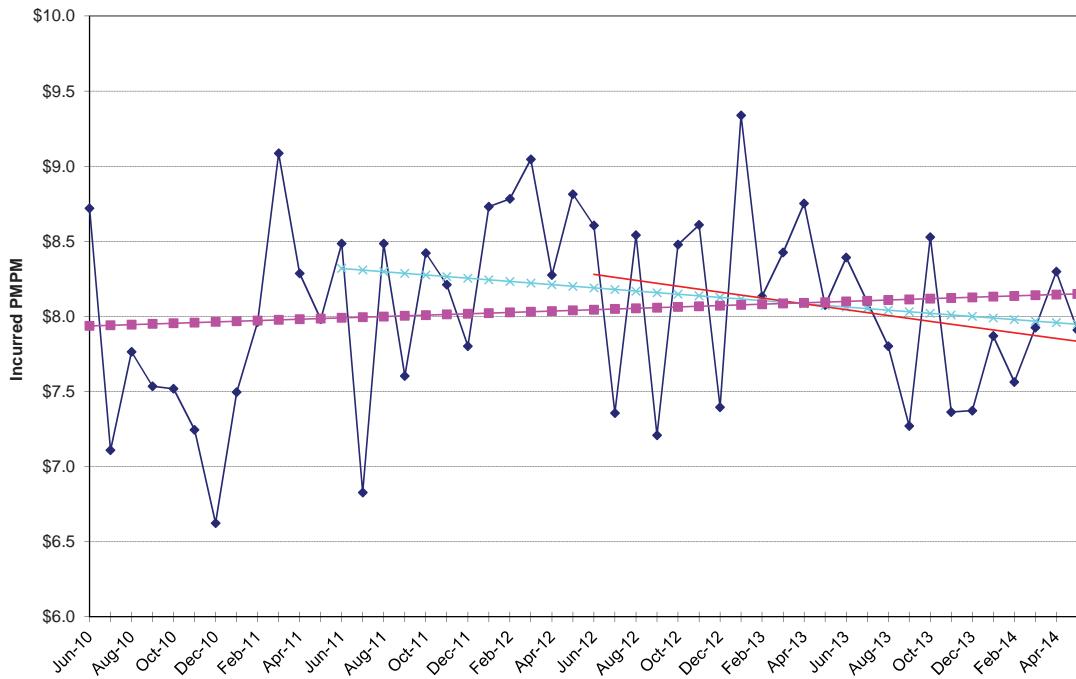
**Physician Services - Lab & Pathology**



Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**PHYSICIAN SERVICES**

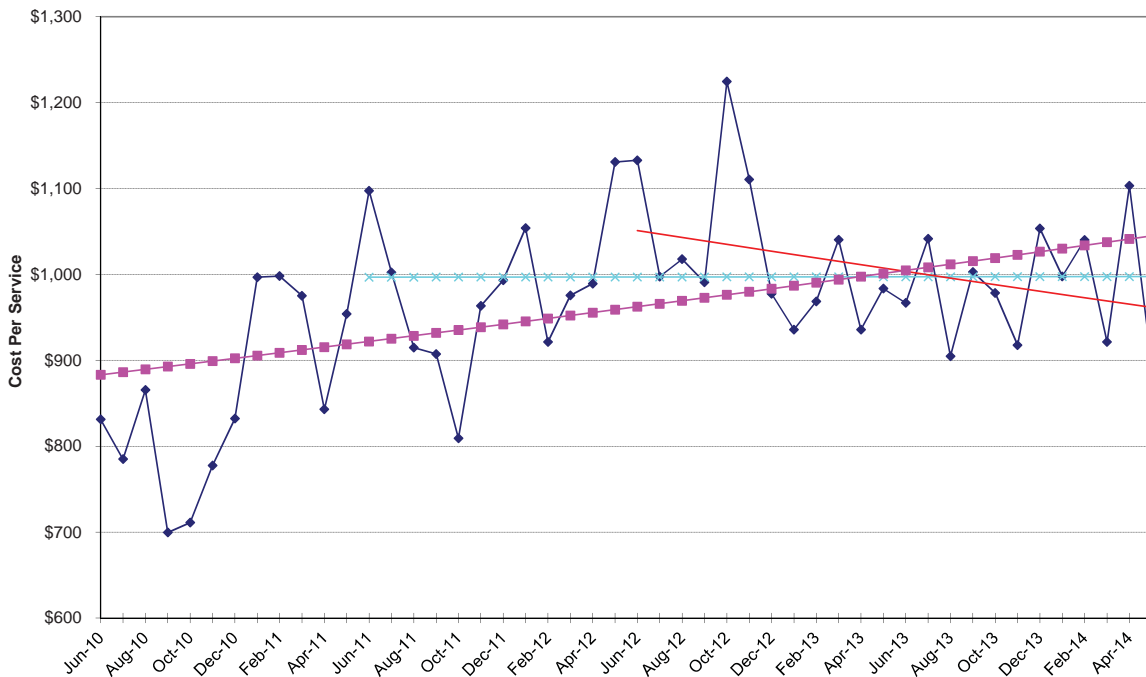
Maternity

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

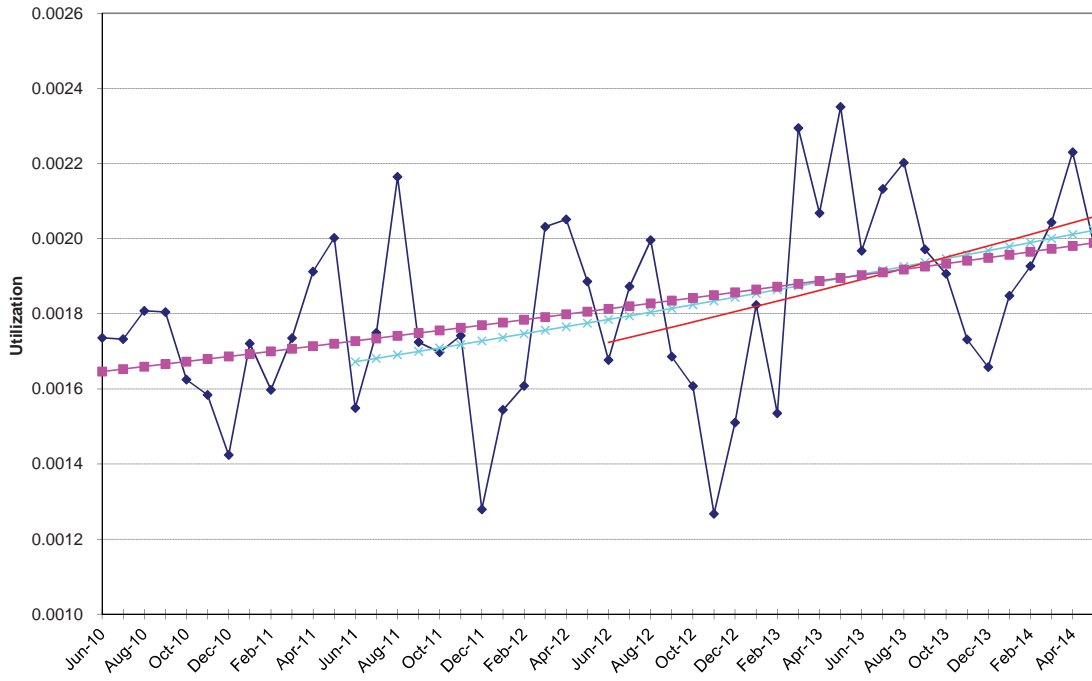
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.7%	0.0%	<b>6.8%</b>

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

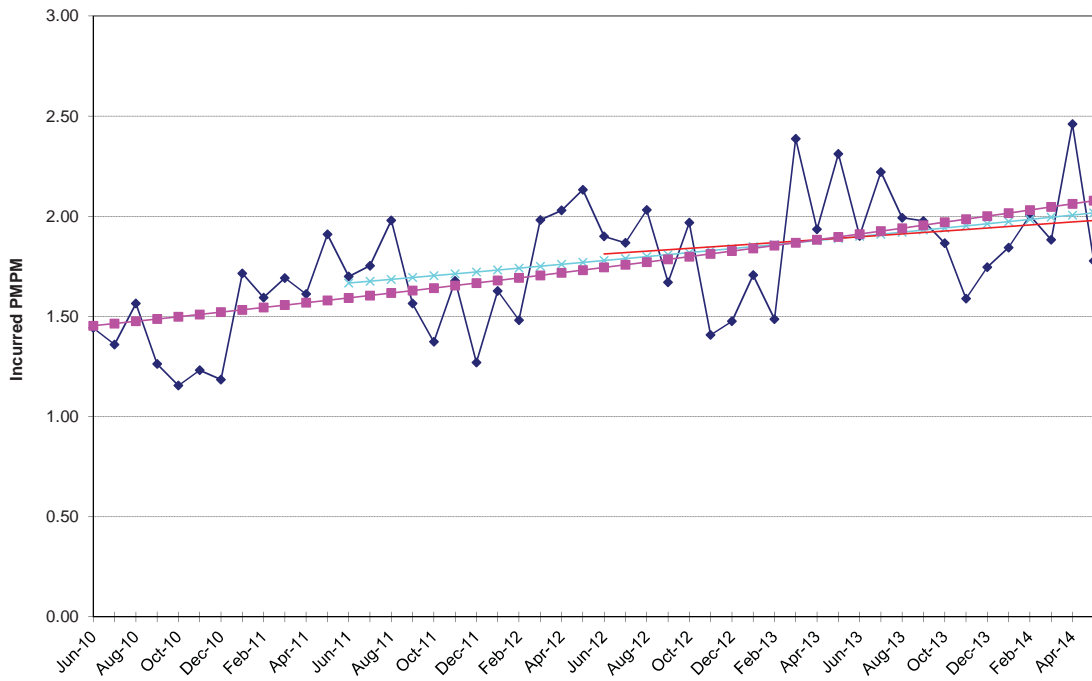
**Physician Services - Maternity**



Physician Services - Maternity



Physician Services - Maternity



**NON-MEDICARE CLAIMS  
Excluding Drugs**

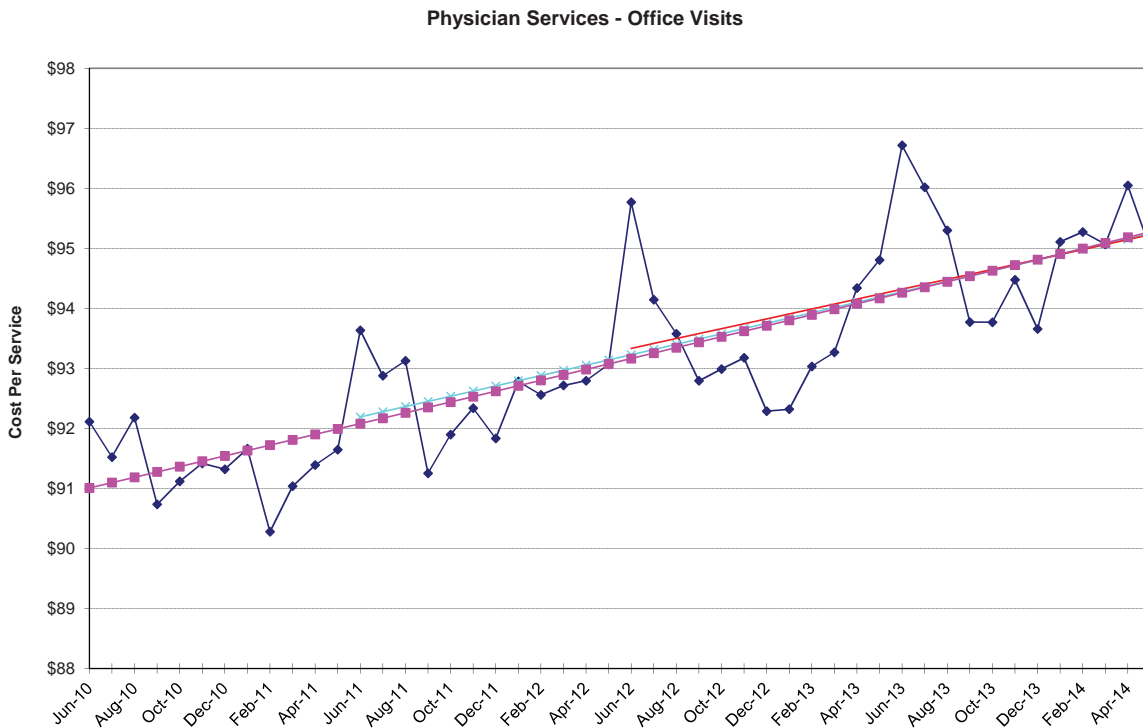
**PHYSICIAN SERVICES**

Office Visits

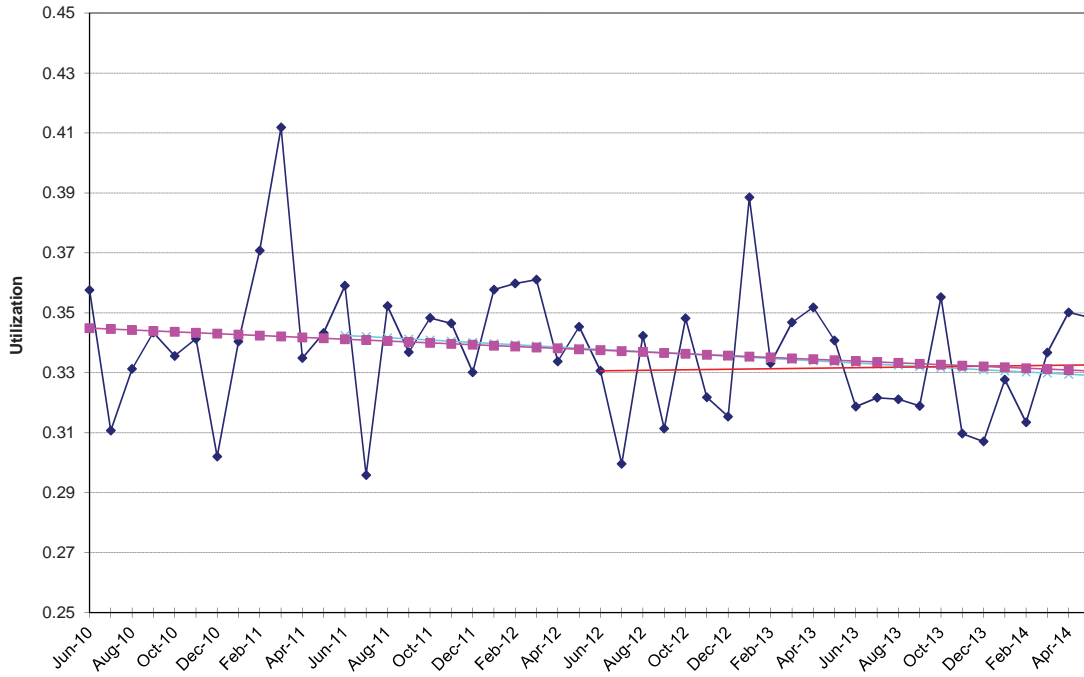
<b>24-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.3%	1.1%	<b>1.4%</b>

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

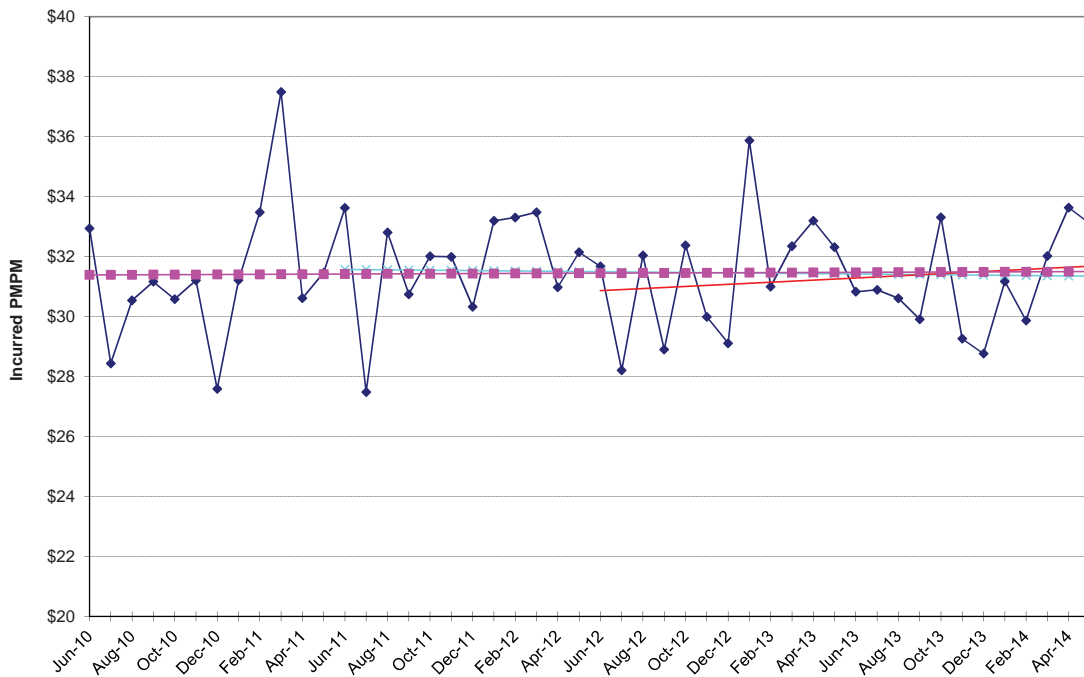
<b>48-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.1%	1.2%	<b>0.1%</b>



Physician Services - Office Visits



Physician Services - Office Visits



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**PHYSICIAN SERVICES**

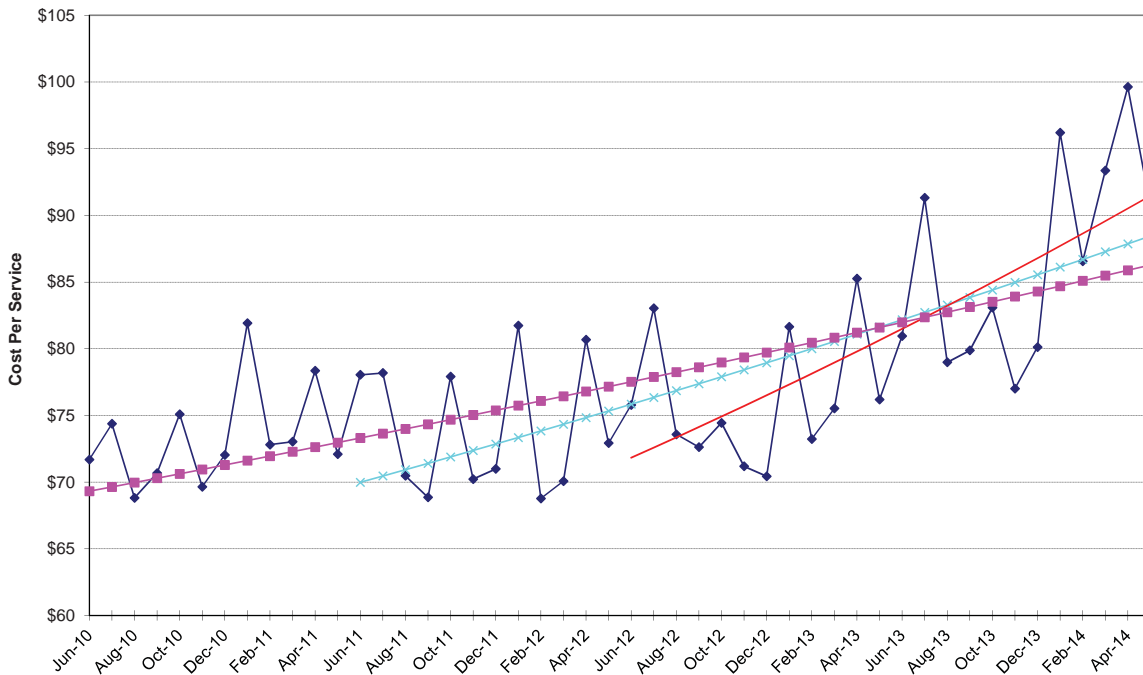
Other Services

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

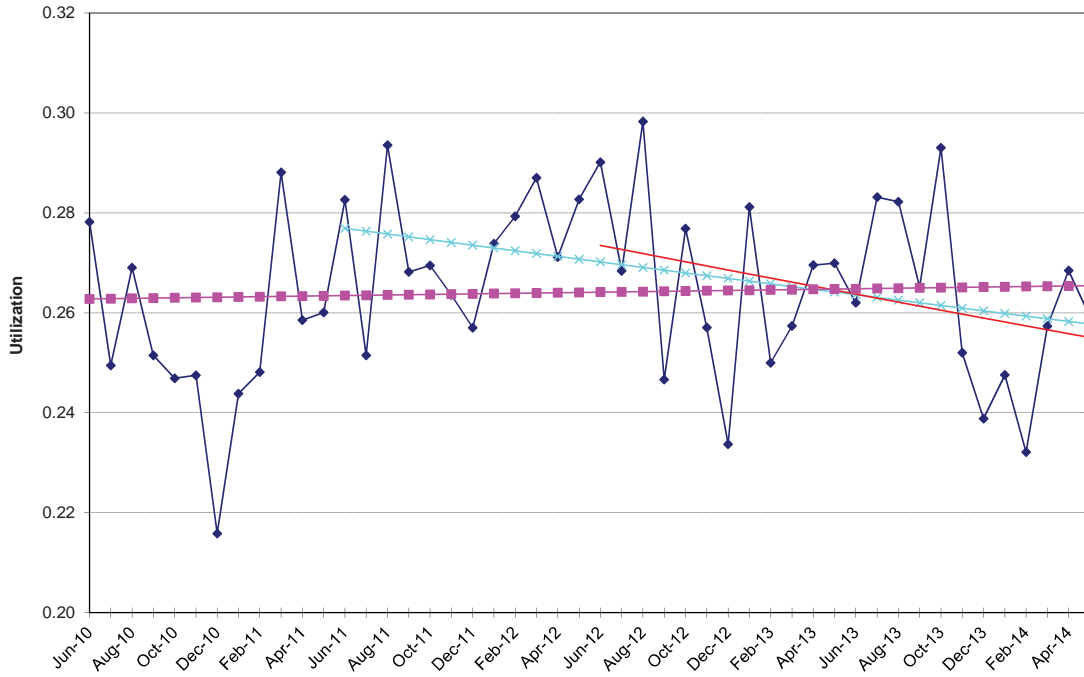
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.4%	8.4%	<b>5.7%</b>

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

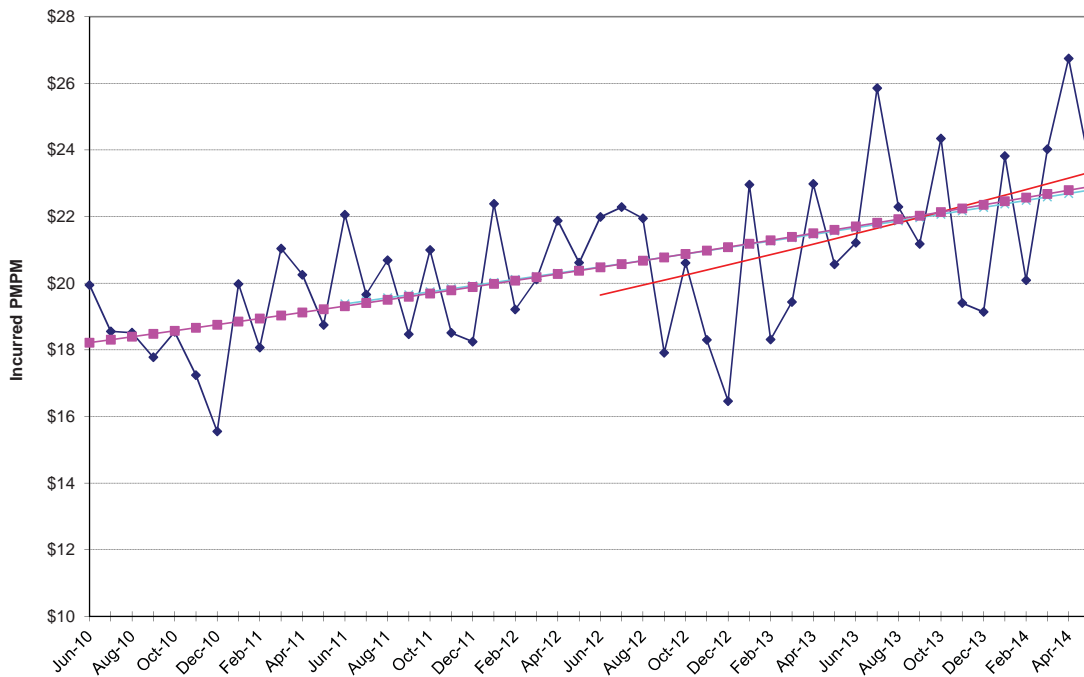
**Physician Services - Other Services**



Physician Services - Other Services



Physician Services - Other Services



**NON-MEDICARE CLAIMS**  
Excluding Drugs

**PHYSICIAN SERVICES**

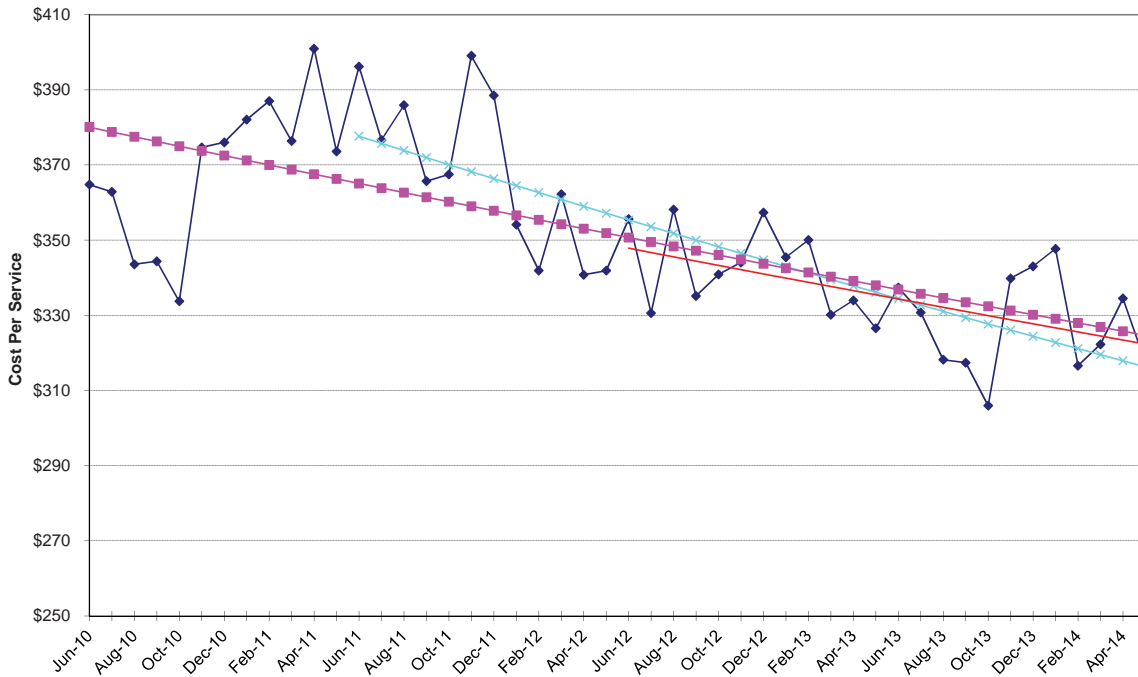
Outpatient Surgery

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

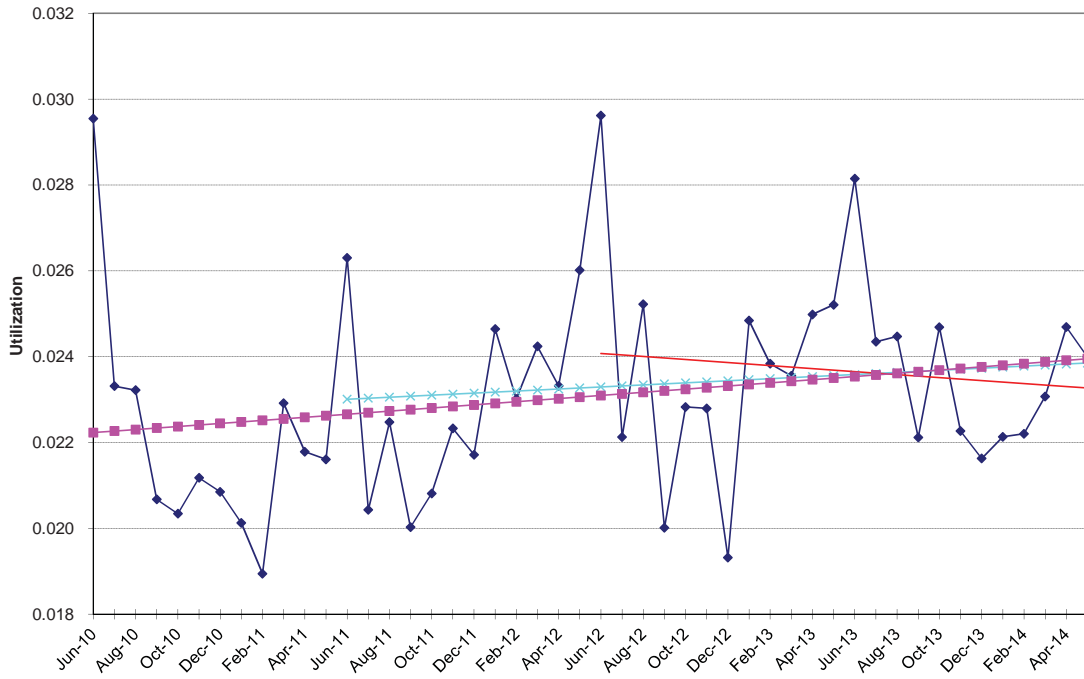
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.2%	-5.9%	<b>-4.7%</b>

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

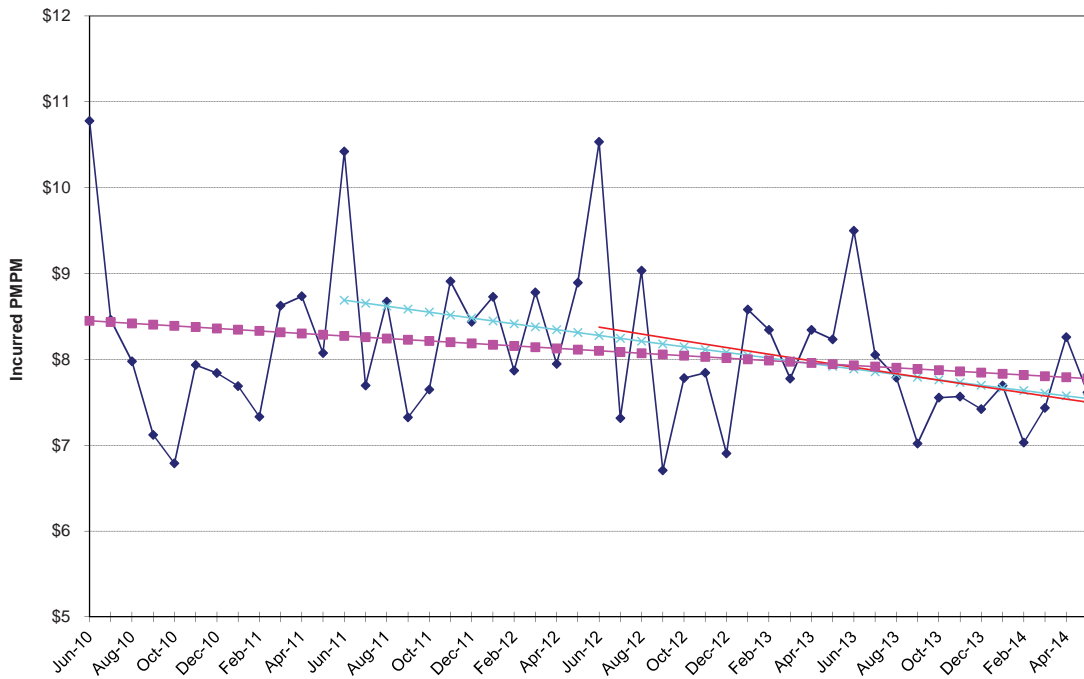
**Physician Services - Outpatient Surgery**



Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



**NON-MEDICARE CLAIMS**  
Excluding Drugs

**PHYSICIAN SERVICES**

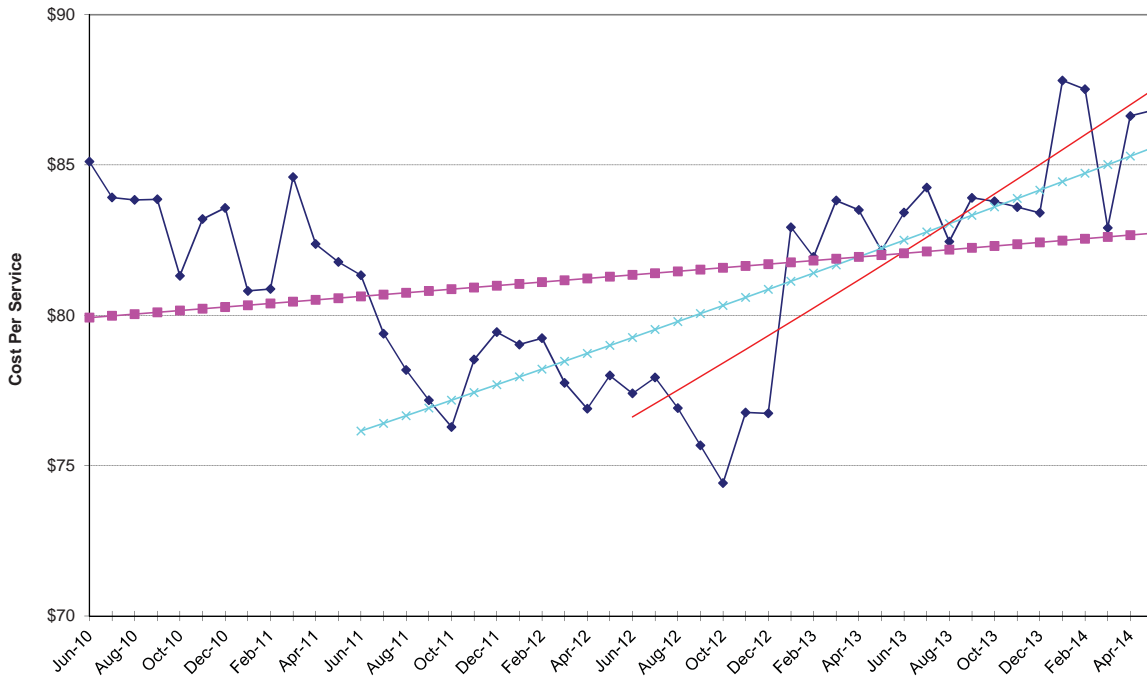
Psychiatric / Substance Abuse

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

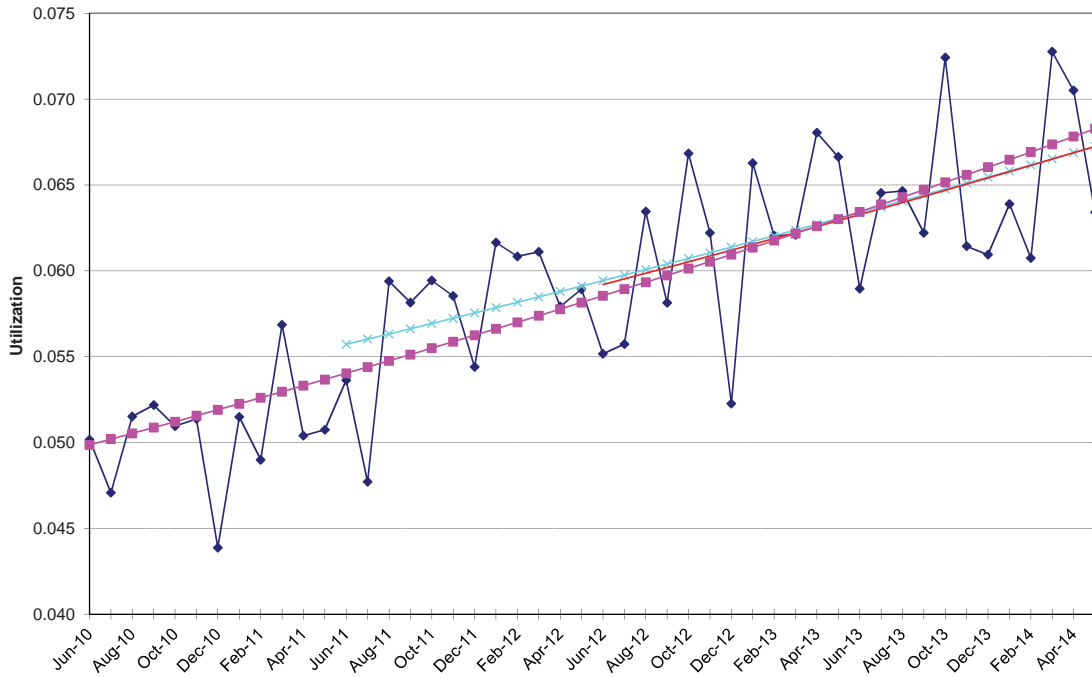
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.7%	4.1%	11.0%

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

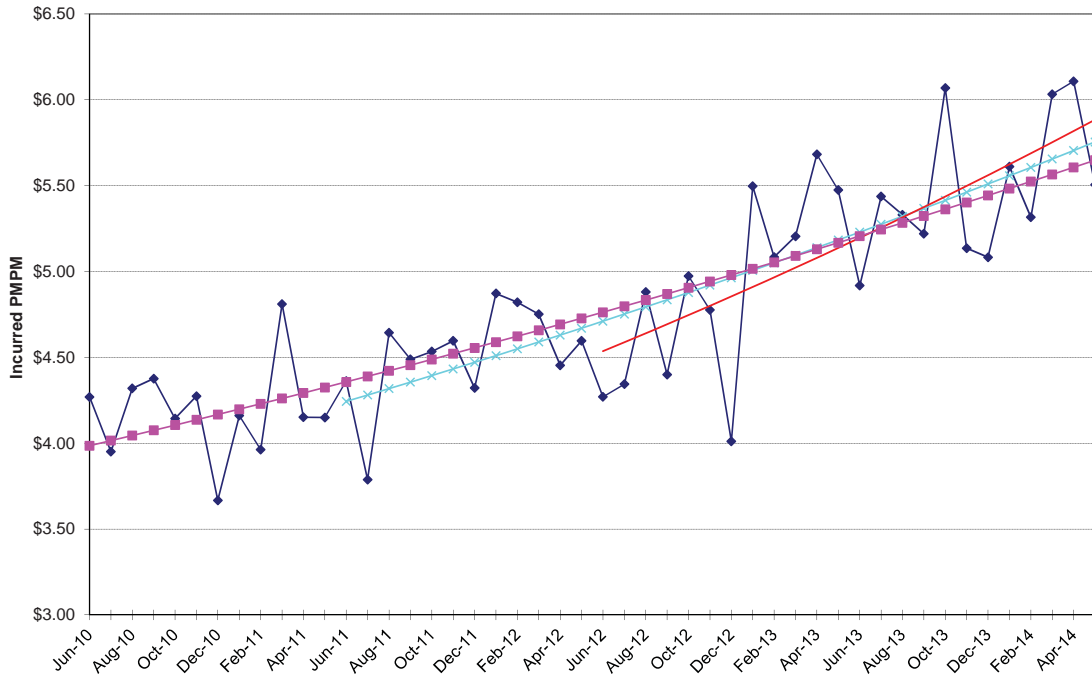
Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**PHYSICIAN SERVICES**

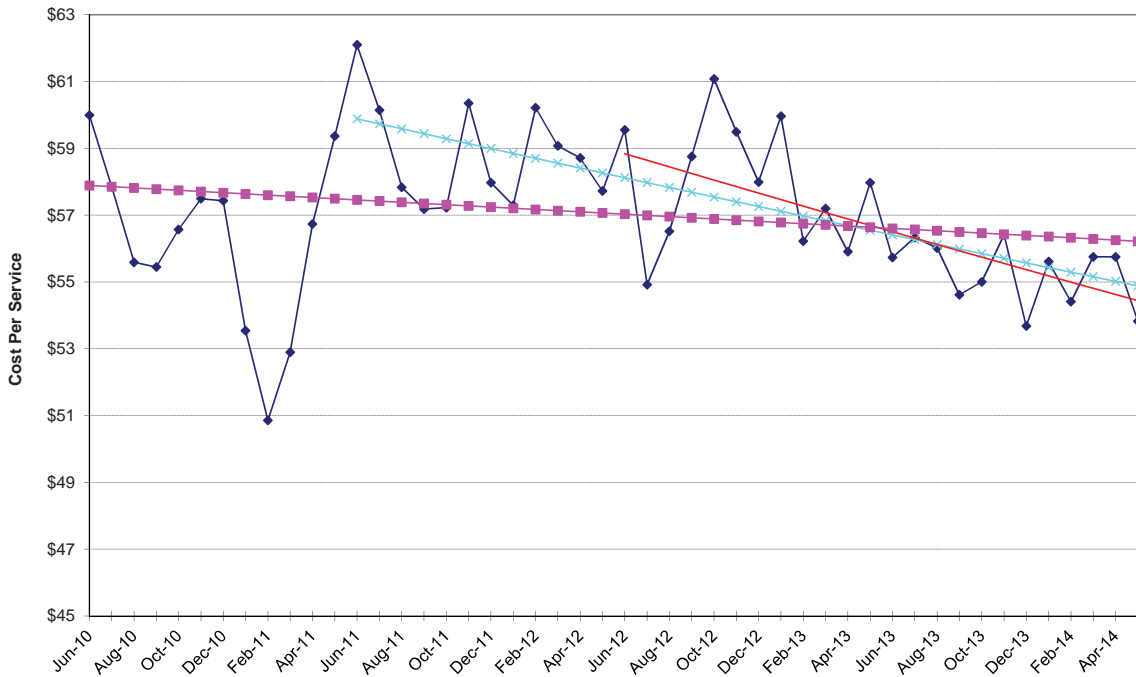
Radiology

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

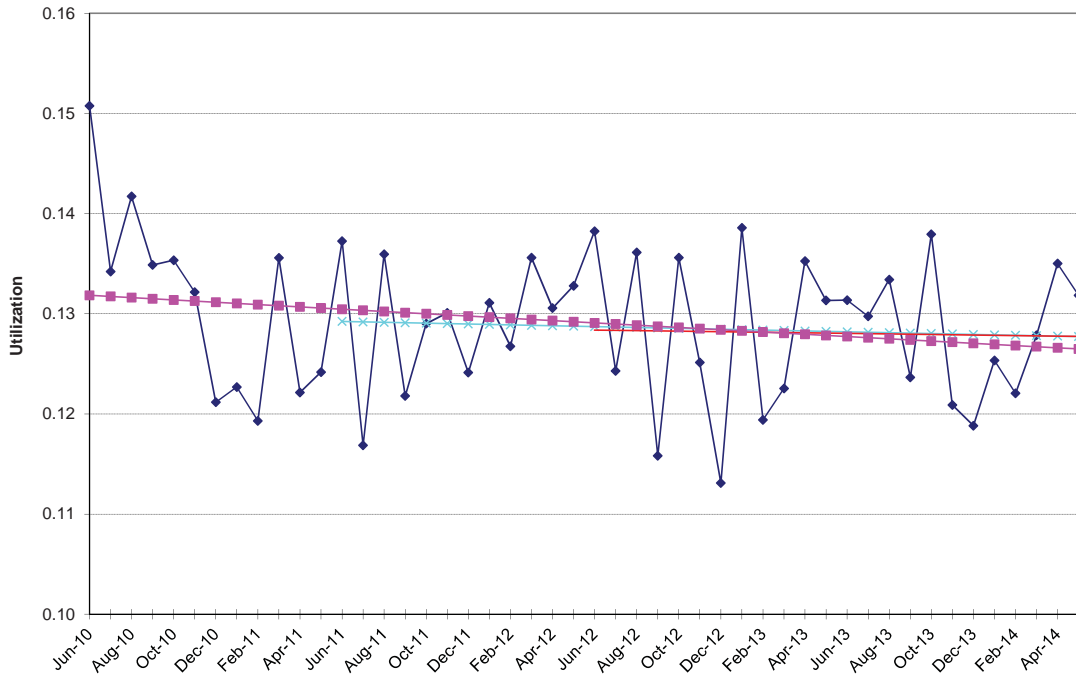
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.4%	-2.9%	<b>-3.3%</b>

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

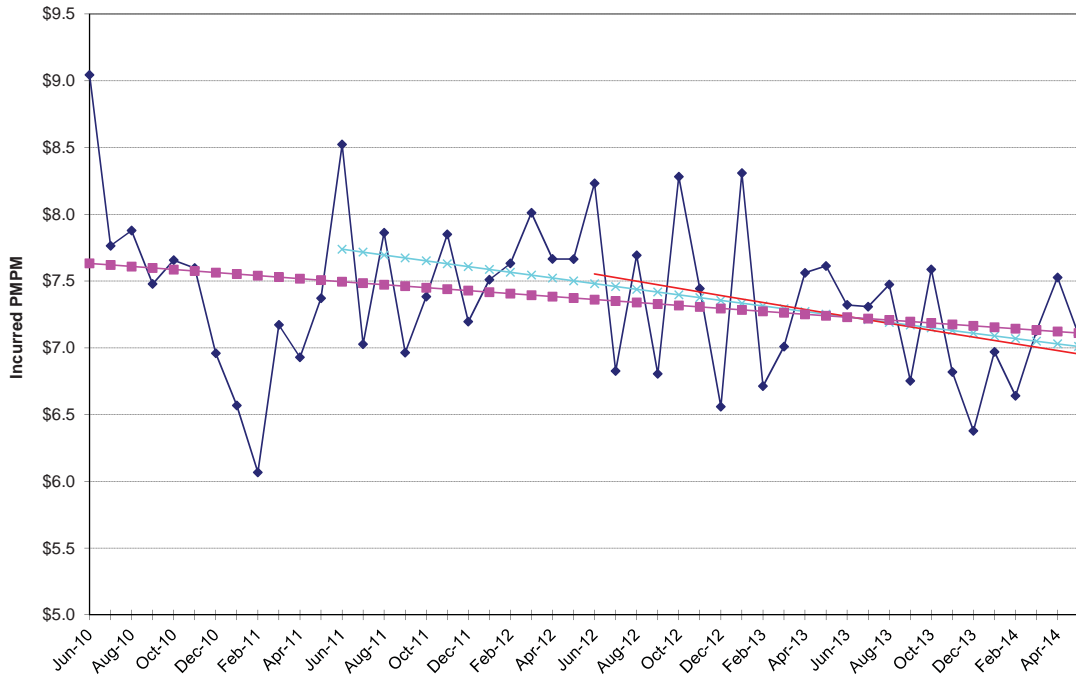
**Physician Services - Radiology**



Physician Services - Radiology



Physician Services - Radiology



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**PHYSICIAN SERVICES**

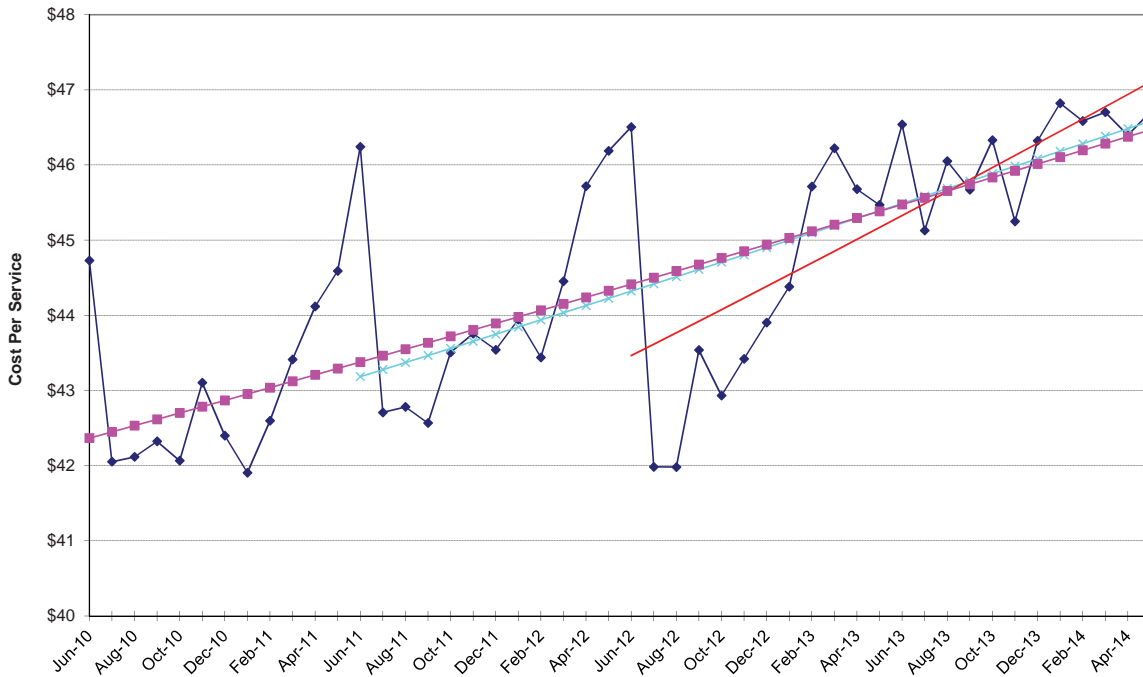
Therapies

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

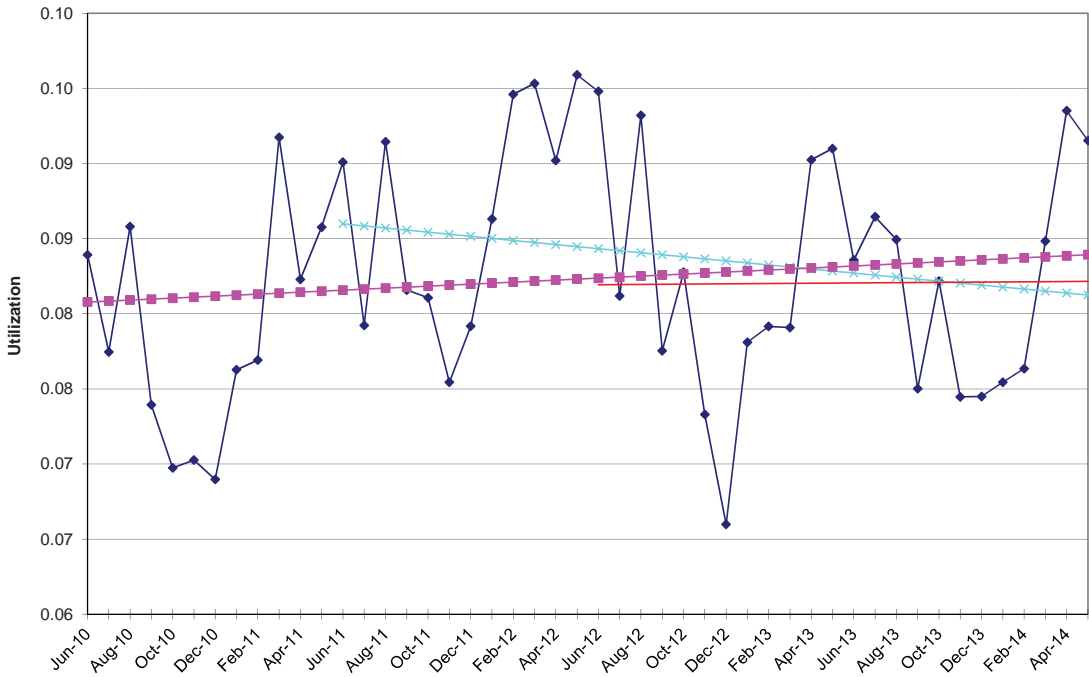
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.9%	2.6%	<b>0.7%</b>

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

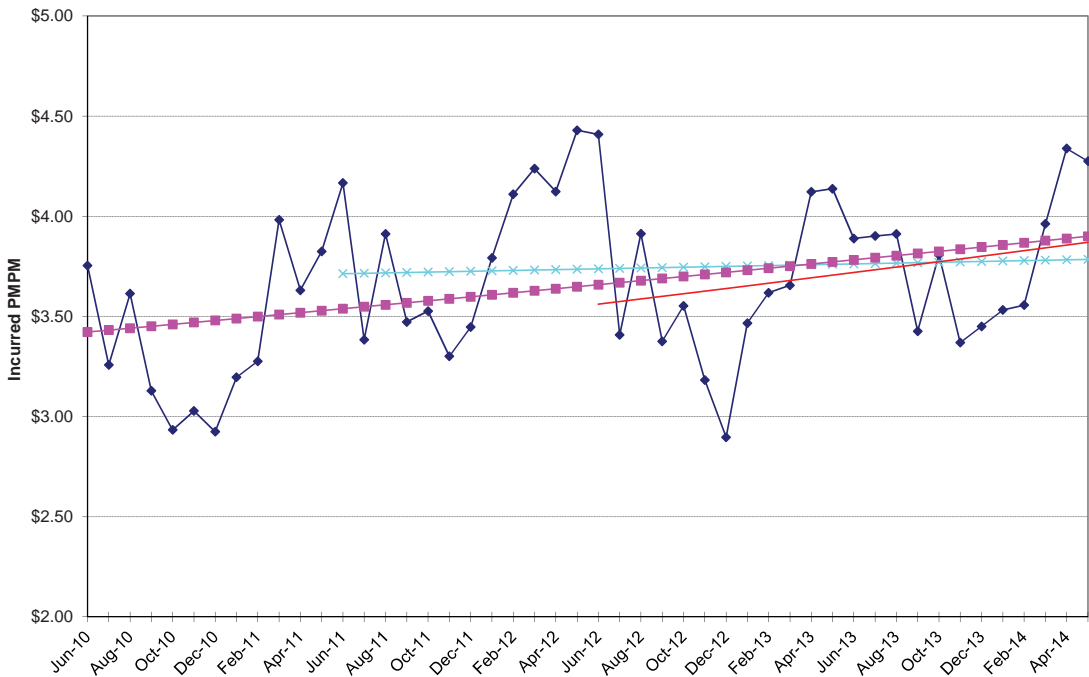
**Physician Services - Therapies**



Physician Services - Therapies



Physician Services - Therapies



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**OTHER**

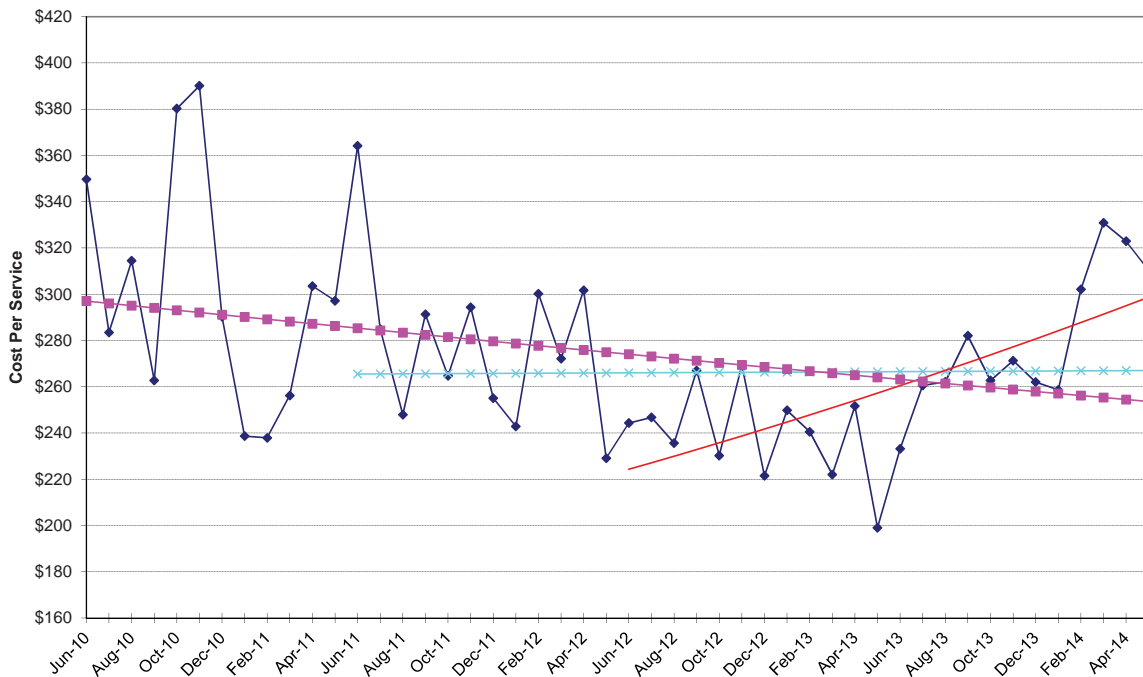
Ambulance

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

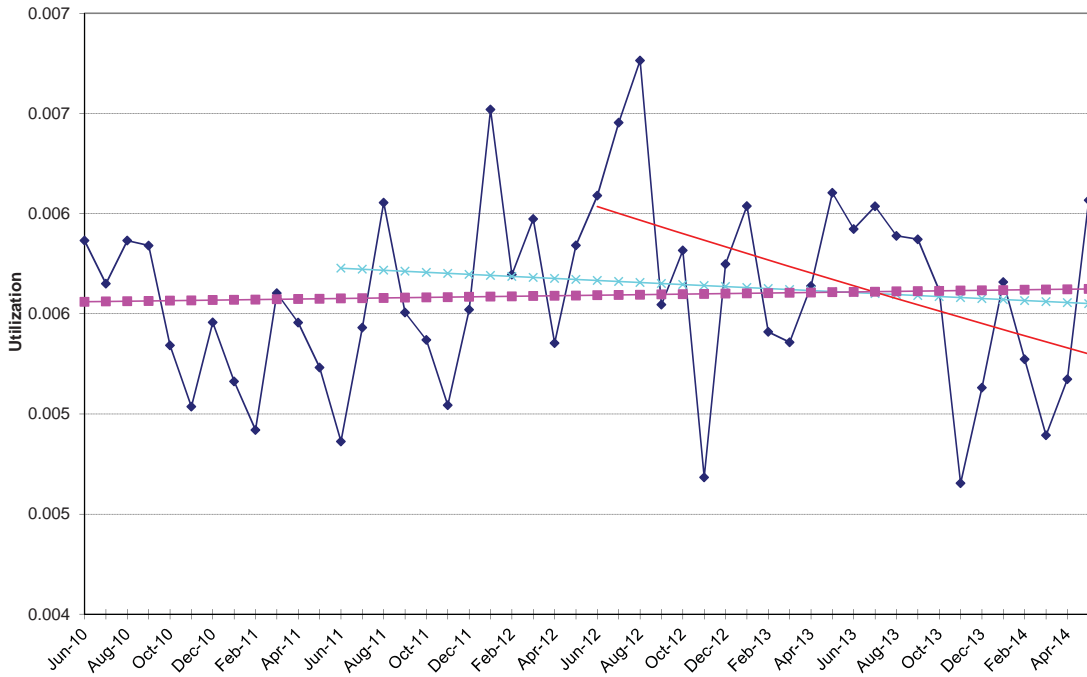
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.1%	0.2%	<b>-0.9%</b>

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

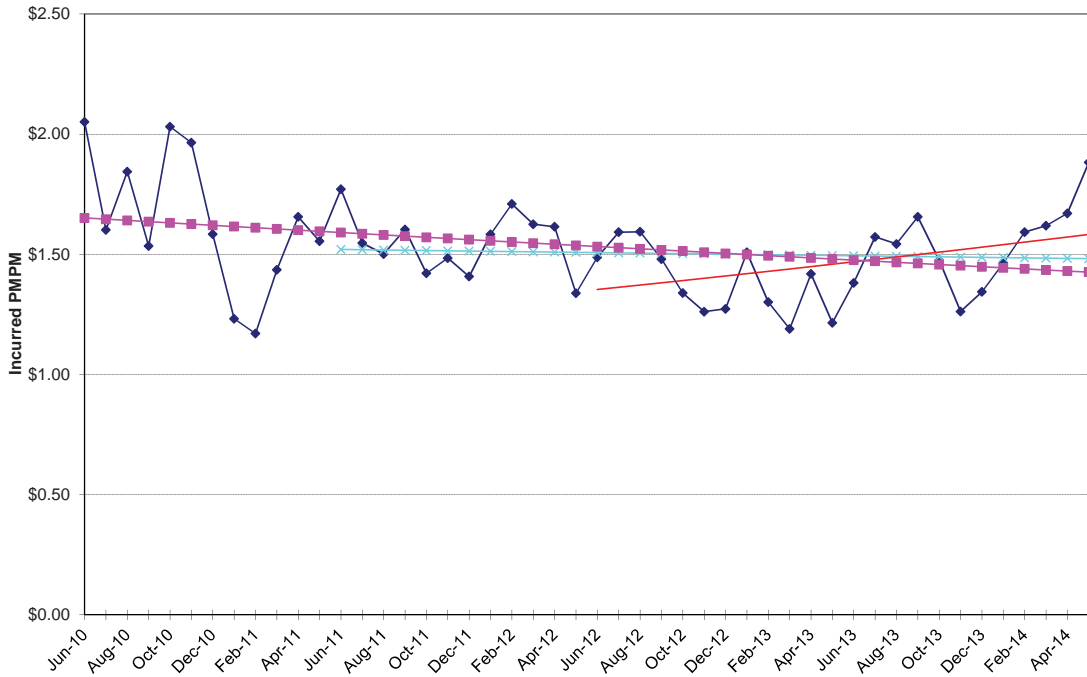
**Other - Ambulance**



Other - Ambulance



Other - Ambulance



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**OTHER**

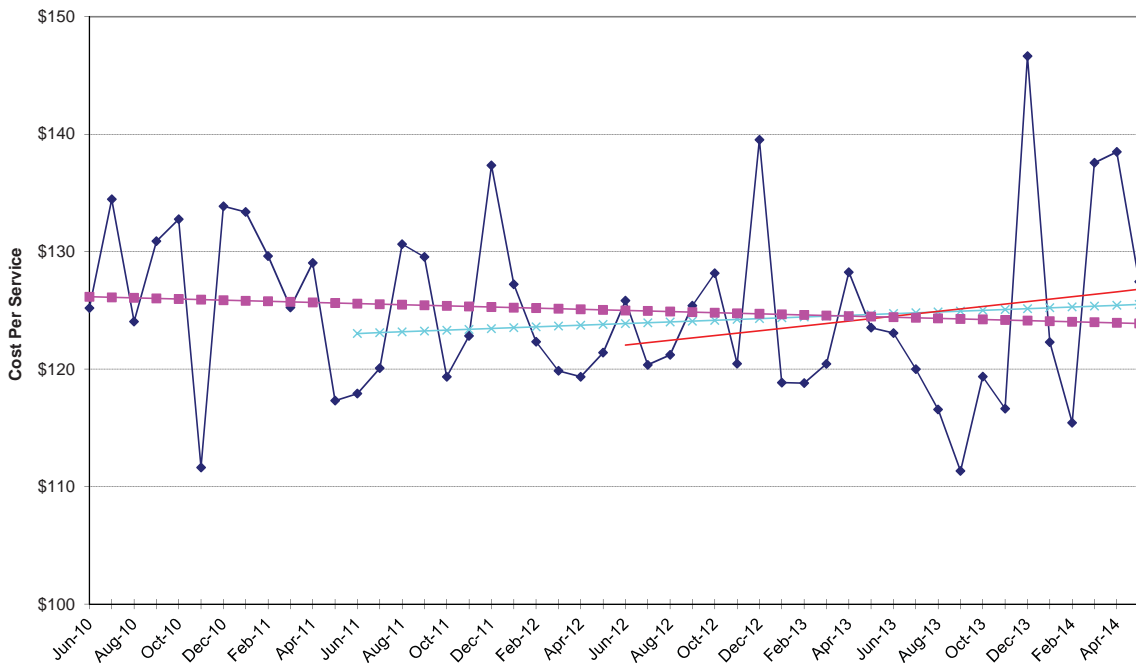
Appliances (DME)

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

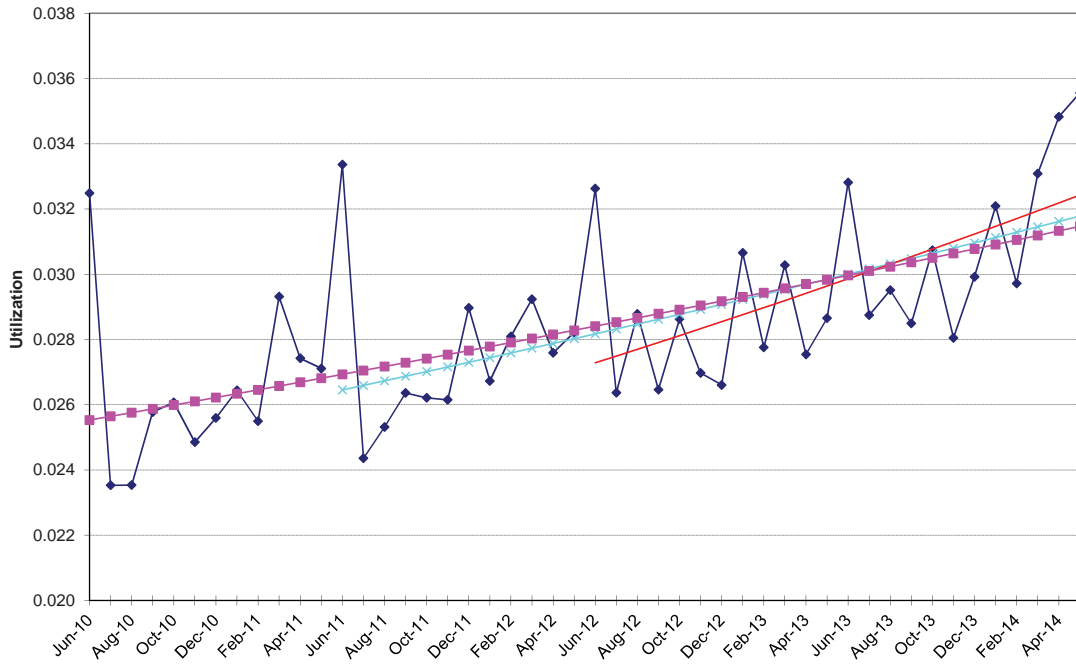
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.5%	0.7%	7.2%

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

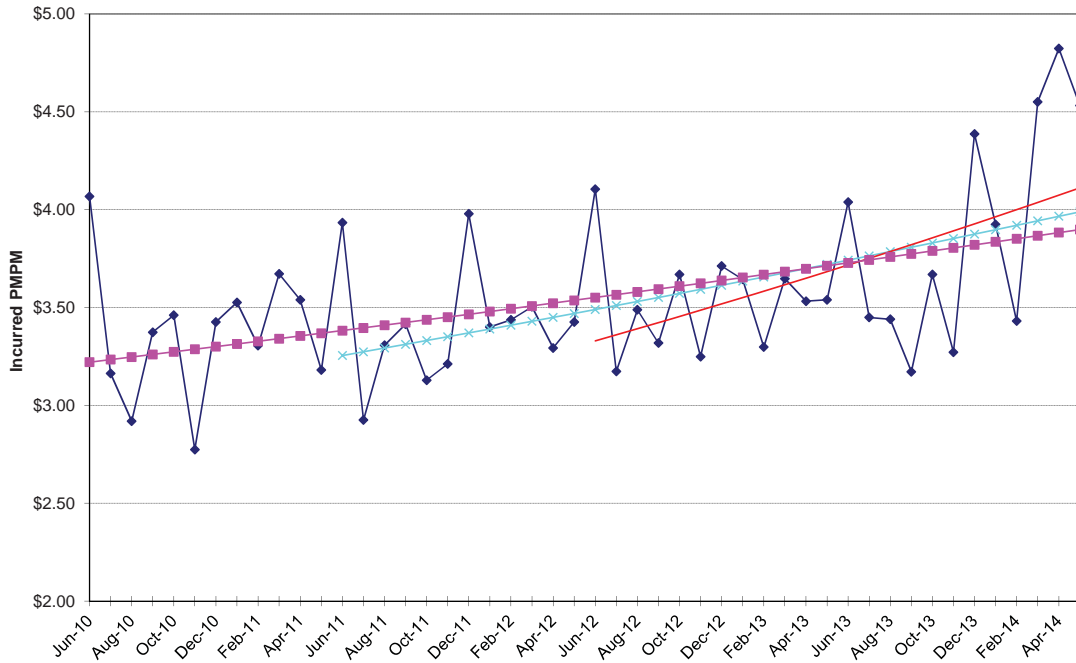
**Other - Appliances (DME)**



Other - Appliances (DME)



Other - Appliances (DME)



**NON-MEDICARE CLAIMS  
Excluding Drugs**

**OTHER**

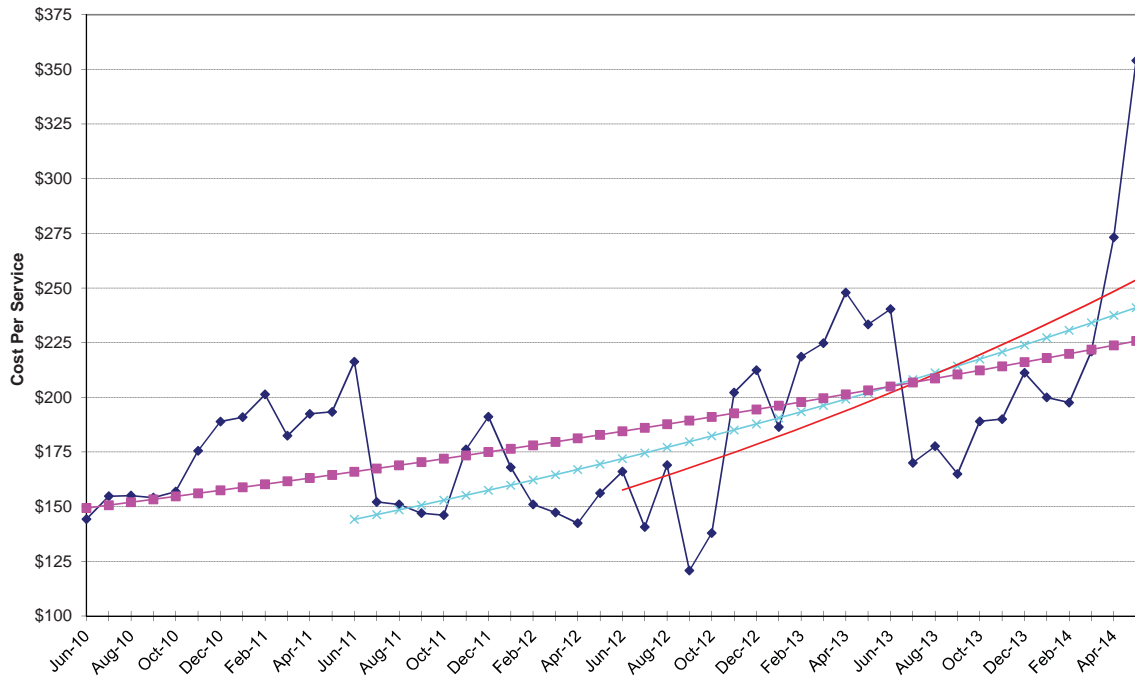
Other Services

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

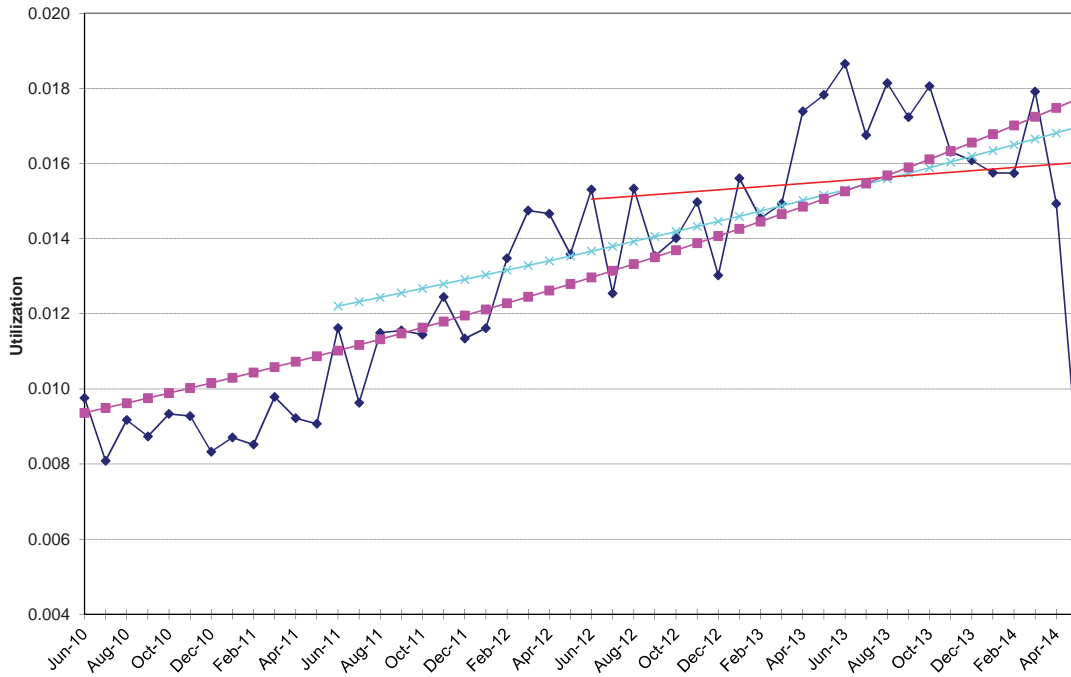
<b>36-Month Trends Summary</b>		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
12.0%	19.3%	<b>33.5%</b>

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

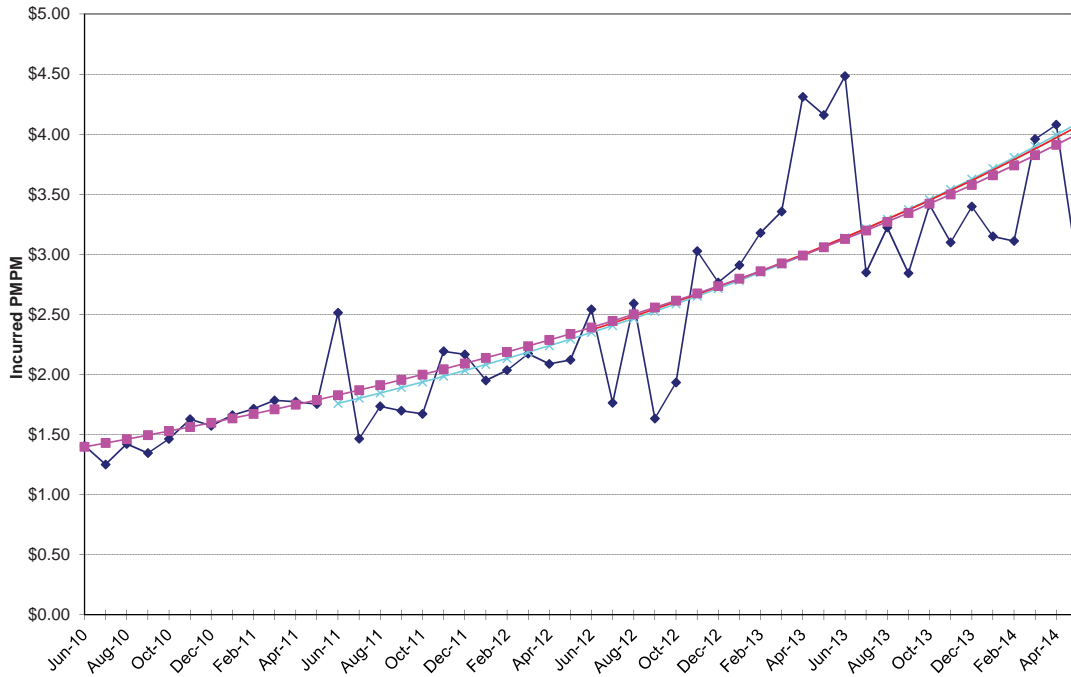
**Other - Other Services**



Other - Other Services



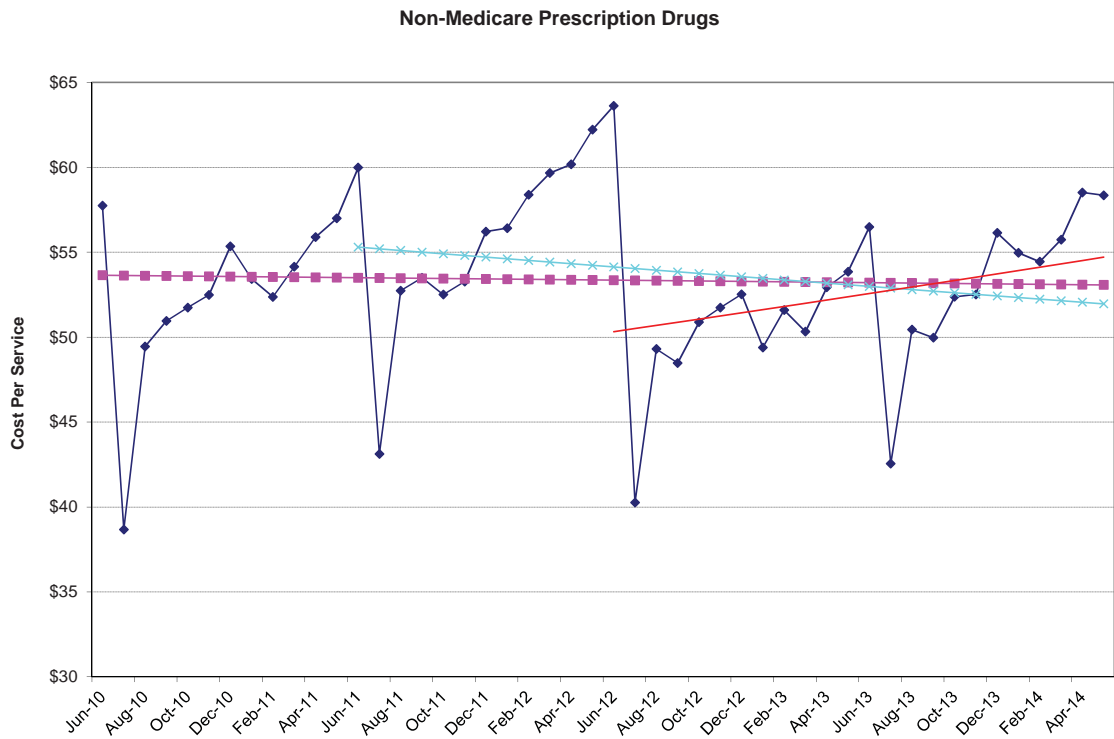
Other - Other Services



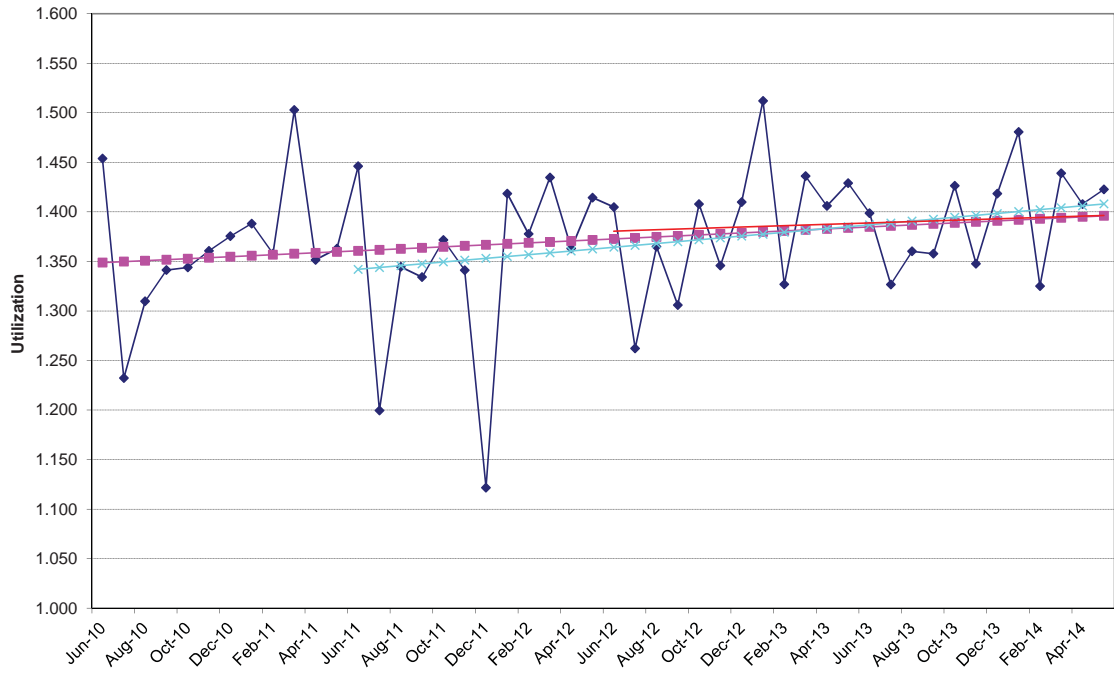
# Appendix B

**Non-Medicare Prescription Drugs**

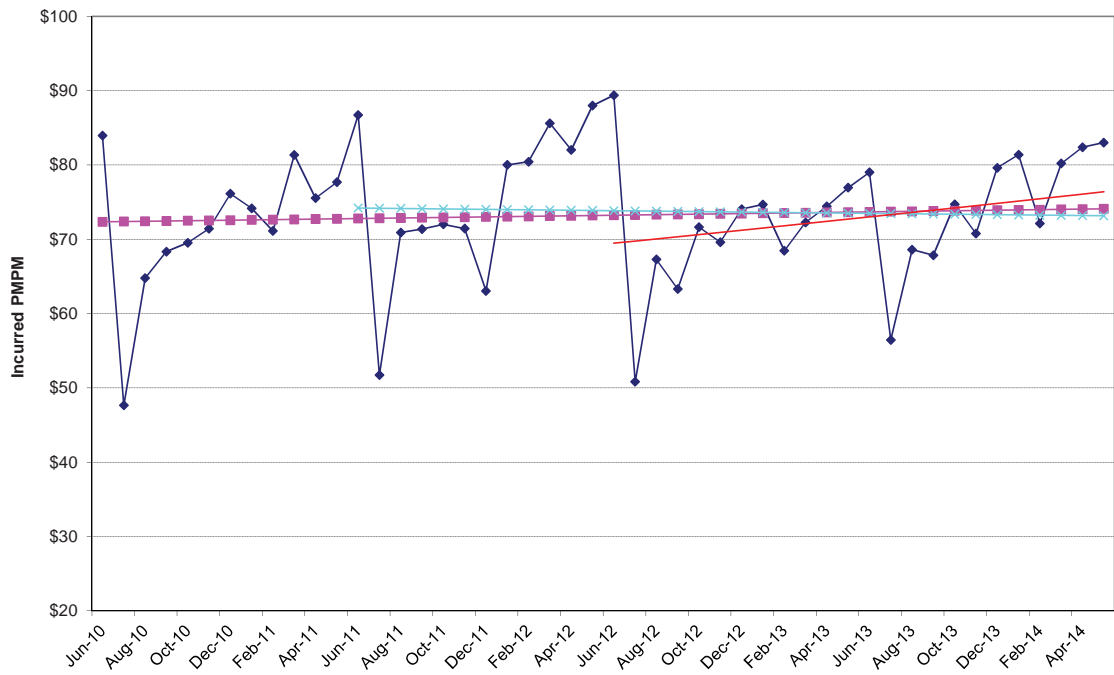
	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
24-Month Trend	0.6%	4.5%	5.1%
36-Month Trend	1.7%	-2.1%	-0.5%
48-Month Trend	0.9%	-0.3%	0.6%



### Non-Medicare Prescription Drugs



### Non-Medicare Prescription Drugs



## Appendix C – Prescription Drug Trends

### Overview

CCRC Actuaries analyzed prescription drug experience in aggregate, by major indicator and in particular, specialty drugs. We analyzed the prescription drug trends using a 24, 36, and 48 month actuarial basis. We found the 24 month basis as the methodology that is most likely to produce accurate future trends. Under this methodology, utilization had a -1.5% trend and unit cost had a 6.2% trend, resulting in a composite trend of 4.5% on an unadjusted basis. The chart below summarizes components of the unadjusted prescription drug trend for the past 5 years

Year	Utilization	Unit Cost	Composite Trend
2010	3.2%	4.9%	9.9%
2011	2.8%	5.9%	11.7%
2012	-0.5%	5.4%	5.6%
2013	0.0%	-5.8%	-5.5%
2014	-1.5%	6.2%	4.5%

Prior to this analysis, the financial plan was developed using an 8.0% trend for fiscal year 2014. Based on favorable results, CCRC Actuaries has chosen to continue to use a favorable drug trend assumption of 8.0% for fiscal year 2015 in the financial plan.

### Brand Patent Expirations

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

Drug	Patent Expiration	2013 Ingredient Cost		2014 Ingredient Cost	
		Amount	%	Amount	%
Symbicort	2014	\$1,044,578.71	0.6%	\$1,881,045.85	1.0%
Novolog	2014	\$1,621,551.51	0.9%	\$914,739.18	0.5%
Abilify	2014	\$3,738,237.80	2.0%	\$4,377,675.49	2.3%
Diovan	2014	\$2,006,616.68	1.1%	\$2,037,169.68	1.1%
Copaxone	2014	\$3,489,162.72	1.9%	\$715,812.21	0.4%
Gleevec	2015	\$772,550.04	0.4%	\$1,026,945.83	0.5%
Lidoderm	2015	\$676,507.90	0.4%	\$142,115.88	0.1%
Epipen 2-Pak	2015	\$497,827.94	0.3%	\$455,797.26	0.2%
Crestor	2016	\$505,042.75	0.3%	\$595,610.90	0.3%
Advair Diskus	2016	\$3,371,029.90	1.8%	\$1,678,818.51	0.9%
Benicar	2016	\$277,642.70	0.1%	\$244,840.86	0.1%
Zetia	2016	\$2,185,831.66	1.2%	\$2,636,326.59	1.4%
Humira	2016	\$5,876,831.53	3.1%	\$7,861,165.73	4.1%
Strattera	2017	N/A	N/A	\$606,698.69	0.3%
<b>Total</b>		<b>\$31,875,637.88</b>	<b>29.9%</b>	<b>\$20,677,005.26</b>	<b>11.1%</b>

## **Specialty Drugs**

Specialty drugs have continued to be a concern for PEIA due to the relatively rapid growth in utilization and unit cost. Overall, the following chart shows the percent of plan drug expenditures in specialty drugs in the past few years, noting that the growth in specialty drugs were 24.3% in 2013 and 5.3% in 2014:

Period	Specialty Drugs	
	Percent of Total	Growth
FY 2010	11.3%	5.6%
FY 2011	12.6%	19.7%
FY 2012	13.4%	12.2%
FY 2013	18.0%	24.3%
FY 2014	18.6%	5.3%

## **Indicator Categories**

CCRC Actuaries reviewed the individual prescription data items for Fiscal Years 2013 and 2014. A total of 2,829,107 scripts were written for approximately 3,000 different kinds of prescriptions in 2013. The prescriptions were grouped by indicator codes, providing a basis to develop the Fiscal Year 2014 trend by indicator code. The top 40 indicator codes were analyzed, which accounted for 94.9% of PEIA's prescription drug expenditures.

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

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

The following charts summarize the utilization and cost per service for formulary and non-formulary drugs for each indicator code. The "Top Five Increases in Drug Trends" chart is calculated with indicators which grossed at least \$200,000 in ingredient cost in 2014.

### **Indicators with the Largest Dollar Increase**

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

### **Indicators with the Largest Increase as a Percentage**

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

### **Indicators with the Largest Increase in Claim Numbers**

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

### **Indicators with the Largest Utilization Increase Percentage**

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

**Indicators with the Largest Increase in Cost per Prescription**

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

**Indicators with the Largest Percentage Increase in Cost per Prescription**

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

## Drug Indicators by Highest Cost

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

### Drug Indicators by Highest Cost (continued)

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

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

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

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

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

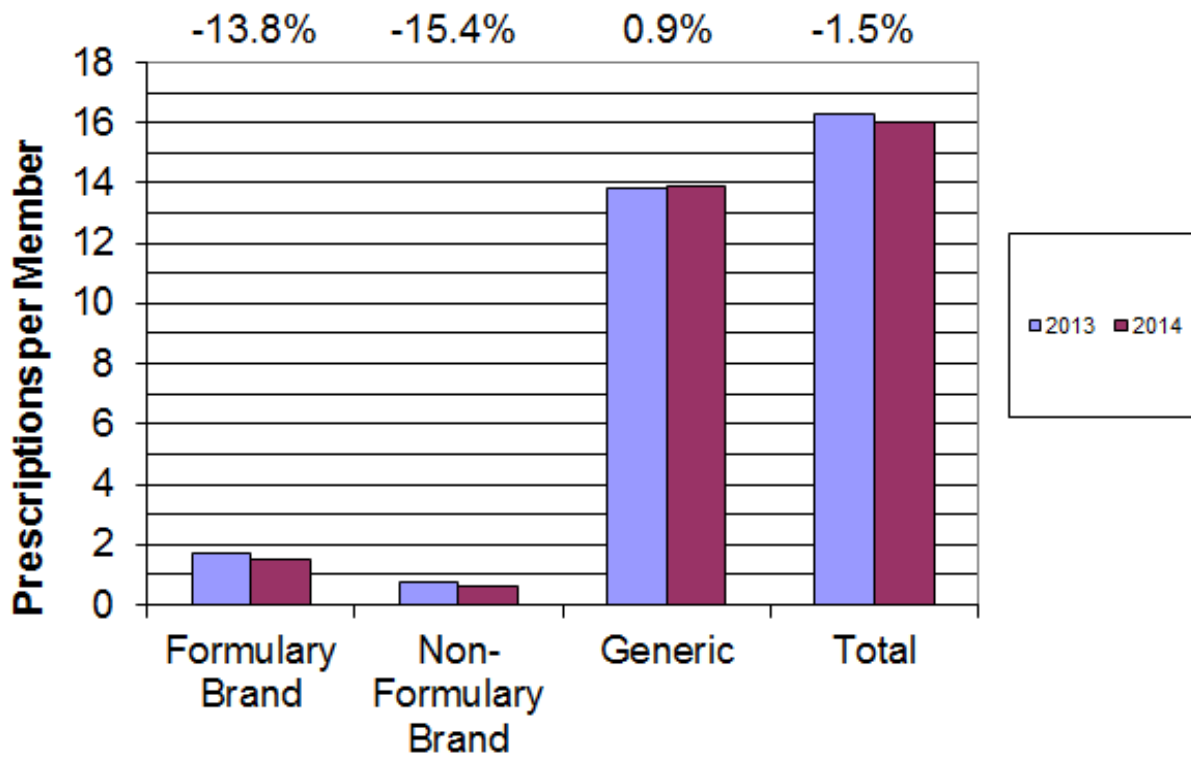
## Drug Indicators by Highest Script Increase

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

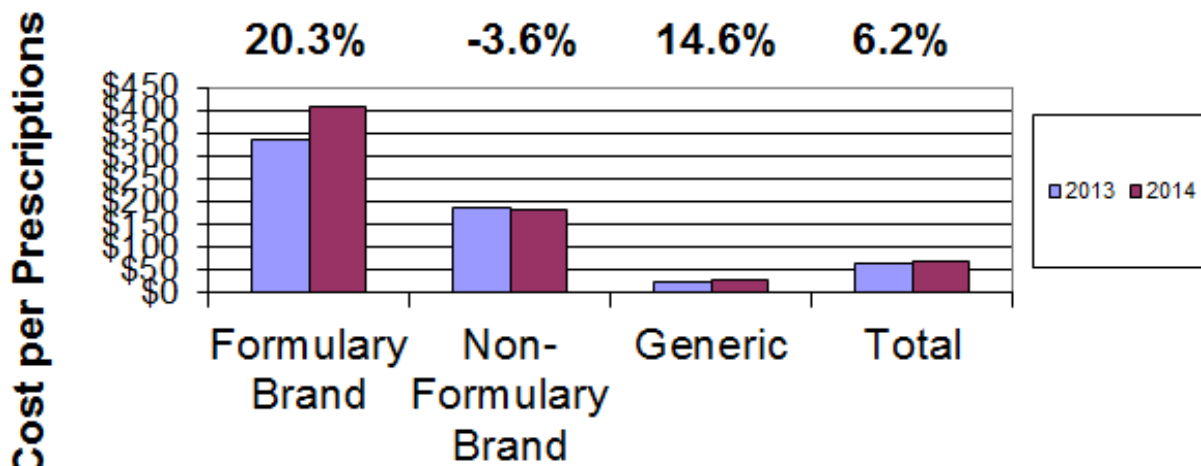
**Drug Indicators by Highest Script Increase (continued)**

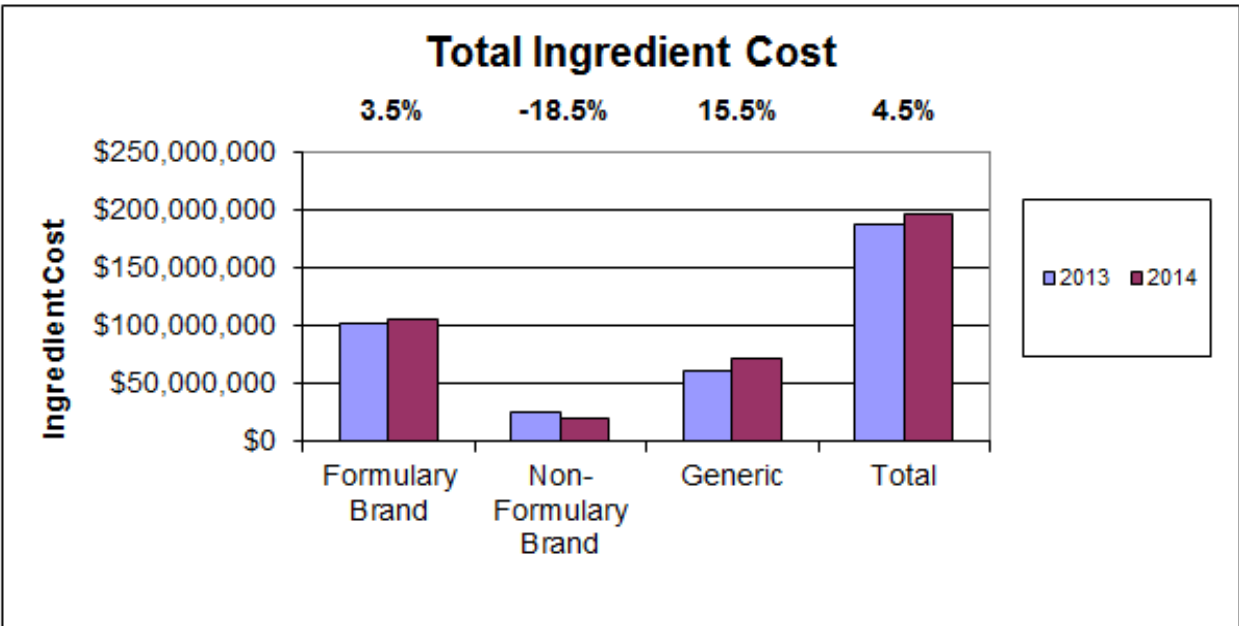
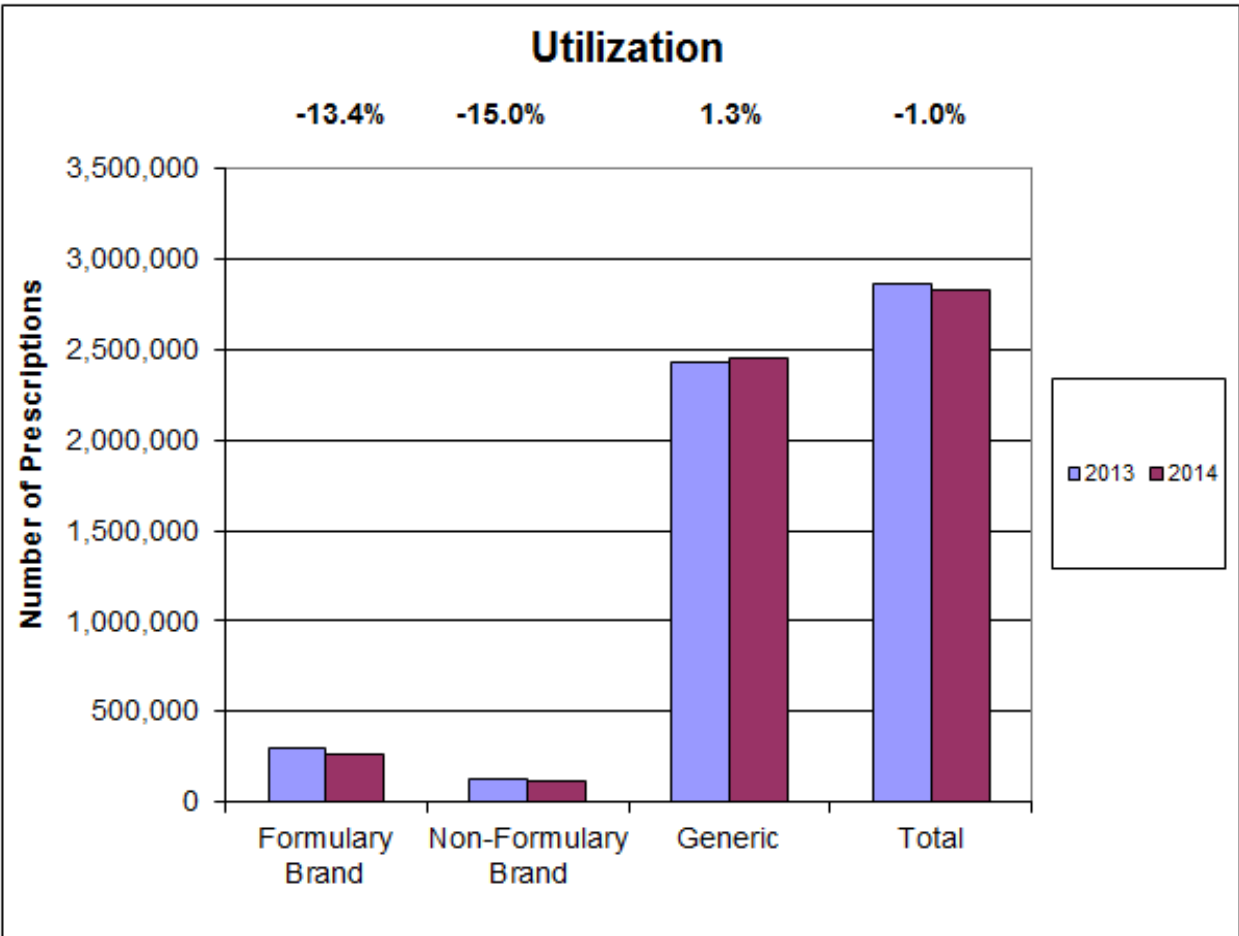
<b>Rank</b>	<b>Indicator</b>	<b>Formulary Cost Per Script</b>	<b>Non-Formulary Cost Per Script</b>	<b>Increase/ Decrease</b>
18	Anticoagulant	\$161.53	\$317.15	96%
1	Diabetes	172.82	308.56	79%
26	Pain/Cramps	34.65	61.42	77%
20	Growth Deficiency	2,980.05	5,092.31	71%
33	Endocrine Disorders	317.70	461.25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

## Number of Prescriptions per Member



## Ingredient Cost per Prescription





## DIABETES

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

Total expenditures have increased from \$14,161,011 in 2007 to \$35,536,636 in 2014, which results in a yearly trend of 14.0%. The cost per Generic script has increased by 2.0% per year since 2007, and the cost per formulary brand and non-formulary brand scripts has increased by 11.1% and 8.1% per year, respectively. The formulary brand cost trend, coupled with an increase in utilization of formulary brand scripts of 3.5% per year, accounts for most of the high trend in Diabetes drug costs.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2013	2014	Growth	2013	2014	Growth	2013	2014	Growth
Levemir Flexpen	Yes	SSB	5,241	7,871	50.2%	\$443.71	\$543.69	22.5%	\$2,325,494	\$4,279,391	84.0%
Januvia	Yes	SSB	9,331	9,092	-2.6%	376.84	430.50	14.2%	3,516,319	3,914,089	11.3%
Humalog	Yes	SSB	2,182	6,478	196.9%	422.92	565.19	33.6%	922,809	3,661,327	296.8%
Lantus	Yes	SSB	6,006	6,774	12.8%	384.28	509.40	32.6%	2,307,978	3,450,647	49.5%
Contour <sup>1</sup>	Yes	SSB	18,810	15,676	-16.7%	136.46	130.96	-4.0%	2,566,859	2,052,927	-20.0%
<u>Subtotals</u>											
Generic	Yes	Generic	86,466	86,860	0.5%	\$33.33	\$29.68	-11.0%	\$2,881,587	2,577,571	-10.6%
Formulary Brand	Yes	Brand	96,916	107,911	11.3%	234.95	288.04	22.6%	22,770,895	31,082,738	36.5%
<u>Non-Formulary Brand</u>	<u>No</u>	<u>Brand</u>	<u>15,362</u>	<u>6,081</u>	<u>-60.4%</u>	<u>374.25</u>	<u>308.56</u>	<u>-17.6%</u>	<u>5,749,177</u>	<u>1,876,327</u>	<u>-67.4%</u>
Total			198,744	200,852	1.1%	\$158.00	\$176.93	12.0%	\$31,401,659	\$35,536,636	13.2%
Trends Adjusted for Exposure					1.1%			12.0%			13.2%

<sup>1</sup> Indicates Drugs that have had all numbers combined for Formulary and Non-Formulary

## INFLAMMATORY CONDITIONS

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

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

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

<sup>1</sup> Indicates Drugs that have had all numbers combined for Formulary and Non-Formulary

### HIGH BLOOD PRESSURE/HEART DISEASE

In FY 2014, this indicator category was third in cost to PEIA with expenditure of \$11,774,468, which accounted for 6.1% of total expenditures. Formulary expenditures were \$10,803,029 or 91.7% of Inflammatory Conditions expenditures. Total expenditures had a -0.8% trend.

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

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2013	2014	Growth	2013	2014	Growth	2013	2014	Growth
Diovan	Yes	SSB	9,523	8,197	-13.9%	\$210.71	\$248.53	17.9%	\$2,006,617	\$2,037,170	1.5%
Metoprolol Succinate <sup>1</sup>	Yes	Gen	34,947	35,422	1.4%	34.55	33.31	-3.6%	1,207,519	1,179,959	-2.3%
Lisinopril	Yes	Gen	75,938	75,763	-0.2%	10.60	10.11	-4.5%	804,609	766,285	-4.8%
Losartan Potassium	Yes	Gen	21,142	24,484	15.8%	20.90	22.87	9.4%	441,929	560,001	26.7%
Amlodipine Besylate	Yes	Gen	32,408	34,427	6.2%	13.47	15.54	15.3%	436,612	534,906	22.5%
<u>Subtotals</u>											
Generic	Yes	Generic	409,064	409,676	0.1%	\$19.62	\$19.82	1.0%	\$8,026,833	\$8,120,379	1.2%
Formulary Brand	Yes	Brand	11,919	10,764	-9.7%	214.99	249.22	15.9%	\$2,562,517	2,682,650	4.7%
<u>Non-Formulary Brand</u>	<u>No</u>	<u>Brand</u>	9,550	<u>7,285</u>	<u>-23.7%</u>	<u>133.91</u>	<u>133.35</u>	<u>-0.4%</u>	<u>\$1,278,856</u>	<u>971,439</u>	<u>-24.0%</u>
Total			430,533	427,725	-0.7%	\$27.57	\$27.53	-0.1%	\$11,868,206	\$11,774,468	-0.8%
Trends Adjusted for Exposure					-0.7%			-0.1%			-0.8%

## HIGH BLOOD CHOLESTEROL

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

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

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

## ASTHMA

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

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

<sup>1</sup> Indicates Drugs that have had all numbers combined for Formulary and Non-Formulary

## CONTRACEPTIVES

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

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

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

<sup>1</sup> Indicates Drugs that have had all numbers combined for Formulary and Non-Formulary

## MULTIPLE SCLEROSIS

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

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

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

<sup>1</sup> Indicates Drugs that have had all numbers combined for Formulary and Non-Formulary