# *Executive Summary*

**Executive Summary With Top Reports**

## LOCAL 1500 WELFARE FUND

**All Selected Clients**

**All Selected Groups**

**January 2012 through March 2012**

## Pharmacy Benefit Reports

| Parameters | Totals | Averages |
|---|---|---|
| Eligible Membership | | **23,794** |
| Number of Rxs | **32,353** | |
| Plan Paid | **$2,755,436** | |
| Rxs/Member/Month | | **0.45** |
| Per-Member-Per-Month Cost | | **$38.60** |
| Rx Cost (Before Copay) | **$3,105,389** | **$95.98** |
| Member Co-Payment | **$349,953** | **$10.82** |
| Generic Utilization Rate | | **72.80%** |

**Per-Member-Per-Month (PMPM) Cost** - the plan's PMPM cost for this reporting period was ***$38.60*** and is calculated by dividing the amount paid by the plan (after member co-pays) by the total number of eligible members. As pharmaceuticals are an integral component of the plan's overall healthcare resources, it is important to examine the key components affecting cost.

***Utilization Rate*** - this plan's utilization rate during this period was ***0.45*** **Rxs/member/month** or ***5.44*** **Rxs/member/year.** Utilization rates are driven primarily by the age and gender makeup of the plan and tend to increase with age and female membership percentage.

***Average Rx Cost*** - The plan's average Rx Cost during this period was ***$95.98***. Several factors can affect the average Rx Cost such as 1)generic utilization, 2) average days supply/Rx, and 3) use of drugs that are extremely expensive. Typically, the plan's generic utilization will have the most dramatic effect on the average Rx Cost. This plan's generic utilization rate during this period was ***72.80%.***

***Cost Sharing Percentage*** - The membership is currently sharing ***11.27%*** of the total cost of the prescription drug program. The plan's co-payment structure drives this parameter.

# Brand and Generic Claims Analysis

**LOCAL 1500 WELFARE FUND**

**All Selected Clients**

**All Selected Groups**

**January 2012 through March 2012**

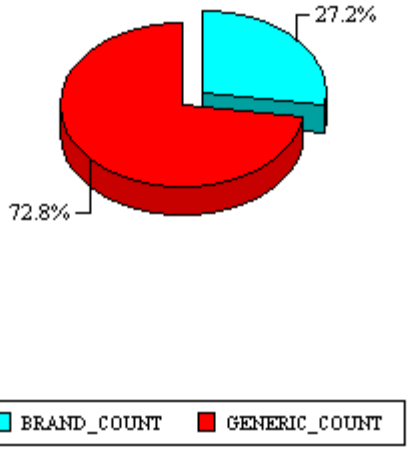
**All Pharmacies**

**Executive Summary With Top Reports**

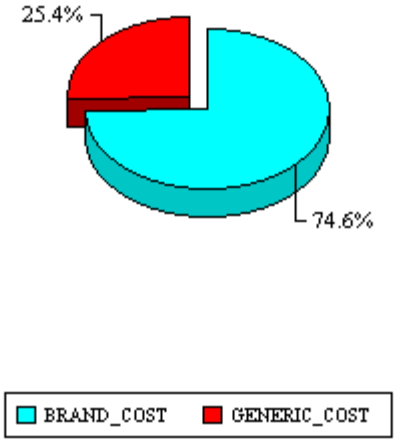
**Customer ID: LCL1500** | **Client ID: All Selected Clients** | **Group ID: All Selected Groups**

| | Average Members | Number of Claims | Monthly Util Factor | Total Plan Cost | Avg Plan Cost Per Claim | PMPM | Ingr Cost | Dispense Fee | Tax | Copay |
|---|---|---|---|---|---|---|---|---|---|---|
| **Brand** | 23,794 | 8,801 | 0.12 | $2,055,392 | $233.54 | $28.79 | $2,297,638 | $12,581 | $0.00 | $232,042 |
| **Generic** | 23,794 | 23,552 | 0.33 | $700,044 | $29.72 | $9.81 | $785,834 | $35,933 | $0.39 | $117,911 |
| **Totals** | **23,794** | **32,353** | **0.45** | **$2,755,436** | **$85.17** | **$38.60** | **$3,083,472** | **$48,514** | **$0.39** | **$349,953** |

## Percentage of Total Claims




## Percentage of Total Plan Cost




The use of generic drugs is one of the most effective ways a plan can control their prescription drug costs. The graphs above demonstrate why this is so effective. As you can see, while generics account for ***72.8%*** of the total prescriptions, they account for only ***25.4%*** of total plan cost. Conversely, brand drugs account for ***27.2%*** of the prescriptions yet ***74.6%*** of total plan cost. Incentive plans used to increase generic utilization include differential co-pays and imposing penalties (in the form of additional member cost sharing) when brand drugs are used when a generic is available. While the majority of the brand drugs used in most plans have no generic alternative available, there are often considerable price differences between brand drugs within certain drug categories. Particularly in plans that employ a 3-tier co-payment structure, opportunities for converting from a more expensive brand drug to a less expensive brand drug exist.

# Mail and Retail Claims Analysis

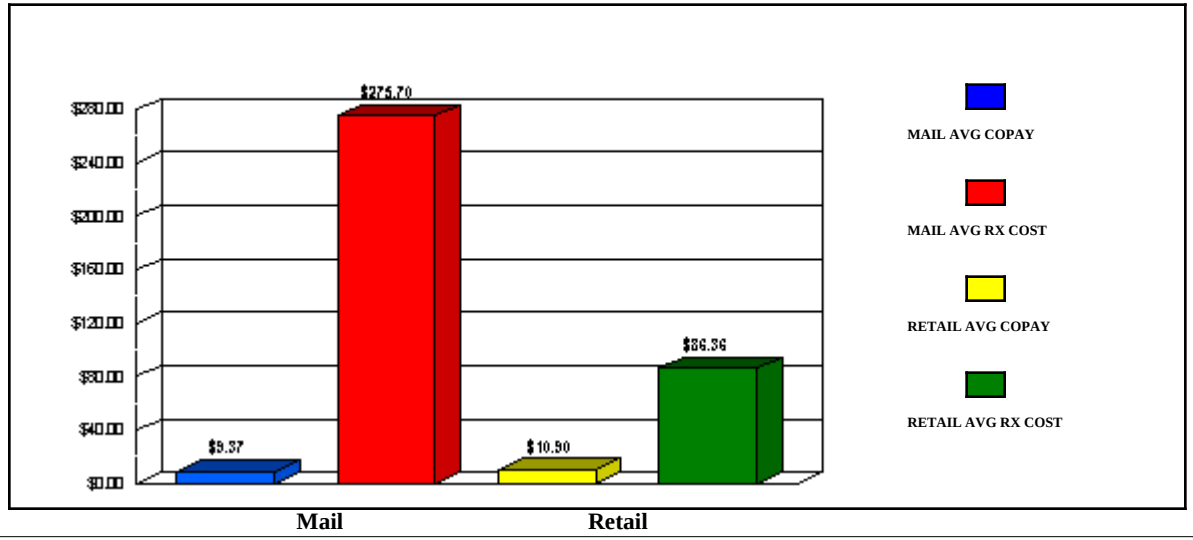
**LOCAL 1500 WELFARE FUND**
**All Selected Clients**
**All Selected Groups**

**January 2012 through March 2012**

**All Pharmacies**
**Executive Summary With Top Reports**

**Customer ID: LCL1500** | **Client ID: All Selected Clients** | **Group ID: All Selected Groups**

| | Average Members | Number of Claims | Monthly Util Factor | Total Plan Cost | Avg Plan Cost Per Claim | PMPM | Ingr Cost | Dispense Fee | Tax | Copay |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mail Order** | | | | | | | | | | |
| **Brand** | 23,794 | 778 | 0.01 | $371,727 | $477.80 | $5.21 | $383,536 | $5 | $0.00 | $11,813 |
| **Generic** | 23,794 | 1,007 | 0.01 | $103,672 | $102.95 | $1.45 | $108,581 | $2 | $0.00 | $4,910 |
| **Total** | **23,794** | **1,785** | **0.03** | **$475,400** | **$266.33** | **$6.66** | **$492,117** | **$6** | **$0.00** | **$16,723** |
| **Retail** | | | | | | | | | | |
| **Brand** | 23,794 | 8,023 | 0.11 | $1,683,665 | $209.85 | $23.59 | $1,914,102 | $12,577 | $0.00 | $220,229 |
| **Generic** | 23,794 | 22,545 | 0.32 | $596,372 | $26.45 | $8.35 | $677,253 | $35,932 | $0.39 | $113,001 |
| **Total** | **23,794** | **30,568** | **0.43** | **$2,280,036** | **$74.59** | **$31.94** | **$2,591,355** | **$48,508** | **$0.39** | **$333,230** |
| **Grand Total** | **23,794** | **32,353** | **0.45** | **$2,755,436** | **$85.17** | **$38.60** | **$3,083,472** | **$48,514** | **$0.39** | **$349,953** |




During this time period, prescriptions obtained through mail accounted for ***5.5%*** of total prescriptions and ***17.3%*** of the total plan paid amount. The graph above provides an evaluation of the member cost sharing of the mail order benefit relative to the retail pharmacy benefit. The key factor in a mail order benefit is to ensure an appropriate member cost-sharing percentage is maintained, which is driven by the mail order co-payment structure.

# Family Unit Claims Analysis

**January 2012 through March 2012**

**All Pharmacies**

**Executive Summary With Top Reports**

**LOCAL 1500 WELFARE FUND**

**All Selected Clients**

**All Selected Groups**

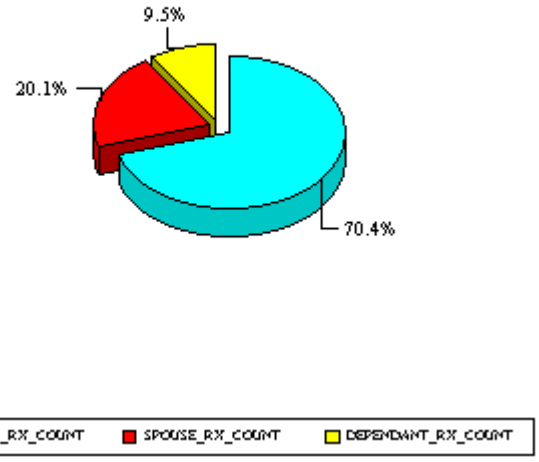
**Customer ID: LCL1500** **Client ID: All Selected Clients** **Group ID: All Selected Groups**

| | Average Members | Number of Claims | Monthly Util Factor | Total Plan Cost | Avg Plan Cost Per Claim | PEPM |
|---|---|---|---|---|---|---|
| **Per Employee*** | 18,007 | 32,353 | 0.60 | $2,755,436 | $85.17 | $51.01 |

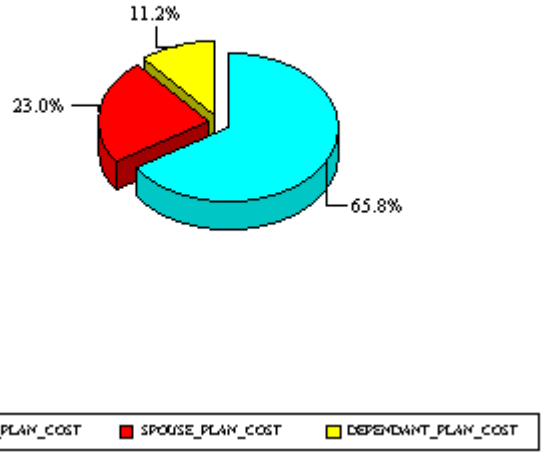
| | Average Members | Number of Claims | Monthly Util Factor | Total Plan Cost | Avg Cost Per Claim | PMPM |
|---|---|---|---|---|---|---|
| **Employees (01)** | 18,007 | 22,764 | 0.42 | $1,813,631 | $79.67 | $33.57 |
| **Spouses (02)** | 2,233 | 6,506 | 0.97 | $633,909 | $97.43 | $94.64 |
| **Dependents (03)** | 3,555 | 3,083 | 0.29 | $307,896 | $99.87 | $28.87 |
| **Totals** | 23,794 | 32,353 | 0.45 | $2,755,436 | $85.17 | $38.60 |

* Employee represents cardholder

## Percentage of Total Claims




## Percentage of Total Plan Cost




The graphs above illustrate the breakdown of utilization and plan cost by employee (cardholder), spouse, and dependents. Additionally, in the table above, a PEPM cost (per-employee-per-month) is provided to help evaluate the cost per employee (cardholder) of the benefit.

## Top 10 Drug Categories by Total Plan Cost

| Therapeutic Category | Number of Rxs | Total Plan Cost |
|---|---|---|
| *Antihyperlipidemics* | 2,156 | 325,139.97 |
| *Antiasthmatic* | 1,539 | 226,194.40 |
| *Antidiabetics* | 1,914 | 221,563.83 |
| *Antihypertensives* | 2,681 | 211,855.74 |
| *Ulcer Drugs* | 1,284 | 158,044.10 |
| *Dermatologicals* | 1,391 | 130,800.02 |
| *Antivirals* | 257 | 108,280.61 |
| *Antidepressants* | 1,372 | 103,559.85 |
| *Analgesics - Anti-Inflammatory* | 1,186 | 101,016.05 |
| *Antipsychotics/Antimanic Agents* | 408 | 85,066.48 |
| **Top 10 Categories Totals** | 14,188 | 1,671,521.05 |
| **Plan Totals** | 32,353 | 2,755,436.06 |

## Top 10 Drugs by Avg Ingr Cost

| Product Name | Therapeutic Category | Number of Rxs | Avg Ingr Cost |
|---|---|---|---|
| Ilaris | *Analgesics - Anti-Inflammatory* | 1 | $16,625.01 |
| Incivek | *Antivirals* | 1 | $16,531.20 |
| Erbitux | *Antineoplastics* | 2 | $9,346.24 |
| Nutropin Aq Nuspin | *Endocrine And Metabolic Agents - Misc | 3 | $7,467.22 |
| Votrient | *Antineoplastics* | 1 | $6,222.85 |
| Copaxone | *Psychotherapeutic And Neurological Ag | 4 | $6,215.67 |
| Revlimid | *Assorted Classes* | 5 | $6,014.42 |
| Nutropin Aq Pen | *Endocrine And Metabolic Agents - Misc | 1 | $4,667.01 |
| Pulmozyme | *Respiratory Agents - Misc.* | 1 | $4,650.43 |
| Victrelis | *Antivirals* | 2 | $4,435.20 |
| **Top 10 Drug Total** | | 21 | $7,314.09 |
| **Plan Totals** | | 32,353 | $95.31 |

## Top 10 Drugs by Total Plan Cost

| Product Name | Therapeutic Category | Number of Rxs | Plan Cost |
|---|---|---|---|
| Nexium | *Ulcer Drugs* | 368 | $97,003 |
| Crestor | *Antihyperlipidemics* | 285 | $83,380 |
| Atorvastatin Calciu | *Antihyperlipidemics* | 357 | $77,427 |
| Plavix | *Misc. Hematological* | 200 | $60,414 |
| Advair Diskus | *Antiasthmatic And Bronchodilator A | 228 | $58,809 |
| Singulair | *Antiasthmatic And Bronchodilator A | 250 | $56,857 |
| Lipitor | *Antihyperlipidemics* | 195 | $44,487 |
| Diovan Hct | *Antihypertensives* | 171 | $38,533 |
| Cymbalta | *Antidepressants* | 146 | $33,108 |
| Abilify | *Antipsychotics/Antimanic Agents* | 56 | $33,009 |
| **Top 10 Drug Totals** | | 2,256 | $583,027 |
| **Plan Totals** | | 32,353 | $2,755,436 |

## Top 10 Drugs by # of Rxs

| Product Name | Therapeutic Category | Number of Rxs | Plan Cost |
|---|---|---|---|
| Azithromycin | *Macrolides* | 778 | $9,990 |
| Simvastatin | *Antihyperlipidemics* | 627 | $3,203 |
| Hydrocodone/Acetaminophe | *Analgesics - Opioid* | 595 | $5,006 |
| Metformin Hcl | *Antidiabetics* | 584 | $5,218 |
| Amlodipine Besylate | *Calcium Channel Blockers* | 559 | $5,801 |
| Levothyroxine Sodium | *Thyroid* | 489 | $3,868 |
| Lisinopril | *Antihypertensives* | 472 | $2,763 |
| Ibuprofen | *Analgesics - Anti-Inflammatory | 465 | $1,374 |
| Amoxicillin | *Penicillins* | 452 | $2,308 |
| Metoprolol Succinate Er | *Beta Blockers* | 438 | $19,098 |
| **Top 10 Drug Totals** | | 5,459 | $58,627 |
| **Plan Totals** | | 32,353 | $2,755,436 |