Executive Summary

Executive Summary With Top Reports

LOCAL 1500 WELFARE FUND

All Selected Clients

All Selected Groups

April 2012 through June 2012

Pharmacy Benefit Reports

Parameters	Totals	Averages
Eligible Membership		23,540
Number of Rxs	31,878	
Plan Paid	$2,777,761	
Rxs/Member/Month		0.45
Per-Member-Per-Month Cost		$39.33
Rx Cost (Before Copay)	$3,118,578	$97.83
Member Co-Payment	$340,817	$10.69
Generic Utilization Rate		73.71%

Per-Member-Per-Month (PMPM) Cost - the plan's PMPM cost for this reporting period was ***$39.33*** 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 ***5.42*** **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 ***$97.83***. 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 ***73.71%.***

Cost Sharing Percentage - The membership is currently sharing ***10.93%*** 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
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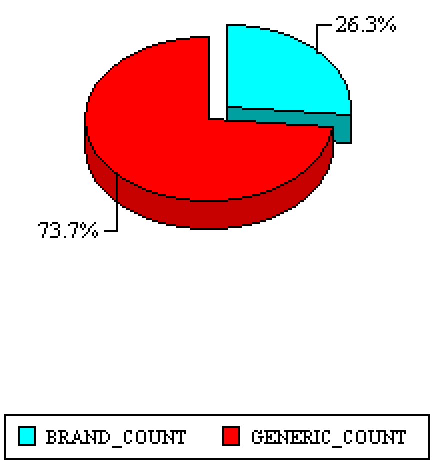
All Pharmacies

Executive Summary With Top Reports

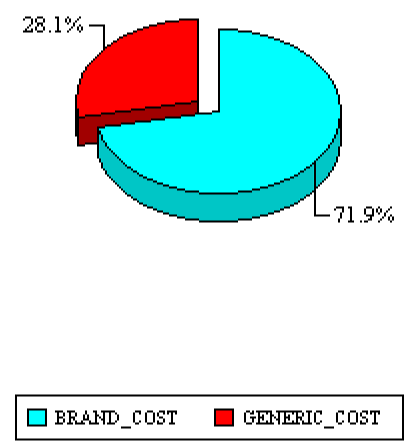
Customer ID: LCL1500 **Client ID: All Selected Clients** **Group ID: All Selected Groups**

	Average Members	Number of Claims	Monthly Util Factor	Total Plan Cost	Avg Plan Cost Per Claim	PMPM	Ingr Cost	Dispense Fee	Tax	Copay
Brand	23,540	8,382	0.12	$1,997,463	$238.30	$28.28	$2,228,308	$11,922	$0.00	$216,759
Generic	23,540	23,496	0.33	$780,298	$33.21	$11.05	$872,140	$35,749	$0.00	$124,058
Totals	**23,540**	**31,878**	**0.45**	**$2,777,761**	**$87.14**	**$39.33**	**$3,100,448**	**$47,671**	**$0.00**	**$340,817**

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 ***73.7%*** of the total prescriptions, they account for only ***28.1%*** of total plan cost. Conversely, brand drugs account for ***26.3%*** of the prescriptions yet ***71.9%*** 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

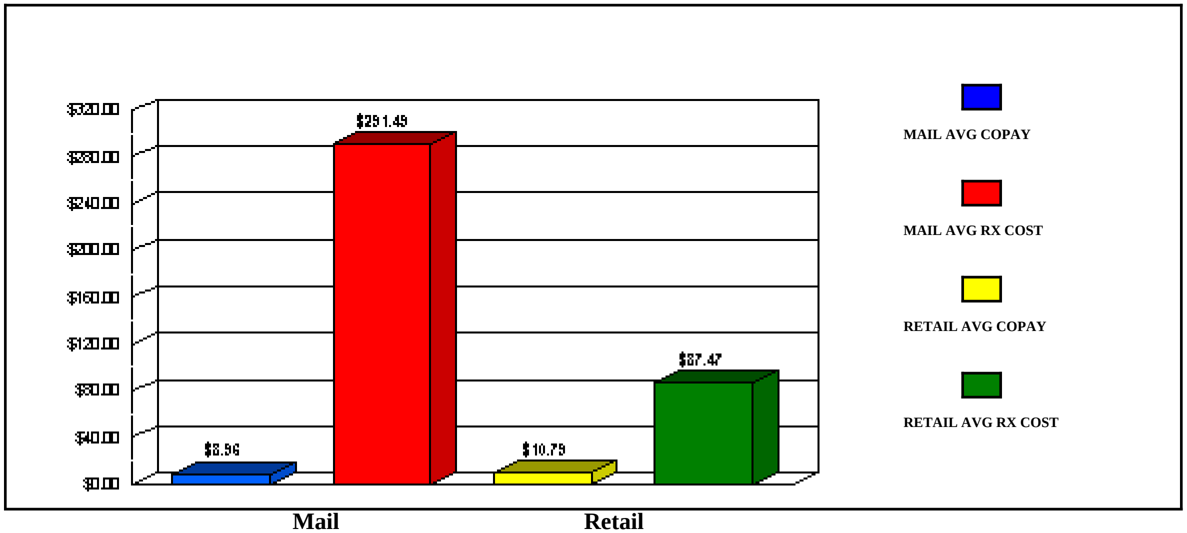
LOCAL 1500 WELFARE FUND
All Selected Clients
All Selected Groups

April 2012 through June 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	23,540	737	0.01	$374,588	$508.26	$5.30	$385,217	$5	$0.00	$10,634
Generic	23,540	1,027	0.01	$123,797	$120.54	$1.75	$128,960	$0	$0.00	$5,163
Total	**23,540**	**1,764**	**0.02**	**$498,385**	**$282.53**	**$7.06**	**$514,177**	**$5**	**$0.00**	**$15,797**
Retail										
Brand	23,540	7,645	0.11	$1,622,875	$212.28	$22.98	$1,843,091	$11,917	$0.00	$206,125
Generic	23,540	22,469	0.32	$656,501	$29.22	$9.30	$743,180	$35,749	$0.00	$118,895
Total	**23,540**	**30,114**	**0.43**	**$2,279,376**	**$75.69**	**$32.28**	**$2,586,270**	**$47,666**	**$0.00**	**$325,020**
Grand Total	**23,540**	**31,878**	**0.45**	**$2,777,761**	**$87.14**	**$39.33**	**$3,100,448**	**$47,671**	**$0.00**	**$340,817**



During this time period, prescriptions obtained through mail accounted for ***5.5%*** of total prescriptions and ***17.9%*** 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

April 2012 through June 2012

All Pharmacies

Executive Summary With Top Reports

LOCAL 1500 WELFARE FUND
All Selected Clients
All Selected Groups

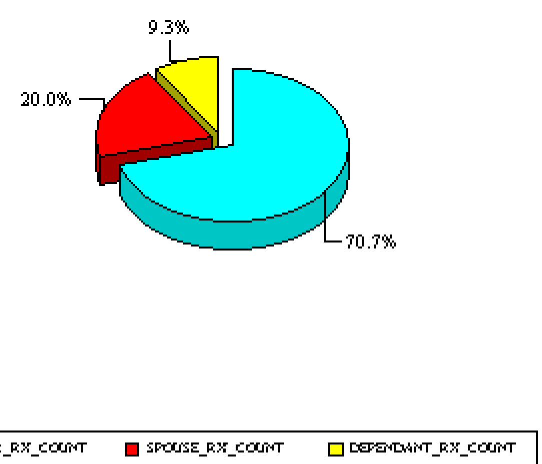
Customer ID: LCL1500 | **Client ID: All Selected Clients** | **Group ID: All Selected Groups**

	Average Members	Number of Claims	Monthly Util Factor	Total Plan Cost	Avg Plan Cost Per Claim	PEPM
Per Employee*	17,778	31,878	0.60	$2,777,761	$87.14	$52.08

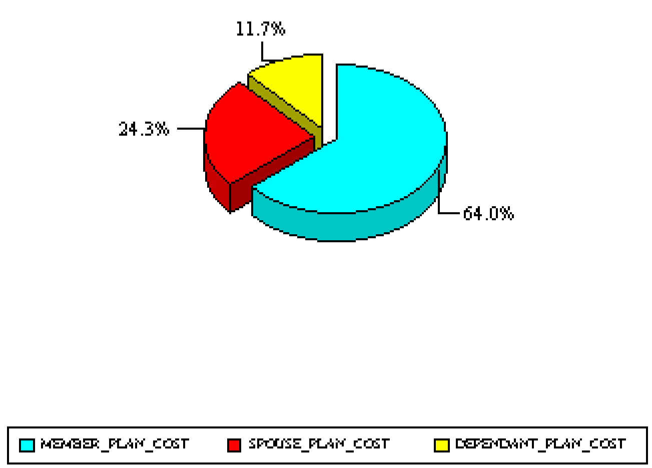
	Average Members	Number of Claims	Monthly Util Factor	Total Plan Cost	Avg Cost Per Claim	PMPM
Employees (01)	17,778	22,541	0.42	$1,777,484	$78.86	$33.33
Spouses (02)	2,221	6,379	0.96	$674,032	$105.66	$101.16
Dependents (03)	3,542	2,958	0.28	$326,245	$110.29	$30.71
Totals	23,540	31,878	0.45	$2,777,761	$87.14	$39.33

* 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	2,236	338,080.10
Antidiabetics	1,922	230,220.71
Antiasthmatic	1,475	218,556.19
Antihypertensives	2,773	210,278.41
Ulcer Drugs	1,329	158,925.70
Analgesics - Anti-Inflammatory	1,210	134,474.93
Dermatologicals	1,409	126,245.03
Antidepressants	1,394	101,169.17
Antivirals	237	96,710.66
Misc. Endocrine	215	78,306.31
Top 10 Categories Totals	14,200	1,692,967.21
Plan Totals	31,878	2,777,761.10

Top 10 Drugs by Avg Ingr Cost

Product Name	Therapeutic Category	Number of Rxs	Avg Ingr Cost
Ilaris	*Analgesics - Anti-Inflammatory*	2	$16,625.01
Erbitux	*Antineoplastics*	3	$9,346.24
Revlimid	*Assorted Classes*	4	$8,263.32
Nutropin Aq Nuspin	*Endocrine And Metabolic Agents - Misc	3	$7,467.22
Humira Pen-Crohns	*Analgesics - Anti-Inflammatory*	1	$6,036.61
Copaxone	*Psychotherapeutic And Neurological Ag	7	$5,334.85
Complera	*Antivirals*	2	$5,072.37
Nutropin Aq Pen	*Endocrine And Metabolic Agents - Misc	3	$4,667.01
Pulmozyme	*Respiratory Agents - Misc.*	1	$4,650.43
Vancomycin Hcl	*Anti-Infective Agents - Misc.*	2	$4,267.85
Top 10 Drug Total		28	$7,052.00
Plan Totals		31,878	$97.26

Top 10 Drugs by Total Plan Cost

Product Name	Therapeutic Category	Number of Rxs	Plan Cost
Crestor	*Antihyperlipidemic*	333	$89,897
Nexium	*Ulcer Drugs*	345	$89,339
Atorvastatin Calciu	*Antihyperlipidemics*	400	$87,131
Singulair	*Antiasthmatic And Bronchodilator A	284	$60,581
Advair Diskus	*Antiasthmatic And Bronchodilator A	174	$47,412
Diovan Hct	*Antihypertensives*	181	$42,281
Copaxone	*Psychotherapeutic And Neurological	7	$37,200
Escitalopram Oxalat	*Antidepressants*	186	$33,392
Ilaris	*Analgesics - Anti-Inflammatory*	2	$33,203
Revlimid	*Assorted Classes*	4	$32,959
Top 10 Drug Totals		1,916	$553,395
Plan Totals		31,878	$2,777,761

Top 10 Drugs by # of Rxs

Product Name	Therapeutic Category	Number of Rxs	Plan Cost
Simvastatin	*Antihyperlipidemics*	658	$3,195
Metformin Hcl	*Antidiabetics*	570	$5,094
Amlodipine Besylate	*Calcium Channel Blockers*	561	$6,004
Hydrocodone/Acetaminophe	*Analgesics - Opioid*	558	$4,739
Azithromycin	*Macrolides*	514	$7,065
Lisinopril	*Antihypertensives*	511	$2,821
Levothyroxine Sodium	*Thyroid*	496	$3,929
Ibuprofen	*Analgesics - Anti-Inflammatory	465	$1,379
Amoxicillin	*Penicillins*	449	$1,971
Metoprolol Succinate Er	*Beta Blockers*	430	$18,235
Top 10 Drug Totals		5,212	$54,431
Plan Totals		31,878	$2,777,761