

Warehouse Employees Union Local No. 730 Health and Welfare Trust Fund

2012 Year-to-Date Savings Results & Pharmacy Utilization Performance



January 25, 2013

Discussion Topics

1. Network Savings Results
2. Out of Network Savings Results
3. Pharmacy Utilization
4. Solutions to Consider
 - Open Access Plus Program
 - Medicare Reimbursement (MRC2)

PPO Plan's Year-to-Date Network Savings Results

(January 1, 2012 – September 30, 2012)

Claim Category	Charge	Allowed	Savings	%
Inpatient	\$1,879,423	\$1,406,489	\$472,935	25.2%
Outpatient	\$1,370,211	\$1,053,241	\$316,971	23.1%
Physician	\$3,006,259	\$1,351,420	\$1,654,839	55.0%
Subtotal Total	\$6,255,893	\$3,811,150	\$2,444,745	39.1%
Fees Paid			(\$115,882)	1.9%
ROI	\$6,255,893	\$3,811,150	\$2,328,863	35.4%

ROI = 2.7:1



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Out of Network Plan Year-to-Date Saving Program Results (January 1, 2012 – September 30, 2012)

Claim Category	Charge	Allowed	Savings	%
Inpatient	\$20,578	\$16,910	\$3,668	17.8%
Outpatient	\$168,081	\$133,237	\$34,845	20.7%
Physician	\$432,332	\$306,543	\$125,789	29.1%
Subtotal Total	\$620,991	\$456,690	\$164,302	26.5%
Fees Paid			\$28,525	4.6%
ROI	\$620,991	\$456,690	\$135,777	21.9%

ROI = 4.6:1

Plan's Total Year-to-Date Savings Results

(January 1, 2012 – September 30, 2012)

**Improve member health and control claims costs
in a member friendly way.**

PPO Network Savings		\$2,328,863
OONSP		\$135,777
Care Management Savings		\$70,531
Total Plan Year Savings¹		\$2,535,171

1. Net of all administrative fees paid by the Fund



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Care Management Savings Reports

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND

Inpatient Acute Summary

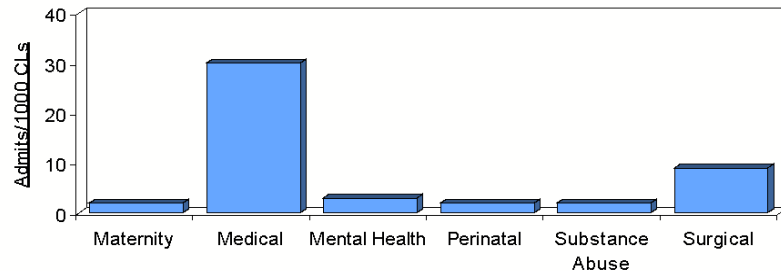
Utilization Management



WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND

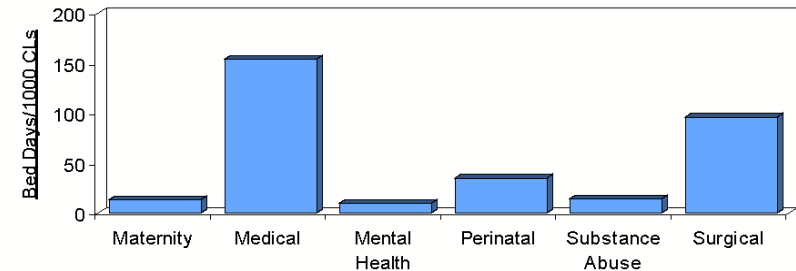
YTD : January 2012 - September 2012

Admits/1,000 Covered Lives (Annualized)



Admission Category

Bed Days/1,000 Covered Lives (Annualized)



Admission Category

Utilization By Admission Category	Certified Admissions			Actual Bed Days			ALOS
	YTD : January 2012 - September 2012			YTD : January 2012 - September 2012			
	#	%	Admits/1,000 Covered Lives *	#	%	Bed Days/1,000 Covered Lives *	
Medical	30	62.5%	30.2	153	47.8%	154.0	5.1
Surgical	9	18.8%	9.1	95	29.7%	95.6	10.6
Maternity	2	4.2%	2.0	13	4.1%	13.1	6.5
Perinatal	2	4.2%	2.0	35	10.9%	35.2	17.5
Mental Health	3	6.3%	3.0	10	3.1%	10.1	3.3
Substance Abuse	2	4.2%	2.0	14	4.4%	14.1	7.0
Total Admissions	48	100.0%	48.3	320	100.0%	322.0	6.7
Milliman Loosely Managed Benchmark			64.8			284.7	4.3
Milliman Moderately Managed Benchmark			55.2			206.5	3.7
Savings **	YTD : January 2012 - September 2012			Annualized : January 2012 - September 2012			
Total Savings *	\$47,270			\$63,027			
Membership ***	YTD : January 2012 - September 2012						
	Medical			Mental Health/Substance Abuse			
Employees	576			576			
Covered Lives	1,325			1,325			

* Current Period is Annualized.

** Savings source : Solucient (formerly HCIA)

*** Membership counts reflect average monthly membership during the reporting period. If effective date of account is within the reporting period, then membership is the average beginning with the effective month.

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND



Inpatient Acute Summary

Utilization Management

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND

July 2012 - September 2012

Admissions/Savings/CM Referrals	Current Period July 2012 - September 2012		YTD January, 2012 - September, 2012	
	#	%	#	%
Admission Reviews				
Requested	28	100.0%	62	100.0%
Certified	21	75.0%	48	77.4%
Non - Certified	7	25.0%	14	22.6%
Others	0	0.0%	0	0.0%
Days Summary				
Requested	202		335	
Certified	178		287	
Actual	195		320	
Days Impacted by Admission Type (Total) **	7	100.0%	15	100.0%
Medical	5	71.4%	6	40.0%
Surgical	2	28.6%	6	40.0%
Maternity	0	0.0%	1	6.7%
Perinatal	0	0.0%	0	0.0%
Mental Health	0	0.0%	1	6.7%
Substance Abuse	0	0.0%	1	6.7%
Unclassified	0	0.0%	0	0.0%
Reported Savings by Admission Type (Total in \$) *	\$22,142	100.0%	\$47,270	100.0%
Medical	\$15,343	69.3%	\$18,742	39.6%
Surgical	\$6,798	30.7%	\$19,155	40.5%
Maternity	\$0	0.0%	\$3,399	7.2%
Perinatal	\$0	0.0%	\$0	0.0%
Mental Health	\$0	0.0%	\$2,986	6.3%
Substance Abuse	\$0	0.0%	\$2,986	6.3%
Unclassified	\$0	0.0%	\$0	0.0%
Admissions Accepted into Case Management (Total)	9	100.0%	18	100.0%
Medical	6	66.7%	11	61.1%
Surgical	1	11.1%	3	16.7%
Perinatal	1	11.1%	2	11.1%

*Savings = (Total Days Impacted) x (DRG specific outliers, DRG rates and Per Diem rates).

** Days Impacted are based on Requested Days minus Actual Days.

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND



Inpatient Acute Summary

Utilization Management

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND

July 2012 - September 2012

Admissions/Savings/CM Referrals	Current Period July 2012 - September 2012		YTD January, 2012 - September, 2012	
	#	%	#	%
Mental Health	1	11.1%	2	11.1%

*Savings = (Total Days Impacted) x (DRG specific outliers, DRG rates and Per Diem rates).

** Days Impacted are based on Requested Days minus Actual Days.

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND



Savings Summary by Major Diagnostic

Case Management

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND

July 2012 - September 2012

Major Diagnostic Category	Current Period: Jul 2012 - Sep 2012					YTD Period: Jan 2012 - Sep 2012				
	Managed Cases #	Service Mgmt Savings \$	Negotiated Discounts \$	Intvtn Savings \$	Total Savings \$	Managed Cases #	Service Mgmt Savings \$	Negotiated Discounts \$	Intvtn Savings \$	Total Savings \$
5 - D and D OF THE CIRCULATORY SYSTEM	0	0	0	0	0	1	0	0	0	0
7 - D and D HEPATOBILIARY SYS and PANCREAS	2	0	0	22,632	22,632	2	0	0	22,632	22,632
11 - D and D OF THE KIDNEY and URINARY TRACT	0	0	0	0	0	1	0	0	0	0
18 - INFECTIOUS and PARASITIC DISEASES	0	0	0	0	0	1	0	0	629	629
TOTAL ALL MDC's	2	0	0	22,632	22,632	5	0	0	23,261	23,261

* Managed Cases are closed, managed cases for the reporting period.

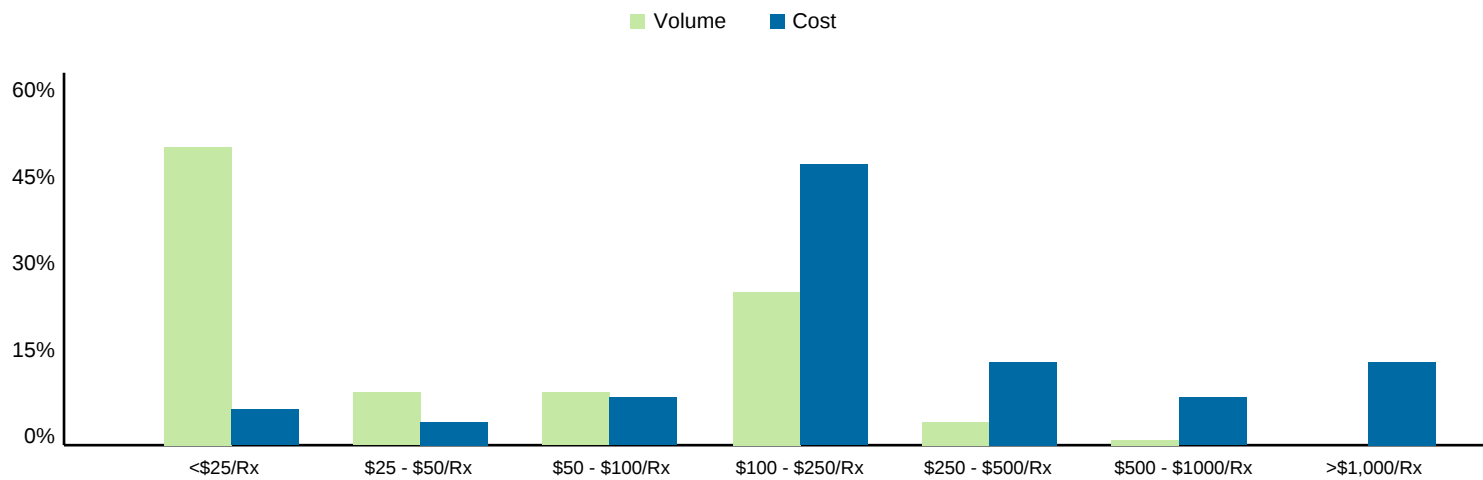
Pharmacy Utilization Performance



Distribution of Drug Volume and Cost

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND - ACTIVE & RETIREES COMBINED

Percent of total volume and cost sorted by average per script



Comments

- 47% of costs (\$1,262,050) are driven by prescriptions in the \$100-\$250 per script range
- 50% of prescription volumes (15,203 scripts) are for those with an average cost of less than \$25 per script
- Prescriptions greater than \$1,000 per script represent 0.5% of volumes (147 scripts) and 14.4% of costs (\$387,995)



Key Indicator Summary

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND YTD - ACTIVE & RETIREES COMBINED

Key indicator

	Base	Current	Trend	Norm
Members				
Average Number of Employees	1,233	942	-23.6%	
Average Number of Members	2,325	1,636	-29.7%	
Cost and Utilization Trends				
Ingredient Cost PMPM	\$132.57	\$164.59	24.1%	\$85.61
Employer Paid PMPM	\$133.47	\$166.28	24.6%	\$73.03
Cost Share PMPM	\$1.63	\$1.86	13.8%	\$14.08
Cost Share as percent of Ingredient Cost	1.3%	1.2%	-0.1%	16.4%
Scripts PMPY	16.2	18.4	13.6%	10.3
Retail Adjusted Scripts PMPY	16.4	18.6	13.8%	13.5
Average Ingredient Cost per script	\$81.60	\$89.21	9.3%	\$99.87
Generic Rx Utilization Rate	63.4%	70.1%	6.7%	72.9%
Mail Order Fill Rate - Percent of total	0.0%	0.0%	0.0%	12.7%
Mail Order Fill Rate - Retail adjusted	0.0%	0.0%	0.0%	27.6%
Formulary Brand Compliance Rate	66.6%	61.3%	-5.3%	73.6%
Specialty Pharmacy				
Specialty Ingredient Cost PMPM	\$19.14	\$25.56	33.5%	\$17.61
Specialty Scripts PMPY	0.2	0.2	5.9%	0.1
Specialty as Percent of Total Employer Paid	14.4%	15.4%	1.0%	22.3%

Comments

- Pharmacy ingredient cost increased from \$132.57 PMPM to \$164.59 PMPM, and compares to a norm of \$85.61 PMPM
- Scripts increased from 16.2 PMPY to 18.4 PMPY, and compares to a norm of 10.3 PMPY
- The generic prescription utilization rate increased from 63.4% to 70.1%, and compares to a norm of 72.9%. Based on the difference between Brand and Generic costs per prescription the savings are \$382,144



Key Indicator Summary

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND - ACTIVES

Key indicator

	Base	Current	Trend	Norm
Members				
Average Number of Employees	900	568	-36.9%	
Average Number of Members	1,992	1,262	-36.6%	
Cost and Utilization Trends				
Ingredient Cost PMPM	\$96.77	\$108.76	12.4%	\$73.12
Employer Paid PMPM	\$97.43	\$109.81	12.7%	\$62.28
Cost Share PMPM	\$1.17	\$1.16	-0.4%	\$12.15
Cost Share as percent of Ingredient Cost	1.2%	1.1%	-0.1%	16.6%
Scripts PMPY	11.6	11.5	-0.7%	8.6
Retail Adjusted Scripts PMPY	11.7	11.6	-0.5%	10.9
Average Ingredient Cost per script	\$83.29	\$94.32	13.2%	\$101.97
Generic Rx Utilization Rate	63.5%	69.8%	6.3%	72.8%
Mail Order Fill Rate - Percent of total	0.0%	0.0%	0.0%	10.1%
Mail Order Fill Rate - Retail adjusted	0.0%	0.0%	0.0%	22.4%
Formulary Brand Compliance Rate	65.2%	60.5%	-4.8%	73.7%
Specialty Pharmacy				
Specialty Ingredient Cost PMPM	\$16.22	\$24.23	49.5%	\$16.74
Specialty Scripts PMPY	0.2	0.2	6.9%	0.1
Specialty as Percent of Total Employer Paid	16.6%	22.1%	5.4%	24.8%

Comments

- Pharmacy ingredient cost increased from \$90.64 PMPM to \$90.63 PMPM, and compares to a norm of \$73.12 PMPM
- Scripts decreased from 11.6 PMPY to 11.5 PMPY, and compares to a norm of 8.6 PMPY
- The generic prescription utilization rate increased from 63.5% to 69.8%, and compares to a norm of 72.8%. Based on the difference between Brand and Generic costs per prescription the savings are \$186,298



Key Indicator Summary

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND - RETIREES

Key indicator

	Base	Current	Trend	Norm
Members				
Average Number of Employees	335	374	11.8%	
Average Number of Members	335	374	11.8%	
Cost and Utilization Trends				
Ingredient Cost PMPM	\$344.47	\$352.47	2.3%	\$139.22
Employer Paid PMPM	\$346.82	\$356.34	2.7%	\$119.58
Cost Share PMPM	\$4.63	\$4.40	-5.1%	\$21.91
Cost Share as percent of Ingredient Cost	1.3%	1.2%	-0.1%	15.7%
Scripts PMPY	52.4	50.1	-4.4%	16.1
Retail Adjusted Scripts PMPY	52.7	50.5	-4.2%	22.1
Average Ingredient Cost per script	\$78.91	\$84.45	7.0%	\$103.50
Generic Rx Utilization Rate	63.2%	70.3%	7.1%	72.5%
Mail Order Fill Rate - Percent of total	0.0%	0.0%	0.0%	15.0%
Mail Order Fill Rate - Retail adjusted	0.0%	0.0%	0.0%	31.4%
Formulary Brand Compliance Rate	68.8%	62.1%	-6.7%	72.7%
Specialty Pharmacy				
Specialty Ingredient Cost PMPM	\$36.47	\$29.98	-17.8%	\$29.36
Specialty Scripts PMPY	0.5	0.4	-19.5%	0.2
Specialty as Percent of Total Employer Paid	10.5%	8.4%	-2.1%	22.8%

Comments

- Pharmacy ingredient cost increased from \$344.47 PMPM to \$352.47 PMPM, and compares to a norm of \$139.22 PMPM
- Scripts decreased from 52.4 PMPY to 50.1 PMPY, and compares to a norm of 16.1 PMPY
- The generic prescription utilization rate increased from 63.2% to 70.3%, and compares to a norm of 72.5%. Based on the difference between Brand and Generic costs per prescription the savings are \$196,470



Key Therapeutic Class Trends

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND YTD - ACTIVE & RETIREES COMBINED'

Therapeutic Drug Class	Generic Utilization%	% of Total \$Ingredient	Base PMPM	Current PMPM	Trend	Norm PMPM	Norm Generic Utilization%
Lipid Lowering	62.7%	11.0%	\$15.70	\$18.10	15.3%	\$7.79	48.9%
Antiulcer	51.1%	7.3%	\$10.36	\$12.07	16.4%	\$3.82	73.7%
ACE/ARB	61.7%	7.2%	\$8.84	\$11.85	34.0%	\$3.66	71.5%
Asthma Related	22.0%	6.4%	\$8.71	\$10.48	20.3%	\$5.79	24.7%
Hypoglycemics	69.7%	5.6%	\$6.84	\$9.15	33.6%	\$3.63	68.8%
Impotency Related	0.0%	5.5%	\$6.84	\$8.99	31.4%	\$0.43	0.0%
Multiple/Lateral Sclerosis	0.0%	4.2%	\$3.72	\$6.98	87.9%	\$2.53	0.0%
Anticoagulants	62.9%	3.8%	\$4.49	\$6.25	39.4%	\$2.53	47.3%
Insulins	0.0%	3.6%	\$4.09	\$5.94	45.1%	\$2.20	0.0%
Antivirals, HIV Specific	30.3%	3.4%	\$5.43	\$5.66	4.2%	\$5.93	2.1%
Narcotic Analgesics	92.1%	3.4%	\$5.72	\$5.55	-3.0%	\$4.50	89.5%
Anti-Inflam Disease Modifiers	0.0%	2.6%	\$4.43	\$4.21	-4.8%	\$3.43	16.0%
Vasodilators	85.8%	2.1%	\$2.08	\$3.38	62.5%	\$0.60	85.6%
Antidepressants	79.5%	1.9%	\$2.89	\$3.09	6.8%	\$3.89	74.7%
Eye	52.1%	1.8%	\$2.26	\$2.89	28.0%	\$1.16	48.1%
Kidney/Urinary	64.5%	1.7%	\$2.09	\$2.78	33.1%	\$1.14	65.7%
Beta Blockers	86.0%	1.7%	\$1.80	\$2.75	52.9%	\$1.11	89.3%
Hepatitis A/B/C	33.3%	1.6%	\$0.00	\$2.66	0.0%	\$0.91	36.6%
Topical Antiinflammatory	70.2%	1.4%	\$1.38	\$2.38	72.5%	\$0.62	78.5%
NSAIDS	83.9%	1.4%	\$1.51	\$2.30	52.1%	\$1.04	83.7%

Comments

- The top five drug classes above represent 37.4% (\$1,007,772) and the top ten drug classes represent 58.0% (\$1,560,772) of total ingredient cost (\$2,691,134). There are a number of generic alternatives which could help lower spend.



Key Therapeutic Class Trends

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND - ACTIVES

Therapeutic Drug Class	Generic Utilization%	% of Total \$Ingredient	Base PMPM	Current PMPM	Trend
Lipid Lowering	63.6%	8.5%	\$9.35	\$7.66	-18.1%
Multiple/Lateral Sclerosis	0.0%	8.3%	\$4.62	\$7.54	63.2%
Asthma Related	19.9%	7.3%	\$7.16	\$6.63	-7.4%
Antiulcer	46.7%	7.1%	\$7.87	\$6.39	-18.8%
ACE/ARB	60.0%	6.9%	\$6.32	\$6.29	-0.5%
Impotency Related	0.0%	5.0%	\$5.20	\$4.52	-13.1%
Antivirals, HIV Specific	31.3%	4.6%	\$4.98	\$4.14	-16.9%
Hypoglycemics	69.8%	4.4%	\$4.21	\$3.99	-5.2%
Anti-Inflam Disease Modifiers	0.0%	3.7%	\$4.29	\$3.36	-21.7%
Hepatitis A/B/C	33.3%	3.2%	\$0.00	\$2.87	0.0%
Insulins	0.0%	2.9%	\$2.28	\$2.66	16.7%
Anticoagulants	56.9%	2.7%	\$2.05	\$2.42	18.0%
Narcotic Analgesics	93.9%	2.4%	\$4.00	\$2.15	-46.3%
Antidepressants	78.6%	2.3%	\$2.64	\$2.11	-20.1%
Stimulants	30.6%	1.9%	\$2.12	\$1.76	-17.0%
Topical Antiinflammatory	72.8%	1.9%	\$1.38	\$1.71	23.9%
Anticonvulsants	77.6%	1.6%	\$1.75	\$1.45	-17.1%
Antipsychotic/Manic	77.2%	1.5%	\$2.47	\$1.34	0.0%
Beta Blockers	79.4%	1.4%	\$1.10	\$1.28	16.4%
Seborrhea/Psoriasis	31.0%	1.3%	\$0.65	\$1.18	81.5%

Comments

- The top five drug classes above represent 38.1% (\$1,062,929) and the top ten drug classes represent 58.9% (\$1,836,990) of total ingredient cost (\$1,372,891). There are a number of generic alternatives which could help lower spend.



Key Therapeutic Class Trends

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND - RETIREES

Therapeutic Drug Class	Generic Utilization%	% of Total \$Ingredient	Base PMPM	Current PMPM	Trend	Norm PMPM	Norm Generic Utilization%
Lipid Lowering	62.2%	13.6%	\$52.56	\$48.09	-8.5%	\$15.26	48.8%
Antiulcer	54.7%	7.6%	\$24.19	\$26.87	11.1%	\$6.75	73.6%
ACE/ARB	63.2%	7.5%	\$23.40	\$26.35	12.6%	\$7.09	71.4%
Hypoglycemics	69.7%	6.8%	\$22.82	\$23.84	4.5%	\$7.04	68.4%
Impotency Related	0.0%	6.0%	\$16.76	\$21.01	25.3%	\$0.83	0.0%
Asthma Related	25.8%	5.4%	\$18.83	\$18.94	0.6%	\$8.73	23.2%
Anticoagulants	64.7%	5.0%	\$20.21	\$17.56	-13.1%	\$4.87	46.3%
Narcotic Analgesics	89.1%	4.4%	\$15.25	\$15.56	2.1%	\$7.31	89.4%
Insulins	0.0%	4.3%	\$14.70	\$15.21	3.5%	\$3.57	0.0%
Vasodilators	87.9%	4.0%	\$13.54	\$14.04	3.7%	\$1.08	85.8%
Kidney/Urinary	67.0%	2.9%	\$9.56	\$10.22	7.0%	\$2.18	64.7%
Antivirals, HIV Specific	28.2%	2.3%	\$8.09	\$8.00	-1.2%	\$10.08	2.3%
Eye	53.6%	2.2%	\$8.22	\$7.91	-3.8%	\$1.99	45.1%
Metabolic	82.8%	2.1%	\$8.30	\$7.44	-10.5%	\$0.46	89.8%
Nervous System Other	43.6%	2.0%	\$7.53	\$6.98	-7.3%	\$1.05	46.4%
Beta Blockers	89.7%	1.9%	\$6.07	\$6.84	12.7%	\$2.13	89.4%
NSAIDS	75.7%	1.6%	\$4.75	\$5.50	15.8%	\$1.90	80.7%
Antidepressants	81.1%	1.4%	\$4.34	\$4.97	14.6%	\$6.31	74.4%
Ca Channel Blockers	100.0%	1.4%	\$4.55	\$4.89	7.4%	\$1.24	97.3%
Anti-Inflam Disease Modifiers	0.0%	1.4%	\$5.68	\$4.81	-15.2%	\$5.59	18.7%

Comments

- The top five drug classes above represent 41.5% (\$546,659) and the top ten drug classes represent 64.5% (\$850,756) of total ingredient cost (\$1,318,242). There are a number of generic alternatives which could help lower spend.



Top Drugs by Plan Spend

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND YTD - ACTIVE & RETIREES COMBINED

Top 20 drugs by total spend

Current									
Rank	Drug Name	Indication	Tier	Employer Paid	Cost Share	Plan Spend	Scripts	Base Rank	
1	Atorvastatin Calcium	Cholesterol	Generic	\$102,817	\$983	\$103,800	981	N/A	
2	Nexium	Ulcer / Heartburn	Non-Preferred Brand	\$101,550	\$459	\$102,009	459	2	
3	Crestor	Cholesterol	Non-Preferred Brand	\$90,706	\$587	\$91,293	585	3	
4	Viagra	Erectile Dysfunction	Preferred Brand	\$70,806	\$431	\$71,237	431	5	
5	Cialis	Erectile Dysfunction	Non-Preferred Brand	\$61,589	\$372	\$61,961	372	7	
6	Oxycontin	Pain	Preferred Brand	\$58,906	\$73	\$58,979	73	6	
7	Gilenya	Multiple Sclerosis	Non-Preferred Brand	\$49,601	\$11	\$49,612	11	168	
8	Advair Diskus	Asthma	Preferred Brand	\$47,692	\$189	\$47,881	189	8	
9	Aciphex	Ulcer / Heartburn	Non-Preferred Brand	\$40,630	\$121	\$40,751	121	10	
10	Plavix	Blood thinner	Non-Preferred Brand	\$39,396	\$187	\$39,583	187	4	
11	Tracleer	Pulmonary Hypertension	Non-Preferred Brand	\$38,702	\$6	\$38,708	6	13	
12	Incivek	Hepatitis	Preferred Brand	\$36,462	\$2	\$36,464	2	N/A	
13	Copaxone	Multiple Sclerosis	Preferred Brand	\$34,535	\$8	\$34,543	8	20	
14	Rebif	Multiple Sclerosis	Preferred Brand	\$30,035	\$8	\$30,043	8	18	
15	Humira	Arthritis	Preferred Brand	\$29,822	\$13	\$29,835	13	21	
16	Diovan	Hypertension	Preferred Brand	\$29,208	\$247	\$29,455	247	27	
17	Singulair	Asthma	Preferred Brand	\$28,171	\$170	\$28,341	170	11	
18	Clopidogrel	Blood thinner	Generic	\$27,195	\$196	\$27,391	196	N/A	
19	Janumet	Diabetes	Preferred Brand	\$26,999	\$138	\$27,137	134	15	
20	Lantus Solostar	Diabetes	Preferred Brand	\$26,471	\$120	\$26,591	118	23	

Comments

- The top 20 drugs accounted for 35.5% (\$975,615) of all plan spend (\$2,751,008) in the current period



Top Drugs by Plan Spend

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND - ACTIVES

Top 20 drugs by total spend

Current									
Rank	Drug Name	Indication	Tier	Employer Paid	Cost Share	Plan Spend	Scripts	Base Rank	
1	Gilenya	Multiple Sclerosis	Non-Preferred Brand	\$49,601	\$11	\$49,612	11	119	
2	Nexium	Ulcer / Heartburn	Non-Preferred Brand	\$45,284	\$205	\$45,489	205	1	
3	Crestor	Cholesterol	Non-Preferred Brand	\$42,199	\$274	\$42,473	272	4	
4	Atorvastatin Calcium	Cholesterol	Generic	\$40,564	\$383	\$40,947	381	N/A	
5	Incivek	Hepatitis	Preferred Brand	\$36,462	\$2	\$36,464	2	N/A	
6	Copaxone	Multiple Sclerosis	Preferred Brand	\$34,535	\$8	\$34,543	8	11	
7	Cialis	Erectile Dysfunction	Non-Preferred Brand	\$32,235	\$186	\$32,421	186	6	
8	Rebif	Multiple Sclerosis	Preferred Brand	\$30,035	\$8	\$30,043	8	10	
9	Humira	Arthritis	Preferred Brand	\$29,822	\$13	\$29,835	13	12	
10	Viagra	Erectile Dysfunction	Preferred Brand	\$29,502	\$181	\$29,683	181	5	
11	Atripla	AIDS	Non-Preferred Brand	\$24,273	\$13	\$24,286	13	56	
12	Singulair	Asthma	Preferred Brand	\$22,564	\$136	\$22,700	136	7	
13	Advair Diskus	Asthma	Preferred Brand	\$22,146	\$88	\$22,234	88	9	
14	Enbrel	Arthritis	Preferred Brand	\$21,084	\$10	\$21,094	10	3	
15	Aciphex	Ulcer / Heartburn	Non-Preferred Brand	\$20,439	\$61	\$20,500	61	8	
16	Enoxaparin Sodium	Blood thinner	Generic	\$17,055	\$11	\$17,066	11	166	
17	Viread	AIDS	Preferred Brand	\$16,575	\$20	\$16,595	19	32	
18	Cymbalta	Depression	Preferred Brand	\$16,292	\$73	\$16,365	73	16	
19	Lantus Solostar	Diabetes	Preferred Brand	\$14,063	\$64	\$14,127	62	24	
20	Diovan	Hypertension	Preferred Brand	\$12,808	\$106	\$12,914	106	31	

Comments

- The top 20 drugs accounted for 39.9% (\$559,390) of all plan spend (\$1,401,839) in the current period



Top Drugs by Plan Spend

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND - RETIREES

Top 20 drugs by total spend

Current									
Rank	Drug Name	Indication	Tier	Employer Paid	Cost Share	Plan Spend	Scripts	Base Rank	
1	Atorvastatin Calcium	Cholesterol	Generic	\$62,253	\$600	\$62,853	600	N/A	
2	Nexium	Ulcer / Heartburn	Non-Preferred Brand	\$56,266	\$254	\$56,520	254	3	
3	Crestor	Cholesterol	Non-Preferred Brand	\$48,508	\$313	\$48,821	313	6	
4	Oxycontin	Pain	Preferred Brand	\$46,368	\$47	\$46,415	47	4	
5	Viagra	Erectile Dysfunction	Preferred Brand	\$41,304	\$250	\$41,554	250	7	
6	Tracleer	Pulmonary Hypertension	Non-Preferred Brand	\$38,702	\$6	\$38,708	6	5	
7	Cialis	Erectile Dysfunction	Non-Preferred Brand	\$29,355	\$186	\$29,541	186	11	
8	Plavix	Blood thinner	Non-Preferred Brand	\$29,239	\$137	\$29,376	137	2	
9	Advair Diskus	Asthma	Preferred Brand	\$25,546	\$101	\$25,647	101	9	
10	Clopidogrel	Blood thinner	Generic	\$21,207	\$152	\$21,359	152	N/A	
11	Aciphex	Ulcer / Heartburn	Non-Preferred Brand	\$20,192	\$60	\$20,252	60	21	
12	Namenda	Alzheimer's	Preferred Brand	\$19,886	\$86	\$19,972	86	20	
13	Actos	Diabetes	Non-Preferred Brand	\$18,559	\$62	\$18,621	62	8	
14	Simponi	Arthritis	Non-Preferred Brand	\$18,005	\$8	\$18,013	8	10	
15	Diovan	Hypertension	Preferred Brand	\$16,401	\$141	\$16,542	141	22	
16	Janumet	Diabetes	Preferred Brand	\$15,285	\$78	\$15,363	78	17	
17	Diovan Hct	Hypertension	Preferred Brand	\$14,171	\$107	\$14,278	107	13	
18	Vytorin	Cholesterol	Preferred Brand	\$13,897	\$96	\$13,993	96	18	
19	Renvela	Electrolyte Imbalance	Preferred Brand	\$13,221	\$34	\$13,255	34	19	
20	Zetia	Cholesterol	Preferred Brand	\$13,140	\$94	\$13,234	94	14	

Comments

- The top 20 drugs accounted for 41.8% (\$564,316) of all plan spend (\$1,349,169) in the current period



Top Drugs by Volume

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND YTD - ACTIVE & RETIREES COMBINED

Top 20 drugs by number of prescriptions

Current Rank	Drug Name	Tier	Indication	Scripts	Ingred. Cost per Script	Base Rank
1	Atorvastatin Calcium	Generic	Cholesterol	981	\$103.83	N/A
2	Amlodipine Besylate	Generic	Hypertension	893	\$9.49	3
3	Lisinopril	Generic	Hypertension	804	\$9.56	2
4	Crestor	Non-Preferred Brand	Cholesterol	585	\$154.08	5
5	Hydrochlorothiazide	Generic	Hypertension	547	\$4.86	4
6	Metformin Hcl	Generic	Diabetes	500	\$9.18	9
7	Nexium	Non-Preferred Brand	Ulcer / Heartburn	459	\$220.26	7
8	Simvastatin	Generic	Cholesterol	438	\$9.96	6
9	Viagra	Preferred Brand	Erectile Dysfunction	431	\$163.31	10
10	Ibuprofen	Generic	Arthritis / Pain	411	\$7.44	12
11	Metoprolol Succinate	Generic	Heart/Hypertension	404	\$36.88	13
12	Vitamin D2	Generic	Vitamin D Supplement	404	\$7.24	8
13	Cialis	Non-Preferred Brand	Erectile Dysfunction	372	\$164.58	14
14	Hydrocodone-Acetaminophen	Generic	Pain	331	\$10.32	11
15	Allopurinol	Generic	Gout	320	\$7.98	19
16	Tamsulosin Hcl	Generic	Benign Prostatic Hyperplasia	315	\$20.80	27
17	Levothyroxine Sodium	Generic	Thyroid	309	\$8.08	17
18	Metoprolol Tartrate	Generic	Heart/Hypertension	306	\$7.27	23
19	Pravastatin Sodium	Generic	Cholesterol	289	\$12.06	24
20	Furosemide	Generic	Hypertension	264	\$5.88	26

Comments

- The prescriptions in the top 20 by volume for current period are for the treatment of Hypertension, Cholesterol, Erectile Dysfunction, Heart/Hypertension, Diabetes and other conditions



Top Drugs by Volume

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND - ACTIVES

Top 20 drugs by number of prescriptions

Current Rank	Drug Name	Tier	Indication	Scripts	Ingred. Cost per Script	Base Rank
1	Atorvastatin Calcium	Generic	Cholesterol	381	\$105.49	N/A
2	Amlodipine Besylate	Generic	Hypertension	376	\$9.34	3
3	Lisinopril	Generic	Hypertension	355	\$9.62	2
4	Ibuprofen	Generic	Arthritis / Pain	296	\$7.10	8
5	Crestor	Non-Preferred Brand	Cholesterol	272	\$154.17	6
6	Hydrochlorothiazide	Generic	Hypertension	269	\$4.99	5
7	Vitamin D2	Generic	Vitamin D Supplement	245	\$7.15	4
8	Metformin Hcl	Generic	Diabetes	213	\$9.04	13
9	Nexium	Non-Preferred Brand	Ulcer / Heartburn	205	\$219.92	7
10	Hydrocodone-Acetaminophen	Generic	Pain	195	\$9.10	9
11	Cialis	Non-Preferred Brand	Erectile Dysfunction	186	\$172.32	12
12	Simvastatin	Generic	Cholesterol	185	\$10.19	10
13	Viagra	Preferred Brand	Erectile Dysfunction	181	\$162.03	11
14	Azithromycin	Generic	Infection	175	\$14.41	15
15	Amoxicillin	Generic	Infection	165	\$8.74	18
16	Oxycodone-Acetaminophen	Generic	Pain	158	\$13.98	19
17	Levothyroxine Sodium	Generic	Thyroid	140	\$8.24	17
18	Singulair	Preferred Brand	Asthma	136	\$164.93	14
19	Metoprolol Succinate	Generic	Heart/Hypertension	135	\$40.22	20
20	Tramadol Hcl	Generic	Pain	135	\$8.97	25

Comments

- The prescriptions in the top 20 by volume for current period are for the treatment of Hypertension, Cholesterol, Pain, Erectile Dysfunction, Infection and other conditions



Top Drugs by Volume

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND - RETIREES

Top 20 drugs by number of prescriptions

Current Rank	Drug Name	Tier	Indication	Scripts	Ingred. Cost per Script	Base Rank
1	Atorvastatin Calcium	Generic	Cholesterol	600	\$102.77	N/A
2	Amlodipine Besylate	Generic	Hypertension	517	\$9.60	2
3	Lisinopril	Generic	Hypertension	449	\$9.51	3
4	Crestor	Non-Preferred Brand	Cholesterol	313	\$154.00	8
5	Tamsulosin Hcl	Generic	Benign Prostatic Hyperplasia	306	\$20.95	13
6	Metformin Hcl	Generic	Diabetes	287	\$9.28	5
7	Hydrochlorothiazide	Generic	Hypertension	278	\$4.73	7
8	Metoprolol Succinate	Generic	Heart/Hypertension	269	\$35.21	10
9	Allopurinol	Generic	Gout	258	\$8.02	11
10	Nexium	Non-Preferred Brand	Ulcer / Heartburn	254	\$220.54	9
11	Simvastatin	Generic	Cholesterol	253	\$9.78	4
12	Viagra	Preferred Brand	Erectile Dysfunction	250	\$164.24	12
13	Furosemide	Generic	Hypertension	223	\$6.09	14
14	Metoprolol Tartrate	Generic	Heart/Hypertension	212	\$7.30	15
15	Cialis	Non-Preferred Brand	Erectile Dysfunction	186	\$156.84	21
16	Pravastatin Sodium	Generic	Cholesterol	169	\$12.89	19
17	Levothyroxine Sodium	Generic	Thyroid	169	\$7.94	23
18	Vitamin D2	Generic	Vitamin D Supplement	159	\$7.37	16
19	Clopidogrel	Generic	Blood thinner	152	\$138.54	N/A
20	Warfarin Sodium	Generic	Blood thinner	152	\$13.44	28

Comments

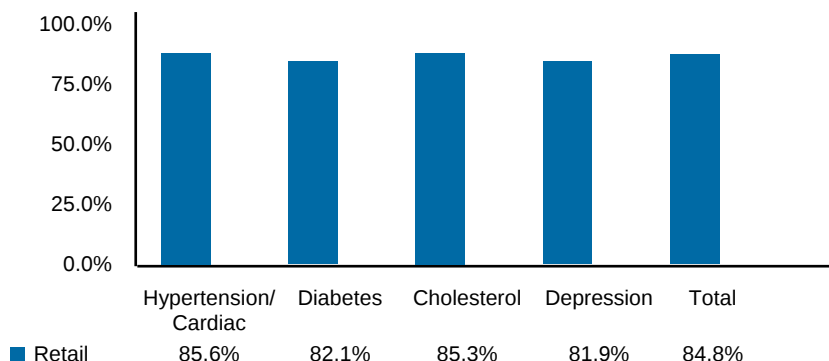
- The prescriptions in the top 20 by volume for current period are for the treatment of Hypertension, Cholesterol, Heart/Hypertension, Erectile Dysfunction, Benign Prostatic Hyperplasia and other conditions



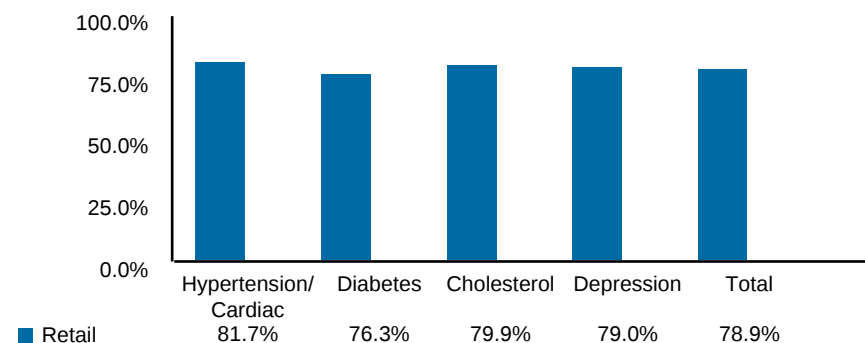
Medication Adherence - Retail

WAREHOUSE EMPLOYEES LOCAL 730 H&W FUND YTD - ACTIVE & RETIREES COMBINED

Average medication adherence



Percent of members with greater than 70% medication adherence



Comments

- The average medication adherence in individuals utilizing retail pharmacies was 84.8%
- 78.9% of individuals utilizing retail only had greater than 70.0% medication adherence
- Medication Adherence Rate is calculated by dividing the total days of therapy dispensed by the days between prescription fills. A ratio of 100.0% infers that a patient took their medication 100 out of 100 days. A ratio of 60.0% would indicate that a patient took medication 60 out of 100 days and therefore missed 40 days of therapy

Savings Results (Current PPO vs. New OAP Option)

(July 1, 2011 – June 30, 2012)

Plan Type	Charge	Allowed	Savings ¹	%
PPO (Current)	\$9,076,062	\$5,206,017	\$3,870,045	42.6%
OAP (Proposed)	\$9,069,496	\$4,961,065	\$4,108,431	45.3%
Difference	-\$6,566	-\$244,952	\$238,386	2.7%

Projected Annual Savings = \$238,386

1. Does not include the administrative fees paid by the Fund



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Current PPO Provider Disruption Analysis (July 1, 2011 – June 30, 2012)

PPO Category	PPO Providers In Network	PPO Providers Out-of- Network	Total
Total Records	33,567	45	33,612
Total Records - %	99.87%	0.13%	100%
Total Charges	\$8,393,684	\$2,189	\$8,395,873
Total Charges - %	99.97%	0.03%	100%



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New OAP Option – OAP Provider Disruption Analysis (July 1, 2011 – June 30, 2012)

OAP Category	OAP Providers In Network	OAP Providers Out-of-Network	Total
Total Records	33,529	81	33,610
Total Records - %	99.76%	0.24%	100%
Total Charges	\$8,433,919	\$8,756	\$8,442,675
Total Charges - %	99.90%	0.10%	100%

**<0.50% Provider Disruption Difference
between Current PPO Plan & New OAP Option**

- Administrative Fee for OAP increases by \$1.75 PEPM -



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Medicare-Based Reimbursable Charge (MRC-2)

Comparison of Reimbursement and Member Financial Responsibility across Reimbursement Methodologies

For illustrative purposes only - actual results may vary. Assumption that calendar year deductibles have been met.

*Assumes no U&C-based pricing for facility (inpatient/outpatient) charges and paid as billed. Assumes a discount was not achieved through other non-network reimbursement programs (OONSP)

		Non-Network Hospital Provider				
Client Choices	Average Medical Cost Impact	Network Provider Contracted Rate	U&C	110% of Medicare-Based MRC	150% of Medicare-Based MRC	200% of Medicare-Based MRC
110% of Medicare-based MRC	-1.5% to 2%	Covered Charges ²	\$13,628	\$13,628	\$13,628	\$13,628
		Allowed Amount	\$6,814	\$13,628	\$7,108	\$8,298
150% of Medicare-based MRC	-1%	Difference	Negotiated discount	\$0*	\$6,521	\$5,331
200% of Medicare-based MRC	-0.5%	In-network/ Out-of-network coinsurance (80%/60%)	\$1,363	\$5,451	\$2,843	\$3,319
		Member Financial Responsibility	\$1,363	\$5,451	\$9,364	\$8,650
U&C	None	Plan Financial Responsibility	\$5,451	\$8,177	\$4,265	\$5,711

Trend Impact