Your Collaborative Planning Guide

FELRA & UFCW Health and Welfare Fund

April 3, 2014

ESI Team:
Michele Valianatos
Shardul Patel
Pat Fleming
Helen Demir

Plan Performance

Financial Performance	CY 2013	CY 2012	% Change
Average Wholesale Price	$68,167,024	$64,835,585	5.1%
Discounts	-$31,401,199	-$27,445,194	14.4%
Dispensing Fees	$349,162	$432,075	(19.2%)
Sales Tax	$25	$148	(83.2%)
Gross Drug Spend	$37,115,012	$37,822,613	(1.9%)
Member Cost Share	-$4,128,032	-$4,246,208	(2.8%)
Plan Cost*	**$32,986,980**	**$33,576,406**	**(1.8%)**
Rebates (estimate)	-$3,263,655	-$2,769,444	17.8%
Administrative Fees (estimate)	$105,631	$82,288	28.4%
Net Cost*	**$29,828,956**	**$30,889,250**	**(3.4%)**
Average Members (Covered Lives)	28,591	29,664	(3.6%)
Plan Cost PMPM	**$96.15**	**$94.32**	**1.9%**
Net Cost PMPM	$86.94	$86.77	0.2%
Gross Cost PMPM	$108.18	$106.25	1.8%
Average Subscribers (Employees)	17,202	17,771	(3.2%)
Plan Cost PSPM	$159.80	$157.45	1.5%
Net Cost PSPM	$144.50	$144.85	(0.2%)
Gross Cost PSPM	$179.80	$177.36	1.4%

*Financial Results are un-audited and subject to change

Results based on Date of Service

PMPM - Per Member Per Month

PSPM - Per Subscriber Per Month

EXPRESS SCRIPTS®

Year at-a-Glance
Clinical Program Savings

FELRA Savings Snapshot

Report data based on claims adjudicated over the period 01/01/20113 - 12/31/2013 and may not include all compound or adjusted claims.

Values in this report have not been audited and due to differences in calculation methodologies may differ from other reports.

Program		2013
Coverage Authorization	Savings	*$1,475,276*
Drug Utilization Review	Savings	*$4,025,833*
Plan Management	Savings	*$797,036*
Specialty Coverage and Therapy Management	Savings	*$1,204,969*
TOTAL SAVINGS		*$7,503,114*

Trend Components

- Non-specialty Plan Cost PMPM trend is -0.3% while specialty is at 17.9%
- Inflation is the largest cost driver of your non-specialty Plan Cost PMPM
- Discount is the largest cost saver of your non-specialty Plan Cost PMPM

	Overall		Non-Specialty		Specialty	
Previous Plan Cost PMPM	**$94.32**		**$82.94**		**$11.38**	
Utilization	$2.23	2.4%	$1.90	2.3%	$1.29	11.4%
Inflation	$6.70	7.1%	$5.56	6.7%	$1.34	11.8%
Drug Mix	-$0.52	-0.6%	-$0.87	-1.0%	-$0.39	-3.4%
Discount	-$6.70	-7.1%	-$6.98	-8.4%	-$0.14	-1.2%
Cost Share	$0.11	0.1%	$0.17	0.2%	-$0.06	-0.6%
Change in Plan Cost PMPM	**$1.82**	**1.9%**	**-$0.22**	**-0.3%**	**$2.04**	**17.9%**
Current Plan Cost PMPM	**$96.15**		**$82.72**		**$13.42**	

Date Range CY 2013 versus CY 2012

Utilization based on change in days PMPM

Inflation based on change in AWP/quantity at a drug level

Drug Mix based on changes in therapy, addition of new therapies and the blend of brand/generics

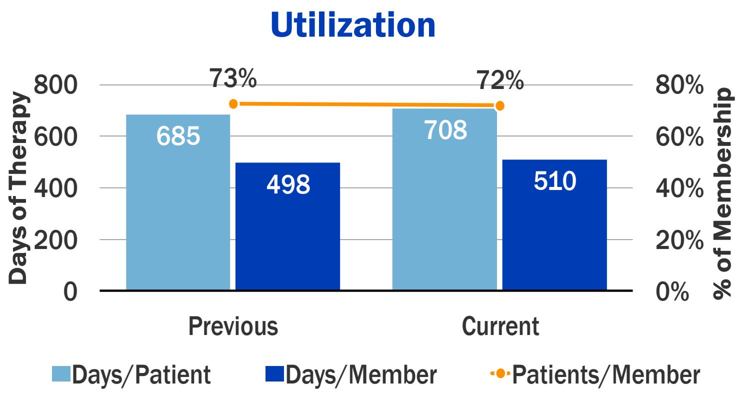
Discount based on change in aggregate AWP discount

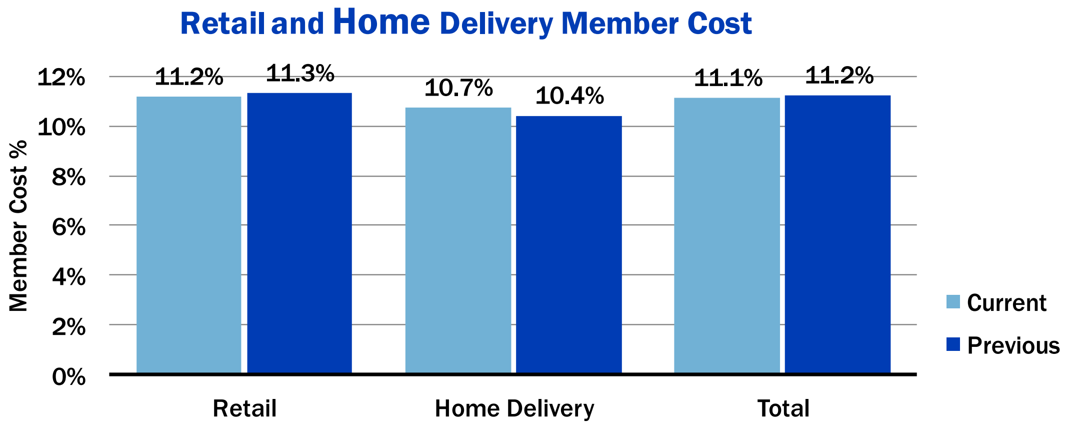
Cost share based on change in aggregate member share

EXPRESS SCRIPTS®

Utilization and Member Cost Share

- Utilization is a measurement of the number of people using the plan and when they do, for how long.
- The average patient filled 18.35 prescriptions with an average copayment of $10.94 per Rx.
- FELRA's overall days of therapy for this time period decreased 1.3%.





- Total Member Cost Share eroded 0.1 points to 11.1%
- On average including deductible, members paid $10.94 per Rx in 2013.
- The average cost share including deductible members paid:
  - Brands: $34.56 per Rx or 10.9% of Gross Cost per Rx
  - Generics: $4.29 per Rx or 11.7% of Gross Cost per Rx

Drug Mix

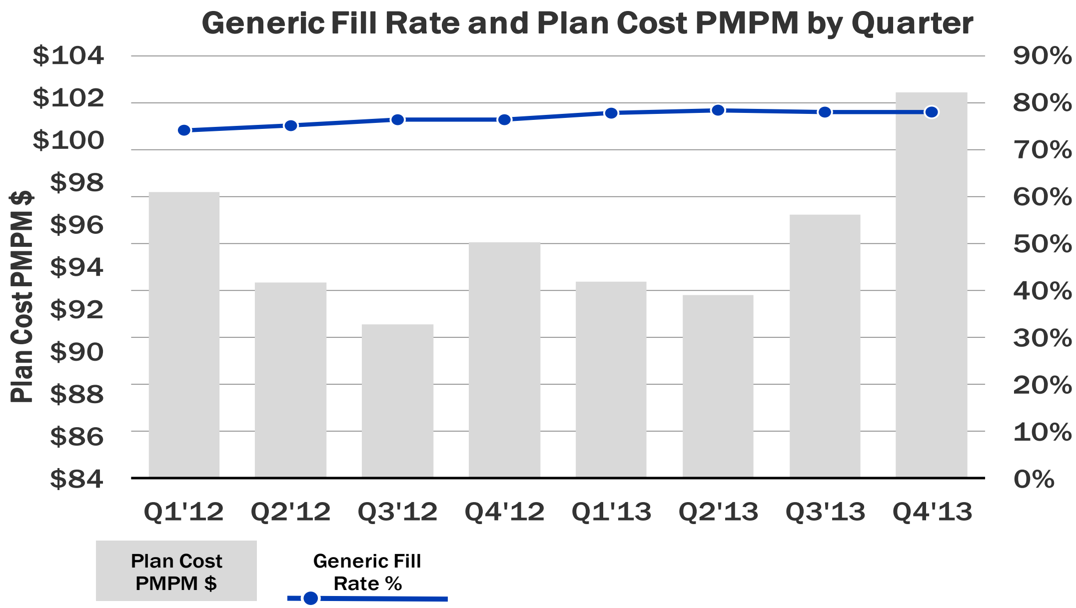
Every 1% increase in GFR leads to Plan Cost savings of

2.3%

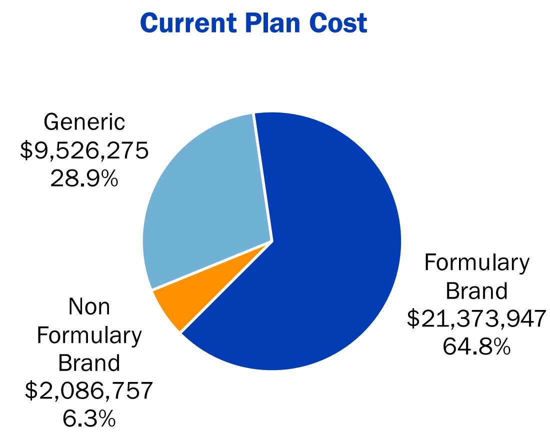
Increased GFR this period saved you

$1.9M

Generics represented 78.0% of total claims and only 28.9% of



FELRA	Rx % CY 2013	Rx % CY 2012	Point Change
Brand	22.0%	24.5%	-2.5
Generics*	78.0%	75.5%	2.5
Total	100.0%	100.0%	
Generic Conversion Rate (GCR)	**99.9%**	**99.9%**	**0.0**



Top 10 Indications

- The largest trend is in Cancer, at 24.9%
- The largest negative trend is in High Blood Cholesterol, at -20.6%

REPRESENT
59.2%
OF YOUR TOTAL PLAN COST

Top Indications by Plan Cost

CY 2013									CY 2012					% Change
Rank	Peer Rank	Indication	Rxs	Patients	Plan Cost	Generic Fill Rate	Plan Cost PMPM	Rank	Rxs	Patients	Generic Fill Rate	Plan Cost PMPM	Plan Cost PMPM
1	1	DIABETES	23,299	2,520	$3,480,473	51.5%	$10.14	2	23,954	2,545	49.3%	$9.13	11.1%
2	4	HIGH BLOOD PRESS/HEART DISEASE	56,304	7,584	$3,120,804	86.1%	$9.10	3	59,207	7,804	81.9%	$9.08	0.2%
3	2	HIGH BLOOD CHOLESTEROL	29,960	5,655	$2,858,740	71.4%	$8.33	1	32,762	5,863	65.6%	$10.49	-20.6%
4	12	VIRAL INFECTIONS	3,126	817	$1,580,491	59.2%	$4.61	7	3,061	823	60.7%	$3.87	19.1%
5	3	INFLAMMATORY CONDITIONS	1,197	199	$1,569,947	17.5%	$4.58	8	1,180	184	16.9%	$3.83	19.5%
6	5	ASTHMA	13,016	2,963	$1,556,902	30.2%	$4.54	4	13,840	3,151	16.3%	$5.34	-15.1%
7	11	PAIN	28,637	6,691	$1,497,311	92.2%	$4.36	5	30,905	7,236	91.1%	$4.49	-2.8%
8	6	ULCER DISEASE	14,606	3,178	$1,473,842	73.3%	$4.30	6	14,911	3,202	69.4%	$4.26	0.9%
9	9	DEPRESSION	18,060	3,113	$1,272,221	82.4%	$3.71	9	18,724	3,347	80.4%	$3.82	-2.9%
10	7	CANCER	1,633	327	$1,103,948	88.7%	$3.22	11	1,704	341	89.6%	$2.58	24.9%
		Total Top 10:	**189,838**		**$19,514,678**	**74.4%**	**$56.88**		**200,248**		**70.5%**	**$56.89**	**0.0%**
		Differences Between Periods:	**-10,410**		**-$736,782**	**3.9%**	**-$0.01**						

Peer = Express Scripts Peer 'Union' market segment

Top 25 Drugs

- Represent 29.6% of your total Plan Cost and comprise 15 indications
- 4 of your top 25 are specialty drugs

Top Drugs by Plan Cost												
CY 2013								CY 2012				% Change
Rank	Peer Rank	Brand Name	Indication	Rxs	Patients	Plan Cost	Plan Cost / PMPM	Rank	Rxs	Patients	Plan Cost / PMPM	Plan Cost / PMPM
1	4	CRESTOR	HIGH BLOOD CHOLESTEROL	4,141	882	$999,250	$2.91	2	4,512	909	$2.66	9.3%
2	1	NEXIUM	ULCER DISEASE	2,355	459	$742,832	$2.17	3	2,570	510	$2.07	4.6%
3	7	CYMBALTA	DEPRESSION	2,398	415	$638,355	$1.86	4	2,453	476	$1.64	13.4%
4	2	HUMIRA	INFLAMMATORY CONDITIONS	236	30	$584,085	$1.70	7	230	30	$1.35	25.9%
5	5	ENBREL	INFLAMMATORY CONDITIONS	239	32	$574,857	$1.68	6	221	29	$1.38	21.0%
6	6	ADVAIR DISKUS	ASTHMA	1,735	479	$487,609	$1.42	8	1,862	514	$1.35	5.5%
7	12	OXYCONTIN	PAIN	989	186	$477,913	$1.39	5	1,144	201	$1.60	-12.9%
8	11	LANTUS SOLOSTAR	DIABETES	1,388	296	$414,547	$1.21	12	1,288	279	$0.92	31.3%
9	10	JANUVIA	DIABETES	1,080	221	$375,686	$1.09	9	1,261	240	$1.06	3.7%
10	8	ABILIFY	MENTAL/NEURO DISORDERS	536	105	$367,429	$1.07	14	478	104	$0.85	26.6%
11	22	ATRIPLA	VIRAL INFECTIONS	196	27	$364,526	$1.06	10	217	30	$1.02	3.8%
12	18	DIOVAN	HIGH BLOOD PRESS/HEART DISEASE	1,755	336	$335,487	$0.98	13	1,914	349	$0.86	14.3%
13	14	CELEBREX	PAIN AND INFLAMMATION	1,497	404	$334,602	$0.98	20	1,476	398	$0.78	24.4%
14	25	LYRICA	SEIZURES	1,247	293	$327,891	$0.96	17	1,370	313	$0.83	15.6%
15	15	ATORVASTATIN CALCIUM	HIGH BLOOD CHOLESTEROL	9,611	2,170	$296,430	$0.86	1	9,881	2,072	$3.25	-73.4%
16	38	VALSARTAN-HYDROCHLOROTHIAZIDE	HIGH BLOOD PRESS/HEART DISEASE	1,938	345	$279,616	$0.81	106	529	293	$0.21	289.8%
17	16	SPIRIVA	COPD	955	214	$273,704	$0.80	19	1,081	239	$0.81	-2.0%
18	42	VYTORIN	HIGH BLOOD CHOLESTEROL	1,030	201	$256,732	$0.75	24	1,222	238	$0.72	4.2%
19	34	VICTOZA 3-PAK	DIABETES	499	94	$249,440	$0.73	35	431	75	$0.55	31.0%
20	17	REVLIMID	CANCER	30	10	$242,845	$0.71	41	31	7	$0.50	40.7%
21	9	COPAXONE	MULTIPLE SCLEROSIS	55	6	$235,945	$0.69	22	67	9	$0.72	-5.0%
22	21	HUMALOG	DIABETES	648	163	$234,258	$0.68	39	625	153	$0.52	32.0%
23	162	METOPROLOL SUCCINATE	HIGH BLOOD PRESS/HEART DISEASE	4,472	944	$230,776	$0.67	25	4,633	954	$0.68	-1.4%
24	27	JANUMET	DIABETES	718	137	$224,528	$0.65	31	792	157	$0.60	8.9%
25	57	FENOFIBRATE	HIGH BLOOD CHOLESTEROL	1,462	285	$224,466	$0.65	172	432	178	$0.12	425.8%
			Total Top 25:	41,210		$9,773,810	$28.49		40,720		$27.07	5.2%
			Differences Between Periods:	490		$137,514	$1.42					

Peer = Express Scripts Peer 'Union' market segment

Top Specialty Indications

- The largest trend is in Pulmonary Hypertension, at 160.8%
- The largest negative trend is in Anticoagulant, at -25.9%

Top Specialty Indications by Plan Cost													
CY 2013							CY 2012					% Change
Overall Rank	Overall Peer Rank	Indication	Rxs	Patients	Plan Cost	Plan Cost PMPM	Overall Rank	Rxs	Patients	Plan Cost	Plan Cost PMPM	Plan Cost PMPM
5	3	INFLAMMATORY CONDITIONS	550	73	$1,333,095	$3.89	8	536	67	$1,146,796	$3.22	20.6%
10	7	CANCER	184	46	$1,006,395	$2.93	11	167	36	$836,058	$2.35	24.9%
11	8	MULTIPLE SCLEROSIS	250	28	$971,282	$2.83	12	241	25	$810,599	$2.28	24.3%
21	27	HEPATITIS	99	9	$338,532	$0.99	20	106	14	$438,026	$1.23	-19.8%
39	36	PULMONARY HYPERTENSION	38	13	$144,955	$0.42	54	18	4	$57,672	$0.16	160.8%
40	46	HEREDITARY ANGIOEDEMA	10	1	$139,324	$0.41	52	6	1	$63,554	$0.18	127.5%
23	25	ANTICOAGULANT	172	120	$123,762	$0.36	24	229	129	$173,327	$0.49	-25.9%
6	5	ASTHMA	34	5	$75,684	$0.22	4	29	4	$57,712	$0.16	36.1%
17	16	SKIN CONDITIONS	6	3	$74,374	$0.22	15	7	3	$67,881	$0.19	13.7%
53	52	HEMOPHILIA	7	1	$72,488	$0.21	49	8	1	$72,993	$0.21	3.0%
		Total Top 10:	**1,350**		**$4,279,891**	**$12.47**		**1,347**		**$3,724,617**	**$10.46**	**19.2%**
		Differences Between Periods:	**3**		**$555,274**	**$2.01**						

Peer = Express Scripts Peer 'Union' market segment

Top 25 Specialty Drugs

- Represent 11.5% of your total Plan Cost and comprise 11 indications

Top Specialty Drugs by Plan Cost														
CY 2013									CY 2012					% Change
Overall Rank	Overall Peer Rank	Brand Name	Indication	Rxs	Patients	Plan Cost	Plan Cost / Rx	Plan Cost PMPM	Overall Rank	Rxs	Patients	Plan Cost / Rx	Plan Cost PMPM	Plan Cost PMPM
4	2	HUMIRA	INFLAMMATORY CONDITIONS	236	30	$584,085	$2,475	$1.70	7	230	30	$2,092	$1.35	25.9%
5	5	ENBREL	INFLAMMATORY CONDITIONS	239	32	$574,857	$2,405	$1.68	6	221	29	$2,230	$1.38	21.0%
20	17	REVLIMID	CANCER	30	10	$242,845	$8,095	$0.71	41	31	7	$5,778	$0.50	40.7%
21	9	COPAXONE	MULTIPLE SCLEROSIS	55	6	$235,945	$4,290	$0.69	22	67	9	$3,848	$0.72	-5.0%
33	47	REBIF	MULTIPLE SCLEROSIS	49	7	$192,399	$3,927	$0.56	27	73	8	$3,195	$0.66	-14.4%
34	37	GILENYA	MULTIPLE SCLEROSIS	44	5	$189,351	$4,303	$0.55	49	37	4	$4,007	$0.42	32.5%
36	28	GLEEVEC	CANCER	33	5	$181,036	$5,486	$0.53	119	11	2	$6,294	$0.19	171.3%
42	63	INCIVEK	HEPATITIS	9	5	$160,679	$17,853	$0.47	15	18	9	$16,440	$0.83	-43.7%
54	117	TASIGNA	CANCER	17	2	$123,565	$7,269	$0.36	108	11	3	$6,645	$0.21	75.4%
56	51	TECFIDERA	MULTIPLE SCLEROSIS	25	7	$120,193	$4,808	$0.35						
66	104	ZYTIGA	CANCER	18	5	$106,522	$5,918	$0.31	455	2	1	$5,462	$0.03	911.8%
67	41	ENOXAPARIN SODIUM	ANTICOAGULANT	163	116	$106,185	$651	$0.31	56	186	121	$661	$0.35	-10.4%
78	48	AVONEX PEN	MULTIPLE SCLEROSIS	26	4	$98,888	$3,803	$0.29	458	3	2	$3,548	$0.03	864.0%
92	391	BERINERT	HEREDITARY ANGIOEDEMA	8	1	$91,247	$11,406	$0.27	132	6	1	$10,592	$0.18	49.0%
100	237	PEGASYS	HEPATITIS	33	5	$84,660	$2,565	$0.25	143	24	8	$2,339	$0.16	56.5%
107	66	BETASERON	MULTIPLE SCLEROSIS	19	3	$77,914	$4,101	$0.23	68	29	3	$3,430	$0.28	-18.7%
109	78	XOLAIR	ASTHMA	34	5	$75,684	$2,226	$0.22	141	29	4	$1,990	$0.16	36.1%
111	40	STELARA	SKIN CONDITIONS	6	3	$74,374	$12,396	$0.22	122	7	3	$9,697	$0.19	13.7%
114	106	XELODA	CANCER	34	9	$73,498	$2,162	$0.21	145	21	8	$2,629	$0.16	38.1%
117	1398	HEMOFIL M	HEMOPHILIA	7	1	$72,488	$10,355	$0.21	109	8	1	$9,124	$0.21	3.0%
121	122	TARCEVA	CANCER	14	5	$70,511	$5,037	$0.21	60	22	3	$5,290	$0.33	-37.1%
130	145	LETAIRIS	PULMONARY HYPERTENSION	11	1	$66,135	$6,012	$0.19						
132	232	SENSIPAR	ENDOCRINE DISORDERS	104	18	$65,495	$630	$0.19	130	90	23	$728	$0.18	3.8%
138	136	CIMZIA	INFLAMMATORY CONDITIONS	29	4	$62,033	$2,139	$0.18	111	38	4	$1,916	$0.20	-11.6%
143	127	TRACLEER	PULMONARY HYPERTENSION	9	1	$56,306	$6,256	$0.16	181	7	1	$5,774	$0.11	44.5%
			Total Top 25:	1,252		$3,786,896	$3,025	$11.04		1,171		$2,684	$8.83	25.0%
			Difference Between Periods:	81		$643,668	$340	$2.21						

Peer = Express Scripts Peer 'Union' market segment

Opportunities

Fraud Waste and Abuse

Advanced Utilization Management

RationalMed

EXPRESS SCRIPTS®

How Fraud, Waste & Abuse Program Works

Analyze	Investigate	Consult
Advanced analytics proactively identify abusers	**More than 3,300 investigations since 2010**	**Communicate outcomes and implement interventions**
▪ Apply advanced analytics ▪ Identify and review outliers ▪ Flag suspicions for investigative review	▪ Gather and review evidence ▪ Leverage industry-leading investigative expertise ▪ Generate actionable investigative report	▪ Collaborate to review medical cost opportunities ▪ Ensure ongoing case collaboration ▪ Share best practices to mitigate risk

Fraud Waste and Abuse

With enrollment into the FWA Program, our advanced analytics and data modeling will target additional potential concerns within FELRA's membership and conduct further analytical review and potential case investigation when necessary. The members on the report do not necessarily indicate a concern, but will represent an example of individuals that would be included in additional analytics and monitoring to determine if a full FWA case investigation is warranted.

FELRA data, recent 3mo. Top Identified member utilization

		Current Period			
REF ID	CLIENT	PRESCRIBER COUNT	CONTROL RX COUNT	CONTROL RX COST	CONTROL RX %
1	4369	8	18	$308	29%
2	4369	7	20	$4,141	87%
3	4369	6	11	$3,066	48%
4	4369	6	25	$1,705	54%
5	4369	6	12	$440	75%
6	4369	5	34	$2,035	64%
7	4369	5	16	$1,334	42%
8	4369	5	13	$1,328	43%
9	4369	5	6	$172	20%
10	4369	5	7	$143	64%
11	4369	5	9	$105	38%
12	4369	5	6	$81	40%
13	4369	5	21	$60	30%
14	4369	5	10	$54	42%
15	4369	5	6	$47	55%
16	4369	4	10	$1,868	50%

Program Cost $0.05 PMPM

Value of Fraud, Waste & Abuse Program

Savings	Estimated ROI of 3:1 in reduced pharmacy and medical spend
Patient-Focused	Early detection of potentially harmful activities provides opportunities for intervention
Peace of Mind	Proactive monitoring, investigation, and consultation delivers actionable data to mitigate adverse events

Up to a 3:1 ROI*

Plan Savings $0.88 PMPY*

*Based on inferred medical savings from 2012 BOB program averages; savings and costs

Utilization Management Philosophy

1

Do you want your members to take **medications** for conditions for which they are **approved**?

2

Do you want your members to take medications that achieve **meaningful clinical outcomes** while **costing less money** for the member and the plan?

3

Do you want your members to take **medications** in the **proper approved quantity**?

Protect your plan from future unknowns

About Advanced Utilization Management

- Primary tool to manage patient utilization and maximize plan savings by ensuring
  - The safest, most cost-effective drug is chosen
  - The proper use, selection, and amount of drug

Every utilization management tool meets or exceeds strenuous clinical guidelines

Prior Authorization
Ensures clinically appropriate use of medications

Step Therapy
Encourages use of clinically effective, front-line medications before second-line medications

Drug Quantity
Aligns dispensing quantity with FDA-approved dosage guidelines and other supportive evidence

Right Patient → **Right Drug** → **Right Amount**

→ Better Decisions | Healthier Outcomes℠

How it Works

Building block approach aggregates medications into lists and packages based on therapeutic indication and member impact

Advantage *Plus*	Contains traditionally under-managed medication classes that treat select chronic disease states
Advantage	Provides solution for chronic disease states and includes broad specialty offering
Limited	Delivers plan savings through classes with minimal member impact

Value of Advanced Utilization Management

- Primary tool to drive plan savings and improved member health outcomes
- Flexible, stepwise approach to managing utilization based on client goals
- Aligns prescribing practices with clinical guidelines and benefit plan

Recommendation:
Advantage UM Package

	Advantage *UM Package*
Prior Authorization	▪ Limited PA List ▪ Proactive PA ▪ Advantage PA List ▪ Nonessential Therapy PA List
DQM	▪ Limited DQM List ▪ Advantage DQM List
Step Therapy	▪ Limited Step Therapy List ▪ Preferred Specialty Management ▪ Advantage Step Therapy List

2014 Clinical Program Recommendation
Advantage AUM Package - Estimated Savings

Total Estimated Net Plan Cost Savings $2,975,294*

Total Member Impact: 8878
Total Estimated Net Plan Cost Savings: $8.36 PMPM
Program Cost $0.80 PMPM

	Estimated Member Impact	About	Estimated Savings
Step Therapy	5711	Promotes the safe and effective use of a more cost effective therapeutic alternative medication.	$2,013,390*
Prior Authorization	1721	Promotes the safe and effective use of medications per their FDA approved uses. .	$641,476
Drug Quantity Management	1446	Manages drug costs by aligning the dispensed quantity of medication with FDA-approved dosage guidelines.	$320,428

*Step Therapy Estimated Savings do not include adjustment for potential rebate impact

Recommendations

Solutions	Benefits
Fraud, Waste & Abuse Program	Control costs and curtail inappropriate drug use by detecting aberrant utilization, dispensing, and prescribing patterns and facilitating corrective actions
Advanced Utilization Management *(formally Coverage Authorization)*	Reduce waste with advanced step therapy, prior authorization and drug quantity management programs

Appendix

EXPRESS SCRIPTS®

Existing Coverage Authorization Rules

Rule Type	Category/Drug Name	Target Drugs	Date*
Traditional Prior Authorization	Acne Therapy	*Avita, Retin-A, Retin-A Micro, tretinoin, Tazorac*	10/1/2008
	Growth Hormones	*Genotropin, Humatrope, Noridtropin, Nutropin, Saizen, Serostim, Tev-Tropin, Increlex, Protropin*	10/1/2008
	Antinarcoleptic Agents	*Provigil, Nuvigil*	10/1/2008
	Contraceptive Agents	*Includes all oral tabs, self-injectables, patches, implants, and Nuva-ring*	10/1/2008
	Weight Loss Agents & Appetite Suppressants	*Adipex, Bontril, Didrex, Fastin, Meridia, Sanorex, Tenuate, Xenical, phentermine, phendimetrazine, diethylpropion*	10/1/2008
	Fertility Agents	*Clomid, Serophene, Crinone 8%, Endometrin, Prochieve 8%, GnRH agonists, Gonadotropin Releasing Hormone Antagonist, Human Chorionic Gonadotropin (HCG). Human Menopausal Gonadotropin (HMG), Releasing Hormone (GnRH)*	10/1/2008
Step Therapy	COX-II Inhibitors	*Celebrex*	10/1/2008
	Asthma/Allergy	*Singulair, Accolate, Zyflo*	10/1/2008
	Antisecretory Agents (PPIs)	*Aciphex, Nexium, Prevacid, Prilosec, Protonix, Zegerid*	10/1/2008
Quantity Duration	Erectile Dysfunction drugs	*Caverject, Cialis, Edex, Levitra, Muse, Viagra,* ***Staxyn***	10/1/2008
	Hypnotics	*Ambien, Sonata, Lunesta, Rozarem*	10/1/2008
	Antiemetics	*Zofran, Kytril, Anzemet, Emend*	10/1/2008
	Migraine Therapy	*Amerge, Axert, Frova, Imitrex, Maxalt, Migranal, Zomig, Treximet, Relpax*	10/1/2008
	Nontraditional NSAIDs	*Toradol (ketorolac)*	10/1/2008

* Original start date predates Medco contract effective date of 10/1/2008.

Key	
Rule Types	**Definition**
Traditional Prior Authorization	All first time claims stopped at Point-Of-Sale for coverage review.
Step Therapy	Drugs in history may qualify member for coverage without coverage review.
Quantity Duration	Quantity Limit over a period of time. PA required to override.

Advantage Package Philosophy

Advantage PA List
Asthma
Blood Cell Deficiencies
Bone Conditions
High Blood Cholesterol
Inflammatory Conditions
Narcolepsy
Pain
Skin Conditions

Advantage ST List
Asthma
BPH
Bone Conditions
High Blood Cholesterol
High Blood Pressure
Overactive Bladder

Designed to target more chronic disease states and includes a broad specialty offering. Medication classes included are high-cost and have proven potential of inappropriate use.

Limited Package Philosophy

Limited PA List
Blood Cell Deficiencies
Bone Conditions
Botulinum Products
COPD
Growth Hormone
Multiple Sclerosis
Pulmonary Hypertension
Respiratory Conditions
Wound Care

Limited ST List
Allergies
Pain
Skin Conditions
Sleep Disorders
Ulcers

Designed to target acute disease states with low utilization and high cost medications. Large percentage of package savings derived from DQM rules, so member impact is minimal.

Top Line Performance Metrics

- Plan Cost PMPM is $96.15, a 1.9% trend over the previous period
- Generic Fill Rate (GFR) increased 2.6 percentage points to 78.0%
- Specialty Plan Cost PMPM is $13.42, a 17.9% trend over the previous period

	FELRA			Union		Union - Services		Book of Business	
Description	CY 2013	CY 2012	Change	CY 2013	Change	CY 2013	Change	CY 2013	Change
Avg Subscribers per Month	17,202	17,771	-3.2%						
Avg Members per Month	28,591	29,664	-3.6%						
Number of Unique Patients	20,572	21,558	-4.6%						
Pct Members Utilizing Benefit	72.0%	72.7%	-0.7						
Total Plan Cost	$32,986,980	$33,576,406	-1.8%						
Total Days	14,568,084	14,764,037	-1.3%						
Total Rxs	377,400	397,259	-5.0%						
Average Member Age	43.7	43.1	1.4%	36.9		35.7		40.1	
Plan Cost PMPM	$96.15	$94.32	1.9%	$64.46	1.7%	$72.26	3.5%	$77.46	3.8%
Plan Cost/Day	$2.26	$2.27	-0.4%	$2.58	4.4%	$2.66	5.5%	$2.19	4.3%
Plan Cost per Rx	$87.41	$84.52	3.4%	$96.77	3.0%	$98.51	4.2%	$79.86	4.7%
Nbr Rxs PMPM	1.10	1.12	-1.4%	0.67	-1.2%	0.73	-0.6%	0.97	-0.9%
Generic Fill Rate	78.0%	75.5%	2.6	79.4%	2.7	79.5%	2.9	81.1%	2.5
Home Delivery Utilization	0.3%	0.3%	0.0	54.0%	-1.2	56.6%	-1.1	30.9%	-1.6
Member Cost %	11.1%	11.2%	-0.1	11.5%	-0.8	11.6%	-1.3	16.0%	-1.2
Specialty Percent of Plan Cost	14.0%	12.1%	1.9	19.6%	1.2	21.5%	1.6	22.1%	2.0
Specialty Plan Cost PMPM	$13.42	$11.38	17.9%	$12.61	8.4%	$15.53	11.6%	$17.10	13.9%
Formulary Compliance Rate	96.8%	95.8%	1.0	94.5%	1.1	94.4%	1.2	94.7%	0.6

EXPRESS SCRIPTS®

Key Statistics: Specialty Detailed

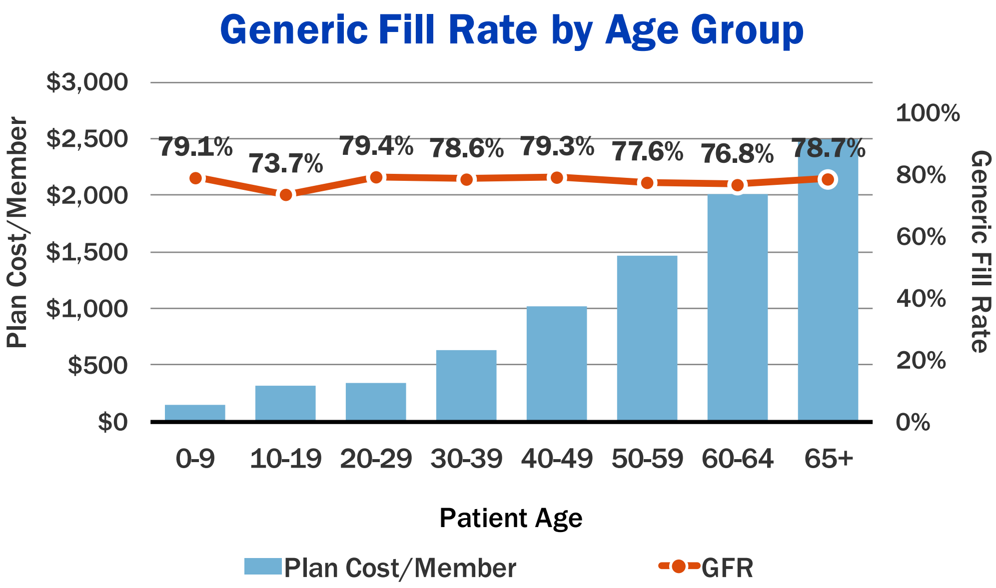
- Plan Cost PMPM trend on specialty drugs is 17.9%, compared to a -0.3% Plan Cost PMPM trend on non-specialty drugs
- There are 412 unique specialty patients, an increase of 34 specialty patients over the previous period

FELRA						
	Non-Specialty			Specialty		
Description	CY 2013	CY 2012	Change	CY 2013	CY 2012	Change
Avg Subscribers per Month	17,202	17,771	-3.2%	17,202	17,771	-3.2%
Avg Members per Month	28,591	29,664	-3.6%	28,591	29,664	-3.6%
Number of Unique Patients	20,560	21,548	-4.6%	412	378	9.0%
Pct Members Utilizing Benefit	71.9%	72.6%	-0.7	1.4%	1.3%	0.2
Total Plan Cost	$28,381,317	$29,524,656	-3.9%	$4,605,663	$4,051,750	13.7%
Percent of Total Plan Cost	86.0%	87.9%	-1.9	14.0%	12.1%	1.9
Total Days	14,521,290	14,720,146	-1.4%	46,794	43,891	6.6%
Total Rxs	375,759	395,644	-5.0%	1,641	1,615	1.6%
Percent of Total Rxs	99.57%	99.59%	0.0	0.43%	0.41%	0.0
Plan Cost PMPM	$82.72	$82.94	-0.3%	$13.42	$11.38	17.9%
Plan Cost/Day	$1.95	$2.01	-2.6%	$98.42	$92.31	6.6%
Plan Cost per Rx	$75.53	$74.62	1.2%	$2,806.62	$2,508.82	11.9%
Nbr PMPM	1.10	1.11	-1.5%	0.005	0.005	5.4%
Generic Fill Rate	78.3%	75.7%	2.6	13.5%	17.2%	-3.7
Member Cost %	11.1%	11.3%	-0.2	11.2%	10.8%	0.4

Specialty Union	
CY 2013	Change
$12.61	8.4%
$111.74	8.7%
$4,000.53	8.7%
0.003	-0.3%
14.4%	-1.2
2.1%	0.0

Plan Demographics

- The average member age is 43.7 years old, an increase of 0.6 years over the previous time period
- The 65+ age group has the highest Plan Cost per member at $2,497.21
- ACA's Dependant Care Coverage to Age 26 requirement has impacted the age group 20-29



Age Group	Members	% Change	Days	% Change	Plan Cost	% Change	Plan Cost/ Member	% Change	Patient/ Member	% Change	Days/ Member	% Change
0-9	1,432	-11.1%	76,278	-3.8%	$210,961	-9.8%	$147.37	1.5%	0.56	-6.2%	53.29	8.2%
10-19	3,149	-9.8%	231,014	-8.6%	$1,004,668	3.6%	$319.03	14.9%	0.53	13.4%	73.36	1.3%
20-29	3,259	1.1%	360,814	-4.7%	$1,112,062	-5.9%	$341.28	-6.9%	0.56	-1.4%	110.73	-5.7%
30-39	2,728	-5.5%	609,354	-5.2%	$1,739,017	4.2%	$637.55	10.3%	0.71	10.0%	223.40	0.3%
40-49	4,976	-8.1%	1,840,951	-8.3%	$5,068,448	-4.6%	$1,018.51	3.8%	0.76	4.0%	369.94	-0.2%
50-59	7,064	-1.3%	4,419,371	-1.1%	$10,329,809	-5.1%	$1,462.42	-3.9%	0.84	-4.1%	625.66	0.2%
60-64	2,933	0.3%	2,775,353	-0.7%	$5,900,532	4.1%	$2,011.95	3.8%	0.97	4.9%	946.33	-1.0%
65+	3,052	3.4%	4,254,949	2.8%	$7,621,483	-0.4%	$2,497.21	-3.7%	0.98	-3.1%	1,394.15	-0.6%
Total	**28,591**	**-3.6%**	**14,568,084**	**-1.3%**	**$32,986,980**	**-1.8%**	**$1,153.74**	**1.9%**	**0.72**	**-0.4%**	**509.53**	**2.4%**

EXPRESS SCRIPTS®

Condition-Specific Specialized Pharmacy Model
Focuses on those who need care most

Pharmacists closing gaps in care

- Adherence
- Lower cost drug
- Lower cost channel

Specialized Pharmacy Practice via Therapeutic Resource Centers SM							
Rare and Specialty	**Oncology**	**HIV/ Immunology**	**Diabetes**	**Cardiovascular**	**Pulmonary**	**Neuroscience**	**Women's Health**
220 Patients	305 Patients	384 Patients	2,412 Patients	5,651 Patients	2,758 Patients	4,733 Patients	702 Patients
38.2% % Retail Only Patients	87.5% % Retail Only Patients	97.9% % Retail Only Patients	99.8% % Retail Only Patients	99.6% % Retail Only Patients	99.8% % Retail Only Patients	99.8% % Retail Only Patients	99.3% % Retail Only Patients
$3,946,004 Plan Cost	$1,605,686 Plan Cost	$2,788,680 Plan Cost	$7,730,753 Plan Cost	$9,653,012 Plan Cost	$2,822,844 Plan Cost	$3,451,206 Plan Cost	$322,586 Plan Cost
12.0% % Plan Cost	4.9% % Plan Cost	8.5% % Plan Cost	23.4% % Plan Cost	29.3% % Plan Cost	8.6% % Plan Cost	10.5% % Plan Cost	1.0% % Plan Cost

Upcoming Patent Expirations

- Implement programs now to realize savings on brand drugs losing patent protection
- For every 1% increase in GFR the plan could save approximately 2.3% of total plan cost

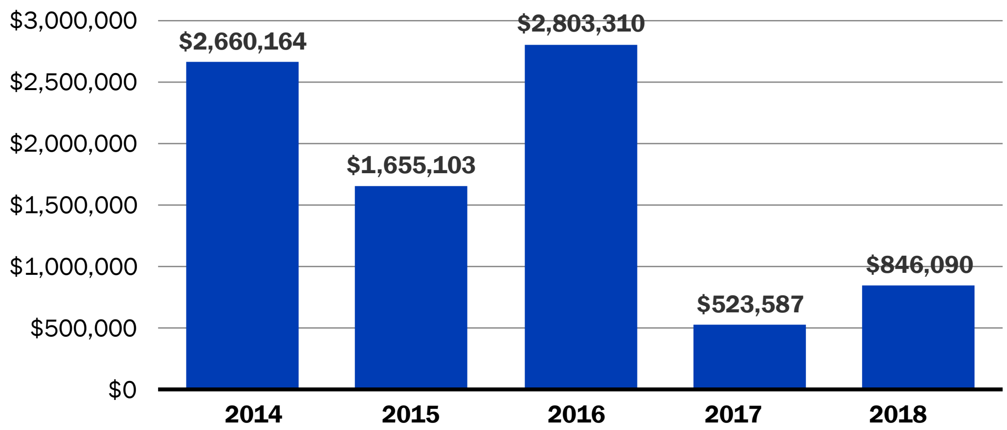
Top Drugs Scheduled to Lose Patent Protection through 2018					
Drug Name	Indication	Scheduled Release Year	Plan Cost Rank	Plan Cost PMPM	Plan Cost / Rx
CRESTOR	HIGH BLOOD CHOLESTEROL	2016	1	$2.91	$241.31
NEXIUM	ULCER DISEASE	2014	2	$2.17	$315.43
HUMIRA	INFLAMMATORY CONDITIONS	2016	4	$1.70	$2,474.94
ABILIFY	MENTAL/NEURO DISORDERS	2015	10	$1.07	$685.50
DIOVAN	HIGH BLOOD PRESS/HEART DISEAS	2014	12	$0.98	$191.16
CELEBREX	PAIN AND INFLAMMATION	2015	13	$0.98	$223.52
VYTORIN	HIGH BLOOD CHOLESTEROL	2017	18	$0.75	$249.25
COPAXONE	MULTIPLE SCLEROSIS	2014	21	$0.69	$4,289.92
ZETIA	HIGH BLOOD CHOLESTEROL	2016	26	$0.65	$228.63
BENICAR HCT	HIGH BLOOD PRESS/HEART DISEAS	2016	29	$0.61	$191.40

Based on your current utilization

$8,488,253

in brand drugs are losing patent protection by 2018

Spend on Brand Drugs Losing Patent Protection



Expiration dates based on current status and may change due to litigation, patent challenges, etc.

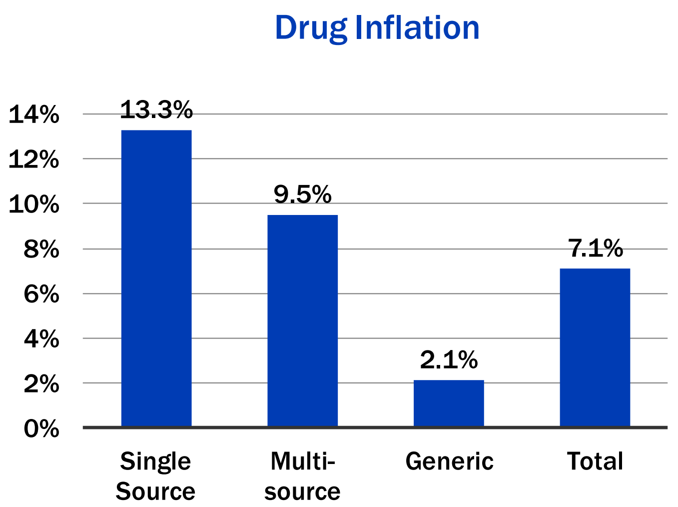
Key Statistics CY 2013 vs. CY 2012

FELRA	Total			Home Delivery			Retail		
	Current	Previous	Change	Current	Previous	Change	Current	Previous	Change
Cost									
AWP	$68,167,024	$64,835,585	5.1%	$4,836,651	$4,149,757	16.6%	$63,330,373	$60,685,828	4.4%
Plan Cost	$32,986,980	$33,576,406	-1.8%	$3,699,229	$3,235,843	14.3%	$29,287,751	$30,340,563	-3.5%
Gross Cost PMPM	$108.18	$106.25	1.8%	$12.08	$10.15	19.0%	$96.10	$96.11	0.0%
Plan Cost PMPM	$96.15	$94.32	1.9%	$10.78	$9.09	18.6%	$85.36	$85.23	0.2%
AWP/Day	$4.68	$4.39	6.6%	$131.75	$111.36	18.3%	$4.36	$4.12	5.8%
Plan Cost/Day	$2.26	$2.27	-0.4%	$100.77	$86.83	16.1%	$2.02	$2.06	-2.2%
Member Cost	11.1%	11.2%	-0.1	10.7%	10.4%	0.3	11.2%	11.3%	-0.1
Copay/Coinsurance Member Cost	10.6%	10.7%	-0.1	10.7%	10.4%	0.3	10.6%	10.7%	-0.1
Deductible Member Cost	0.5%	0.5%	0.0	0.0%	0.0%	0.0	0.6%	0.6%	0.0
Member Cost/Rx	$10.94	$10.69	2.3%	$373.01	$308.75	20.8%	$9.79	$9.77	0.2%
Plan Cost/Rx	$87.41	$84.52	3.4%	$3,103.38	$2,656.69	16.8%	$77.85	$76.61	1.6%
Effective Discount	45.6%	41.7%	3.9	14.3%	13.0%	1.4	47.9%	43.6%	4.3
Utilization									
Days per Member	510	498	2.4%	1	1	2.2%	508	496	2.4%
Days per Patient	708	685	3.4%	190	195	-2.5%	707	683	3.4%
Patients/Member	72.0%	72.7%	-0.7	0.7%	0.6%	0.0	71.9%	72.6%	-0.7
Brand Formulary Compliance Rate	85.6%	82.9%	2.7	91.7%	82.6%	9.1	85.5%	82.9%	2.6
Generic Fill Rate (GFR)	78.0%	75.5%	2.6	2.9%	4.1%	-1.2	78.3%	75.7%	2.6
Generic Conversion Rate (GCR)	99.9%	99.9%	0.0	100.0%	100.0%	0.0	99.9%	99.9%	0.0
Rxs per Member	13.20	13.39	-1.4%	0.04	0.04	1.5%	13.16	13.35	-1.4%
Rxs per Patient	18.35	18.43	-0.4%	6.18	6.38	-3.1%	18.29	18.38	-0.5%
Days/Rx	38.6	37.2	3.9%	30.8	30.6	0.7%	38.6	37.2	3.9%
Total Rx	377,400	397,259	-5.0%	1,192	1,218	-2.1%	376,208	396,041	-5.0%
Patients	20,572	21,558	-4.6%	193	191	1.0%	20,567	21,550	-4.6%
Total Days of Therapy	14,568,084	14,764,037	-1.3%	36,710	37,266	-1.5%	14,531,374	14,726,771	-1.3%
Demographics									
Members	28,591	29,664	-3.6%						
Average Patient Age	48.4	47.6	1.7%						

EXPRESS SCRIPTS®

Trend Components Inflation

- Brand Drug inflation accounted for an increase of $6.70 in Plan Cost PMPM
- Reduce this impact by moving members away from highly inflated brands to generic therapeutic alternatives



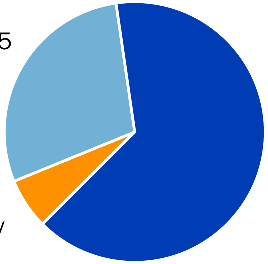
Brand Drug Inflation - Top Impacted Drugs

			CY 2013			CY 2012			% Change	
Drug Name/ Strength	Specialty Flag	Scheduled Release	AWP	QTY	AWP/ QTY	AWP	QTY	AWP/ QTY	AWP/ QTY	Inflation Impact on AWP
NEXIUM 40 MG	No	2014	$964,848	114,146	$8.45	$940,533	127,037	$7.40	14.2%	$119,755
ENBREL 50 MG/ML	Yes	N/A	$717,097	1,019	$703.59	$588,454	972	$605.31	16.2%	$100,169
HUMIRA 40MG/0.8ML	Yes	2016	$776,462	570	$1,362.21	$603,892	506	$1,193.46	14.1%	$96,188
CYMBALTA 60 MG	No	2013	$597,637	71,853	$8.32	$489,112	69,958	$6.99	19.0%	$95,276
LANTUS SOLOSTAR 100/ML (3)	No	N/A	$561,868	27,507	$20.43	$432,247	25,293	$17.09	19.5%	$91,784
CRESTOR 10 MG	No	2016	$608,639	91,469	$6.65	$560,648	95,625	$5.86	13.5%	$72,357
CELEBREX 200 MG	No	2015	$433,559	65,832	$6.59	$354,313	64,531	$5.49	19.9%	$72,102

Non-Preferred Drug Costs
$2.1 Million In Plan Cost

- The top 25 Non-Formulary Brand drugs represent $1,184,881 or 3.6% of the Plan Cost
- FELRA spent $2.1 million on Non-Formulary Brand drugs in the current period
- These drugs generally do not earn rebates and could be targeted to shift to generics or lower cost brands without adversely impacting rebates

Current Plan Cost



			Rxs		Plan Cost	
	Drug Name	Drug Description	Qty	Change	Total	Change
1	ACIPHEX	ULCER DISEASE	453	-36.2%	$196,712	-25.1%
2	DEXILANT	ULCER DISEASE	764	1.9%	$127,735	7.2%
3	GLUMETZA	DIABETES	133	-3.6%	$72,965	19.5%
4	AVODART	URINARY DISORDERS	290	0.0%	$68,245	0.0%
5	FLOVENT HFA	ASTHMA	394	0.0%	$66,081	0.0%
6	CIMZIA	INFLAMMATORY CONDITIONS	29	-23.7%	$62,033	-14.8%
7	EXALGO	PAIN	95	33.8%	$57,721	94.8%
8	FIRAZYR	HEREDITARY ANGIOEDEMA	2	0.0%	$48,077	0.0%
9	SIMPONI	INFLAMMATORY CONDITIONS	22	-33.3%	$47,757	-29.2%
10	FLUVIRIN 2013-2014	VACCINATIONS	1,316	0.0%	$37,406	0.0%
11	TESTIM	HORMONAL SUPPLEMENTATION	81	118.9%	$36,465	161.4%
12	TECFIDERA	MULTIPLE SCLEROSIS	5	0.0%	$35,391	0.0%
13	COMETRIQ	CANCER	4	0.0%	$34,318	0.0%
14	ORTHO TRI-CYCLEN LO	CONTRACEPTIVES	221	-20.5%	$34,105	-10.7%
15	FOCALIN XR	ATTENTION DISORDERS	119	-9.2%	$30,567	2.7%
16	LEVITRA	IMPOTENCE	207	-10.8%	$27,192	2.7%
17	LIVALO	HIGH BLOOD CHOLESTEROL	161	-3.6%	$27,003	3.2%
18	MULTAQ	IRREGULAR HEART BEAT	68	0.0%	$24,051	0.0%
19	PREMARIN	VAGINAL DISORDERS	154	18.5%	$23,722	37.2%
20	DUEXIS	PAIN AND INFLAMMATION	59	145.8%	$23,412	858.1%
21	PROVENTIL HFA	ASTHMA	380	-23.8%	$23,169	-13.9%
22	ORTHO EVRA	CONTRACEPTIVES	168	-15.6%	$20,891	-13.1%
23	NAFTIN	SKIN INFECTIONS	79	-18.6%	$20,079	-20.6%
24	TOPAMAX	SEIZURES	22	-4.3%	$19,976	6.5%
25	XELJANZ	PAIN AND INFLAMMATION	10	0.0%	$19,808	0.0%

Patient Stratification

Patient Care Needs

Well

Smoking Cessation, Allergies, Constipation/Anti diarrheals, Topical Antifungal / Anti-bacterial infection treatment

Acute

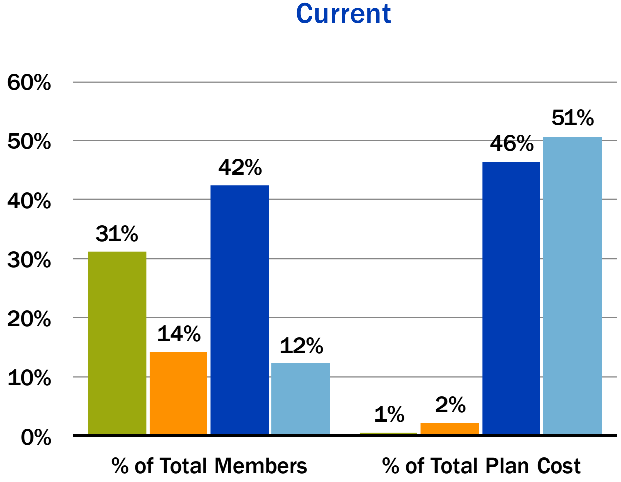
Colds & Flu, Strep Throat, Ear Infection, Headache, Sprains

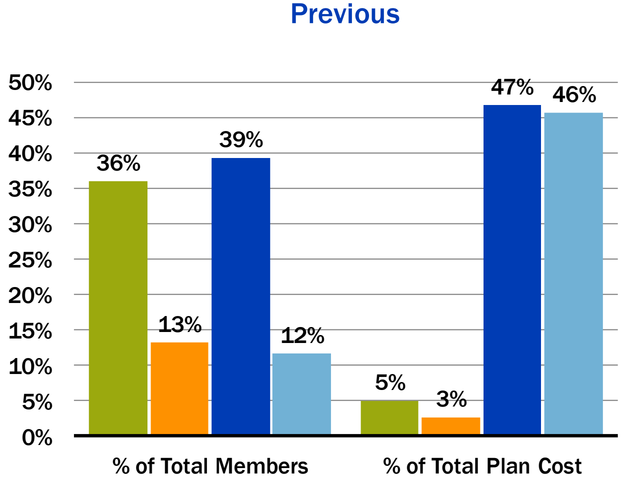
Chronic

Heart Disease, Diabetes, Arthritis, High Blood Pressure, High Cholesterol,
Dementia, Back Pain

Complex

Multiple Chronic Conditions such as Heart Failure & Diabetes, Cancer, AIDS, Multiple Sclerosis, Metabolic Syndrome





	Well	Acute	Chronic	Complex	Total
Members	8,915	4,063	12,123	3,490	**28,591**
Members %	31.2%	14.2%	42.4%	12.2%	**100.0%**
Plan Cost	$189,030	$734,898	$15,321,471	$16,741,580	**$32,986,980**
Plan Cost %	0.6%	2.2%	46.4%	50.8%	**100.0%**
Member Age (Avg.)	32.7	35.7	54.6	59.5	**43.7**
Copay	$20,864	$85,426	$1,897,505	$2,124,237	**$4,128,032**
Copay/Member	$2	$21	$157	$609	**$144**
Plan Spend/Member	$21	$181	$1,264	$4,797	**$1,154**
Days of Therapy/Member	9	65	679	1,718	**510**
GFR %	70.0%	83.4%	78.5%	77.0%	**78.0%**
Home Delivery Utilization	0.2%	0.0%	0.1%	0.5%	**0.3%**

EXPRESS SCRIPTS®

Fraud, Waste & Abuse - Case Study

- Unusual utilization pattern detected
- Investigation revealed multiple physician and emergency room visits, duplicative testing, and overlapping therapies
- Intervention had a positive health impact for the members and pharmacy and medical plan cost avoidance for the plan sponsor

- **97 Prescribers**
- **Express Scripts' investigation also identified spouse abusing Rx**

$149 – Original member allegation – generic Percocet

→ **$2,026** – Total prescription cost for one abusive member

→ **$270,179** – Total Rx + medical costs for one abusive member

→ **$315,832** – Total Rx + medical costs including spouse

Are Your Members Fully Protected Against Preventable Safety Risks?

7 million *medication errors*

*resulting in unnecessary hospitalizations or office visits each year**

$4.2 billion *spent annually*

*on preventable medication errors in the outpatient setting**

RationalMed identifies safety issues across the population…
…with a 64.4% success rate† in effecting change in therapy

*National Priorities Partnership. *Preventing Medication Errors: A $21 Billion Opportunity. Washington, D.C.*; 2010. Available at: www.qualityforum.org/NPP/docs/Preventing_Medication_Error_CAB.aspx Accessed October 3, 2012.

† 2011 RationalMed® data on file

RationalMed Enhances Patient Safety

HEALTH CHOICES

Utilizing integrated data and a proprietary rules engine

Integrate

Medical Claims | Pharmacy Claims | Lab Data

Identify

RationalMed®

Intervene

Physician Alert	Pharmacist Alert	Patient Alert (Optional)	Express*Alliance*® Care Manager Alert (Optional)
Fax and letter *(daily to monthly)*	Electronic *(real-time, point of sale)*	Letter *(monthly)*	Web, electronic *(real-time access)*

Channel (frequency)

Outcomes

Corrects safety and health risks

Reduces pharmacy and medical costs

✓ **Medical data leveraged to enhance other Express Scripts services**

✓ **Complements and integrates with a plan sponsor's other clinical solutions**

EXPRESS SCRIPTS®

RationalMed Identifies Risks Often Missed by Physicians and Pharmacists

Alert Categories	Examples
Adverse Drug Risk	Attention-deficit hyperactivity disorder (ADHD) medications should not be used by patients with heart disease. ***Risk:*** ***Sudden death, stroke, and heart attack***
Coordination of Care	Patients taking complex medication regimens obtained at multiple pharmacies and prescribed by multiple doctors need coordinated care. ***Risk:*** ***overuse resulting in severe injury, hospitalization, waste***
Omission of Essential Care	Patients with heart disease or diabetes who are not on statin medication to lower cholesterol. ***Risk:*** ***Heart attack, stroke, death***

FELRA & UFCW H & W FUND: RationalMed® Projections

(based on 28,591 lives)

Key Performance Metrics		
Clinical	Total Safety Alerts	7,323
	Total Successes	3,768
	Members Impacted by Safety Alert	5,146
Financial	Total Pharmacy Savings	Year 1: $140,308 Year 2: $291,559
	Total Medical Savings	Equal or > than pharmacy savings Note: incremental savings to pharmacy savings

ESI offers a comprehensive suite of health solutions. These offerings may change or be discontinued from time to time as ESI updates its offerings to meet the clinical needs of our clients and the changing marketplace.

RationalMed Fee Proposal for FELRA & UFCW H & W FUND

Fees:

- Year 1: $0.25 PMPM (with a one times fee guarantee)
- Year 2: $0.35 PMPM (with a one times fee guarantee)

RX Savings Guarantee:

- For each successive 12 month period with a guarantee, RationalMed guarantees that Rx savings will equal or exceed program fees
- Example 1: year one RationalMed Rx savings equals $83,800 but fees paid equal $85,800 - RationalMed pays $2,000
- Example 2: year two RationalMed Rx savings equals $291,6000 and fees paid equal $120,100 - neither Express Scripts nor client owe additional monies