FELRA & UFCW VEBA FUND

Managed Pharmacy Report July 2020

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Executive Summary

- The FELRA & UFCW VEBA Fund ('the Fund') managed pharmacy program implemented an unprecedented number of Utilization Management (UM) Programs, beginning June 2020.
- The following pages contain Key Performance Indicators for the Fund's managed pharmacy program, including financial indicators and program milestones achieved to date.
- Remarkable (positive) progress has been made with the SaveonSP and PCM Implementations, relative to member outreach and engagement. The UM program activity reported for the first 30 days shows minimal member disruption.

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Key Performance Indicators – Q'1 2020 vs Q'1 2019

Net Plan Costs Increased 7.5%
Inflation accounted for $2.55 increase in PMPM Costs
Brand drugs nearing patent expiration, limited distribution specialty drugs have highest inflation rates.

Key Performance Indicators	Q'1 2020	Q'1 2019	Change %
Average Membership	19,829	20,626	-3.9%
Number of Unique Patients	11,174	11,416	-2.1%
Plan Gross[1] Cost	$10,974,885	$10,060,326	9.1%
Member Cost	$1,084,287	$985,990	10%
Plan Net[2] Cost	$7,793,933	$7,251,912	7.5%
Gross Cost PMPM	$166.26	$143.39	15.9%
Plan Net Cost PMPM	$131.02	$118.70	10.4%

[1] Before Member Cost Share, Rebates
[2] After Member Cost Share, Rebates

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Key Performance Indicators – Q'1 2020 vs Q'1 2019

Top 10 indications driving drug spend remain the same.
Diabetes continues to be top condition driving drug spend.

Top 10 Indications	Net Plan Cost PMPM
Diabetes	$28.22
Inflammatory Conditions	$23.42
Cancer	$16.60
HIV	$9.96
Multiple Sclerosis	$7.55
Anticoagulant	$7.01
Asthma	$6.84
High Blood Pressure/Heart Disease	$6.50
Pain, Inflammation	$6.33
High Blood Cholesterol	$3.33

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Program Activity

The Fund implemented several UM programs in Q'2 2020, with effective dates ranging from June 1, 2020 to January 1, 2021. Program Implementation has been well-coordinated between Associated and Express Scripts, leading to minimal member disruption and no member complaints, to date. SaveonSP and PCM have shown remarkable progress since implementation; PCM activity exceeds expectations for first 30 days.

Program	Effective Date	Activity	
SAVEONSP	6/1/2020	130 MEMBERS ENGAGED VIA LETTERS AND PHONE CALLS	3/30 - 5/15/2020
		10 ADDITIONAL MEMBERS QUALIFIED AFTER "GO LIVE"	6/1 - 7/8/2020
		SUCCESS RATE REPORT SHOWS 100% ENROLLMENT	7/8/2020
		ONGOING REPORTING WILL BE AVAILABLE QUARTERLY	9/15/2020
PCM	6/1/2020	2,041 INTERVENTIONS IDENTIFIED	6/1/2020
		1ST STEP: PHYSICIAN APPROVED 195/ PHYSICIAN DENIED 104	6/1 - 7/8/2020
		2ND STEP: MEMBER APPROVED 104/MEMBER DENIED 10	
		INTERVENTIONS IN PROGRESS - 1,661	
		ONGOING REPORTING WILL BE AVAILABLE QUARTERLY	9/15/2020
UM PROGRAMS	7/1/2020	APPROVAL/DENIAL REPORT SHOWS 92% APPROVAL	7/8/2020
		ONGOING REPORTING WILL BE AVAILABLE QUARTERLY	10/15/2020

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Program Activity, cont.

The EGWP Implementation is a resource-intensive process that will span 8 months. Progress to date has been positive, without disruption or delays.

Upcoming milestones are noted below.

Program	Effective Date	Activity and Estimated Completion Date	
EGWP	1/1/2021	APPROVE WELCOME KIT AND TARGETED MEMBER MAILINGS	July 2020
		EXECUTE CONTRACT ADDENDUM	Aug 2020
		APPROVE BENEFIT DESIGN + WRAP, NETWORK REQ'S	Sept 2020
		COMPLETE ELIGIBILTY FILE TESTING	Oct 2020
		MEMBER ENROLLMENT IN ESI PDP PROGRAM	Nov-Dec 2020
		DAILY CLAIMS MONITORING	Jan-Feb 2021

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