



Pharmacy Program Updates

UFCW Unions and Participating Employers Health and Welfare Fund

September 16, 2019

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Plan Performance 2018 v 2017: Headlines



- Plan Paid PMPM Trend:
 - -1.1% (9.4% less than UFCW peers)
- Generic Dispensing Rate:
 - 82.5% (0.4% decrease; 4.3% less than UFCW peers)
- Average Plan Paid/Rx:
 - \$118.21 (\$0.05 increase; \$17.09 greater than UFCW peers)
- Specialty costs
 - 35% of total spend; PMPM trend decreased by -0.7% to \$43.95 (-20.8% less than UFCW peers)
- Top 10 disease categories consumed 66.4% of total plan cost;
 - Diabetes = highest cost PMPM; 3.3% increase in PMPM
 - Condition with highest trend increase is inflammatory conditions at 60.1%

Plan Performance 2018 v 2017



- PMPM Trend Decreased by .7%, due to contract, pricing improvements in 2018
- Cost Drivers
 - Traditional plan paid PMPM decreased by 1.3% (2.0% less than UFCW Peers)
 - Specialty plan paid PMPM decreased by .07% (-20.8 less than UFCW peer)

	Brand	Generic	Specialty
2018 v 2017	3.5%	-12.2%	-0.7%
2017 v 2016	7.2%	20.8%	45.1%
Average Trend	5.4%	4.3%	22.2%

Plan Performance 2018 v 2017



Key Performance Indicators

	2018	2017	Change	Benchmarks UFCW 2018
Eligible Members	3,738	4,197	-10.9%	n/a
Total Plan Paid	\$5,658,062	\$6,420,754	-11.9%	n/a
Plan Paid PMPM	\$126.14	\$127.47	-1.1%	\$87.43
Plan Paid per Rx	\$118.21	\$118.16	0.0%	\$101.13
Specialty Plan Paid PMPM	\$43.95	\$44.24	-0.7%	\$37.73
Member Paid Share (traditional)	6.8%	6.5%	4.6%	10%
Member Paid Share (specialty)	7.9%	8.0%	-0.9%	31.3%
Percent of Specialty Plan Paid	34.8%	34.7%	0.4%	43.2%

Trend, Costs by Drug Type



CY 2018	Fund	UFCW Peer
All drugs	-1.1%	8.3%
Brand Drugs	3.5%	2.5%
Generic Drugs	-12.2%	-2.9%
Specialty	-0.7%	20.2%

	2018	2017	Change
All drugs	\$126.14	\$127.47	-1.1%
Brand Drugs	\$59.91	\$57.87	3.5%
Generic Drugs	\$22.27	\$25.36	-12.2%
Specialty	\$43.95	\$44.24	-0.7%

Plan Performance 2018 v 2017



Top Drug by Plan Paid – Non Specialty

Current Rank	Previous Rank	Disease State	Plan Paid	Plan Paid PMPM	UM Opportunity?
1	2	Lantus Solostar (Insulin)	\$93,863	\$2.09	Yes
2	4	Lyrica (Anticonvulsants, 2 nd Gen)	\$89,736	\$2.00	Generic 2019
3	6	Eliquis (Oral Anticoagulant)	\$88,874	\$1.94	No
4	3	Januvia (DPP-4 Inhibitors & Combos)	\$79,205	\$1.77	Yes
5	10	Tresiba Flextouch (insulin)	\$77,018	\$1.72	Yes
6	7	Trulicity (injectible diabetic med)	\$75,329	\$1.68	Yes
7	1	Esomeprazole Magnesium (PPI)	\$71,860	\$1.60	Yes
8	6	Advair Diskus (Inhaler)	\$63,615	\$1.42	No
9	15	Symbicort (Inhaler)	\$59,341	\$1.32	No
10	18	Xarelto (Oral Anticoagulant)	\$55,797	\$1.24	No

Plan Performance 2018 v 2017



Top Drugs by Plan Paid – Specialty

Current Rank	Previous Rank	Disease State	Plan Paid	Plan Paid PMPM	UM Opportunity?
1		Revlimid (Oncology)	\$169,371	\$3.78	Yes
2	3	Humira Pen (Chronic Inflamm Disease)	\$169,229	\$3.77	No
3	14	Sprycel (Oncology)	\$112,425	\$2.51	Yes
4	6	Somavert (Growth Hormones)	\$111,180	\$2.48	No
5		Dipixent (Chronic Inflamm. Disease)	\$87,189	\$1.94	Yes
6	7	Genvoya (HIV)	\$82,857	\$1.94	No
7	10	Somatuline Depot (Endocrine)	\$77,316	\$1.73	No
8	13	Triumeq (HIV)	\$75,316	\$1.68	No
9	4	Copaxone (MS)	\$75,051	\$1.67	No
10		Mavyret (HepC)	\$73,624	\$1.64	Yes

Plan Performance Jan-June 2019



Key Indicators

	Jan-Jun 2019	Jan-Jun 2018	Change	Benchmarks UFCW Jan – June 2019
Eligible Members	3348	4025	-16.8%	n/a
Total Plan Paid	\$2,584,916	\$3,007,206	-14%	n/a
Plan Paid PMPM	\$128.67	\$124.52	3.3%	\$86.07
Plan Paid per Rx	\$124.42	\$114.73	8.5%	\$99.70
Specialty Plan Paid PMPM	\$49.44	\$42.27	17.%	\$38.43
Member Paid Share (non-specialty)	8.7%	8.2%	6.1%	10.9%
Member Paid Share (specialty)	6.1%	6.5%	-7.3%	11.2%
Percent of Specialty Plan Paid	38.4%	33.9%	13.2%	44.7%

Plan Performance Jan-June 2019



Costs by Distribution Channel

	Retail		Specialty	
	Jan-Jun 2019	Jan-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Total Plan Paid	\$1,591,763	\$1,986,428	\$993,153	\$1,020,778
Percent of Plan Paid	61.6%	66.1%	38.4%	33.9%
Plan Paid PMPM	\$79.23	\$82.25	\$49.44	\$42.27
Plan Paid per Rx	\$77.67	\$76.74	\$3,521.82	\$3,131.32
Member Paid Share	8.7%	8.2%	6.1%	6.5%
Member Paid per Rx	\$7.42	\$6.88	\$227.61	\$219.40

Plan Performance Jan-June 2019



Top Disease States by Plan Paid Jan-June 2019

Current Rank	Previous Rank	Disease State	Plan Paid	Plan Paid PMPM	Utilizers
1	1	Diabetes	\$456,294	\$22.71	332
2	3	Inflammatory Conditions	\$286,458	\$14.26	22
3	2	Oncology	\$221,776	\$11.04	48
4	5	HIV	\$193,678	\$9.64	17
5	4	Asthma/COPD	\$189,302	\$9.42	297
6	6	Cardiovascular	\$132,542	\$6.60	995
7	8	Endocrine & Metabolic	\$108,053	\$5.38	8
8	14	Multiple Sclerosis	\$101,548	\$5.06	3
9	7	Blood Clot/Stroke Prevention	\$99,548	\$4.96	120
10	10	Narcotic Analgesics	\$75,648	\$3.77	373



- PBM Contract & Rebate Audit for CY 2016-2017
- Initiated April 2019
 - Contract Audit:
 - Preliminary Report to be submitted to Optum and the Fund by September 16, 2019
 - Optum has 60 days to respond
 - Rebate Audit: scheduled for October 7-8 onsite
 - Preliminary Report post 40 days
 - Optum has 60 days to respond

Preliminary Audit Findings*



*Preliminary audit findings subject to further investigation by Optum; subsequent documentation supplied by Optum may have a material effect on audit findings and outcomes.

Amounts listed in red = estimated claims/cost impact for missed performance based on data provided by Optum.

Contract Term	Year 1 (2016)	Year2 (2017)
Plan Designs (copays, in/out of network)	\$5,924	\$6,876
Plan Design: Mandatory Generics	\$627	\$580
UM Programs (all Plans)	Prior Auth - \$0 Step Therapy - \$15,500 Qty Limits - \$8,427	Prior Auth - \$0 Step Therapy - \$8,600 Qty Limits - \$8,540
Pricing (discounts, U&C, MAC)	\$0 – Optum Overperformed the Contract Guarantees	\$0 – Optum Overperformed the Contract Guarantees



- Rights invoked Q'4 2019, new pricing effective Jan 1 2020
- Annual Drug Spend
 - 2018: \$5,658,062 actual
 - 2019: \$6,247,524 projected
 - 2020: \$6,835,454 projected
- Market Check Savings Projections¹
 - \$290,645 (-4%) to \$430,072 (-6%)
- Confidio Fees: \$7k - pricing, contract negotiations

¹ Assumes steady state enrollment, based on high/low benchmarks



- Plan Performance:
 - The Plan is performing well, relative to cost trends
 - Significant savings opportunities via UM programs and formulary management
- Market Check has high potential to yield significant savings (est. 4%-6% from current)
 - Recommend the Fund proceed with Market Check
- Audit
 - Expected completion date for all findings (including Optum response) January 6, 2020