



USING THE DASHBOARD TO MONITOR THE HEALTH PROFILE OF THE POPULATION

July 26, 2013

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- Review of SHPNC mission and strategic opportunities
- Review metrics developed for the dashboard to monitor progress
- Review the opportunities to expand dashboard metrics

Our mission is to improve the health and healthcare of North Carolina teachers, state employees, retirees, and their dependents, in a financially sustainable manner, thereby serving as a model to the people of North Carolina for improving their health and wellbeing.

Strategic Opportunities of the SHP

- Increase the SHPNC participants' awareness of their health status and to available support resources
- Improve the health of the SHPNC participants through focused programs
- Improve medication adherence and treatment compliance of SHPNC participants with chronic conditions
- Impact positive trends in utilization management to reduce medical trend

Dashboard Overview

The purpose of this monthly dashboard is to:

- Highlight key metrics for the Board to monitor progress against strategic opportunities.
- Provide a mechanism to track:
 - **Claims and trends:** determine cost trend drivers plus analyze data on effective alternatives to manage those trends.
 - **Utilization metrics vs. benchmark:** compare the plan's utilization to benchmarks and desired targets.
 - **Population health status:** assess disease burden and recommend solutions to lessen future trend increases; Uncover opportunities for the plan to better control plan cost and improve the health of the covered population.

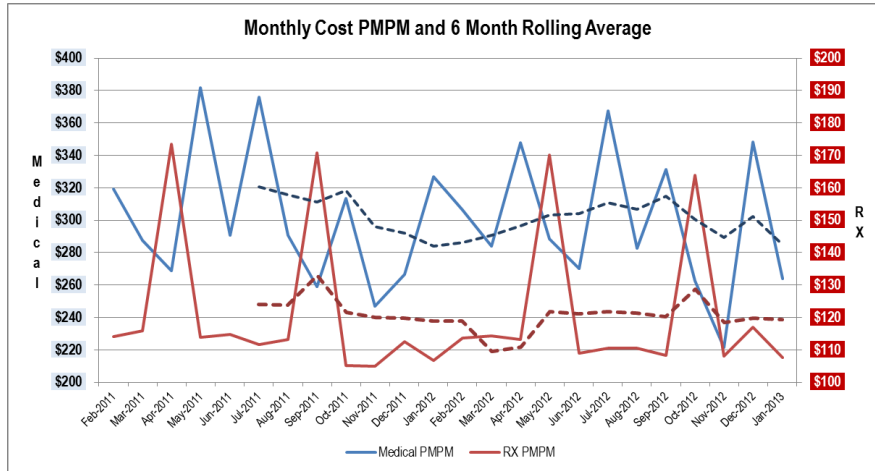
Methodology/Definitions

- Source of data includes eligibility as well as inpatient, outpatient and professional claims from SHPNC's SAS data warehouse. Pharmacy claims data was captured from Express Scripts.
- Generally, financial metrics are reported on a total cost basis (i.e., total cost includes plan paid and member cost sharing). This allows for tracking of population health status for improvement over time.
- Claims are reported on a paid basis for the periods February 1, 2012 – January 31, 2013 (current period) and February 1, 2011 – January 31, 2012 (prior period).
- Benchmark data is provided on a regional basis by actives/non-Medicare retirees vs. Medicare retirees.

Healthcare Dashboard

Current Period: February 2012 – January 2013

1 Principal Financial Trends – Claims Cost ALL Members



2 Paid Claims Summary – ALL Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$ 780,995,719	\$ 98	23%	\$ 790,942,926	\$ 99	23%	-2%
Inpatient Hospital	\$ 598,788,499	\$ 75	18%	\$ 622,646,899	\$ 78	18%	-4%
Office	\$ 655,910,063	\$ 82	20%	\$ 667,068,241	\$ 84	20%	-2%
Ambulatory Surgical Center	\$ 49,105,246	\$ 6	1%	\$ 47,904,002	\$ 6	1%	2%
Home	\$ 54,698,395	\$ 7	2%	\$ 57,556,849	\$ 7	2%	-5%
All Others	\$ 236,256,403	\$ 30	7%	\$ 220,222,904	\$ 28	7%	7%
Total Medical	\$ 2,375,754,326	\$ 298	71%	\$ 2,406,341,820	\$ 302	71%	-2%
Total Rx	\$ 961,765,090	\$ 120	29%	\$ 966,600,730	\$ 121	29%	-1%
Total Paid	\$ 3,337,519,416	\$ 418	100%	\$ 3,372,942,551	\$ 424	100%	-1%
Member Paid	\$ 794,763,337	\$ 100	24%	\$ 776,534,510	\$ 98	23%	2%
Plan Paid	\$ 2,542,756,079	\$ 318	76%	\$ 2,596,408,040	\$ 326	77%	-2%

3 Key Healthcare Performance Metrics – ALL Members

Category	Current Period	Prior Period	% Change	Norm	Comparison to Norm
Average Membership Per Month	665,307	663,555	0%	N/A	N/A
High Cost Claimants	15,721	15,775	0%	N/A	N/A
High Cost Claimants Total Paid	\$ 971,754,292	\$988,011,597	-2%	N/A	N/A
Inpatient Days Per Thousand	320	370	-13%	365	-12%
Average Inpatient Day Cost	\$3,134	\$3,123	0%	\$3,090	1%
Total Admissions Per 1000	71	79	-10%	76	-7%
Average Cost Per Admission	\$ 14,128	\$14,676	-4%	\$14,748	-4%
ER Visits Per 1000	259	266	-3%	262	-1%
Office Visits For Medical Care Per 1000	4,125	4,337	-5%	3,515	17%
Office Visits for Preventive Care Per 1000	435	443	-2%	401	8%
Rx Scripts Per 1000	17,422	17,683	-1%	16-18,000	0%
Average Cost Per Script	\$83	\$82	1%		

4 Major Conditions – Prevalence and Cost ALL Members with Conditions

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	94,354	\$8,928	86,587	\$ 9,314	9%	-4%
2. Coronary Artery Disease (CAD)	45,656	\$13,422	38,776	\$13,919	18%	-4%
3. Asthma	50,088	\$6,540	35,839	\$7,055	40%	-7%
4. Chronic Obstructive Pulmonary Disease (COPD)	27,561	\$12,616	21,529	\$13,756	28%	-8%
5. Hypertension	246,913	\$7,319	216,508	\$7,479	14%	-2%
6. Breast Cancer	13,121	\$13,752	11,407	\$14,909	15%	-8%
7. Colon Cancer	2,404	\$24,101	2,005	\$25,033	20%	-4%
8. Prostate Cancer	7,841	\$11,270	7,096	\$11,581	10%	-3%
9. At Risk Birth	1,370	\$4,436	1,418	\$4,549	-3%	-2%
10. Normal Delivery	7,323	\$2,063	8,374	\$2,076	-13%	-1%

Healthcare Dashboard

Current Period: February 2012 – January 2013

5 High Risk High Cost Analysis – ALL Members High Cost By Condition

Chronic Condition for High Cost Claimants*	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	4,287	\$69,418	4,357	\$71,796	-2%	-3.3%
2. Coronary Artery Disease (CAD)	2,950	\$72,651	2,842	\$69,133	4%	5.1%
3. Asthma	2,103	\$60,775	1,725	\$61,834	22%	-1.7%
4. Chronic Obstructive Pulmonary Disease (COPD)	1,607	\$73,773	1,372	\$77,169	17%	-4.4%
5. Hypertension	9,635	\$64,563	9,276	\$64,511	4%	0.1%
6. Breast Cancer	1,328	\$76,362	1,359	\$75,609	-2%	1.0%
7. Colon Cancer	368	\$103,685	352	\$101,609	5%	2.0%
8. Prostate Cancer	425	\$61,629	448	\$61,748	-5%	-0.2%
9. At Risk Birth	654	\$64,791	534	\$57,031	22%	13.6%

6 Clinical Quality Performance – ALL Members

Disease Condition	Clinical Compliance Metrics	Individuals			NCQA Quality Compass National Average*
		Population	Compliance Rate Prior Period	Compliance Rate Current Period	
Diabetes	• Patient(s) that had at least 2 hemoglobin A1C tests in last 12 reported months	94,354	46.29%	45.42%	87.3%
	• Patient(s) that had an annual screening test for diabetic nephropathy	94,354	32.12%	30.63%	77.9%
	• Patient(s) that had an annual screening test for diabetic retinopathy	94,354	92.35%	83.32%	48.4%
Coronary Artery Disease	• Patient(s) currently taking an ACE-inhibitor	45,656	39.87%	40.21%	78.8%
	• Patient(s) currently taking a statin	45,656	74.79%	74.13%	Not Available
Hyperlipidemia	• Patient(s) with a LDL cholesterol test in last 12 reported months	373,929	83.94%	84.95%	83.6%**
	• Patient(s) with a total cholesterol test in last 12 reported months	373,929	83.47%	84.45%	Not Available
	• Patient(s) with a triglyceride test in last 12 reported months	373,929	83.47%	84.45%	Not Available
Preventive Screening	• Cervical cancer	338,660	60.97%	67.69%	74.4%
	• Breast cancer	235,703	60.40%	68.77%	66.8%
	• Colorectal cancer	300,002	46.11%	57.44%	55.2%
	• Prostate cancer	106,209	19.87%	25.45%	Not Available
COPD	• Patients with spirometry testing in the last 12 months	27,561	40.63%	40.44%	40.4%
Asthma	• Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	50,088	68.39%	63.54%	91.7%

7 Summary of Prescription Drug Expenses – ALL Members

Category	Current Period	Prior Period	% Change	Norm
Total Rx Paid Amount	\$961,765,090	\$965,457,509	0%	N/A
Prescriptions Written PMPY	17.4	17.7	-1%	
Total Rx Paid PMPY	\$1,446	\$1,455	-1%	
Participant Cost Share	24.84%	24.95%	0%	21% – 23%
Total Rx Plan Paid PMPY	\$1,087	1,092	0%	
PBM Generic Dispensing Rate	78%	74%	4%	72% – 75%
PBM Mail Order Rx Scripts	3%	3%	0%	10%

8 Prescription Drug Cost Management Analysis – ALL Members

Top 10 Rx Therapy Classes	Current Period		
	Total Paid Amount	% Generic by Count	PMPM
ANTIDEPRESSANTS	\$51,033,038	87%	\$6.40
HMG-COA REDUCTASE INHIBITORS	\$49,218,197	81%	\$6.17
DISEASE-MODIFYING ANTIRHEUMATIC AGENTS	\$46,751,428	21%	\$5.86
INSULINS	\$41,463,473	0%	\$5.20
ANTINEOPLASTIC AGENTS	\$40,318,400	89%	\$5.05
PROTON-PUMP INHIBITORS	\$39,648,667	56%	\$4.97
BIOLOGIC RESPONSE MODIFIERS	\$34,588,429	0%	\$4.33
ANGIOTENSIN II RECEPTOR ANTAGONISTS	\$27,736,873	61%	\$3.48
OPIATE AGONISTS	\$21,315,246	95%	\$2.67
ANTICONVULSANTS, MISCELLANEOUS	\$20,460,757	84%	\$2.56

1. Principal Financial Trends

Objective: Provide the Board with a visual representation of how claims are trending over the short term.

- Seasonality in claims paid is expected with the highest monthly claims generally occurring in winter; 6-month rolling average is used to smooth the effect of seasonality.
- Monthly claims can fluctuate at the beginning and end of a plan year as members determine if their contribution to the out-of-pocket maximum warrants getting medical treatment in the current year or waiting until the next plan year.

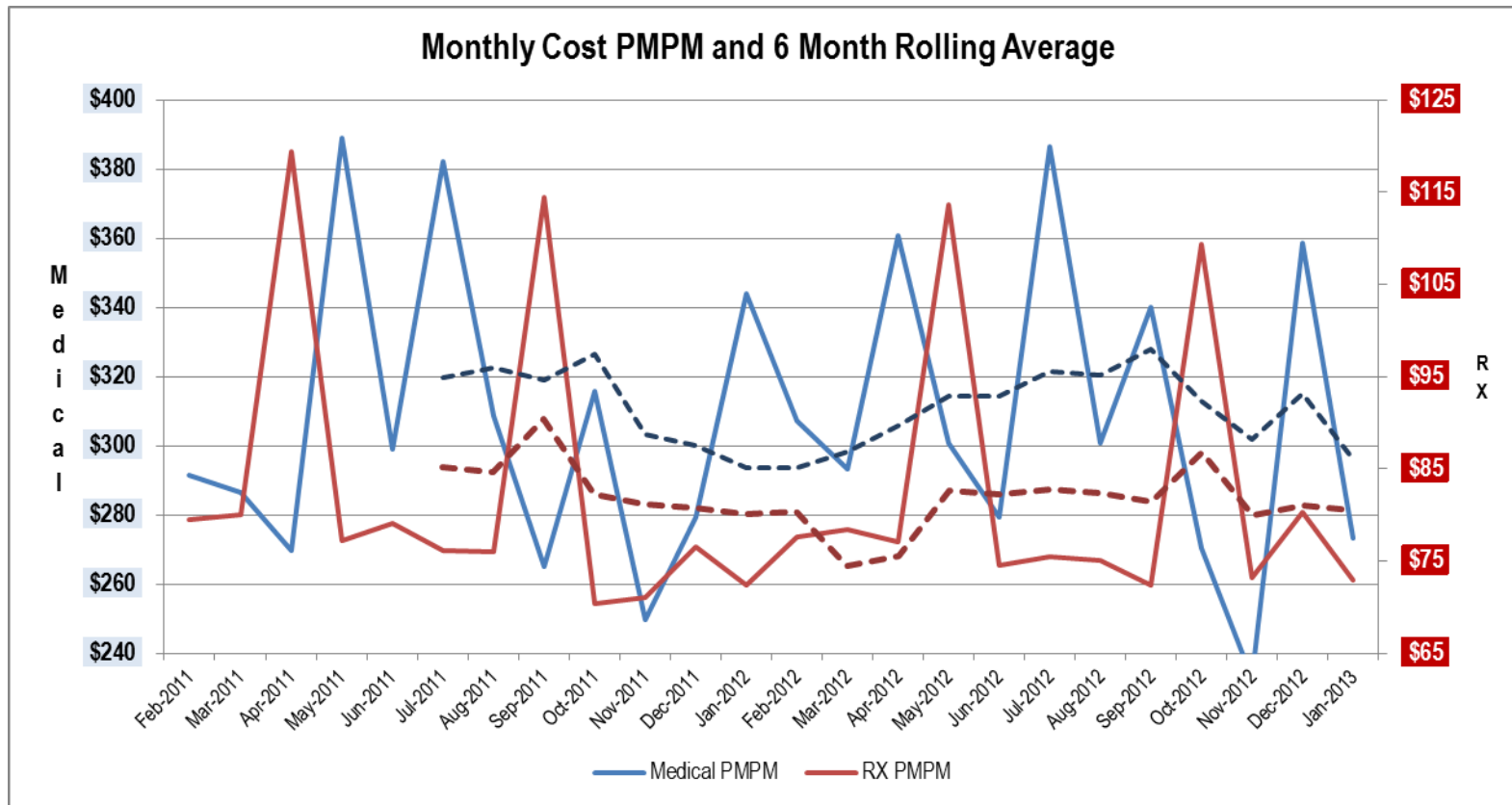
Observations:

- Total medical and prescription drug claims have been trending at a decreasing rate on a PMPM basis over the last two years. This is due to decreasing trend for the retiree population. The active population is showing a slight increase in the trend rate, due primarily to medical inflation.

Potential Implications:

- Claims volume may rise just before or after the new value-based plan design goes into effect on January 1, 2014.

1 Principal Financial Trends – Claims Cost ACTIVE Members



2. Paid Claims Summary

Objective: Provide the Board with a comparative overview of claims based on treatment setting.

- Place of Service can be helpful when investigating changes in utilization patterns or when trying to understand the impact of plan design changes. For example, outpatient experience and office visits may increase and inpatient hospital services decrease as participants are encouraged with copays waived under the PCMH outpatient setting.

Observations:

- Prescription drugs account for the largest portion of health plan costs (29%).
- Inpatient hospital expenditure represents 18% of total paid and is significantly below typical plan levels of 32%.
- The percentage of total medical and prescription drug benefit paid by the plan decreased from 77% to 76%.

Healthcare Dashboard

Current Period: February 2012 – January 2013

2 Paid Claims Summary – ACTIVE Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$ 575,447,061	\$ 101	26%	\$ 582,804,722	\$ 101	26%	0%
Inpatient Hospital	\$ 447,865,074	\$ 79	20%	\$ 460,440,751	\$ 80	20%	-1%
Office	\$ 489,425,746	\$ 86	22%	\$ 494,212,631	\$ 86	22%	0%
Ambulatory Surgical Center	\$ 35,604,629	\$ 6	2%	\$ 34,823,671	\$ 6	2%	4%
Home	\$ 32,271,922	\$ 6	1%	\$ 34,051,336	\$ 6	2%	-4%
All Others	\$ 177,265,343	\$ 31	8%	\$ 163,330,586	\$ 28	7%	10%
Total Medical	\$1,757,879,775	\$ 309	79%	\$1,769,663,696	\$ 307	79%	1%
Total Rx	\$ 465,147,363	\$ 82	21%	\$ 477,087,886	\$ 83	21%	-1%
Total Paid	\$2,223,027,138	\$ 390	100%	\$2,246,751,582	\$ 389	100%	0%
Member Paid	\$ 500,117,044	\$ 88	22%	\$ 487,902,955	\$ 85	22%	4%
Plan Paid	\$1,722,910,093	\$ 303	78%	\$1,758,848,627	\$ 305	78%	-1%

2 Paid Claims Summary –MEDICARE RETIREES

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$ 48,486,680	\$ 32	9%	\$ 48,781,463	\$ 35	10%	-6%
Inpatient Hospital	\$ 39,615,061	\$ 26	8%	\$ 41,420,949	\$ 29	8%	-10%
Office	\$ 58,380,650	\$ 39	11%	\$ 60,060,453	\$ 42	12%	-8%
Ambulatory Surgical Center	\$ 4,437,107	\$ 3	1%	\$ 4,235,337	\$ 3	1%	-1%
Home	\$ 13,463,404	\$ 9	3%	\$ 14,565,288	\$ 10	3%	-13%
All Others	\$ 29,718,590	\$ 20	6%	\$ 28,191,786	\$ 20	6%	-1%
Total Medical	\$ 194,101,492	\$ 129	38%	\$ 197,255,275	\$ 140	39%	-7%
Total Rx	\$ 317,221,313	\$ 211	62%	\$ 306,907,236	\$ 217	61%	-3%
Total Paid	\$ 511,322,805	\$ 341	100%	\$ 504,162,512	\$ 357	100%	-5%
Member Paid	\$ 176,217,668	\$ 117	34%	\$ 167,168,635	\$ 118	33%	-1%
Plan Paid	\$ 335,105,137	\$ 223	66%	\$ 336,993,877	\$ 238	67%	-6%

3. Key Healthcare Performance Metrics

Objective: Provide the Board with some key comparative utilization metrics to track sources of claims increases

- This table allows the plan to understand whether changes in cost are driven by price or change in utilization.

Observations:

- Utilization of services was generally down in 2012 compared to 2011, with the largest decline in inpatient admissions and prescriptions.
- Preventive care utilization decreased slightly, but is higher than benchmarks.
- While declining, office visits and ER visits for retirees are significantly higher than benchmarks.

Potential Implications:

- Preventive care should be encouraged as a frontline effort to prevent and reduce potentially costly health conditions.

3 Key Healthcare Performance Metrics – ACTIVE MEMBERS

Category	Current Period	Prior Period	% Change	Norm	Comparison to Norm
Average Membership Per Month	474,598	480,813	-1%	N/A	N/A
High Cost Claimants	12,011	11,859	1%	N/A	N/A
High Cost Claimants Total Paid	\$727,632,359	\$727,857,222	0%	N/A	N/A
Inpatient Days Per Thousand	197	231	-15%	250	-21%
Average Inpatient Day Cost	\$3,437	\$3,338	3%	\$3,672	-6%
Total Admissions Per 1000	50	55	-10%	61	-18%
Average Cost Per Admission	\$13,656	\$14,002	-2%	\$15,154	-10%
ER Visits Per 1000	197	195	1%	197	0%
Office Visits For Medical Care Per 1000	3,234	3,284	-2%	3,080	5%
Office Visits for Preventive Care Per 1000	523	521	0%	383	37%
Rx Scripts Per 1000	11,855	12,209	-3%	10-12,000	0%
Average Cost Per Script	\$83	\$81	2%		

3 Key Healthcare Performance Metrics – MEDICARE RETIREES

Category	Current Period	Prior Period	% Change	Norm	Comparison to Norm
Average Membership Per Month	125,111	117,795	6%	N/A	N/A
High Cost Claimants	225	321	-30%	N/A	N/A
High Cost Claimants Total Paid	\$14,261,377	\$21,057,765	-32%	N/A	N/A
Inpatient Days Per Thousand	790	934	-15%	1,219	-35%
Average Inpatient Day Cost	\$2,655	\$2,746	-3%	\$1,843	44%
Total Admissions Per 1000	157	180	-13%	171	-8%
Average Cost Per Admission	\$13,339	\$14,225	-6%	\$13,161	1%
ER Visits Per 1000	518	586	-12%	274	89%
Office Visits For Medical Care Per 1000	7,214	8,246	-13%	6,163	17%
Office Visits for Preventive Care Per 1000	67	82	-18%	217	-69%
Rx Scripts Per 1000	32,633	33,238	-2%	25,566	28%
Average Cost Per Script	\$78	\$78	0%		

4. Major Chronic Conditions—Prevalence and Cost

Objective: Provide the Board metrics to monitor the cost and utilization of chronic conditions.

Observations:

- Generally, compliance with recommended screenings and maintenance medications improved for retirees.
- PMPY costs have declined over the prior period for the major chronic conditions evaluated.

Potential Implications:

- Focus resources on wellness programs, stressing proper nutrition, weight management, regular exercise, reduce tobacco use, and control blood pressure and cholesterol levels.

4 Major Conditions – Prevalence and Cost ACTIVE Members with Conditions

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	39,862	\$7,497	37,331	\$7,761	7%	-3%
2. Coronary Artery Disease (CAD)	11,343	\$13,765	9,640	\$14,289	18%	-4%
3. Asthma	34,060	\$4,885	24,108	\$5,410	41%	-10%
4. Chronic Obstructive Pulmonary Disease (COPD)	7,392	\$11,155	5,349	\$12,348	38%	-10%
5. Hypertension	112,221	\$6,179	98,798	\$6,303	14%	-2%
6. Breast Cancer	4,393	\$18,452	3,992	\$19,967	10%	-8%
7. Colon Cancer	705	\$32,670	604	\$35,553	17%	-8%
8. Prostate Cancer	1,779	\$12,476	1,664	\$12,452	7%	0%
9. At Risk Birth	1,363	\$4,457	1,416	\$4,595	-4%	-3%
10. Normal Delivery	7,289	\$2,072	8,341	\$2,072	-13%	0%

*PMPY only includes medical claims.

4 Major Conditions – Prevalence and Cost MEDICARE RETIREES with Conditions

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	39,607	\$10,533	35,454	\$10,831	12%	-3%
2. Coronary Artery Disease (CAD)	28,592	\$13,338	24,436	\$13,743	17%	-3%
3. Asthma	11,073	\$10,985	8,357	\$11,164	32%	-2%
4. Chronic Obstructive Pulmonary Disease (COPD)	17,041	\$13,217	13,945	\$14,124	22%	-6%
5. Hypertension	96,351	\$8,811	84,357	\$8,902	14%	-1%
6. Breast Cancer	6,583	\$10,409	5,523	\$10,604	19%	-2%
7. Colon Cancer	1,359	\$17,796	1,134	\$17,298	20%	3%
8. Prostate Cancer	5,049	\$11,052	4,479	\$11,066	13%	0%

*PMPY only includes medical claims.

5. High Risk High Cost Analysis High Cost by Condition

Objective: Provide the Board with key metrics to monitor cost and utilization of high risk and high cost chronic conditions. Target high risk groups for medical management interventions

Observations:

- The prevalence of high cost members with asthma and COPD has increased significantly over the prior period. The compliance rate for patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months are below desired levels (see Report #6)

Potential Implications:

- Chronic conditions are a key cost driver in the SHP population and much of the cost can be positively impacted through effective medical management and health education.
- Asthma patients can manage their symptoms through use of long-term controlled medications and through environmental control measures that reduce exposure to irritants.

5 High Risk High Cost Analysis – ACTIVE Members High Cost By Condition

Chronic Condition for High Cost Claimants*	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	2,978	\$66,676	2,913	\$69,092	2%	-3.5%
2. Coronary Artery Disease (CAD)	1,955	\$72,714	1,870	\$68,288	5%	6.5%
3. Asthma	1,637	\$60,176	1,330	\$61,774	23%	-2.6%
4. Chronic Obstructive Pulmonary Disease (COPD)	1,039	\$72,791	855	\$73,653	22%	-1.2%
5. Hypertension	6,852	\$63,100	6,508	\$63,271	5%	-0.3%
6. Breast Cancer	937	\$79,412	960	\$77,193	-2%	2.9%
7. Colon Cancer	241	\$102,091	245	\$103,036	-2%	-0.9%
8. Prostate Cancer	291	\$62,250	279	\$61,703	4%	0.9%
9. At Risk Birth	649	\$64,945	530	\$57,215	22%	13.5%

*High Cost Claimants are above \$25,000 in medical claims

5 High Risk High Cost Analysis – NON MEDICARE RETIREES Members High Cost By Condition

Chronic Condition for High Cost Claimants*	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	1,187	\$77,476	1,260	\$79,385	-6%	-2.4%
2. Coronary Artery Disease (CAD)	898	\$74,626	853	\$72,526	5%	2.9%
3. Asthma	430	\$64,764	355	\$62,071	21%	4.3%
4. Chronic Obstructive Pulmonary Disease (COPD)	491	\$77,906	424	\$86,798	16%	-10.2%
5. Hypertension	2,602	\$68,697	2,534	\$67,804	3%	1.3%
6. Breast Cancer	369	\$70,800	388	\$72,539	-5%	-2.4%
7. Colon Cancer	119	\$111,771	96	\$104,194	24%	7.3%
8. Prostate Cancer	120	\$63,611	158	\$63,483	-24%	0.2%

*High Cost Claimants are above \$25,000 in medical claims

6. Clinical Quality Performance

Objective: Provide the Board with clinical metrics related to preventive screening, treatment compliance rates, and quality of care performance measures.

Observations:

- The compliance rate for diabetes care (HbA1c testing, diabetic nephropathy, and diabetic retinopathy) has declined over the prior period. In addition, gaps in care for HA1C Testing and diabetic nephropathy gaps are significantly below desired levels.
- Preventive cancer screening rates have increased over the prior period, but are below desired levels. Early detection through screening can improve outcomes reduce medical costs.
- Compliance rates for CAD on (ACE) inhibitors are declining.

Potential Implications:

- Basic therapies for type 2 diabetes include healthy eating, physical activity and regular blood glucose testing. Reducing A1c blood test results by 1 percentage point (e.g., from 8.0% to 7.0%) reduces the risk of microvascular complications (eye, kidney and nerve diseases) by as much as 40%.
- Cervical cancer is one of the most successfully treated cancers when detected early, with a 5-year survival rate of 92%. The reduction in mortality through screening is due to (1) an increase in the detection of invasive cancer at early stages, and (2) the detection and treatment of pre-invasive lesions, reducing the incidence of invasive cancer.
- The efficacy in treating heart failure is well established and proper treatment is contingent both on appropriate medication dosing by the physician and on patient compliance with therapy. Finding better ways to monitor patients taking medication for long-term use could lead to reduced hospitalizations.
- Continue to monitor medication adherence and treatment compliance of key chronic diseases for improvement opportunities.

Healthcare Dashboard

Current Period: February 2012 – January 2013

6 Clinical Quality Performance – ACTIVE Members

Disease Condition	Clinical Compliance Metrics	Individuals			NCQA Quality Compass National Average*
		Population	Compliance Rate Prior Period	Compliance Rate Current Period	
Diabetes	•Patient(s) that had at least 2 hemoglobin A1C tests in last 12 reported months	39,862	62.09%	59.45%	87.3%
	•Patient(s) that had an annual screening test for diabetic nephropathy	39,862	40.71%	37.92%	77.9%
	•Patient(s) that had an annual screening test for diabetic retinopathy	39,862	95.10%	83.28%	48.4%
Coronary Artery Disease	•Patient(s) currently taking an ACE-inhibitor	11,343	38.05%	37.91%	78.8%
	•Patient(s) currently taking a statin	11,343	67.65%	64.69%	Not Available
Hyperlipidemia	•Patient(s) with a LDL cholesterol test in last 12 reported months	229,735	94.41%	95.30%	83.6%**
	•Patient(s) with a total cholesterol test in last 12 reported months	229,735	94.40%	95.33%	Not Available
Preventive Screening	•Cervical cancer	264,659	94.40%	95.33%	74.4%
	•Breast cancer	164,360	62.02%	68.04%	66.8%
	•Colorectal cancer	155,764	55.38%	63.53%	55.2%
	•Prostate cancer	59,789	39.02%	48.64%	Not Available
COPD	•Patients with spirometry testing in the last 12 months	7,392	43.32%	38.83%	40.4%
Asthma	•Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	34,060	62.20%	58.07%	91.7%

6 Clinical Quality Performance – NON-MEDICARE RETIREES

Disease Condition	Clinical Compliance Metrics	Individuals			NCQA Quality Compass National Average*
		Population	Compliance Rate Prior Period	Compliance Rate Current Period	
Diabetes	•Patient(s) that had at least 2 hemoglobin A1C tests in last 12 reported months	14,885	52.74%	60.46%	87.3%
	•Patient(s) that had an annual screening test for diabetic nephropathy	14,885	32.11%	36.14%	77.9%
	•Patient(s) that had an annual screening test for diabetic retinopathy	14,885	77.17%	82.73%	48.4%
Coronary Artery Disease	•Patient(s) currently taking an ACE-inhibitor	5,721	30.80%	40.92%	78.8%
	•Patient(s) currently taking a statin	5,721	57.93%	75.70%	Not Available
Hyperlipidemia	•Patient(s) with a LDL cholesterol test in last 12 reported months	58,138	71.12%	93.69%	83.6%**
	•Patient(s) with a total cholesterol test in last 12 reported months	58,138	71.11%	93.68%	Not Available
Preventive Screening	•Cervical cancer	45,431	60.41%	68.82%	74.4%
	•Breast cancer	42,851	72.85%	80.50%	66.8%
	•Colorectal cancer	63,713	49.81%	61.99%	55.2%
	•Prostate cancer	21,405	26.94%	33.97%	Not Available
COPD	•Patients with spirometry testing in the last 12 months	3,128	30.30%	42.01%	40.4%
Asthma	•Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	4,955	56.12%	71.52%	91.7%

* Source: NCQA – State of Health Care Quality 2012 – Accredited Plans 2011 Commercial PPO Averages

** Represents cholesterol management for patients with cardiovascular conditions: LDL cholesterol screening

7. Summary of Prescription Drug Expenses

Objective: Provide the Board with metrics to evaluate year-over-year growth in pharmacy spend, cost and utilization.

Observations:

- Generic dispensing rates increased in the current period over the prior period. This is likely due to key brand medications losing patent protection. Below is an abbreviated list of some brand drugs soon becoming generic and key medications that lost patent protection in 2012.

2012	<ul style="list-style-type: none"> • Plavix (antiplatelet/cardiovascular) • Seroquel (antipsychotic) • Singulair (antiasthmatic) • Actos (antidiabetic) • Lexapro (antidepressant) • Diovan HCT (blood pressure reduction) 	2013	<ul style="list-style-type: none"> • Lidoderm (pain reliever) • Cymbalta (antidepressant) • Niaspan (cholesterol reduction) • Aciphex (anti-ulcer/PPI)
2014	<ul style="list-style-type: none"> • Celebrex (anti-inflammatory) • Nexium (anti-ulcer/PPI) • Lunesta (sleep aid) 	2015	<ul style="list-style-type: none"> • Lovaza (cholesterol reduction) • Namenda (Alzheimer's) • Abilify (antipsychotic) • Copaxone (multiple sclerosis) • Gleevec (anti-neoplastic/cancer)

- Mail order utilization appears to be low. The plan has a 90-day retail network. Often times members find 90-day retail networks to be more convenient than mail order. Clinically it has been shown that patients adherence to therapy is aided by having 90-day quantities of medications on hand. This is particularly important for medications that treat chronic conditions.

7 Summary of Prescription Drug Expenses – ACTIVE Members

Category	Current Period	Prior Period	% Change	Norm
Total Rx Paid Amount	\$465,147,363	\$476,440,950	-2%	N/A
Prescriptions Written PMPY	11.9	12.2	-3%	10 – 12
Total Rx Paid PMPY	\$980	\$991	-1%	
Participant Cost Share	24.60%	24.52%	0%	21% – 23%
Total Rx Plan Paid PMPY	\$739	\$748	-1%	
PBM Generic Dispensing Rate	79%	75%	4%	72% – 76%
PBM Mail Order Rx Scripts	1%	1%	0%	10%

7 Summary of Prescription Drug Expenses – MEDICARE RETIREES

Category	Current Period	Prior Period	% Change	Norm
Total Rx Paid Amount	\$317,221,313	\$306,907,236	3%	N/A
Prescriptions Written PMPY	32.6	33.2	-2%	30 – 33
Total Rx Paid PMPY	\$2,536	\$2,605	-3%	
Participant Cost Share	26.66%	26.93%	-1%	21% – 25%
Total Rx Plan Paid PMPY	\$1,859	\$1,904	-2%	
PBM Generic Dispensing Rate	76%	71%	5%	72% – 76%
PBM Mail Order Rx Scripts	5%	5%	0%	10%

8. Prescription Drug Cost Management Analysis

Objective: Provide the Board with a list of the top 10 therapeutic drug classes that are driving pharmacy claim expenses.

Observations:

- The plan can expect to see spend go down in this category due to new generics being available (Cymbalta-2013) and as multiple manufactures enter the market place for recently launched generics (Lexapro-2012) cost is expected to go down.
- Disease-Modifying Antirheumatic agents rank 3rd in cost. While no generics are in the immediate future for this class, this class contains medications that in some cases may be eligible for formulary management rules traditional seen in the non-specialty pharmacy benefit (e.g., Step therapy).
- Insulin ranks 4th but total amount paid and unfortunately no viable generics are available or in the immediate future for this class.
- Antineoplastic or cancer medications rank 5th in total amount paid. This class is generally dominated by brand prescriptions however for SHPNC there appears to be high generic utilization.
- Angiotensin II receptor antagonists are 8th in total amount paid. Spend in this can be expected to go down as new generics have entered the marked in late 2012 (Diovan HCT-2012).
- Opiate Agonists appear to be 9th in total amount paid. This class is predominantly generic and the SHPNC data shows 95% generic by count which is consistent with what is expected with this class. However, SHPNC may wish to look into this area a bit further because a class this heavy in low cost generics that still appears in the top Rx classes by spend seems to indicate high volume dispensing.

8 Prescription Drug Cost Management Analysis – ACTIVE Members

Top 10 Rx Therapy Classes	Current Period		
	Total Paid Amount	% Generic by Count	PMPM
ANTIDEPRESSANTS	\$29,223,306	87%	\$5.13
DISEASE-MODIFYING ANTIRHEUMATIC AGENTS	\$28,179,378	14%	\$4.95
BIOLOGIC RESPONSE MODIFIERS	\$20,804,898	0%	\$3.65
HMG-COA REDUCTASE INHIBITORS	\$18,125,392	80%	\$3.18
INSULINS	\$17,907,415	0%	\$3.14
PROTON-PUMP INHIBITORS	\$17,161,976	57%	\$3.01
CONTRACEPTIVES	\$15,127,751	82%	\$2.66
ANTINEOPLASTIC AGENTS	\$14,149,721	90%	\$2.48
ANTIRETROVIRALS	\$12,178,146	5%	\$2.14
ANOREX.,RESPIR.,CEREBRAL STIMULANTS,MISC	\$11,078,811	77%	\$1.95

8 Prescription Drug Cost Management Analysis – MEDICARE RETIREES

Top 10 Rx Therapy Classes	Current Period		
	Total Paid Amount	% Generic by Count	PMPM
HMG-COA REDUCTASE INHIBITORS	\$21,154,405	83%	\$14.09
ANTINEOPLASTIC AGENTS	\$17,753,430	89%	\$11.83
INSULINS	\$14,703,807	0%	\$9.79
PROTON-PUMP INHIBITORS	\$14,386,842	57%	\$9.58
ANGIOTENSIN II RECEPTOR ANTAGONISTS	\$12,164,761	61%	\$8.10
ANTIDEPRESSANTS	\$11,307,624	87%	\$7.53
DISEASE-MODIFYING ANTIRHEUMATIC AGENTS	\$10,056,843	35%	\$6.70
BETA-ADRENERGIC BLOCKING AGENTS	\$7,014,544	95%	\$4.67
DIPEPTIDYL PEPTIDASE-4(DPP-4) INHIBITORS	\$7,004,350	0%	\$4.67
DIHYDROPYRIDINES	\$6,207,449	94%	\$4.13

Ongoing Use of the Dashboard

- View the current dashboard as a starting point
- Dashboard metrics can be added to be current with ongoing Board objectives
- Of key value will be to add performance metrics to monitor the progress vendors are making to support the strategic objectives of the SHP
- Provide insights into plan design alternatives that could be used to encourage behavioral change that will lower risk factors
- Monitor the effectiveness of efforts by vendors to support SHP participants in their efforts to improve their person health and lower health risk factors

Take-aways

- Work with Active Health to understand the disparity in number of chronic disease conditions and compliance gaps.
- Work with Active Health to determine how they are targeting high risk, high cost claimants (e.g., COPD and asthmatics) for outreach.
- Continue to monitor medication adherence and treatment compliance of key chronic diseases for improvement in health status as the value based program design is implemented on 1/1/2014.