



AGENDA

State and Public School Life and Health Insurance Board

August 18, 2015

1:00 p.m.

EBD Board Room – 501 Building, Suite 500

- I. Call to OrderCarla Haugen, Chairman***
- II. Approval of June 23, 2015 Minutes.....Carla Haugen, Chairman***
- III. ASE-PSE Financials June & July, 2015Marla Wallace, EBD Chief Fiscal Officer***
- IV. Benefits Sub-committee Report..... Carla Haugen, Board Chairman***
- V. DUEC Committee Report..... Dr. Hank Simmons, DUEC Chairman***
- VI. Catamaran Update..... Sarah Bujak, Catamaran***
- VII. Truven Health Carole Porambo***
- VIII. Director's Report..... Bob Alexander, EBD Executive Director***

Upcoming Meetings

October 20, 2015

November 17, 2015

NOTE: All material for this meeting will be available by electronic means only asepe-board@dfa.arkansas.gov

Notice: Silence your cell phones. Keep your personal conversations to a minimum. Observe restrictions designating areas as "Members and Staff only"

State and Public School Life And Health Insurance Board Meeting Minutes August 18, 2015

The 151st meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met on August 18, 2015 at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, AR 72201.

MEMBERS PRESENT

Dr. Joseph Thompson
Robert Boyd
Carla Haugen - Vice-Chairman
Renee Mallory
Dan Honey
Shelby McCook
Janis Harrison
Lori Freno-Engman
Katrina Burnett
Dr. John Kirtley – Chairman
Dr. Tony Thurman
Dr. Andrew Kumpuris

MEMBERS ABSENT

Angela Avery

Bob Alexander, Executive Director, Employee Benefits Division

OTHERS PRESENT:

David Keisner, Dwight Davis, UAMS; Janna Keathley, Ethel Whittaker, Marla Wallace, Lori Eden, Stella Green, Sherry Bryant, Gretchen Baggett, EBD; Sylvia Landers, Minnesota Life; Kristi Jackson, Jennifer Vaughn, ComPsych; Pam Lawrence, AHH; Marc Watts, ASEA; Jordan Gass-Poore, Arkansas Democrat Gazette; Wayne Whitley, Ronda Walthall, Mike Boyd, AR Highway & Transportation Dept; Takisha Sanders, Kanita Collins, Health Advantage; Susan Walker, DataPath; Kim Henderson, ADFA; Gini Ingram, Ro Summers, ACHI; Steve Althoff, MTI; Raina Porchay, Susan Bujak, Sean Hansen, Catamaran; Martha Hill, Robyn Keene, Mike Mertens, AAEA; Karen Langley, Qual Choice; Sam Smothers, Astra Zeneca; Glenn Belemjian, Merck; Michael Cuccia, DSI; Kristi Clark, Ark Building Authority; Donna Morg, ARTA

CALL TO ORDER:

Meeting was called to order by John Kirtley, Chairman

APPROVAL OF MINUTES: *by John Kirtley, Chairman*

The request was made by Kirtley to approve the June 23, 2015 minutes.

Honey made the motion to approve the minutes, Harrison seconded; all were in favor.

Minutes approved

FINANCIALS: *by Marla Wallace, EBD Fiscal Officer*

Wallace reported financials for June & July, 2015. For PSE in June there were Five (5) weeks of medical and pharmacy claims paid. There was no funding received from the Department of Education therefore there was a net loss of \$6.4 million for the month and the year-to-date gain is \$36.9 million. The first six months of the \$44.00 transitional fee was accrued in the amount of \$1.6 million. The IBR numbers were received and there was no change. There is \$28 million for health and \$1.4 million for pharmacy. Net Assets available is \$49.2 million. For July there were four (4) weeks of medical and pharmacy claims. There was a net gain of \$5.9 million and year-to date is \$42.9 million. The Patient Centered Outcome Research Fee was paid in the amount of \$177,673.60. There is \$19.2 million allocated premium cost for plan years 2016-2018. The allocation for 2016 is 50% in the amount of \$9.6 million, for 2017 30% in the amount of \$5.76 million, and for 2018 20% in the amount of \$3.84 million. The FICA savings was only \$456,860.00 for the month and the year-to-date is \$3.296 million. There are net assets of \$35.56 million.

For ASE the month of June there were paid five (5) weeks of claims paid for pharmacy and medical. For June there was \$4.491 million in FICA savings that can be transferred for premiums. There was two (2) months of RDS Medicare Part D subsidy in the amount of \$1million. The transitional fee was \$1.1 million. The IBNR remained the same. Due to the additional funding the net gain for the month is \$3.5 million, and the year-to-date is \$22.365 million. The net assets are \$48 million. For July there was a net gain for the month of \$4.8 million and the year-to-date gain is \$27 million. The Patient Centered Outcome Research Fee was paid in the amount of \$137,140.00. The total allocation amount is \$25.2 million. The allocation for 2016 is \$12.6 million, for 2017 \$17.56 million, and for 2018 \$5.04 million. The net assets are \$27.9 million.

State and Public School Life and Health Insurance Board Benefits Sub-Committee Summary Report

The following report resulted from a meeting of the Benefits Sub-Committee from August 7, 2015 with Jeff Altemus presiding.

Topics Discussed:

- Vacant Committee Positions
- Retiree Health Plan – Health Plan One

VACANT POSITIONS – Jeff Altemus, Chairman

Altemus reported the committee has two open positions, and would like to recommend Ronnie Kissire, Superintendent of Schools at Ouachita School District.

Honey motioned to elect Ronnie Kissire for the benefits sub-committee. Kirtley seconded. All were in favor.

Motion Approved.

RETIREE HEALTH PLAN – HEALTH PLAN ONE - Joe Cazzell, Legacy Capitol Group

The State of Arkansas offers retirees a single group Medicare supplement plan. Utilizing a private exchange solution could deliver to both retirees and the State an **estimated \$30 million in annual savings** on premium, as well as many other substantial benefits. There could be significantly greater choices for retirees, and considerable financial benefits. Health Plan One's **unique exchange solution includes a group NPPO plan** that mirrors the State's current group plan. This provides retirees the choice of shopping on the exchange or securing a plan that is comparable to their current coverage. **McCook** recommended more information from the Director before presenting to the board. **Honey** seconded. All were in favor. **Motion Approved**

State and Public School Life and Health Insurance Board Drug Utilization and Evaluation Committee Report

The following report resulted from a meeting of the DUEC on August 3, 2015 with Dr. Hank Simmons presiding.

1. Recommended Changes to Current Coverage

A. Delivery Coordination Workgroup Report: *by Dr. Geri Bemberg, UAMS*

Cancer and non-cancer drugs were reviewed by the DCWG and a report was made to the DUEC on August 3rd. Recommendations from this report are outlined below.

	Current Coverage	Proposed Coverage for 2015
<u>Targretin (bexarotene) capsules</u>	T4, No PA Required	T4PA (grandfather existing members)
<u>Targretin (bexarotene) Gel</u>	T4 No PA Required	Exclude (no current utilizers)
<u>Acute lymphoblastic leukemia (All)</u>		
<u>Blinicyto (blinatumomab)</u>	New Drug	Exclude
<u>Hematopoietic Stem Cell Mobilization</u>		
<u>Mozobil (plerixafor)</u>	Medical, no PA Required	Medical PA

Dr. Thompson motioned to adopt Section A. Kirtley seconded. All were in favor.

Motion Approved.

B. Belimumab (Benlysta) – Follow Up: *by, Dr. Jill Johnson, UAMS*

The Board voted to exclude this drug in November 2014 with 90 day notice and no grandfathering. At this time, the DUEC recommends that we change our grandfathering policy for this drug for patients who were previously on the medication under the plan. DUEC will revisit the coverage policy in 6 months.

McCook motioned to approved section B. Harrison seconded. All were in favor.

Motioned Approved.

2. NEW DRUGS

Johnson reported on new drugs. The review covered products released March 2 – June 6, 2015.

Recommended Additions:

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	DUEC VOTE
Proair Respi Aer	Albuterol sulfate aer po BA 108 mcg/act	\$60/1 box (90mcg base)	New Dosage formulation of Proair-treatment of asthma	Proair HFA inhaler (tier2) -\$53/inhaler 90mcg base	Tier 2
Corlanor Tabs	Ivabradine tabs	\$450/60 – 7.5 mg tabs	Treatment of heart failure		Tier 3 PA
Fosrenol Powder	Lanthanum carnonbate Oral Powder pack	1000mg powder pack \$11.21	New Dosage form. Also available in chewable tabs. For treatment of hyperphosphatemia	Fosrenol tabs 1000mg chewable tab \$11.21	Tier 3
Ritalin LA Caps 60 mg	Methylphenida te caps SR 24hr 60mg (LA)	\$10.94/cap	Treatment of ADHD/norcolepsy	Methylphenidate ER (\$5 each) T1 w/Qls. Ritalin LA T3 w/QL. LA amphetamines are RP'd for members age >26y.	Tier3, QL 1/1. RP for age >26y.
Stiolto AER Respimat	Tiotropium br [Spiriva] and olodaterol [Striverdi]	\$378/4GM	Combination inhaled anticholinergic and a LABa used for COPD, emphysema	Spiriva (T2) Striverda-coded as reject at seq 1 and coded as PA at seq 10??	Tier 3

Recommended Exclusions

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	DUEC VOTE
Fentanyl TD Patch	Fentanyl Tansdermal patch	\$65.00//\$94.00/\$129- New strengths available from one source – Mylan	New dosage formulations. Treatment of mild-moderate pain.	Generic strengths ranging from 12mcg – 100 mcg from multiple mfg. Currently covered T1 with quantity limits. Pricing examples:50 mcg/\$26,75mcg/\$40, 100mcg\$53	Excl'd, code 13
Nuversa Gel 1.3%	Metronidazole vaginal gel 1.3%	\$186/application-dosage= one single application	Treatment of bacterial vaginosis	Metronidazole Vag gel 0.75% 70 gm tube=\$33. (dosage = 1-2 times a	Excl'd, code 13.

				day for 5 days.	
Toujeo Sol Inj 300IU/ML	Insulin glargine sol pen-injector 300 units/ml	\$402/3pens (1,350 units)(\$0.30/unit)	Type 1 and type 2 diabetes	Lantus 100u/ml – tier 2 (\$0.30/unit)	Excl'd, code 13.
Natesto Gel 5.5Mg	Testosterone nasal gel	\$238/bottle	Treatment of hypogonadism	Topical testosterone products excluded. Injectable testosterone covered tier 1 with PA	Excl'd, code 13
Zohydro ER Caps-10/15/20/30/40/50MG	Hydrocodone birartrate cap SR 12 hour abuse-deterrent	\$7.37 - \$9.00/tab depending on strength	Moderate-severe pain	Zohydro (non-abuse deterrent excluded by plan	Excl'd, code 13
Avycaz IV Solution	Ceftazidime-avibactam sod IV soln	N/A	Treatment of intraabdominal infections. Pyelonephritis, UTI – not in scope of pharmacy benefits.		N/A hospital
Cresemba Caps	Isavuconazonium sulfate caps	\$1,176/14 caps	Azole antifungal indicated for treatment of adults with invasive aspergillosis or invasive mucormycosis Dose= 2 caps every 8 hours x 6 doses then 2 caps daily	Itraconazole (tier1) - \$900/90caps. Vfend \$2,653/30caps	Excl'd.
Cresemba Inj 372 MG	Isavuconazonium sulfate IV solution	N/A	Azole antifungal indicated for treatment of adults with invasive aspergillosis or invasive mucormycosis-not in scope of pharmacy benefits		N/A Hospital
Liletta IUD	Levonorgestrel releasing IUD 18.6 mcg/day (52mg total)	\$750 each	Intrauterine contraceptive	IUD's excluded under pharmacy benefits	N/A Medical
Omidria Inj 1-0.3%	Phenylephrine-ketorolac intraocular soln 1-0.3%	\$558/4ml	For use during cataract surgery or intraocular lens replacement to maintain pupil size by preventing intraoperative miosis and to reduce post operative ocular pain – out of scope of pharmacy benefits		N/A Medical
Pristiq 25 MG Tab	Desvenlafaxone succinate tab SR 24hr 25mg tab	\$9.26/capsule	New dosage formulation	Other dosage strengths of Pristiq excluded under pharmacy benefits	Excl'd

Provida DHA Caps	Prenatal vitamin	\$2/capsule	Prenatal vitamin	Other dosage strength	Excl'd
Saxemda Inj 6MG/ML	Liraglutide (weight mgmt.) soln pen inj 6mg/ml	\$1,281/box of 3 pens	Treatment of obesity as an adjunct to a reduced-calorie diet and increased physical activity.	Anti-obesity agents excluded under pharmacy benefits	Excl'd code 9
Namzaric Caps	Memantine[Namenda]-donepezil[Aricept] cap SR 24hr	\$386/30 caps (28mg memantine, donepezil 10mg)	Treatment of Alzheimer's disease	Tier 3 options: Namenda 10mg (\$296/60); Namenda XR 28 mg (\$356/30); Aricept 10mg (\$1,070/30); donepezil 10mg (\$963/30)	Excl'd code 13
Argatroban Inj	Argatroban inj IV soln 250mg/250ml	N/A	Synthetic IV thrombin inhibitor not in scope of pharm benefit.		N/A
Levoleucovorin inj 50mg	Levoleucovorin calcium inf 175mg/17.5ml	N/A	For treatment of methotrexate toxicity not of Pharm benefit		N/A
Aptensio XR Caps	Methylphenidate ER 24 hr caps	\$7.80/cap	Treatment of ADHD/narcolepsy	Methylphenidate ER (\$5 each) covered tier 1 w/QIs. Ritalin LA tier 3 w/QL. La amphetamines are RP'd for mbs. 26 age	Excl'd 13
Saphris Sublingual Tabs	Asenapine maleate sublingual tabs	\$16.65/2.5mg	New 2.5 mg sblingual dose. Other dosages: 5 and 10mg. Used for bipolar disorder and schizophrenia	Saphris excluded under pharmacy benefit	Excl'd 13
Tivorbex Caps	Indomethacin 20 and 40mg caps	\$4.20/cap	Lower dosage form of indomethacin	Indomethacin generic cv T1 25mg=\$0.35	Excl'd 13
Enbrace HR Caps	Prenatal vitamin	\$4.31/Cap	Prenatal vitamin	Various generics	Excl'd 7
Caya Diaphragm	Diaphragm arc-spg	\$90/each	Contraceptive	Diaphragms excl'd under pharm benefit	Cover at 100%
Doryx 50mg Tabs	Doxycycline hyclate tab delayed release 50mg	\$11.98/tab	Anti-infective agent. New dosage strength	Other dosage strengths of doxycycline hyclate delayed release coded to reject	Excl'd 13
Varizig 125 units	Varicella-zoster immune glob(human)Im inj 125u/1.2ml	\$1,422/1.2ml vial	For varicella (chicken pox) infection prophylaxis		N/A
IRENKA CAPS40MG	Duloxetine HCL 40mg	\$8.72/40mg cap	Antidepressant	Duloxetine reference priced on plan	Excl'd 13
Ionsys Pad 40mcg/AC	Fentanyl HCL iontophoretic TD system 40mcg/act	\$240 patch	A patient ctrl iontophoretic transdermal system providing ondemand systemic delivery of fentanyl for up to 24hrs or a max of 80 doses, whichever	Should only be used for hospitalized patients and should be discontinued before patients are discharged	N/A Hospital

comes first

Other Exclusions:

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	DUEC VOTE
<u>Hysingla ER</u>	Hydrocodone bitartrate ER 24 Hr Abuse-Deterrent	\$7.88-\$40/cap depending on strength	Pain management	Other long-acting pain meds available	Exclude, code 13 effective 1/1/16
<u>Namenda XR & Titration Pack</u>	Memantine hydrochloride ER 24 hour capsule	\$12.88/cap	Mild-to-moderate dementia of the Alzheimer type	Currently covering Namenda IR	Exclude, code 13

Specialty Drugs:

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	DUEC VOTE
Lenvima	Lenvatinib	\$2,790/pak (15-24mg caps)	Treatment of pts w/locally recurrent or metastatic, progressive, radioactive iodine-refractory differentiated thyroid cancer (DTC). Dose= up to 24mg daily in 28 day cycle.	DCWG to address in October 2015 meeting	Excl'd
Docetaxel 200mg/20ml for IV infusion	Docetaxel		Not pharmacy		N/A
Farydak(limited disb)	Panobinostat lactate capsules	6-20mg caps=\$8,232. Dose=20mg on day 1,3,5,8,10,12	A histone deacetylase inhibitor, in combination with bortezomib & dexamethasone, is indicated for the treatment of patients with multiple myeloma who have receive at least 2 prior regimens.		Excl'd 1
Novoeight Inj	Antihemophilic factor (recombinant)for inj- 1500 units, 2000units,3000 units	\$1.91 /unit	Treatment of hemophilia A	Other hemophilia A treatments	T4 PA
Aranesp Inj 100mcg	Darbepoetin alfa polysorbate 80 soln	\$85.14/syringe	Treatment of Anemia	Other dosage strengths	T4 PA

	inj 10mcg/0.4ml				
Kalydeco Pak -50 & 75 mg	Ivacaftor packet	Each dose=\$512 each	Treatment of cystic Fibrosis	Kalydeco tab 150mg tab (\$512/tab)	T4 PA
Mircera Inj 200 mcg	Methoxy polyethylene glycol-epoetin beta inj 200 mcg/0.3ml	\$432/syringe	Treatment of Anemia	Other dosage strengths of Mircera	T4 PA
Jadenu Tabs (limited)	Deferasirox tabs	90 mg=\$34;180mg=\$68;360 mg=\$136	A new formulation of Exjade	Exjade for oral suspension covered under specialty tier.	T4 PA
Natpara Inj (limited)	Parathyroid hormone for injection cartridge	\$9,500/2-50mcg cartridges for subcutaneous injection	Treatment of hypocalcemia and hypoparathyroidism		Exc1 13
Cholbam Caps	Cholic acid caps	#30-50mg caps \$9,930 #30-250mg caps\$29,880	For treatment of bile acid synthesis disorders,, peroxisomal disorders, Zellweger spectrum disorders	N/A	Excl'd 1
Juxtapid 30,40,60mg caps (limited)	Lomitapide mesylate caps	\$1,237/cap	New Dosage Formulations	Juxtapid excl'd by plan	Excl'd 1
Ixinity	Coagulation factor IX (recombinant) for inj 1500 units	!17.5/unit	Treatment of hemophilia		N/A Hospital

Kirtley motioned to approve Section 2. Mallory seconded. All were in favor.

Motion Approved.

Compound Kits/Bulk Chemicals/No Indication

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	DUEC VOTE
Menthocin pad Lidocain	Lidocaine-capsaicin-men-methyl sal patch				Excl'd
Procarbazine powder					Not Address
Permavan Pad	Lidocaine-dm-trolamine salicylate patch				Not Address
Remaxazon	Lidocaine-capsaicin-chondroitin-glucos patch				Excl'd
Comfort EZ Pad	Methyl salicylate-lidocaine-menthol patch				Excl'd
Pharm Ch Tsx Pad	Methyl salicylate-lidocaine-menthol				Excl'd
Sorbitol Cry Candy	Sorbital candy base				Excl'd
Methylmethacrylate					Not

crosspolymer powder					Address
Pullulan powder					Not Address
Sodium bitartrate					Not Address
Canoginex Spray	Camphor-histamine-menthol				Not Address
Lidovin Cream 3.95%	Lidocaine cream 3.95%				Exclcd
Lidozol Cream 3.75%	Lidocaine crm 3.75%				Exclcd
Tetramex Spray	Tetracaine-men-spry				Exclcd
Anodynex Pad	Capsaicin-lidociane				Exclcd
Dermacinrx Kit Combo	Chlorhexidine soln				Exclcd
Nazirex Cream	Levocetirizine crm				Exclcd
Dermacinrx Kit Silapak	Dimethicone cream				Exclcd
Atendia Pad	Lidocaine-menthol				Exclcd
Betamethasone sod7mg/ml	Mfg: US Compound				Not Address
Betamethasone sod (6-6)mg/2ml	Mfg: US Compound				Not Address
Dermacinrx Kit	Diclofenac sod tab 75mg				Exclcd
Dermacinrx Kit SilaPak	Triamcinolone acet cream 0.1%				Exclcd
Methylprednisolone acetate 100mg.	Mfg: US Compound				Not Address
Testone Cik kit	Testosterone cypionate IM inj in oil 200mg/ml				Not Address
Betamethasone sodium 25mg/ml					Not Address
Kudzu root powder					Exclcd
Methyprednisolone 40mg/ml	Mfg: US Compound				Not Address
Testosterone implant pellets	Mfg: US Compound				Not Address
Triamcinolone/lidocaine	Mfg: US Compound				Not Address
Testosterone inj 250mg	Mfg: US Compound				Not Address
Vit K2 bulk powder					N. Add
Capsaicin powder					N. Add
Dermacinrx Solution	External vehicles				Exclcd
Renovo lido5 cream	Lidocaine-capsaicin				Exclcd
Urevaz Cream	Urea cream 44%				Exclcd
I-Lids cleans Soln	Hypochlorous acid cleanser 0/01%				Exclcd
Mic Combo Inj	Mfg: US Compound				N. Add
Test EO-Pro-Inj Cyp 220	Mfg: US Compound				Exclcd
Brompheniram Inj	Mfg: US Compound				N. Add

10mg/ml					
Estradiol Implant Pellet	Mfg: US Compound				N. Add
Sod Hyaluronate-Lidocaine PF Soln	Mfg: US Compound				N. Add
Hyaluronidase Bovine	Mfg: US Compound				N. Add
Lincomycin HCl-lidocaine	Mfg: US Compound				N. Ad
Medroxyprogesterone	Mfg: US Compound				N. Add
Testosterone Implant	Mfg: US Compound				N. Add
Triamcinolone Acetonide	Mfg: US Compound				N. Add
Pine Bark Extract	Mfg: US Compound				N. Add
Renuu NI Pad 2-30%	Mfg: US Compound				Excl'd
Anasept SPR	Mfg: US Compound				Excl'd
Citrus Pow Bergamot	Citrus bergamot oral powder 250mg				Excl'd
Ademetionine powder					N. Add
Calcium amino acid chelate granules					N. Add
Magnesium amino acid chelate powder					N. Add
Tocopherols powder					Excl'd
Dermacinrx Inflam					Excl'd
Misc:					
Toxicol Salv Kit	Toxicology saliva collection kit		Not in pharm bene		N/A
Thallous Inj TL 201	Thallous chloride TL 201 inj		Diagnostic aid not in pharmacy benefit		N/A
Glucagon Inj 1MG	Glucagon HCl diagnostic for inj		Not in pharmacy benefit		N/A

***New Drug Code Key:**

1	Lacks meaningful clinical endpoint data; has shown efficacy for surrogate endpoints only.
2	Drug's best support is from single arm trial data
3	No information in recognized information sources (PubMed or Drug Facts & Comparisons or Lexicomp)
4	Convenience Kit Policy - As new drugs are released to the market through Medispan, those drugs described as "kits" will not be considered for inclusion in the plan and will therefore be excluded products unless the product is available solely as a kit. Kits typically contain, in addition to a pre-packaged quantity of the featured drug(s), items that may be associated with the administration of the drug (rubber gloves, sponges, etc.) and/or additional convenience items (lotion, skin cleanser, etc.). In most cases, the cost of the "kit" is greater than the individual items purchased separately.
5	Medical Food Policy - Medical foods will be excluded from the plan unless two sources of peer-reviewed, published medical literature supports the use in reducing a medically necessary clinical endpoint. A medical food is defined below: A medical food, as defined in section 5(b)(3) of the Orphan Drug Act (21 U.S.C. 360ee(b)(3)), is "a food which is

	formulated to be consumed or administered eternally under the supervision of a physician and which is intended for the specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation.” FDA considers the statutory definition of medical foods to narrowly constrain the types of products that fit within this category of food. Medical foods are distinguished from the broader category of foods for special dietary use and from foods that make health claims by the requirement that medical foods be intended to meet distinctive nutritional requirements of a disease or condition, used under medical supervision, and intended for the specific dietary management of a disease or condition. Medical foods are not those simply recommended by a physician as part of an overall diet to manage the symptoms or reduce the risk of a disease or condition, and all foods fed to sick patients are not medical foods. Instead, medical foods are foods that are specially formulated and processed (as opposed to a naturally occurring foodstuff used in a natural state) for a patient who is seriously ill or who requires use of the product as a major component of a disease or condition’s specific dietary management.
6	Cough & Cold Policy - As new cough and cold products enter the market, they are often simply re-formulations or new combinations of existing products already in the marketplace. Many of these existing products are available in generic form and are relatively inexpensive. The new cough and cold products are branded products and are generally considerably more expensive than existing products. The policy of the ASE/PSE prescription drug program will be to default all new cough and cold products to “excluded” unless the DUEC determines the product offers a distinct advantage over existing products. If so determined, the product will be reviewed at the next regularly scheduled DUEC meeting.
7	Multivitamin Policy - As new vitamin products enter the market, they are often simply re-formulations or new combinations of vitamins/multivitamins in similar amounts already in the marketplace. Many of these existing products are available in generic form and are relatively inexpensive. The new vitamins are branded products and are generally considerably more expensive than existing products. The policy of the ASE/PSE prescription drug program will be to default all new vitamin/multivitamin products to “excluded” unless the DUEC determines the product offers a distinct advantage over existing products. If so determined, the product will be reviewed at the next regularly scheduled DUEC meeting.
8	Drug has limited medical benefit &/or lack of overall survival data or has overall survival data showing minimal benefit
9	Not medically necessary
10	Peer -reviewed, published cost effectiveness studies support the drug lacks value to the plan.
11	Oral Contraceptives Policy - OCs which are new to the market may be covered by the plan with a zero dollar, tier 1, 2, or 3 copay, or may be excluded. If a new-to-market OC provides an alternative product not similarly achieved by other OCs currently covered by the plan, the DUEC will consider it as a new drug. IF the drug does not offer a novel alternative or offers only the advantage of convenience, it may not be considered for inclusion in the plan.
12	Other
13	Insufficient clinical benefit OR alternative agent(s) available

3. EBD REPORT: *by Dr. Geri Bemberg, UAMS*

Dr. Bemberg reported the rates for both ASE and PSE will remain the same as 2015. There were tremendous savings contributed to the changes in the medications for 2015. Rebates are now processed internally.

Respectfully submitted,

**Dr. Hank Simmons,
Chair, DUEC**

CATAMARAN UPDATE: *by Sarah Bujak, Catamaran*

Bujak reported on previous concerns regarding the pharmacy rebate audits performed. Dr. Thompson previously inquired about other clients of Catamaran who has requested audit rebates in the past. Bujak reported there are clients who requested audit rebates, and they were performed. However, Bujak is unable to disclose the information from the audits.

Bujak reported Catamaran provide analysis and remodeling as requested. Bujak provided rebate reports.

Dr. Kumpuris inquired is there someone that audits our rebates. Alexander reported we have the ability to audit per our contract.

Dr. Thompson inquired how does Catamaran work with self-insured companies who are actively managing their health plan?

Dr. Thompson inquired who audits Catamaran? Bujak reported she would need to research that information, but they comply with the required audits.

Dr. Kirtley requested a contract audit. Dr. Kirtley inquired is the plan receiving the rebates outlined in the contract. In addition what is the Product Specific Information?

McCook inquired if there was information on the amount of the rebates.

Dr. Thompson motioned on behalf of the board for the chairman to send a letter to the Director of Catamaran expressing concerns; as the largest self-insured plan in the state of Arkansas the Board is extremely displeased with the inability to receive information from the company upon request. Dr. Kirtley and Dr. Kumpuris seconded. All were in favor.

Motion Approved.

TRUVEN HEALTH *by Carole Porambo, Truven Health*

Alexander reported working with the company on previous projects. Truven is a data analytical company. The concept is how data can be used to assist the health plan more efficiently.

Porambo reported despite seeking to actively manage health care costs, more than 2/3 of employee plan sponsors have not analyzed their own claims data for provider compliance or employee utilization. Put your data to work managing costs & improving care, engaging employees, and reducing waste & inefficiency. About 90 million consumers reported having difficulty understanding their healthcare options. That issue alone was directly linked to 3 – 6 percent higher care expenses.

Some solutions are (1) help plan for out-of-pocket expenses, (2) guide individuals to their Best-fit Benefits Plan, (3) Send personalized care alerts and messages, (4) Provide information on treatment options, (5) Assist with provider selection.

McCook inquired if the data collected includes county level census? Porambo reported it does include county level information. McCook also inquired if she could provide data with the administrative cost for the plan.

After much discussion the board requested additional information. McCook requested to review examples of previous issues, and how the issues were resolved for their clients. In addition, what would be analyzed on a continuing basis, and provide to the board examples of standard reports.

Alexander reported Truven can provide additional detail information for a possible RFP at the next Board Meeting October 20, 2015.

DIRECTOR'S REPORT: *by Bob Alexander, EBD Executive Director*

Alexander reported the FHA/HSA RFP's are in the scoring process. They should be awarded within the next two (2) weeks. The PBA contract has been out since March. Scoring will begin September 11th.

The case management contract was not awarded. The new RFP will be at procurement by the end of 2015, and awarded by June 2016 with an effective date of January 1, 2017.

Alexander reported the Actuarial contract expires in June 2016. There is also a consultant RFP in the process as well.

Alexander reported on the requirements for the 2016 wellness for the discount in 2017. At the next meeting there will additional information presented in terms of the continuation of the wellness program.

Alexander reported there is discussion regarding cancelling the generic incentive program. McCook requested feedback from the Executive Director of the Arkansas Pharmacy Association. In addition, McCook requested information in terms of how the new health laws are affecting the smaller pharmacies. Alexander reported The Executive Director of the Arkansas Pharmacy Association will be invited to the next meeting October 20th.

Alexander reported due to the requirements of the Affordable Care Act in terms of form reporting there could be additional reporting for the Medicare participants, because the plan does not offer Part B.

Dr. Thurman inquired is there information provided in terms of the physician appeals to the UAMS committee; how many received and how many are awarded. Alexander reported a representative from the UAMS committee will be invited to present appeal information at the next board meeting October 20th.

Meeting Adjourned

Public School Employees (PSE) Financials - January 1, 2015 through June 30, 2015

	EMPLOYEE ONLY					EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL		ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	2358	187		2545		3512	230		3742
CLASSIC	20954	1798		22752		38664	2186		40850
PREMIUM	20013	1266		21279		25768	1364		27132
PRIMARY		108	10187	10295			218	11122	11340
TOTAL	43325	3359	10187	56871		67944	3998	11122	83064

REVENUES & EXPENDITURES

	Current Month	Year to Date (6 Months)
Funding		
Per Participating Employee Funding (PPE Funding)	\$ 8,219,486	\$ 49,442,438
Employee Contribution	\$ 9,004,823	\$ 54,878,815
Department of Education \$35,000,000 & \$15,000,000	\$ -	\$ 39,703,044
Other	\$ 966,436	\$ 3,811,952
Allocation for Actives	\$ 1,666,667	\$ 10,000,000
Total Funding	\$ 19,857,411	\$ 157,836,248
Expenses		
Medical Expenses		
Claims Expense	\$ 17,427,282	\$ 81,792,665
Claims IBNR	\$ -	\$ -
Medical Administration Fees	\$ 1,594,895	\$ 9,471,663
Refunds	\$ -	\$ (66,503)
Employee Assistance Program (EAP)	\$ 77,257	\$ 464,495
Pharmacy Expenses		
RX Claims	\$ 4,655,582	\$ 22,713,733
RX IBNR	\$ -	\$ -
RX Administration	\$ 293,416	\$ 1,753,558
Plan Administration	\$ 2,302,336	\$ 4,727,741
Total Expenses	\$ 26,350,768	\$ 120,857,352
Net Income/(Loss)	\$ (6,493,356)	\$ 36,978,897

BALANCE SHEET

Assets	
Bank Account	\$ 11,634,787
State Treasury	\$ 88,604,664
Receivable from Provider	\$ -
Accounts Receivable	\$ 3,842,577
Due from ASE	\$ -
Total Assets	\$ 104,082,028
Liabilities	
Accounts Payable	\$ 77,431
Due to ASE	\$ -
Deferred Revenues	\$ 19,357
Due to Federal Government (\$44 fee)	\$ 1,613,216
Health IBNR	\$ 28,000,000
RX IBNR	\$ 1,400,000
Total Liabilities	\$ 31,110,004
Net Assets	\$ 72,972,024
Less Reserves Allocated	
Premiums for Plan Year 1/1/15 - 12/31/15 (\$20,000,000 rec'd from Dept. of Education)	\$ (10,000,000)
Premium Assistance (FICA Savings)	\$ (2,839,875)
Catastrophic Reserve (2015 \$10,900,000)	\$ (10,900,000)
Net Assets Available	\$ 49,232,149

Fifth Week of Claims \$4,594,234

Public School Employees (PSE) Financials - January 1, 2014 through June 30, 2014								
	GOLD		SILVER		BRONZE		GRAND TOTALS	
	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents
Actives	18322	22263	5015	7852	23153	42004	46490	72119
Retirees	1735	2026	94	97	1164	1448	2993	3571
Medicare	9025	9885					9025	9885
TOTAL	29082	34174	5109	7949	24317	43452	58508	85575

REVENUES & EXPENDITURES

	Current Month	Year to Date (6 months)
Funding		
Per Participating Employee Funding (PPE Funding)	\$ 8,455,578	\$ 50,877,463
Employee Contribution	\$ 9,961,734	\$ 60,675,382
Department of Education \$35,000,000 & \$15,000,000	\$ -	\$ 23,409,091
Other	\$ 535,792	\$ 1,183,659
Allocation for Actives - Plan Year 2014	\$ 3,583,333	\$ 21,500,000
Total Funding	\$ 22,536,437	\$ 157,645,595
Expenses		
Medical Expenses		
Claims Expense	\$ 18,972,438	\$ 100,114,368
Claims IBNR	\$ -	\$ -
Medical Administration Fees	\$ 1,662,200	\$ 9,791,092
Refunds	\$ (116,153)	\$ (20,350)
Employee Assistance Program (EAP)	\$ 80,447	\$ 484,651
Pharmacy Expenses		
RX Claims	\$ 4,704,021	\$ 24,122,046
RX IBNR	\$ -	\$ (400,000)
RX Administration	\$ 340,931	\$ 2,005,904
Plan Administration	\$ 2,804,314	\$ 4,443,676
Total Expenses	\$ 28,448,197	\$ 140,541,386
Net Income/(Loss)	\$ (5,911,760)	\$ 17,104,208

BALANCE SHEET

Assets	
Bank Account	\$ 22,416,796
State Treasury	\$ 49,150,462
Receivable from Provider	\$ -
Accounts Receivable	\$ 1,470,635
Due from ASE	\$ 178,839
Total Assets	\$ 73,216,732
Liabilities	
Accounts Payable	\$ 5,361,778
Due to ASE	\$ -
Deferred Revenues	\$ -
Due to Federal Government (\$63 fee)	\$ 2,318,242
Health IBNR	\$ 28,000,000
RX IBNR	\$ 1,400,000
Total Liabilities	\$ 37,080,020
Net Assets	\$ 36,136,712
Less Reserves Allocated:	
Premiums for Plan Year 1/1/14 - 12/31/14 (\$43,000,000)	\$ (21,500,001)
Catastrophic Reserve (2014 - \$11,100,000)	\$ (11,100,000)
Net Assets Available	\$ 3,536,711

Fifth Week of claims totaled: \$5,238,297.61

Public School Employees (PSE) Financials - January 1, 2015 through July 31, 2015									
	EMPLOYEE ONLY					EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL		ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	2325	220		2545		3478	274		3752
CLASSIC	20559	1925		22484		38013	2354		40367
PREMIUM	19537	1269		20806		25212	1365		26577
PRIMARY		105	10279	10384			212	11225	11437
TOTAL	42421	3519	10279	56219		66703	4205	11225	82133
REVENUES & EXPENDITURES									
						Current	Year to Date		
						Month	(7 Months)		
Funding									
Per Participating Employee Funding (PPE Funding)						\$	7,948,341	\$ 57,390,778	
Employee Contribution						\$	9,020,395	\$ 63,899,210	
Department of Education \$35,000,000 & \$15,000,000						\$	6,931,818	\$ 46,634,862	
Other						\$	513,671	\$ 4,325,622	
Allocation for Actives						\$	1,666,667	\$ 11,666,667	
Total Funding						\$	26,080,891	\$ 183,917,140	
Expenses									
Medical Expenses									
Claims Expense						\$	14,013,580	\$ 95,806,245	
Claims IBNR						\$	-	\$ -	
Medical Administration Fees						\$	1,485,491	\$ 10,957,154	
Refunds						\$	-	\$ (66,503)	
Employee Assistance Program (EAP)						\$	74,952	\$ 539,447	
Pharmacy Expenses									
RX Claims						\$	3,786,434	\$ 26,500,167	
RX IBNR						\$	-	\$ -	
RX Administration						\$	289,849	\$ 2,043,406	
Plan Administration						\$	443,114	\$ 5,170,855	
Total Expenses						\$	20,093,420	\$ 140,950,771	
Net Income/(Loss)						\$	5,987,472	\$ 42,966,369	
BALANCE SHEET									
Assets									
Bank Account							\$	14,050,148	
State Treasury							\$	88,678,982	
Receivable from Provider							\$	-	
Accounts Receivable							\$	5,948,107	
Due from ASE							\$	4,270	
Total Assets							\$	108,681,507	
Liabilities									
Accounts Payable							\$	983	
Due to ASE							\$	355,397	
Deferred Revenues							\$	19,082	
Due to Federal Government (\$44 fee)							\$	1,613,216	
Health IBNR							\$	28,000,000	
RX IBNR							\$	1,400,000	
Total Liabilities							\$	31,388,678	
Net Assets							\$	77,292,829	
Less Reserves Allocated									
Premiums for Plan Year 1/1/15 - 12/31/15 (\$20,000,000 rec'd from Dept. of Education)							\$	(8,333,333)	
Premiums for Plan Year 1/1/16 - 12/31/16 (\$9,600,000)							\$	(9,600,000)	
Premiums for Plan Year 1/1/17 - 12/31/17 (\$5,760,000)							\$	(5,760,000)	
Premiums for Plan Year 1/1/18 - 12/31/18 (\$3,840,000)							\$	(3,840,000)	
Premium Assistance (FICA Savings)							\$	(3,296,735)	
Catastrophic Reserve (2015 \$10,900,000)							\$	(10,900,000)	
Net Assets Available							\$	35,562,760	

Fifth Week of Claims \$0

Public School Employees (PSE) Financials - January 1, 2014 through July 31, 2014								
	GOLD		SILVER		BRONZE		GRAND TOTALS	
	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents
Actives	17505	21326	4870	7649	22450	40999	44825	69974
Retirees	1848	2151	138	149	1436	1797	3422	4097
Medicare	9256	10132					9256	10132
TOTAL	28609	33609	5008	7798	23886	42796	57503	84203

REVENUES & EXPENDITURES			
	Current Month	Year to Date (7 months)	
Funding			
Per Participating Employee Funding (PPE Funding)	\$ 8,170,200	\$	59,047,663
Employee Contribution	\$ 9,823,762	\$	70,499,144
Department of Education \$35,000,000 & \$15,000,000	\$ 6,931,818	\$	30,340,909
Other	\$ 3,657	\$	1,187,316
Allocation for Actives - Plan Year 2014	\$ 3,583,333	\$	25,083,333
Total Funding	\$ 28,512,771	\$	186,158,365
Expenses			
Medical Expenses			
Claims Expense	\$ 11,496,729	\$	111,611,097
Claims IBNR	\$ -	\$	-
Medical Administration Fees	\$ 1,560,691	\$	11,351,782
Refunds	\$ (1,572)	\$	(21,922)
Employee Assistance Program (EAP)	\$ 77,603	\$	562,253
Pharmacy Expenses			
RX Claims	\$ 2,760,219	\$	26,882,266
RX IBNR	\$ -	\$	(400,000)
RX Administration	\$ 316,849	\$	2,322,753
Plan Administration	\$ 698,836	\$	5,142,513
Total Expenses	\$ 16,909,355	\$	157,450,741
Net Income/(Loss)	\$ 11,603,416	\$	28,707,624
BALANCE SHEET			
Assets			
Bank Account		\$	21,775,753
State Treasury		\$	49,150,599
Receivable from Provider		\$	-
Accounts Receivable		\$	4,940,729
Due from ASE		\$	178,560
Total Assets		\$	76,045,641
Liabilities			
Accounts Payable		\$	3,629
Due to ASE		\$	166,976
Deferred Revenues		\$	-
Due to Federal Government (\$63 fee)		\$	2,318,242
Health IBNR		\$	28,000,000
RX IBNR		\$	1,400,000
Total Liabilities		\$	31,888,847
Net Assets		\$	44,156,795
Less Reserves Allocated:			
Premiums for Plan Year 1/1/14 - 12/31/14 (\$43,000,000)		\$	(17,916,667)
Catastrophic Reserve (2014 - \$11,100,000)		\$	(11,100,000)
Net Assets Available		\$	15,140,128

Arkansas State Employees (ASE) Financials - January 1, 2015 through June 30, 2015									
	EMPLOYEE ONLY					EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL		ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	958	18		976		1653	34		1687
CLASSIC	1828	60		1888		3117	87		3204
PREMIUM	24174	2192		26366		42214	2839		45053
PRIMARY		218	8807	9025			447	11592	12039
TOTAL	26960	2488	8807	38255		46984	3407	11592	61983
REVENUES & EXPENDITURES									
						Current	Year to Date		
						Month	(6 Months)		
Funding									
State Contribution						\$ 14,356,632	\$	86,156,224	
Employee Contribution						\$ 7,705,220	\$	48,002,253	
Other						\$ 6,660,408	\$	9,025,212	
Allocation for Actives - Plan Year 2015						\$ 971,667	\$	5,830,000	
Total Funding						\$ 29,693,927	\$	149,013,689	
Expenses									
Medical Expenses									
Claims Expense						\$ 16,169,600	\$	78,907,964	
Claims IBNR						\$ -	\$	-	
Medical Administration Fees						\$ 1,099,034	\$	6,505,138	
Refunds						\$ -	\$	(89,076)	
Employee Assistance Program (EAP)						\$ 56,126	\$	338,336	
Life Insurance						\$ 54,772	\$	329,917	
Pharmacy Expenses									
RX Claims						\$ 6,915,963	\$	35,910,676	
RX IBNR						\$ -	\$	-	
RX Administration						\$ 211,967	\$	1,273,627	
Plan Administration						\$ 1,665,598	\$	3,471,289	
Total Expenses						\$ 26,173,060	\$	126,647,871	
Net Income/(Loss)						\$ 3,520,866	\$	22,365,818	
BALANCE SHEET									
Assets									
Bank Account							\$	8,231,381	
State Treasury							\$	81,213,377	
Due from Cafeteria Plan							\$	5,195,886	
Due from PSE							\$	-	
Receivable from Provider							\$	-	
Accounts Receivable							\$	1,223,080	
Total Assets							\$	95,863,724	
Liabilities									
Accounts Payable							\$	94,957	
Deferred Revenues							\$	8,608	
Due to Cafeteria							\$	194	
Due to PSE							\$	-	
Due to Federal Government (\$44 fee)							\$	1,119,712	
Health IBNR							\$	24,700,000	
RX IBNR							\$	1,800,000	
Total Liabilities							\$	27,723,472	
Net Assets							\$	68,140,253	
Less Reserves Allocated									
Premiums for Plan Year 1/1/15 - 12/31/15 (\$6,260,000 + \$5,400,000)							\$	(5,830,000)	
Premiums for Plan Year 1/1/16 - 12/31/16 (\$3,600,000)							\$	(3,600,000)	
Catastrophic Reserve (2015 \$10,400,000)							\$	(10,400,000)	
Net Assets Available							\$	48,310,253	
Fifth Week of Claims \$4,482,601									

Arkansas State Employees (ASE) Financials - January 1, 2014 through June 30, 2014								
	GOLD		SILVER		BRONZE		GRAND TOTALS	
	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents
Actives	24020	44119	1573	2919	2353	4549	27946	51587
Retirees	2444	3398	22	34	58	103	2524	3535
Medicare	8232	10896					8232	10896
TOTAL	34696	58413	1595	2953	2411	4652	38702	66018

REVENUES & EXPENDITURES			
	Current Month	Year to Date (6 months)	
Funding			
State Contribution	\$ 14,314,484	\$	85,904,238
Employee Contribution	\$ 7,582,820	\$	45,721,411
Other	\$ 5,822,383	\$	8,765,969
Allocation for Actives - Plan Year 2014	\$ 2,154,167	\$	12,925,000
Total Funding	\$ 29,873,853	\$	153,316,618
Expenses			
Medical Expenses			
Claims Expense	\$ 16,777,465	\$	92,023,259
Claims IBNR	\$ -	\$	1,500,000
Medical Administration Fees	\$ 1,155,202	\$	6,814,215
Refunds	\$ (59,293)	\$	1,963
Employee Assistance Program (EAP)	\$ 56,163	\$	337,257
Life Insurance	\$ 54,708	\$	328,289
Pharmacy Expenses			
RX Claims	\$ 6,488,753	\$	34,711,683
RX IBNR	\$ -	\$	(600,000)
RX Administration	\$ 253,931	\$	1,546,800
Plan Administration	\$ 2,093,542	\$	3,849,644
Total Expenses	\$ 26,820,470	\$	140,513,109
Net Income/(Loss)	\$ 3,053,384	\$	12,803,509
BALANCE SHEET			
Assets			
Bank Account		\$	9,266,885
State Treasury		\$	71,530,318
Due from Cafeteria Plan		\$	5,205,521
Due from PSE		\$	-
Receivable from Provider		\$	-
Accounts Receivable		\$	925,944
Total Assets		\$	86,928,668
Liabilities			
Accounts Payable		\$	4,658,061
Deferred Revenues		\$	6,495
Due to Cafeteria		\$	465
Due to PSE		\$	178,839
Due to Federal Government (\$63 fee)		\$	1,688,337
Health IBNR		\$	24,700,000
RX IBNR		\$	1,800,000
Total Liabilities		\$	33,032,197
Net Assets		\$	53,896,472
Less Reserves Allocated:			
Premiums for Plan Year 1/1/14 - 12/31/14	(\$7,460,000 + \$9,390,000 + \$9,000,000)	\$	(12,925,000)
Premiums for Plan Year 1/1/15 - 12/31/15	(\$6,260,000 + \$5,400,000)	\$	(11,660,000)
Premiums for Plan Year 1/1/16 - 12/31/16	(\$3,600,000)	\$	(3,600,000)
Catastrophic Reserve		\$	(10,600,000)
Net Assets Available		\$	15,111,472

Fifth Week of claims totaled: \$4,648,991.63

6

Arkansas State Employees (ASE) Financials - January 1, 2015 through July 31, 2015									
	EMPLOYEE ONLY					EMPLOYEE + DEPENDENTS			
	ACTIVES	RETIREES	MEDICARE	TOTAL		ACTIVES	RETIREES	MEDICARE	TOTAL
BASIC	971	20		991		1673	36		1709
CLASSIC	1820	65		1885		3112	95		3207
PREMIUM	23995	2217		26212		41870	2881		44751
PRIMARY		217	8847	9064			445	11642	12087
TOTAL	26786	2519	8847	38152		46655	3457	11642	61754
REVENUES & EXPENDITURES									
						Current	Year to Date		
						Month	(7 Months)		
Funding						\$	14,693,140	\$	100,849,364
State Contribution						\$	7,935,582	\$	55,937,835
Employee Contribution						\$	115,062	\$	9,140,274
Other						\$	971,667	\$	6,801,667
Allocation for Actives - Plan Year 2015						\$	23,715,451	\$	172,729,140
Total Funding						\$	23,715,451	\$	172,729,140
Expenses									
Medical Expenses									
Claims Expense						\$	11,590,765	\$	90,498,730
Claims IBNR						\$	-	\$	-
Medical Administration Fees						\$	1,028,303	\$	7,533,441
Refunds						\$	-	\$	(89,076)
Employee Assistance Program (EAP)						\$	55,837	\$	394,174
Life Insurance						\$	54,495	\$	384,413
Pharmacy Expenses									
RX Claims						\$	5,612,108	\$	41,522,784
RX IBNR						\$	-	\$	-
RX Administration						\$	209,371	\$	1,482,998
Plan Administration						\$	322,887	\$	3,794,176
Total Expenses						\$	18,873,767	\$	145,521,638
Net Income/(Loss)						\$	4,841,684	\$	27,207,502
BALANCE SHEET									
Assets									
Bank Account								\$	13,887,095
State Treasury								\$	81,281,496
Due from Cafeteria Plan								\$	5,195,886
Due from PSE								\$	355,397
Receivable from Provider								\$	-
Accounts Receivable								\$	(1,077,897)
Total Assets								\$	99,641,977
Liabilities									
Accounts Payable								\$	7,040
Deferred Revenues								\$	684
Due to Cafeteria								\$	1
Due to PSE								\$	4,270
Due to Federal Government (\$44 fee)								\$	1,119,712
Health IBNR								\$	24,700,000
RX IBNR								\$	1,800,000
Total Liabilities								\$	27,631,707
Net Assets								\$	72,010,270
Less Reserves Allocated									
Premiums for Plan Year 1/1/15 - 12/31/15 (\$6,260,000 + \$5,400,000)								\$	(4,858,333)
Premiums for Plan Year 1/1/16 - 12/31/16 (\$3,600,000 + \$12,600,000)								\$	(16,200,000)
Premiums for Plan Year 1/1/17 - 12/31/17 (\$7,560,000))								\$	(7,560,000)
Premiums for Plan Year 1/1/18 - 12/31/18 (\$5,040,000)								\$	(5,040,000)
Catastrophic Reserve (2015 \$10,400,000)								\$	(10,400,000)
Net Assets Available								\$	27,951,936

Arkansas State Employees (ASE) Financials - January 1, 2014 through July 31, 2014								
	GOLD		SILVER		BRONZE		GRAND TOTALS	
	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents	Employee Only	Plus Dependents
Actives	23795	43697	1579	2925	2362	4561	27736	51183
Retirees	2517	3508	27	47	65	117	2609	3672
Medicare	8302	10991					8302	10991
TOTAL	34614	58196	1606	2972	2427	4678	38647	65846

REVENUES & EXPENDITURES

	Current Month	Year to Date (7 months)
Funding		
State Contribution	\$ 14,348,718	\$ 100,252,956
Employee Contribution	\$ 7,584,670	\$ 53,306,081
Other	\$ 5,717	\$ 8,771,687
Allocation for Actives - Plan Year 2014	\$ 2,154,167	\$ 15,079,167
Total Funding	\$ 24,093,272	\$ 177,409,890
Expenses		
Medical Expenses		
Claims Expense	\$ 10,221,530	\$ 102,244,789
Claims IBNR	\$ -	\$ 1,500,000
Medical Administration Fees	\$ 1,093,017	\$ 7,907,233
Refunds	\$ 4,980	\$ 6,942
Employee Assistance Program (EAP)	\$ 55,922	\$ 393,179
Life Insurance	\$ 54,478	\$ 382,767
Pharmacy Expenses		
RX Claims	\$ 3,834,229	\$ 38,545,913
RX IBNR	\$ -	\$ (600,000)
RX Administration	\$ 227,626	\$ 1,774,425
Plan Administration	\$ 528,876	\$ 4,378,520
Total Expenses	\$ 16,020,659	\$ 156,533,768
Net Income/(Loss)	\$ 8,072,613	\$ 20,876,122

BALANCE SHEET

Assets		
Bank Account		\$ 12,518,081
State Treasury		\$ 71,530,518
Due from Cafeteria Plan		\$ 5,205,521
Due from PSE		\$ 166,976
Receivable from Provider		\$ -
Accounts Receivable		\$ (1,234,492)
Total Assets		\$ 88,186,604
Liabilities		
Accounts Payable		\$ 2,862
Deferred Revenues		\$ 275
Due to Cafeteria		\$ 1,653
Due to PSE		\$ 178,560
Due to Federal Government (\$63 fee)		\$ 1,688,337
Health IBNR		\$ 24,700,000
RX IBNR		\$ 1,800,000
Total Liabilities		\$ 28,371,686
Net Assets		\$ 59,814,918
Less Reserves Allocated:		
Premiums for Plan Year 1/1/14 - 12/31/14 (\$7,460,000 + \$9,390,000 + \$9,000,000)		\$ (10,770,833)
Premiums for Plan Year 1/1/15 - 12/31/15 (\$6,260,000 + \$5,400,000)		\$ (11,660,000)
Premiums for Plan Year 1/1/16 - 12/31/16 (\$3,600,000)		\$ (3,600,000)
Catastrophic Reserve		\$ (10,600,000)
Net Assets Available		\$ 23,184,085



State and Public School Life and Health Insurance Board Benefits Sub-Committee Summary Report

The following report resulted from a meeting of the Benefits Sub-Committee from August 7, 2015 with Jeff Altemus presiding.

Topics Discussed:

- Vacant Committee Positions
- Retiree Health Plan – Health Plan One

VACANT POSITIONS – Jeff Altemus, Chairman

Altemus reported the committee has two open positions, and would like to recommend Ronnie Kissire, Superintendent of Schools at Ouachita School District.

RETIREE HEALTH PLAN – HEALTH PLAN ONE - Joe Cazzell, Legacy Capitol Group

The State of Arkansas offers retirees a single group Medicare supplement plan. Utilizing a private exchange solution could deliver to both retirees and the State an **estimated \$30 million in annual savings** on premium, as well as many other substantial benefits. There could be significantly greater choices for retirees, and considerable financial benefits. Health Plan One's **unique exchange solution includes a group NPPO plan** that mirrors the State's current group plan. This provides retirees the choice of shopping on the exchange or securing a plan that is comparable to their current coverage. **McCook** recommended more information from the Director before presenting to the board. **Honey** seconded. All were in favor. **Motion Approved.**



State and Public School Life and Health Insurance Board Drug Utilization and Evaluation Committee Report

The following report resulted from a meeting of the DUEC on August 3, 2015 with Dr. Hank Simmons presiding.

1. Recommended Changes to Current Coverage

A. Delivery Coordination Workgroup Report: *by Dr. Geri Bemberg, UAMS*

Cancer and non-cancer drugs were reviewed by the DCWG and a report was made to the DUEC on August 3rd. Recommendations from this report are outlined below.

	Current Coverage	Proposed Coverage for 2015
<u>Targretin (bexarotene) capsules</u>	T4, No PA Required	T4PA (grandfather existing members)
<u>Targretin (bexarotene) Gel</u>	T4 No PA Required	Exclude (no current utilizers)
<u>Acute lymphoblastic leukemia (All)</u>		
<u>Blinicyto (blinatumomab)</u>	<u>New Drug</u>	<u>Exclude</u>
<u>Hematopoietic Stem Cell Mobilization</u>		
Mozobil (plerixafor)	Medical, no PA Required	Medical PA

B. Belimumab (Benlysta) – Follow Up: *by, Dr. Jill Johnson, UAMS*

The Board voted to exclude this drug in November 2014 with 90 day notice and no grandfathering. At this time, the DUEC recommends that we change our grandfathering policy for this drug for patients who were previously on the medication under the plan. DUEC will revisit the coverage policy in 6 months.

2. NEW DRUGS

Johnson reported on new drugs. The review covered products released March 2 – June 6, 2015.

Recommended Additions:

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	DUEC VOTE
Proair Respi Aer	Albuterol sulfate aer po BA 108 mcg/act	\$60/1 box (90mcg base)	New Dosage formulation of Proair-treatment of asthma	Proair HFA inhaler (tier2) -\$53/inhaler 90mcg base	Tier 2
Corlanor Tabs	Ivabradine tabs	\$450/60 – 7.5 mg tabs	Treatment of heart failure		Tier 3 PA
Fosrenol Powder	Lanthanum carnobate Oral Powder pack	1000mg powder pack \$11.21	New Dosage form. Also available in chewable tabs. For treatment of hyperphosphatemia	Fosrenol tabs 1000mg chewable tab \$11.21	Tier 3
Ritalin LA Caps 60 mg	Methylphenida te caps SR 24hr 60mg (LA)	\$10.94/cap	Treatment of ADHD/norcolepsy	Methylphenidate ER (\$5 each) T1 w/Qls. Ritalin LA T3 w/QL. LA amphetamines are RP'd for members age >26y.	Tier3, QL 1/1. RP for age >26y.
Stiolto AER Respimat	Tiotropium br [Spiriva] and olodaterol [Striverdi]	\$378/4GM	Combination inhaled anticholinergic and a LABa used for COPD, emphysema	Spiriva (T2) Striverda-coded as reject at seq 1 and coded as PA at seq 10??	Tier 3
	-	-	-	-	-
-	-	-	-	-	-

Recommended Exclusions

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	DUEC VOTE
Fentanyl TD Patch	Fentanyl Tansdermal patch	\$65.00//\$94.00/\$129- New strengths available from one source – Mylan	New dosage formulations. Treatment of mild-moderate pain.	Generic strengths ranging from 12mcg – 100 mcg from multiple mfg. Currently covered T1 with quantity limits. Pricing examples:50 mcg/\$26,75mcg/\$40, 100mcg\$53	Excl'd, code 13
Nuessa Gel 1.3%	Metronidazole vaginal gel 1.3%	\$186/application-dosage= one single application	Treatment of bacterial vaginosis	Metronidazole Vag gel 0.75% 70 gm tube=\$33. (dosage = 1-2 times a day for 5 days.	Excl'd, code 13.
Toujeo Sol Inj 300IU/ML	Insulin glargine sol pen-injector 300 units/ml	\$402/3pens (1,350 units)(\$0.30/unit)	Type 1 and type 2 diabetes	Lantus 100u/ml – tier 2 (\$0.30/unit)	Excl'd, code 13.
Natesto Gel 5.5Mg	Testosterone nasal gel	\$238/bottle	Treatment of hypogonadism	Topical testosterone products excluded. Injectable testosterone covered tier 1 with PA	Excl'd, code 13
Zohydro ER Caps-10/15/20/30/40/50MG	Hydrocodone birartrate cap SR 12 hour abuse-deterrent	\$7.37 - \$9.00/tab depending on strength	Moderate-severe pain	Zohydro (non-abuse deterrent excluded by plan	Excl'd, code 13
Avycaz IV Solution	Ceftazidime-avibactam sod IV soln	N/A	Treatment of intraabdominal infections. Pyelonephritis, UTI – not in scope of pharmacy benefits.		N/A hospital
Cresamba Caps	Isavuconazonium sulfate caps	\$1,176/14 caps	Azole antifungal indicated for treatment of adults with invasive aspergillosis or invasive mucormycosis Dose= 2 caps every 8 hours x 6 doses then 2 caps daily	Itraconazole (tier1) - \$900/90caps. Vfend \$2,653/30caps	Excl'd.
Cresamba Inj 372 MG	Isavuconazonium sulfate IV solution	N/A	Azole antifungal indicated for treatment of adults with invasive aspergillosis or invasive mucormycosis-not in scope of pharmacy benefits		N/A Hospital

Liletta IUD	Levonorgestrel releasing IUD 18.6 mcg/day (52mg total)	\$750 each	Intrauterine contraceptive	IUD's excluded under pharmacy benefits	N/A Medical
Omidria Inj 1-0.3%	Phenylephrine-ketorolac intraocular soln 1-0.3%	\$558/4ml	For use during cataract surgery or intraocular lens replacement to maintain pupil size by preventing intraoperative miosis and to reduce post operative ocular pain – out of scope of pharmacy benefits		N/A Medical
Pristiq 25 MG Tab	Desvenlafaxone succinate tab SR 24hr 25mg tab	\$9.26/capsule	New dosage formulation	Other dosage strengths of Pristiq excluded under pharmacy benefits	Excl'd
Provida DHA Caps	Prenatal vitamin	\$2/capsule	Prenatal vitamin	Other dosage strength	Excl'd
Saxenda Inj 6MG/ML	Liraglutide (weight mgmt.) soln pen inj 6mg/ml	\$1,281/box of 3 pens	Treatment of obesity as an adjunct to a reduced-calorie diet and increased physical activity.	Anti-obesity agents excluded under pharmacy benefits	Excl'd code 9
Namzaric Caps	Memantine[Namenda]-donepezil[Aricept] cap SR 24hr	\$386/30 caps (28mg memantine, donepezil 10mg)	Treatment of Alzheimer's disease	Tier 3 options: Namenda 10mg (\$296/60); Namenda XR 28 mg (\$356/30); Aricept 10mg (\$1,070/30); donepezil 10mg (\$963/30)	Excl'd code 13
Argatroban Inj	Argatroban inj IV soln 250mg/250ml	N/A	Synthetic IV thrombin inhibitor not in scope of pharm benefit.		N/A
Levoleucovorin inj 50mg	Levoleucovorin calcium inf 175mg/17.5ml	N/A	For treatment of methotrexate toxicity not of Pharm benefit		N/A
Aptensio XR Caps	Methylphenidate ER 24 hr caps	\$7.80/cap	Treatment of ADHD/narcolepsy	Methylphenidate ER (\$5 each) covered tier 1 w/QIs. Ritalin LA tier 3 w/QL. La amphetamines are RP'd for mbs. 26 age	Excl'd 13
Saphris Sublingual Tabs	Asenapine maleate sublingual tabs	\$16.65/2.5mg	New 2.5 mg sublingual dose. Other dosages: 5 and 10mg. Used for bipolar disorder and schizophrenia	Saphris excluded under pharmacy benefit	Excl'd 13
Tivorbex Caps	Indomethacin 20 and 40mg caps	\$4.20/cap	Lower dosage form of indomethacin	Indomethacin generic cv T1 25mg=\$0.35	Excl'd 13
Enbrace HR Caps	Prenatal vitamin	\$4.31/Cap	Prenatal vitamin	Various generics	Excl'd 7
Caya Diaphragm	Diaphragm arc-spg	\$90/each	Contraceptive	Diaphragms excl'd under	Cover at

				pharm benefit	100%
Doryx 50mg Tabs	Doxycycline hyclate tab delayed release 50mg	\$11.98/tab	Anti-infective agent. New dosage strength	Other dosage strengths of doxycycline hyclate delayed release coded to reject	Excl'd 13
Varizig 125 units	Varicella-zoster immune glob(human)Im inj 125u/1.2ml	\$1,422/1.2ml vial	For varicella (chicken pox) infection prophylaxis		N/A
IRENKA CAPS40MG	Duloxetine HCL 40mg	\$8.72/40mg cap	Antidepressant	Duloxetine reference priced on plan	Excl'd 13
Ionsys Pad 40mcg/AC	Fentanyl HCL iontophoretic TD system 40mcg/act	\$240 patch	A patient ctrl iontophoretic transdermal system providing ondemand systemic delivery of fentanyl for up to 24hrs or a max of 80 doses, whichever comes first	Should only be used for hospitalized patients and should be discontinued before patients are discharged	N/A Hospital

Other Exclusions:

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	DUEC VOTE
<u>Hysingla ER</u>	Hydrocodone bitartrate ER 24 Hr Abuse-Deterrent	\$7.88-\$40/cap depending on strength	Pain management	Other long-acting pain meds available	Exclude, code 13 effective 1/1/16
<u>Namenda XR & Titration Pack</u>	Memantine hydrochloride ER 24 hour capsule	\$12.88/cap	Mild-to-moderate dementia of the Alzheimer type	Currently covering Namenda IR	Exclude, code 13

Specialty Drugs:

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	DUEC VOTE
Lenvima	Lenvatinib	\$2,790/pak (15-24mg caps)	Treatment of pts w/locally recurrent or metastatic, progressive, radioactive iodine-refractory differentiated thyroid cancer (DTC). Dose= up to 24mg daily in 28 day cycle.	DCWG to address in October 2015 meeting	Excl'd
Docetaxel 200mg/20ml for IV infusion	Docetaxel		Not pharmacy		N/A
Farydak(limited disb)	Panobinostat lactate capsules	6-20mg caps=\$8,232. Dose=20mg on day 1,3,5,8,10,12	A histone deacetylase inhibitor, in combination with bortezomib & dexamethasone, is indicated for the treatment of patients with multiple myeloma who have receive at least 2 prior regimens.		Excl'd 1
Novoeight Inj	Antihemophilic factor (recombinant)for inj- 1500 units, 2000units,3000 units	\$1.91 /unit	Treatment of hemophilia A	Other hemophilia A treatments	T4 PA
Aranesp Inj 100mcg	Darbepoetin alfa polysorbate 80 soln inj 10mcg/0.4ml	\$85.14/syringe	Treatment of Anemia	Other dosage strengths	T4 PA
Kalydeco Pak -50 & 75 mg	Ivacaftor packet	Each dose=\$512 each	Treatment of cystic Fibrosis	Kalydeco tab 150mg tab (\$512/tab)	T4 PA
Mircera Inj 200 mcg	Methoxy polyethylene glycol-epoetin beta inj 200 mcg/0.3ml	\$432/syringe	Treatment of Anemia	Other dosage strengths of Mircera	T4 PA
Jadenu Tabs (limited)	Deferasirox tabs	90 mg=\$34;180mg=\$68;360 mg=\$136	A new formulation of Exjade	Exjade for oral suspension covered under specialty tier.	T4 PA
Natpara Inj (limited)	Parathyroid hormone for injection cartridge	\$9,500/2-50mcg cartridges for subcutaneous injection	Treatment of hypocalcemia and hypoparathyroidism		Exc1 13
Cholbam Caps	Cholic acid caps	#30-50mg caps \$9,930 #30-250mg caps \$29,880	For treatment of bile acid synthesis disorders,, peroxisomal disorders, Zellweger	N/A	Excl'd 1

			spectrum disorders		
Juxtapid 30,40,60mg caps (limited)	Lomitapide mesylate caps	\$1,237/cap	New Dosage Formulations	Juxtapid exclud by plan	Exclud 1
Ixinity	Coagulation factor IX (recombinant) for inj 1500 units	!17.5/unit	Treatment of hemophilia		N/A Hospital

Compound Kits/Bulk Chemicals/No Indication

BRAND NAME	GENERIC NAME	PRICING (AWP)	INDICATION	SIMILAR THERAPIES ON FORMULARY/AWP	DUEC VOTE
Menthocin pad Lidocain	Lidocaine-capsaicin-men-methyl sal patch				Exclud
Procarbazine powder					Not Address
Permavan Pad	Lidocaine-dm-trolamine salicylate patch				Not Address
Remaxazon	Lidocaine-capsaicin-chondroitin-glucos patch				Exclud
Comfort EZ Pad	Methyl salicylate-lidocaine-menthol patch				Exclud
Pharm Ch Tsx Pad	Methyl salicylate-lidocaine-menthol				Exclud
Sorbitol Cry Candy	Sorbital candy base				Exclud
Methylmethacrylate crosspolymer powder					Not Address
Pullulan powder					Not Address
Sodium bitartrate					Not Address
Canoginex Spray	Camphor-histamine-menthol				Not Address
Lidovin Cream 3.95%	Lidocaine cream 3.95%				Exclud
Lidozol Cream 3.75%	Lidocaine crm 3.75%				Exclud
Tetramex Spray	Tetracaine-men-spry				Exclud
Anodynerx Pad	Capsaicin-lidociane				Exclud
Dermacinrx Kit Combo	Chlorhexidine soln				Exclud
Nazirex Cream	Levocetirizine crm				Exclud
Dermacinrx Kit Silapak	Dimethicone cream				Exclud
Atendia Pad	Lidocaine-menthol				Exclud
Betamethasone sod7mg/ml	Mfg: US Compound				Not Address
Betamethasone sod (6-6)mg/2ml	Mfg: US Compound				Not Address
Dermacinrx Kit	Diclofenac sod tab 75mg				Exclud
Dermacinrix Kit SilaPak	Triamcinolone acet cream 0.1%				Exclud
Methylprednisolone	Mfg: US Compound				Not

acetate 100mg.					Address
Testone Cik kit	Testosterone cypionate IM inj in oil 200mg/ml				Not Address
Betamethasone sodium 25mg/ml					Not Address
Kudzu root powder					Excl'd
Methyprednisolone 40mg/ml	Mfg: US Compound				Not Address
Testosterone implant pellets	Mfg: US Compound				Not Address
Triamcinolone/lidocaine	Mfg: US Compound				Not Address
Testosterone inj 250mg	Mfg: US Compound				Not Address
Vit K2 bulk powder					N. Add
Capsaicin powder					N. Add
Dermacinx Solution	External vehicles				Excl'd
Renovo lido5 cream	Lidocaine-capsaicin				Excl'd
Urevaz Cream	Urea cream 44%				Excl'd
I-Lids cleans Soln	Hypochlorous acid cleanser 0/01%				Excl'd
Mic Combo Inj	Mfg: US Compound				N. Add
Test EO-Pro-Inj Cyp 220	Mfg: US Compound				Excl'd
Brompheniram Inj 10mg/ml	Mfg: US Compound				N. Add
Estradiol Implant Pellet	Mfg: US Compound				N. Add
Sod Hyaluronate- Lidocaine PF Soln	Mfg: US Compound				N. Add
Hyaluronidase Bovine	Mfg: US Compound				N. Add
Lincomycin HCl-lidocain	Mfg: US Compound				N. Ad
Medroxyprogesterone	Mfg: US Compound				N. Add
Testosterone Implants	Mfg: US Compound				N. Add
Triamcinolone Acetonide	Mfg: US Compound				N. Add
Pine Bark Extract	Mfg: US Compound				N. Add
Renuu NI Pad 2-30%	Mfg: US Compound				Excl'd
Anasept SPR	Mfg: US Compound				Excl'd
Citrus Pow Bergamot	Citrus bergamot oral powder250mg				Excl'd
Ademetionnine powder					N. Add
Calcium amino acid chelate granules					N. Add
Magnesium amino acid chelate powder					N. Add
Tocopherols powder					Excl'd

Dermacinrx Inflam					Excl'd
Misc:					
Toxicol Salv Kit	Toxicology saliva collection kit		Not in pharm bene		N/A
Thallous Inj TL 201	Thallous chloride TL 201 inj		Diagnostic aid not in pharmacy benefit		N/A
Glucagon Inj 1MG	Glucagon HCl diagnostic for inj		Not in pharmacy benefit		N/A

***New Drug Code Key:**

1	Lacks meaningful clinical endpoint data; has shown efficacy for surrogate endpoints only.
2	Drug's best support is from single arm trial data
3	No information in recognized information sources (PubMed or Drug Facts & Comparisons or Lexicomp)
4	Convenience Kit Policy - As new drugs are released to the market through Medispan, those drugs described as "kits" will not be considered for inclusion in the plan and will therefore be excluded products unless the product is available solely as a kit. Kits typically contain, in addition to a pre-packaged quantity of the featured drug(s), items that may be associated with the administration of the drug (rubber gloves, sponges, etc.) and/or additional convenience items (lotion, skin cleanser, etc.). In most cases, the cost of the "kit" is greater than the individual items purchased separately.
5	Medical Food Policy - Medical foods will be excluded from the plan unless two sources of peer-reviewed, published medical literature supports the use in reducing a medically necessary clinical endpoint. A medical food is defined below: A medical food, as defined in section 5(b)(3) of the Orphan Drug Act (21 U.S.C. 360ee(b)(3)), is "a food which is formulated to be consumed or administered eternally under the supervision of a physician and which is intended for the specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation." FDA considers the statutory definition of medical foods to narrowly constrain the types of products that fit within this category of food. Medical foods are distinguished from the broader category of foods for special dietary use and from foods that make health claims by the requirement that medical foods be intended to meet distinctive nutritional requirements of a disease or condition, used under medical supervision, and intended for the specific dietary management of a disease or condition. Medical foods are not those simply recommended by a physician as part of an overall diet to manage the symptoms or reduce the risk of a disease or condition, and all foods fed to sick patients are not medical foods. Instead, medical foods are foods that are specially formulated and processed (as opposed to a naturally occurring foodstuff used in a natural state) for a patient who is seriously ill or who requires use of the product as a major component of a disease or condition's specific dietary management.
6	Cough & Cold Policy - As new cough and cold products enter the market, they are often simply re-formulations or new combinations of existing products already in the marketplace. Many of these existing products are available in generic form and are relatively inexpensive. The new cough and cold products are branded products and are generally considerably more expensive than existing products. The policy of the ASE/PSE prescription drug program will be to default all new cough and cold products to "excluded" unless the DUEC determines the product offers a distinct advantage over existing products. If so determined, the product will be reviewed at the next regularly scheduled DUEC meeting.
7	Multivitamin Policy - As new vitamin products enter the market, they are often simply re-formulations or new combinations of vitamins/multivitamins in similar amounts already in the marketplace. Many of these existing products are available in generic form and are relatively inexpensive. The new vitamins are branded products and are generally considerably more expensive than existing products. The policy of the ASE/PSE prescription drug program will be to default all new vitamin/multivitamin products to "excluded" unless the DUEC determines the product offers a distinct advantage over existing products. If so determined, the product will be reviewed at the next regularly scheduled DUEC meeting.

8	Drug has limited medical benefit &/or lack of overall survival data or has overall survival data showing minimal benefit
9	Not medically necessary
10	Peer -reviewed, published cost effectiveness studies support the drug lacks value to the plan.
11	Oral Contraceptives Policy - OCs which are new to the market may be covered by the plan with a zero dollar, tier 1, 2, or 3 copay, or may be excluded. If a new-to-market OC provides an alternative product not similarly achieved by other OCs currently covered by the plan, the DUEC will consider it as a new drug. IF the drug does not offer a novel alternative or offers only the advantage of convenience, it may not be considered for inclusion in the plan.
12	Other
13	Insufficient clinical benefit OR alternative agent(s) available

3. EBD REPORT: *by Dr. Geri Bemberg, UAMS*

Dr. Bemberg reported the rates for both ASE and PSE will remain the same as 2015. There were tremendous savings contributed to the changes in the medications for 2015. Rebates are now processed internally.

Respectfully submitted,

**Dr. Hank Simmons,
Chair, DUEC**



State of Arkansas

1Q 2015 Rebate Group Detail

CARRIER	ACCOUNT	GROUP	Claims	Gross Estimate	Estimated Rebate Payable	Initial Pmt	Total Paid To Date
4250	4250	BRONZE	(448)	(625.60)	(625.60)	(62.56)	(62.56)
4250	4250	GOLDAR	(1,748)	(2,134.40)	(2,134.40)	(213.44)	(213.44)
4250	4250	GOLDMN	3	9.20	9.20	0.92	0.92
4250	4250	GOLDMR	65	(9.20)	(9.20)	(0.92)	(0.92)
4250	4250	SILVER	(248)	(432.40)	(432.40)	(43.24)	(43.24)
4250	ASE	ARBASE	1,622	1,319.31	1,319.31	131.93	131.93
4250	ASE	ARCLAS	4,235	2,956.41	2,956.41	295.64	295.64
4250	ASE	ARPREM	209,714	219,203.55	219,203.55	21,920.36	21,920.36
4250	ASE	ARPRIB	51,887	58,784.76	58,784.76	5,878.48	5,878.48
4250	ASE	ARPRIM	81,337	89,685.54	89,685.54	8,968.55	8,968.55
4250	ASE	ARPRIR	4,905	5,469.84	5,469.84	546.98	546.98
4250	PSE	PSBASE	5,316	3,312.72	3,312.72	331.27	331.27
4250	PSE	PSCLAS	100,081	78,891.57	78,891.57	7,889.16	7,889.16
4250	PSE	PSPREM	159,862	177,840.63	177,840.63	17,784.06	17,784.06
4250	PSE	PSPRIB	412	471.87	471.87	47.19	47.19
4250	PSE	PSPRIM	828	1,454.13	1,454.13	145.41	145.41
4250	PSE	PSPRIR	1,969	2,455.65	2,455.65	245.57	245.57
Grand Total			619,792	638,653.58	638,653.58	63,865.36	63,865.36



State of Arkansas

4Q 2014 Rebate Group Detail

CARRIER	ACCOUNT	GROUP	Claims	Gross Estimate	Estimated Rebate Payable	Initial Pmt	Additional Payment	Total Paid To Date
4250	4250	BRONZE	124,558	140,174.30	145,439.80	14,017.43	131,422.37	145,439.80
4250	4250	GOLDAR	370,770	438,090.16	454,203.18	43,809.02	410,394.16	454,203.18
4250	4250	GOLDMN	1,612	2,511.60	2,488.56	251.16	2,237.40	2,488.56
4250	4250	GOLDMR	139,539	160,096.00	168,076.27	16,009.60	152,066.67	168,076.27
4250	4250	SILVER	41,267	46,884.44	48,462.99	4,688.44	43,774.55	48,462.99
Grand Total			677,746	787,756.50	818,670.80	78,775.65	739,895.15	818,670.80



Arkansas Department of Finance and Administration, Employee Benefits Division and Truven Health

Carole Porambo

August 18, 2015

Our Value to You



Healthy employees are **happier, more present**, and **more productive** — which means your participating school districts and agencies are **more effective**.

Helping you **improve the quality of life** for your members and **reduce costs** drives us to provide the **best data, analytics, and guidance**.

Put Your Data to Work:

Managing Costs
& Improving Care

Engaging
Employees

Reducing Waste
& Inefficiency

We're Uniquely Positioned to Assist You

We have long relationships with
18 State Employee Plans

Including 12 who have been clients for more than 7 years

30+
years of experience



150M
lives in our MarketScan® databases

Reaching more than
20M
consumers with our price transparency solution

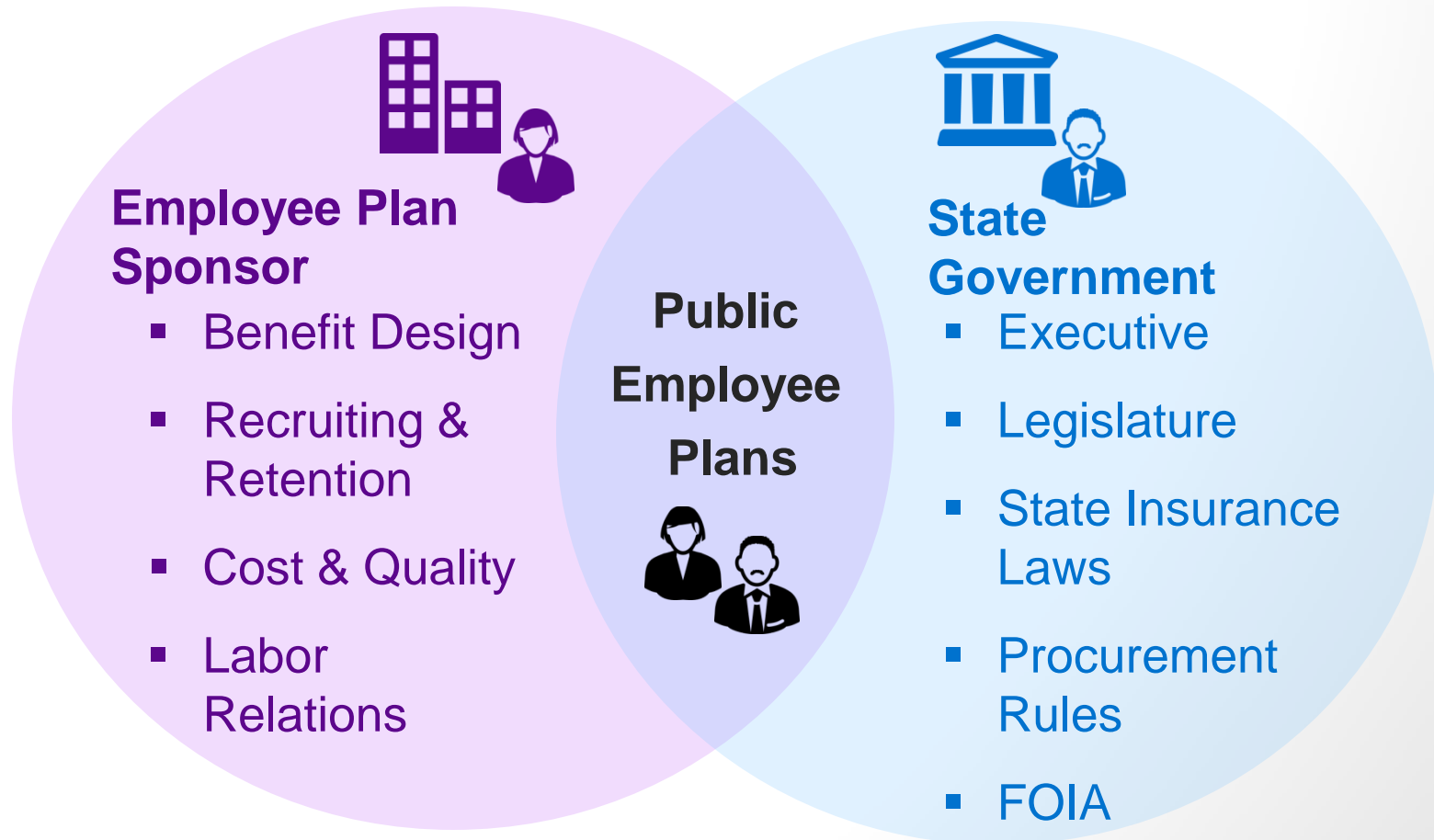
SSAE 16
certified

3,000
unique measures

20,000 files/month received from
450+
data suppliers

400+
employer customers

Public Employee Plan Clients

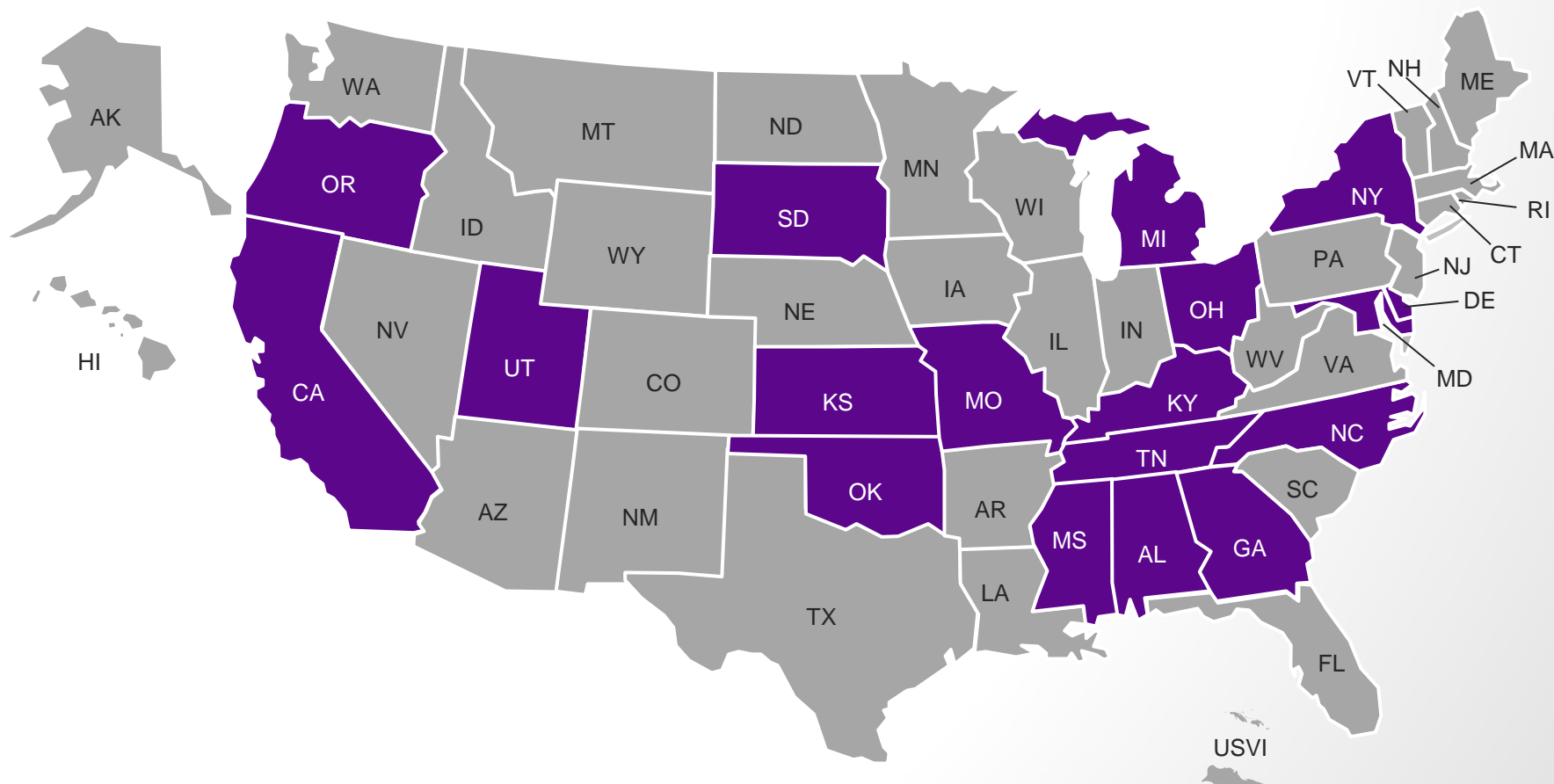


Why Public Employee Plan Sponsors are Different than Private Sector Plan Sponsors



- ERISA and state insurance laws
- GASB accounting standards
- An older-than-average workforce, with above-average healthcare costs
- Higher health risk and chronic disease prevalence than private sector populations
- Impending retirement of thousands of experienced public servants
- Higher take-up rates than in the private sector, creating more cost pressures
- Public scrutiny of benefit plans and administration
- A high concentration of members, and buying power, in a single market
- Above average tenure, creating opportunities for wellness payback that are not as likely in the private sector

State Public Employee Plan Clients



■ State Public Employer Clients

Why invest in a Data Warehouse and Decision Support System?

Program Evaluation

Contributing Factors Analysis – We delivered a study examining the key cost drivers for Client's members. We found that the 3 most costly service categories were Facility Outpatient, Facility Inpatient, and Prescription Drugs. These service categories accounted for 63% of total 2013 PMPY net cost.

63% 

Internal Reporting

Agency Dashboard – We provided an agency report for Client's largest agency - Corrections. Enrollment trend, DCG risk scores, screening rates, and disease prevalence were all examined. Norms for both the U.S. Total population and the State Employer book of business were also provided.



Consumer Engagement

Employee Benefit Decision Solution – We used the Data Warehouse to populate employee personalized information in decision tool. Informed plan members regarding plan history, overall cost, and recommended individual options. 44% of eligible users accessed the tool during open enrollment.

44% 

Helping You Answer Key Questions

How do I present my findings to leadership?

How do I compare against benchmarks?

How do I turn data into information to drive decisions?

What risk factors are driving healthcare costs?

How can I better understand trend drivers?

How do I prepare for Healthcare Reform & 2018?

Are my Disease Management Programs having the desired effect?

What conditions present in my population can be effectively managed?



Information Strategy Aligned With Your Goals

The Information Strategy framework is based on key strategic objectives of health and benefits teams, including business context and success metrics



Understand Population

Understand the composition and health profile of your covered population to offer tailored and targeted solutions that enhance communication effectiveness, increase engagement and promote productivity to support more prudent health care consumers



Design Programs

Design health and benefit plans, programs and services that align with business and human capital goals and are compliant with healthcare reform requirements; routinely assess performance against goals and benchmark targets



Optimize Vendors

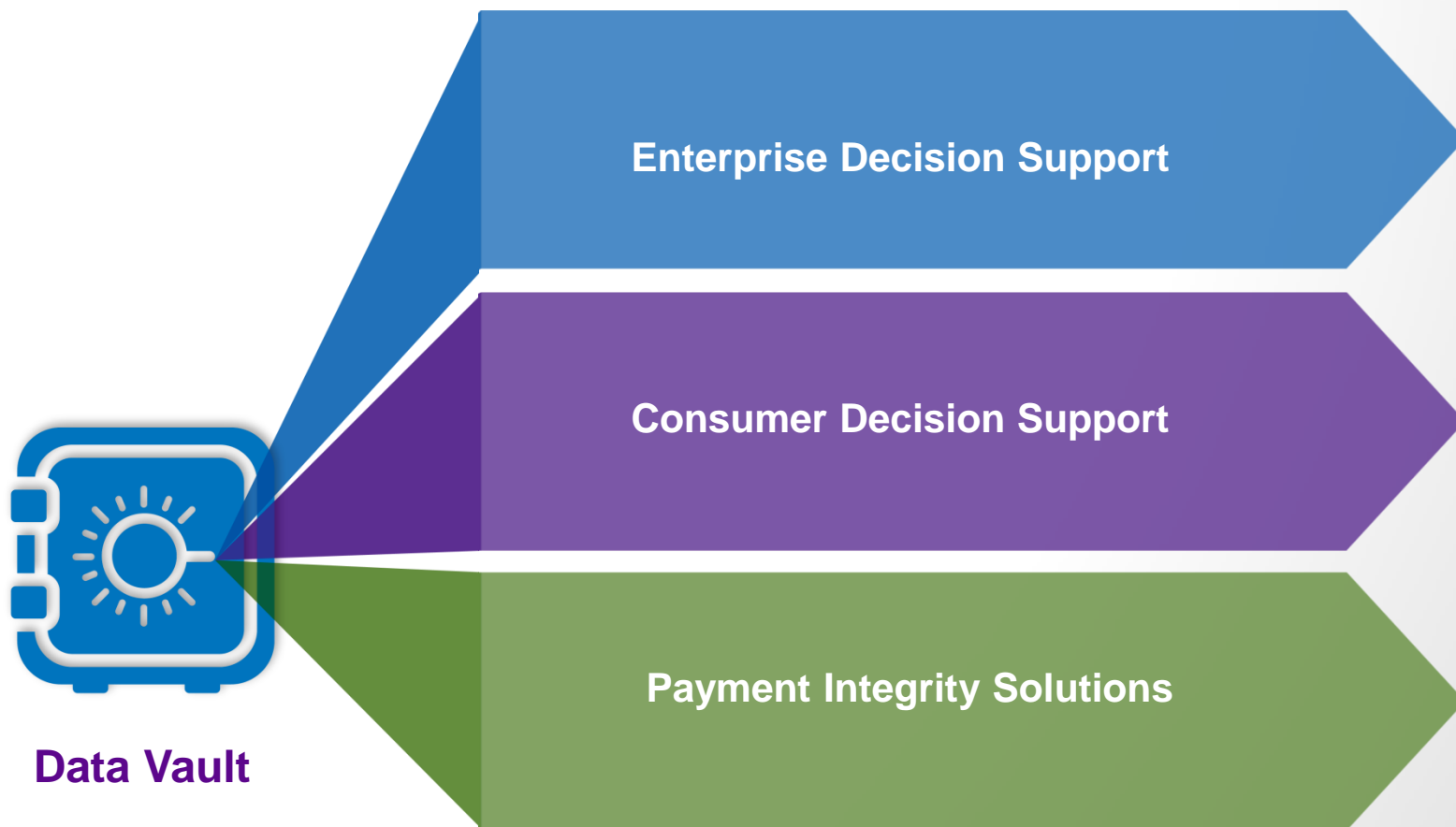
Optimize benefit delivery by partnering with cost-effective, quality driven vendors that can provide the information required to measure performance; set explicit goals and performance expectations and routinely assess vendor performance against goal



Evaluate Impact

Evaluate the impact and effectiveness of wellness and condition management programs and measure provider performance to retain those that demonstrate the greatest value and return on investment

A Single Source Of Truth



Innovative Business Solutions

Enterprise Decision Support

Consumer Decision Support

Payment Integrity Solutions

The Challenge

Despite seeking to actively manage health care costs, more than **2/3 of employee plan sponsors have not analyzed their own claims data** for provider compliance or employee utilization.

Source: Deloitte Center for Health Solutions: 2013 Survey of US Employers

Our Solution

You Can't Manage
What You Can't Measure

Financial
Planning

Health and
Productivity Mngt

Benefit
Design

Program
Development

Vendor
Management

Employee
Engagement

Innovative Business Solutions

Enterprise Decision Support

Consumer Decision Support

Payment Integrity Solutions

The Challenge

90 million consumers reported having difficulty understanding their healthcare options. That issue alone was directly linked to **3-6% percent higher care expenses.**

Source: 2010 study by the Vanderbilt Center for Evidence-Based Medicine.

Our Solution

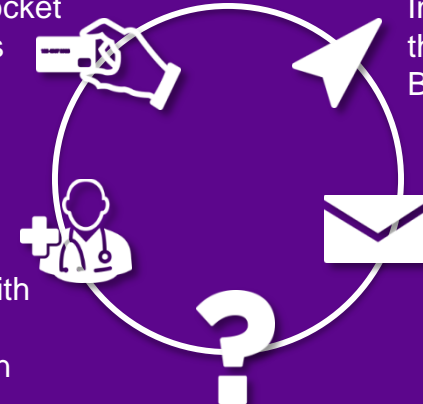
Help Plan for
Out-of-Pocket
Expenses

Guide
Individuals to
their Best-Fit
Benefit Plan

Assist with
Provider
Selection

Send
Personalized
Care Alerts
and
Messages

Provide Information on
Treatment Options



Innovative Business Solutions

Enterprise Decision Support

Consumer Decision Support

Payment Integrity Solutions

The Challenge

On average, **5-8% of claims are paid incorrectly** because of issues such as coding errors, ineffective quality control, fraud and abuse, and administrator system setup.

Source: Seven Money Errors Most Plan Sponsors Make, Truven Health, 2012.

Our Solution



Disability
Determination &
Medicare
Enrollment



Continuous
Monitoring



PBM
Selection
& Contracting

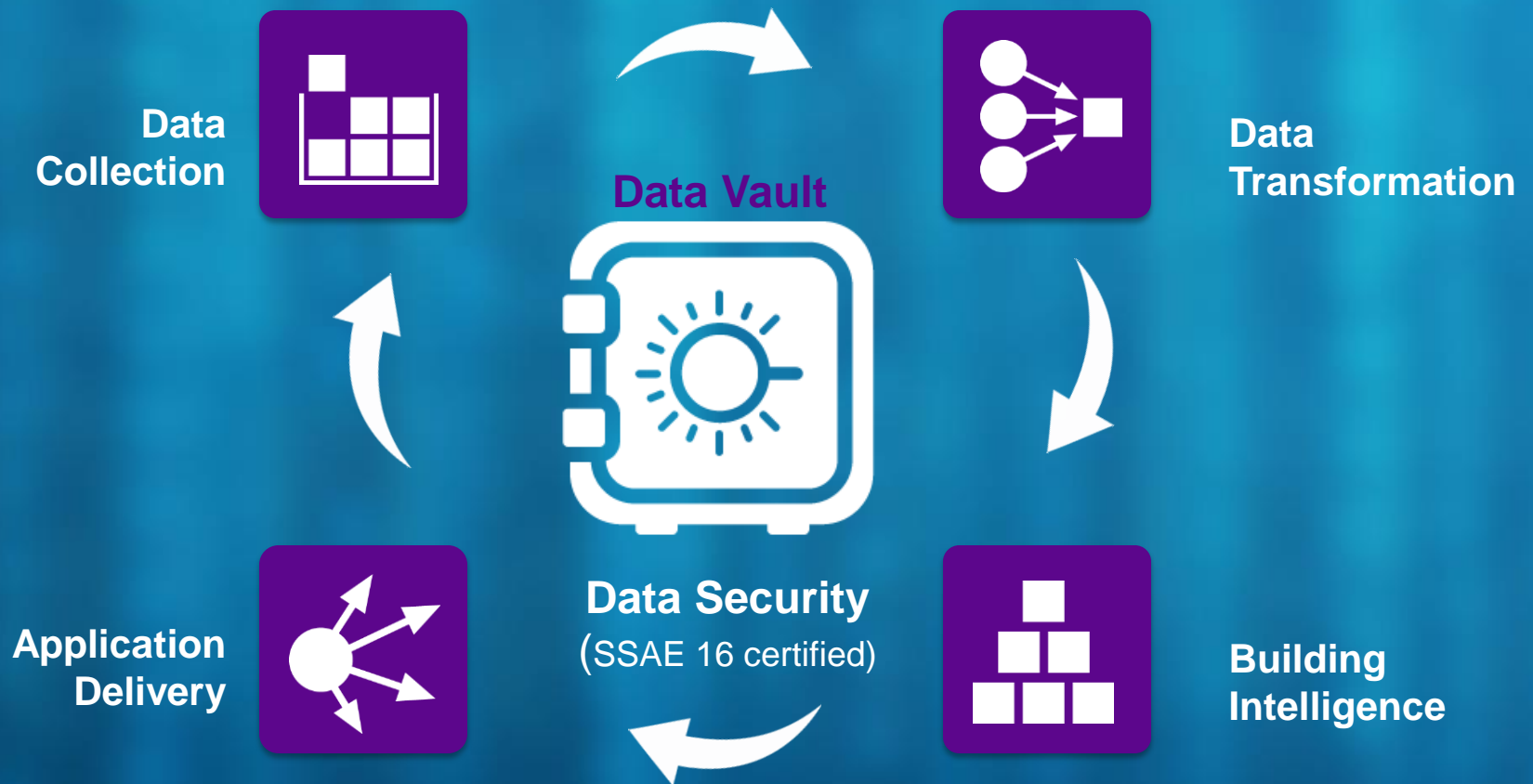


Vulnerability
Assessments



Claims
Audits

The Confidence to Make Critical Decisions



Technical Peace Of Mind

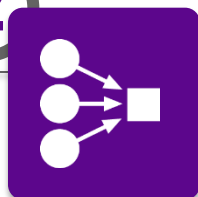
1



Data Collection

Eligibility
Medical / RX
Mental Health
Workers Compensation
Health Risk Appraisal
Absence / FMLA
Survey Data
On-Site Clinic
Disease Management
Presenteeism
Dental / Vision
Lab Results Data
Finance / Banking

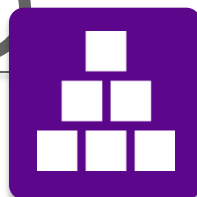
2



Data Transformation

Privacy Protection
Standardization
Customization
Enhancement
Quality Assurance
Quality Improvement
Integration

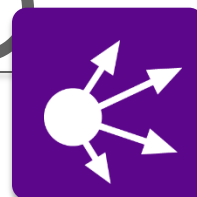
3



Building Intelligence

Proprietary Methods and Algorithms
Episodes of Care
Performance Measures
Disease Staging
Norms / Benchmarks
Market Scan

4



Application Delivery

Financial Management
Plan Management
Benefit Design
Program Development
Employee Activation
Clinical Measurement
Pharmacy Benefit Strategies
Population Health Mgmt.
Program Integrity
Financial Reconciliation
SOX Dashboard
Budget Variance

5



Knowledge Management

Actionable Analytics
Consulting
Customer Training
Proactive Support
Health Plan Coordination



Data Vault

Your Team



Ensuring Value For Your Investment

ANALYTIC ALERTS
MONTHLY STATUS MEETINGS
ANALYTIC AGENDA
DATA QUALITY SUMMARY
SERVICE PLANNING WORKBOOK
INFORMATION STRATEGY
ANNUAL CLIENT CONFERENCE
MARKETSCAN NORMS

ANALYTIC CHECKLIST
PROACTIVE ANALYSES
MONTHLY FILE RECONCILIATION
FACT FILES
CLIENT ADVISORY BOARD
ONSITE TRAINING
SERVICES CALENDAR
PEER REVIEW CHECKLIST
INDUSTRY WEBINARS

Trusted and Proven



Independent and Objective

- 100% free from bias



Global

- Solutions in More Than 83 Countries
- Largest Lean Consultancy Globally



Backed by Powerful Expertise

- 2,300 Employees
- Over 450 Consulting and Client Services Staff
- More Than 80 PhDs
- 20+ Physicians



Customer-Focused

- Flexible, Customer-Centric Solutions



Experienced

- More Than 35 Years of Analytics Expertise



Scalable

- System-, State-, and Nationwide Results



Experts Across Healthcare

- Hospitals
- Physician Organizations
- State and Federal Government
- Payers, Employers, Health Plans



Proven

- \$1 Billion Saved



Q & A

Arkansas Employee Benefits Division



More Than Data. **Answers.**



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Director of Sales, Public Employee
Plans

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C 734.751.4566

carole.porambo@truvenhealth.com



Appendix

Sample Case Studies

Determination of Emergency Room Utilization Drivers



Business Challenge

Our client's emergency room (ER) cost and utilization trends were well above benchmark levels and they wanted to understand the drivers, including distinguishing between union and non-union populations.



Analytic Solution

We developed a comprehensive analysis to dissect emergency room trends, including distinctions between:

- Union vs. non-union
- Plans and plan design
- Clinical conditions
- Days of the week



Actions

- They implemented the recommendations associated with the redesign work and continue to witness improvements in utilization.
- Annual assessment of outcome metrics provided the validation for ongoing ROI.



Client Results

The analysis provided evidence that plan design was the most significant driver of utilization patterns across both the union and non-union populations.

For the non-union population, they used the information to support an increase in the ER copay for the PPO plan (aimed at encouraging members to go to their primary care provider for non-emergency care); this resulted in decreased ER utilization within the first year of implementation.

For the union population, results provided information for the next bargaining session; if ER utilization decreases by 10% due to an ER copay increase, nearly \$1M in savings could be realized per year.

Rx Strategic Consulting Results in Tangible Savings and Value



Business Challenge

- Our client requested a review of their pharmacy benefits to better understand their cost trends and drivers.
- Annual prescription drug spending had increased by over 4%, to \$37.2M, and pharmacy costs were twice as high as MarketScan® norms.



Analytic Solution

- We provided comprehensive consulting, including:
 - A complete review of plan design
 - Network modification
 - Mail-order copay alignment
 - Specialty pharmacy assessment
 - Drug utilization
- We also provided recommendations for clinical rules, including prior authorization, quantity limits, step-care edits, and other clinical program options.



Actions

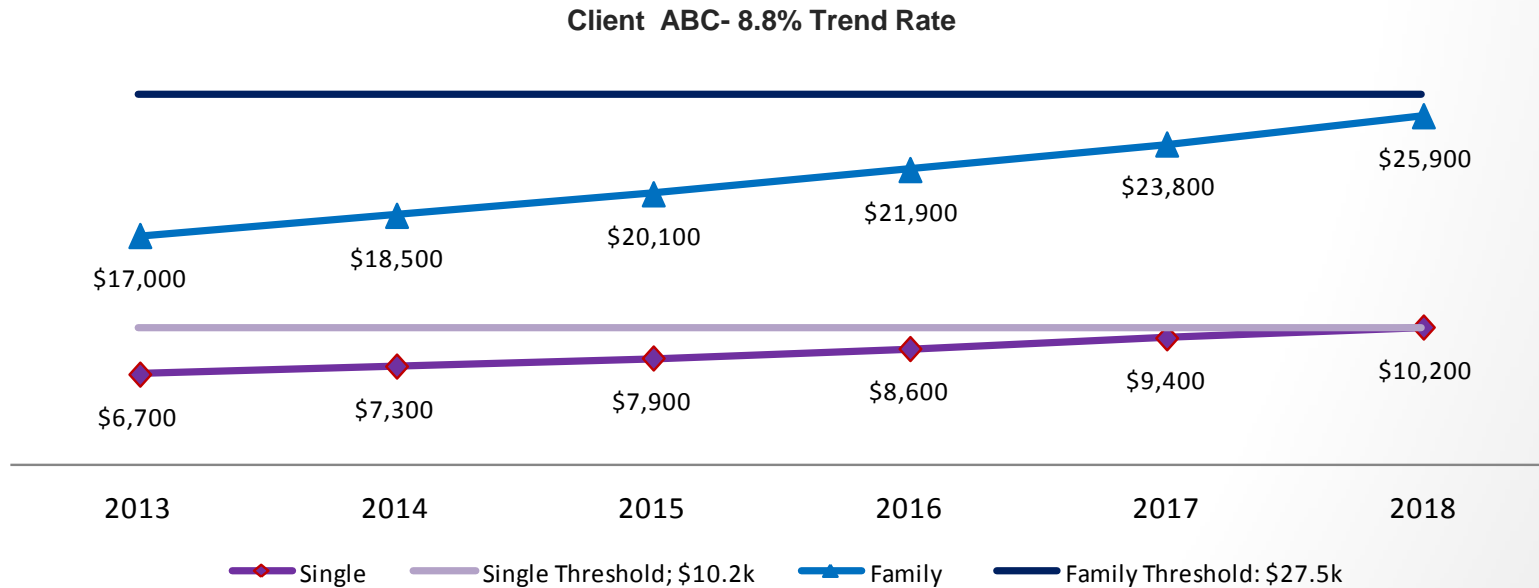
- They implemented the recommendations associated with the redesign work and continue to witness improvements in utilization.
- Annual assessment of outcome metrics provided the validation for ongoing ROI.



Client Results

- We identified more than \$6M in savings (16% of total drug spend).
- Members were incented to use the most cost-effective and highest-quality distribution channel for prescription drugs.

Sample “Cadillac” Tax Analysis

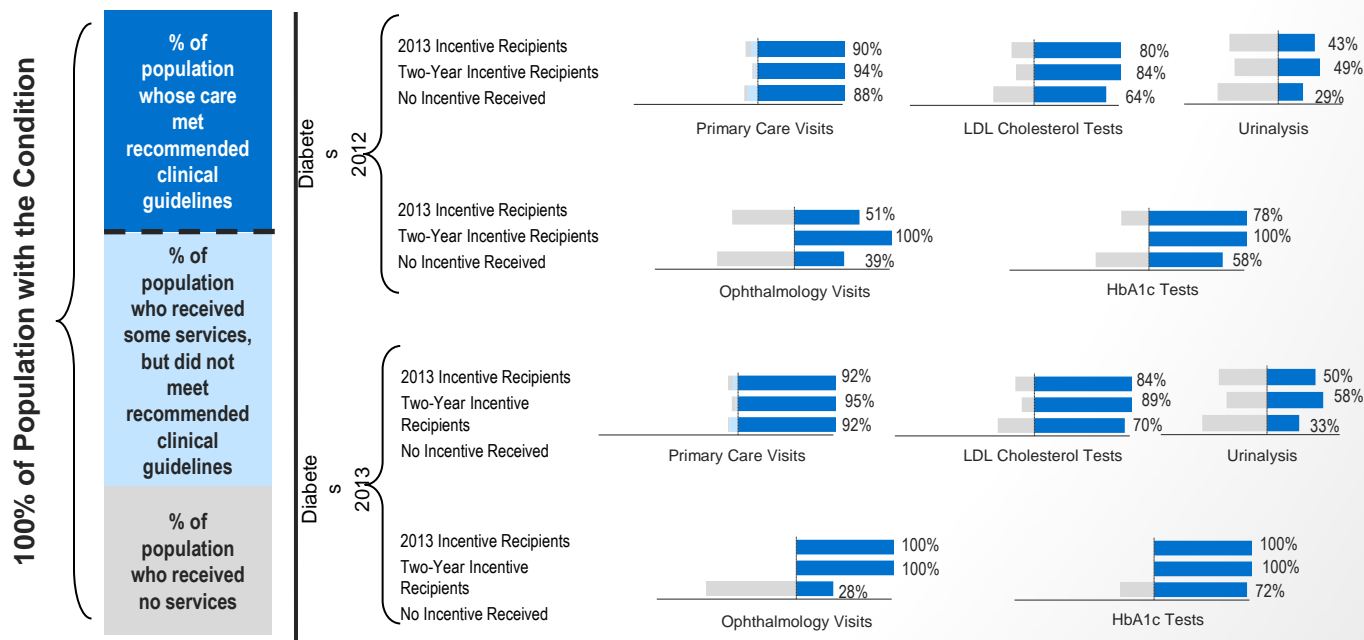


Client ABC Experience

- In 2012, your Active Net Pay Per Employee Per Year (PEPY) medical and pharmacy costs were \$6,700 for individuals and \$17,000 for families, including an assumed 2.0% COBRA administrative cost load
 - These costs reflect contract-weighted 2013 premium amounts provided by Client ABC
- Using an annual trend assumption of 8.8%, your aggregate costs are projected to just meet the excise tax thresholds of \$10,200 (single) and/or \$27,500 (family) in 2018

Sample Biometric Incentive/Compliance Study

- Incentive recipient's compliance increased for all recommended care from 2012 to 2013 (including care not reimbursed for the incentive (i.e., PCP visits, LDL cholesterol tests and urinalysis exams))
- Incentive recipient's compliance higher for all recommended care when compared to those that did not receive incentives



Sample Manageable Conditions Comparison

ABC Self Insured Actives
Current Rolling Year based on claims Oct 2012 - Sep 2013
Calendar Year based on January - December

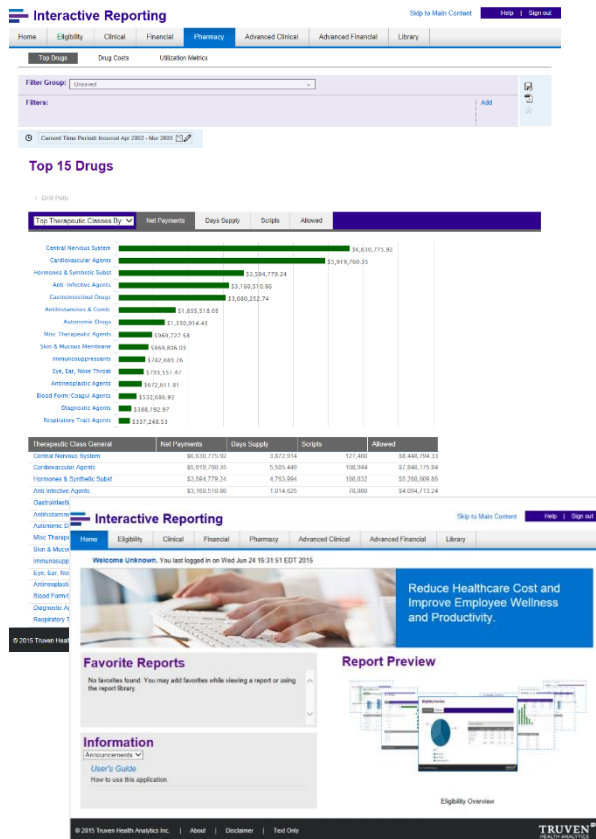
Top Manageable Conditions								
	2012			2011- 2012 Change			ABC Rate Compared To Norm ²	
Condition	Allowed Amount Med and Rx	# of Patients	Participation Rates ¹	Allowed Amount per Episode	Condition Prevalence	Participation Rates ¹	Allowed Amount Per Episode	Condition Prevalence
Cancer	\$128M	16,759	24%	↓	--	↑	⊙	N/A
Maternity	\$79M	7,835	23%	↓	↑	↑	⊙	N/A
Osteoarthritis	\$78M	16,132	31%	↑	--	↑	⊙	N/A
Back	\$76M	55,162	19%	--	--	↑	⊙	⊙
Diabetes	\$56M	16,012	28%	↑	--	↑	⊙	⊙
Coronary Artery Disease	\$33M	4,019	41%	↓	↓	↑	⊙	⊙
Hypertension, Essential	\$29M	26,192	24%	↓	--	↑	⊙	⊙
Mental Hlth - Depression	\$21M	15,566	22%	↓	--	↑	⊙	⊙
Asthma	\$18M	9,295	16%	↓	↓	↑	⊙	--
Overweight/Obesity	\$14M	2,535	34%	↑	↑	↑	⊙	N/A
Chronic Obstruc Pulm Disorder (COPD)	\$5M	1,380	37%	↓	↓	↑	⊙	⊙
Congestive Heart Failure	\$2M	489	54%	↓	↓	↑	⊙	⊙
Top Conditions % of Total	34%	58%						
N/A - No Norm Available ⊙ Favorable ⊙ Unfavorable -- Similar (w/ in 3%)								

¹ Participation rates represent Carrier 1 & Carrier 2 population only. Based on any program participation rates (all programs including Nurse Line, Health Coaching, Disease Management/Case Management) for the condition of interest.

² Condition Prevalence Norms represent Truven Health's Industry Norm; Allowed Amount Per Episode Norms represent Truven Health's US Total Norm

Advantage Suite

Advantage Suite – Flagship Decision Support



Apr 2010 - Mar 2011

Standard View

Person ID	Net Payment High Cost Pats \$10k
6139763177685	\$113,616.72
6704880785363	\$101,185.31
2074401231099	\$82,214.63
8567580827763	\$78,361.27
4781521261532	\$72,788.34
1842071754006	\$71,542.71
6349525418814	\$47,552.11
9658201464469	\$45,229.10
9269211013844	\$43,254.49
2984960392072	\$38,927.66
3464244384738	\$37,191.84
4578058742909	\$35,979.88

	Medical/PhSA	Total Cost of Coverage	Total Cost of Coverage PMPH	-Missing	Total Cost of Coverage	Total Cost of Coverage PMPH	Aggregate(Clean Type MedStat)	Total Cost of Coverage	Total Cost of Coverage PMPH
Nov 2010	\$1,002,663.00	\$1,002,663.00	\$1,002,663.00	\$0.00	\$0.00	\$0.00	\$1,002,663.00	\$1,002,663.00	\$1,002,663.00
Dec 2010	\$1,010,175.92	\$1,010,175.92	\$1,010,175.92	\$0.00	\$0.00	\$0.00	\$1,010,175.92	\$1,010,175.92	\$1,010,175.92
Jan 2011	\$1,010,175.92	\$1,010,175.92	\$1,010,175.92	\$0.00	\$0.00	\$0.00	\$1,010,175.92	\$1,010,175.92	\$1,010,175.92
Feb 2011	\$1,010,175.92	\$1,010,175.92	\$1,010,175.92	\$0.00	\$0.00	\$0.00	\$1,010,175.92	\$1,010,175.92	\$1,010,175.92
Mar 2011	\$1,010,175.92	\$1,010,175.92	\$1,010,175.92	\$0.00	\$0.00	\$0.00	\$1,010,175.92	\$1,010,175.92	\$1,010,175.92
Apr 2011	\$1,010,175.92	\$1,010,175.92	\$1,010,175.92	\$0.00	\$0.00	\$0.00	\$1,010,175.92	\$1,010,175.92	\$1,010,175.92

Dashboard

COE Dashboard

Previous Period: Oct 2008 - Sep 2009 (Incurred)
Current Period: Oct 2009 - Sep 2010 (Incurred)

TRUVEN
HEALTH ANALYTICS

Utilization and Price Trends

	Previous	Current	% Change	U.S. Total Num.	% Diff from Num.
Net Pay PMPY Med and Rx	\$5,891	\$5,622	-4.5%	\$2,672	35.4%
Admits Per 1000 Acute	900.94	96.80	-9.2%	76.76	36.0%
Days LOS Adult Acute	5.56	4.80	-13.1%	4.17	15.8%
Days Per 1000 Adult Acute	\$40.87	\$80.05	-21.1%	278.18	73.3%
Days Per 1000 OP Med	77,838.80	77,629.55	0.0%	\$9,952.35	388.4%
Supplies Per 1000 Rx	\$1,803.79	\$2,536.10	-1.3%	6,488.46	69.8%
Days Supply PMPY Rx	\$18.50	\$23.50	1.4%	186.42	73.8%
Allow Amt Per Adult Acute	\$7,632	\$7,244	3.2%	\$12,898	-43.8%
Allow Amt Per Sec OP Med	\$86	\$16	3.3%	\$807	-94.8%

Quarterly Trends

Top 15 Prescription Drugs

	Net Pay Rx	Supplies Rx	Cost/Budget	% of Total \$
ZYRTEC	\$6,902,381	37,328	\$325	6.0%
ESOPRICAL	\$6,503,590	34,388	\$390	4.4%
PROVACID	\$3,717,521	22,561	\$197	2.2%
PRELOCT	\$3,278,099	19,868	\$164	2.2%
SIBOQUEL	\$2,174,080	15,196	\$207	2.1%
CELEBRASE	\$2,708,482	26,077	\$207	1.9%
LIPITOR	\$2,146,717	26,025	\$86	1.5%
PHYS	\$2,052,372	22,161	\$93	1.4%
NEURONTIN	\$1,092,432	17,254	\$115	1.3%
COOCCORTIN	\$1,740,733	6,077	\$287	1.2%
TRULIPT	\$1,678,863	22,887	\$75	1.1%
NORFAC	\$1,657,181	28,181	\$37	1.1%
DEKALITE	\$1,389,018	15,134	\$300	1.1%
VERGASTIN	\$1,363,895	136	\$6,008	1.1%
RECOMBATE	\$1,153,183	111	\$13,332	1.0%
TOP 15 SUBTOTAL	\$43,925,370	284,686	\$154	25.7%
ALL DRUGS	\$147,976,157	2,685,050	\$55	200.0%

Visits by Type

Allowed Amount per Office Visit by Type	Previous	Current	% Change
Primary Care Providers	\$44	\$47	6.3%
Specialist	\$64	\$78	2.4%
Total	\$57	\$60	4.9%

Office Visits per 1000 by Type	Previous	Current	% Change
Primary Care Providers	1,579	1,473	-6.7%
Specialist	1,700	1,762	3.6%
Total	3,279	3,233	-1.3%

Prescription Drug Metrics

	Previous	Current	% Change
Discount Off AMP %	100.0%	100.0%	0.0%
Generic Rate	42.9%	44.2%	2.9%
Generic Efficiency	62.2%	64.3%	3.4%
% Mail Order	16.0%	18.2%	1.1%

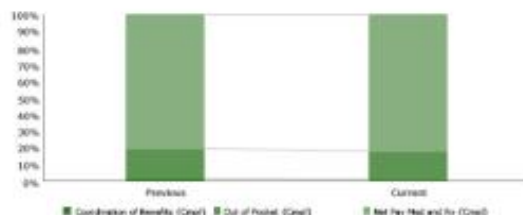
Overall Trend

Previous Period: Oct 2006 - Sep 2007 (Incurred)
Current Period: Oct 2007 - Sep 2008 (Incurred)
Paid Through: Dec 2008

Annual Trend

	Previous	Current	%
Allowed Amount (Cmpd)	\$114,842,315	\$125,220,640	
Coordination of Benefits (Cmpd)	\$1,596,762	\$1,236,621	
Out of Pocket (Cmpd)	\$20,543,211	\$21,384,601	
Net Payment (Cmpd)	\$91,592,342	\$102,599,418	
Members Avg Med	26,174	26,500	6.3%
Members Med	34,610	35,797	5.2%
Members Avg Rx	26,174	26,500	6.9%
Members Rx	34,610	35,797	6.9%
Employees Avg Med	12,132	13,208	8.9%
Employees Avg Rx	12,132	13,208	8.9%
Allow Amt PMPY (Cmpd)	\$4,357.66	\$4,383.64	0.6%
Allow Amt PMPY (Cmpd)	\$9,399.87	\$9,488.91	0.9%
Net Pay PMPY (Cmpd)	\$3,511.18	\$3,599.93	2.5%
Net Pay PMPY (Cmpd)	\$7,574.99	\$7,768.17	2.6%

Cost Sharing Trend



Cost sharing describes the proportion of total allowed amount that is the responsibility of the patient to pay out of pocket versus the responsibility of the insurer or any other third party.

Dashboard

Outpatient Medical Detail: Professional Office Visits

Previous Period: Oct 2006 - Sep 2007 (Incurred)

Current Period: Oct 2007 - Sep 2008 (Incurred)

Paid Through: Dec 2008

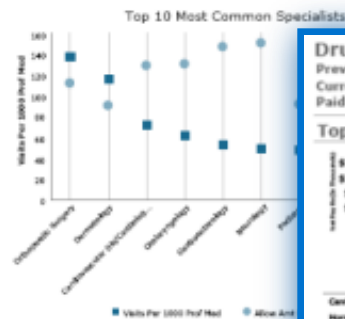
Annual Trend

Category	Previous				Current				% Change			
	% Visits	% Allow Amt	Allow Amt/Visit	Visits/1000	% Visits	% Allow Amt	Allow Amt/Visit	Visits/1000	% Visits	% Allow Amt	Allow Amt/Visit	Visits/1000
Specialist Visits	23.0%	33.4%	\$103	1,092.3	24.0%	33.5%	\$106	1,050.2	1.8%	0.1%	2.3%	-3.9%
Non-Specialist Visits	76.0%	66.6%	\$64	3,546.3	75.4%	66.5%	\$69	3,224.2	-1.8%	-0.1%	7.0%	-9.1%
Total			\$79	4,648.6			\$78	4,274.4			6.5%	-7.9%

Non-Specialist includes non-specialist Physicians as well as other professionals such as Nurse Practitioners, Physician Assistants, Chiropractors, Optometrists and Psychologists.

Current Year Detail

Top Specialists	Visits/1000	Allow Amt/Visit
Orthopaedic Surgery	137.6	\$108
Dermatology	116.7	\$79
Cardiovascular Dis/Cardiology	71.9	\$113
Otolaryngology	62.0	\$114
Gastroenterology	53.7	\$129
Neurology	49.0	\$132
Podiatry	46.6	\$90
Urology	42.7	\$108
Surgeon (NBC)	38.2	\$119
Rheumatology	35.7	\$119
Endocrinology & Metabolism	31.7	\$119
Ophthalmology	30.3	\$124
Allergy & Immunology	30.0	\$10
Oncology	29.4	\$130
Chiropractic/DOM	26.6	\$40
Top 15 Total	804.6	\$166
All Other	245.8	\$110
Total All Specialists	1,050.2	\$166



Note: Office visit charges represented in this report reflect only the cost of the office visit itself, and do not include costs associated as part of the office visit, such as injections, spinal manipulations, minor surgical procedures, etc.

Drug

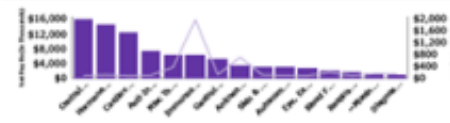
Previous Period: Jun 2011 - May 2012 (Incurred)

Current Period: Jun 2012 - May 2013 (Incurred)

Paid Through: Aug 2013

Actives and Early Retirees

Top 15 Therapeutic Classes

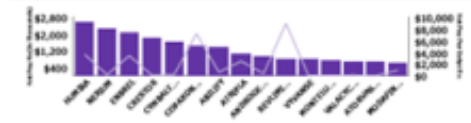


	Net Pay Rx	Percent of Total	Scripts Rx	Net Pay Per Script Rx
Central Nervous System	\$15,346,346	16.7%	254,251	\$60
Hormones & Synthetic Subst	\$12,892,679	17.0%	143,555	\$89
Cardiovascular Agents	\$11,828,613	14.4%	201,533	\$59
Anti-Infective Agents	\$8,901,534	8.4%	101,941	\$86
Muscle Therapeutic Agents	\$5,864,790	7.3%	17,767	\$330
Immunosuppressants	\$5,859,955	7.3%	3,083	\$1,933
Gastrointestinal Drugs	\$4,853,021	5.9%	52,888	\$92
Antineoplastic Agents	\$3,898,526	3.7%	4,476	\$873
Skin & Mucous Membrane	\$2,664,373	3.2%	34,328	\$78
Autonomic Drugs	\$2,534,633	3.1%	38,146	\$66
Eyes, Ear, Nose, Throat	\$2,394,877	2.9%	41,941	\$57
Blood Forming Agents	\$2,497,367	1.8%	5,129	\$484
Respiratory Tract Agents	\$2,283,488	1.4%	23,374	\$97
-Pain	\$2,064,579	1.3%	8,792	\$235
Diagnostic Agents	\$827,367	0.8%	4,983	\$166
Top 15 Subtotal	\$79,876,717	97.3%	968,293	\$83
All Therapeutic Classes	\$82,059,848	100.0%	1,023,286	\$80

Key Drug Metrics

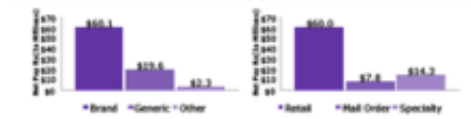
	Previous	Current	% Change	Norm.	% Diff
Net Pay PMPPI Rx	\$947.11	\$1,028.45	8.7%	\$753.21	36.3%
Scripts Per 1000 Rx	13,015.79	12,827.17	-1.4%	10,201.46	34.6%
Net Pay Per Script Rx	\$73	\$80	10.3%	\$74	9.0%
Disp Supply PMPPI Rx	419.07	415.54	-0.8%	250.17	16.7%
Scripts Generic Efficiency Rx	92.4%	92.4%	0.0%	92.0%	-0.4%
% Scripts Dispensed as Generic	66.4%	73.6%	4.2%	70.6%	1.6%

Top 15 Drugs



	Net Pay Rx	Percent of Total	Scripts Rx	Net Pay Per Script Rx
HUMIRA	\$2,597,537	3.2%	699	\$3,716
NEBULUM	\$2,275,586	2.8%	10,490	\$217
ENBREL	\$2,048,107	2.5%	586	\$3,495
CRESTOR	\$1,812,821	2.2%	11,272	\$161
CYMBALTA	\$1,648,084	2.0%	7,068	\$233
COPAXONE	\$1,468,355	1.8%	381	\$3,855
ABILIFY	\$1,376,429	1.7%	2,083	\$661
ATROPIA	\$1,057,422	1.3%	417	\$2,536
ANDROGEL	\$921,245	1.1%	2,182	\$422
RYALDMD	\$894,146	1.0%	89	\$9,936
VIVANSE	\$763,085	0.9%	5,326	\$138
MONTelukast SODIUM	\$758,372	0.9%	6,558	\$116
VALACYCLOVIR HYDROCHLORIDE	\$686,476	0.8%	4,589	\$150
ATORVASTATIN CALCIUM	\$653,155	0.8%	13,792	\$47
MODAFINIL	\$625,159	0.8%	632	\$996
Top 15 Subtotal	\$19,471,659	23.7%	68,214	\$285
All Drugs	\$82,059,848	100.0%	1,023,286	\$80

Brand Generic & Mail Retail Cost



Functionality

High Cost Claimants

Filters: Plan: Med One [X] Business Unit: Manufacturing [X] Status: Active Full Time, Early Retiree [X]
Timeframe: 01/2012 - 12/2012 [X] Add

Save Group
Clear

Claimant	Previous	Current	% Change	Trend
Net Pay Per Claimant Med and Rx	\$72,659.24	\$113,521.74	56.20%	▲
Net Pay Per Claimant Med IP	\$40,674.48	\$78,355.79	92.60%	▲
Net Pay Per Claimant Med OP	\$32,653.65	\$38,903.35	19.10%	▲
Net Pay Per Claimant Rx	\$3,963.77	\$6,642.09	67.60%	▲

Totals

	Previous	Current
Hight Cost Claimants (view top 20 clinical conditions)	26	
Hight Cost Claimants as a % of total net payments	13.90%	
Total Net Payments	\$13,597,820	\$15,7

Export Options:

Formats

- XML
- Delimited text (CSV)
- HTML
- Excel 2007
- Excel 2002
- Excel 2000 Single Sheet
- PDF

High Cost Claimants

Filters: Plan: Med One [X] Business Unit: Manufacturing [X] Status: Active Full Time, Early Retiree [X]
Timeframe: 01/2012 - 12/2012 [X] Add

Save Group
Clear

Top 20 Clinical Conditions

Clinical Condition	Net Pay Med	Net Pay Pat Med	Pats Per 1000 Med	Admits Per 1000 Acute
Coronary Artery Disease	\$3,438,006.00	\$29,895.70	400.70	313.80
Condition Rel to Tx - Med/Surg	\$1,665,064.00	\$17,165.61	337.98	151.23
Renal Function Failure	\$1,658,950.00	\$32,528.43	177.70	60.49
Signs/Symptoms/Oth Cond, NEC	\$1,562,561.00	\$5,225.96	1,041.81	120.98
Cancer - Leukemia	\$1,522,968.00	\$66,216.00	80.14	71.83
Respiratory Disord, NEC	\$1,446,002.00	\$5,498.11	916.38	41.59
Cancer - Breast	\$1,249,115.00	\$33,759.86	128.92	26.47
Cancer - Nonspecified	\$1,171,319.00	\$15,016.91	271.78	22.68
Cancer - Lung	\$1,147,999.00	\$34,787.85	114.98	68.05
Newborns, w/wo Complication	\$1,132,222.00	\$1,66,601.29	69.23	45.37
Spinal/Back Disord, Low Back	\$1,003,940.00	\$11,951.67	292.68	75.61
Cancer - Lymphoma	\$980,535.00	\$61,283.44	55.75	41.59
Gastroint Disord, NEC	\$910,707.00	\$5,003.88	634.15	86.96
~Missing	\$880,441.00	\$4,946.30	620.21	3.78

Data Integration

Episode Summary Groups	Episodes Employees↓	Cross Benefit Program Costs Employees	Net Pay Med Employees	Net Pay Rx Employees	Empr Liab Amt Cases Active STD	Payments Cases Active WC
Infections - ENT Ex Otitis Med	2,265	\$490,908	\$240,308	\$187,923	\$62,677	
Prevent/Admin Hlth Encounters	1,420	\$342,074	\$151,421	\$62,550	\$128,104	
Eye Disorders, NEC	967	\$226,845	\$121,536	\$4,596	\$100,713	
Infec/Inflam - Skin/Subcu Tiss	871	\$144,757	\$75,807	\$28,461	\$40,489	
Spinal/Back Disord, Low Back	745	\$458,963	\$217,972	\$11,517	\$229,474	
Arthropathies/Joint Disord NEC	639	\$491,766	\$143,448	\$39,122	\$309,196	
ENT Disorders, NEC	617	\$240,568	\$112,991	\$43,667	\$83,909	
Hypertension, Essential	552	\$391,393	\$109,129	\$193,183	\$89,081	
Spinal/Back Disord, Ex Low	485	\$415,662	\$142,255	\$2,872	\$270,535	
Gastroint Disord, NEC	395	\$260,756	\$72,830	\$27,877	\$160,049	
Injury - Musculoskeletal, NEC	332	\$154,978	\$32,141	\$1,802	\$121,034	
Signs/Symptoms/Oth Cond, NEC	291	\$264,522	\$47,860	\$13,237	\$203,425	
Bursitis	255	\$241,188	\$86,132	\$2,573	\$152,483	
Mental Hlth - Depression	233	\$398,657	\$73,153	\$57,852	\$267,652	

Time Period: DCG Incurred Plan Type Medstat	Jan 10 to Dec 10 {All Data} CMedRx			
	HMO (Managed Care)	Indemnity (FFS)	POS	PPO
Relative Risk Score Concurrent	72.48	155.09	92.21	139.37
Admits Per 1000 Acute	40.46	71.36	63.27	70.10
Days LOS Admit Acute	4.40	6.99	4.69	5.69
Episodes Per 1000	2,100.43	2,573.62	2,712.70	3,235.39
Visits ER Per Pat Med	0.22	0.17	0.19	0.22
Visits Per 1000 ER	170.55	126.99	169.57	197.22
Visits Per 1000 Office Med	3,134.73	5,038.05	5,076.18	7,272.90
Scripts Per 1000 Rx	6,120.11	12,026.09	8,373.05	11,579.97
Scripts Rx % Generic	43.49%	35.76%	37.08%	34.39%
Allow Amt PMPY Med and Rx	\$1,327.04	\$4,617.60	\$2,548.47	\$3,706.12
Net Pay PMPY Med and Rx	\$1,175.48	\$2,930.49	\$2,226.85	\$2,914.64
HDL Cholesterol Result Avg	35.79	43.45	44.49	43.34
Svcs Per Pat Dental Svcs			2.61	
Employees Avg	4,172.3	3,518.8	18,771.2	3,097.5
Employees Avg Active or On LTD	4,144.3	2,251.2	14,879.2	2,523.1

Clinical Reports

Time Period: DCG Incurred	Jan 10 to Dec 10 {All Data} CMedRx			
	Relative Risk Score Concurrent	Episodes	Episode Cost Scale Avg	Allow Amt Per Epis Total
Episode Summary Group				
Myasthenia Gravis	100.04	10	403.90	\$38,330.54
Cancer - Leukemia	100.04	82	2,006.92	\$22,942.13
Cancer - Lung	100.04	72	2,100.65	\$22,451.88
Chemotherapy Encounters	100.04	12	1,933.93	\$18,654.49
Alpha 1-Antitrypsin Deficiency	100.04	3	1,155.35	\$15,199.67
Renal Function Failure	100.04	128	923.36	\$15,142.51
Decubitus Ulcers	100.04	18	505.61	\$14,045.37
Tumors - Central Nervous Sys	100.04	70	1,002.99	\$13,268.51
Pneumonia, NEC	100.04	9	1,738.94	\$13,199.90
Cancer - Gastroint Ex Colon	100.04	37	1,246.88	\$13,196.05
Cancer - Pancreas	100.04	14	2,147.27	\$12,977.57
Cancer - Ovarian	100.04	32	1,248.78	\$12,490.66
Cancer - Colon	100.04	108	1,699.29	\$11,459.41
HIV Infection	100.04	57	918.60	\$10,337.78
Respiratory Disord, Congenital	100.04	15	1,396.02	\$9,914.03
Cancer - Hepatobil Ex Pancreas	100.04	10	1,837.84	\$9,824.30
Cancer - Renal/Urinary	100.04	87	569.34	\$9,710.90

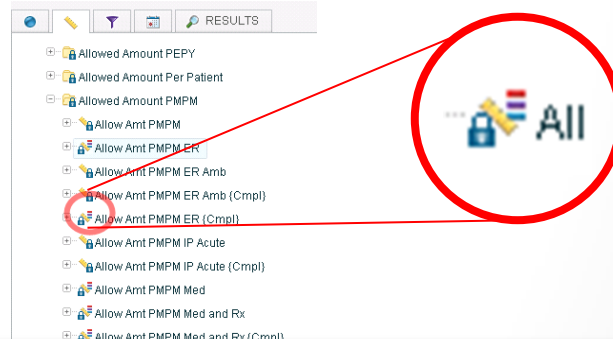
Time Period: Incurred Year	2010	
	HMO Kaiser North	HMO Kaiser South
Subsets		
Depression Acute Tx Rate {QM}	65%	55%
CAD ACE Inhib or ARB Rate {QM}	37%	50%
CAD Lipid Test Rate {QM}	75%	79%
Diabetes HbA1c Test Rate {QM}	70%	67%
Diabetes Lipid Test Rate {QM}	64%	57%
Diabetes Microalbumin Rate {QM}	51%	50%
Asthma Drug Mgt Rate {QM}	73%	90%
Low Back wo Imaging Rate {QM}	78%	81%
Breast Cancer Screen Ind {Gap}	55%	64%

CAD Lipid Test Rate {QM}

is the number of patients with coronary artery disease, aged 18 years and older, who had at least one lipid profile or all component tests done, expressed as a percentage of the total number of patients, aged 18 years and older, with coronary artery disease. This measure is based on results returned by the Rules Engine for the CAD Lipid Test measure. Source: AMA PCPI/ACC/AHA (owner) 2007

Patients CAD Lipid Test Numerator {QM} / Patients CAD Lipid Test Denominator {QM}

Norms



Jan 2010 - Dec 2010

Plan Group	Allow Amt PMPM Med and Rx {Cmpl}	U.S. Total {MS11 US} Allow Amt PMPM Med and Rx {Cmpl}	% Diff U.S. Total {MS11 US} Allow Amt PMPM Med and Rx {Cmpl}	Allow Amt PMPM Rx {Cmpl}	U.S. Total {MS11 US} Allow Amt PMPM Rx {Cmpl}	% Diff U.S. Total {MS11 US} Allow Amt PMPM Rx {Cmpl}	Allow Amt PMPM Med {Cmpl}	U.S. Total {MS11 US} Allow Amt PMPM Med {Cmpl}	% Diff U.S. Total {MS11 US} Allow Amt PMPM Med {Cmpl}	Allow Amt PMPM Adm Acute	U.S. Total {MS11 US} Allow Amt PMPM Adm Acute	% Diff U.S. Total {MS11 US} Allow Amt PMPM Adm Acute	Allow Amt PMPM OP Med {Cmpl}	U.S. Total {MS11 US} Allow Amt PMPM OP Med {Cmpl}	% Diff U.S. Total {MS11 US} Allow Amt PMPM OP Med {Cmpl}
Fee for Service Plans	\$387.27	\$399.00	-2.94%	\$64.00	\$85.82	-25.43%	\$323.27	\$313.18	3.22%	\$126.26	\$89.36	41.30%	\$168.29	\$220.11	-23.54%
HMOs	\$111.28	\$286.48	-61.16%	\$22.69	\$54.48	-58.35%	\$88.58	\$232.00	-61.82%	\$23.97	\$65.62	-63.48%	\$61.81	\$163.74	-62.25%
POS Plans	\$264.77	\$359.19	-26.29%	\$47.31	\$71.66	-33.98%	\$217.46	\$287.53	-24.37%	\$69.71	\$84.64	-17.63%	\$133.04	\$199.30	-33.24%
POS Plans with capitation	\$164.44	\$379.11	-56.63%	\$39.78	\$76.99	-48.33%	\$124.65	\$302.12	-58.74%	\$39.21	\$90.64	-56.75%	\$81.81	\$207.54	-60.58%
PPOs	\$311.09	\$447.08	-30.42%	\$65.66	\$96.48	-31.94%	\$245.43	\$350.60	-30.00%	\$73.21	\$102.84	-28.81%	\$165.37	\$243.34	-32.04%
Aggregate (Plan Group)	\$265.31	\$366.34	-27.58%	\$45.25	\$74.40	-39.18%	\$220.06	\$291.94	-24.62%	\$71.50	\$85.75	-16.62%	\$138.04	\$202.62	-31.87%