

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

Fiscal Year 2016

Detailed Medical and Prescription Drugs Claim Trend Report

October 2016

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West Virginia Public Employees Insurance Agency Report of Independent Actuary

Fiscal Year 2016 Detailed Medical & Prescription Drugs Claim Trend Report

OVERVIEW

Continuing Care Actuaries was engaged by the West Virginia Public Employees Insurance Agency (“PEIA”) to assist the Finance Board in monitoring the plan experience for fiscal year ending June 30, 2016 on a quarterly basis and the forecasting of Fiscal Years 2017 through 2021. This annual trend report to the Finance Board serves as the basis for projecting medical and drugs claims through Fiscal Year 2021 in the development of the Financial Plan to be approved the PEIA Finance Board in December 2016. This report is intended for the sole use of the Finance Board and management team. Any other use requires written approval by Continuing Care Actuaries.

Continuing Care Actuaries has collected and reviewed the medical and drugs claims experience using Non-Medicare claims incurred and paid through August 2016. Effective July 1, 2012, West Virginia Retiree Health Benefit Trust Fund (“Trust Fund” or “RHBT”) had contracted with Humana to provide a Medicare Advantage Plan (“Humana MAPD”) benefit to Medicare-eligible retired employees and their Medicare-eligible dependents. Under this arrangement, Humana has assumed the financial risk of providing comprehensive medical and drugs coverage with limited copayments. Non-Medicare retirees will continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option.

While the majority of Medicare coverages are transferred to Humana, all newly eligible Medicare enrollees are initially covered by the RHBT on a secondary self-insured basis with Medicare being the primary coverage. These Medicare coverages are transferred on the following January from a self-insured secondary basis by RHBT to the Humana MAPD plan. While Continuing Care Actuaries monitors the cost trends of these Medicare coverages, for the purposes of this report we have not reviewed the Medicare claims experience in this report due to relatively small number of these coverages and the resulting lack of credibility of Medicare claims where RHBT is secondary.

Since July 1, 2000, HealthSmart Holding Inc. (“HealthSmart”), has been the administrator of the plan’s medical claims and has provided reports for both medical and prescription drugs claims. The analysis utilized claim data supplied from HealthSmart as a primary source of claims data for this report and PEIA has separately provided enrollment information.

Trends were developed by category for the 24-month, 36-month and 48-month credible periods ending June 2016. Our analysis for medical claims do not include incurred claims for the months after June 2016, since the claim experience for these months is largely non-credible with substantial reserves as part of the projected monthly incurred amount. The claim information supplied by HealthSmart for the purposes of this analysis was compared to PEIA’s general ledger system to ensure accuracy of aggregate reporting. In an effort to assure accuracy, the claim information provided by HealthSmart and used in this analysis was reconciled and balanced to the PEIA general ledger amounts as of August 2016.

KEY FINDINGS - MEDICAL

- The 24-month, 36-month and 48-month methodologies resulted in similar observed utilization and unit cost trends, and we chose the 24-month as the methodology that is most likely to produce accurate future trends and will allow PEIA to develop a Financial Plan that will reasonably result in long term financial solvency over the five year projection period. It is noteworthy the overall medical trend increased from 6.3% in last year's analysis to 7.9% in Fiscal Year 2016 using a 24-month study period. Using the 24-month analysis, PEIA experienced an 8.6% utilization increase and a -0.7% unit cost decrease, resulting in an aggregate trend of 7.9%. The 36-month and 48-month overall show lower trends of 7.4% and 6.6% respectively, due to the favorable experience in the prior fiscal years .

These results compare similarly to the 24-month trend calculated since Fiscal Year 2002.

West Virginia PEIA Non-Medicare Total 24-Month Trend Analysis-Allowed Claims			
	<u>Utilization</u>	<u>Cost/Service</u>	<u>Total Trend</u>
2002	4.1%	3.6%	7.8%
2003	9.8%	-3.0%	6.5%
2004	11.7%	-6.8%	4.0%
2005	2.8%	-1.1%	1.7%
2006	2.9%	1.0%	4.0%
2007	7.2%	-2.0%	5.1%
2008	2.9%	3.9%	6.9%
2009	2.5%	2.6%	5.1%
2010	2.5%	1.8%	4.4%
2011	4.2%	3.5%	7.8%
2012	5.1%	0.1%	5.3%
2013	2.6%	-1.6%	0.9%
2014	-0.4%	4.5%	4.1%
2015	0.7%	5.6%	6.3%
2016	8.6%	-0.7%	7.9%

- Overall PEIA and RHBT Fiscal Year 2016 24-month detail trends are summarized below. Note that these trend have not been adjusted for changes in benefit design:

Fiscal Year 2016 Claim Type	Medical	Drugs
PEIA – Active Local	6.1%	2.4%
PEIA – State	<u>8.2%</u>	<u>2.6%</u>
PEIA – Total	7.9%	2.6%
RHBT – Non-Medicare	1.0%	1.6%
Grand Total	6.9%	2.5%

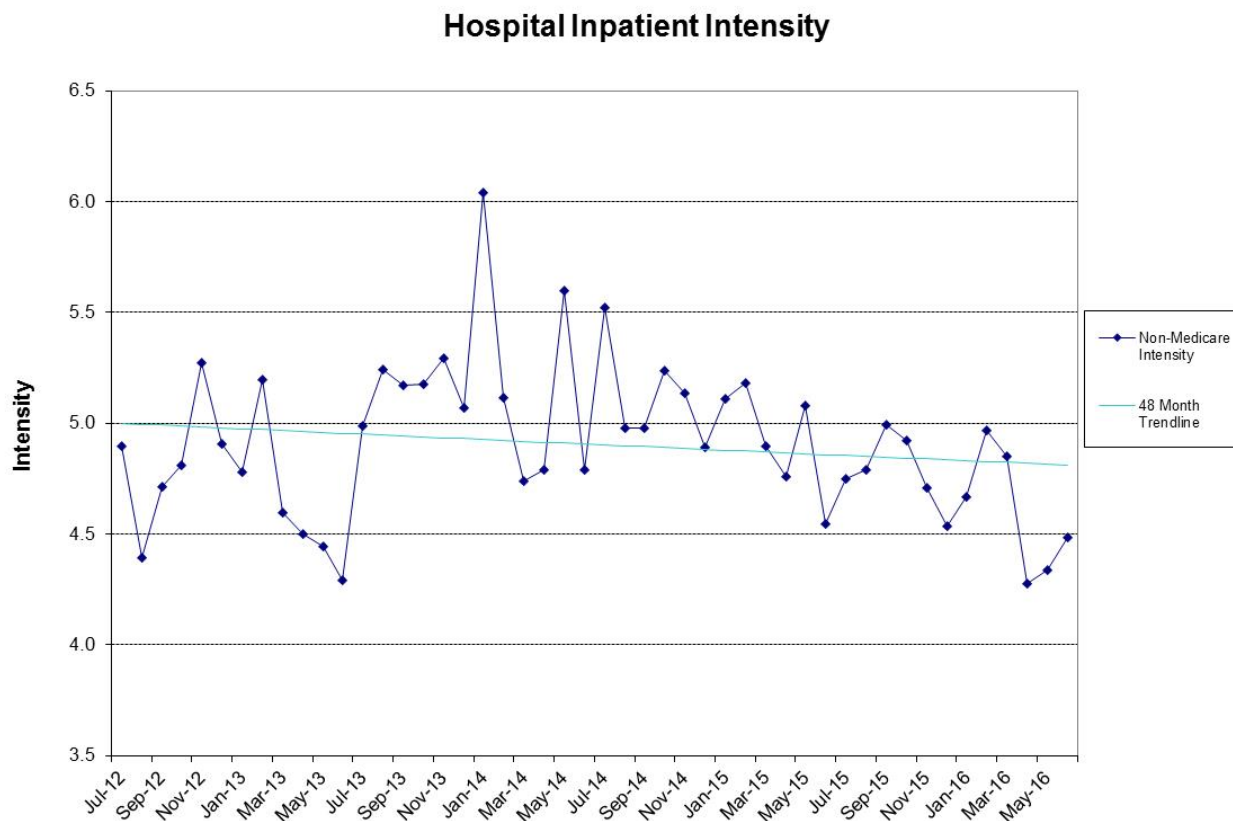
- Overall, In-State services show higher trends than Out-of-State services for Non-Medicare coverages in the 24-month analysis, with higher trend increases for all four categories: HI, HO, PS and O provided in the In-State. A comparison of Non-Medicare medical trends for In-State claims versus Out-of-State claims over the 24-month period analysis reveals an aggregate In-State trend of 12.1% and an Out-of-State trend of 2.1%.

Both the In-State utilization trend and the cost per service trend have been higher compared to Out-of-State. The In-State utilization trend for Non-Medicare was 8.9%, while the Out-of-State trend was -2.7%. The In-State cost per service trend for Non-Medicare was 2.9%, while the Out-of-State trend was -0.6%.

Within the In-State medical categories, the highest trend subcategories were observed for Hospital Inpatient's Medical / Surgical, Hospital Outpatient's Medical / Surgical, and Physician Services' Other Services categories which experienced unfavorable upward trends of 17.1%, 20.2% and 20.3%, respectively.

- Using the 24-month analysis, Hospital Inpatient services ("HI") represent approximately 19% of all medical services and experienced a total trend of 2.5%. The overall trend was the product of a 12.8% increase in utilization and a -9.2% reduction in unit cost. It is noteworthy that In-State HI claims showed a 12.9% overall trend, while Out-of-State HI claims experienced a 2.0% overall trend.
- Using the 24-month analysis, Hospital Outpatient services ("HO") represent approximately 34% of all medical services and experienced the least favorable trend of the broader claim categories with a total trend of 11.0%. The overall trend was the product of a 10.5% increase in utilization and a 0.5% increase in unit cost. It is noteworthy that In-State HO claims showed a 14.8% overall trend, while Out-of-State HO claims experienced a 2.1% overall trend.
- Using the 24-month analysis, Physician Services ("PS") represent approximately 43% of all medical services and experienced a total trend of 8.1%. The overall trend was the product of a 5.8% increase in utilization of these services and a 2.2% increase in unit cost. It is noteworthy that In-State PS claims showed a 9.7% overall trend, while Out-of-State PS claims experienced a 4.3% overall trend.
- Using the 24-month analysis, Other services ("O"), which are services that are principally Durable Medical Services and Ambulance, represent only 4% of all medical services and experienced a total trend of 1.5%. The overall trend was the product of a 2.2% increase in utilization of these services and a -0.7% reduction in unit cost. It is noteworthy that In-State O claims showed a 16.8% overall trend, while Out-of-State O claims experienced a -12.1% overall trend.
- As noted above, the Out-of-State trends were more favorable than the In-State trends. This is contrary to the trend reports produced in the past. Out-of-State trends were likely more favorable in Fiscal Year 2016 due to out of state discounts that were not fully achieved in Fiscal Year 2015.

- A component of the cost per service trend for hospital inpatient is the length of stay, or intensity. The chart below shows the average length of stay by number of days over the last four years. Over the 48-month analysis, the intensity for Non-Medicare hospital stays has a trend of -1.4%, which compares favorably to 1.1% last year. Noteworthy of the chart below, is the relative spike in intensity beginning in January 2014 which lasted roughly 6 months.



The table below presents the Non-Medicare Hospital Inpatient trend using the intensity breakdown.

West Virginia PEIA Non-Medicare Hospital Inpatient Trend Analysis			
	<u>24-Month</u>	<u>36-Month</u>	<u>48-Month</u>
Visits	3.3%	0.0%	-1.0%
Intensity	-7.2%	-5.2%	-1.4%
<u>Cost/Day</u>	<u>6.9%</u>	<u>9.6%</u>	<u>7.7%</u>
Total	2.5%	3.9%	5.2%

Continuing Care Actuaries has included an additional analysis of utilization and cost on an incurred basis over the last 12 months. This analysis can be found on Page 14 and analyzes the distribution of services based on services provided in West Virginia and services provided elsewhere.

In the 12 month period ending June 2016, approximately 80.8% of medical services were provided in the State of West Virginia and 19.2% of services were provided outside the State. From a cost perspective 69.2% of allowed charges were incurred in the State of West Virginia and 30.8% of allowed charges were provided outside the State.

By major medical category, approximately 84.3% of Hospital Inpatient services were provided in the State of West Virginia representing approximately 46.4% of the total allowed charges for Hospital Inpatient. Conversely, approximately 15.7% of Hospital Inpatient services were provided out of the State of West Virginia and those charges represented 53.6% of the total allowed charges for Hospital Inpatient.

By major medical category, approximately 91.8% of Hospital Outpatient services were provided in the State of West Virginia representing approximately 71.4% of the total allowed charges for Hospital Outpatient. Conversely, approximately 8.2% of Hospital Outpatient services were provided out of the State of West Virginia and those charges represented 28.6% of the total allowed charges for Hospital Outpatient.

By major medical category, approximately 79.8% of Physician Services were provided in the State of West Virginia representing approximately 78.4% of the total allowed charges for Physician Services. Conversely, approximately 20.2% of Physician Services were provided out of the State of West Virginia and those charges represented 21.6% of the total allowed charges for Physician Services.

By major medical category, approximately 67.8% of Other Services were provided in the State of West Virginia representing approximately 56.1% of the total allowed charges for Other Services. Conversely, approximately 32.2% of Other Services were provided out of the State of West Virginia and those charges represented 43.9% of the total allowed charges for Other Services.

KEY FINDINGS - DRUGS

Overall, prescription drugs trends for Non-Medicare coverages have decreased significantly compared to 10.0% last year. This reduction is a direct result of prescription drug benefit design changes which were expected to reduce costs by 9%. Using the 24-month analysis, we observed a 1.8% utilization increase and a 0.8% prescription cost increase, resulting in an aggregate trend of 2.6%. The 24-month overall trend is lower than both the 36-month and 48-month analysis.

West Virginia PEIA Prescription Drugs Total 24-Month Trend Analysis-Allowed Claims			
	<u>Utilization</u>	<u>Cost/Prescription</u>	<u>Total Trend</u>
FY 2016	1.8%	0.8%	2.6%

METHODOLOGY

HealthSmart provided allowed and paid claim information for Non-Medicare and Medicare eligibility from July 2001 through August 2016. This data set was analyzed on Non-Medicare claims that were incurred from July 2012 through June 2016 for the 48-month credible period. This claim data was consolidated into 24 categories for Hospital Inpatient, Hospital Outpatient, Physician Services and Other. In addition, claim experience was analyzed based on the state of service as defined by HealthSmart. HealthSmart provides the information based on the location that the service was performed, rather than the billing location of the provider. Continuing Care Actuaries verified that the HealthSmart information balanced in total to previously produced claim lag reports that PEIA personnel have balanced to the PEIA ledger accounts.

The trend analysis includes assumptions with respect to the completeness of the claim information to reflect and adjust for unreported claims. There was no adjustment to reflect the various reductions and changes in benefit design as affected by the Finance Board over the analysis period, such as the reduction in hospital inpatient reimbursement rates. In developing aggregate claim trends, individual claim categories were weighted by claims paid for each category over the last 24, 36 and 48 months, respectively depending on the analysis. The following chart summarizes the amount of allowed dollars by category for each paid fiscal year.

The calculated trends for utilization, unit cost and in aggregate were based on a least squares methodology in defining the regression trend line. We manually adjusted these trend lines where the results appeared to be less credible.

Consistent with prior reports, the trends published in this report for Non-Medicare medical claims are based on the allowed amount in order to neutralize the impact of deductibles and copayments that have a varying impact on paid amounts depending on the month of the year. Paid claim trends are higher over the study period, since cost-sharing provisions of the plan have had minimal changes over the four year period.

A summary of the annual Non-Medicare data provided by HealthSmart by Hospital Inpatient (HI), Hospital Outpatient (HO), Physician Services (PS), and Other Services (O) is detailed below.

<u>Non-Medicare Claims</u>	<u>July 2012 to June 2013</u>	<u>July 2013 to June 2014</u>	<u>July 2014 to June 2015</u>	<u>July 2015 to June 2016</u>
Hospital Inpatient	\$101,302,182	\$109,529,469	\$119,922,688	\$111,925,831
Hospital Outpatient	175,972,702	183,941,763	199,168,038	210,680,541
Physician Services	230,374,896	234,105,651	248,332,895	259,152,036
<u>Other Services</u>	<u>17,219,944</u>	<u>19,501,963</u>	<u>23,027,336</u>	<u>21,346,667</u>
Total	\$524,869,724	\$547,078,847	\$590,450,958	\$603,105,075

Certain categories in the data provided by HealthSmart were consolidated to provide the following summary table for Non-Medicare claims.

<u>Non-Medicare Claims</u>	<u>July 2012 to June 2013</u>	<u>July 2013 to June 2014</u>	<u>July 2014 to June 2015</u>	<u>July 2015 to June 2016</u>
HI Maternity	\$3,494,084	\$3,828,243	\$4,894,825	\$3,461,122
HI Medical/Surgical	93,720,228	100,828,901	110,915,757	105,218,712
HI Psychiatric/Substance Abuse	4,087,870	4,872,324	4,112,106	3,245,997
HO Emergency Room	26,735,759	29,845,722	33,764,530	31,003,199
HO Medical/Surgical	90,201,717	92,203,926	97,521,940	106,635,375
HO Other Services	57,054,108	59,688,438	65,669,208	70,224,248
HO Psychiatric/Substance Abuse	1,981,118	2,203,677	2,212,360	2,817,719
PS Anesthesia	11,152,448	11,500,456	12,102,378	12,228,926
PS Chemotherapy/Radiation	4,473,975	3,965,133	3,481,852	3,924,970
PS Emergency Room	5,576,017	5,772,943	6,505,075	6,501,556
PS Immunizations/Allergy	7,185,298	7,272,136	7,788,924	8,569,785
PS Inpatient Surgery	9,097,298	8,562,420	8,715,354	8,136,275
PS Inpatient Visits	6,983,322	6,852,245	6,745,971	6,264,720
PS Lab & Pathology	17,857,739	17,119,738	18,772,480	18,705,668
PS Maternity	4,151,480	4,318,547	5,444,034	5,034,465
PS Office Visits	68,048,577	66,854,811	67,236,323	68,546,812
PS Other Services	43,938,136	49,568,007	56,945,457	67,145,450
PS Outpatient Surgery	17,441,664	16,803,188	18,141,337	18,119,583
PS Psychiatric/Substance Abuse	10,710,571	12,008,858	12,727,110	13,283,055
PS Radiology	15,940,754	15,262,463	14,984,685	13,640,983
PS Therapy/Rehab	7,817,617	8,244,707	8,741,917	9,049,788
O Ambulance	2,999,811	3,621,889	4,359,626	4,530,912
O Durable Medical Equipment	7,673,097	8,385,640	8,867,069	8,915,966
O Other Services	6,547,037	7,494,434	9,800,641	7,899,788

TREND COMPARISON USING ALLOWED VERSUS PAID METHODOLOGY

The trend analysis has been developed throughout the report on an allowed basis for Non-Medicare claims to neutralize the impact of deductibles and co-payments that have a varying impact on paid amounts depending on the month of the year. The employees' annual deductible and cost sharing for medical expenses have not changed materially over the last six years.

We have examined the trends utilizing paid claims as opposed to allowed claims. The following table summarizes the trends on a paid basis for the Fiscal Years 2013 through 2016 and on an allowed basis for Non-Medicare medical claims. This exercise is important since interim monthly trend updates provided to PEIA throughout the year are based on paid claims.

**West Virginia PEIA Non-Medicare Medical
Total Trend Analysis**

	<u>Paid Basis</u>	<u>Allowed Basis</u>
24-Month Trend	8.8%	7.9%
36-Month Trend	8.1%	7.4%
48-Month Trend	7.2%	6.6%

TOP 5 CATEGORIES

The following tables give detail on the top 5 increases by utilization, cost per service, and cost per capita. Notably, O- Appliances (DME) experienced the highest increase in utilization. HO- Psychiatric / Substance Abuse experienced the highest increase in cost per service. And PS-Other Services experienced the highest increase in cost per capita and third highest increase in cost per service.

Top 5 Highest Percentage in Utilization Increases			
	2015 Average	2016 Average	Top 5
Category	Utilization	Utilization	Highest %
O- Appliances (DME)	0.02987	0.03481	16.5%
HI- Medical / Surgical	0.00467	0.00539	15.5%
PS- Outpatient Surgery	0.02342	0.02684	14.6%
HO- Medical / Surgical	0.04875	0.05554	13.9%
HO- Other Services	0.12188	0.13726	12.6%

Top 5 Highest Percentage in Cost / Service Increases			
	2015 Average	2016 Average	Top 5
Category	Cost / Service	Cost / Service	Highest %
HO- Psychiatric / Substance Abuse	\$231.31	\$277.52	20.0%
PS- Immunizations / Injections / Allergy	40.45	46.32	14.5%
PS- Other Services	95.96	107.65	12.2%
PS- Psychiatric / Substance Abuse	85.93	92.18	7.3%
HI- Psychiatric / Substance Abuse	6,328.32	6,696.21	5.8%

Top 3 Highest Percentage in Cost / Capita Increases			
	2015 Average	2016 Average	Top 3
Category	Cost / Capita	Cost / Capita	Highest %
PS- Other Services	\$26.30	\$31.88	21.2%
HO- Medical / Surgical	44.42	51.57	16.1%
HO- Other Services	30.11	33.78	12.2%

SUMMARY

The following tables and sections summarize the information and findings of the trend analysis. The tables and charts on the next several pages include separate analysis of utilization and unit cost trends for Non-Medicare coverages. The charts show the breakdown between the different study periods and for In-State and Out-of-State charges.

Recent experience has shown that the Non-Medicare medical claim trends are higher than the current trend assumption of 7.0% for FY 2017. However, the 48-Month trend has reflected a more modest 6.6% trend. Consequently, at this time we believe it is appropriate to keep the FY 2017 medical claim trend assumption for Non-Medicare medical as 7.0%. Recent experience has also shown that Non-Medicare drugs claim trends are higher than the current trend assumption. We also expect specialty drug costs, which currently account for approximately 21% of PEIA drug spend, to double in the next four years. We believe it is appropriate to increase the FY 2017 drugs claim trend assumption to 11.0% for Non-Medicare drugs.

The update of the trend assumptions for FY 2017 is shown below.

Claim Type	Fiscal Year 2017 Trends		
	Previous Assumption	Updated Assumption	Change
Non-Medicare – Medical	7.0%	7.0%	0.0%
Non-Medicare – Prescription Drugs	9.0%	11.0%	2.0%

In the past, claim trends for the financial plan included a 0.5% margin in future years. It should be noted that we have assumed the medical and drugs claim trends for the financial projection will increase by 0.5% in FY 2018 and in each successive fiscal year. We will continue to monitor the claim trend experience and incorporate changes as necessary throughout the fiscal year based on the relatively volatile nature of recent trend experience at PEIA.

Respectfully,



Dave Bond, F.S.A., F.C.A., M.A.A.A.

Managing Partner



Chris Borcik, F.S.A., F.C.A., M.A.A.A.

Principal

**West Virginia PEIA Non-Medicare Total
Study Period of July 2012 to June 2016
(Allowed Claims)**

Trends Summary - Excludes Drugs

	24 Month Trends Summary				36 Month Trends Summary				48 Month Trends Summary			
	<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>	<u>Weight</u>	<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>	<u>Weight</u>	<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>	<u>Weight</u>
HOSPITAL INPATIENT												
Maternity	-18.6%	-10.3%	-27.0%	0.7%	-2.6%	-2.5%	-5.0%	0.7%	1.5%	0.5%	2.0%	0.7%
Medical / Surgical	15.5%	-9.6%	4.3%	17.9%	5.1%	-0.1%	5.0%	18.1%	1.3%	4.3%	5.7%	18.0%
Psychiatric / Substance Abuse	-29.8%	5.8%	-25.7%	0.6%	-20.8%	4.8%	-17.0%	0.7%	-10.5%	5.0%	-5.9%	0.7%
TOTAL	12.8%	-9.2%	2.5%	19.2%	3.9%	0.0%	3.9%	19.5%	0.9%	4.2%	5.2%	19.4%
HOSPITAL OUTPATIENT												
Emergency Room	-3.9%	-3.7%	-7.5%	5.4%	-0.7%	3.1%	2.4%	5.4%	0.8%	5.2%	6.0%	5.4%
Medical / Surgical	13.9%	1.9%	16.1%	17.1%	7.3%	3.4%	11.0%	17.1%	4.4%	3.6%	8.2%	17.1%
Other Services	12.6%	-0.4%	12.2%	11.4%	6.9%	3.7%	10.8%	11.3%	3.7%	5.1%	9.0%	11.2%
Psychiatric / Substance Abuse	-1.9%	20.0%	17.7%	0.4%	3.1%	8.7%	12.1%	0.4%	5.3%	5.2%	10.8%	0.4%
TOTAL	10.5%	0.5%	11.0%	34.4%	5.8%	3.5%	9.6%	34.2%	3.6%	4.4%	8.1%	34.0%
PHYSICIAN SERVICES												
Anesthesia	11.4%	-3.1%	8.0%	2.0%	7.1%	-0.4%	6.7%	2.1%	5.6%	0.0%	5.6%	2.1%
Chemotherapy / Radiation	6.0%	1.5%	7.6%	0.6%	2.7%	-2.2%	0.4%	0.7%	-3.2%	-1.0%	-4.2%	0.7%
Emergency Room	0.8%	-0.3%	0.5%	1.1%	4.3%	2.3%	6.6%	1.1%	3.7%	2.6%	6.5%	1.1%
Immunizations / Injections / Allergy	-19.1%	14.5%	-7.4%	1.4%	-8.2%	10.0%	1.0%	1.4%	-5.4%	8.7%	2.9%	1.4%
Inpatient Surgery	7.1%	-8.1%	-1.5%	1.4%	2.6%	-1.4%	1.1%	1.5%	0.0%	-1.0%	-0.9%	1.5%
Inpatient Visits	-6.7%	0.6%	-6.2%	1.1%	-4.6%	1.6%	-3.1%	1.1%	-2.3%	0.0%	-2.4%	1.2%
Lab & Pathology	11.0%	-6.3%	4.0%	3.2%	6.5%	0.0%	6.5%	3.1%	4.1%	-0.2%	3.9%	3.2%
Maternity	-1.1%	-4.5%	-5.6%	0.9%	7.9%	-0.3%	7.6%	0.9%	9.0%	-0.5%	8.5%	0.8%
Office Visits	5.9%	0.8%	6.8%	11.4%	2.9%	0.6%	3.5%	11.7%	0.9%	0.8%	1.8%	12.0%
Other Services	8.0%	12.2%	21.2%	10.4%	6.0%	11.3%	18.0%	10.0%	3.9%	11.8%	16.2%	9.6%
Outpatient Surgery	14.6%	-5.1%	8.7%	3.0%	7.9%	-0.3%	7.7%	3.1%	4.9%	-0.5%	4.4%	3.1%
Psychiatric / Substance Abuse	-1.9%	7.3%	5.2%	2.2%	1.7%	4.6%	6.3%	2.2%	3.2%	4.8%	8.2%	2.2%
Radiology	1.9%	-9.0%	-7.3%	2.4%	2.1%	-6.2%	-4.2%	2.5%	1.5%	-5.2%	-3.7%	2.6%
Therapies	8.0%	0.3%	8.3%	1.5%	5.4%	1.8%	7.3%	1.5%	3.8%	2.8%	6.8%	1.5%
TOTAL	5.8%	2.2%	8.1%	42.7%	4.0%	3.0%	7.2%	42.7%	2.4%	3.1%	5.6%	43.0%
OTHER												
Ambulance	2.8%	2.4%	5.3%	0.7%	1.1%	11.5%	12.8%	0.7%	-0.4%	15.0%	14.6%	0.7%
Appliances (DME)	16.5%	-7.3%	8.0%	1.5%	7.8%	-0.1%	7.7%	1.5%	6.7%	1.0%	7.8%	1.5%
Other Services	-12.4%	4.3%	-8.6%	1.5%	-6.8%	13.8%	6.0%	1.4%	-0.3%	12.7%	12.3%	1.4%
TOTAL	2.2%	-0.7%	1.5%	3.7%	0.7%	7.7%	8.4%	3.7%	2.6%	8.2%	11.1%	3.6%
GRAND TOTAL	8.6%	-0.7%	7.9%	100.0%	4.5%	2.8%	7.4%	100.0%	2.5%	3.9%	6.6%	100.0%

**West Virginia PEIA Non-Medicare Total
Study Period of July 2014 to June 2016
(Allowed Claims)**

	In State			Out of State			Total			In State	Out of State	Total
	<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>	<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>	<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>	<u>Weight</u>	<u>Weight</u>	<u>Weight</u>
HOSPITAL INPATIENT												
Maternity	-17.5%	3.6%	-14.5%	-25.0%	-20.0%	-40.0%	-18.6%	-10.3%	-27.0%	0.6%	0.9%	0.7%
Medical / Surgical	16.5%	0.5%	17.1%	10.3%	-6.5%	3.1%	15.5%	-9.6%	4.3%	11.5%	32.2%	17.9%
Psychiatric / Substance Abuse	-33.1%	-4.4%	-36.1%	-19.2%	25.7%	1.6%	-29.8%	5.8%	-25.7%	0.6%	0.7%	0.6%
TOTAL	12.4%	0.4%	12.9%	8.7%	-6.2%	2.0%	12.8%	-9.2%	2.5%	12.7%	33.8%	19.2%
HOSPITAL OUTPATIENT												
Emergency Room	-3.0%	-0.8%	-3.8%	-11.9%	-5.6%	-16.8%	-3.9%	-3.7%	-7.5%	6.1%	4.2%	5.4%
Medical / Surgical	15.1%	4.4%	20.2%	3.6%	3.8%	7.5%	13.9%	1.9%	16.1%	17.4%	16.6%	17.1%
Other Services	13.7%	2.8%	16.9%	-1.4%	0.3%	-1.1%	12.6%	-0.4%	12.2%	12.0%	9.8%	11.4%
Psychiatric / Substance Abuse	-4.4%	0.8%	-3.7%	0.9%	30.5%	31.7%	-1.9%	20.0%	17.7%	0.2%	0.9%	0.4%
TOTAL	11.5%	3.0%	14.8%	-0.1%	2.2%	2.1%	10.5%	0.5%	11.0%	35.7%	31.4%	34.4%
PHYSICIAN SERVICES												
Anesthesia	12.2%	-0.4%	11.8%	6.2%	-10.0%	-4.4%	11.4%	-3.1%	8.0%	2.3%	1.5%	2.0%
Chemotherapy / Radiation	3.6%	-13.3%	-10.2%	13.7%	54.3%	75.4%	6.0%	1.5%	7.6%	0.6%	0.7%	0.6%
Emergency Room	2.1%	1.8%	4.0%	-12.3%	-1.6%	-13.8%	0.8%	-0.3%	0.5%	1.3%	0.6%	1.1%
Immunizations / Injections / Allergy	-19.6%	14.8%	-7.7%	-11.0%	9.6%	-2.5%	-19.1%	14.5%	-7.4%	1.8%	0.4%	1.4%
Inpatient Surgery	9.4%	3.6%	13.3%	-0.4%	-28.3%	-28.6%	7.1%	-8.1%	-1.5%	1.5%	1.4%	1.4%
Inpatient Visits	-7.9%	2.3%	-5.8%	-0.1%	-7.6%	-7.7%	-6.7%	0.6%	-6.2%	1.3%	0.7%	1.1%
Lab & Pathology	14.0%	0.4%	14.4%	8.5%	-10.3%	-2.7%	11.0%	-6.3%	4.0%	1.8%	5.9%	3.2%
Maternity	-0.9%	-5.2%	-6.0%	-3.0%	0.8%	-2.2%	-1.1%	-4.5%	-5.6%	1.1%	0.3%	0.9%
Office Visits	6.5%	1.7%	8.2%	0.2%	-4.0%	-3.7%	5.9%	0.8%	6.8%	15.1%	4.2%	11.4%
Other Services	9.1%	10.2%	20.3%	-1.1%	26.2%	24.8%	8.0%	12.2%	21.2%	10.8%	8.4%	10.4%
Outpatient Surgery	15.0%	-0.9%	14.0%	12.0%	-16.9%	-6.9%	14.6%	-5.1%	8.7%	3.4%	2.3%	3.0%
Psychiatric / Substance Abuse	3.7%	3.4%	7.2%	-22.1%	27.3%	-0.7%	-1.9%	7.3%	5.2%	2.8%	0.9%	2.2%
Radiology	2.8%	-5.6%	-3.0%	-4.9%	-15.8%	-20.0%	1.9%	-9.0%	-7.3%	2.9%	1.8%	2.4%
Therapies	8.3%	2.1%	10.6%	3.7%	-25.8%	-23.0%	8.0%	0.3%	8.3%	2.1%	0.3%	1.5%
TOTAL	6.3%	3.1%	9.7%	1.6%	2.7%	4.3%	5.8%	2.2%	8.1%	48.8%	29.3%	42.7%
OTHER												
Ambulance	3.4%	7.9%	11.6%	-3.5%	-11.4%	-14.6%	2.8%	2.4%	5.3%	0.8%	0.4%	0.7%
Appliances (DME)	28.5%	-11.0%	14.4%	-11.4%	12.7%	-0.1%	16.5%	-7.3%	8.0%	0.9%	2.7%	1.5%
Other Services	-12.1%	31.1%	15.3%	-14.1%	-13.1%	-25.3%	-12.4%	4.3%	-8.6%	1.0%	2.3%	1.5%
TOTAL	5.8%	10.4%	16.8%	-11.9%	-0.3%	-12.1%	2.2%	-0.7%	1.5%	2.8%	5.4%	3.7%
GRAND TOTAL	8.9%	2.9%	12.1%	2.7%	-0.6%	2.1%	8.6%	-0.7%	7.9%	100.0%	100.0%	100.0%

**West Virginia PEIA Non-Medicare Total
Study Period of July 2013 to June 2016
(Allowed Claims)**

36 Month Trends Summary - Excludes Drugs

	In State			Out of State			Total			In State	Out of State	Total
	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Weight	Weight	Weight
HOSPITAL INPATIENT												
Maternity	-2.2%	3.0%	0.7%	-4.6%	-8.4%	-12.6%	-2.6%	-2.5%	-5.0%	0.6%	0.9%	0.7%
Medical / Surgical	5.5%	0.1%	5.6%	3.1%	0.8%	4.0%	5.1%	-0.1%	5.0%	11.5%	32.1%	18.1%
Psychiatric / Substance Abuse	-22.3%	1.9%	-20.8%	-18.1%	8.9%	-10.8%	-20.8%	4.8%	-17.0%	0.6%	0.8%	0.7%
TOTAL	3.7%	0.3%	4.1%	2.4%	0.8%	3.2%	3.9%	0.0%	3.9%	12.7%	33.8%	19.5%
HOSPITAL OUTPATIENT												
Emergency Room	-0.6%	2.9%	2.3%	-1.4%	4.5%	3.1%	-0.7%	3.1%	2.4%	6.1%	4.1%	5.4%
Medical / Surgical	7.6%	3.2%	11.0%	4.6%	6.0%	10.9%	7.3%	3.4%	11.0%	17.4%	16.3%	17.1%
Other Services	7.3%	4.6%	12.2%	1.1%	5.1%	6.3%	6.9%	3.7%	10.8%	12.0%	9.7%	11.3%
Psychiatric / Substance Abuse	-1.1%	-0.8%	-1.9%	8.3%	11.3%	20.5%	3.1%	8.7%	12.1%	0.2%	0.9%	0.4%
TOTAL	6.0%	3.6%	9.9%	2.8%	5.7%	8.6%	5.8%	3.5%	9.6%	35.7%	31.0%	34.2%
PHYSICIAN SERVICES												
Anesthesia	7.7%	0.4%	8.1%	3.4%	-2.0%	1.4%	7.1%	-0.4%	6.7%	2.3%	1.5%	2.1%
Chemotherapy / Radiation	-0.9%	-5.0%	-5.8%	16.4%	-2.6%	13.4%	2.7%	-2.2%	0.4%	0.6%	0.8%	0.7%
Emergency Room	4.4%	2.7%	7.3%	2.5%	0.6%	3.1%	4.3%	2.3%	6.6%	1.3%	0.6%	1.1%
Immunizations / Injections / Allergy	-8.3%	10.4%	1.2%	-5.5%	6.3%	0.5%	-8.2%	10.0%	1.0%	1.8%	0.4%	1.4%
Inpatient Surgery	1.8%	1.8%	3.6%	5.6%	-9.0%	-3.9%	2.6%	-1.4%	1.1%	1.5%	1.4%	1.5%
Inpatient Visits	-4.6%	2.9%	-1.9%	-4.8%	-2.7%	-7.3%	-4.6%	1.6%	-3.1%	1.3%	0.7%	1.1%
Lab & Pathology	7.7%	1.8%	9.6%	5.4%	-1.1%	4.3%	6.5%	0.0%	6.5%	1.8%	6.0%	3.1%
Maternity	9.1%	-1.9%	7.0%	0.2%	9.9%	10.1%	7.9%	-0.3%	7.6%	1.1%	0.3%	0.9%
Office Visits	3.1%	0.7%	3.9%	1.0%	-0.3%	0.7%	2.9%	0.6%	3.5%	15.1%	4.3%	11.7%
Other Services	6.6%	11.4%	18.8%	1.1%	15.4%	16.6%	6.0%	11.3%	18.0%	10.8%	8.3%	10.0%
Outpatient Surgery	8.1%	0.1%	8.2%	6.9%	-1.0%	5.9%	7.9%	-0.3%	7.7%	3.4%	2.3%	3.1%
Psychiatric / Substance Abuse	4.0%	2.9%	7.0%	-6.4%	12.7%	5.5%	1.7%	4.6%	6.3%	2.8%	0.9%	2.2%
Radiology	2.2%	-5.7%	-3.6%	1.3%	-7.4%	-6.2%	2.1%	-6.2%	-4.2%	2.9%	1.8%	2.5%
Therapies	5.6%	2.2%	7.9%	3.1%	-4.8%	-1.9%	5.4%	1.8%	7.3%	2.1%	0.3%	1.5%
TOTAL	4.2%	3.3%	7.6%	2.7%	3.4%	6.2%	4.0%	3.0%	7.2%	48.8%	29.7%	42.7%
OTHER												
Ambulance	1.4%	12.7%	14.4%	-2.6%	10.7%	7.8%	1.1%	11.5%	12.8%	0.8%	0.4%	0.7%
Appliances (DME)	19.2%	-4.3%	14.1%	-5.8%	10.0%	3.6%	7.8%	-0.1%	7.7%	0.9%	2.8%	1.5%
Other Services	-8.7%	30.2%	18.9%	4.9%	-8.7%	-4.2%	-6.8%	13.8%	6.0%	1.0%	2.3%	1.4%
TOTAL	3.5%	13.7%	17.6%	-1.0%	2.2%	1.1%	0.7%	7.7%	8.4%	2.8%	5.5%	3.7%
GRAND TOTAL	4.8%	3.3%	8.2%	2.4%	3.2%	5.7%	4.5%	2.8%	7.4%	100.0%	100.0%	100.0%

**West Virginia PEIA Non-Medicare Total
Study Period of July 2012 to June 2016
(Allowed Claims)**

48 Month Trends Summary - Excludes Drugs

	In State			Out of State			Total			In State	Out of State	Total
	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Utilization	Cost / Service	Total Trend	Weight	Weight	Weight
HOSPITAL INPATIENT												
Maternity	1.9%	2.8%	4.7%	-0.6%	-1.6%	-2.2%	1.5%	0.5%	2.0%	0.6%	0.9%	0.7%
Medical / Surgical	1.3%	2.7%	4.0%	1.6%	5.2%	7.0%	1.3%	4.3%	5.7%	11.6%	31.9%	18.0%
Psychiatric / Substance Abuse	-11.3%	1.9%	-9.6%	-8.4%	9.6%	0.4%	-10.5%	5.0%	-5.9%	0.7%	0.9%	0.7%
TOTAL	0.7%	2.6%	3.3%	1.3%	5.2%	6.5%	0.9%	4.2%	5.2%	12.9%	33.7%	19.4%
HOSPITAL OUTPATIENT												
Emergency Room	0.8%	4.5%	5.4%	1.0%	7.3%	8.3%	0.8%	5.2%	6.0%	6.0%	4.0%	5.4%
Medical / Surgical	4.8%	3.3%	8.2%	1.3%	6.6%	8.0%	4.4%	3.6%	8.2%	17.3%	16.5%	17.1%
Other Services	3.9%	4.9%	9.1%	0.8%	7.5%	8.3%	3.7%	5.1%	9.0%	11.9%	9.6%	11.2%
Psychiatric / Substance Abuse	0.2%	2.7%	2.9%	11.9%	1.2%	13.3%	5.3%	5.2%	10.8%	0.2%	0.9%	0.4%
TOTAL	3.8%	4.0%	8.0%	1.4%	6.8%	8.3%	3.6%	4.4%	8.1%	35.4%	31.0%	34.0%
PHYSICIAN SERVICES												
Anesthesia	5.8%	0.5%	6.3%	3.9%	-1.0%	2.9%	5.6%	0.0%	5.6%	2.3%	1.6%	2.1%
Chemotherapy / Radiation	-6.6%	-3.5%	-9.9%	11.6%	-2.0%	9.4%	-3.2%	-1.0%	-4.2%	0.7%	0.8%	0.7%
Emergency Room	3.7%	2.7%	6.6%	3.9%	2.1%	6.1%	3.7%	2.6%	6.5%	1.3%	0.6%	1.1%
Immunizations / Injections / Allergy	-5.5%	9.0%	3.0%	-3.3%	5.8%	2.4%	-5.4%	8.7%	2.9%	1.8%	0.4%	1.4%
Inpatient Surgery	-0.7%	0.9%	0.2%	3.0%	-6.4%	-3.6%	0.0%	-1.0%	-0.9%	1.5%	1.5%	1.5%
Inpatient Visits	-2.7%	0.9%	-1.8%	-0.5%	-3.8%	-4.3%	-2.3%	0.0%	-2.4%	1.4%	0.8%	1.2%
Lab & Pathology	2.8%	0.2%	2.9%	5.2%	-0.9%	4.2%	4.1%	-0.2%	3.9%	1.9%	6.1%	3.2%
Maternity	9.5%	-1.2%	8.1%	6.0%	5.3%	11.6%	9.0%	-0.5%	8.5%	1.1%	0.3%	0.8%
Office Visits	1.0%	0.8%	1.9%	-0.3%	1.1%	0.8%	0.9%	0.8%	1.8%	15.4%	4.5%	12.0%
Other Services	4.2%	10.3%	14.9%	2.2%	18.3%	20.9%	3.9%	11.8%	16.2%	10.4%	7.9%	9.6%
Outpatient Surgery	5.2%	-0.3%	4.9%	2.8%	-0.3%	2.5%	4.9%	-0.5%	4.4%	3.5%	2.4%	3.1%
Psychiatric / Substance Abuse	4.6%	4.0%	8.7%	-1.5%	8.7%	7.1%	3.2%	4.8%	8.2%	2.7%	0.9%	2.2%
Radiology	1.4%	-5.5%	-4.2%	2.4%	-4.6%	-2.3%	1.5%	-5.2%	-3.7%	3.0%	1.9%	2.6%
Therapies	4.0%	3.1%	7.2%	1.5%	-1.1%	0.3%	3.8%	2.8%	6.8%	2.1%	0.3%	1.5%
TOTAL	2.4%	2.8%	5.3%	2.7%	4.4%	7.2%	2.4%	3.1%	5.6%	49.0%	29.8%	43.0%
OTHER												
Ambulance	-0.1%	16.3%	16.2%	-3.6%	12.1%	8.1%	-0.4%	15.0%	14.6%	0.8%	0.4%	0.7%
Appliances (DME)	9.9%	-0.5%	9.3%	4.0%	8.7%	13.0%	6.7%	1.0%	7.8%	0.9%	2.7%	1.5%
Other Services	-1.8%	24.9%	22.6%	10.3%	-4.6%	5.2%	-0.3%	12.7%	12.3%	1.0%	2.3%	1.4%
TOTAL	2.7%	13.7%	16.7%	6.1%	3.3%	9.6%	2.6%	8.2%	11.1%	2.7%	5.5%	3.6%
GRAND TOTAL	2.7%	3.5%	6.3%	2.0%	5.4%	7.5%	2.5%	3.9%	6.6%	100.0%	100.0%	100.0%

**West Virginia PEIA Non-Medicare Total
Study Period of July 2015 to June 2016
(Allowed Claims)**

12 Month Summary - Excludes Drugs

	Number of Visits					Total Allowed Cost				
	<u>In State</u>	<u>Out of State</u>	<u>Total</u>	<u>In State %</u>	<u>Out of State %</u>	<u>In State</u>	<u>Out of State</u>	<u>Total</u>	<u>In State %</u>	<u>Out of State %</u>
HOSPITAL INPATIENT										
Maternity	1,241	154	1,395	89.0%	11.0%	2,187,188	1,282,102	3,469,290	63.0%	37.0%
Medical / Surgical	9,567	1,738	11,305	84.6%	15.4%	48,425,837	57,969,611	106,395,448	45.5%	54.5%
Psychiatric / Substance Abuse	297	171	468	63.4%	36.6%	1,797,330	1,391,946	3,189,277	56.4%	43.6%
TOTAL	11,104	2,063	13,168	84.3%	15.7%	52,410,355	60,643,659	113,054,014	46.4%	53.6%
HOSPITAL OUTPATIENT										
Emergency Room	40,975	3,996	44,972	91.1%	8.9%	23,649,499	7,277,998	30,927,497	76.5%	23.5%
Medical / Surgical	105,867	10,885	116,752	90.7%	9.3%	74,559,574	32,484,176	107,043,750	69.7%	30.3%
Other Services	268,710	17,875	286,585	93.8%	6.2%	51,755,206	18,558,592	70,313,798	73.6%	26.4%
Psychiatric / Substance Abuse	5,114	4,751	9,865	51.8%	48.2%	785,385	2,018,376	2,803,761	28.0%	72.0%
TOTAL	420,666	37,508	458,174	91.8%	8.2%	150,749,664	60,339,142	211,088,806	71.4%	28.6%
PHYSICIAN SERVICES										
Anesthesia	42,804	6,173	48,977	87.4%	12.6%	9,533,685	2,724,432	12,258,117	77.8%	22.2%
Chemotherapy / Radiation	9,326	3,211	12,537	74.4%	25.6%	2,112,825	1,803,612	3,916,437	53.9%	46.1%
Emergency Room	39,012	3,432	42,444	91.9%	8.1%	5,401,486	1,090,518	6,492,003	83.2%	16.8%
Immunizations / Injections / Allergy	211,382	14,522	225,903	93.6%	6.4%	7,740,493	815,945	8,556,438	90.5%	9.5%
Inpatient Surgery	9,313	2,347	11,660	79.9%	20.1%	6,045,896	2,113,630	8,159,526	74.1%	25.9%
Inpatient Visits	49,200	9,305	58,506	84.1%	15.9%	4,993,125	1,255,248	6,248,373	79.9%	20.1%
Lab & Pathology	371,574	408,142	779,717	47.7%	52.3%	7,621,943	11,096,292	18,718,235	40.7%	59.3%
Maternity	4,390	599	4,989	88.0%	12.0%	4,397,106	634,787	5,031,893	87.4%	12.6%
Office Visits	653,355	61,243	714,598	91.4%	8.6%	60,982,655	7,708,387	68,691,042	88.8%	11.2%
Other Services	562,538	60,665	623,203	90.3%	9.7%	49,666,027	17,600,916	67,266,942	73.8%	26.2%
Outpatient Surgery	47,624	7,764	55,388	86.0%	14.0%	14,159,634	4,040,097	18,199,731	77.8%	22.2%
Psychiatric / Substance Abuse	119,393	26,074	145,467	82.1%	17.9%	11,586,064	1,700,520	13,286,584	87.2%	12.8%
Radiology	249,546	29,865	279,411	89.3%	10.7%	10,668,739	2,986,510	13,655,249	78.1%	21.9%
Therapies	177,204	12,387	189,591	93.5%	6.5%	8,626,477	449,672	9,076,150	95.0%	5.0%
TOTAL	2,546,661	645,730	3,192,391	79.8%	20.2%	203,536,154	56,020,565	259,556,719	78.4%	21.6%
OTHER										
Ambulance	11,354	1,007	12,362	91.9%	8.1%	3,768,813	794,240	4,563,053	82.6%	17.4%
Appliances (DME)	40,365	31,704	72,069	56.0%	44.0%	3,850,055	5,160,703	9,010,757	42.7%	57.3%
Other Services	26,847	4,607	31,454	85.4%	14.6%	4,450,084	3,495,264	7,945,348	56.0%	44.0%
TOTAL	78,566	37,319	115,885	67.8%	32.2%	12,068,951	9,450,207	21,519,159	56.1%	43.9%
GRAND TOTAL	3,072,676	731,343	3,804,019	80.8%	19.2%	418,765,124	186,453,573	605,218,697	69.2%	30.8%

West Virginia PEIA Non-Medicare Prescription Drugs Total
Study Period of July 2012 to June 2016
(Paid Claims)

24 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	1.8%	0.8%	2.6%

36 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	2.3%	3.4%	5.8%

48 Month Trends Summary

	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
Non-Medicare	2.1%	4.5%	6.6%

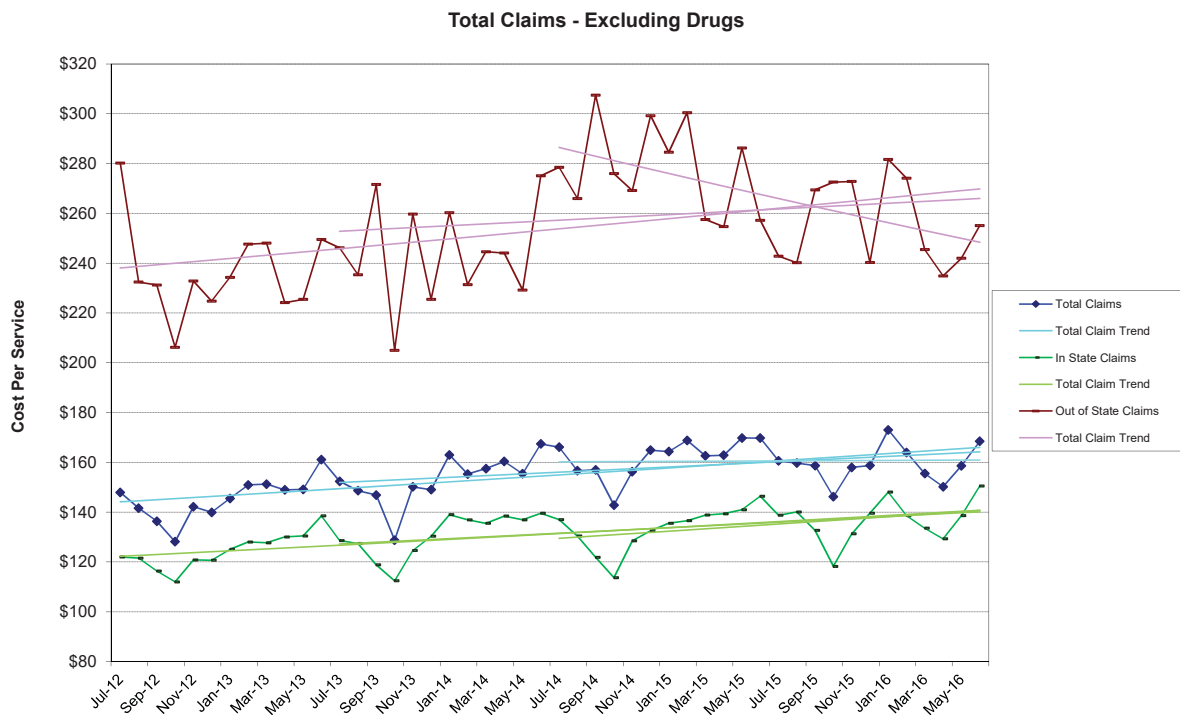
Appendix A

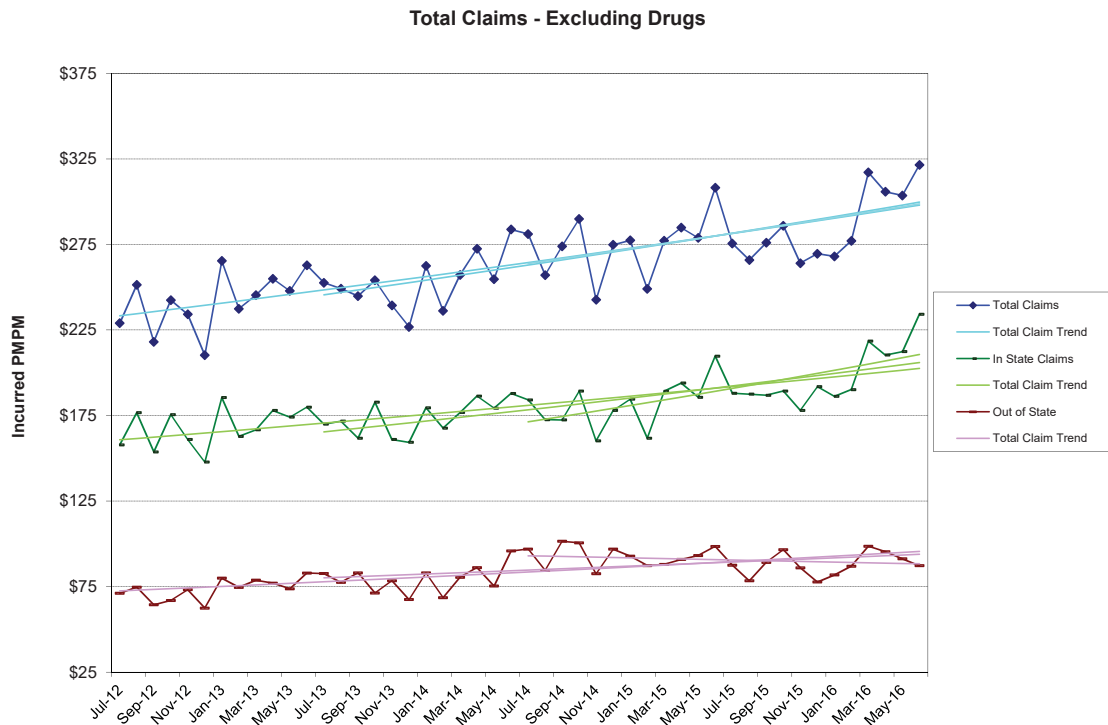
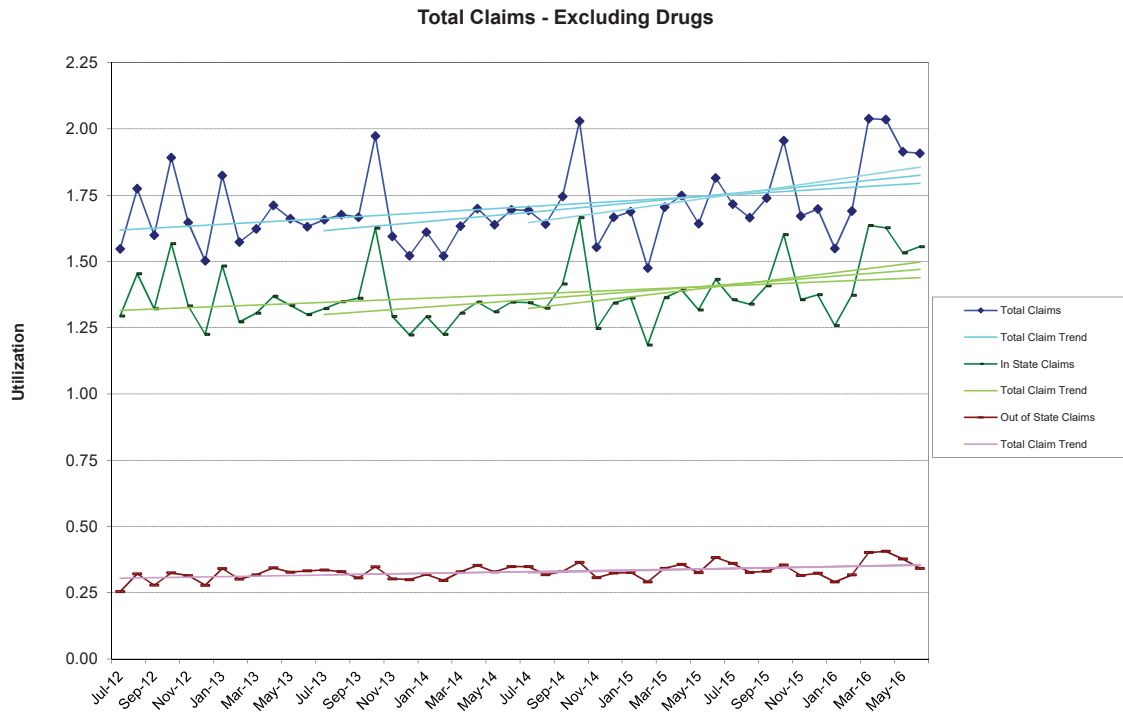
NON-MEDICARE CLAIMS
Excluding Drugs
GRAND TOTAL

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.6%	-0.7%	7.9%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.5%	2.8%	7.4%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.5%	3.9%	6.6%





NON-MEDICARE CLAIMS
Excluding Drugs

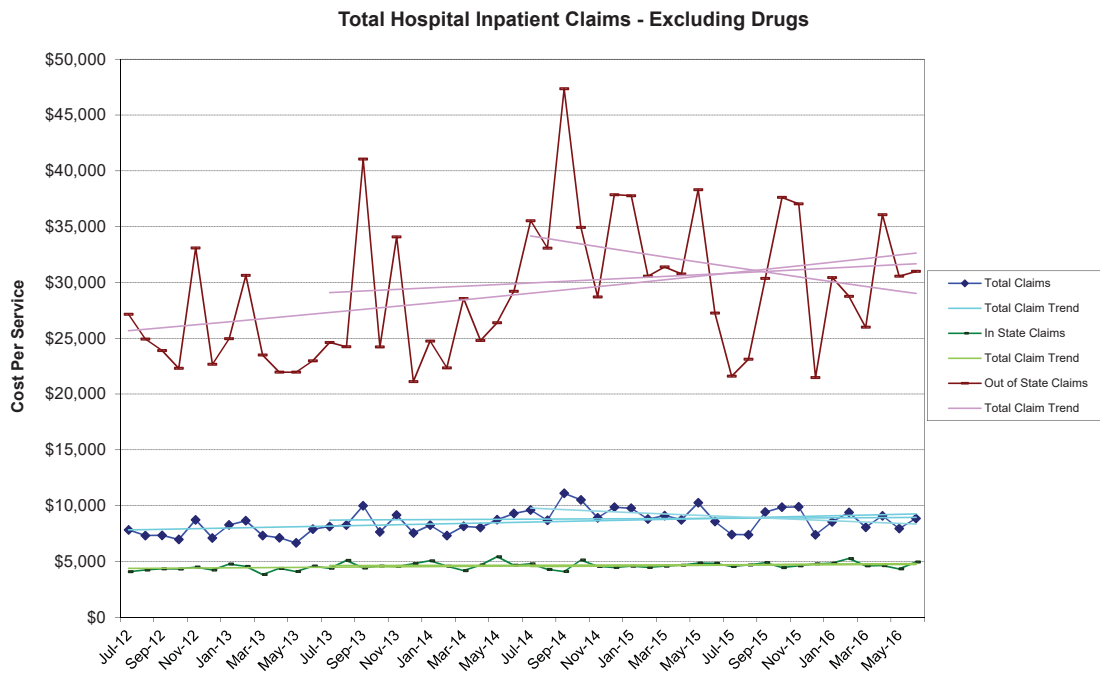
HOSPITAL INPATIENT

TOTAL

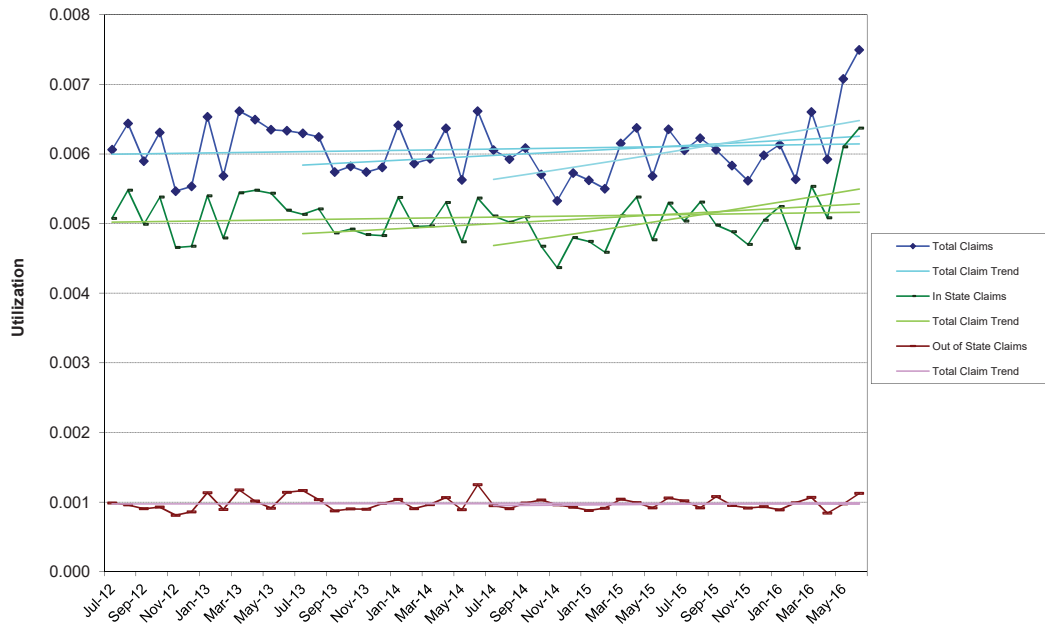
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
12.8%	-9.2%	2.5%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.9%	0.0%	3.9%

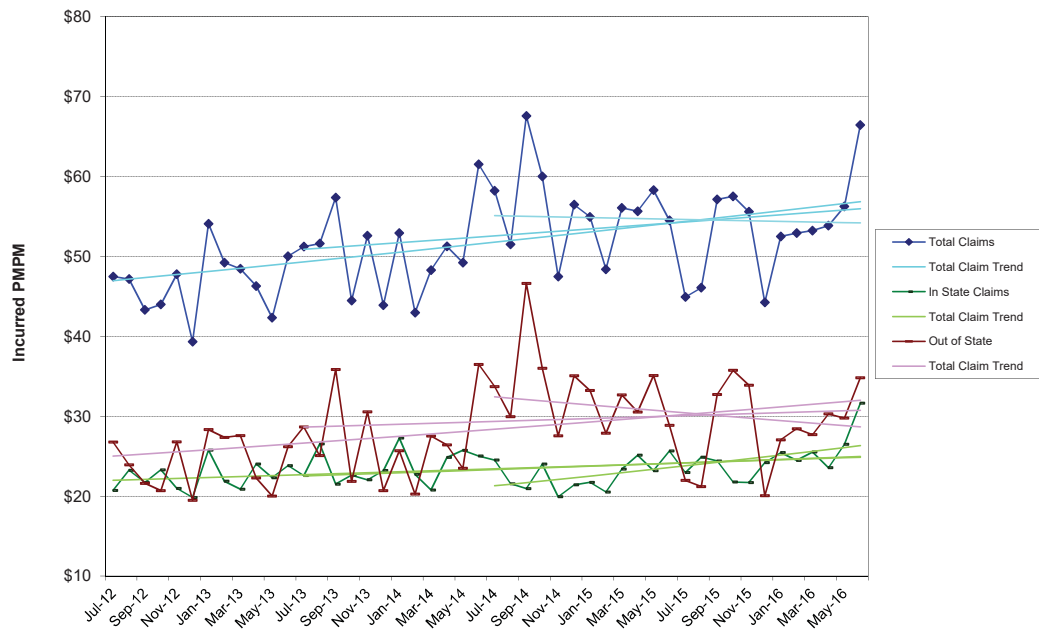
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.9%	4.2%	5.2%



Total Hospital Inpatient Claims - Excluding Drugs



Total Hospital Inpatient Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

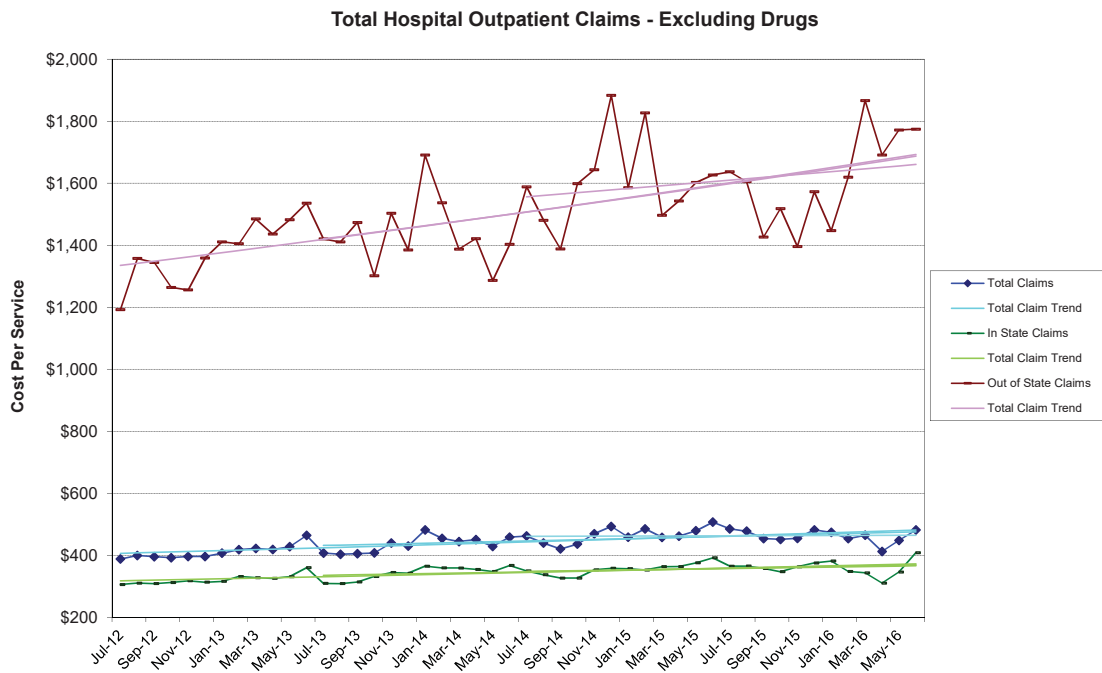
HOSPITAL OUTPATIENT

TOTAL

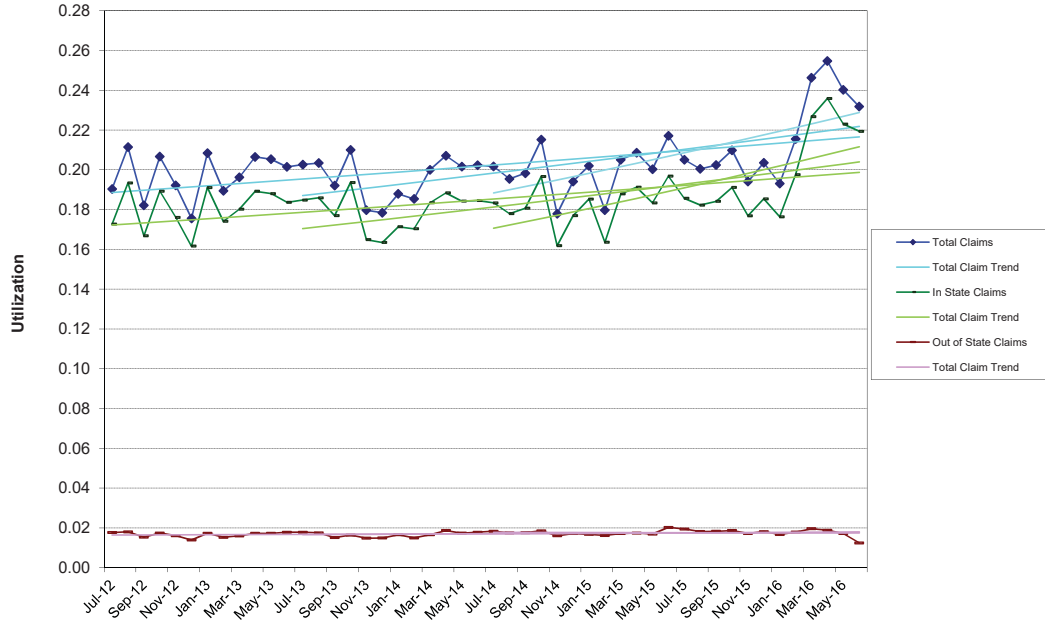
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
10.5%	0.5%	11.0%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.8%	3.5%	9.6%

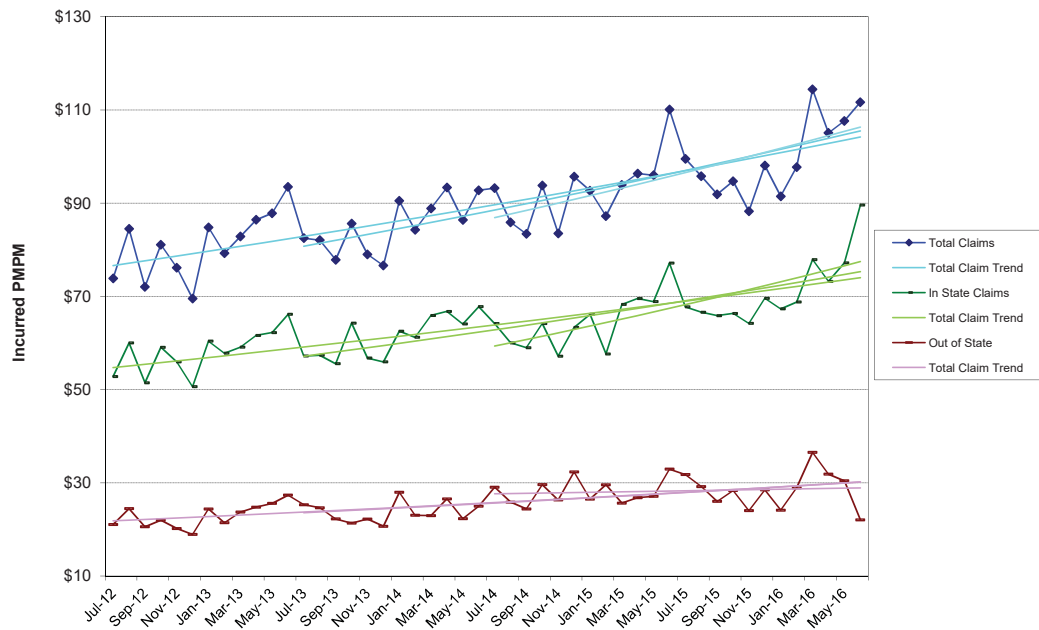
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.6%	4.4%	8.1%



Total Hospital Outpatient Claims - Excluding Drugs



Total Hospital Outpatient Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

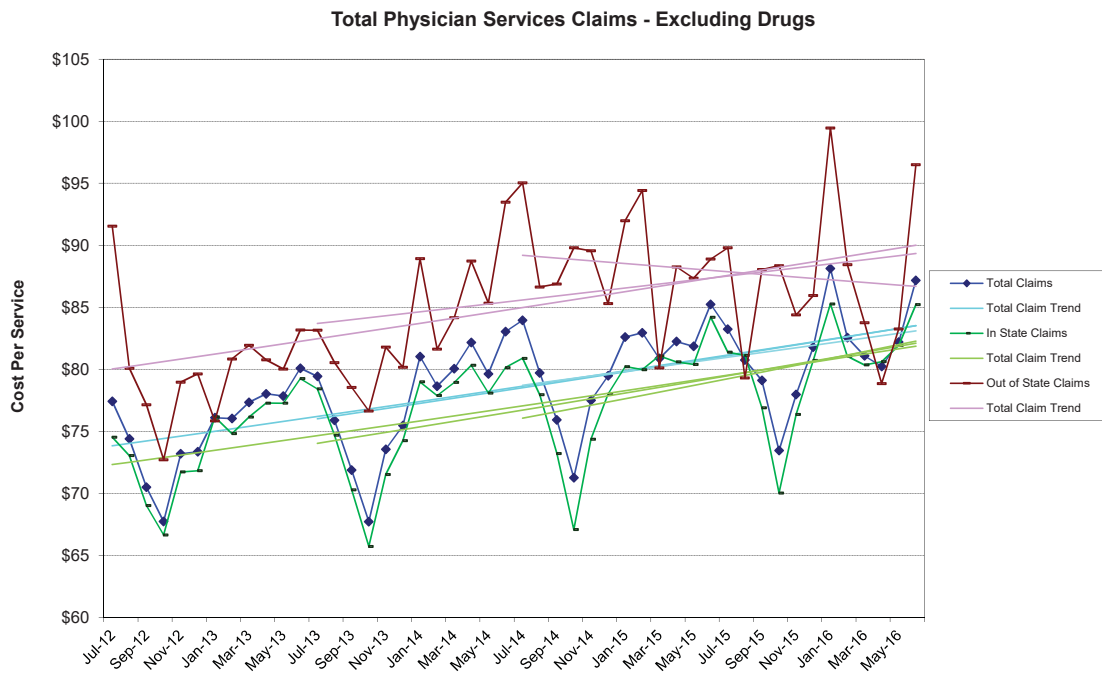
PHYSICIAN SERVICES

TOTAL

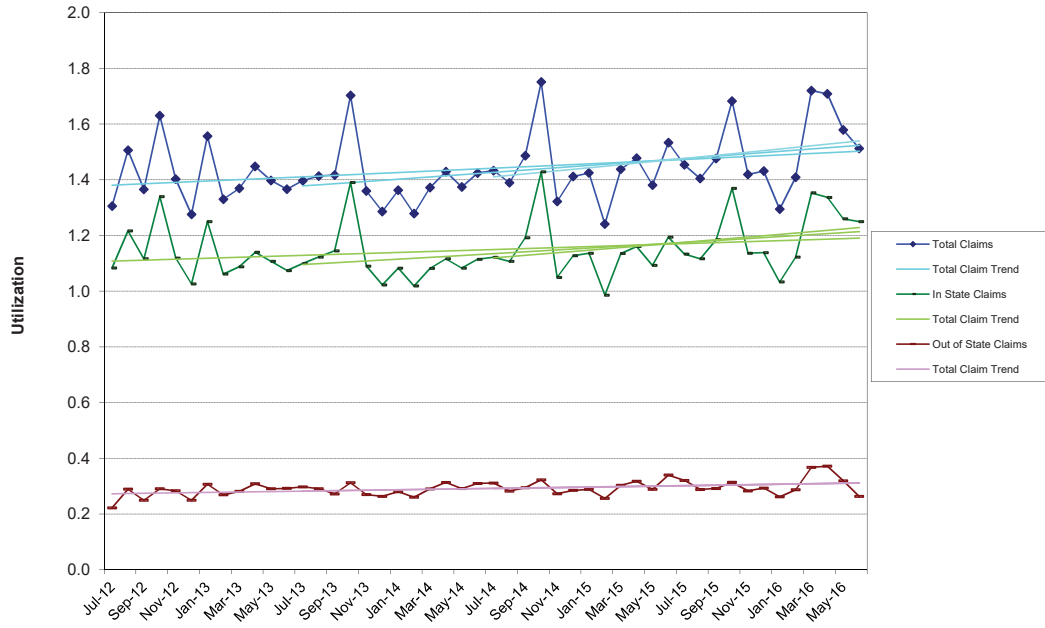
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.8%	2.2%	8.1%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.0%	3.0%	7.2%

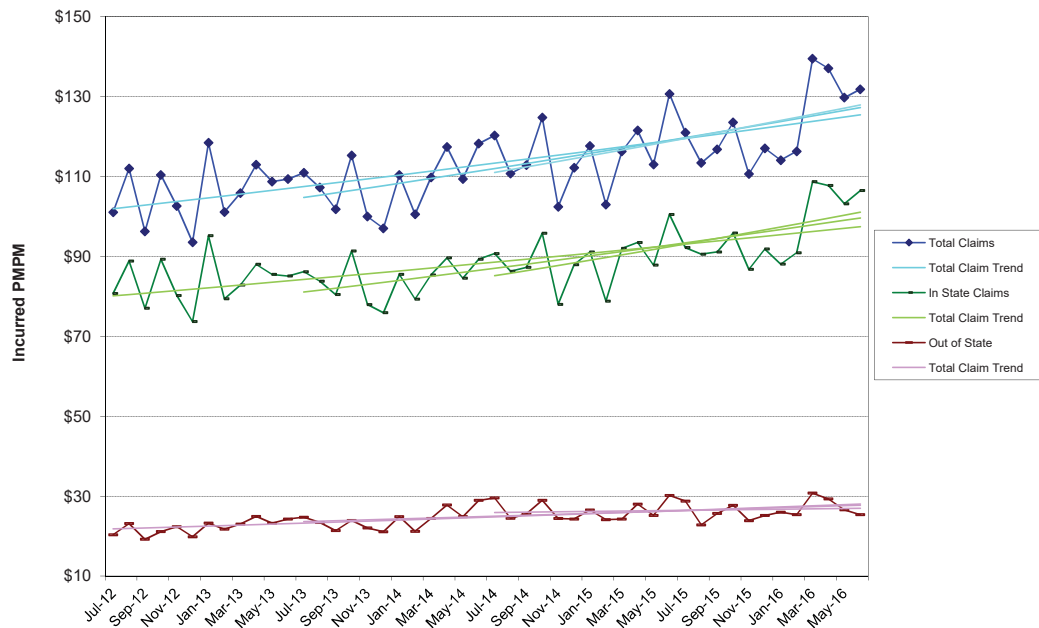
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.4%	3.1%	5.6%



Total Physician Services Claims - Excluding Drugs



Total Physician Services Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

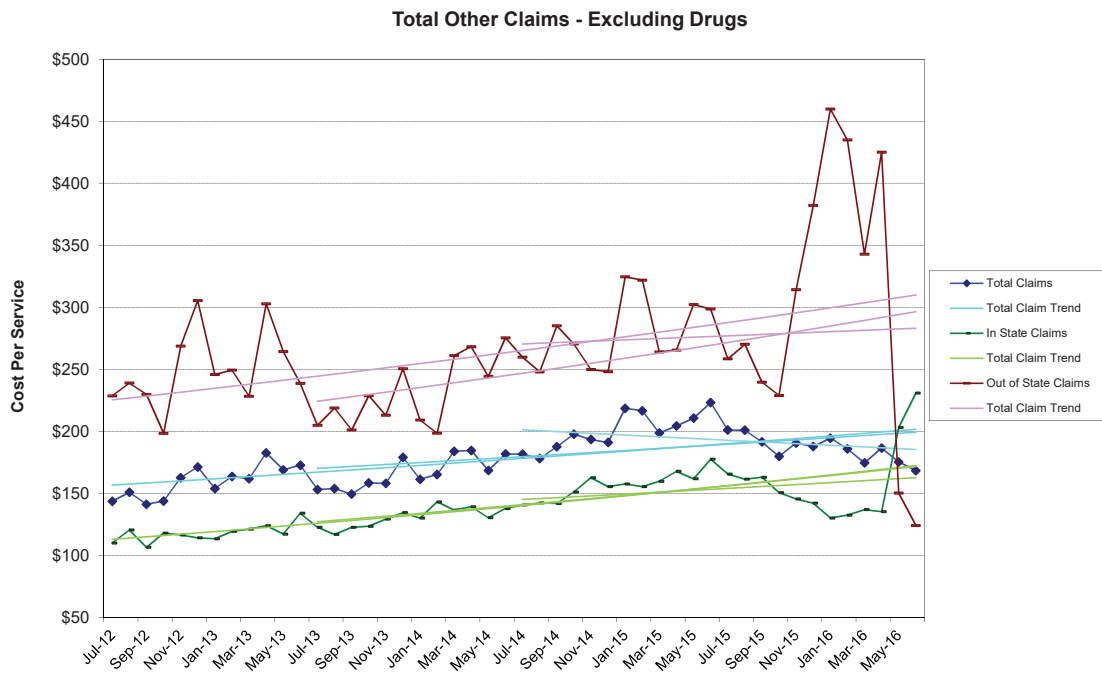
OTHER

TOTAL

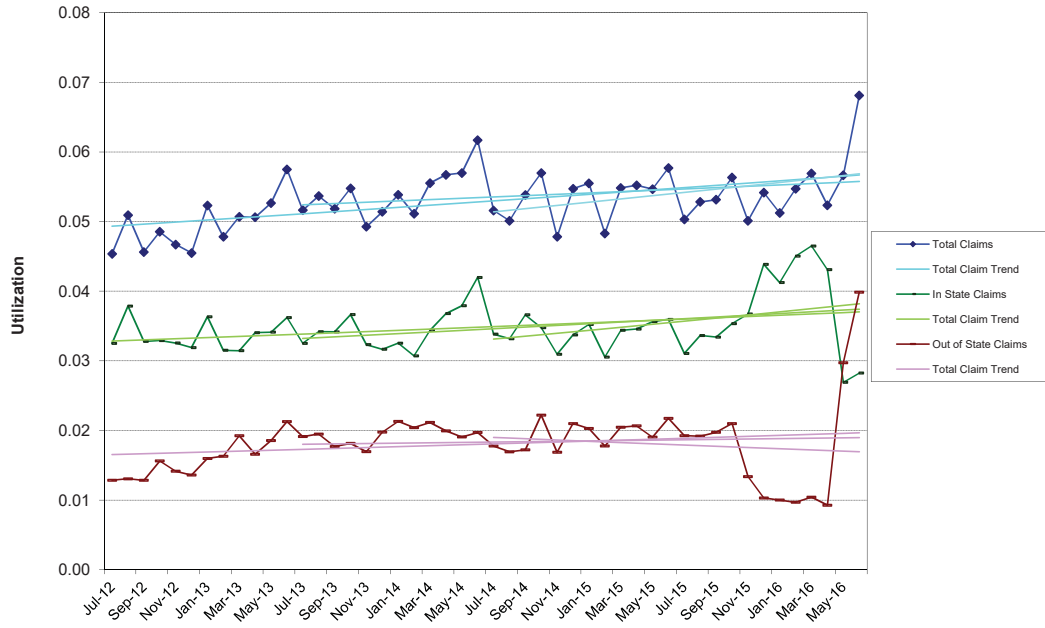
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.2%	-0.7%	1.5%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.7%	7.7%	8.4%

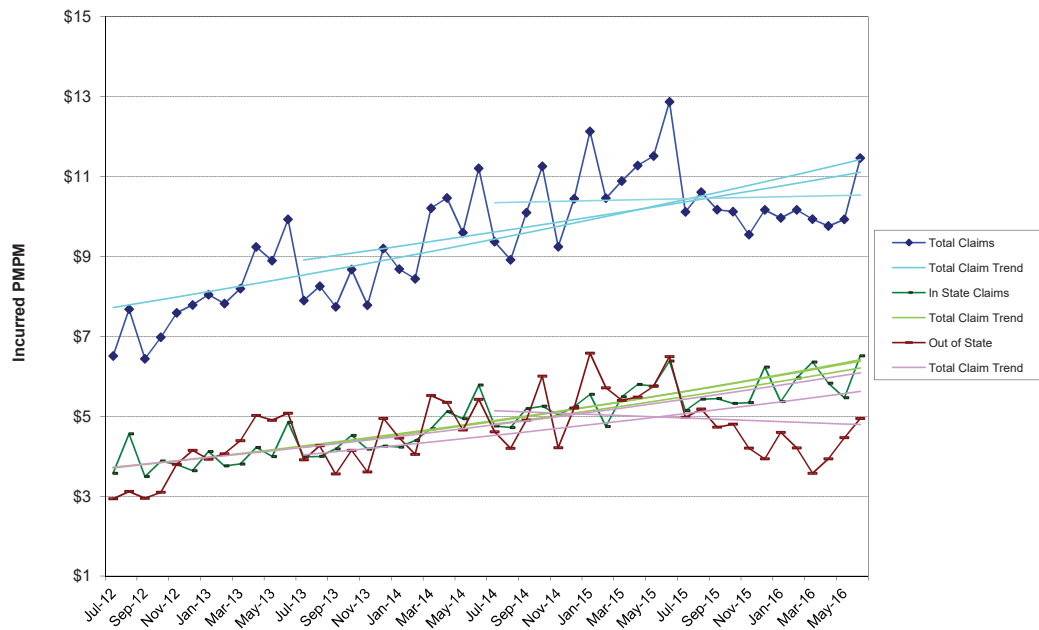
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.6%	8.2%	11.1%



Total Other Claims - Excluding Drugs



Total Other Claims - Excluding Drugs



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

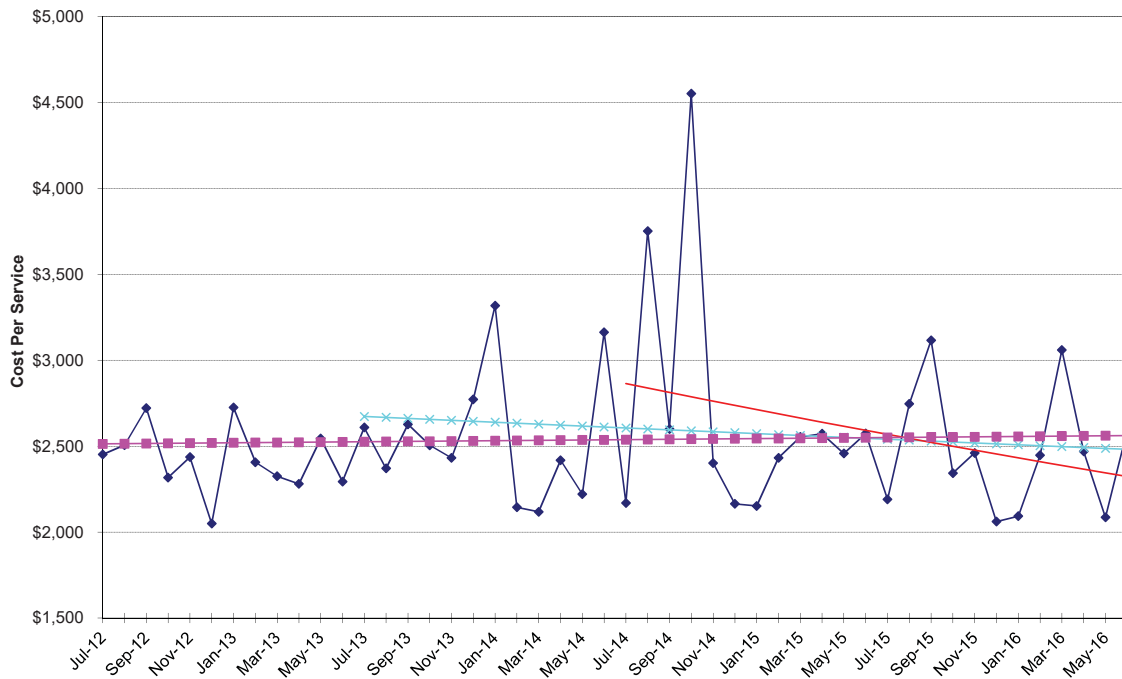
Maternity

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-18.6%	-10.3%	-27.0%

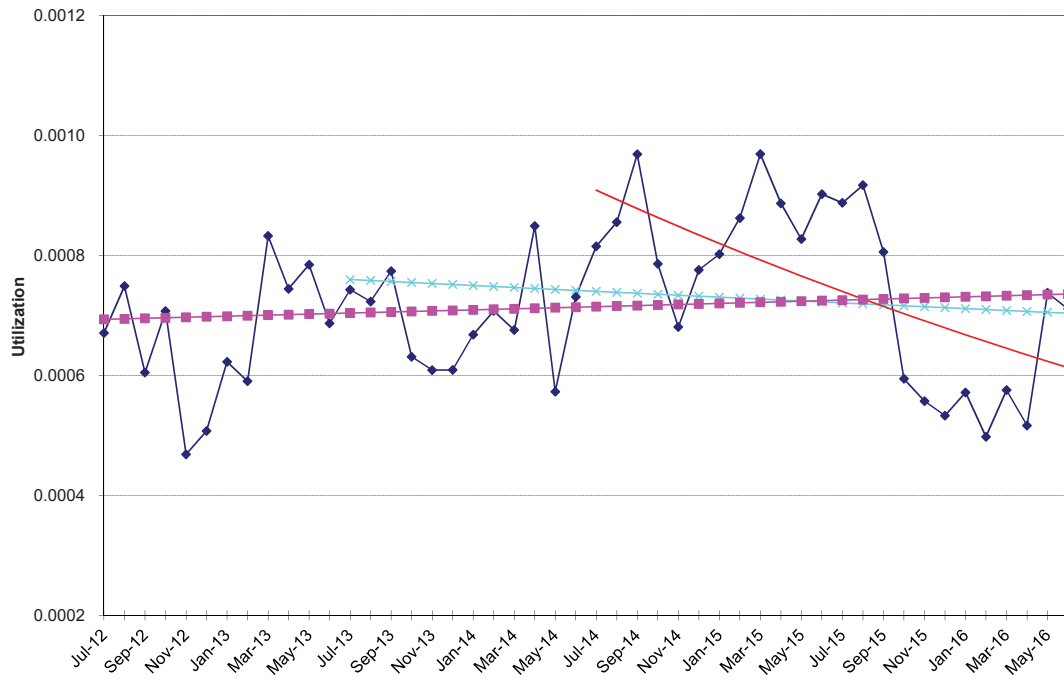
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.6%	-2.5%	-5.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.5%	0.5%	2.0%

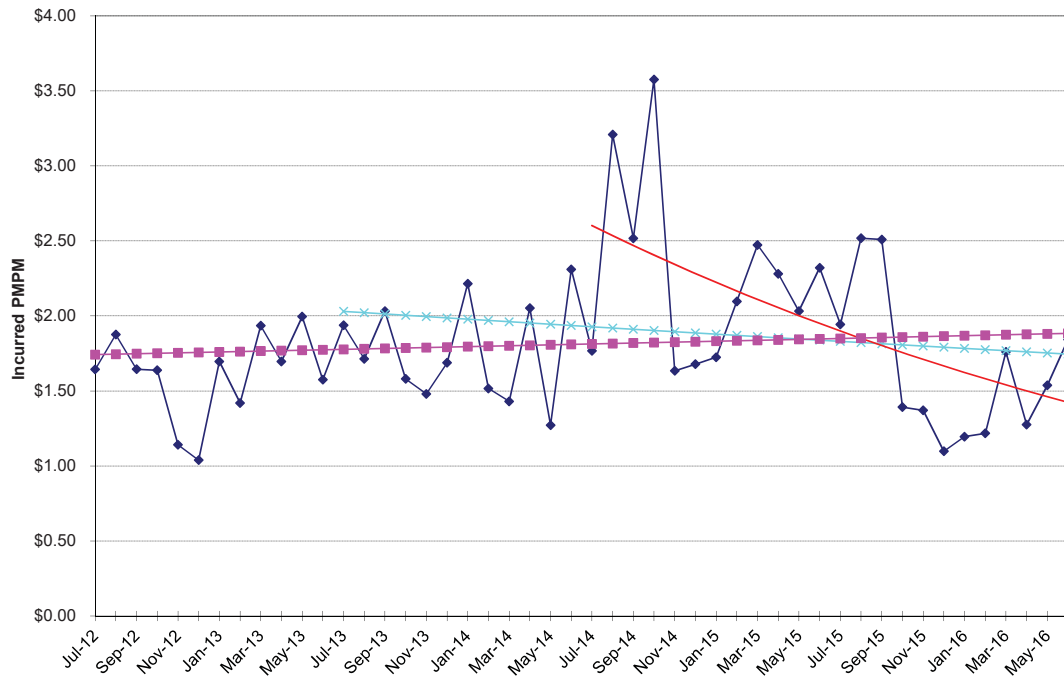
Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



Hospital Inpatient - Maternity



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

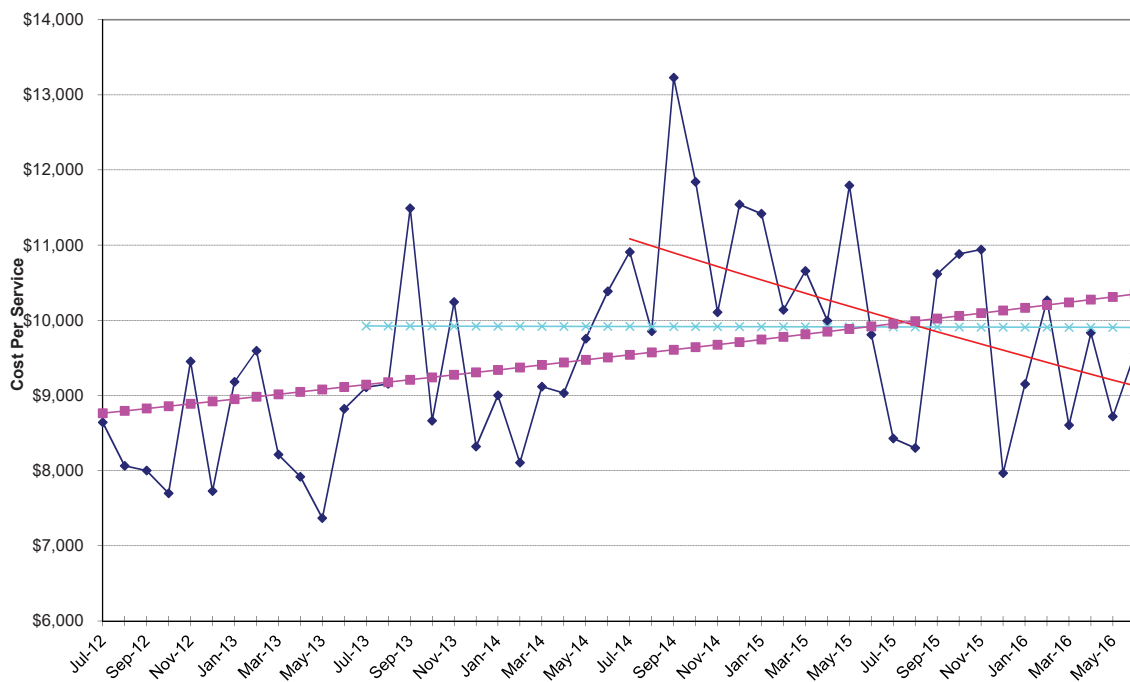
Medical / Surgical

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
15.5%	-9.6%	4.3%

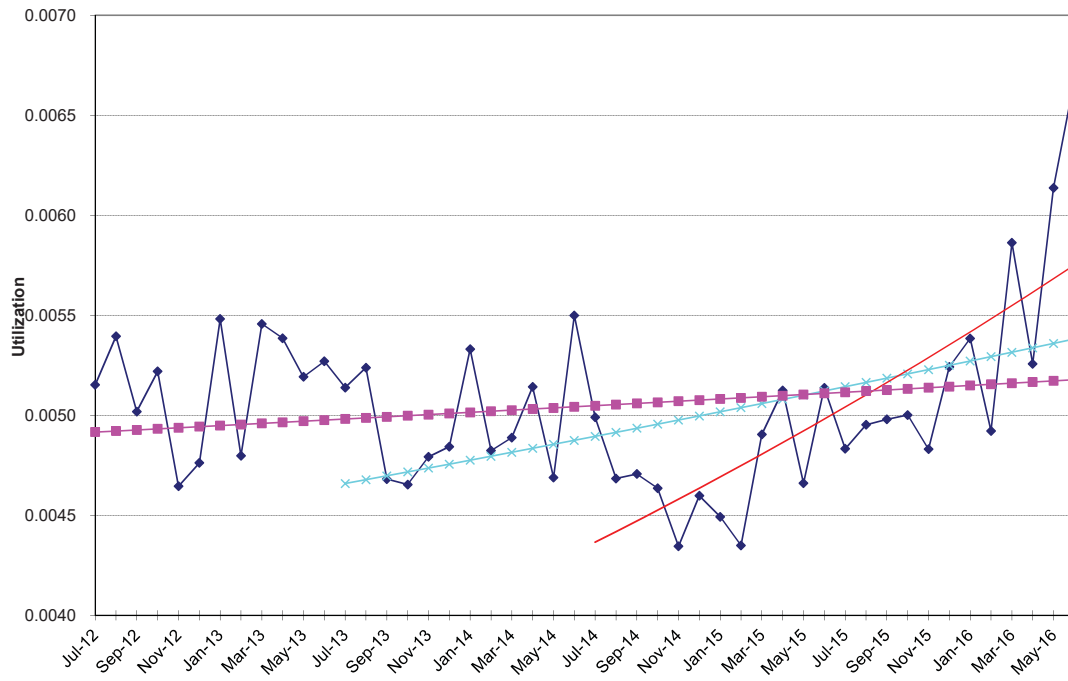
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.1%	-0.1%	5.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.3%	4.3%	5.7%

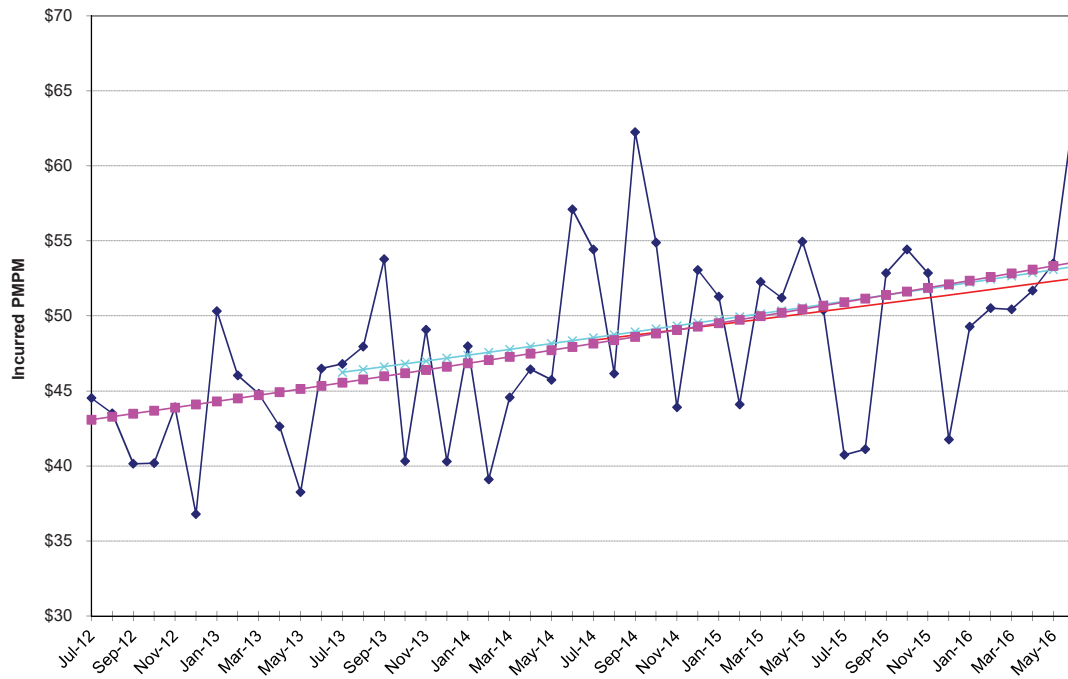
Hospital Inpatient - Medical / Surgical



Hospital Inpatient - Medical / Surgical



Hospital Inpatient - Medical / Surgical



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL INPATIENT

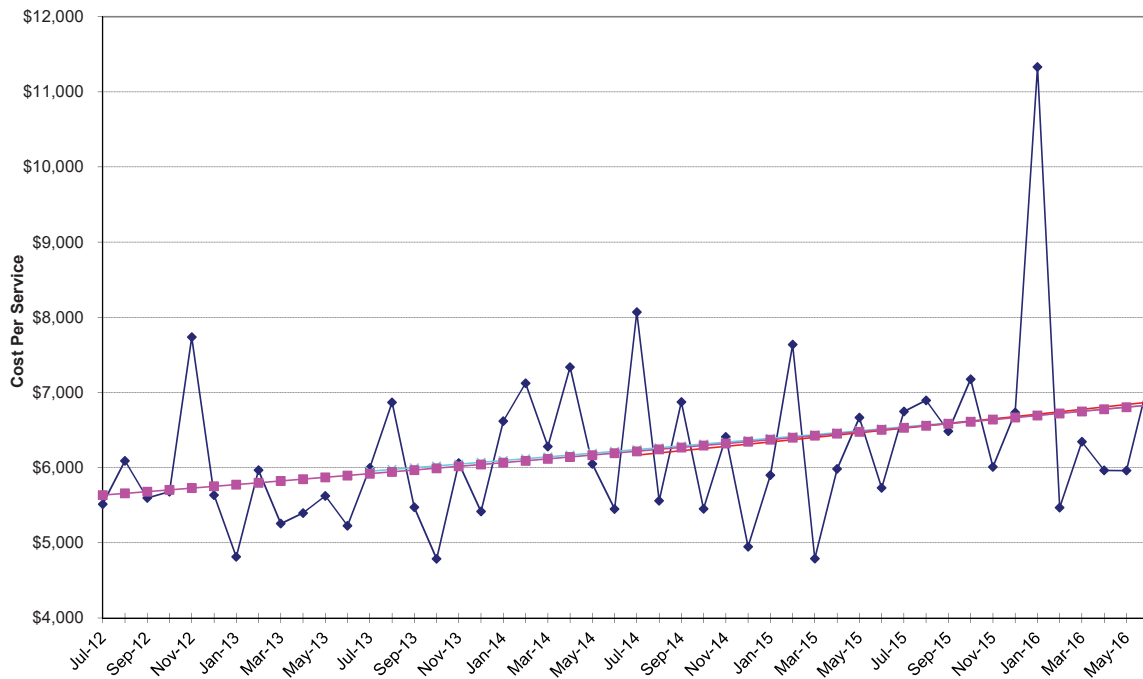
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-29.8%	5.8%	-25.7%

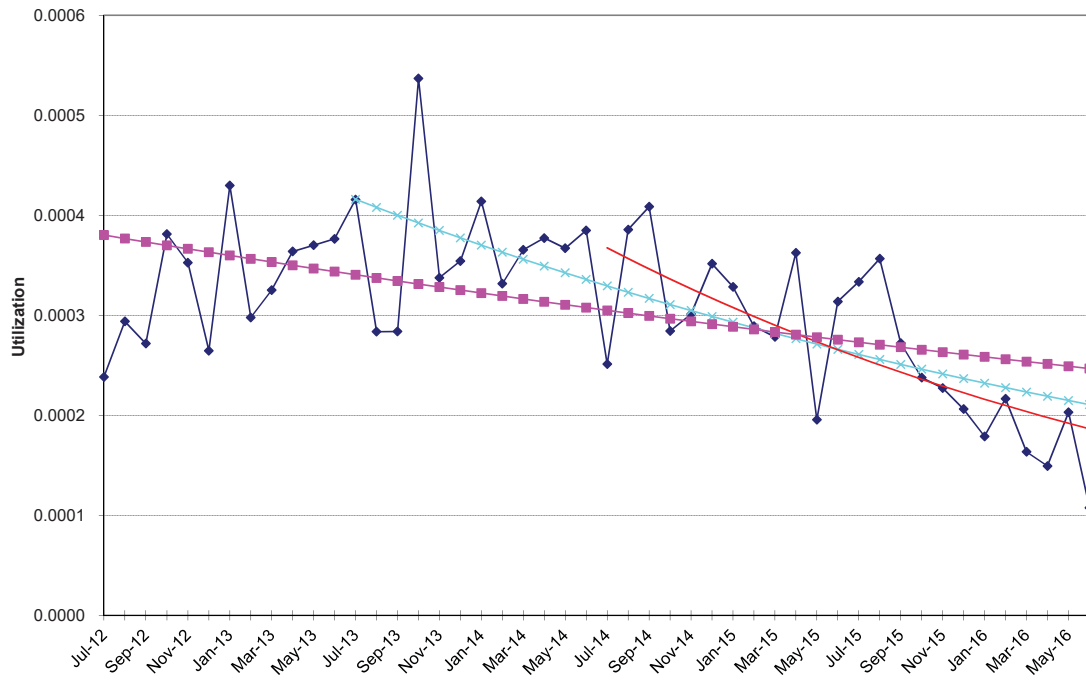
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-20.8%	4.8%	-17.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-10.5%	5.0%	-5.9%

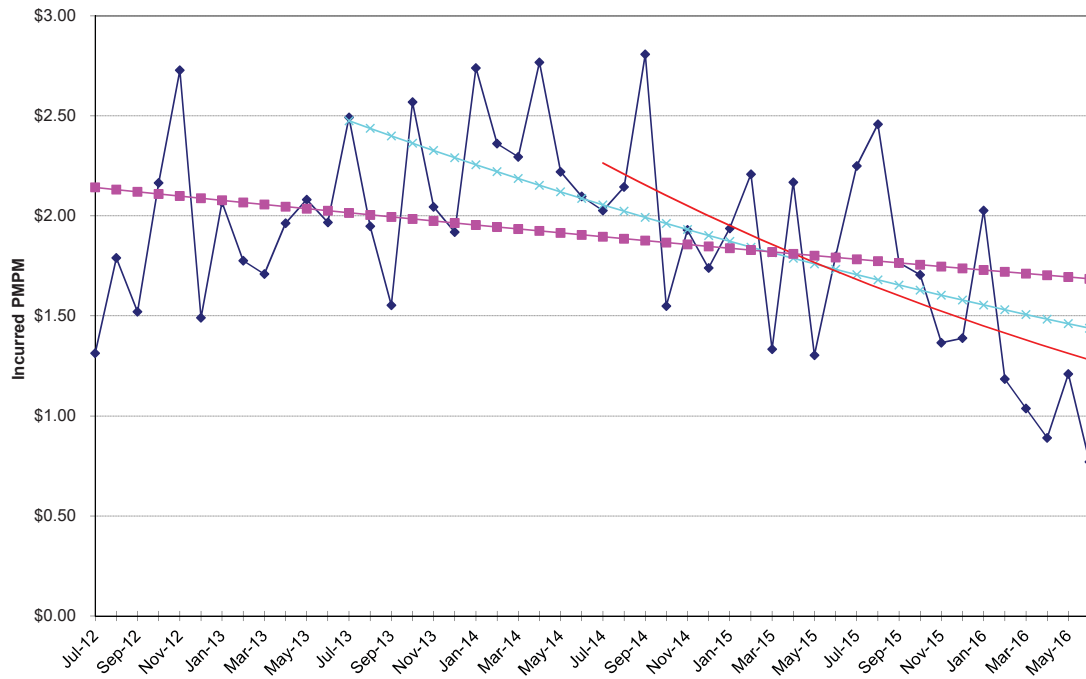
Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



Hospital Inpatient - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

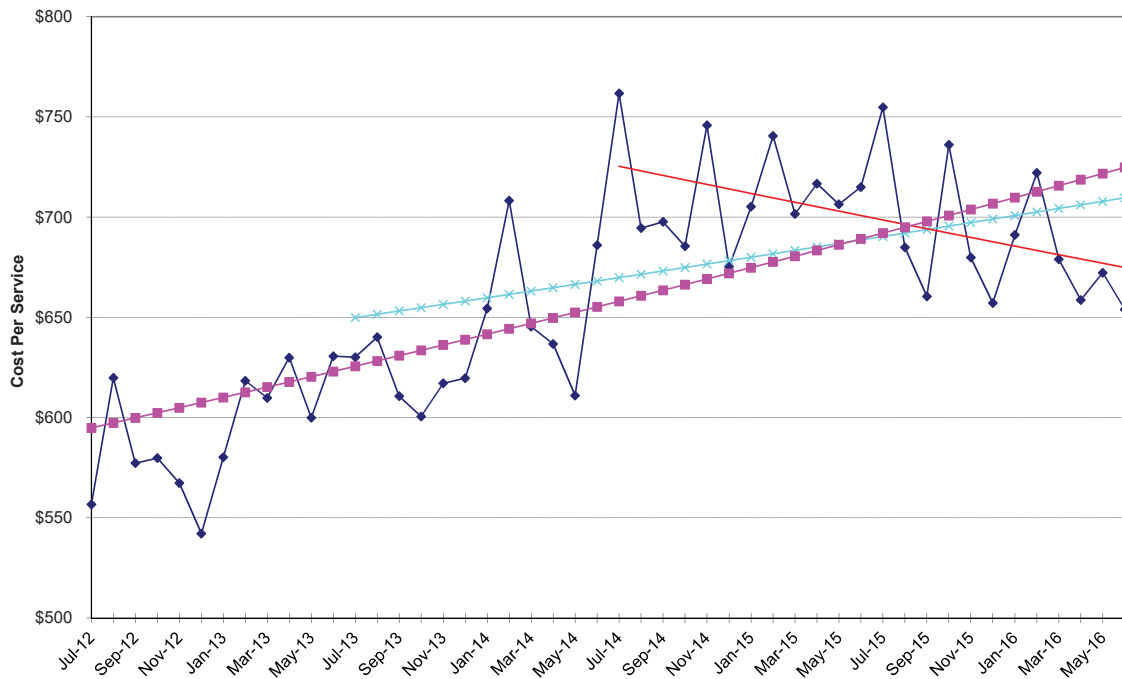
Emergency Room

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-3.9%	-3.7%	-7.5%

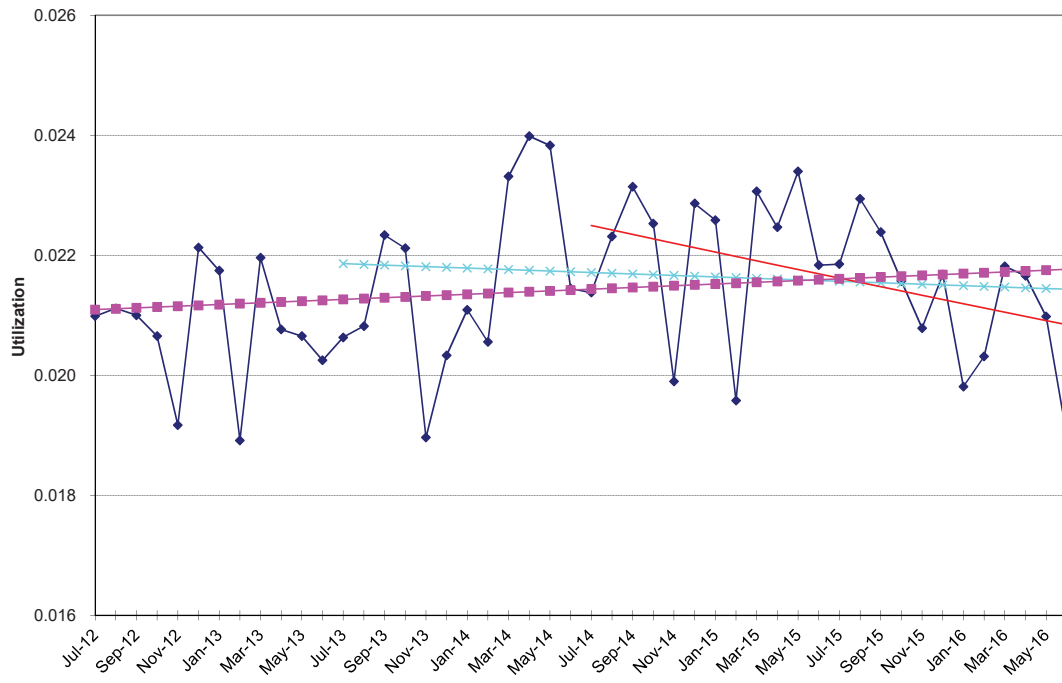
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.7%	3.1%	2.4%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.8%	5.2%	6.0%

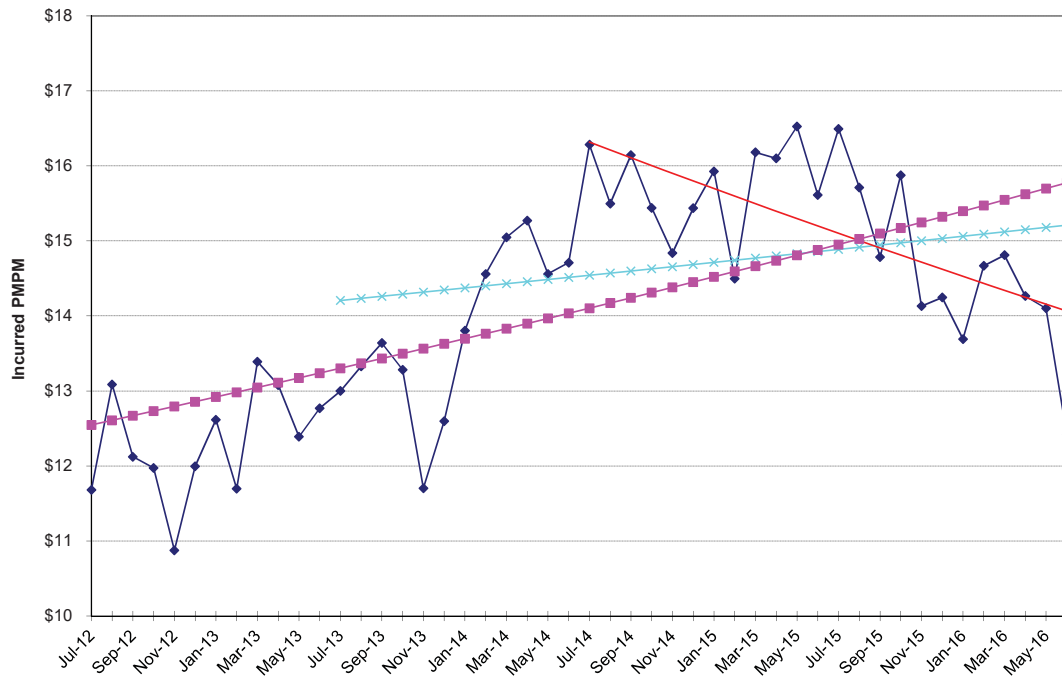
Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



Hospital Outpatient - Emergency Room



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

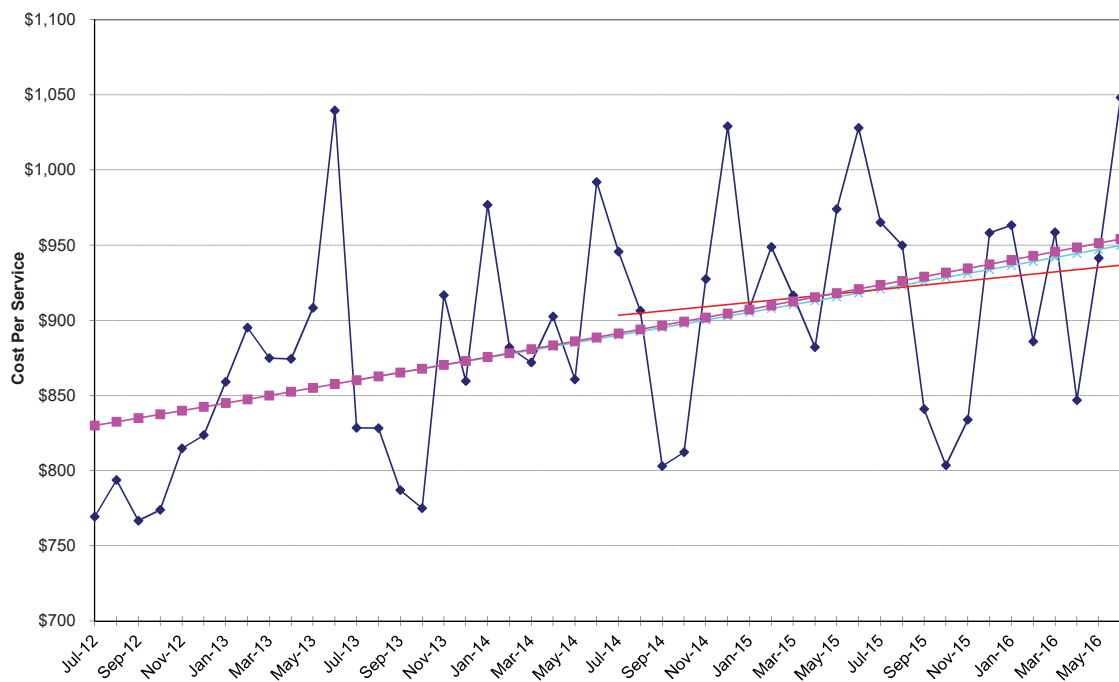
Medical / Surgical

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
13.9%	1.9%	16.1%

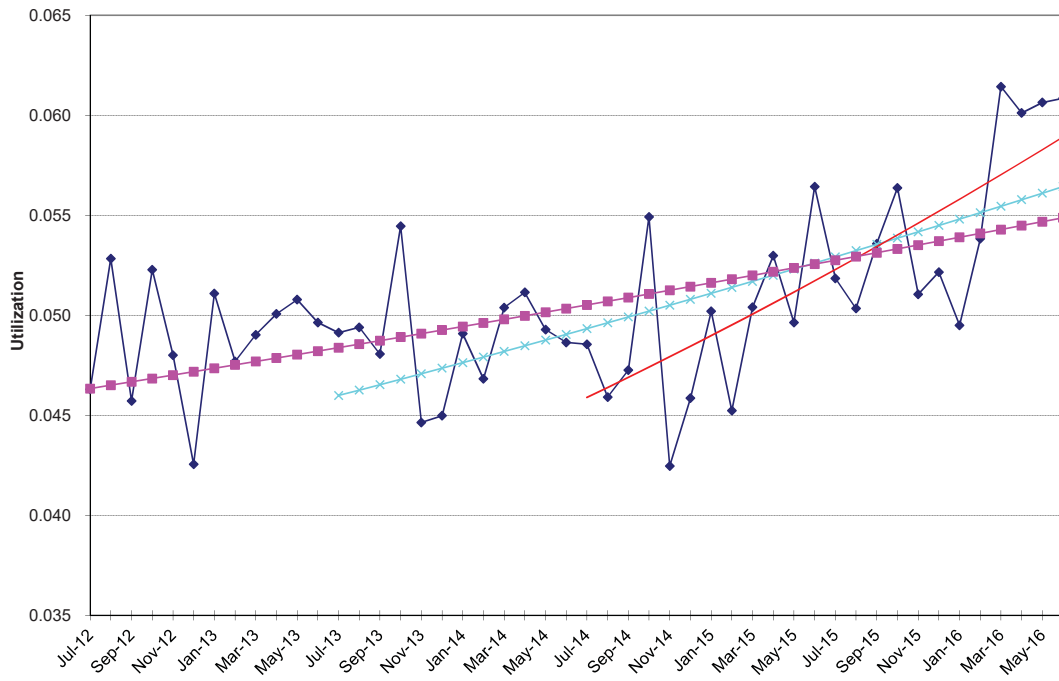
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.3%	3.4%	11.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.4%	3.6%	8.2%

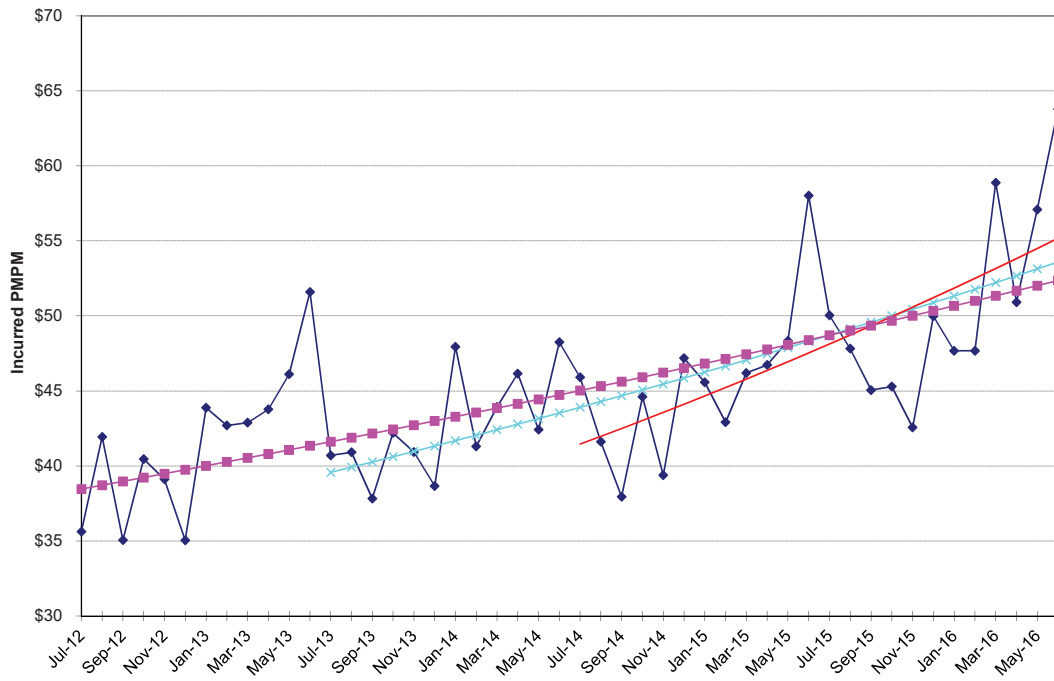
Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



Hospital Outpatient - Medical / Surgical



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

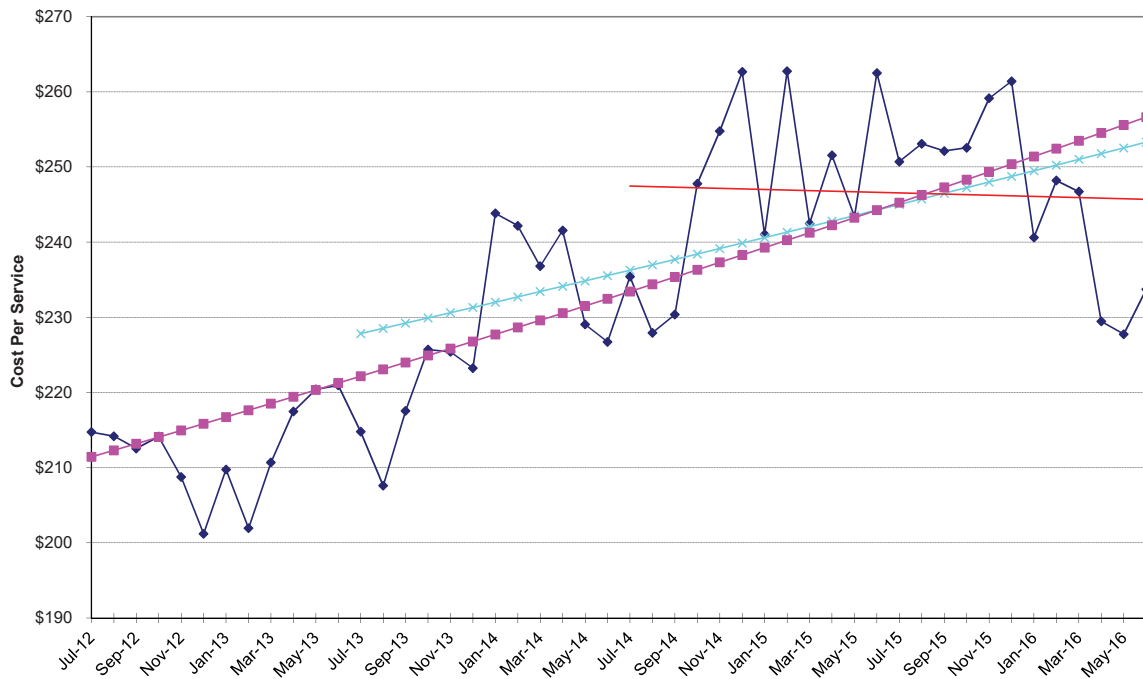
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
12.6%	-0.4%	12.2%

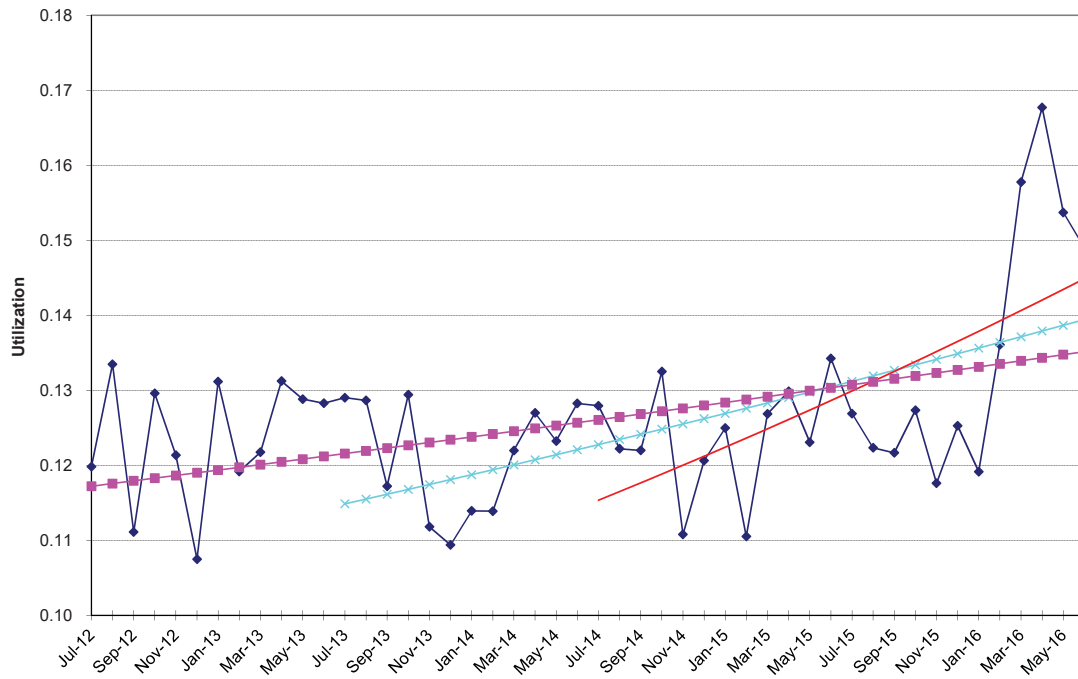
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.9%	3.7%	10.8%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.7%	5.1%	9.0%

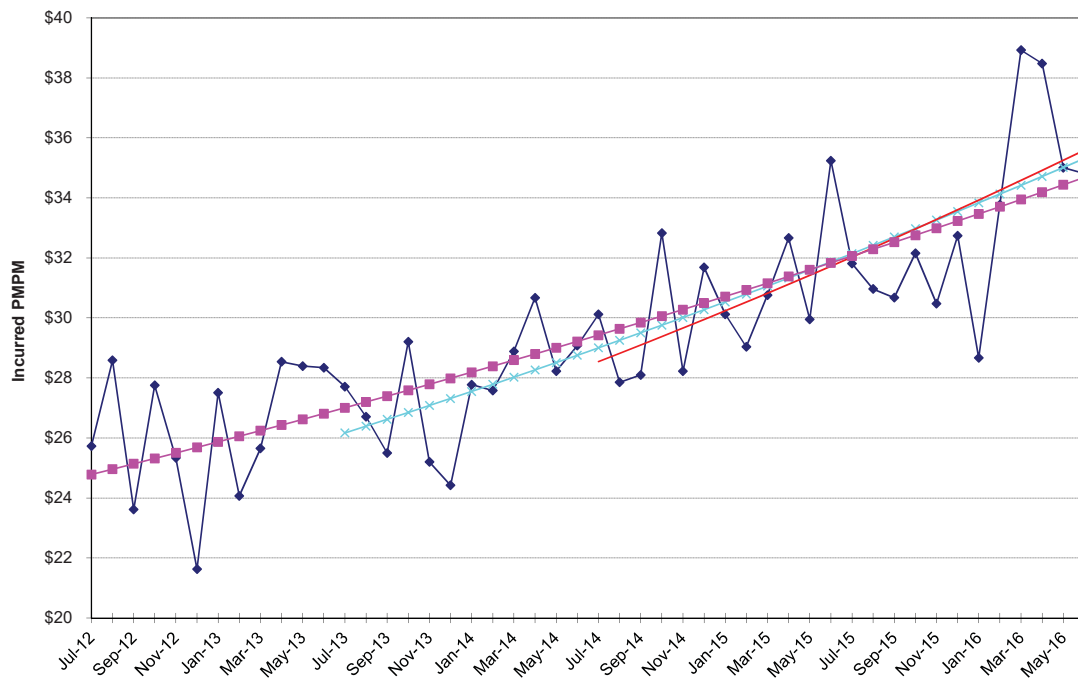
Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



Hospital Outpatient - Other Services



NON-MEDICARE CLAIMS
Excluding Drugs

HOSPITAL OUTPATIENT

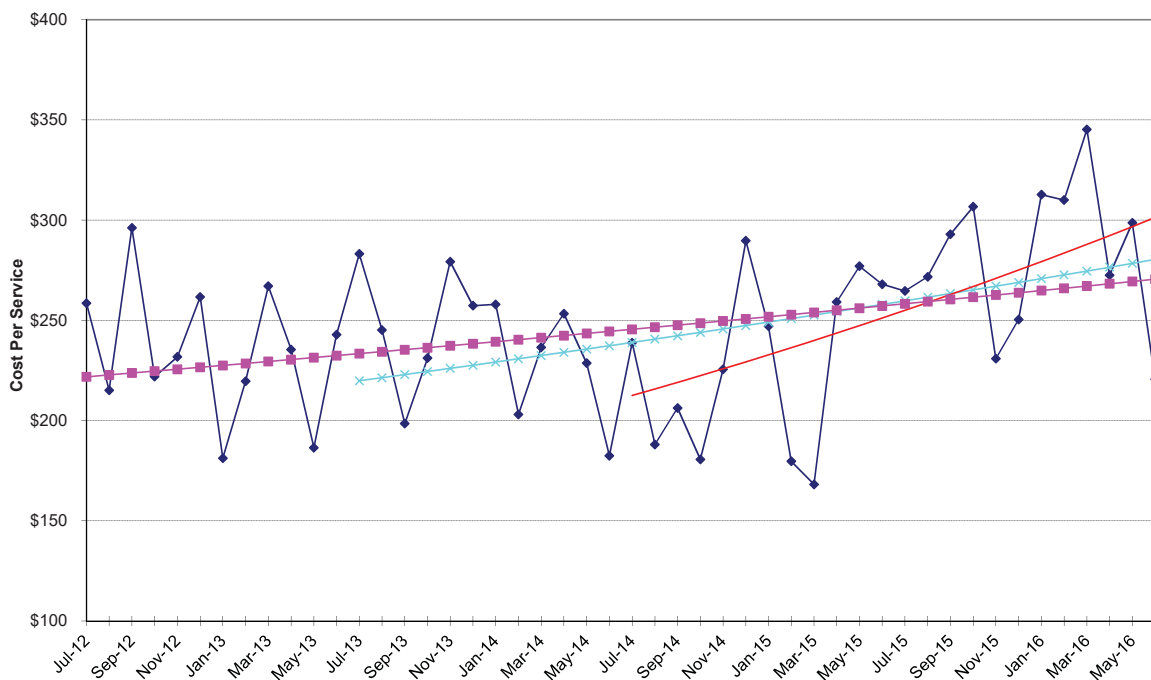
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.9%	20.0%	17.7%

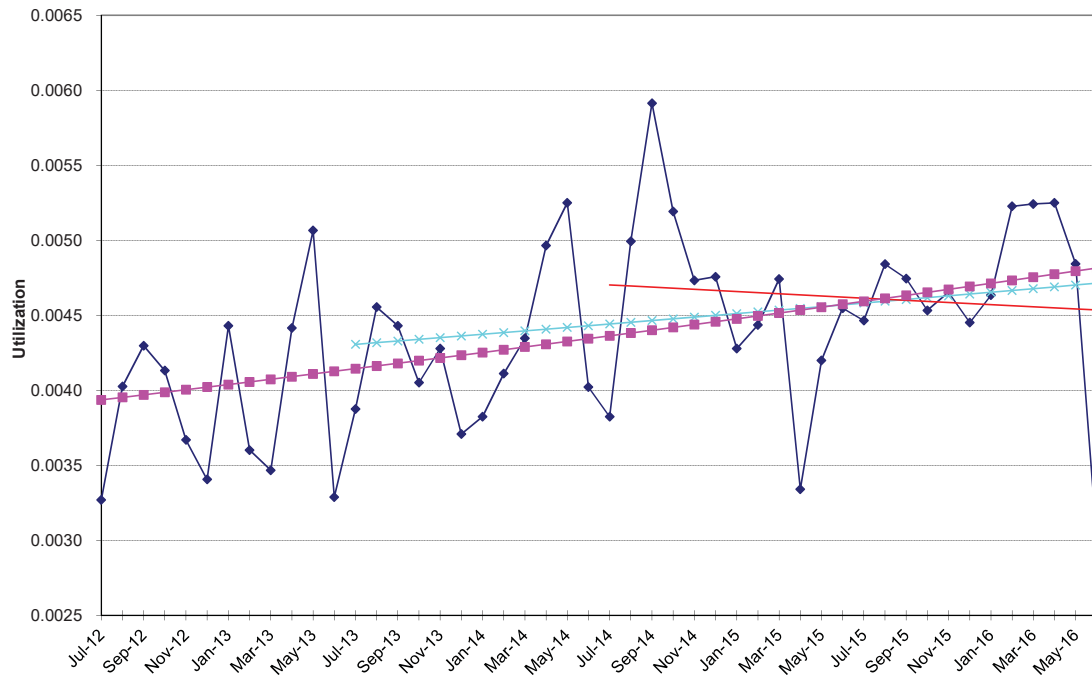
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.1%	8.7%	12.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.3%	5.2%	10.8%

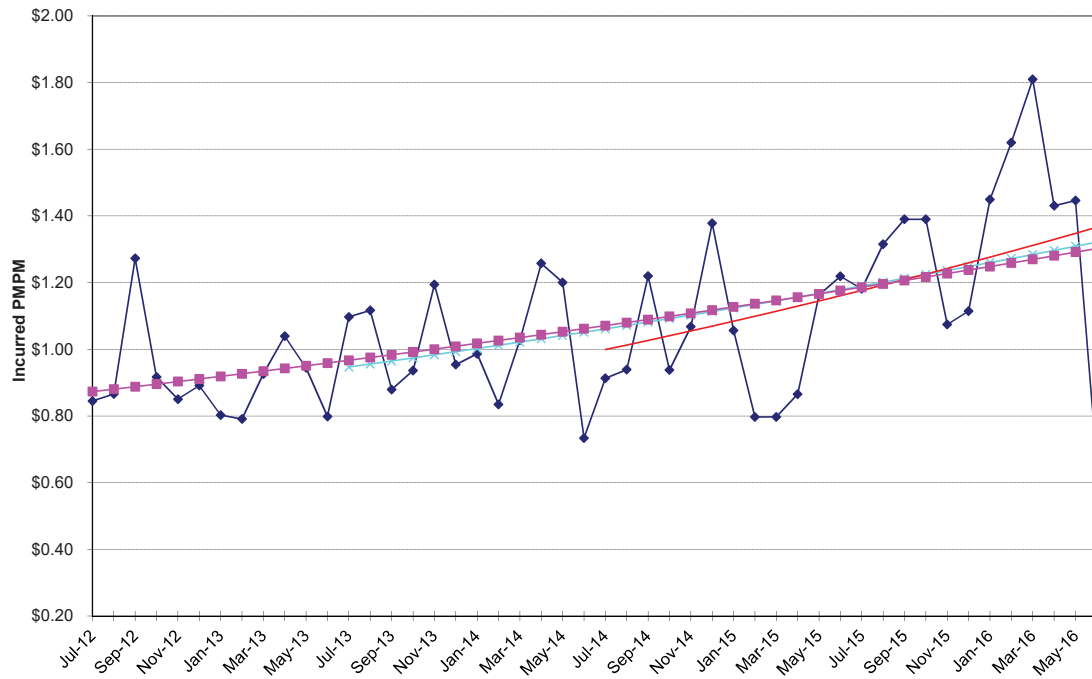
Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



Hospital Outpatient - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

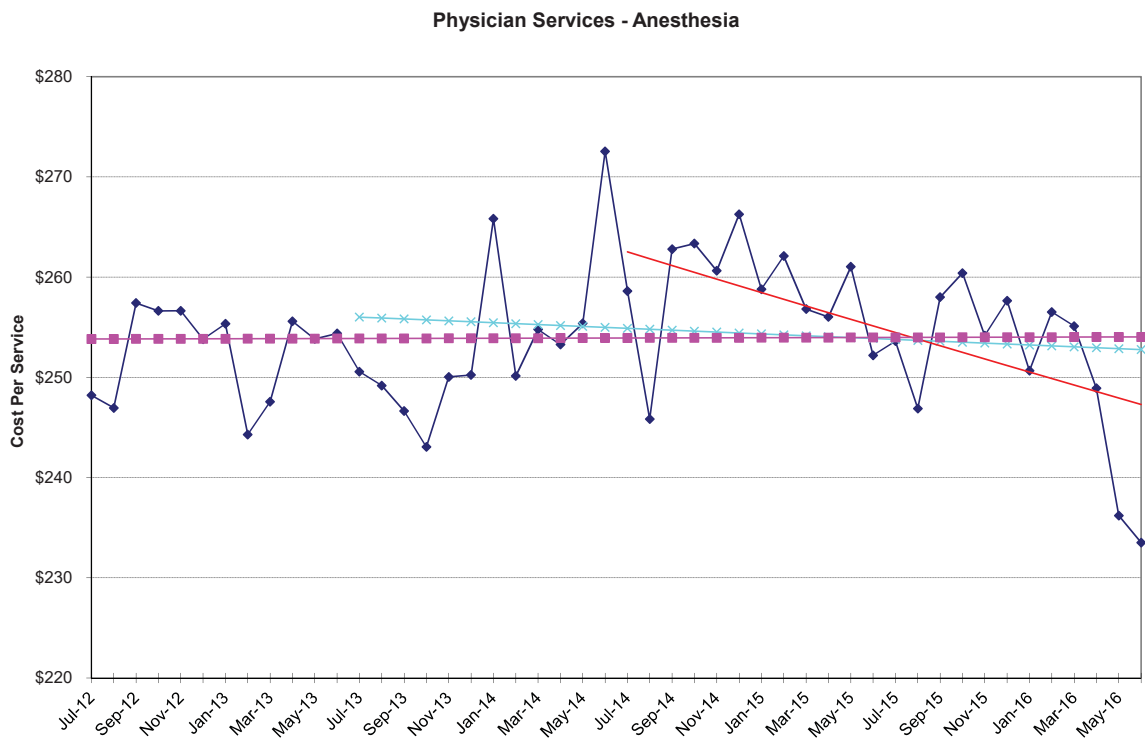
PHYSICIAN SERVICES

Anesthesia

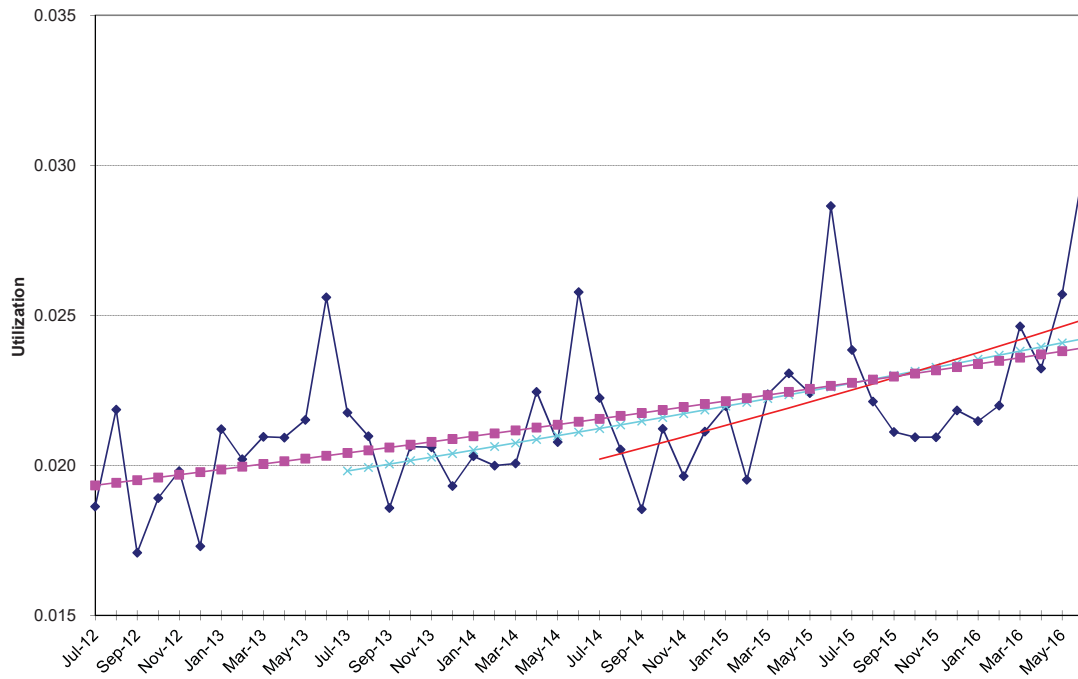
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
11.4%	-3.1%	8.0%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.1%	-0.4%	6.7%

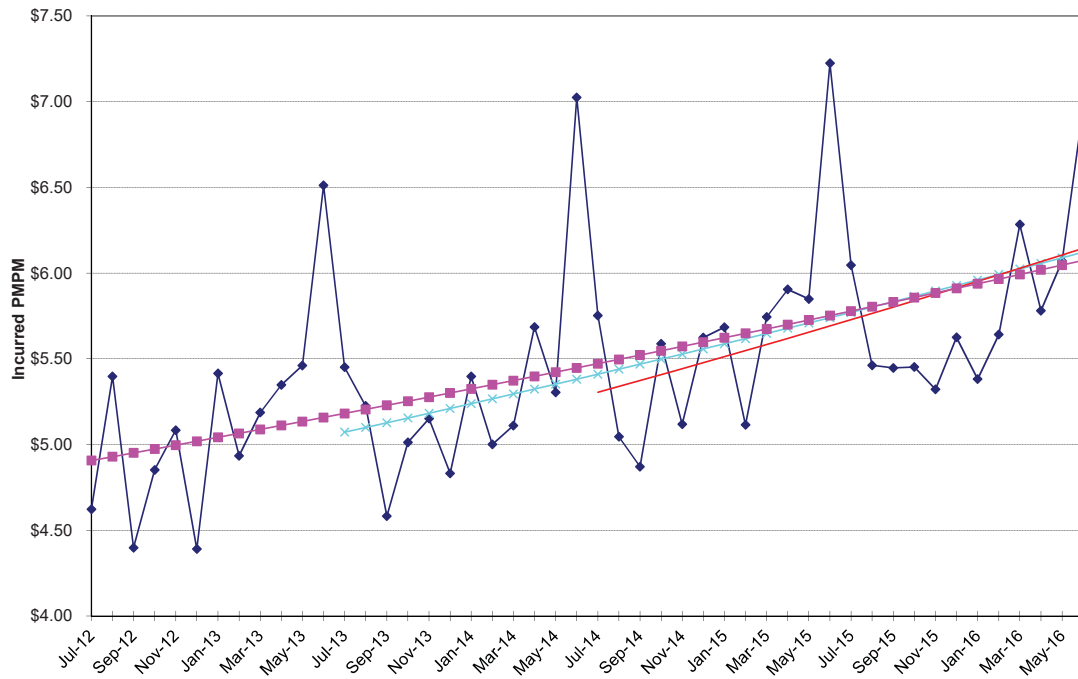
48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.6%	0.0%	5.6%



Physician Services - Anesthesia



Physician Services - Anesthesia



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

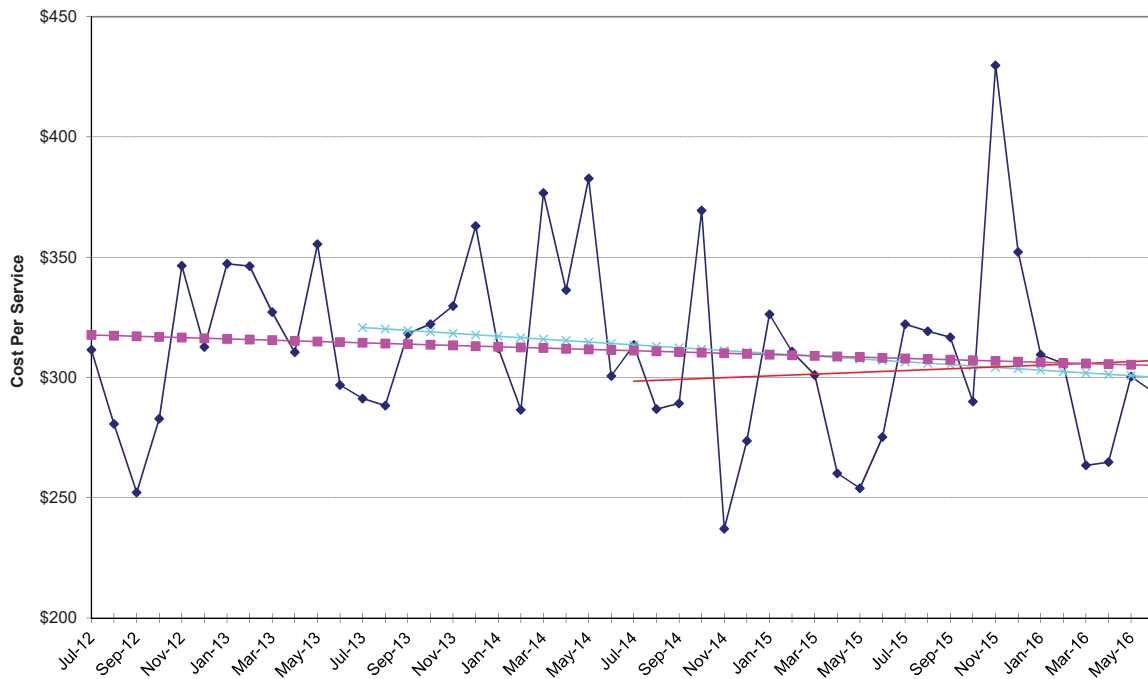
Chemotherapy / Radiation

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.0%	1.5%	7.6%

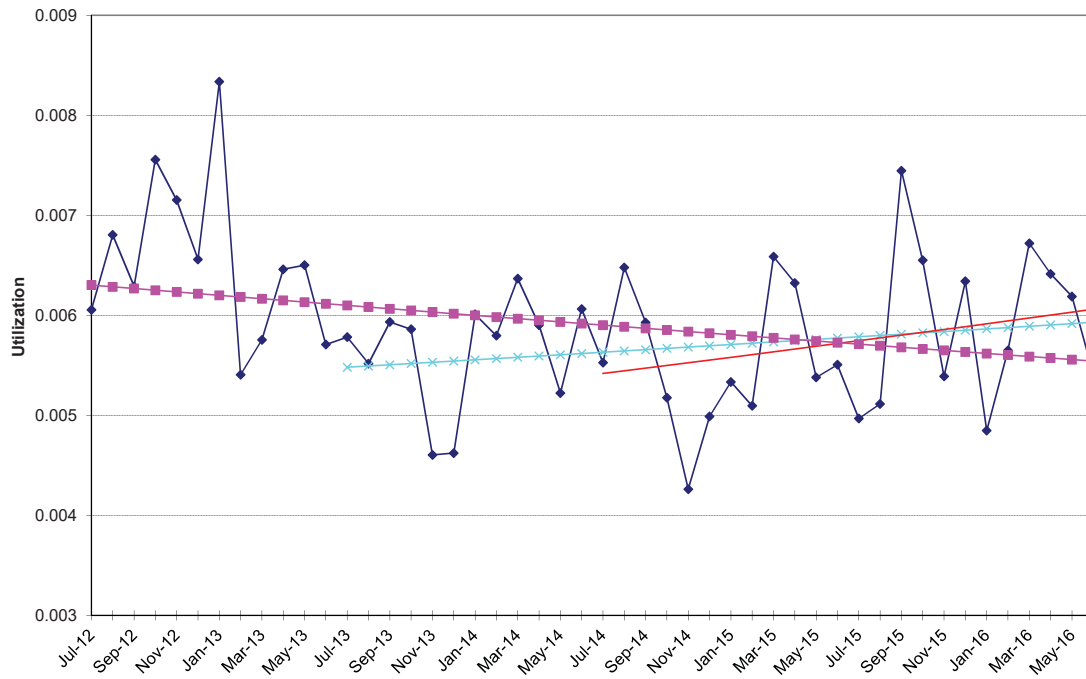
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.7%	-2.2%	0.4%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-3.2%	-1.0%	-4.2%

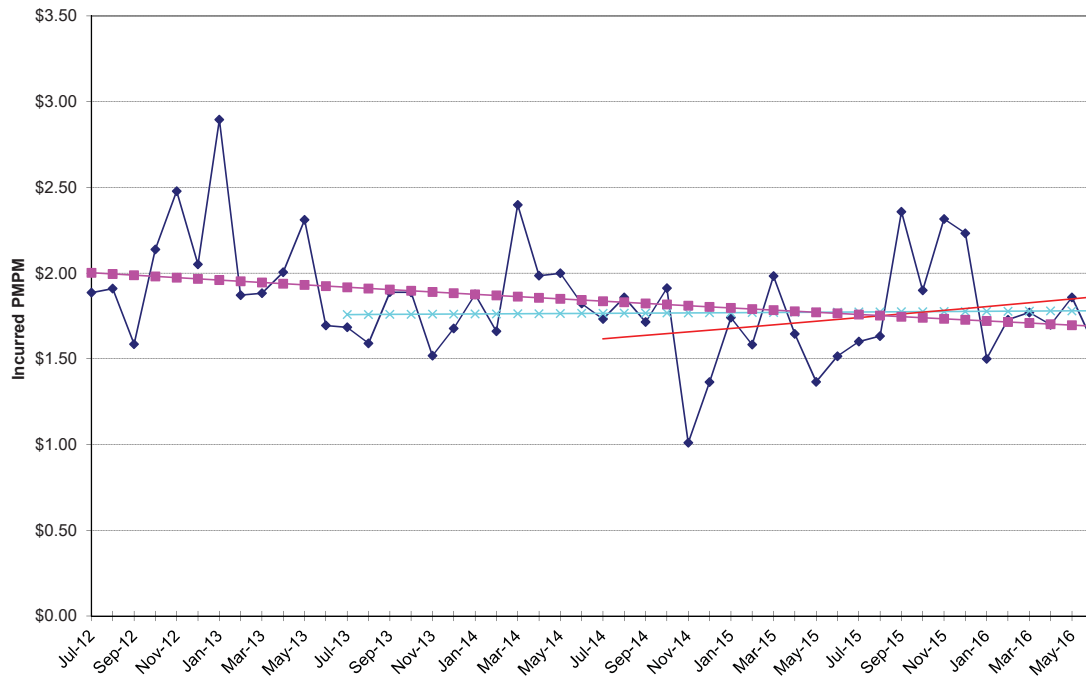
Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



Physician Services - Chemotherapy Radiation



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

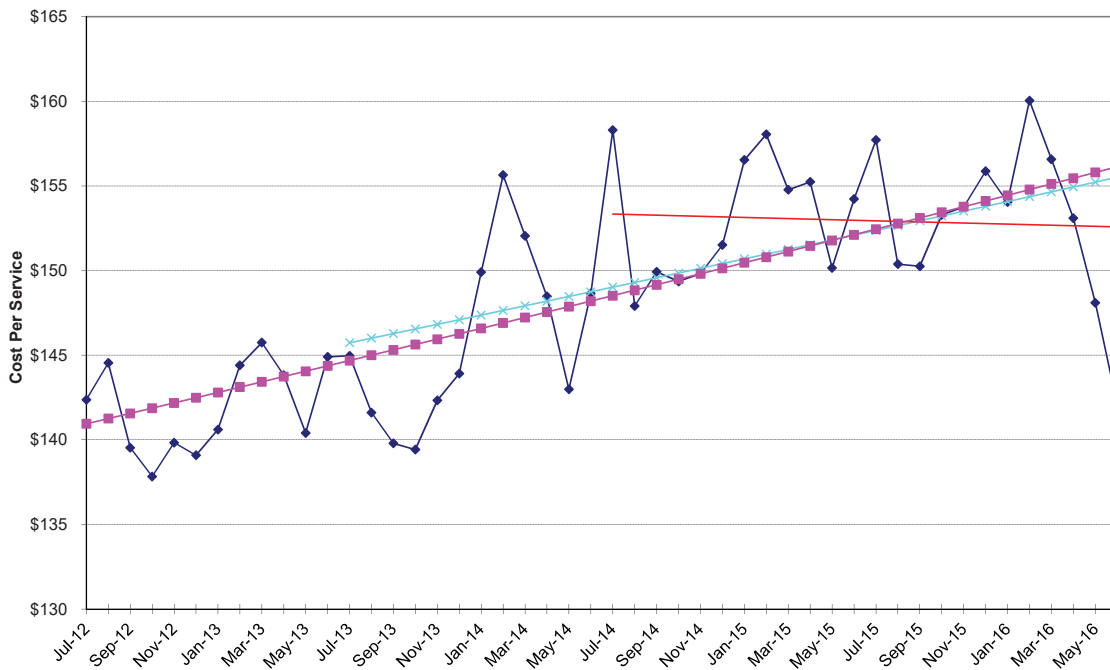
Emergency Room

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.8%	-0.3%	0.5%

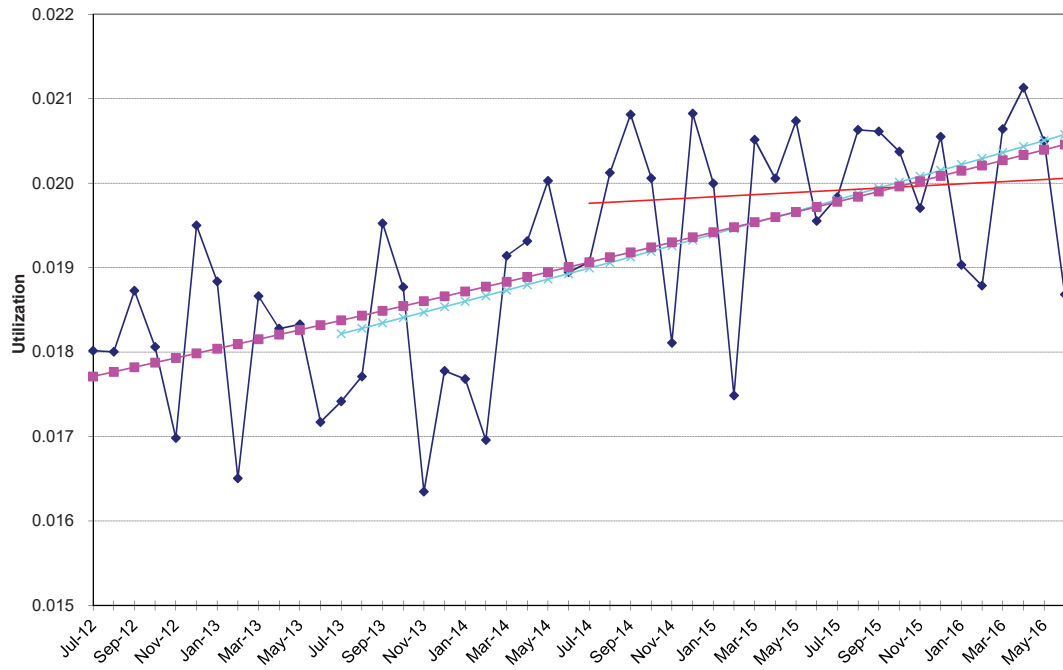
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.3%	2.3%	6.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.7%	2.6%	6.5%

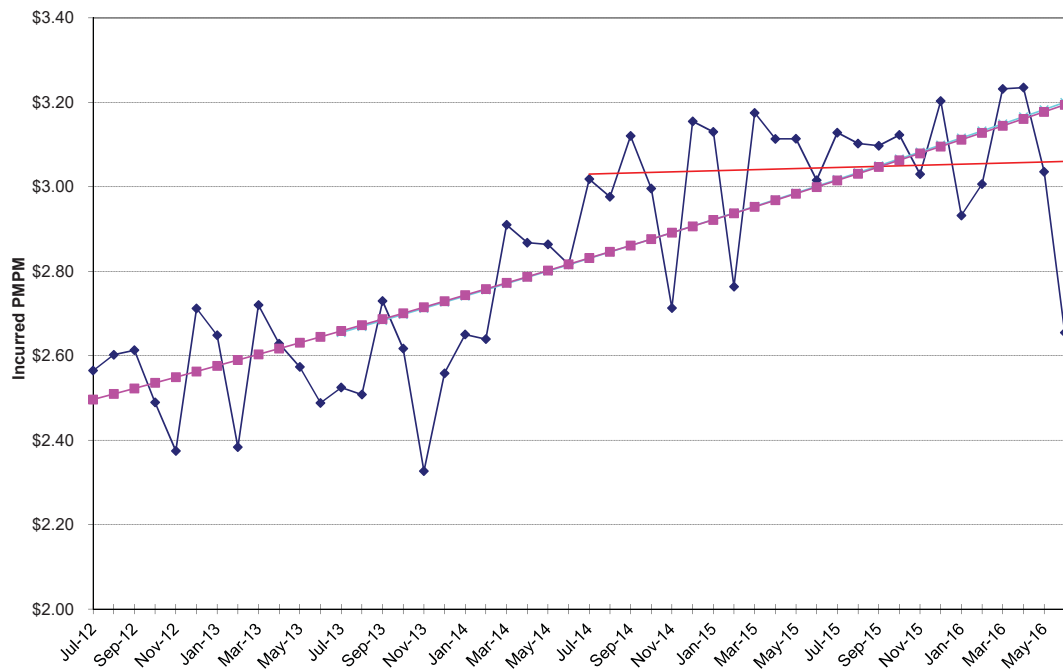
Physician Services - Emergency Room



Physician Services - Emergency Room



Physician Services - Emergency Room



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

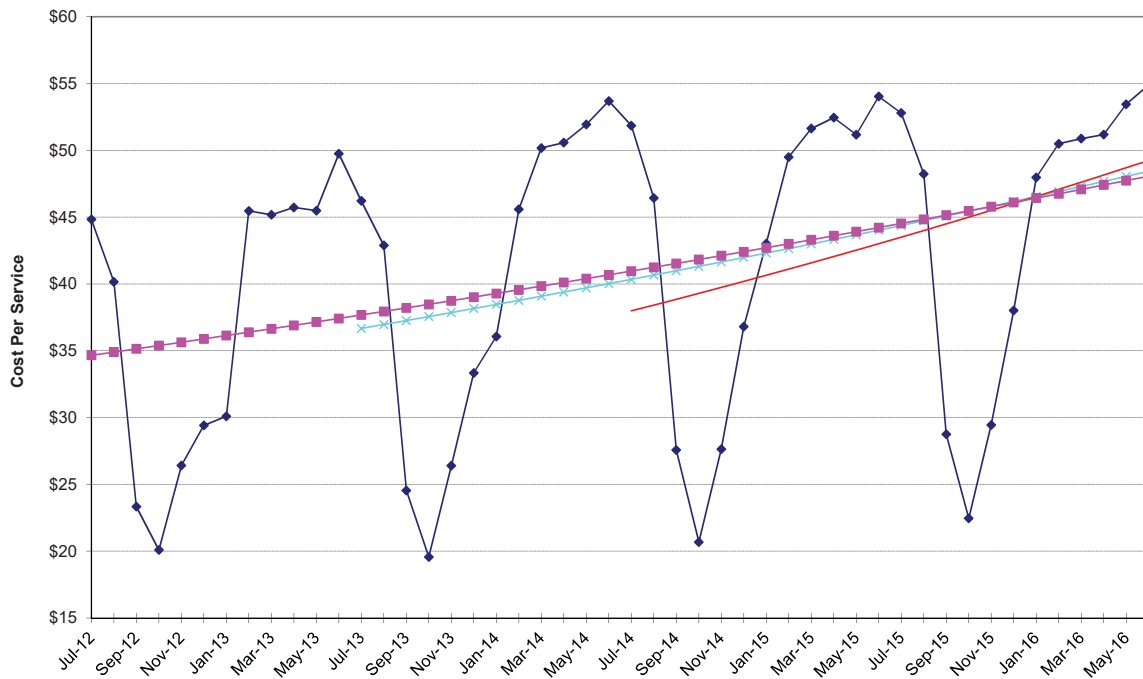
Immunizations / Injections / Allergy

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-19.1%	14.5%	-7.4%

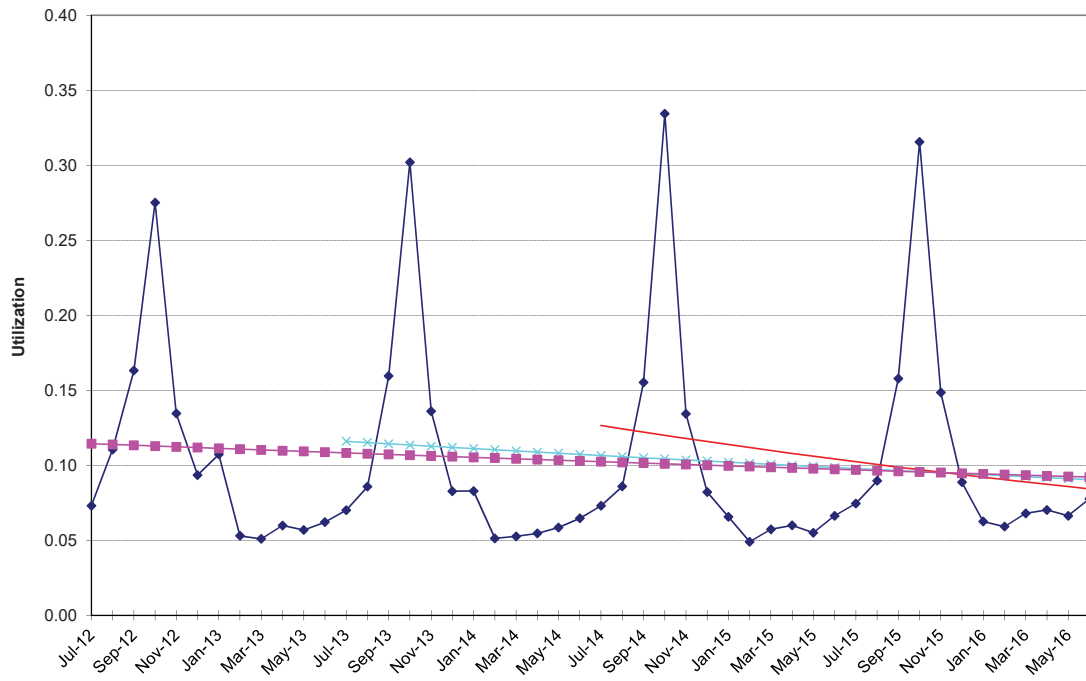
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-8.2%	10.0%	1.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-5.4%	8.7%	2.9%

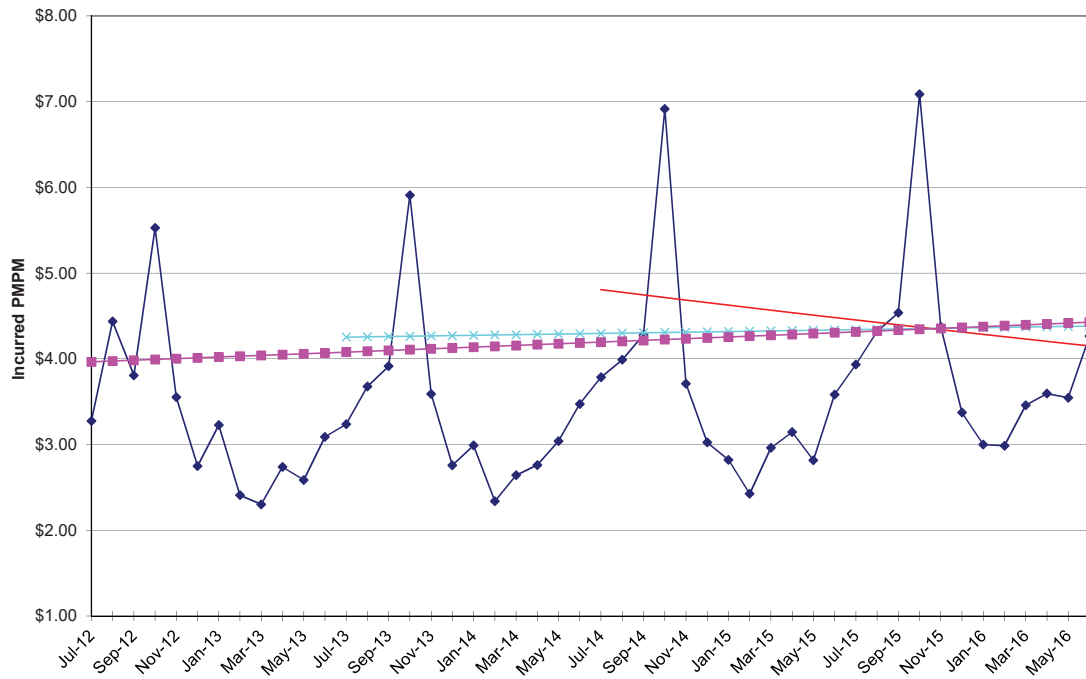
Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



Physician Services - Immunizations / Allergy



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

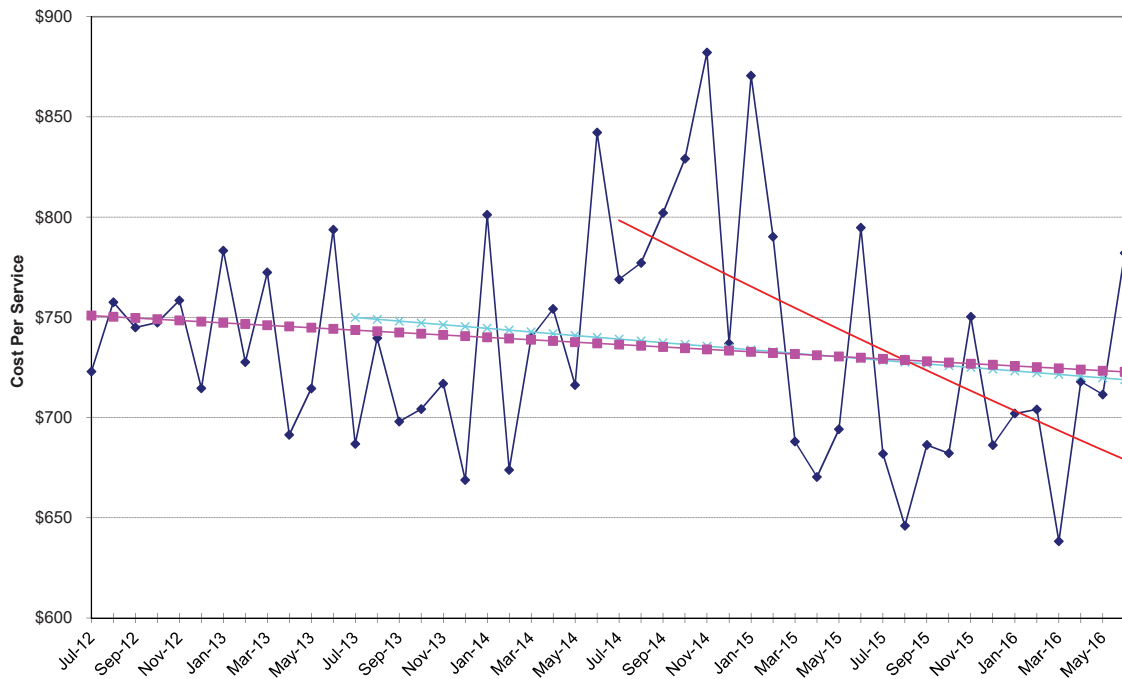
Inpatient Surgery

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.1%	-8.1%	-1.5%

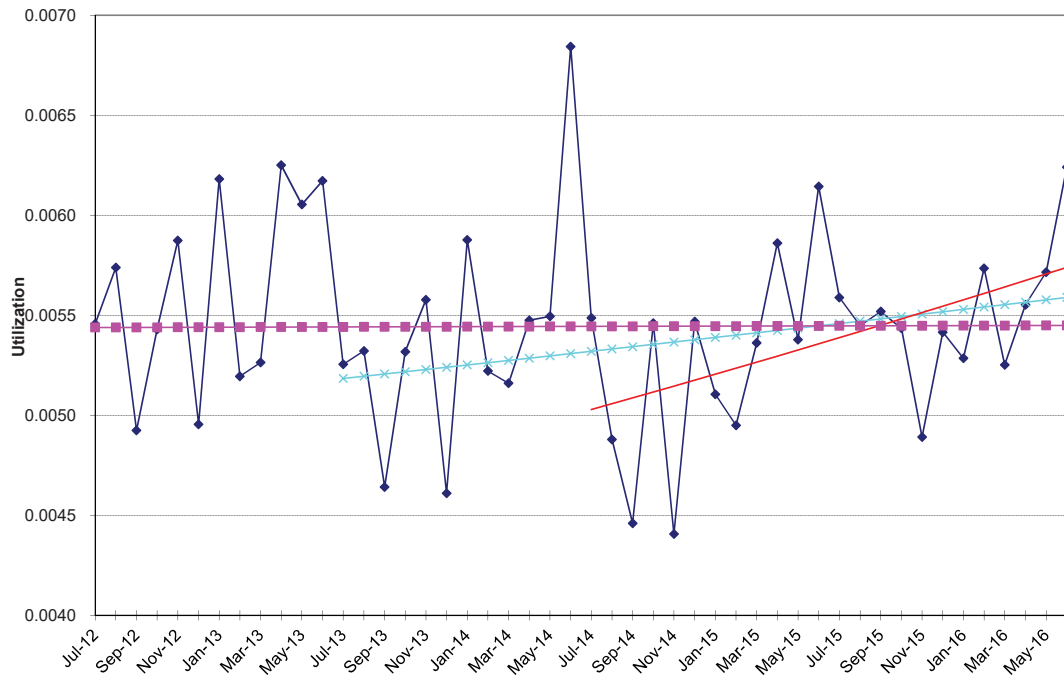
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.6%	-1.4%	1.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.0%	-1.0%	-0.9%

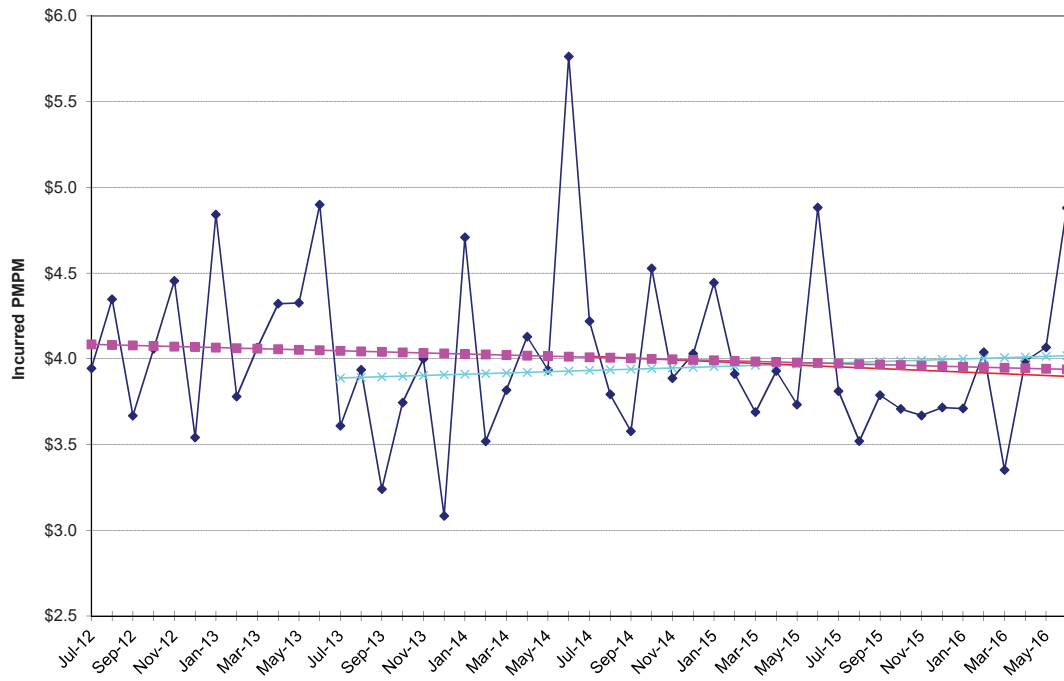
Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



Physician Services - Inpatient Surgery



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

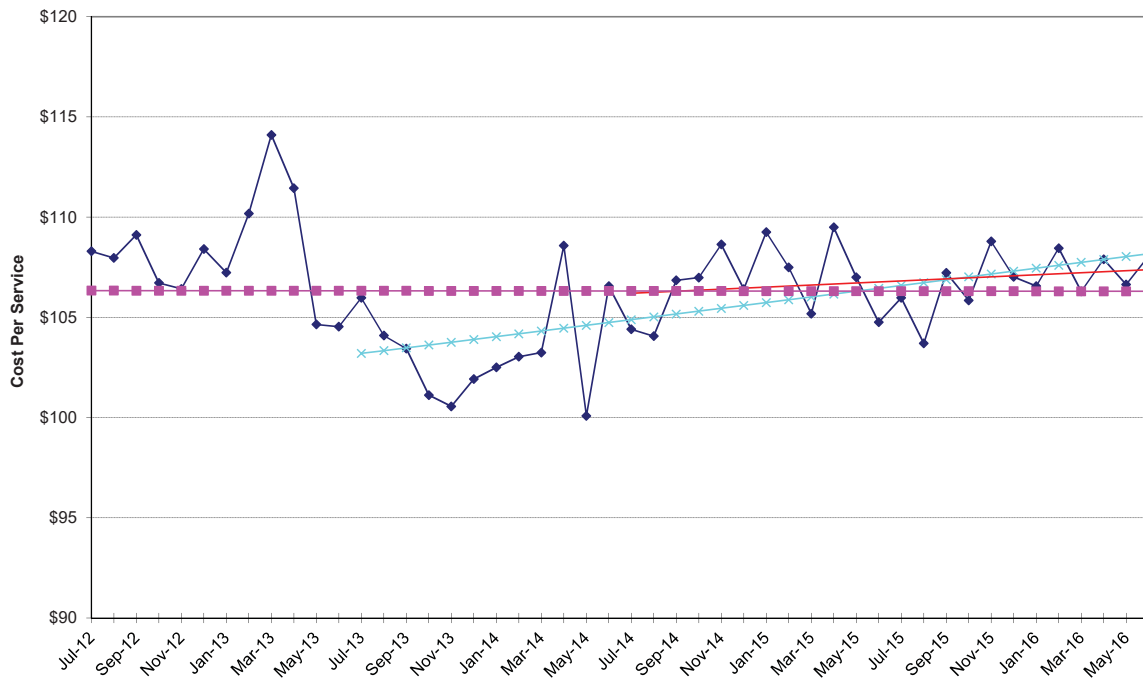
Inpatient Visits

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-6.7%	0.6%	-6.2%

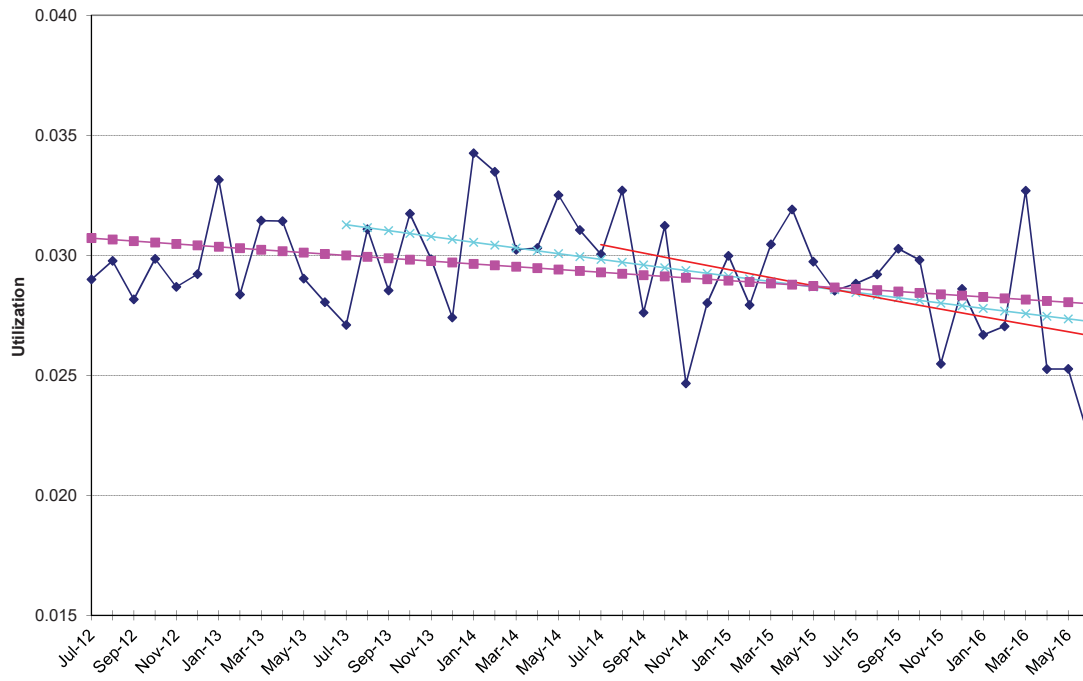
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-4.6%	1.6%	-3.1%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-2.3%	0.0%	-2.4%

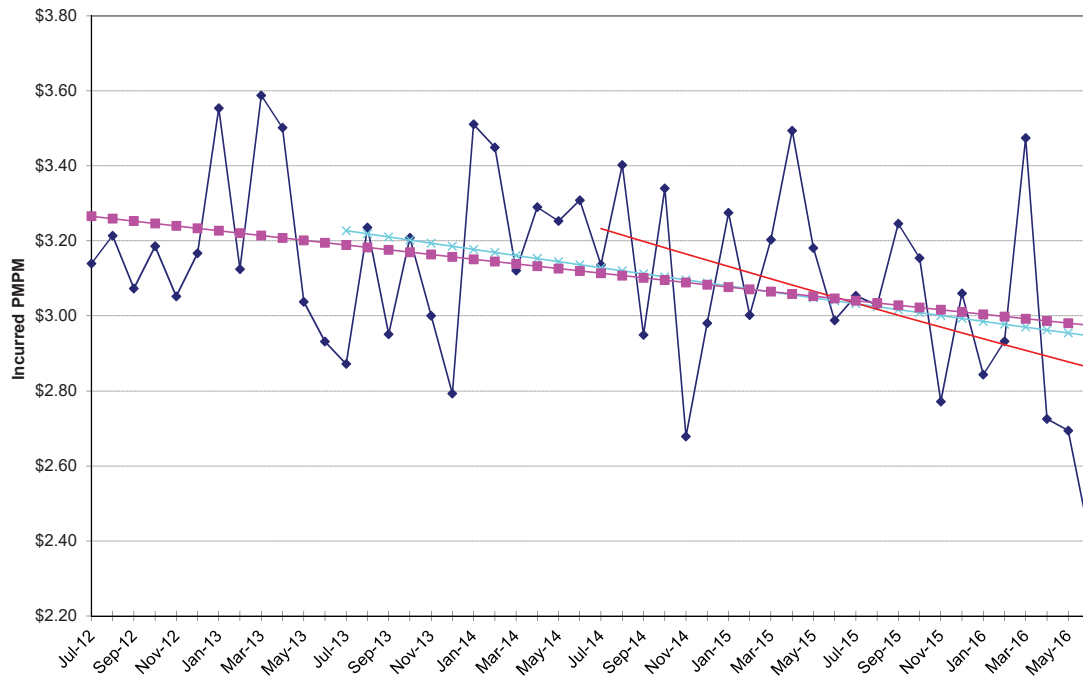
Physician Services - Inpatient Visits



Physician Services - Inpatient Visits



Physician Services - Inpatient Visits



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

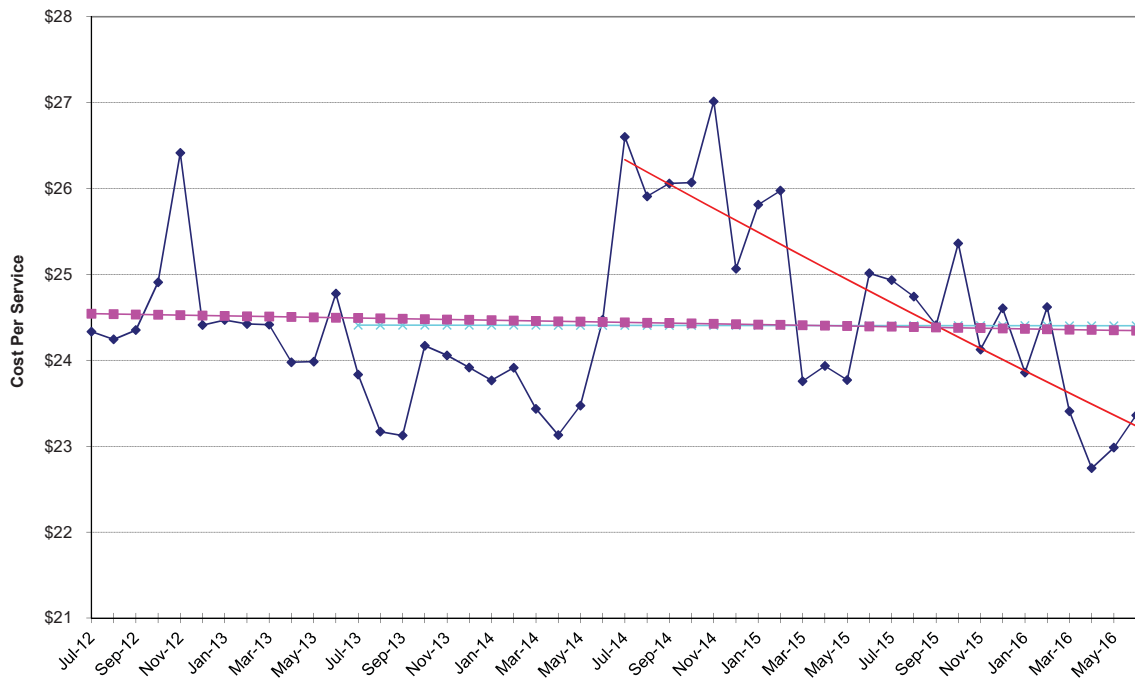
Lab & Pathology

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
11.0%	-6.3%	4.0%

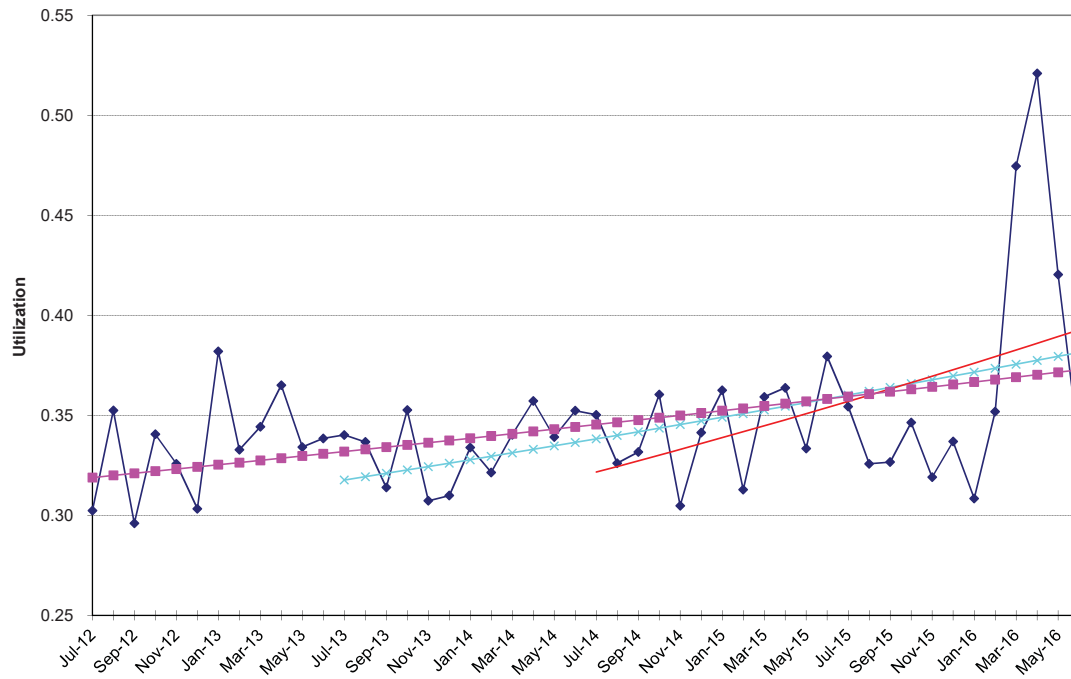
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.5%	0.0%	6.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.1%	-0.2%	3.9%

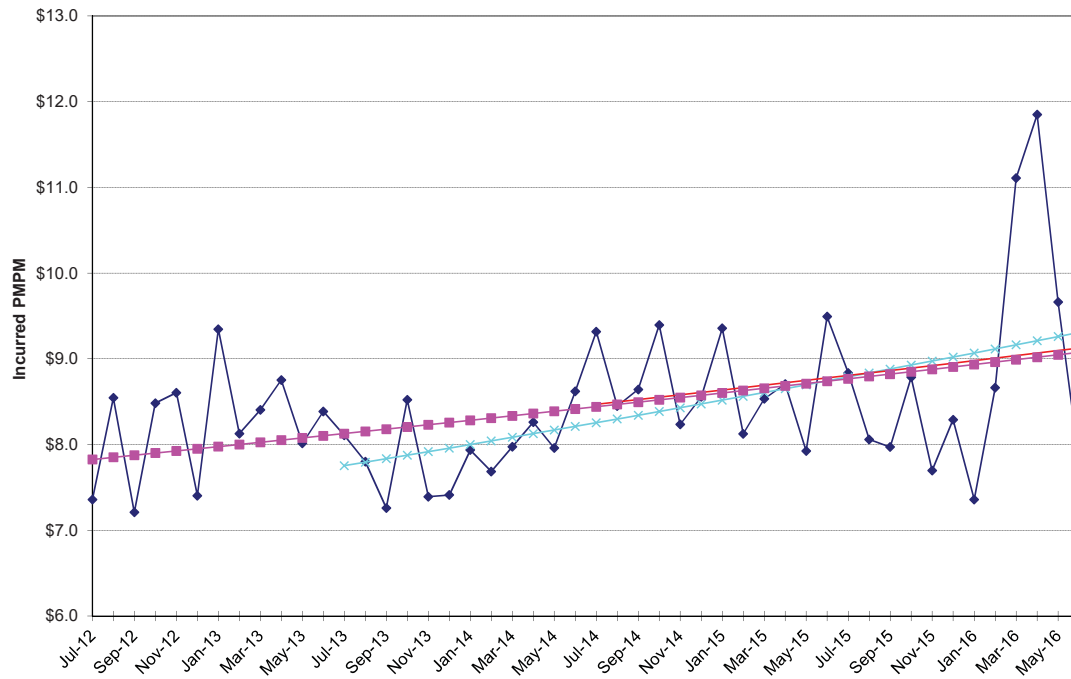
Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



Physician Services - Lab & Pathology



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

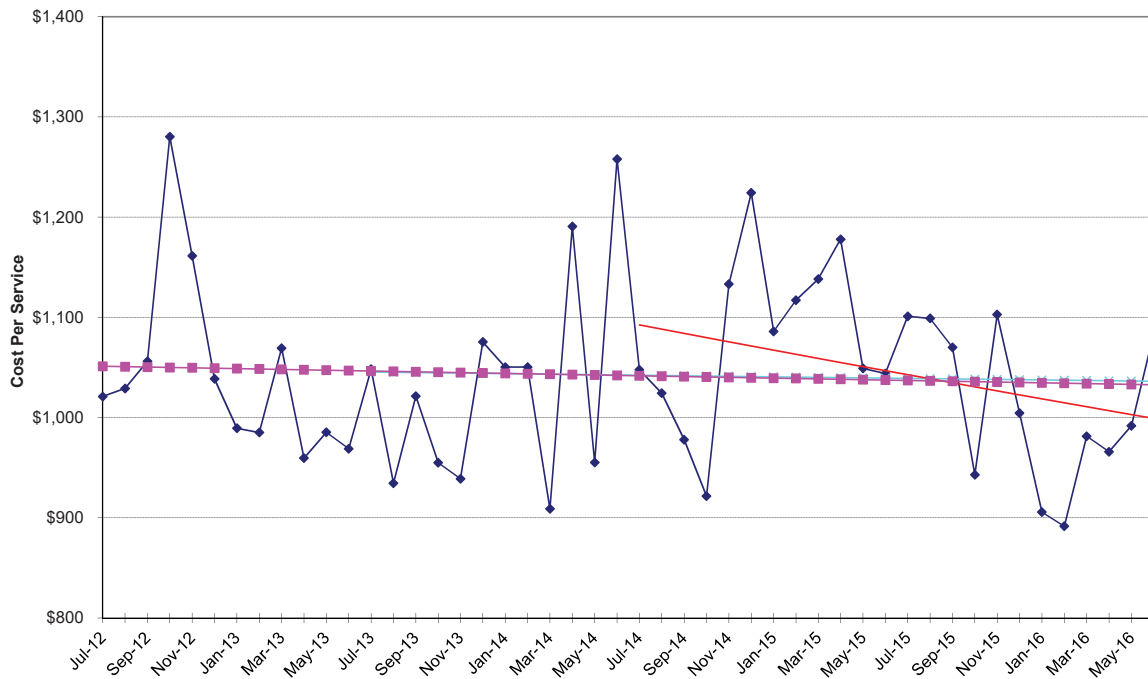
Maternity

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.1%	-4.5%	-5.6%

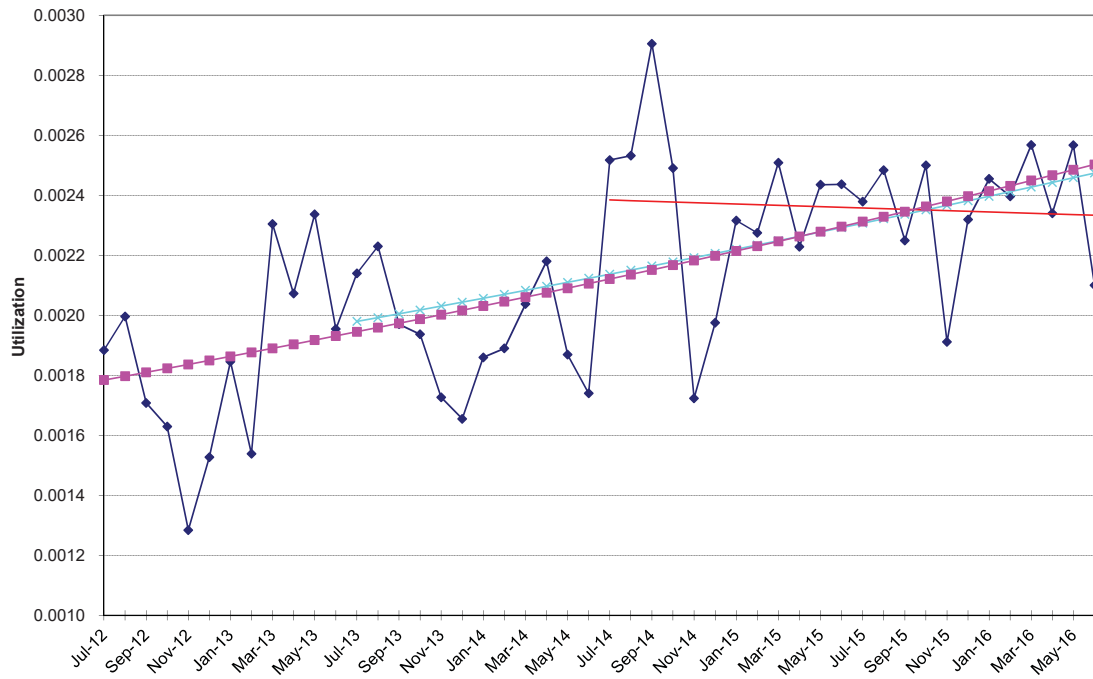
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.9%	-0.3%	7.6%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
9.0%	-0.5%	8.5%

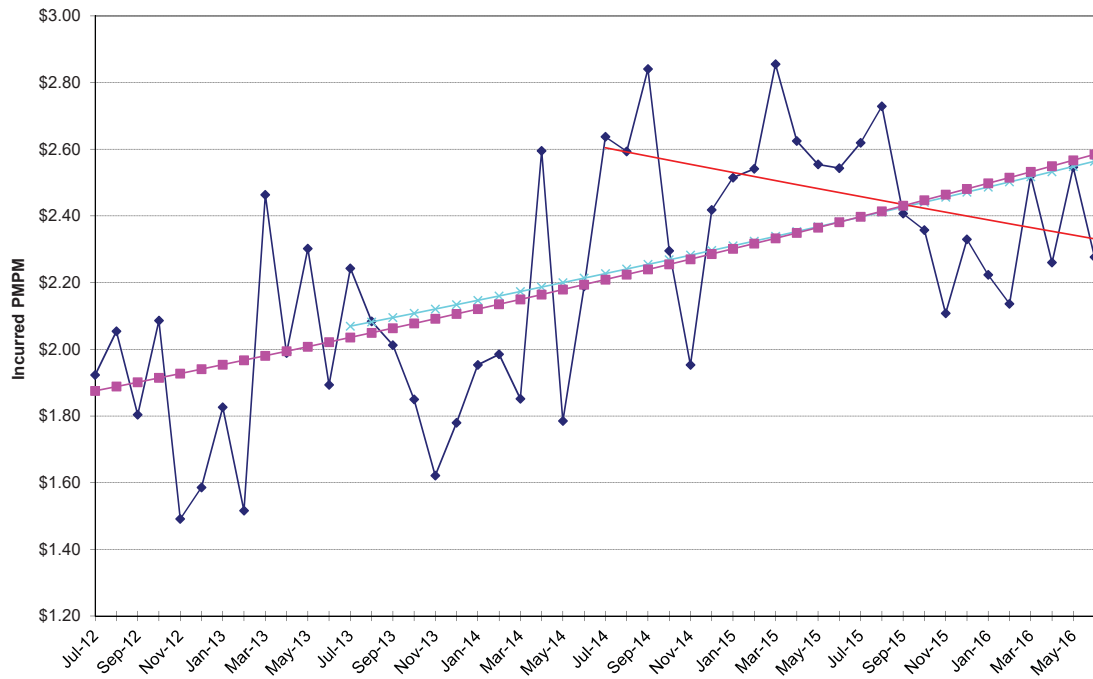
Physician Services - Maternity



Physician Services - Maternity



Physician Services - Maternity



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

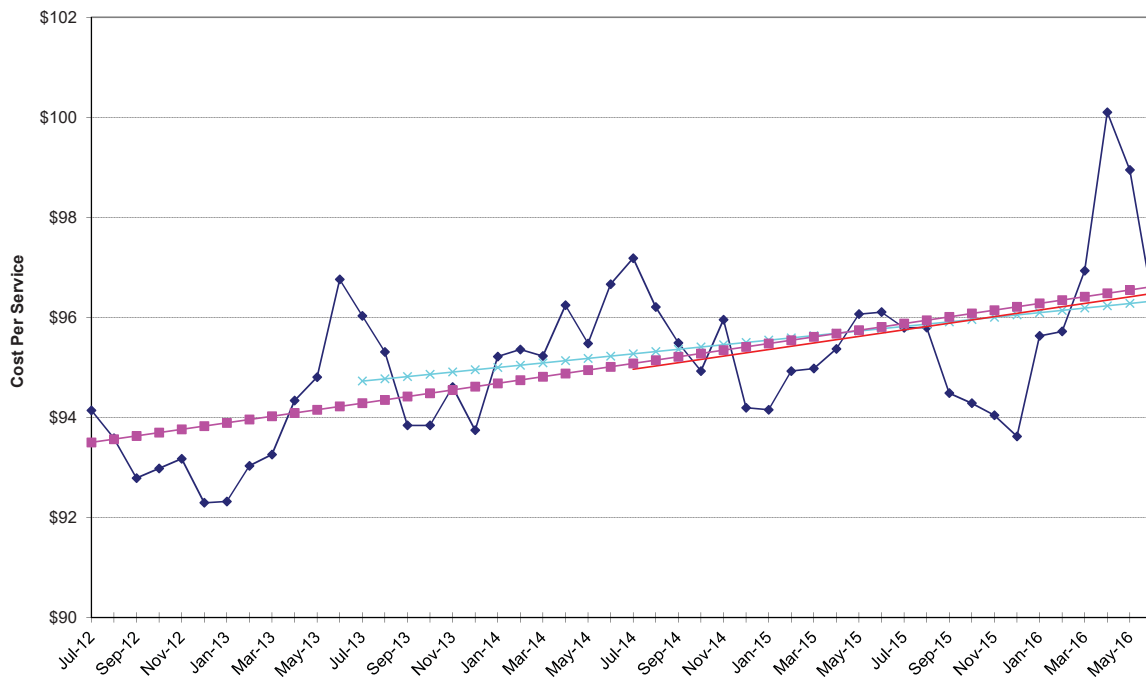
Office Visits

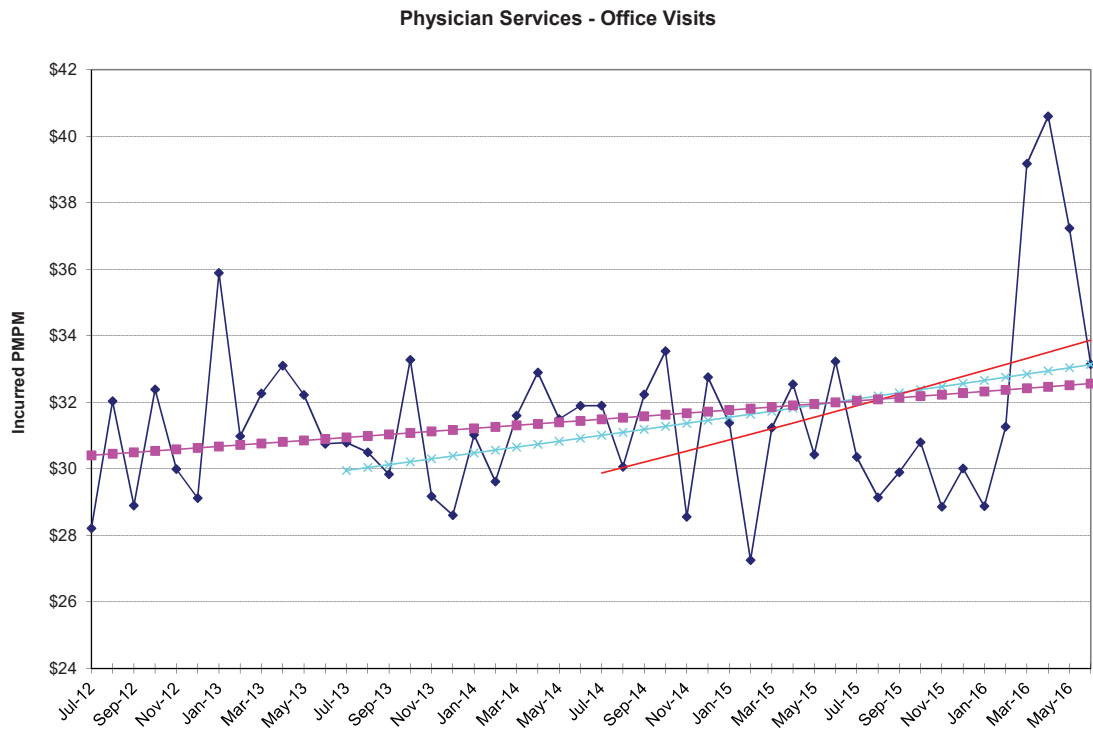
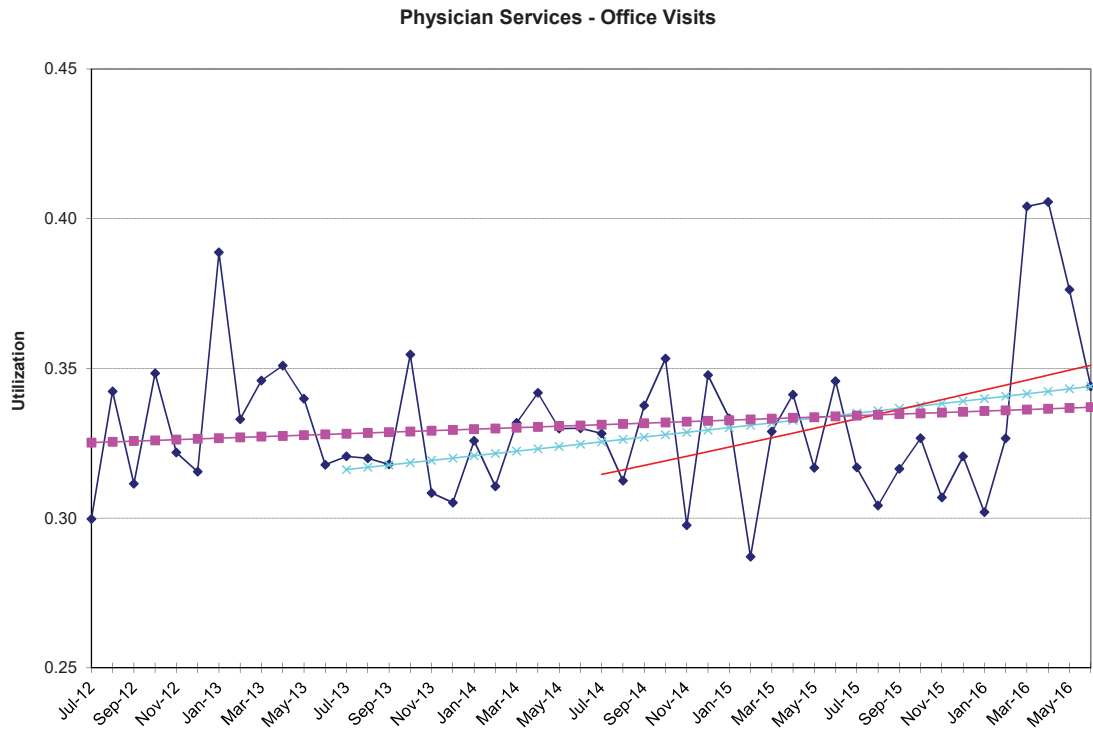
24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.9%	0.8%	6.8%

36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.9%	0.6%	3.5%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
0.9%	0.8%	1.8%

Physician Services - Office Visits





NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

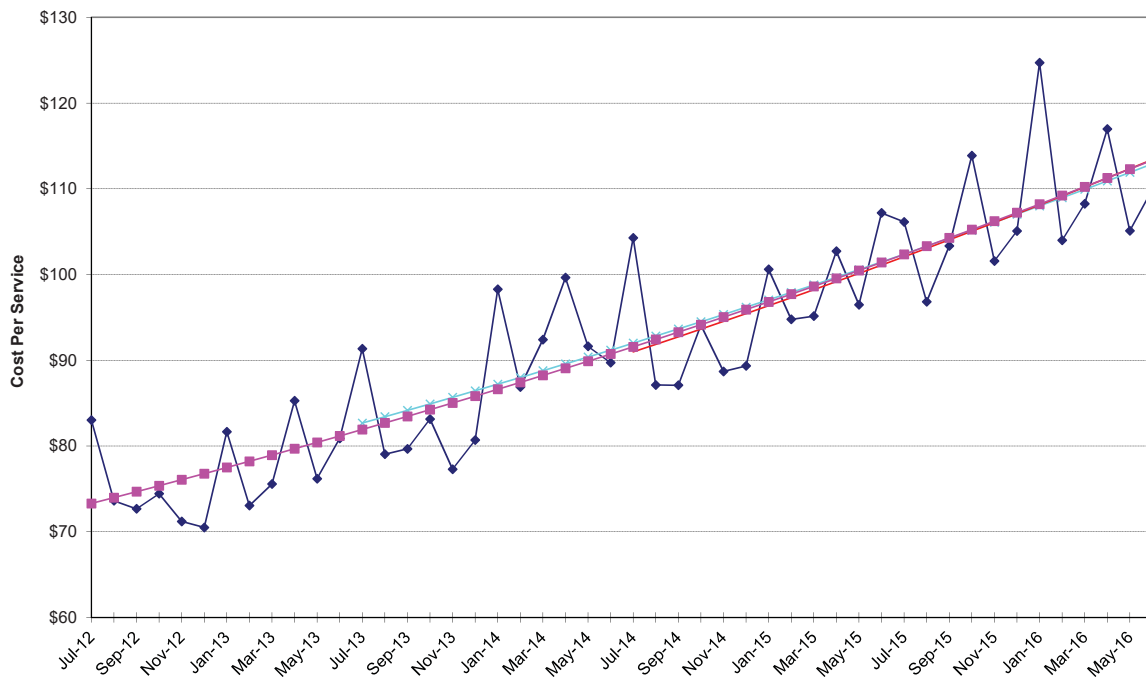
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.0%	12.2%	21.2%

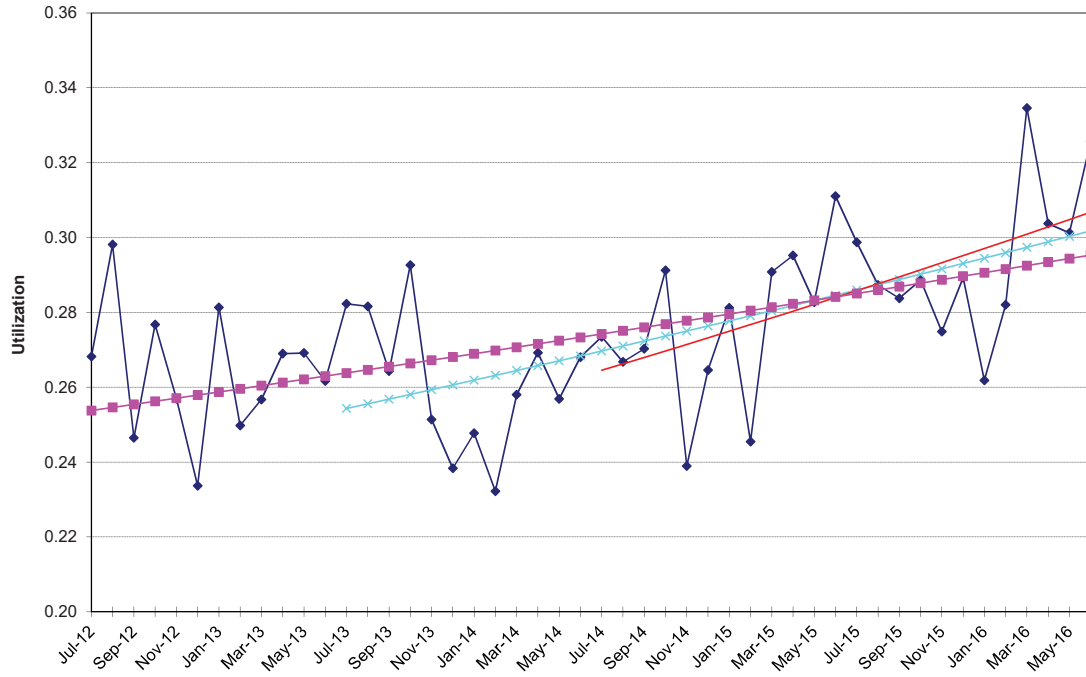
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.0%	11.3%	18.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.9%	11.8%	16.2%

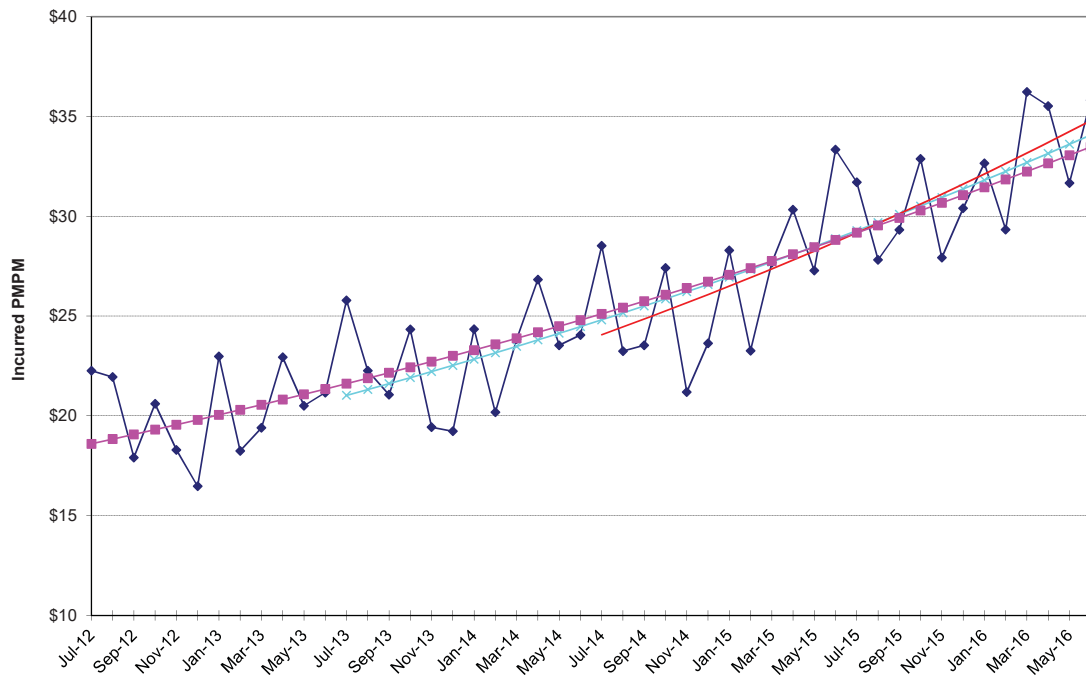
Physician Services - Other Services



Physician Services - Other Services



Physician Services - Other Services



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

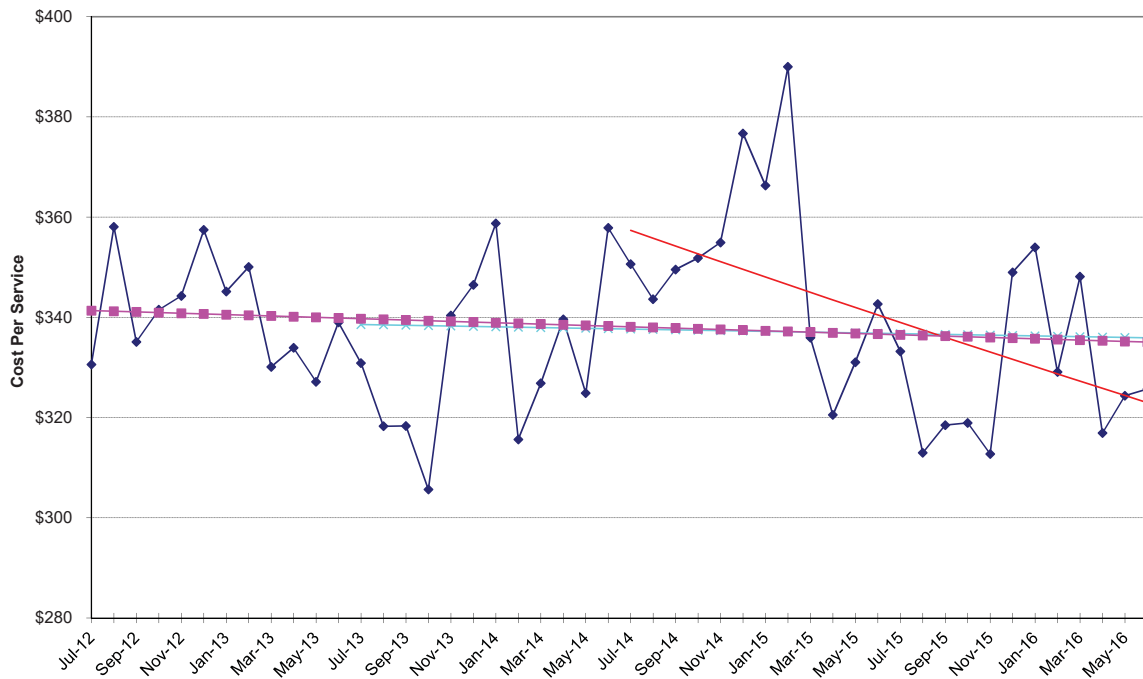
Outpatient Surgery

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
14.6%	-5.1%	8.7%

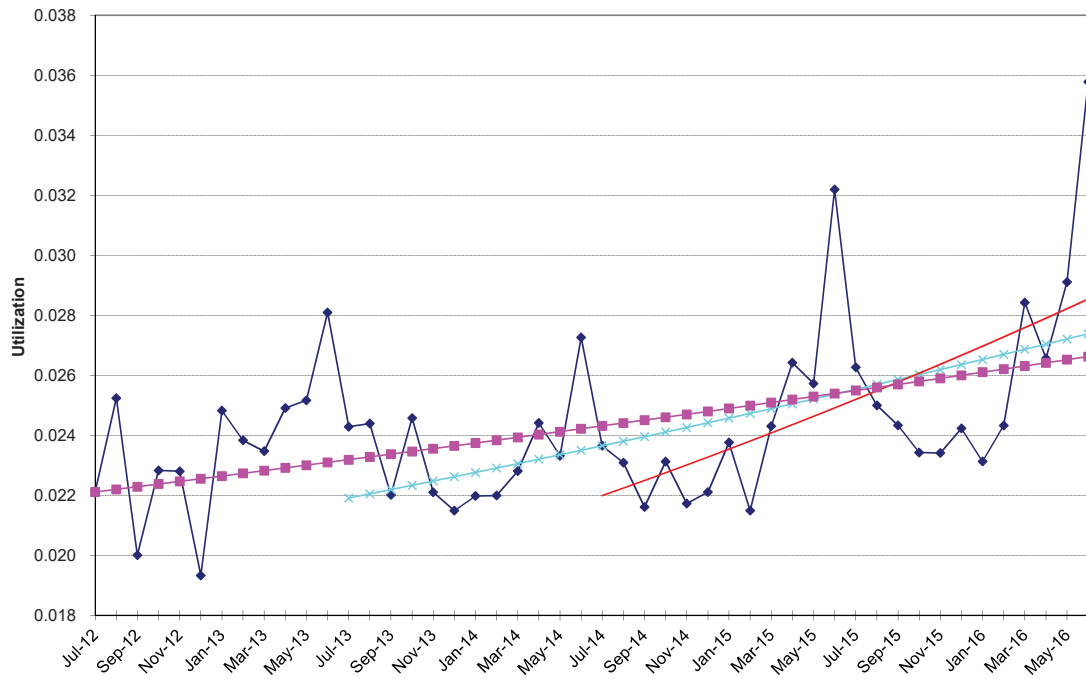
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.9%	-0.3%	7.7%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
4.9%	-0.5%	4.4%

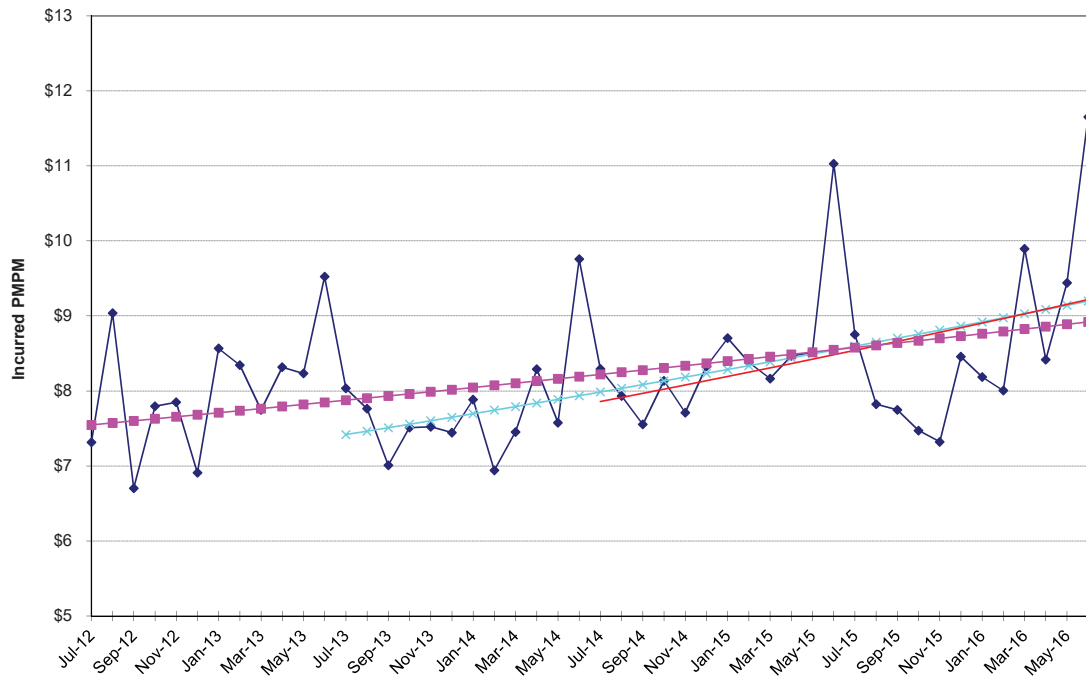
Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



Physician Services - Outpatient Surgery



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

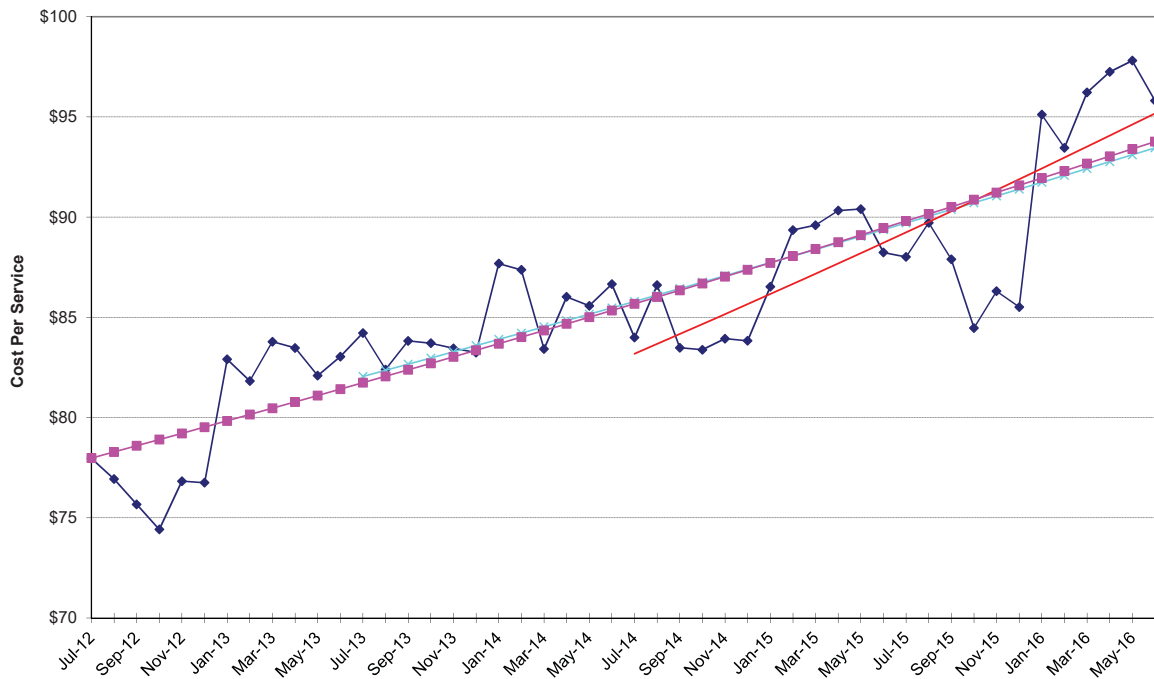
Psychiatric / Substance Abuse

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-1.9%	7.3%	5.2%

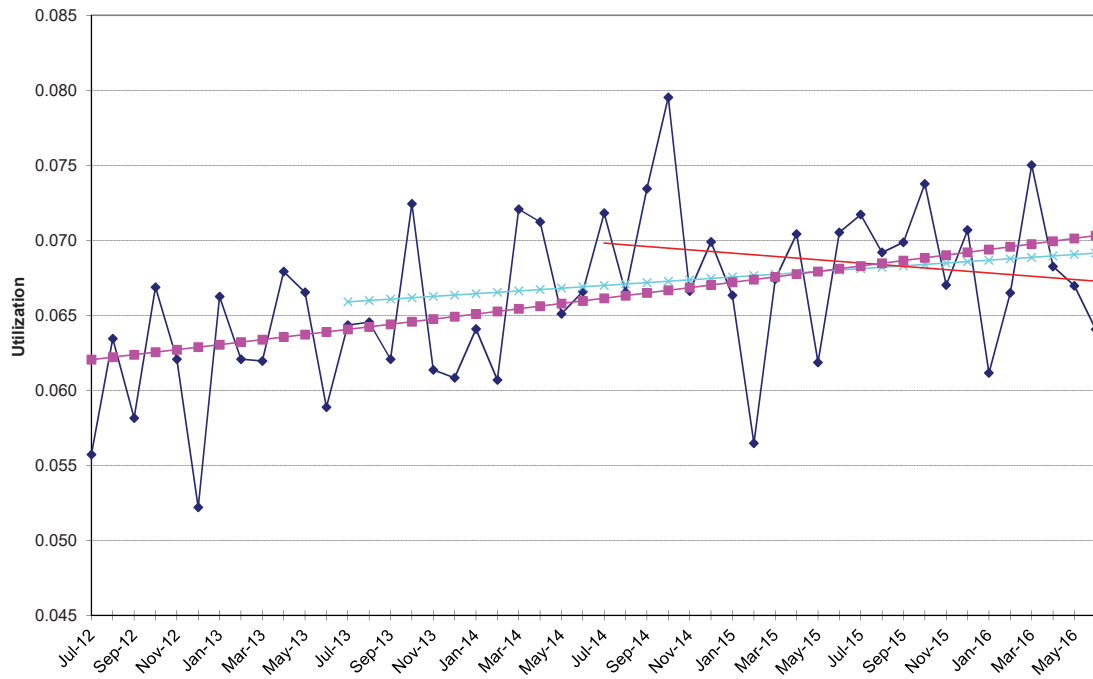
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.7%	4.6%	6.3%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.2%	4.8%	8.2%

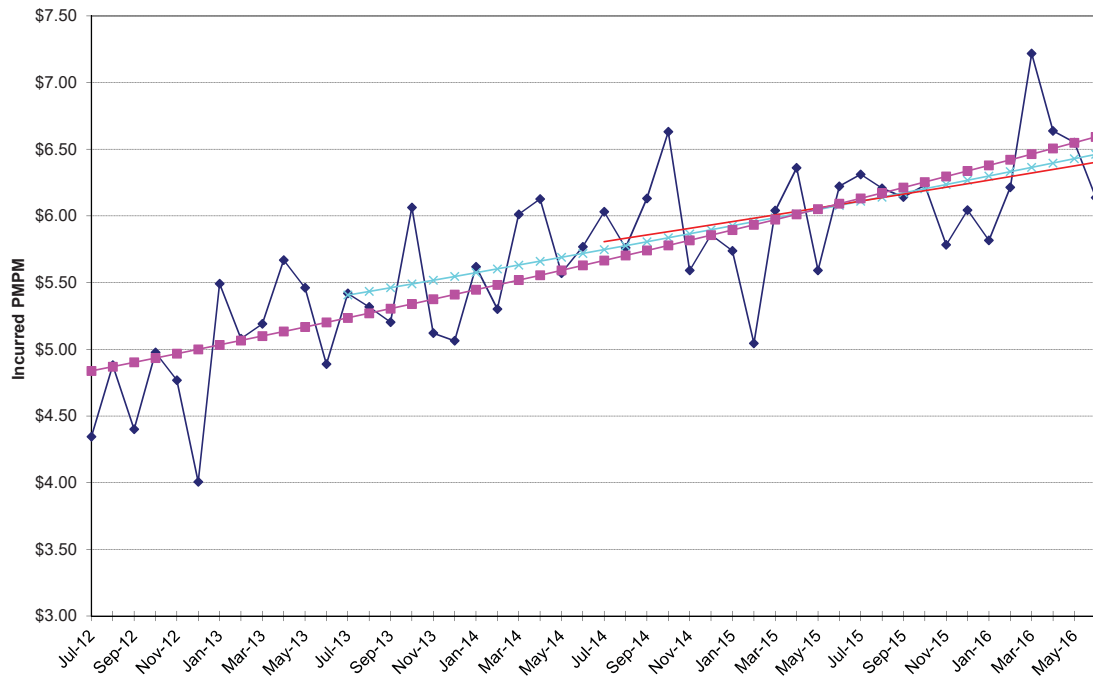
Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



Physician Services - Psychiatric / Substance Abuse



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

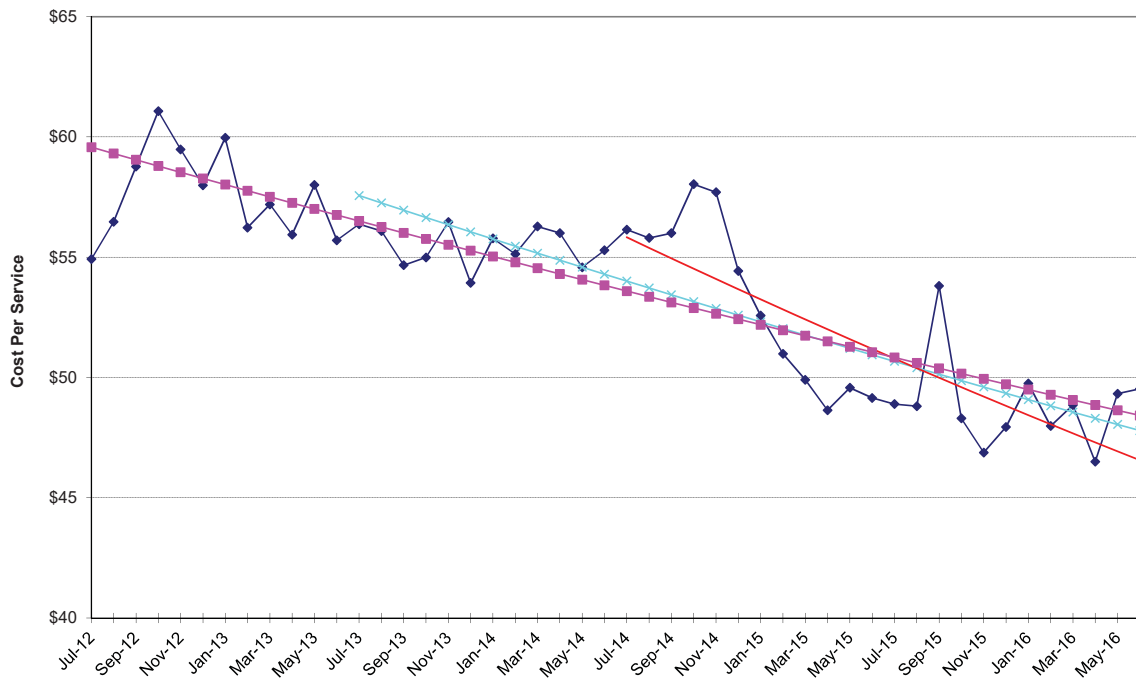
Radiology

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.9%	-9.0%	-7.3%

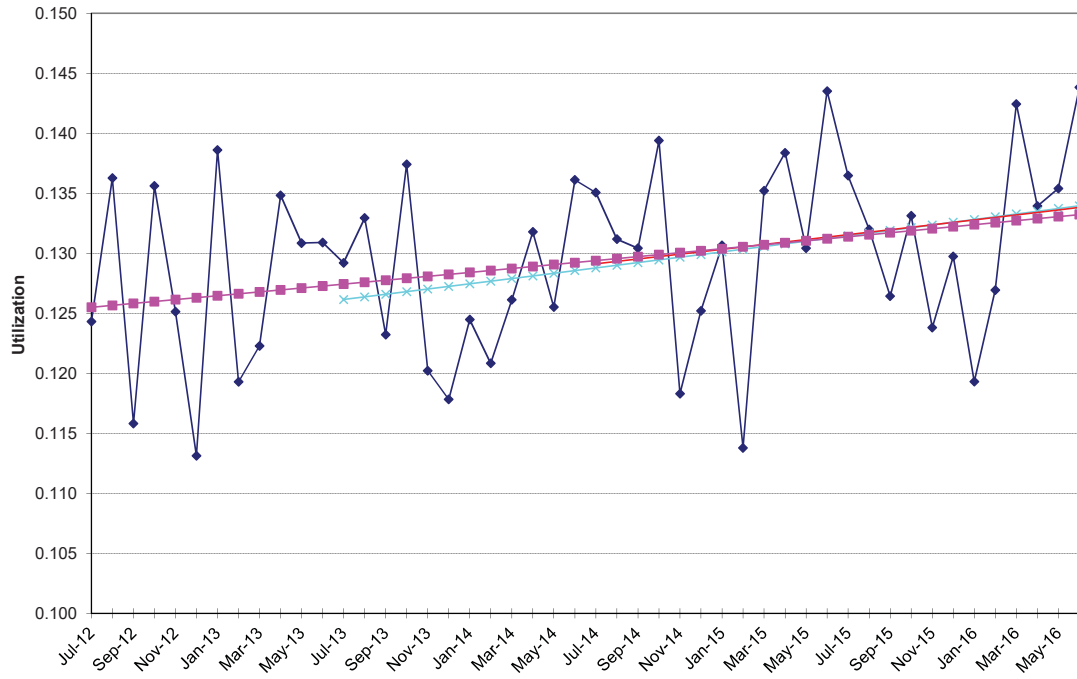
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.1%	-6.2%	-4.2%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.5%	-5.2%	-3.7%

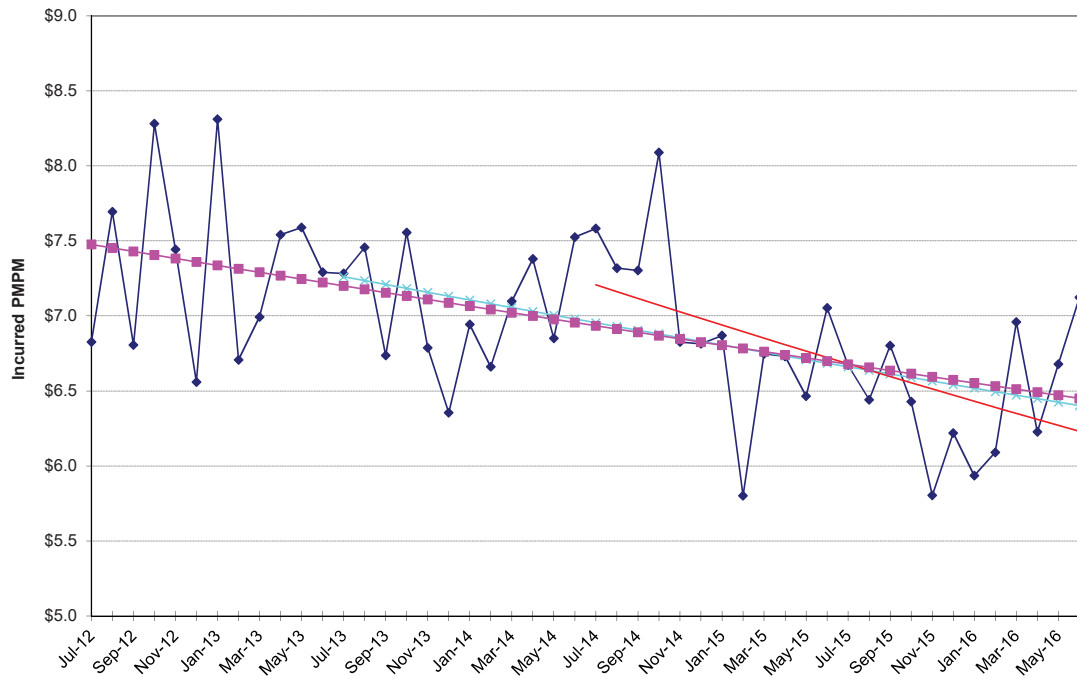
Physician Services - Radiology



Physician Services - Radiology



Physician Services - Radiology



NON-MEDICARE CLAIMS
Excluding Drugs

PHYSICIAN SERVICES

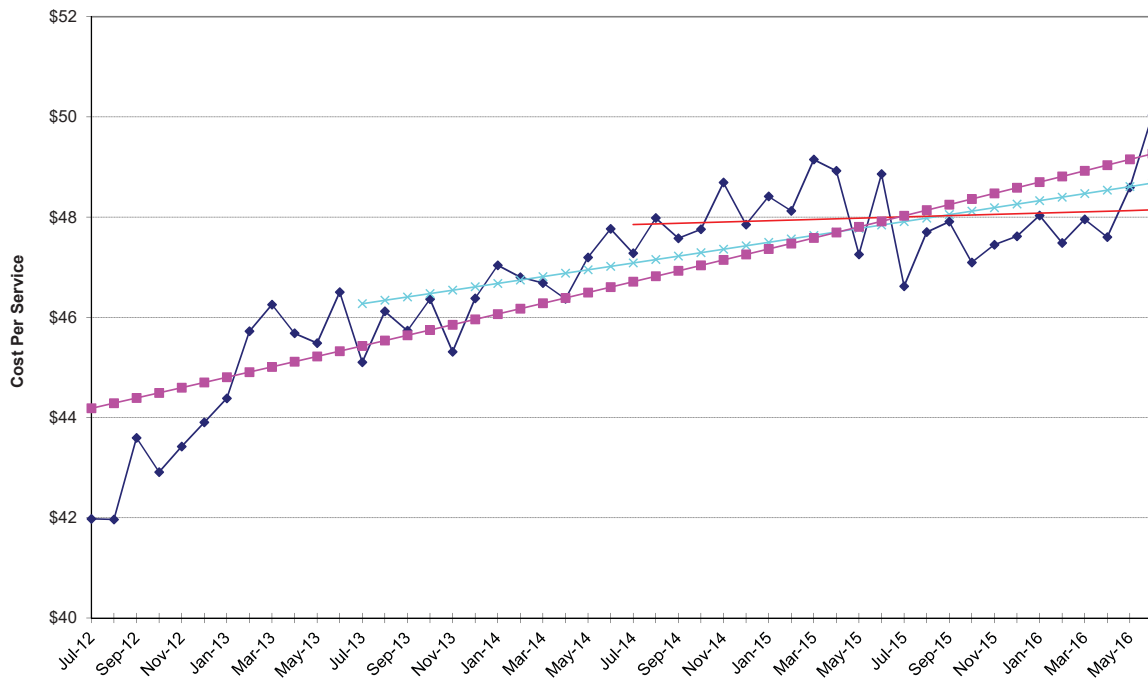
Therapies

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
8.0%	0.3%	8.3%

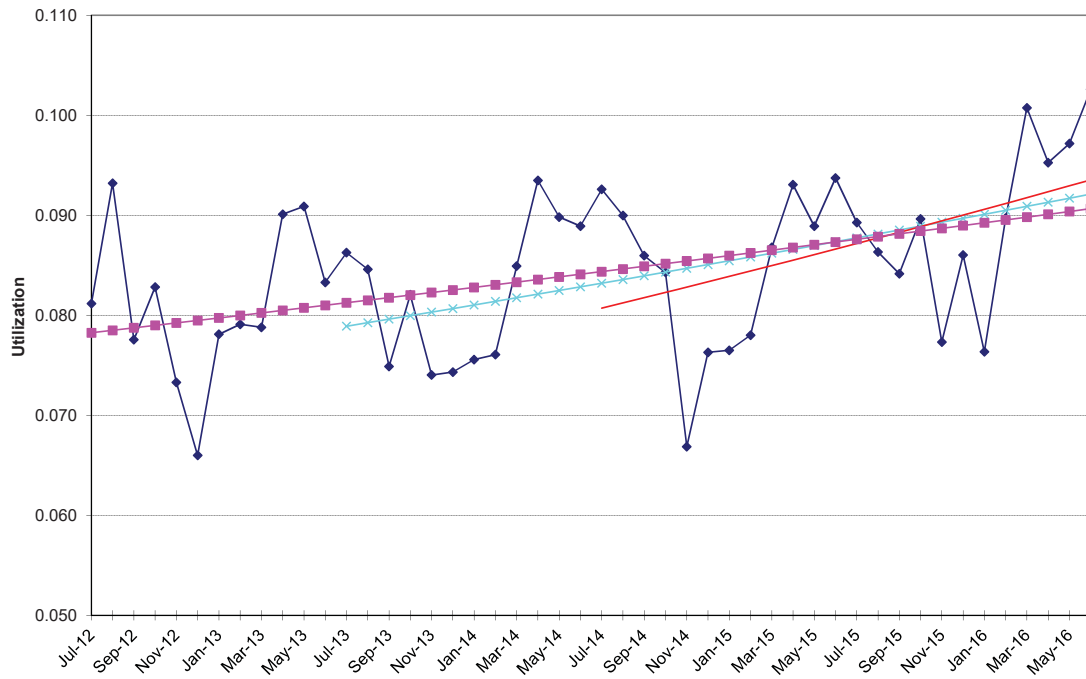
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
5.4%	1.8%	7.3%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
3.8%	2.8%	6.8%

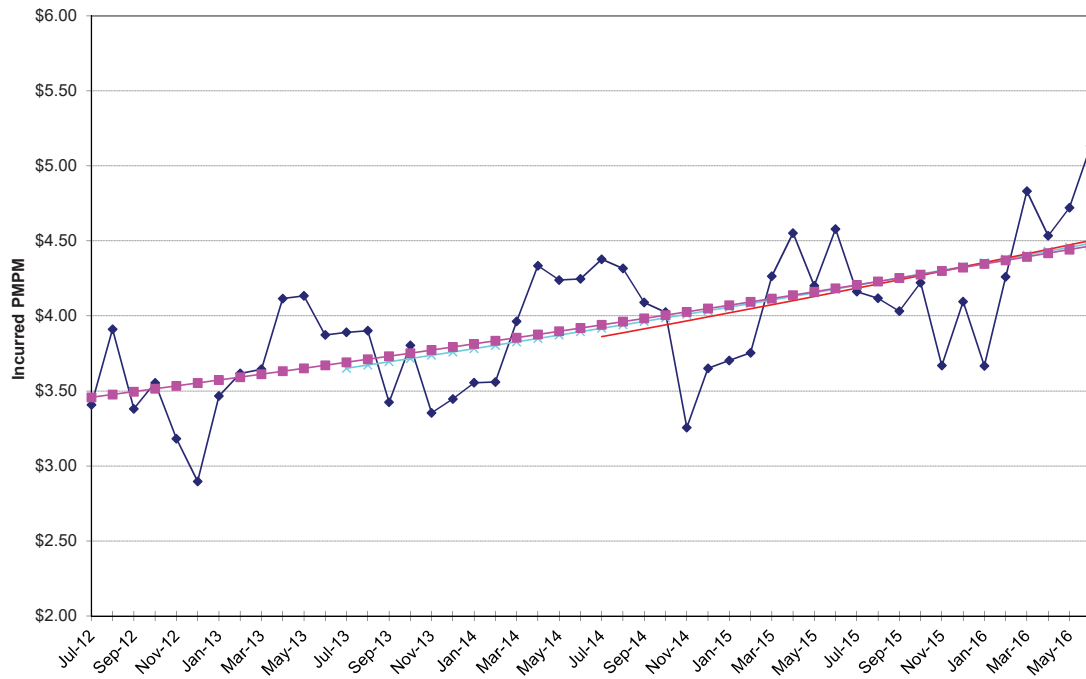
Physician Services - Therapies



Physician Services - Therapies



Physician Services - Therapies



NON-MEDICARE CLAIMS
Excluding Drugs

OTHER

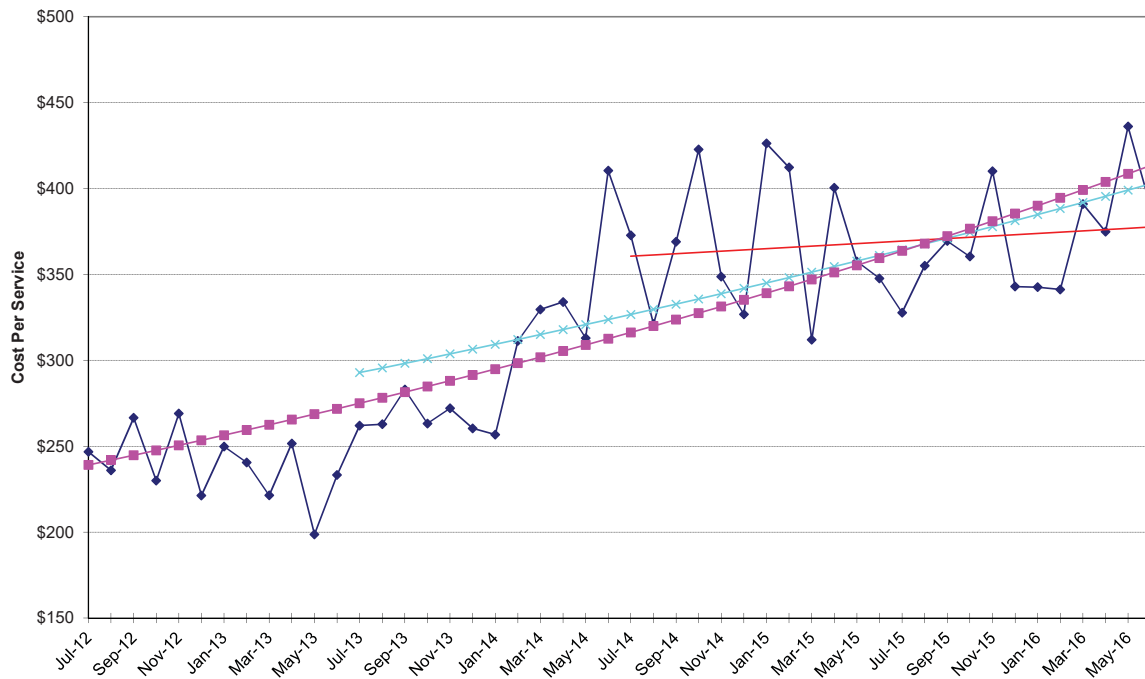
Ambulance

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
2.8%	2.4%	5.3%

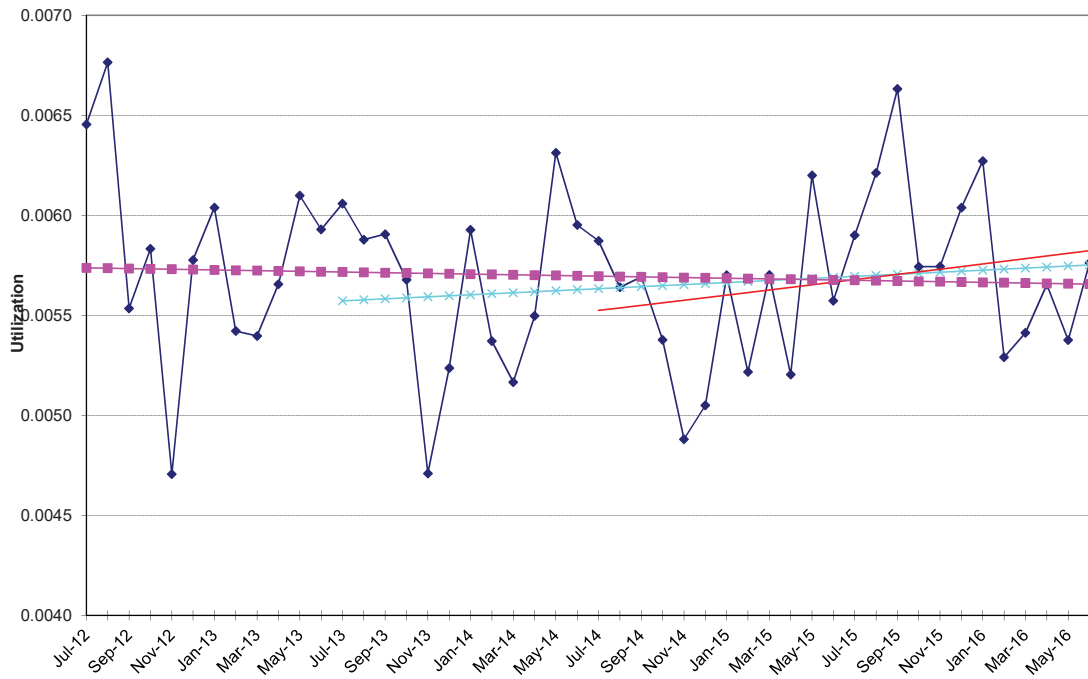
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
1.1%	11.5%	12.8%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.4%	15.0%	14.6%

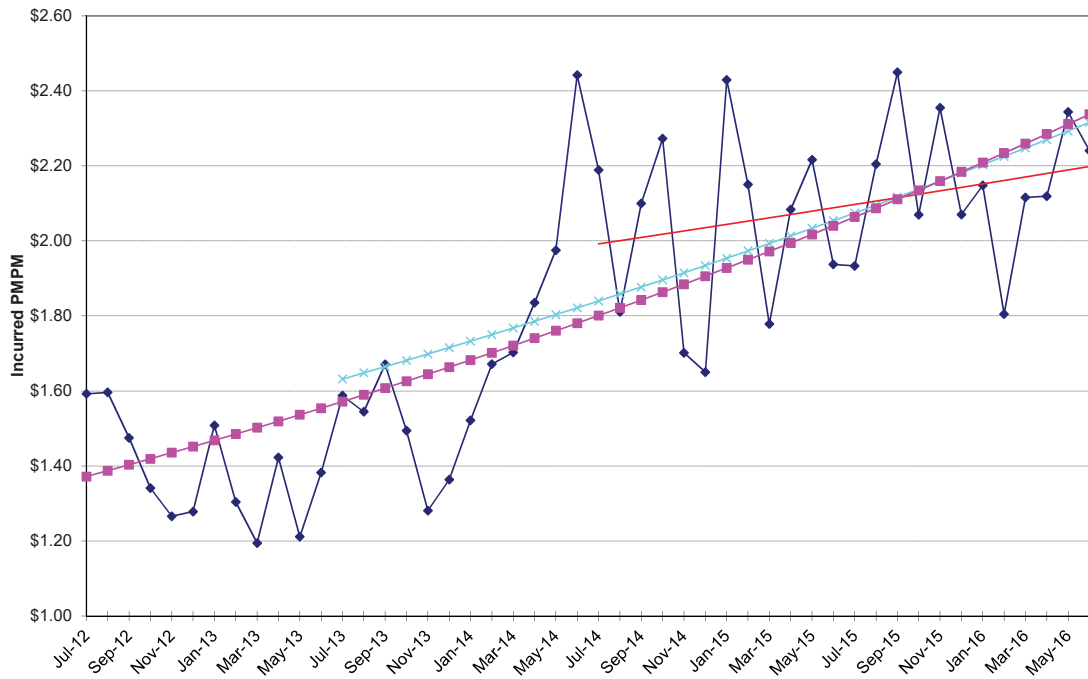
Other - Ambulance



Other - Ambulance



Other - Ambulance



NON-MEDICARE CLAIMS
Excluding Drugs

OTHER

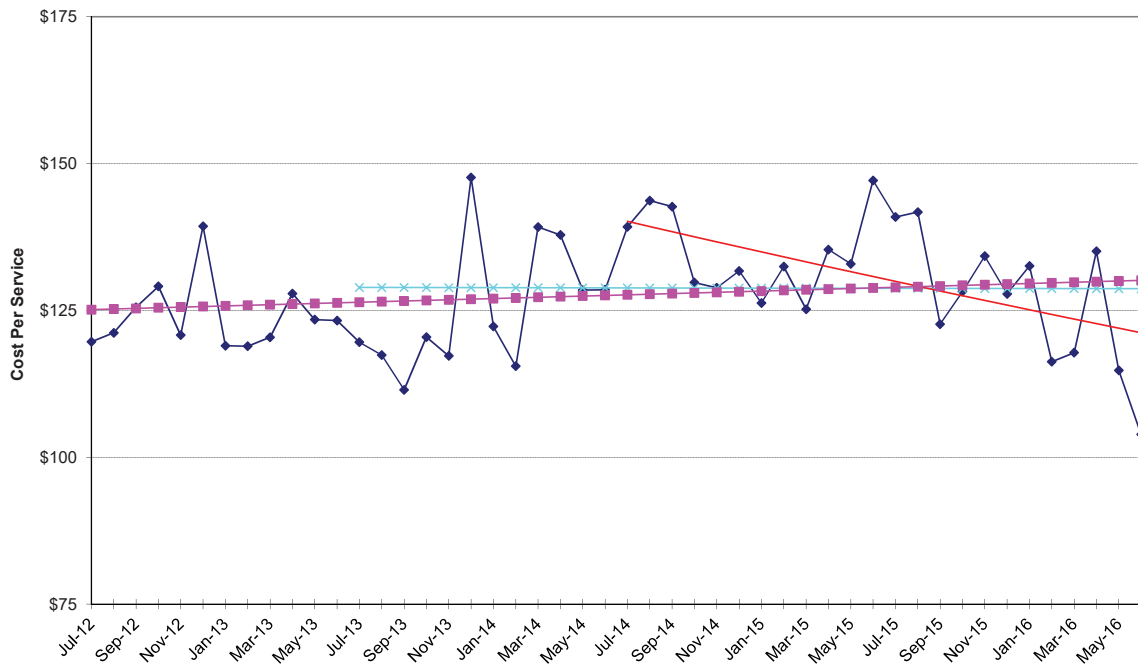
Appliances (DME)

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
16.5%	-7.3%	8.0%

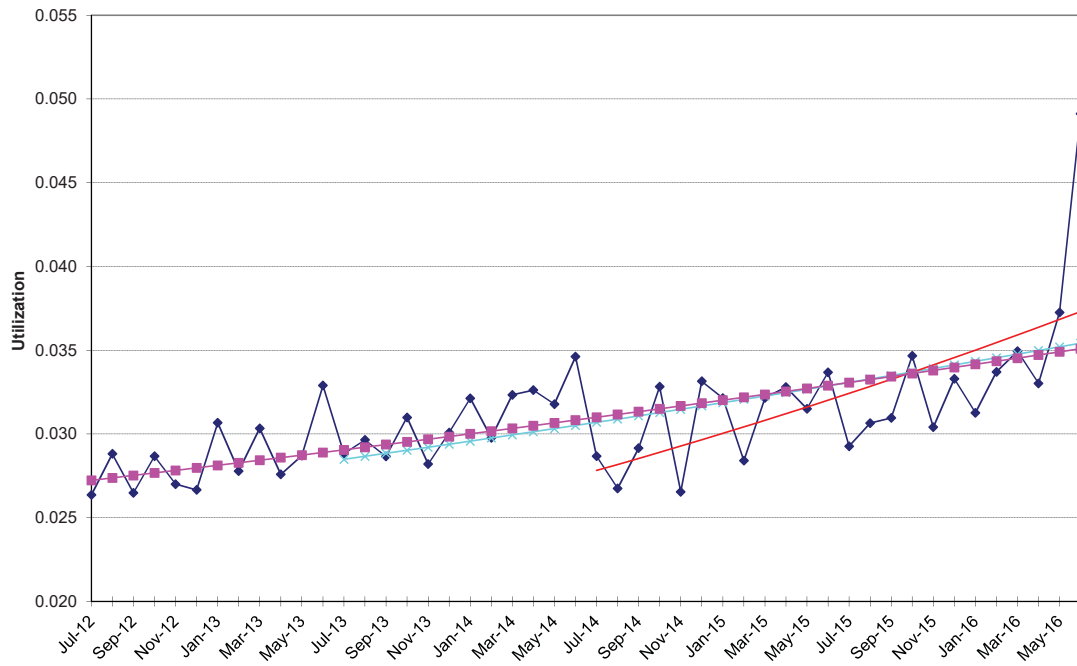
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
7.8%	-0.1%	7.7%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
6.7%	1.0%	7.8%

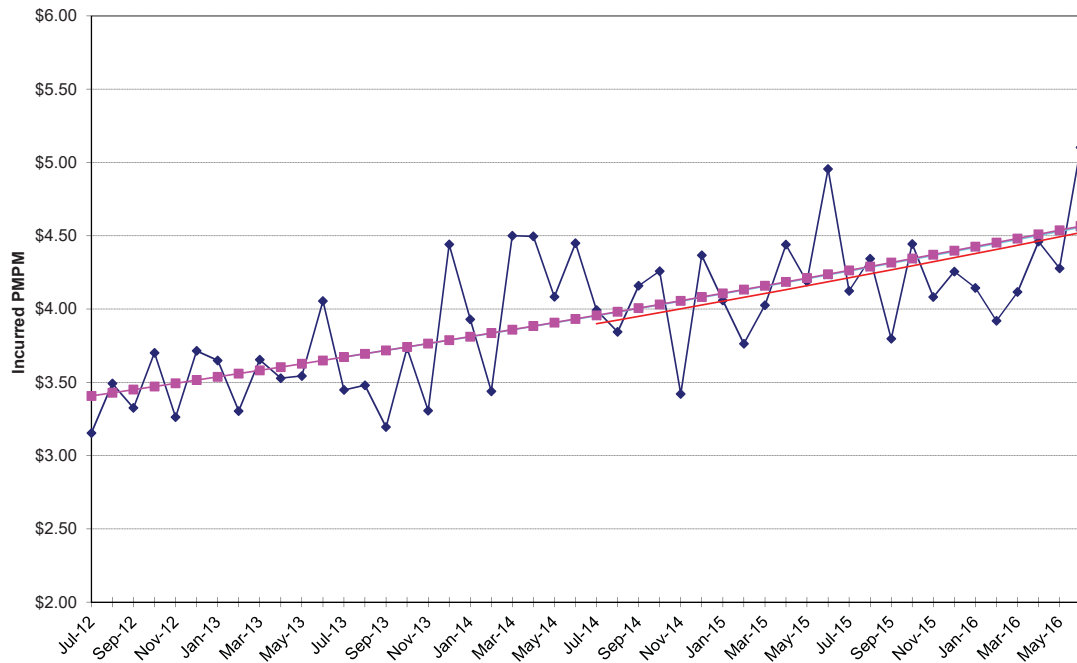
Other - Appliances (DME)



Other - Appliances (DME)



Other - Appliances (DME)



NON-MEDICARE CLAIMS
Excluding Drugs

OTHER

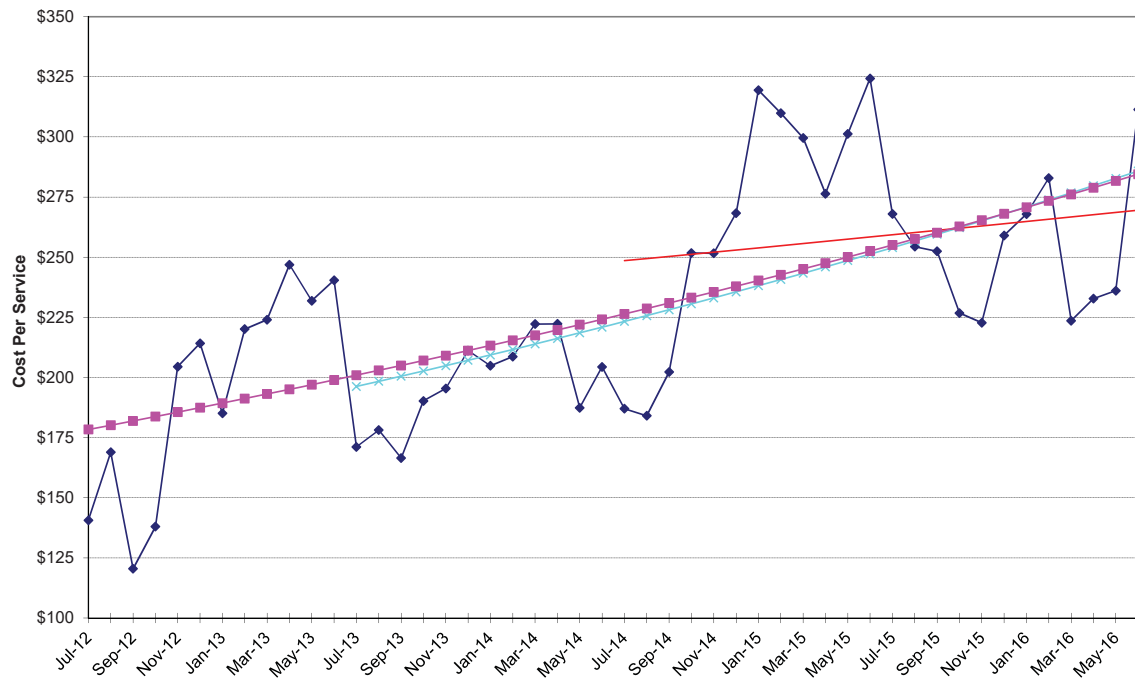
Other Services

24-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-12.4%	4.3%	-8.6%

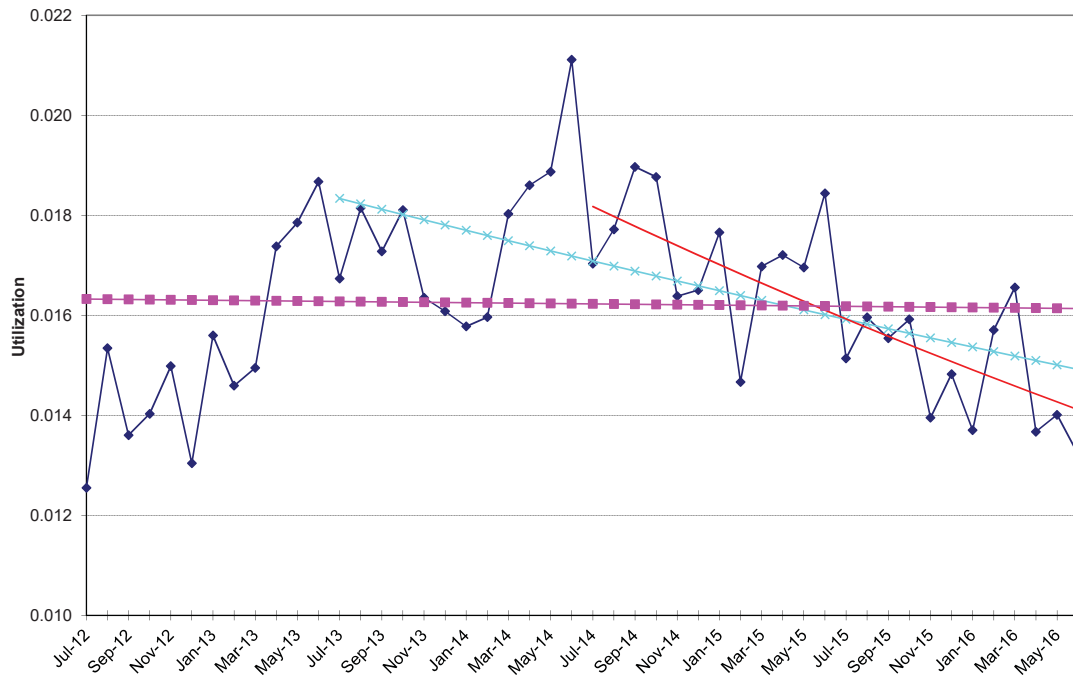
36-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-6.8%	13.8%	6.0%

48-Month Trends Summary		
<u>Utilization</u>	<u>Cost / Service</u>	<u>Total Trend</u>
-0.3%	12.7%	12.3%

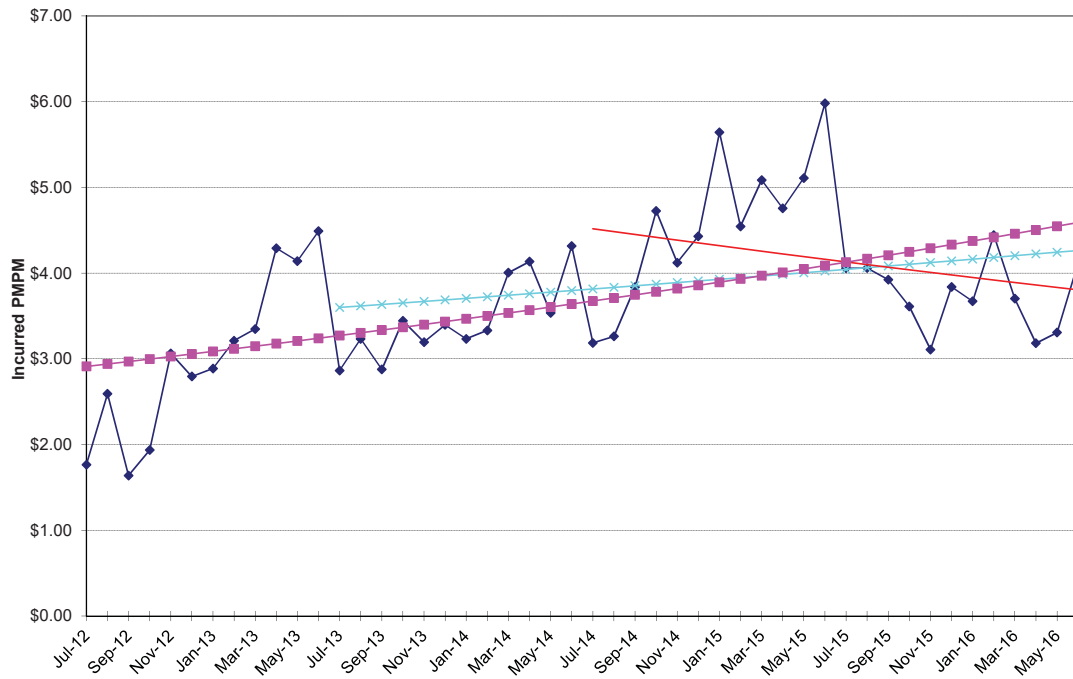
Other - Other Services



Other - Other Services



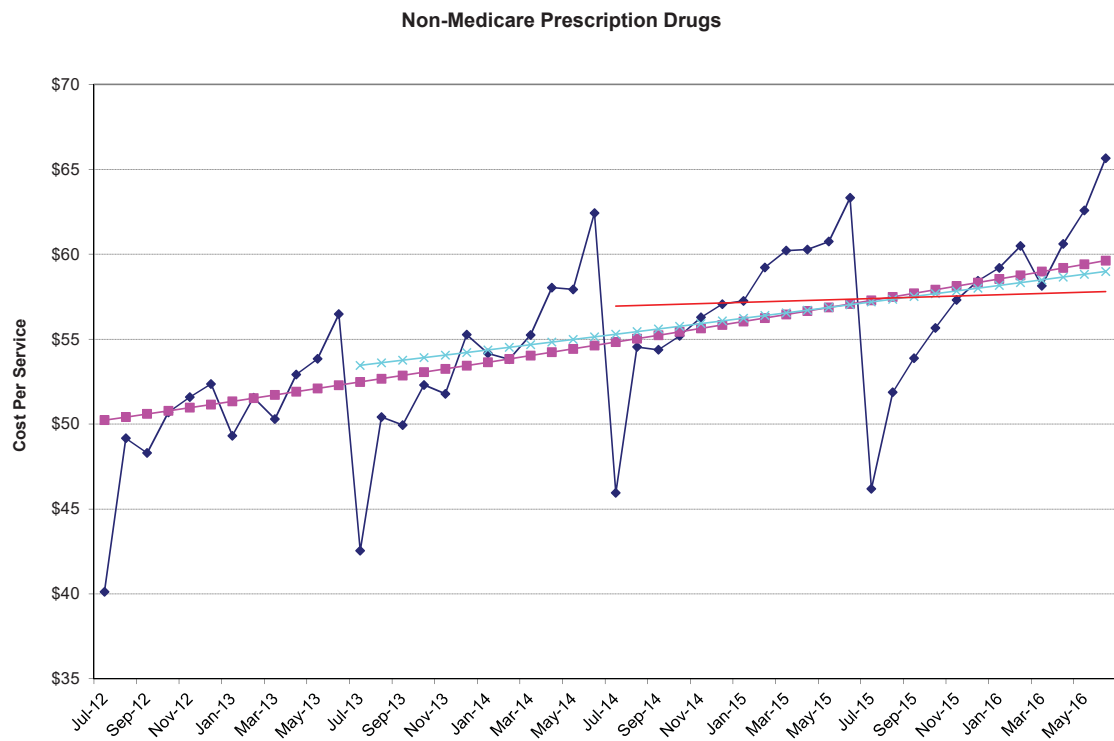
Other - Other Services



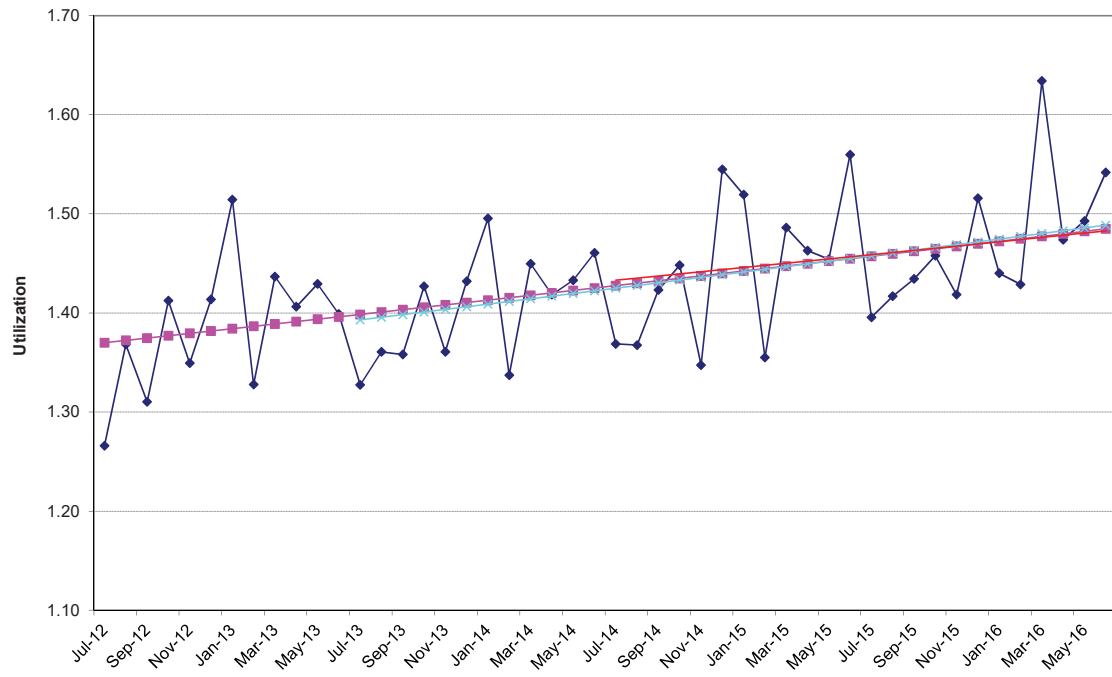
Appendix B

Non-Medicare Prescription Drugs

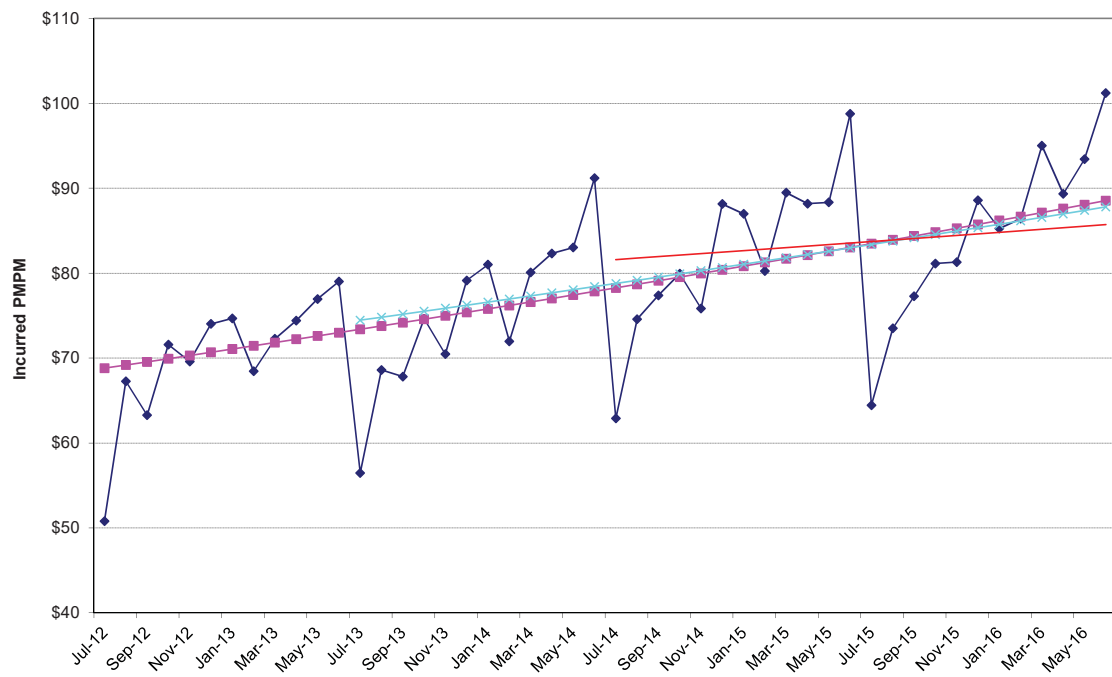
	<u>Utilization</u>	<u>Cost / Prescription</u>	<u>Total Trend</u>
24-Month Trend	1.8%	0.8%	2.6%
36-Month Trend	2.3%	3.4%	5.8%
48-Month Trend	2.1%	4.5%	6.6%



Non-Medicare Prescription Drugs



Non-Medicare Prescription Drugs



Appendix C – Prescription Drug Trends

Overview

Continuing Care Actuaries analyzed prescription drug experience in aggregate, by major indicator and in particular, specialty drugs. We analyzed the prescription drug trends using a 24, 36, and 48 month actuarial basis. We found the 24 month basis as the methodology that is most likely to produce accurate future trends. Under this methodology, utilization had a 3.9% trend and unit cost had a 7.9% trend, resulting in a composite trend of 11.5% on an unadjusted basis. The chart below summarizes components of the unadjusted prescription drug trend for the past 5 years

Year	Utilization	Unit Cost	Composite Trend
2012	-0.5%	5.4%	5.6%
2013	0.0%	-5.8%	-5.5%
2014	-1.5%	6.2%	4.5%
2015	3.9%	7.9%	11.5%
2016	-0.7%	8.7%	6.9%

Prior to this analysis, the financial plan was developed using a 9.0% trend for fiscal year 2017. Based on results and future expectations, Continuing Care Actuaries has chosen to continue to use a drug trend assumption of 11.0% for fiscal year 2017 in the financial plan.

Brand Patent Expirations

This drug trend assumption has been made because of recent drug experience, as well as future blockbuster drugs that are expected to lose their patent in the upcoming years. Examples of these drugs include:

Drug	Patent Expiration	2015 Ingredient Cost		2016 Ingredient Cost	
		Amount	%	Amount	%
Strattera	2017	\$722,262.92	0.3%	\$845,958.13	0.4%
Axiron	2017	1,118,424.58	0.5%	1,186,347.87	0.4%
Tamiflu	2017	1,090,852.96	0.5%	529,132.48	0.2%
Synthroid	2018	830,681.49	0.4%	851,968.62	0.4%
Apriso	2018	818,645.33	0.4%	876,049.03	0.4%
Lyrica	2019	978,635.05	0.5%	1,205,631.79	0.4%
Total		\$5,559,502.33	2.6%	\$5,495,087.92	2.4%

Specialty Drugs

Specialty drugs have continued to be a concern for PEIA due to the relatively rapid growth in utilization and unit cost. Nationally, specialty drug spend is expected to double in the next five years. Overall, the following chart shows the percent of plan drug expenditures in specialty drugs in the past few years, noting that the growth in specialty drugs were 5.3% in 2015 and 12.4% in 2016:

Period	Specialty Drugs	
	Percent of Total Cost	Growth
FY 2012	13.4%	12.2%
FY 2013	18.0%	24.3%
FY 2014	18.6%	5.3%
FY 2015	18.7%	12.4%
FY 2016	21.1%	20.7%

Indicator Categories

Continuing Care Actuaries reviewed the individual prescription data items for Fiscal Years 2015 and 2016. A total of 2,910,155 scripts were written for approximately 2,658 different kinds of prescriptions in 2016. The prescriptions were grouped by indicator codes, providing a basis to develop the Fiscal Year 2016 trend by indicator code. The top 40 indicator codes were analyzed, which accounted for 84.4% of PEIA's prescription drug expenditures.

The top 5 indicators from 2016 were identical to the top 5 from 2015. PEIA members continue to spend the most on insulin therapy. The following chart lists the top 5 and the total drug spend each year.

Rank	2015 Indicator	2015 Cost	2016 Indicator	2016 Cost
1	Insulin Therapy	\$23,770,461	Insulin Therapy	\$26,960,555
2	Non-Insulin Hypoglycemic Agents	18,225,838	Non-Insulin Hypoglycemic Agents	23,326,082
3	Miscellaneous Rheumatological Agents	17,246,525	Miscellaneous Rheumatological Agents	22,067,381
4	Lipid/Cholesterol Lowering Agents	10,114,456	Lipid/Cholesterol Lowering Agents	10,184,388
5	Miscellaneous Pulmonary Agents	9,673,965	Miscellaneous Pulmonary Agents	10,075,775

The following charts summarize the utilization and cost per service for formulary and non-formulary drugs for each indicator code. The "Top Five Increases in Drug Trends" chart is calculated with indicators which grossed at least \$1,000,000 in ingredient cost in 2016.

Indicators with the Largest Dollar Increase

Indication	2015 Total Ingredient Cost	2016 Total Ingredient Cost	Total Increase
Non-Insulin Hypoglycemic Agents	\$18,225,838	\$23,326,082	\$5,100,243
Miscellaneous Rheumatological Agents	17,246,525	22,067,381	4,820,856
Insulin Therapy	23,770,461	26,960,555	3,190,093
Antivirals	2,446,224	3,703,673	1,257,449
Miscellaneous Antineoplastic Drugs	5,619,713	6,692,736	1,073,023

Indicators with the Largest Increase as a Percentage

Indication	2015 Total Ingredient Cost	2016 Total Ingredient Cost	Total Increase
Adrenergics	\$1,067,629	\$1,719,427	61.1%
Antivirals	2,446,224	3,703,673	51.4%
Anticoagulants	2,239,492	3,039,259	35.7%
Topical Antifungals	765,583	1,030,565	34.6%
Hiv/Aids Therapy	1,620,839	2,148,780	32.6%

Indicators with the Largest Increase in Claim Numbers

Indication	2015 Prescriptions	2016 Prescriptions	Utilization Increase
Non-Insulin Hypoglycemic Agents	122,583	128,511	5,928
Angiotensin II Receptor Blockers & Renin Inhibitor	61,965	64,724	2,759
Selective Serotonin Reuptake Inhibitors	126,938	129,298	2,360
Miscellaneous Antidepressants	92,833	95,023	2,190
Insulin Therapy	36,679	38,429	1,750

Indicators with the Largest Utilization Increase Percentage

Indication	2015 Prescriptions	2016 Prescriptions	Utilization Increase
Adrenergics	2,580	3,224	25.0%
Hiv/Aids Therapy	1,113	1,244	11.8%
Miscellaneous Neurological Therapy	2,792	2,968	6.3%
Miscellaneous Antiinfectives	8,392	8,889	5.9%
Anticoagulants	15,637	16,506	5.6%

Indicators with the Largest Increase in Cost per Prescription

Indication	2015 Ingredient Cost Per Prescription	2016 Ingredient Cost Per Prescription	Ingredient Cost Per Prescription Increase
Miscellaneous Antineoplastic Drugs	\$5,488.00	\$6,485.21	\$997.21
Miscellaneous Rheumatological Agents	2,609.16	3,277.98	668.83
Interferons	4,785.63	5,314.93	529.30
Hiv/Aids Therapy	1,456.28	1,727.32	271.04
Miscellaneous Neurological Therapy	2,338.86	2,525.21	186.35

Indicators with the Largest Percentage Increase in Cost per Prescription

Indication	2015 Ingredient Cost Per Prescription	2016 Ingredient Cost Per Prescription	Ingredient Cost Per Prescription Increase
Antivirals	\$104.23	\$198.37	90.3%
Topical Antifungals	61.73	85.91	39.2%
Adrenergics	413.81	533.32	28.9%
Anticoagulants	143.22	184.13	28.6%
Miscellaneous Rheumatological Agents	2,609.16	3,277.98	25.6%

Drug Indicators by Highest Cost

<u>Rank</u>	<u>Indicator</u>	<u>Number of Prescriptions</u>	<u>Cost Per Prescription</u>	<u>Program Costs</u>	<u>Formulary Percent (cost)</u>	<u>Formulary Percent (Scripts)</u>
1	Insulin Therapy	38,429	\$701.57	\$26,960,555	95.5%	93.1%
2	Non-Insulin Hypoglycemic Agents	128,511	181.51	23,326,082	87.7%	95.6%
3	Miscellaneous Rheumatological Agents	6,732	3,277.98	22,067,381	95.0%	95.8%
4	Lipid/Cholesterol Lowering Agents	178,133	57.17	10,184,388	92.9%	98.6%
5	Miscellaneous Pulmonary Agents	65,670	153.43	10,075,775	88.2%	97.0%
6	Miscellaneous Psychotherapeutic Agents	41,526	205.32	8,526,124	93.3%	95.2%
7	Miscellaneous Neurological Therapy	2,968	2,525.21	7,494,818	31.7%	66.0%
8	Miscellaneous Antineoplastic Drugs	1,032	6,485.21	6,692,736	90.6%	93.0%
9	Anticonvulsants	90,596	59.54	5,394,159	70.6%	96.2%
10	Proton Pump Inhibitors	177,809	25.48	4,530,359	94.7%	99.5%
11	Miscellaneous Antidepressants	14,228	316.32	4,500,620	92.5%	92.9%
12	Miscellaneous Antipsychotics	95,023	43.35	4,119,231	86.5%	98.3%
13	Antivirals	16,917	224.42	3,796,469	82.9%	94.8%
14	Monophasic /Biphasic /Triphasic Agents	18,671	198.37	3,703,673	52.7%	99.2%
15	Anticoagulants	78,707	39.25	3,089,112	63.8%	90.3%
16	Interferons	16,506	184.13	3,039,259	97.3%	98.0%
17	Blood Glucose Monitoring Devices & Supplies	549	5,314.93	2,917,897	96.2%	96.4%
18	Beta Blockers	24,181	118.55	2,866,627	94.6%	94.1%
19	Angiotensin II Receptor Blockers & Renin Inhibitor	106,438	26.11	2,779,263	89.7%	98.1%
20	Selective Serotonin Reuptake Inhibitors	64,724	39.22	2,538,573	80.7%	96.3%

Drug Indicators by Highest Cost (continued)

<u>Rank</u>	<u>Indicator</u>	<u>Number of Prescriptions</u>	<u>Cost Per Prescription</u>	<u>Program Costs</u>	<u>Formulary Percent (cost)</u>	<u>Formulary Percent (Scripts)</u>
21	Thyroid Hormones	129,298	18.84	2,436,390	90.0%	99.3%
22	Growth Hormones	100,028	24.29	2,429,845	64.2%	81.3%
23	Therapy For Acne	470	5,049.43	2,373,231	5.6%	12.8%
24	Hiv/Aids Therapy	11,105	202.72	2,251,174	84.2%	92.6%
25	Combination Narcotic /Analgesics	1,244	1,727.32	2,148,780	99.3%	99.4%
26	Nsaids	76,042	28.04	2,132,162	98.7%	99.9%
27	Miscellaneous Agents	86,341	24.20	2,089,776	86.7%	99.3%
28	Topical Corticosteroids	17,594	113.99	2,005,507	87.1%	93.6%
29	Estrogens	18,304	101.25	1,853,273	99.5%	99.9%
30	Adrenergics	20,350	85.72	1,744,500	60.4%	79.5%
31	Beta Agonists Inhalers	3,224	533.32	1,719,427	95.9%	95.2%
32	Miscellaneous Ophthalmologics	30,337	55.82	1,693,396	84.2%	85.9%
33	Androgens	5,572	268.12	1,493,939	88.8%	81.7%
34	Antiplatelet Drugs	5,285	278.66	1,472,732	95.1%	90.1%
35	Muscle Relaxants & Antispasmodic Agents	16,613	87.11	1,447,083	74.9%	95.2%
36	Tetracyclines	41,645	30.87	1,285,662	95.4%	95.7%
37	Ace Inhibitors	17,932	68.91	1,235,696	75.1%	97.4%
38	Gout Therapy	94,749	12.32	1,167,280	99.0%	99.9%
39	Other Antihypertensive Combinations	13,497	84.14	1,135,701	94.7%	94.8%
40	Inhaled Corticosteroids	41,423	27.19	1,126,433	90.8%	99.0%
	<u>All Other Indicators</u>	<u>1,011,752</u>	<u>35.40</u>	<u>35,815,099</u>	<u>88.2%</u>	<u>98.2%</u>
	Grand Total	2,910,155	\$78.92	\$229,660,187	86.3%	96.8%

Drug Indicators by Highest Cost
Analysis of Formulary Distribution

Rank	Indicator	Formulary			Non-Formulary		
		Scripts	Ingredient Cost	Cost Per Script	Scripts	Ingredient Cost	Cost Per Script
1	Insulin Therapy	35,767	\$25,745,022	\$719.80	2,662	\$1,215,533	\$456.62
2	Non-Insulin Hypoglycemic Agents	122,848	20,468,402	166.62	5,663	2,857,680	504.62
3	Miscellaneous Rheumatological Agents	6,448	20,953,766	3,249.65	284	1,113,615	3,921.18
4	Lipid/Cholesterol Lowering Agents	175,614	9,458,487	53.86	2,519	725,901	288.17
5	Miscellaneous Pulmonary Agents	63,732	8,887,000	139.44	1,938	1,188,775	613.40
6	Miscellaneous Psychotherapeutic Agents	39,534	7,952,288	201.15	1,992	573,836	288.07
7	Miscellaneous Neurological Therapy	1,960	2,376,274	1,212.38	1,008	5,118,544	5,077.92
8	Miscellaneous Antineoplastic Drugs	960	6,062,442	6,315.04	72	630,294	8,754.08
9	Anticonvulsants	87,129	3,806,196	43.68	3,467	1,587,963	458.02
10	Proton Pump Inhibitors	176,910	4,288,521	24.24	899	241,838	269.01
11	Miscellaneous Antidepressants	13,215	4,162,191	314.96	1,013	338,429	334.09
12	Miscellaneous Antipsychotics	93,383	3,562,051	38.14	1,640	557,180	339.74
13	Antivirals	16,044	3,149,067	196.28	873	647,402	741.58
14	Monophasic /Biphasic /Triphasic Agents	18,527	1,952,769	105.40	144	1,750,904	12,159.06
15	Anticoagulants	71,077	1,972,031	27.74	7,630	1,117,080	146.41
16	Interferons	16,183	2,957,917	182.78	323	81,341	251.83
17	Blood Glucose Monitoring Devices & Supplies	529	2,807,076	5,306.38	20	110,822	5,541.08
18	Beta Blockers	22,753	2,711,142	119.16	1,428	155,485	108.88
19	Angiotensin Ii Receptor Blockers & Renin Inhibitor	104,383	2,491,612	23.87	2,055	287,651	139.98
20	Selective Serotonin Reuptake Inhibitors	62,361	2,049,434	32.86	2,363	489,139	207.00

Drug Indicators by Highest Cost
Analysis of Formulary Distribution (continued)

Rank	Indicator	Formulary			Non-Formulary		
		Scripts	Ingredient Cost	Cost Per Script	Scripts	Ingredient Cost	Cost Per Script
21	Thyroid Hormones	128,383	2,192,887	17.08	915	243,503	266.12
22	Growth Hormones	81,312	1,559,607	19.18	18,716	870,238	46.50
23	Therapy For Acne	60	131,883	2,198.05	410	2,241,348	5,466.70
24	Hiv/Aids Therapy	10,285	1,894,436	184.19	820	356,739	435.05
25	Combination Narcotic /Analgesics	1,236	2,133,021	1,725.74	8	15,760	1,969.98
26	Nsaids	75,948	2,104,687	27.71	94	27,475	292.29
27	Miscellaneous Agents	85,728	1,812,179	21.14	613	277,597	452.85
28	Topical Corticosteroids	16,472	1,747,229	106.07	1,122	258,279	230.19
29	Estrogens	18,287	1,843,682	100.82	17	9,591	564.17
30	Adrenergics	16,169	1,052,823	65.11	4,181	691,678	165.43
31	Beta Agonists Inhalers	3,069	1,648,388	537.11	155	71,039	458.31
32	Miscellaneous Ophthalmologics	26,045	1,426,570	54.77	4,292	266,827	62.17
33	Androgens	4,552	1,326,277	291.36	1,020	167,662	164.37
34	Antiplatelet Drugs	4,763	1,400,798	294.10	522	71,934	137.81
35	Muscle Relaxants & Antispasmodic Agents	15,812	1,083,815	68.54	801	363,268	453.52
36	Tetracyclines	39,875	1,226,628	30.76	1,770	59,035	33.35
37	Ace Inhibitors	17,470	927,846	53.11	462	307,850	666.34
38	Gout Therapy	94,692	1,155,116	12.20	57	12,165	213.41
39	Other Antihypertensive Combinations	12,795	1,075,716	84.07	702	59,985	85.45
40	Inhaled Corticosteroids	40,992	1,023,238	24.96	431	103,195	239.43
	<u>All Other Indicators</u>	<u>993,540</u>	<u>31,593,758</u>	<u>31.80</u>	<u>18,212</u>	<u>4,221,341</u>	<u>231.79</u>
	Grand Total	2,816,842	\$198,174,271	\$70.35	93,313	\$31,485,917	\$337.42

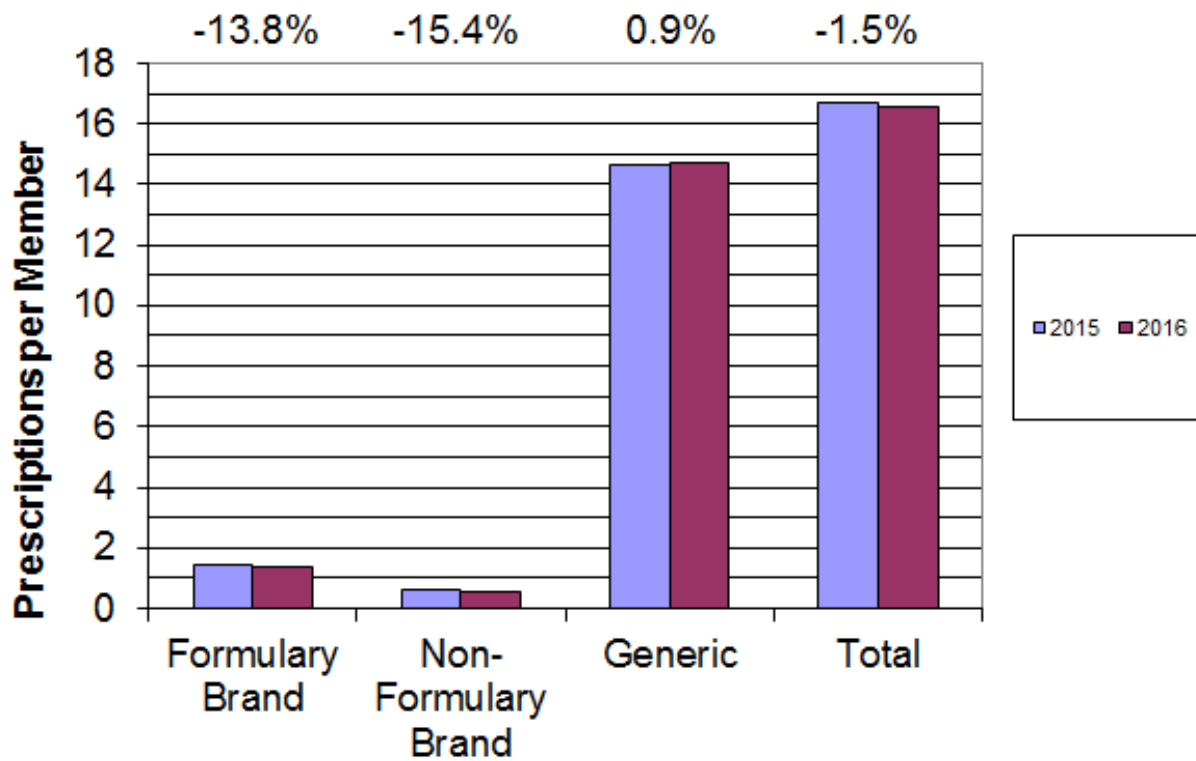
Drug Indicators by Highest Script Increase

Rank	Indicator	Formulary Cost Per Script	Non-Formulary Cost Per Script	Increase/ Decrease
14	Monophasic /Biphasic /Triphasic Agents	\$105.40	\$12,159.06	11436%
27	Miscellaneous Agents	21.14	452.85	2042%
38	Gout Therapy	12.20	213.41	1649%
21	Thyroid Hormones	17.08	266.12	1458%
37	Ace Inhibitors	53.11	666.34	1155%
10	Proton Pump Inhibitors	24.24	269.01	1010%
26	Nsaids	27.71	292.29	955%
9	Anticonvulsants	43.68	458.02	948%
40	Inhaled Corticosteroids	24.96	239.43	859%
12	Miscellaneous Antipsychotics	38.14	339.74	791%
20	Selective Serotonin Reuptake Inhibitors	32.86	207.00	530%
19	Angiotensin II Receptor Blockers & Renin Inhibitor	23.87	139.98	486%
29	Estrogens	100.82	564.17	460%
4	Lipid/Cholesterol Lowering Agents	53.86	288.17	435%
15	Anticoagulants	27.74	146.41	428%
5	Miscellaneous Pulmonary Agents	139.44	613.40	340%
7	Miscellaneous Neurological Therapy	1,212.38	5,077.92	319%
13	Antivirals	196.28	741.58	278%
2	Non-Insulin Hypoglycemic Agents	166.62	504.62	203%
30	Adrenergics	65.11	165.43	154%

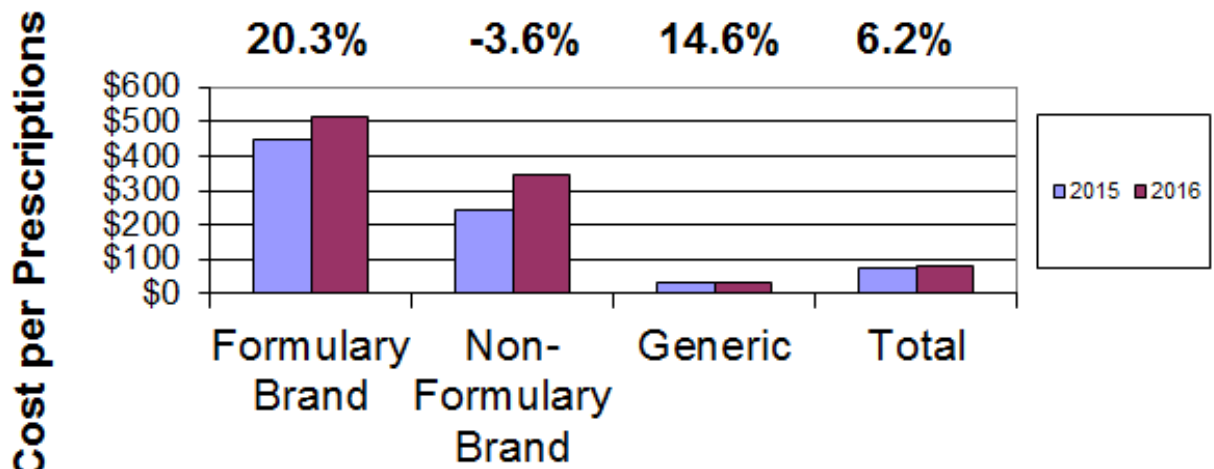
Drug Indicators by Highest Script Increase (continued)

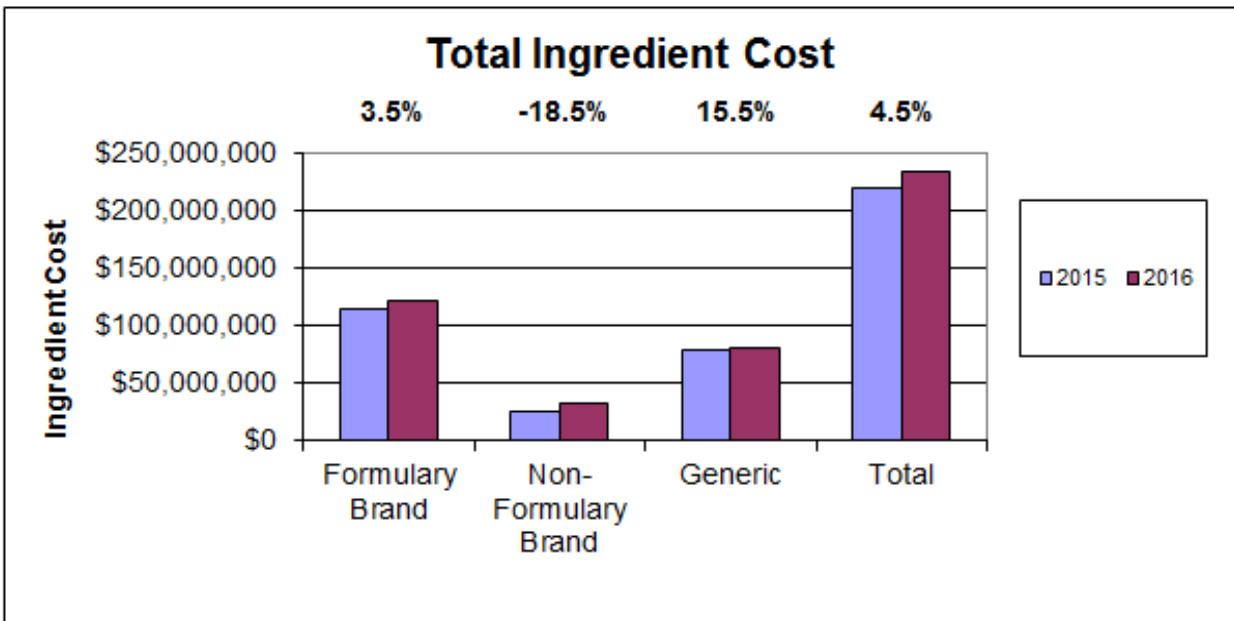
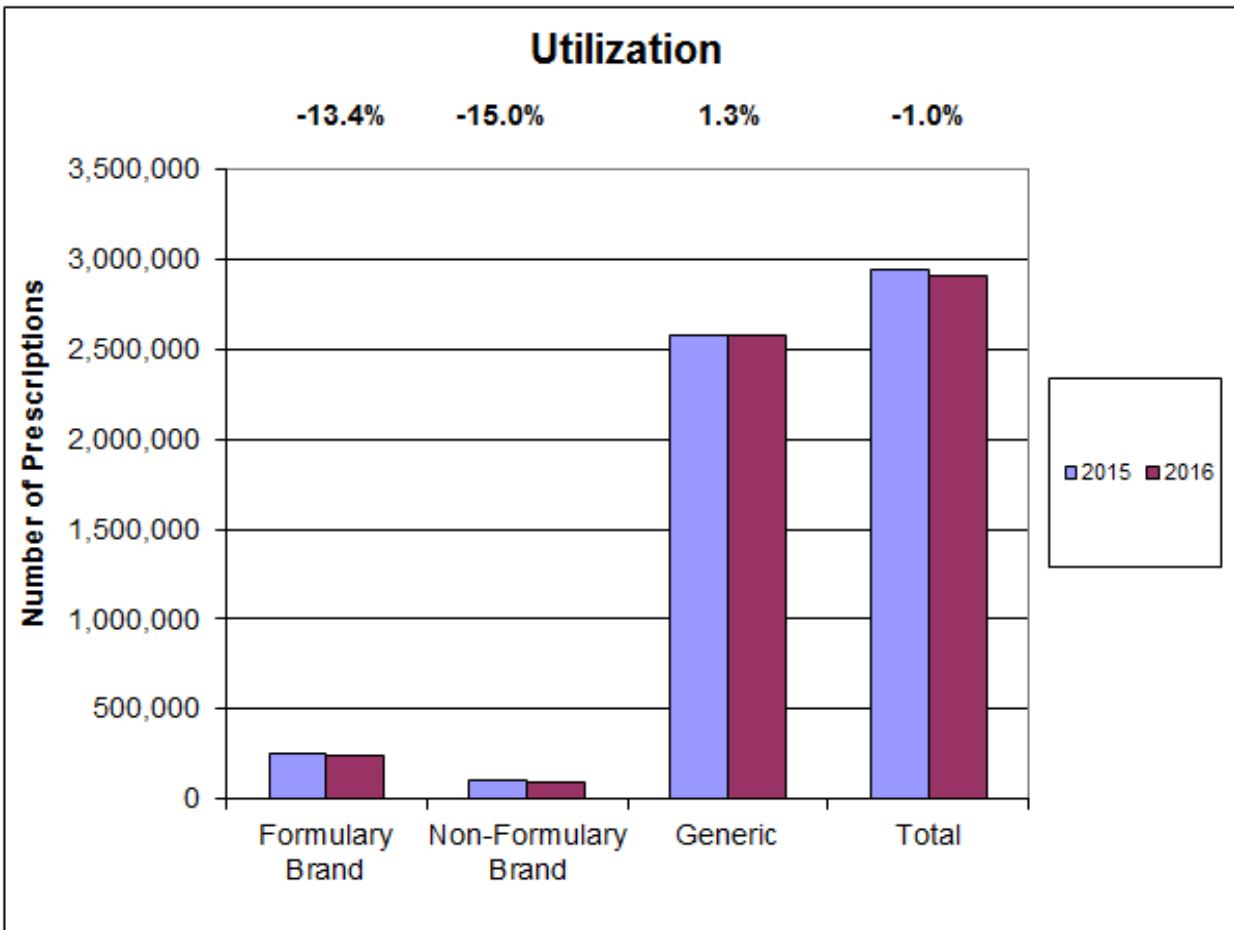
Rank	Indicator	Formulary Cost Per Script	Non-Formulary Cost Per Script	Increase/ Decrease
23	Therapy For Acne	2,198.05	5,466.70	149%
22	Growth Hormones	19.18	46.50	142%
24	Hiv/Aids Therapy	184.19	435.05	136%
28	Topical Corticosteroids	106.07	230.19	117%
	Miscellaneous Psychotherapeutic			
6	Agents	201.15	288.07	43%
8	Miscellaneous Antineoplastic Drugs	6,315.04	8,754.08	39%
16	Interferons	182.78	251.83	38%
	Miscellaneous Rheumatological			
3	Agents	3,249.65	3,921.18	21%
25	Combination Narcotic /Analgesics	1,725.74	1,969.98	14%
32	Miscellaneous Ophthalmologics	54.77	62.17	14%
36	Tetracyclines	30.76	33.35	8%
11	Miscellaneous Antidepressants	314.96	334.09	6%
	Blood Glucose Monitoring Devices &			
17	Supplies	5,306.38	5,541.08	4%
39	Other Antihypertensive Combinations	84.07	85.45	2%
	Muscle Relaxants & Antispasmodic			
35	Agents	68.54	453.52	0%
18	Beta Blockers	119.16	108.88	-9%
31	Beta Agonists Inhalers	537.11	458.31	-15%
1	Insulin Therapy	719.80	456.62	-37%
33	Androgens	291.36	164.37	-44%
34	Antiplatelet Drugs	294.10	137.81	-53%
	<u>All Other Indicators</u>	<u>31.80</u>	<u>231.79</u>	629%
	Grand Total	\$70.35	\$337.42	380%

Number of Prescriptions per Member



Ingredient Cost per Prescription





1 - INSULIN THERAPY

In FY 2016, the Insulin Therapy category was first in cost to PEIA with expenditure of \$26,960,555, which accounted for 11.7% of total expenditures. Formulary expenditures were \$25,745,022 or 95.5% of Diabetes expenditures and total expenditures had a 13.5% trend from 2015 to 2016.

The biggest driver for the 13.5% trend is the increase in the costs of Formulary Brand drugs. Of particular note is the top drug by Ingredient Cost which is Humalog, which saw a 13.7% increase in cost per prescription. While the percentage growth in Non-Formulary is large, the number of prescriptions is still dwarfed by the Formulary drugs in the Insulin Therapy category.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2015	2016	Growth	2015	2016	Growth	2015	2016	Growth
Humalog	Y	SSB	12,457	13,076	5.0%	\$690.97	\$785.89	13.7%	\$8,607,470	\$10,276,239	19.4%
Lantus	Y	SSB	12,656	12,603	-0.4%	631.01	635.46	0.7%	7,986,124	8,008,724	0.3%
Levemir	Y	SSB	8,098	8,068	-0.4%	691.22	751.75	8.8%	5,597,466	6,065,093	8.4%
Humulin	Y	SSB	2,125	2,020	-4.9%	548.44	690.58	25.9%	1,165,442	1,394,967	19.7%
Toujeo Solostar	N	SSB	0	1,104	NA	NA	543.90	NA	0	600,463	NA
<u>Subtotals</u>											
Generic	Yes	Generic	0	0	NA	NA	NA	NA	\$0	0	NA
Formulary Brand	Yes	Brand	35,336	35,767	1.2%	660.98	719.80	8.9%	23,356,502	25,745,022	10.2%
<u>Non-Formulary Brand</u>	<u>No</u>	<u>Brand</u>	<u>1,343</u>	<u>2,662</u>	<u>98.2%</u>	<u>308.23</u>	<u>456.62</u>	<u>48.1%</u>	<u>413,960</u>	<u>1,215,533</u>	<u>193.6%</u>
Total			36,679	38,429	4.8%	\$648.07	\$701.57	8.3%	\$23,770,461	\$26,960,555	13.4%
Trends Adjusted for Exposure					4.8%			8.3%			13.5%

2 - NON-INSULIN HYPOGLYCEMIC AGENTS

In FY 2016, the Non-Insulin Hypoglycemic Agents category was second in cost to PEIA with expenditure of \$23,326,082, which accounted for 10.2% of total expenditures overall. Formulary expenditures were \$20,468,402 or 87.7% of Inflammatory Conditions expenditures and total ingredient cost had a positive 31.6% trend.

Most noteworthy was the 1470.0% increase in Formulary Brand Total Ingredient Cost. The overall cost per prescription rose 20.2% while the cost per prescription for Formulary drugs rose 1109.0%.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2015	2016	Growth	2015	2016	Growth	2015	2016	Growth
Januvia	Y	SSB	9,448	9,825	4.0%	\$503.02	\$550.93	9.5%	\$4,752,506	\$5,412,884	13.9%
Invokana	Y	SSB	6,774	5,625	-17.0%	349.32	461.71	32.2%	2,366,273	2,597,127	9.8%
Janumet	Y	SSB	4,669	4,384	-6.1%	472.67	545.61	15.4%	2,206,919	2,391,960	8.4%
Metformin Hcl	Y	Gen	57,503	60,645	5.5%	22.87	33.04	44.4%	1,315,308	2,003,638	52.3%
Bydureon Pen	Y	SSB	3,478	2,926	-15.9%	576.75	625.04	8.4%	2,005,953	1,828,861	-8.8%
<u>Subtotals</u>											
Generic	Yes	Generic	35,518	90,732	155.5%	\$275.29	\$33.14	-88.0%	\$9,777,823	\$3,007,213	-69.2%
Formulary Brand	Yes	Brand	24,730	32,116	29.9%	44.97	543.69	1109.0%	1,112,143	17,461,189	1470.0%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>57,251</u>	<u>5,638</u>	<u>-90.2%</u>	<u>119.82</u>	<u>506.65</u>	<u>322.9%</u>	<u>6,859,577</u>	<u>2,856,515</u>	<u>-58.4%</u>
Total			117,499	128,486	9.4%	\$151.06	\$181.54	20.2%	\$17,749,543	\$23,324,916	31.4%
Trends Adjusted for Exposure					9.5%			20.2%			31.6%

3 - MISCELLANEOUS RHEUMATOLOGICAL AGENTS

In FY 2016, the Miscellaneous Rheumatological Agents indicator category was third in cost to PEIA with expenditure of \$22,067,381, which accounted for 9.6% of total expenditures. Formulary expenditures were \$20,953,766 or 95.8% of High Blood Pressure/Heart Disease's expenditures. Total expenditures had a 28.0% trend.

For this category, utilization trends contributed to the indicator's overall trend. Utilization is driven by formulary brand drugs, and unit cost has increased for formulary drugs.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2015	2016	Growth	2015	2016	Growth	2015	2016	Growth
Humira	Y	SSB	3,135	3,306	5.5%	\$3,271.35	\$3,997.86	22.2%	\$10,255,681	\$13,216,920	28.9%
Enbrel	Y	SSB	1,870	1,903	1.8%	3,071.68	3,791.82	23.4%	5,744,033	7,215,827	25.6%
Simponi	N	SSB	229	247	7.9%	3,198.06	3,626.87	13.4%	732,355	895,837	22.3%
Kineret	N	SSB	26	25	-3.8%	7,135.57	8,474.25	18.8%	185,525	211,856	14.2%
Savella	Y	SSB	844	694	-17.8%	242.83	298.10	22.8%	204,945	206,883	0.9%
<u>Subtotals</u>											
Generic	Yes	Generic	454	501	10.4%	\$97.52	\$184.62	89.3%	\$44,272	\$92,494	108.9%
Formulary Brand	Yes	Brand	5,901	5,947	0.8%	2,759.60	3,507.86	27.1%	\$16,284,374	20,861,272	28.1%
<u>Non-Formulary Brand</u>	<u>No</u>	<u>Brand</u>	255	<u>284</u>	<u>11.4%</u>	<u>3,599.53</u>	<u>3,921.18</u>	<u>8.9%</u>	<u>\$917,879</u>	<u>1,113,615</u>	<u>21.3%</u>
Total			6,610	6,732	1.8%	\$2,609.16	\$3,277.98	25.6%	\$17,246,525	\$22,067,381	28.0%
Trends Adjusted for Exposure					1.9%			25.6%			28.0%

4 - LIPID/CHOLESTEROL LOWERING AGENTS

In FY 2016, the Lipid/Cholesterol Lowering Agents indicator category was fourth in cost to PEIA with expenditure of \$10,184,388, which accounted for 4.4% of total expenditures overall. Formulary expenditures were \$9,458,487 or 98.6% of High Blood Cholesterol expenditures and total expenditures had a 0.7% trend.

This category has had a significant decrease of 24.1% for the utilization of non-formulary drugs, which was made up for by the increased cost per prescription of both Formulary (21.4%) and Non-Formulary (18.1%) drugs.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2015	2016	Growth	2015	2016	Growth	2015	2016	Growth
Zetia	Y	SSB	9,484	8,723	-8.0%	\$331.52	\$405.09	22.2%	\$3,144,131	\$3,533,571	12.4%
Atorvastatin Calcium	Y	Gen	50,594	57,918	14.5%	25.10	27.36	9.0%	\$1,269,706	1,584,636	24.8%
Fenofibrate	Y	Gen	16,682	16,803	0.7%	74.00	61.40	-17.0%	\$1,234,453	1,031,644	-16.4%
Simvastatin	Y	Gen	53,903	47,754	-11.4%	14.78	15.71	6.3%	\$796,886	750,188	-5.9%
Pravastatin Sodium	Y	Gen	26,289	26,143	-0.6%	28.36	23.01	-18.9%	\$745,656	601,625	-19.3%
<u>Subtotals</u>											
Generic	Yes	Generic	164,713	165,649	0.6%	\$34.99	\$33.21	-5.1%	\$5,763,779	\$5,501,339	-4.6%
Formulary Brand	Yes	Brand	10,825	9,965	-7.9%	327.16	397.10	21.4%	3,541,511	3,957,148	11.7%
<u>Non-Formulary Brand</u>	<u>No</u>	<u>Brand</u>	<u>3,317</u>	<u>2,519</u>	<u>-24.1%</u>	<u>243.94</u>	<u>288.17</u>	<u>18.1%</u>	<u>809,165</u>	<u>725,901</u>	<u>-10.3%</u>
Total			178,855	178,133	-0.4%	\$56.55	\$57.17	1.1%	\$10,114,456	\$10,184,388	0.7%
Trends Adjusted for Exposure					-0.4%			1.1%			0.7%

5 - MISCELLANEOUS PULMONARY AGENTS

In FY 2016, the Miscellaneous Pulmonary Agents indicator category was fifth in cost to PEIA with expenditure of \$10,075,775, which accounted for 4.4% of total expenditures. Formulary expenditures were \$8,887,000 or 97.0% of Asthma expenditures and total expenditures had a 4.2% trend, largely due to the fact that the utilization of Generics and Non-Formulary drugs rose 6.5% and 39.6% respectively. Asthma formulary utilization decreased 11.3% in fiscal year 2016 while the cost per formulary brand prescriptions rose 10.0%.

Drug	Current Formulary Status	Current Brand/ Generic	Number of Prescriptions			Ingredient Cost Per Prescription			Total Ingredient Cost		
			2015	2016	Growth	2015	2016	Growth	2015	2016	Growth
Symbicort	Y	SSB	9,945	9,260	-6.9%	\$308.97	\$332.27	7.5%	\$3,072,741	\$3,076,781	0.1%
Montelukast Sodium	Y	Gen	43,290	46,235	6.8%	24.89	25.78	3.6%	1,077,313	1,192,111	10.7%
Kalydeco	Y	SSB	30	44	46.7%	24,990.58	23,530.15	-5.8%	749,717	1,035,326	38.1%
Dulera	Y	SSB	3,139	2,839	-9.6%	297.27	324.75	9.2%	933,129	921,972	-1.2%
Tudorza Pressair	Y	SSB	1,225	1,774	44.8%	334.68	352.55	5.3%	409,984	625,416	52.5%
<u>Subtotals</u>											
Generic	Y	Generic	44,962	47,877	6.5%	\$29.17	\$27.21	-6.7%	\$1,311,449	\$1,302,884	-0.7%
Formulary Brand	Y	Brand	17,870	15,855	-11.3%	434.82	478.34	10.0%	7,770,225	7,584,116	-2.4%
<u>Non-Formulary Brand</u>	<u>N</u>	<u>Brand</u>	<u>1,388</u>	<u>1,938</u>	<u>39.6%</u>	<u>426.72</u>	<u>613.40</u>	<u>43.7%</u>	<u>592,290</u>	<u>1,188,775</u>	<u>100.7%</u>
Total			64,220	65,670	2.3%	\$150.64	\$153.43	1.9%	\$9,673,965	\$10,075,775	4.2%
Trends Adjusted for Exposure					2.3%			1.9%			4.2%