



San Joaquin Valley Insurance Authority

EmpiRx Health Pharmacy Benefit

6 Month Review

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Executive Summary

Drug Trends

- The average cost per member per month is \$144
- The average member cost is \$12
- Specialty drugs account for 27% of the SJVIA's plan cost
- Generic dispense rate is 85%

Clinical Programs

- SJVIA 1Q clinical savings valued at \$1.1M
- Over \$5K in manufacturer copay assistance obtained for more than 18 members

Performance Guarantees

- Service and operational performance guarantees were achieved

SJVA Plan Experience: PMPM Costs

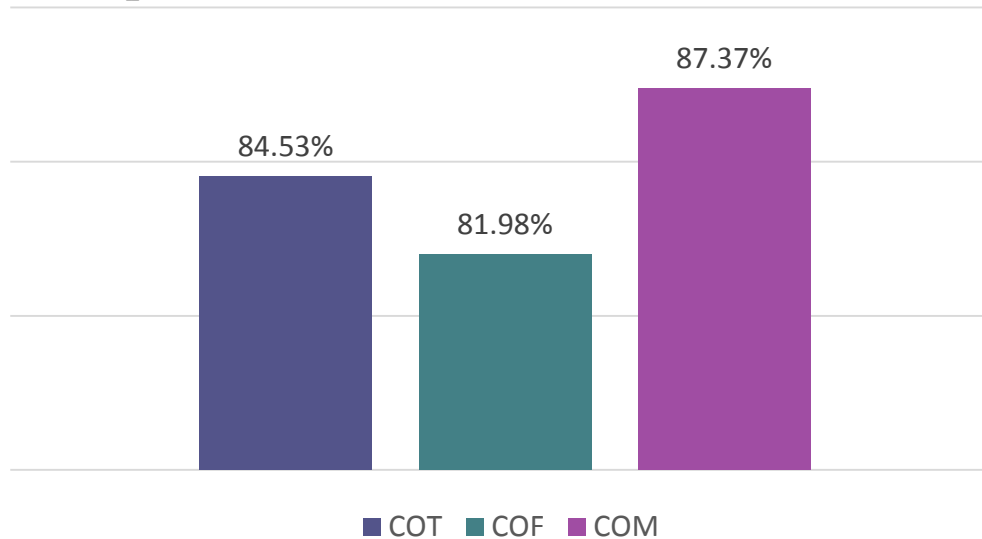
- The average plan cost per member per month (PMPM) is \$144
- The average member cost per month is \$12
- Plan cost = \$9.1M
- Member cost share = \$777K
 - 7.83% of the overall plan cost

Jan-June 2018	COT	COF	COM	SJVA
Member Cost PMPM	\$14.65	\$10.98	\$8.73	\$12.28
Plan Cost PMPM	\$167.41	\$132.74	\$66.90	\$144.57
Member Cost Share	\$334,021.79	\$437,262.02	\$5,602.14	\$776,885.95
Plan Cost	\$3,816,552.05	\$5,283,900.17	\$42,952.52	\$9,143,404.74

SJVIA Plan Experience: GDR

- The generic dispensing rate (GDR) averages **84.63%**, which is in line with the industry average

GDR % by Group



SJVIA Plan Experience: Specialty Trends

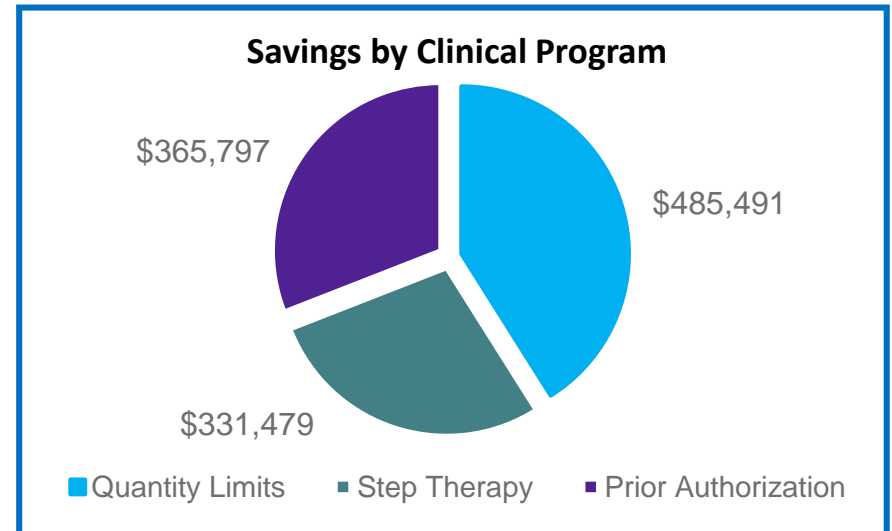
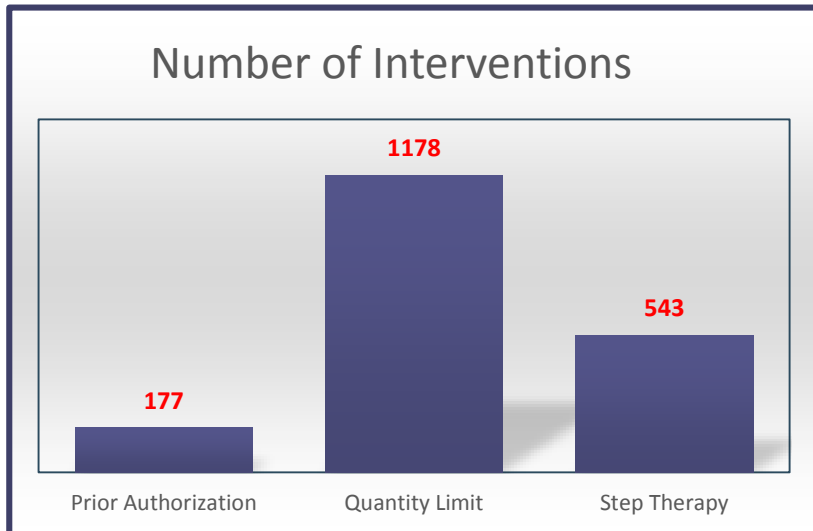
- Specialty drugs treat complex medical conditions and are especially costly
- While only a very small percentage of members require these drugs, they comprise on average **33%** of the cost of prescription benefit plans
- These costs are expected to rise to about **50%** of total prescription drug costs over the next two to three years
- The SJVIA specialty cost currently represents **27.28%** of the plan cost

SJVIA Specialty Plan Cost by Group

Group	Plan Cost	# Claims	% of Plan Cost
COT	\$1,241, 919.76	283	32.46%
COF	\$1,238,292.51	426	23.37%
COM	\$14,940.22	10	33.39%
SJVIA	\$2,495,152.49	719	27.28%

Clinical Intervention Summary

- SJVIA Clinical Care Management Program
 - Prior Authorization: Implemented 01/01/18 for new utilizers and Grandfathered for 1 year
 - Step Therapy: Implemented 01/01/18 for new utilizers and Grandfathered indefinitely
 - Quantity Level Limit: Implemented 01/01/18 for current and new utilizers
- Clinical Savings Guarantee: \$\$1,850,000 for Year 1
- Estimated Clinical Savings as of March 31, 2018: \$1,182,766
- Clinical interventions by EmpiRx Health Clinicians, resulted in clinical savings; utilizers switching to more appropriate therapy and adding significant savings for both plan and member.



Clinical values reported are estimates based on data obtained before clinical reconciliation and do not reflect all savings achieved from clinical interventions. Final clinical value will be reconciled per contractual terms to include all outbound interventions.

Clinical Tracker Methodology

- The Clinical Tracker is designed to capture savings attributed to EmpiRx Health Clinical Care Management Programs:
 - Prior Authorization
 - Step Therapy
 - Quantity Level Limit
- The values provided on the EmpiRx reports or at a quarterly/bi-annual reviews are **estimates**.
- The Clinical Savings Tracker is reconciled post 90 days from the initial rejected claim date.
- Final reconciliation is completed by our clinicians 120 days post contract year. This secondary review is completed by EmpiRx Health Clinicians to validate the clinical savings identified by the Clinical Tracker.
- We continue monitoring our savings and interventions for future paid claims to identify any changes needed in final savings (e.g. Hep C therapies might get approval post 90 day look forward period and will require removal of clinical savings from original estimate).

Clinical Savings PA Summary

Prior Authorization (PA) – *Implemented 01/01/2018: Grandfathered existing utilizers for 12 months.* EmpiRx Health's clinical prior authorization program utilizes online claim adjudication edits to prevent claim payment until we have assessed the patient's drug history and/or current diagnosis through communication with the member's physician(s), ensuring appropriate and safe utilization of the medication.

Prior Authorization

Rx: Afinitor 5mg

- Existing member new Rx
- Claim reviewed for clinical appropriateness by our Clinical Team
- Found inappropriate due to non-FDA approved indication
- Case was also reviewed and upheld by an IRO (independent review organization)

Savings (est.): \$48,802.98

Prior Authorization

Rx: Harvoni 90-400mg

- Existing member new Rx
- PA documentation was not provided by physician with original request
- Request was re-initiated and currently under review
- Our clinical team is in active communication with prescriber to obtain information necessary for clinical determination
- Case is actively monitored and saving will be adjusted accordingly

Savings (est.): \$98,658.00

Prior Authorization

Rx: Diclofex DC Kit

- Existing member new Rx
- High cost topical product kit
- Upon review, we identified dispensing compounding pharmacy attempting to process various types of high cost topical products
- All claims stopped for review
- Pharmacy outreach completed for alternative and advised to submit documentation needed for clinical review
- No documentation provided

Savings (est.): \$17,275.38

Clinical Savings ST Summary

Step Therapy(ST) *Implemented 01/01/2018: Grandfathered existing utilizers for 12 months.*

Requires members to use a clinically-appropriate, lower-cost alternative prior to getting the second-line or higher-cost medication within the same therapeutic class.

Step Therapy

Rx: Glumetza 1000mg

- Existing member new Rx
- Rejected claim reviewed for clinical appropriateness.
- Claim was denied due lack of documentation of trail and failure of 1st line agent
- Our clinician had a conversation with the prescriber and he approved a switch to a clinically effective and lower cost generic metformin

Savings (est.): \$25,500.66

Step Therapy

Treximet 85-500mg

- Existing member new Rx
- Rejected claim reviewed for clinical appropriateness.
- Claim was denied due lack of documentation of trail and failure of 1st line agent
- Clinical team provided lower cost and clinically effective alternative for generic combination of Treximet (Sumatriptan and Naproxen)

Savings (est.): \$18,655.03

Step Therapy

Rx: Kerydin solution

- Existing member new Rx
- This claim was reviewed for clinical appropriateness
- Claim was denied due lack of documentation of trail and failure of 1st line agent
- Clinical team provided lower cost and clinically effective alternative and prescriber switched to Ketoconazole

Savings (est.): \$3,037

Clinical Savings QL Summary

Quantity Limit (QL) *Implemented 01/01/2018: no Grandfathering.*

Quantity limits are approved by our P&T Committee and follow the standard FDA-approved dosing for that product.

Quantity Limit

Rx: Copaxone Inj 40mg/ml

- Pharmacy submitted a clinically inappropriate quantity and day supply
- EmpiRx Health QL program stopped the claim for review & subsequent clinically appropriate qty/day supply resubmission
- Prescription was changed to appropriate quantity and days supply

Savings (est.): \$73,063

Quantity Limit

Rx: Cialis 20 mg tablet (30 tablets for 30 days)

- Pharmacy submitted a clinically inappropriate quantity and day supply
- Cialis 2.5 mg and 5 mg daily dose is only FDA approved for BPH
- The claim was reviewed and approved for quantity of 6 tablets for 30 days supply as per benefit design

Savings (est.): \$4,593

Quantity Limit

Rx: Nexium 40mg

- Pharmacy submitted a clinically inappropriate quantity and day supply (two per day)
- Claim was reviewed for appropriateness and was approved for the recommended daily dosing

Savings (est.): \$1,455

Clinical Savings Examples

AlertRx: Proactive Plan News Flash

Date: March 21, 2018

Details: The prescriber requested GLUMETZA TAB 1000MG.

Identified: GLUMETZA TAB 1000MG was switched to METFORMIN TAB 500MG ER. This switch is clinically effective with savings to the client.

Action: The Clinical Pharmacy Team had a discussion with the MD, and it was determined switching the medication is clinically appropriate.

Outcome: By switching to METFORMIN TAB 500MG ER, the estimated Semi-Annual Savings is \$34,318.

- GLUMETZA TAB 1000MG; 180/90 days; Potential Semi-Annual Cost is \$34,486 (2 fills *\$17,243)
- METFORMIN TAB 500MG ER; 120/30days; Potential Semi-Annual Cost is \$168 (6 fills *\$28)

Next Steps: The EmpiRx Clinical Team will follow up to ensure member is adhering to METFORMIN TAB 500MG ER and ensure it continues to be a clinically appropriate treatment.

This is informational only.

AlertRx: Proactive Plan News Flash

Date: January 31, 2018

Details: The prescriber requested Metformin ER (Glucophage XR) 500mg.

Identified: Metformin ER (Glumetza) 1000 mg was switched to Metformin ER (Glucophage XR) 500 mg. This switch is clinically effective with savings to the client.

Action: The Clinical Pharmacy Team had a discussion with the MD, and it was determined switching the medication is clinically appropriate.

Outcome: By switching to Metformin ER (Glucophage XR), the estimated annual savings is \$68,739.24

- Metformin ER (Glumetza) 1000mg: 180/90days \$ 17,292.61
Potential yearly cost (based on 4 fills): \$ 69,170.44
- Metformin ER (Glucophage XR) 500mg: 360/90days \$ 107.80
Potential yearly cost (based on 4 fills): \$ 431.20

Next Steps: The EmpiRx Clinical Team will follow up to ensure member is adhering to Metformin ER (Glucophage XR), and ensure it continues to be a clinically appropriate treatment.

This is informational only.

Proactive oversight provides clients and advisors with critical insight on daily claims data and industry news to ensure maximum plan efficiency.

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Performance Guarantees: Q1 Results

Service Description	Performance Guarantee	Performance Q1
Plan Design Set Up	98% of Plan specifications and Formulary information will be set up and accurately loaded into the EmpiRx system by the Sponsor implementation date.	100%
Member Communication Materials	98% of Covered Persons will receive ID Cards and welcome kits within 5 business days of the Sponsor implementation date.	100%
Electronic Claims Processing Accuracy	98% or more of all point-of-service Claims will be processed and paid with no errors.	100%
Electronic Claims Processing TAT	90% of all Claims submitted by a Network Pharmacies through the EmpiRx system will be received, processed, and messaged back to the pharmacy within 3 seconds.	0.5
Eligibility Changes	96% of eligibility change and update files will be loaded accurately into the EmpiRx system by 5PM EST each day; within 48 hours of receipt of a clean file.	99.90%
First Call Resolution	95% of all Covered Persons inquiries will be resolved on the first contact. Resolved means that the Covered Person did not call back within 48 hours of the initial call.	99.31%
Mail Order Pharmacy Prescription Dispensing Accuracy	99% of Covered Drugs mailed by the mail order Network Pharmacy to Covered Persons on an annual basis will be the correct drug, at the correct strength, and the correct dosage (excluding errors by the prescriber).	100%
Mail Order Pharmacy Service TAT (Clean Claims)	99% of Covered Drugs mailed by the mail order Network Pharmacy to Covered Persons on an annual basis shall be dispensed and mailed within	99.51%
	2 business days of receipt of a clean Claim, excluding specialty drug Claims.	

Performance Guarantees: Q1 Results (cont)

Service Description	Performance Guarantee	Performance Q1
Standard Report Delivery	98% of all reports due Sponsor will be delivered within 2 business days of their due date.	98%
Average Speed of Answer	Member calls received during each calendar year will be answered on average within 30 seconds with the exception of a failure of a third-party communications system.	0.16
Abandonment Rate	Less than 5% of Covered Person calls, once a call has entered the queue.	2.00%
Plan Design Changes	98% of all Plan specifications and Formulary changes will be made and accurately loaded into the EmpiRx system within 5 business days.	100%
EmpiRx System Availability	98% of each calendar year, the EmpiRx system will be available 24 hours per day, 7 days per week (excluding scheduled system maintenance).	100%

Appendix

SJVIA – Combined Totals

CLIENT: SJVIA - COMBINED
YEAR: 2018

	JAN	FEB	MAR	APR	MAY	JUN	TOTALS/AVGS
Member Cost	\$136,049.65	\$125,039.21	\$133,997.14	\$129,872.57	\$134,307.92	\$117,619.46	\$776,885.95
Plan Cost	\$1,519,790.53	\$1,452,804.83	\$1,622,786.81	\$1,492,800.29	\$1,595,587.20	\$1,459,635.08	\$9,143,404.74
Member Cost Share	8.22%	7.92%	7.63%	8.00%	7.76%	7.46%	7.83%
Utilizers	3,878	3,953	4,107	4,034	4,101	3,875	3,991
Non-Utilizers	6,716	6,613	6,444	6,460	6,395	6,669	6,550
All Members	10,594	10,566	10,551	10,494	10,496	10,544	10,541
Gross Cost PMPM	\$156.30	\$149.33	\$166.50	\$154.63	\$164.81	\$149.59	\$156.85
Member Cost PMPM	\$12.84	\$11.83	\$12.70	\$12.38	\$12.80	\$11.16	\$12.28
Plan Cost PMPM	\$143.46	\$137.50	\$153.80	\$142.25	\$152.02	\$138.43	\$144.57
Days Supply	417,035	376,031	403,569	414,455	420,703	383,813	2,415,606
Average Days Supply	38.36	37.62	37.67	40.53	40.32	40.86	39.19
Claim Count	10,871	9,996	10,713	10,226	10,435	9,394	61,635
Generic Dispensing Rate	84.18%	86.79%	84.01%	84.81%	85.25%	82.71%	84.63%
Specialty Claim Count	113	111	137	109	129	120	719
Specialty Plan Cost	\$340,844.32	\$433,729.21	\$464,107.99	\$366,996.59	\$467,723.74	\$421,750.64	\$2,495,152.49
Specialty Plan Cost Per Rx	\$3,016.32	\$3,907.47	\$3,387.65	\$3,366.94	\$3,625.77	\$3,514.59	\$3,470.31
Specialty Plan Cost Percent	22.43%	29.85%	28.60%	24.58%	29.31%	28.89%	27.28%
Specialty Plan Cost PMPM	\$32.17	\$41.05	\$43.99	\$34.97	\$44.56	\$40.00	\$39.45
Mail Order Claim Count	123	110	126	127	122	125	733
Mail Order Penetration Rate	1.13%	1.10%	1.18%	1.24%	1.17%	1.33%	1.19%

SJVIA – County of Tulare

CLIENT: SJVIA - TULARE
YEAR: 2018

	JAN	FEB	MAR	APR	MAY	JUN	TOTALS/AVGS
Member Cost	\$57,424.52	\$52,823.95	\$57,761.05	\$56,125.30	\$58,383.88	\$51,503.09	\$334,021.79
Plan Cost	\$605,098.34	\$626,710.03	\$645,722.88	\$635,691.75	\$656,429.33	\$646,899.72	\$3,816,552.05
Member Cost Share	8.67%	7.77%	8.21%	8.11%	8.17%	7.37%	8.05%
Utilizers	1,443	1,563	1,596	1,616	1,612	1,528	1,560
Non-Utilizers	2,344	2,218	2,188	2,171	2,214	2,304	2,240
All Members	3,787	3,781	3,784	3,787	3,826	3,832	3,800
Gross Cost PMPM	\$174.95	\$179.72	\$185.91	\$182.68	\$186.83	\$182.26	\$182.07
Member Cost PMPM	\$15.16	\$13.97	\$15.26	\$14.82	\$15.26	\$13.44	\$14.65
Plan Cost PMPM	\$159.78	\$165.75	\$170.65	\$167.86	\$171.57	\$168.82	\$167.41
Days Supply	163,999	157,816	161,839	168,230	174,521	157,640	984,045
Average Days Supply	37.32	37.41	36.92	40.05	40.20	40.27	38.66
Claim Count	4,394	4,218	4,383	4,201	4,341	3,915	25,452
Generic Dispensing Rate	84.46%	84.76%	84.92%	84.10%	84.17%	84.75%	84.53%
Specialty Claim Count	37	49	48	41	59	49	283
Specialty Plan Cost	\$144,658.04	\$233,171.26	\$211,059.84	\$199,260.51	\$225,135.42	\$228,634.69	\$1,241,919.76
Specialty Plan Cost Per Rx	\$3,909.68	\$4,758.60	\$4,397.08	\$4,860.01	\$3,815.85	\$4,666.01	\$4,388.41
Specialty Plan Cost Percent	23.91%	37.21%	32.69%	31.35%	34.30%	35.34%	32.46%
Specialty Plan Cost PMPM	\$38.20	\$61.67	\$55.78	\$52.62	\$58.84	\$59.66	\$54.48
Mail Order Claim Count	73	57	68	77	74	61	410
Mail Order Penetration Rate	1.66%	1.35%	1.55%	1.83%	1.70%	1.56%	1.61%

SJVIA – County of Fresno

CLIENT: SJVIA - FRESNO
YEAR: 2018

	JAN	FEB	MAR	APR	MAY	JUN	TOTALS/AVGS
Member Cost	\$77,838.95	\$71,218.29	\$75,188.57	\$72,897.65	\$74,957.34	\$65,161.22	\$437,262.02
Plan Cost	\$909,656.21	\$818,415.24	\$968,043.36	\$850,922.34	\$932,110.85	\$804,752.17	\$5,283,900.17
Member Cost Share	7.88%	8.01%	7.21%	7.89%	7.44%	7.49%	7.64%
Utilizers	2,403	2,359	2,478	2,386	2,456	2,319	2,400
Non-Utilizers	4,293	4,316	4,179	4,214	4,112	4,291	4,234
All Members	6,696	6,675	6,657	6,600	6,568	6,610	6,634
Gross Cost PMPM	\$147.48	\$133.28	\$156.71	\$139.97	\$153.33	\$131.61	\$143.73
Member Cost PMPM	\$11.62	\$10.67	\$11.29	\$11.05	\$11.41	\$9.86	\$10.98
Plan Cost PMPM	\$135.85	\$122.61	\$145.42	\$128.93	\$141.92	\$121.75	\$132.74
Days Supply	250,692	215,085	238,966	244,169	243,176	223,487	1,415,575
Average Days Supply	39.12	37.73	38.25	40.98	40.41	41.30	39.60
Claim Count	6,409	5,701	6,247	5,958	6,018	5,411	35,744
Generic Dispensing Rate	81.32%	82.09%	81.58%	82.26%	82.12%	82.50%	81.98%
Specialty Claim Count	73	61	87	67	69	69	426
Specialty Plan Cost	\$196,150.72	\$197,581.69	\$250,059.69	\$164,759.82	\$239,612.06	\$190,128.53	\$1,238,292.51
Specialty Plan Cost Per Rx	\$2,687.00	\$3,239.04	\$2,874.25	\$2,459.10	\$3,472.64	\$2,755.49	\$2,906.79
Specialty Plan Cost Percent	21.56%	24.14%	25.83%	19.36%	25.71%	23.63%	23.37%
Specialty Plan Cost PMPM	\$29.29	\$29.60	\$37.56	\$24.96	\$36.48	\$28.76	\$31.11
Mail Order Claim Count	50	50	58	50	45	64	317
Mail Order Penetration Rate	0.78%	0.88%	0.93%	0.84%	0.75%	1.18%	0.89%

SJVIA – City of Marysville

CLIENT: SJVIA - MARYSVILLE
YEAR: 2018

	JAN	FEB	MAR	APR	MAY	JUN	TOTALS/AVGS
Member Cost	\$786.18	\$996.97	\$1,047.52	\$849.62	\$966.70	\$955.15	\$5,602.14
Plan Cost	\$5,035.98	\$7,679.56	\$9,020.57	\$6,186.20	\$7,047.02	\$7,983.19	\$42,952.52
Member Cost Share	13.50%	11.49%	10.40%	12.08%	12.06%	10.69%	11.54%
Utilizers	32	31	33	32	33	28	32
Non-Utilizers	79	79	77	75	69	74	76
All Members	111	110	110	107	102	102	107
Gross Cost PMPM	\$52.45	\$78.88	\$91.53	\$65.76	\$78.57	\$87.63	\$75.63
Member Cost PMPM	\$7.08	\$9.06	\$9.52	\$7.94	\$9.48	\$9.36	\$8.73
Plan Cost PMPM	\$45.37	\$69.81	\$82.01	\$57.81	\$69.09	\$78.27	\$66.90
Days Supply	2,344	3,130	2,764	2,056	3,006	2,686	15,986
Average Days Supply	34.47	40.65	33.30	30.69	39.55	39.50	36.41
Claim Count	68	77	83	67	76	68	439
Generic Dispensing Rate	86.76%	93.51%	85.54%	88.06%	89.47%	80.88%	87.37%
Specialty Claim Count	3	1	2	1	1	2	10
Specialty Plan Cost	\$35.56	\$2,976.26	\$2,988.46	\$2,976.26	\$2,976.26	\$2,987.42	\$14,940.22
Specialty Plan Cost Per Rx	\$11.85	\$2,976.26	\$1,494.23	\$2,976.26	\$2,976.26	\$1,493.71	\$1,494.02
Specialty Plan Cost Percent	0.71%	38.76%	33.13%	48.11%	42.23%	37.42%	33.39%
Specialty Plan Cost PMPM	\$0.32	\$27.06	\$27.17	\$27.82	\$29.18	\$29.29	\$23.27
Mail Order Claim Count	0	3	0	0	3	0	6
Mail Order Penetration Rate	0.00%	3.90%	0.00%	0.00%	3.95%	0.00%	1.37%

Thank You!