

August 27, 2021

SJVIA Board Meeting: Consultant's Report - EmpiRx Q2 2021 Utilization

SJVIA- EmpiRx Health - Q2 2021 Highlights:

- SJVIA's total plan cost increased in Q2 2021 by 14.16% to **\$5,072,541**
 - Tulare: \$2,057,651 in Plan Cost
 - Fresno: \$3,014,890 in Plan Cost
 - The increase in plan spend can be attributed to increased utilization
 - There was an increase of 6.48% in plan cost when comparing Q2 2020 (\$4,763,678) to Q2 2021 (\$5,072,541)
- Majority of the SJVIA members continue to fill scripts at retail
 - Retail scripts account for 98.60% of plan spend
- Overall, the claims volume in Q2 2021 increased in all channels apart from Retail90 Brand
 - The majority of SJVIA members (82.3% of scripts) are filling in the Retail Generic or Retail90 channel
- The Generic Dispensing Rate (GDR) continues to trend well for SJVIA in all channels
 - The GDR increased slightly in the Retail90 channel
 - The Mail Generic dispensing rate decreased slightly in Q2 2021 to 87.83% from 88.94% in Q1 2021
 - The GDR excludes specialty
- Q2 2021 Specialty plan spend increased compared to previous quarters
 - The spend shift can be mostly attributed to the Specialty channel seeing a significant increase in utilization for Q2
 - Specialty Plan Costs in Q2: \$2,003,006 (39.49% of plan spend)
 - Specialty Plan cost in Q1 2021: \$1,392,121
 - There was a year over year increase in specialty plan cost when comparing Q2 2020 (\$1,572,007) to Q2 2021 (\$2,003,006)
- Specialty claims volume increased with new utilization in Q2 2021
 - 537 Scripts filed in Q2 2021
 - 477 Scripts filled in Q4 2020
 - 520 Scripts filled in Q2 2020
 - SJVIA specialty plan costs (39.5% of total cost) trends above the EmpiRx book of business national average range (30%-35%)
- Top clinical cost drivers by Therapeutic Class
 - ANALGESICS - ANTI-INFLAMMATORY
 - ANTIDIABETICS
 - DERMATOLOGICALS
 - RESPIRATORY AGENTS- MISC.
 - ANTINEOPLATICS AND ADJUNCTIVE THERAPIES
 - ANTIPSYCHOTICS/ANTIMANIC AGENTS

- Top Clinical Cost Drivers by Drug (Q2 2021):
 - HUMIRA PEN (ANALGESICS - ANTI-INFLAMMATORY)
 - 2021 (Q2) ingredient costs: \$452,893.41
 - 16 Utilizers (3 additional utilizers than Q1)
 - TRULICITY (ANTIDIABETICS)
 - 2021 (Q2) ingredient costs: \$418,515.71
 - 101 Utilizers (12 additional utilizers than Q1)
 - OZEMPIC (ANTIDIABETICS)
 - 2021 (Q2) ingredient costs: \$230,748.09
 - 72 Utilizers (20 additional utilizers than Q1)
 - TREMFYA (DERMATOLOGICALS)
 - 2021 (Q2) ingredient costs: \$208,157.29
 - 8 Utilizers (2 additional utilizers than Q1)
 - JARDIANCE (ANTIDIABETICS)
 - 2021 (Q2) ingredient costs: \$207,835.86
 - 84 Utilizers (10 additional utilizers than Q1)
 - JANUVIA (ANTIDIABETICS)
 - 2021 (Q2) ingredient costs: \$205,720.26
 - 97 Utilizers (22 additional utilizers than Q1)
 - DUPIXENT (DERMATOLOGICALS)
 - 2021 (Q2) ingredient costs: \$180,038.34
 - 13 Utilizers (3 additional utilizers than Q1)
 - TRIKAFTA (RESPIRATORY AGENTS- MISC)
 - 2021 (Q2) ingredient costs: \$174,632.92
 - 1 Utilizer

Note: Specialty medications require a prior authorization before they can be filled.

- Rebates:
 - Q1 2021 estimated net rebate amount is \$619,674
 - Beginning with the fourth quarter of 2020, rebates will be paid within 120 days following the end of the applicable quarter
- Clinical savings guarantee for 18 months: \$1,500,000
 - Prorated Clinical Guarantee (Q3 2020-Q4 2021): \$750,000
 - Q3 2020 - Q1 2021 Estimated Clinical Savings Performance: \$3,109,777

KPS Audit

KPS conducts a yearly financial audit of EmpiRx clinical savings, Average Wholesale Price (AWP) discounts and rebate performance against the client's aggregate contractual guarantees.

2021 EmpiRx Renewal

KPS 2021 renewal negotiations with EmpiRx Health (EH) will potentially provide \$4.2 million in saving for SJVIA over the next 2.5 years. KPS negotiated additional rebate payout improvement and deeper discounts guarantees.