

FELRA & UFCW VEBA Fund

Managed Pharmacy Report

June 23, 2023

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Executive Summary

- 2022 calendar year (CY) trend for the FELRA & UFCW VEBA Fund ('Fund') compared to CY 2021:
 - Actives increased by 1% year over year (YoY).
 - Retirees decreased by **17.7%** YoY.
- Q'1 2023 trend compared to Q'1 2022:
 - Actives decreased by **16.3%**.
 - Retirees decreased by **7.7%**.
- 2023 COVID-19 OTC Test Kit utilization continues to be higher than labor peer groups:
 - January 1 through May 11: \$211,043 net plan cost.
 - May 12 through June 1, 2023: \$7,090 net plan cost.
- The following pages contain additional detail on these metrics.

2022 v 2021 Key Performance Indicators

Actives

- Performance is adjusted for rebates, SaveOnSP fees and savings.
- Membership decreased by **7%**; the number of utilizing members decreased by **3%**.
- YoY Drug Trend (Adjusted) increased by 1%.

Key Performance Indicators			
	CY 2022	CY 2021	% Change
Total Members	15,291	16,435	-7%
Percent Members Utilizing Benefit	80.8%	83.7%	-3%
Total AWP	\$ 64,687,765	\$63,188,426	2%
Gross Cost after Discounts, Dispensing Fees, Taxes	\$33,688,840	\$33,178,624	2%
Member Cost Share	\$1,673,023	\$1,684,801	-0.7%
SaveOnSP Gross Savings	\$2,426,585	\$ 2,035,431	19%
Plan Cost	\$29,589,232	\$29,458,392	0.4%
SaveOnSP Fees*	\$1,007,515	\$604,768	67%
Plan Cost	\$ 30,596,747	\$30,063,161	2%
Rebates**	\$7,204,800	\$5,174,385	39%
Adjusted Net Plan Cost	\$23,391,947	\$24,888,776	-6%
Adjusted Net Plan Cost PMPM	\$ 127.48	\$126.20	1%

*Includes Program and Tertiary Fees

**Estimates based on utilization; actual results may vary.

2022 v 2021 Top 10 Drugs by Net Plan Cost PMPM Actives

- The **Humira Pen** continues to be #1, increasing in PMPM costs by 6%.
- **Specialty drugs**, shown in orange font, comprise 5 of the top 10 drugs
 - **Ozempic** had the most significant YoY increase at 45%.
 - Prior Authorization for GLP-1s became effective Jan 1, 2023.
- **OTC test kits** ranked #8 (no previous rank).

Top 10 Drugs by Net Plan Cost						
2022 Rank	2021 Rank	Drug Name	Indication	2022 Net Cost PMPM	2021 Net Cost PMPM	% Change
1	1	Humira Pen	Inflammatory Conditions	\$8.34	\$7.86	6%
2	2	Ractivi	Enzyme Deficiencies	\$6.53	\$5.86	11%
3	3	Trulicity	Diabetes	\$5.30	\$5.21	2%
4	7	Revlimid	Cancer	\$3.84	\$2.80	37%
5	9	Ozempic	Diabetes	\$3.69	\$ 2.55	45%
6	6	Jardance	Diabetes	\$3.68	\$ 3.02	22%
7	5	Biktarvy	HIV	\$3.63	\$3.39	7%
8		Flowflex Covid-19 AG Test Kits	Diagnostic Aids	\$3.12	-	-
9	8	Eliquis	Anticoagulant	\$3.04	\$ 2.67	14%
10	4	Stelara	Inflammatory Conditions	\$2.83	\$3.53	-20%

2022 v 2021 Top PMPM Plan Costs by Indication Actives

- **Diabetes** costs continues to rank #1 with a **.4%** YoY increase.
- **Cancer** costs showed the most significant YoY increase at 11%.
- **HIV** costs increased YoY by .5%, moving from #3 to #4.

Top Plan Costs by Indication					
2022 Rank	2021 Rank	Indication	2022 Net Cost PMPM	2021 Net Cost PMPM	% Change
1	1	Diabetes	\$29.35	\$29.22	0.4%
2	2	Inflammatory Conditions	\$24.79	\$24.66	0.5%
3	4	Cancer	\$11.66	\$10.50	11.0%
4	3	HIV	\$10.59	\$10.55	0.5%
5	5	Enzyme Deficiencies	\$6.59	\$6.38	3.3%

2022 v 2021 Key Performance Indicators

Retirees

- Performance is adjusted for rebates, Medicare Part D Subsidies, Federal Reinsurance, and the Coverage Gap Discount.
- YoY Drug Trend (Adjusted) decreased by **17%**.
- Membership decreased by **2%**; 100% of the members utilized the benefit in 2022.

Key Performance Indicators			
	CY 2022	CY 2021	% Change
Total Members	1,740	1,987	-12.4%
Percent Members Utilizing Benefit	100%	99%	1%
Total AWP	\$18,115,016	\$20,723,241	-12.6%
Gross Cost after Discounts, Dispensing Fees, Taxes	\$7,240,157	\$8,625,164	-16.1%
Member Cost Share	\$795,283	\$ 948,277	-16.1%
Plan Cost	\$6,444,875	\$7,672,619	-16%
Rebates*	\$1,354,795	\$1,313,073	3.2%
Total Net Plan Costs	\$5,090,080	\$6,359,546	-20%
Adjusted Net Plan Cost **	\$2,981,748	\$4,137,966	-27.9%
Adjusted Net Plan Cost PMPM**	\$142.80	\$173.54	-17.7%

*Estimates based on utilization; actual results may vary.

**Adjusted for addition of Direct Subsidy, minus Prospective Federal Reinsurance, Coverage Gap Discount, and Low-Income Cost Share Subsidy

2022 v 2021 Top 10 Drugs by Net Plan Cost PMPM Retirees

- **Specialty medications**, shown in orange font, comprise 4 of the top 10 Drugs.
- **Eliquis** continues to be the #1 driver, with a YoY increase of 2%.
- **Gamunex-C**, an antibody used to treat patients 2 years and older that have trouble fighting infections, low platelet counts, or damaged nerves increased 61% YoY.
- **Cancer** drugs continue to be #2 and #3, despite YoY PMPM **decreases**.

Top 10 Drugs by Net Plan Cost						
2022 Rank	2021 Rank	Drug Name	Indication	2022 Net Cost PMPM	2021 Net Cost PMPM	% Change
1	1	Eliquis	Anticoagulant	\$33.04	\$32.33	2%
2	2	Imbruvica	Cancer	\$16.50	\$22.97	-28%
3	3	Revlimid	Cancer	\$11.72	\$12.75	-8%
4	36	Gamunex-C	Immune Deficiency	\$11.37	-	61%
5	4	Xarelto	Anticoagulant	\$9.08	\$9.56	-5%
6	5	Trulicity	Diabetes	\$6.71	\$8.34	-20%
7	7	Januvia	Diabetes	\$5.61	\$8.20	-32%
8	11	Jardance	Diabetes	\$5.15	\$4.08	26%
9	13	Farxiga	Diabetes	\$5.00	\$3.92	27%
10	8	Xospata	Cancer	\$4.40	\$6.61	-33%

2022 v 2021 Top PMPM Plan Costs by Indication Retirees

- **Diabetes** continues to be the #1 driver of PMPM costs, despite the **13%** YoY decrease.
- **Immune Deficiency** disorders drove the most significant increase of 61% in Net Plan Cost PMPM.
 - Used to treat genetic or acquired conditions that weaken the immune system.
 - Genetic deficiencies include severe combined immune deficiency (SCID) and common variable immune deficiency (CVID).
 - Acquired deficiencies include HIV/AIDS and drug-induced immune deficiency.
- **Cancer** showed the most significant decrease of **24.8%** in Net Plan Cost PMPM

Top Plan Costs by Indication					
2022 Rank	2021 Rank	Indication	2022 Net Cost PMPM	2021 Net Cost PMPM	% Change
1	1	Diabetes	\$ 54.35	\$62.32	-13%
2	3	Anticoagulant	\$42.73	\$42.47	0.6%
3	2	Cancer	\$39.20	\$ 52.15	-25%
4	9	Immune Deficiency	\$15.48	\$9.60	61%
5	4	High Blood Pressure/Heart Disease	\$13.20	\$13.28	-0.6%

Q'1 2023 vs Q'1 2022 Key Performance Indicators Actives

- Trend is **-16.3%**, compared to the previous period, primarily as a result of lower specialty and non-specialty drug unit costs.
- Compared to the previous period, non-specialty drug utilization is 1.4% higher; specialty utilization is 4.2% higher.

Key Performance Indicators			
	Q'1 2023	Q'1 2022	% Change
Total Members	14,665	15,843	-7.4%
Total Net Plan Cost	\$4,365,233	\$5,635,926	-22.5%
Total Net Plan Cost PMPM	\$99.22	\$118.58	-16.3%
Non-Specialty Net Plan Cost PMPM	\$59.60	\$66.03	-9.7%
Specialty Net Plan Cost PMPM	\$39.62	\$52.55	-24.6%

Q'1 2023 vs Q'1 2022 Key Performance Indicators

Retires

- Trend is **-7.7%** compared to the previous period, primarily as a result of lower specialty and non-specialty drug unit costs.
- Compared to the previous period, non-specialty drugs utilization is 0.5% higher; specialty utilization is 25% higher.

Key Performance Indicators			
	Q'1 2023	Q'1 2022	% Change
Total Members	1708	1759	-2.9%
Total Net Plan Cost	\$1,216,084	\$1,356,253	-10.3%
Total Net Plan Cost PMPM	\$237.33	\$257.01	-7.7%
Non-Specialty Net Plan Cost PMPM	\$163.96	\$185.04	-11.4%
Specialty Net Plan Cost PMPM	\$73.37	\$71.98	1.9%

COVID-19 OTC Test Kit Utilization

Post Public Health Emergency

- During the Public Health Emergency (PHE), the Fund covered the costs of up to eight (8) OTC test kits per member per month (PMPM).
- Post PHE, the Fund agreed to cover up to 4 OTC test kits PMPM, then re-evaluate this coverage in Q'3 2023.
- The Fund continues to have high test kit utilization and may want to consider decreasing the number of free OTC test kits from 4 to 2 PMPM, effective August 1, 2023.

2023 OTC Test Kit Utilization			
Dates	No. of Scripts	No. of Utilizing Members	Net Plan Cost
Jan 1-May 11	2,464	1,784	\$211,043
May 12-June 3	121	123	\$7,090