



FELRA & UFCW VEBA FUND

Managed Pharmacy Report December 2020

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Executive Summary

- Year to date, the FELRA Fund is experiencing negative drug trends:
 - Non-specialty plan costs are trending at -6.9%
 - Specialty costs are trending at 14%
 - Combined total trend is -0.1%
- The cost management programs implemented in June and July are driving significant savings:
 - Results from program inception thru Oct 31, 2020 show cumulative savings of \$1,773,639 or 51% of the annualized target.
- The EGWP Implementation is near completion:
 - 2020 retirees are enrolled with CMS, 4 members have declined coverage.
- Additional program detail is included in the following slides.

Key Performance Indicators

YTD trend has dipped into the negatives at -0.1%

- non-specialty net cost PMPM **decreased by 6.9%**, specialty PMPM costs **increased by 14%**
- Inflation accounted for \$2.47 increase in PMPM costs.
- 70% of plan participants have utilized the Rx benefit at least 1 time since January 1, 2020

KPIs	Jan-Oct 2020	Jan-Oct 2019	Change %
Average Membership	19,503	20,293	-3.9%
Number of Unique Patients	13,699	14,560	-5.9%
Plan Gross ¹ Cost	\$34,895,111	\$33,962,368	2.7%
Member Cost	\$3,663,361	\$2,924,378	25.3%
Plan Net ² Cost	\$24,949,428	\$25,996,990	-4.0%
Gross Cost PMPM	\$160.14	\$152.95	4.7%
Plan Net Cost PMPM	\$127.93	\$128.11	-0.1%

¹ Before Member Cost Share, Rebates

² After Member Cost Share, Rebates

Top 10 Indications by Plan Net Cost

Diabetes, Inflammatory Conditions and Cancer remain the top 3 drivers of Plan Costs. **Diabetes accounts for 22.8%** of all costs, trending up at 14.4%. Diabetes trend is expected to level off in Q4 2020, as authorized generics enter the market. **Inflammatory Conditions drive 16.8%** of total costs; PMPM costs are expected to decline over the next 2 quarters, driven by savings from the SaveonSP program. **Cancer accounts for 12%** of total costs and is due to increasing utilization and pricing of oral cancer medications.

2020 Ranking	2019 Ranking	Top Indications by Plan Cost	Net Plan Cost PMPM	% Change YoY
1	1	Diabetes	\$29.15	14.4%
2	2	Inflammatory Conditions	\$21.47	4.5%
3	3	Cancer	\$15.30	26.9%
4	5	HIV	\$9.76	10.3%
5	7	High Blood Pressure/Heart Disease	\$7.39	23.0%
6	9	Anticoagulant	\$7.37	25.8%
7	6	Multiple Sclerosis	\$6.42	-1.5%
8	8	Asthma	\$6.28	7.1%
9	4	Pain, Inflammation	\$4.87	-45.8%
10	11	High Blood Cholesterol	\$3.80	22.4%

Cost Management Programs

ESI's Utilization Management Programs are making a significant contribution toward savings, due in large part to management of the Inflammatory Conditions.

Program Description	Effective Date	Annualized Est. Savings	Savings
SaveonSP	June 1, 2020	\$1,100,000.00	\$376,703.25 thru Oct 31, 2020
Maximizes use of pharma copay assistance funds Annual Enrollment Projections: 130; YTD participation 300 No plan design changes required			
Prescription Care Management (PCM)	June 1, 2020	\$1,300,000.00	\$354,663.68 thru Oct 31, 2020
Independent Claims Review Organization Cost Savings derived from therapeutic interchange Voluntary program initiated through the prescriber			
Utilization Management (UM) Programs	July 1, 2020	\$1,069,876.00	\$1,042,272.00 thru Oct 31, 2020
Prior Authorization (PA), Step Therapy (ST) and Drug Quantity Management (DQM) Programs address off label use, cost containment, over-prescribing, mis-use of rxs UM applies at Point of Sale			
Totals		\$3,469,876.00	\$1,773,638.93

PCM Savings Examples

Following is a random sample of therapeutic interchanges managed by PCM. The program has been well received by prescribers and members. The chart illustrates the dramatic differences in cost between the Target Drug and its therapeutic equivalent. Most of the Target Drugs are preferred medications on ESI's formulary. Overall savings to the Fund and to plan participants far exceeds the loss of rebates.

Date Filled	Target Drug	Cost	Qty	Alt Drug	Cost	Qty	Savings	Therapy Class
10/5/2020	Edarbyclor 40-25 MG	\$ 595.02	90	LOSARTAN-HYDROCHLOROTH	\$ 29.44	90	\$ 565.58	Cardiovascular
10/5/2020	Denavir 1%	\$ 1,598.00	10	ACYCLOVIR	\$ 11.94	10	\$ 1,586.06	Dermatological
10/9/2020	Dexilant 60 MG	\$ 1,717.68	180	PANTOPRAZOLE SODIUM	\$ 32.96	180	\$ 1,684.72	Gastrointestinal
10/9/2020	Fariga 10MG	\$ 509.04	30	PIOGLITAZONE HCL	\$ 6.87	30	\$ 502.17	Endocrine and Metabolic
10/20/2020	Qbrexza 2.4%	\$ 974.16	51	DRYSOL	\$ 9.53	60	\$ 964.63	Dermatological
		\$ 5,393.90			\$ 90.74		\$ 5,303.16	

EGWP Implementation

The EGWP implementation remains on schedule, with no visible threats or impediments to meeting the January 1, 2021 effective date.

Milestones	Status	Est. Dates 2020			Est. Dates 2021	
		Oct	Nov	Dec	January	February
EGWP Implementation						
Phase I: June 1 - September 30, 2020						
Benefit Intent	Completed					
Drug Coverage Mapping	Completed					
Eligibility File Mapping	Completed					
Formulary Mapping	Completed					
Approve final EGWP+ WRAP Benefit and Clinical Structure	Completed					
Phase II: October 1 -December 31, 2020						
Member Communications Review and Approval	Completed					
Benefits Testing	Completed					
Eligibility Testing	Completed					
ESI Call Center/800# activated	Completed					
Member Communications Initiated (Prenote mailed)	Completed					
Member Opt Out Periods	Completed					
ESI submits file to CMS - all enrollees	Completed					
Member Welcome Packets Mailed	In Process			12/11		
Service Center Welcome Flyer Mailed	Not Started			12/18		
Phase III: January 1 - February 28, 2021						
Daily claims monitoring, transaction summaries	Not Started				1/1	
Post-Implementation Satisfaction Survey	Not Started				1/31	
Implementation Hand off to Account Team	Not Started					2/10

