BCBSVT Rx Cost Trends & Management Programs

January 11, 2021

BlueCross BlueShield of Vermont

An Independent Licensee of the Blue Cross and Blue Shield Association.

BCBSVT Pharmacy Trends – 2020 H1

BCBS of Vermont Total			
Description	1H20	1H19	Change
Avg Members per Month	123,359	138,148	-10.7%
Number of Unique Patients	70,049	82,318	-14.9%
Pct Members Utilizing Benefit	56.8%	59.6%	-2.8
Total Plan Cost Net	$59,261,907	$61,060,934	-2.9%
Total Days	21,625,910	23,661,669	-8.6%
Total Adjusted Rxs	799,032	889,736	-10.2%
Average Member Age	43.2	42.7	1.2%
Plan Cost Net PMPM	$80.07	$73.67	8.7%
Plan Cost Net/Day	$2.74	$2.58	6.2%
Plan Cost Net per Adjusted Rx	$74.17	$68.63	8.1%
Nbr Adjusted Rxs PMPM	1.08	1.07	0.6%
Generic Fill Rate	88.7%	88.6%	0.1
90 Day Utilization	67.0%	62.6%	4.4
Retail - Maintenance 90 Utilization	60.9%	57.0%	3.9
Home Delivery Utilization	6.0%	5.6%	0.4
Member Cost Net %	15.0%	16.2%	-1.3
Specialty Percent of Plan Cost Net	65.4%	61.4%	4.0
Specialty Plan Cost Net PMPM	$52.37	$45.22	15.8%
Formulary Compliance Rate	98.4%	97.5%	0.9

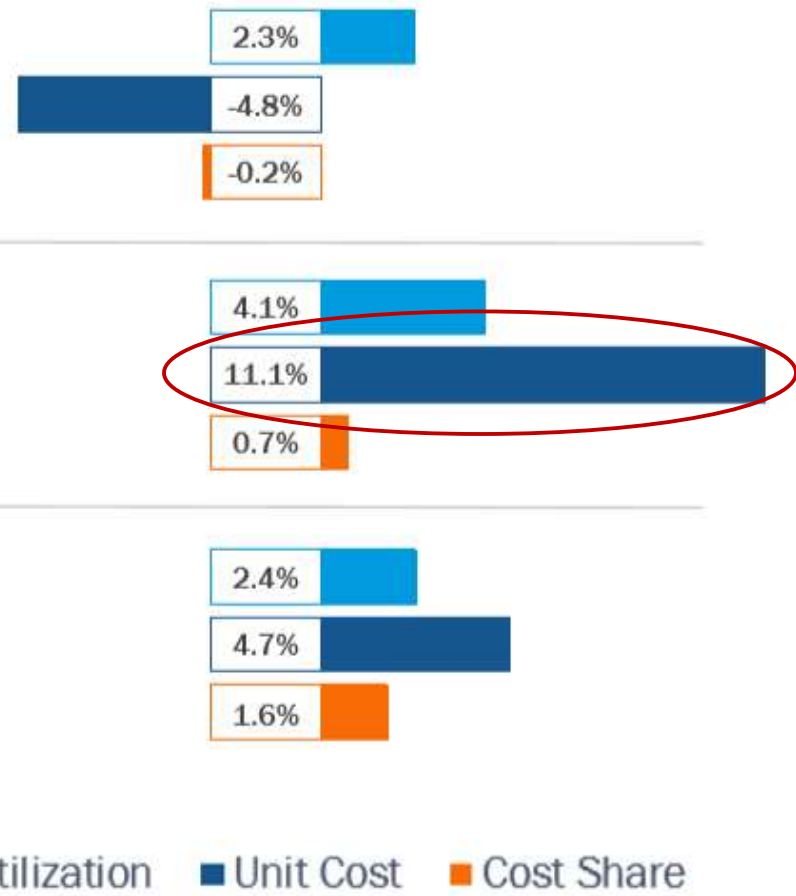
	Health Plans - Commercial Blues		Health Plans - HCR - On Exchange		BCBS VT Commercial Peer		BCBS VT HCR Peer		BCBS VT Peer	
	1H20	Change	1H20	Change	1H20	Change	1H20	Change	1H20	Change
Avg Members per Month	37.0		43.4		36.6	0.1%	43.4	1.1%	37.1	0.3%
Plan Cost Net PMPM	$86.41	8.1%	$89.58	13.3%	$81.34	6.6%	$87.66	8.2%	#####	6.8%
Plan Cost Net/Day	$2.67	3.4%	$2.28	6.1%	$2.60	3.8%	$2.40	3.4%	$2.59	3.7%
Plan Cost Net per Adjusted Rx	$71.31	5.6%	$61.78	7.8%	$69.80	6.0%	$65.01	5.2%	#####	5.8%
Nbr Adjusted Rxs PMPM	1.21	2.4%	1.45	5.0%	1.17	0.6%	1.35	2.8%	1.18	0.9%
Generic Fill Rate	88.5%	0.2	90.3%	-0.1	88.4%	0.1	89.6%	-0.2	88.5%	0.1
90 Day Utilization	17.0%	0.3	12.7%	0.9	41.4%	3.0	38.4%	5.7	41.2%	3.2
Retail - Maintenance 90 Utilization	1.1%	0.1	3.3%	0.7	21.2%	2.6	24.5%	6.5	21.5%	2.9
Home Delivery Utilization	15.8%	0.2	9.5%	0.2	20.3%	0.4	13.9%	-0.7	19.7%	0.3
Member Cost Net %	14.5%	-0.8	21.6%	-1.2	14.8%	-0.6	19.9%	-1.5	15.3%	-0.6
Specialty Percent of Plan Cost Net	57.3%	4.6	64.0%	2.1	58.3%	4.5	62.3%	1.5	58.6%	4.3
Specialty Plan Cost Net PMPM	$49.55	17.6%	$57.33	17.0%	$47.39	15.6%	$54.58	10.9%	#####	15.3%
Formulary Compliance Rate	97.5%	0.4	98.9%	0.0	97.4%	0.3	98.2%	0.2	97.5%	0.3

BCBSVT Pharmacy Trends by Line of Business – 2020 H1

BCBS of Vermont Total - Key Stats by Population									
	BCBS of Vermont Total			BCBS of Vermont - Commercial			BCBS Vermont - Health Care Reform		
Description	1H20	1H19	Change	1H20	1H19	Change	1H20	1H19	Change
Average Members per Month	123,359	138,148	-10.7%	84,629	93,798	-9.8%	38,730	44,350	-12.7%
Number of Unique Patients	70,049	82,318	-14.9%	45,464	53,253	-14.6%	24,765	29,577	-16.3%
Total Plan Cost Net	$59,261,907	$61,060,934	-2.9%	$34,671,689	$38,335,350	-9.6%	$24,590,219	$22,725,583	8.2%
Total Days	21,625,910	23,661,669	-8.6%	13,813,529	15,058,843	-8.3%	7,812,381	8,602,826	-9.2%
Adjusted Rxs	799,032	889,736	-10.2%	511,085	567,067	-9.9%	287,947	322,669	-10.8%
Average Member Age	43.2	42.7	1.2%	43.3	42.6	1.6%	42.9	42.8	0.1%
Plan Cost Net PMPM	$80.07	$73.67	8.7%	$68.28	$68.12	0.2%	$105.82	$85.40	23.9%
Plan Cost Net/Day	$2.74	$2.58	6.2%	$2.51	$2.55	-1.4%	$3.15	$2.64	19.2%
Plan Cost Net per Adjusted Rx	$74.17	$68.63	8.1%	$67.84	$67.60	0.3%	$85.40	$70.43	21.3%
Nbr Adjusted Rxs PMPM	1.08	1.07	0.6%	1.01	1.01	-0.1%	1.24	1.21	2.2%
Generic Fill Rate	88.7%	88.6%	0.1	88.6%	88.5%	0.2	88.9%	88.8%	0.1
90 Day Utilization	67.0%	62.6%	4.4	66.7%	62.1%	4.6	67.3%	63.3%	4.0
Retail - Maintenance 90 Utilization	60.9%	57.0%	3.9	60.2%	56.1%	4.1	62.3%	58.5%	3.7
Home Delivery Utilization	6.0%	5.6%	0.4	6.6%	6.0%	0.6	5.1%	4.8%	0.3
Member Cost Net %	15.0%	16.2%	-1.3	15.6%	16.7%	-1.1	13.9%	15.4%	-1.5
Specialty Percent of Plan Cost Net	65.4%	61.4%	4.0	60.6%	59.2%	1.4	72.2%	65.0%	7.2
Specialty Plan Cost Net PMPM	$52.37	$45.22	15.8%	$41.37	$40.34	2.5%	$76.42	$55.54	37.6%
Formulary Compliance Rate	98.4%	97.5%	0.9	98.3%	97.0%	1.3	98.4%	98.4%	0.0

Pharmacy Trend Drivers – 2020 H1

	Plan Cost Net PMPM	Your Trend
Non-Specialty	$27.69	-2.6%
Specialty	$52.37	15.8%
Total	$80.07	8.7%



Specialty Drug Costs – Impact on Employers

- Due to the small number of people using specialty drugs (1%-2% of members) and their high cost, small employers see large fluctuations in their specialty drug trends from year to year which adds financial instability to their businesses

Employer	Specialty Drug Cost Trend
949 Lives	47.6%
430 Lives	2.6%
1,127 Lives	34.5%
1,475 Lives	-12.3%
1,728 Lives	25.9%

Utilization Management Programs

Types of Utilization Management Programs

- Prior Authorization – ensures the drug is being prescribed for FDA approved conditions
- Step Therapy – encourages members to try the lower cost therapeutically equivalent drug before switching to the more expensive version
- Quantity Limit – ensures the drug is being prescribed in the amounts that the FDA approved

UM Program	Savings 2020 H1
Prior Authorization	$2,156,651
Step Therapy	$2,829,650
Quantity Limits	$1,383,241
Total	**$6,369,542**

Patient Safety Reviews – 2020 Q3 YTD

Safety Alert Category	Safety Alerts/Consideration				Savings		
	Safety Alert Volume	Unique Safety Events	Successes (Therapy or Treatment Change)	Success Rate %	Pharmacy (Rx)	Medical	Total
Adverse Drug Disease	6,700	6,346	2,293	36%	$696,920	$838,192	$1,535,112
Adverse Drug Interaction	1,840	1,407	574	41%	$97,724	$330,959	$428,684
Dose Duration	1,182	1,180	191	16%	($820)	$342,558	$341,739
Drug Age	129	129	68	53%	$5,682	$60,370	$66,052
Drug Pregnancy	12	11	4	36%	($41)	$17,318	$17,277
Drug Therapy Duplication	320	227	160	70%	$50,384	$187,417	$237,802
Duration	661	661	148	22%	$14,227	($11,583)	$2,644
Excessive Dosing	390	388	139	36%	$10,400	$47,420	$57,820
Quantity Consideration	34	33	14	42%	$45	$0	$45
High Risk Medications	727	725	367	51%	$2,363	$43,726	$46,090
ADVERSE DRUG RISK	11,995	11,107	3,958	36%	$876,886	$1,856,379	$2,733,265
Misuse/Abuse	98	33	4	12%	$1,700	$0	$1,700
Polypharmacy	989	475	256	54%	($7,305)	$103,309	$96,004
COORDINATION OF CARE	1,087	508	260	51%	($5,605)	$103,309	$97,705
Omission of Essential Drug Therapy	424	422	56	13%	($63,019)	$100,807	$37,788
Under Dosing	105	105	41	39%	($419)	$82,464	$82,046
Suboptimal Patient Drug Adherence	303	303	11	4%	N/A	($12,847)	($12,847)
Omission of Testing & Diagnostics	394	394	56	14%	($23,736)	$62,981	$39,245
Suboptimal Test Result	0	0	0	0	$0	$0	$0
OMISSION OF CARE	1,226	1,224	164	13%	($87,174)	$233,406	$146,232
Omission of Essential Therapy	1,911	1,886	196	10%	($3,623)	$0	($3,623)
Opioid Care Coordination	0	0	0	0	$0	$0	$0
Morphine Equivalent Dose Risk	0	0	0	0	$0	$0	$0
Suboptimal Patient Drug Adherence	1,327	1,326	23	2%	$0	$0	$0
Adverse Drug Disease Consideration	0	0	0	0	$0	$0	$0
Drug Pregnancy	0	0	0	0	$0	$0	$0
PHYSICIAN CARE	3,238	3,212	219	7%	($3,623)	$0	($3,623)
TOTAL	**17,546**	**16,051**	**4,601**	**29%**	**$780,485**	**$2,193,093**	**$2,973,578**

Formulary Management

- Formulary: a list of preferred brand drugs developed by a pharmaceuticals and therapeutics committee; drugs on a formulary are dispensed at a lower copay to encourage the use of them
- When drugs have similar clinical outcomes, a formulary is a way to steer members to lower cost drugs
- BCBSVT has two formularies and employers get to choose which they prefer
  - National Performance Formulary – a few low utilized drugs will be excluded in competitive drug classes to get lower prices from non-excluded manufacturers
  - BCBSVT Open Formulary – No drugs are excluded; less member noise but higher drug costs
- BCBSVT conducts an RFP with PBMs at the end of each 3-year contract to get the largest discounts and rebate guarantees

Civica Rx

- New opportunity via the BCBS Association to partner with Civica on manufacturing generic drugs at lower costs
- The total investment from the 18 Blues plans will be $55M
- Civica produces the drugs at 40%-80% less than current prices
    - Final cost will include a margin to support future operations and an administrative fee for the pharmacy
    - Drugs will reach the market in early 2022

Questions?

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