



**JOSH GREEN, M.D.**  
GOVERNOR  
**SYLVIA LUKE**  
LIEUTENANT GOVERNOR

**STATE OF HAWAII'  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**

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**ADMINISTRATOR**  
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DONNA A. TONAKI

October 9, 2024

**NOTICE OF MEETING  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
BENEFITS COMMITTEE**

**DATE:** October 15, 2024, Tuesday  
**TIME:** 9:00 a.m.  
**PLACE:** HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND (EUTF)  
CITY FINANCIAL TOWER  
201 MERCHANT STREET, SUITE 1700  
HONOLULU, HAWAII

**A G E N D A**

**OPEN SESSION PARTICIPATION IN PERSON, VIA TELECONFERENCE AND  
VIA TELEPHONE**  
(see below for teleconference and telephone details)

- I. Call to Order
- II. Review of Minutes – August 19, 2024
- III. New Business
  - A. Medicare Retiree Prescription Drug Plan
    - 1. SSI Semi-Annual Utilization Report for the period ending June 30, 2024
    - 2. SSI Update on Medicare Part D Benefit Design and the Inflation Reduction Act
  - B. Active and Non-Medicare Retiree Prescription Drug Plan
    - 1. CVS Semi-Annual Utilization Reports for the period ending June 30, 2024
    - 2. Proposed CVS Prescription Drug Plan Changes
  - C. Proposed HMSA Medical Plan Changes
  - D. Proposed HDS Dental Plan Changes
  - E. Proposed VSP Vision Plan Changes
  - F. Dependent Child Eligibility
- B. Active and Non-Medicare Retiree Prescription Drug Plan (continued)
  - 3. Segal Active Annual Prescription Drug Report as of June 30, 2024

**EUTF's Mission:** We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.

4. Pharmacy vs. Medical Coverage of Continuous Glucose Monitors and Disposable Insulin Pumps
5. PrudentRx Opportunity Analysis
6. CVS CostVantage and TrueCost

IV. Next Meeting – November 25, 2024

The next meeting agenda will include the HMSA, Kaiser Permanente, HDS, and VSP utilization reports and Segal active annual report for the period ending June 30, 2024 and proposed plan changes.

V. Adjournment

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Ms. Desiree Yamauchi at (808) 587-5434 or [eutfadmin@hawaii.gov](mailto:eutfadmin@hawaii.gov), as soon as possible, preferably at least 3 business days prior to the meeting. Requests made as early as possible have a greater likelihood of being fulfilled.

Testimony may be submitted prior to the meeting via email to [eutfadmin@hawaii.gov](mailto:eutfadmin@hawaii.gov) or via postal mail to: Hawaii Employer-Union Health Benefits Trust Fund, Attn: Benefits Committee-Testimony, 201 Merchant Street, Suite 1700, Honolulu, HI 96813. Please include the word “testimony”, the agenda item number, and subject matter following the address line. There is no deadline for submission of testimony, however, the EUTF requests that all written testimony be received no later than 9:00 a.m., one (1) business day prior to the meeting date in order to afford Board members adequate time to review materials.

To view the meeting and provide live oral testimony during the meeting, following are the Microsoft Teams Meeting details:

- [Join the meeting now](#) or copy and paste the following URL into your browser:  
[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_NzY5MjI4YTItZmY4ZS00Mjc4LTgxYjEtYjI4YTgxMDUzMDI0%40thread.v2/0?context=%7b%22Tid%22%3a%223847dec6-63b2-43f9-a6d0-58a40aaa1a10%22%2c%22Oid%22%3a%221ec28820-992a-428a-a6a0-44c156209163%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_NzY5MjI4YTItZmY4ZS00Mjc4LTgxYjEtYjI4YTgxMDUzMDI0%40thread.v2/0?context=%7b%22Tid%22%3a%223847dec6-63b2-43f9-a6d0-58a40aaa1a10%22%2c%22Oid%22%3a%221ec28820-992a-428a-a6a0-44c156209163%22%7d)
  - For instructions to turn on live captions in Microsoft Teams, [please click here](#).
- Dial-in number: [+1 808-829-4853](tel:+18088294853) United States, Honolulu (Toll)
- Phone Conference ID: 836 603 767#

A listing of all documents included in the Board packet will be available at the EUTF website ([eutf.hawaii.gov](http://eutf.hawaii.gov)) through the Events Calendar two (2) business days prior to the meeting.

The Board packet can be accessed at the EUTF website ([eutf.hawaii.gov](http://eutf.hawaii.gov)) through the Events Calendar two (2) business days prior to the meeting. A copy of the packet will also be available for public inspection in the EUTF office at that time.

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Please contact Ms. Desiree Yamauchi at (808) 587-5434 or [eutfadmin@hawaii.gov](mailto:eutfadmin@hawaii.gov) if you have any questions.

Upon request, an electronic copy of this notice can be provided.

1 HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
2 Minutes of the Benefits Committee Meeting  
3 Monday, August 19, 2024  
4

5 TRUSTEES PRESENT

6 Mr. Wesley Machida, Vice Chairperson Ms. Maureen Wakuzawa  
7 Ms. Jacqueline Ferguson-Miyamoto Mr. Robert Yu  
8 Mr. Christian Fern  
9

10 TRUSTEES ABSENT

11 Mr. Osa Tui, Chairperson Mr. James Wataru  
12 Ms. Audrey Hidano Mr. Ryan Yamane  
13 Ms. Sabrina Nasir  
14

15 ATTORNEY

16 Mr. Michael Chambrella, Deputy Attorney General (via video conference)  
17

18 EUTF STAFF

19 Mr. Derek Mizuno, Administrator Mr. Marvin Judd  
20 Ms. Desiree Yamauchi Ms. Lara Nitta  
21

22 CONSULTANTS

23 Ms. Shelley Chun, Segal Consulting (via video conference) Mr. Stephen Murphy, Segal Consulting  
24 Ms. Mary Fedor, Segal Consulting  
25

26 OTHERS PRESENT (via video conference or teleconference, unless otherwise noted)

27 Mr. Blaise Aquino, HMSA Ms. Eryn Lin, HMSA  
28 Ms. Stacia Baek, HDS Ms. Moana Masaniai, HMSA  
29 Ms. Sandra Benevides, CVS Ms. Denise Mercil, Securian  
30 Ms. Tammi Bongoll, Kaiser (in person) Dr. Christopher Miura, Kaiser (in person)  
31 Ms. Maricel Blackwell, HMSA (in person) Mr. Kurt Neuenfeld, CVS  
32 Mr. Ty Bowers, CVS Mr. Ezra Ng, HMSA  
33 Ms. Melaca Cannella, CVS (in person) Ms. Kris Onaga, HMSA  
34 Mr. Ed Chan, Kaiser (in person) Mr. Nathan Reeves, CVS  
35 Mr. Francis Cuenca, CVS Mr. Dave Shiroma, Kaiser  
36 Mr. Jeff Dragsten, CVS (in person) Ms. Jenny Smith, Humana  
37 Mr. Thomas England, Kaiser Dr. Jeff Tom, HMSA (in person)  
38 Dr. Rupal Gohil, HMSA Mr. Troy Tomita, Kaiser (in person)  
39 Mr. Dale Goya, HMSA Ms. Anne VanHaaren, CVS  
40 Mr. Galen Haneda, HMSA Ms. Steffany Wong, HMSA (in person)  
41 Ms. Monica Kim, VSP Ms. Jana Young, HMSA  
42 Ms. Meagan Kini-Ho, HMSA Mr. Isaac Yuen, HMSA  
43 Ms. Allison Krepp, CVS Anonymous  
44 Mr. Chris Letoto, HMSA (in person)  
45

46 I. CALL TO ORDER

47 The meeting of the Benefits Committee of the Hawaii Employer-Union Health Benefits Trust  
48 Fund (EUTF) was called to order at 9:00 a.m. by Trustee Wesley Machida, Vice Chairperson,  
49 in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Monday,  
50 August 19, 2024.  
51

52 II. REVIEW OF MINUTES – May 21, 2024

53 The Benefits Committee reviewed the draft minutes of May 21, 2024. Since there were no



1 edits or objections by the Trustees, the minutes stand approved.

2  
3 III. NEW BUSINESS

4 A. Kaiser Permanente Senior Advantage Plan Change

5 Mr. Troy Tomita introduced Mr. Ed Chan, Kaiser Permanente Hawaii's President. Mr.  
6 Tomita informed the Committee that the Inflation Reduction Act requires reduction of the  
7 calendar year maximum out-of-pocket for the EUTF and HSTA VB Kaiser Permanente  
8 Senior Advantage medical and prescription drug plans from \$8,000 to \$2,000 per person  
9 effective January 1, 2025 for Medicare Part D prescription drugs. In the past, the Benefits  
10 Committee would recommend Board approval for plan design changes to comply with  
11 federal and state laws. However, the Benefits Committee decided that such changes as  
12 determined by the carriers, the consultants and the deputy attorney general just require  
13 notice to the Committee and Board and do not require formal approval. Vice Chairperson  
14 Machida confirmed with the deputy attorney general that this practice was acceptable.  
15

16 B. Kaiser Permanente Disease Management/Integrated Health Management (DM/IHM)  
17 Improvement Plan

18 Mr. Tomita and Dr. Christopher Miura, Kaiser Permanente, reported on Kaiser's progress  
19 and strategies to address improvement areas related to diabetes and hypertension control,  
20 obesity prevalence, primary care physician linking and advanced care planning  
21 completion.  
22

23 C. HMSA DM/IHM Improvement Plan

24 Mr. Chris Letoto and Ms. Maricel Blackwell, HMSA, reported on HMSA's progress and  
25 strategies to address improvement areas related to preventive care visits, advance care  
26 directives, reducing diabetes and obesity, cancer screenings and hypertension control.  
27 HMSA also presented progress related to its Model of Care programs, Complex Case  
28 Management and Conditions Care Program.  
29

30 D. HMSA Disease Management Programs

31 1. AccordantCare Rare Program

32 Mr. Jeff Dragsten and Ms. Melaca Cannella of CVS Health, HMSA's subcontractor,  
33 reported results of the second year for the actives (from January 1, 2022) and first  
34 seven months for the retirees (from January 1, 2024) of the AccordantCare Rare  
35 program that provides support for members with 19 rare conditions noting the  
36 following:

- 37 • EUTF engagement rate of 19% is comparable to HMSA's aggregate engagement  
38 rate.
- 39 • Return on investment of 1.6:1 for CY2023

40 Mr. Letoto reported that HMSA recently terminated the AccordantCare Rare program  
41 for their book of business. The program was showing cost savings but HMSA decided  
42 that their contract credits from CVS would be better spent on other programs that are  
43 not applicable to EUTF. In its evaluation, HMSA also determined that the  
44 AccordantCare Rare program provided cost savings for EUTF.  
45

46 2. Virta Digital Diabetes Program

47 Dr. Jeff Tom, HMSA, reported early results of the Virta diabetes management program  
48 that became available in January 2024 for all EUTF HMSA members. Early results

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1 through July 31, 2024 are positive – 72% toward target enrollment goal, reductions in  
2 A1c and weight, and high engagement rates for those enrolled at least three months.  
3 HMSA will continue to monitor the program and report annually to the Benefits  
4 Committee.

5  
6 E. Segal Clinical Programs

7 Mr. Steve Murphy, Segal Consulting, presented their analysis of medical and prescription  
8 drug cost drivers and programs. In general, the EUTF plans have similar programs related  
9 to mainland counterparts. Segal and EUTF staff will continue to work with the carriers on  
10 the use of wellness credits and with HMSA and CVS on weight management programs.

11  
12 F. HMSA Payment Transformation

13 Mr. Letoto and Ms. Steffany Wong, HMSA, provided an update on payment transformation  
14 focusing on the following:

- 15 1. Background and upcoming changes
- 16 2. Cost and utilization
- 17 3. Quality of care
- 18 4. Member access and satisfaction
- 19 5. Provider satisfaction

20  
21 G. HMSA e-Consult Program

22 Dr. Rupal Gohil, HMSA, reported on an e-consult program for cardiology with Queen’s  
23 Medical Center in which primary care physicians would consult with cardiologists via “a  
24 HIPAA compliant platform that allows two-way communication.” The program realized  
25 numerous benefits such as quicker response times from specialists, lower costs to the plan  
26 and patients, less in office visits for patients and better educated primary care physicians.  
27 Due to the success of the program, the program is being expanded to allergy/immunology,  
28 rheumatology, endocrinology, neurology and pediatric oncology.

29  
30 IV. NEXT MEETING DATE – October 15, 2024

31 The next meeting agenda will include the CVS/SilverScript semi-annual utilization reports for  
32 the period ending June 30, 2024 and CVS prescription drug plan changes.

33  
34 V. ADJOURNMENT

35 MOTION was made and seconded to adjourn the meeting at 11:12 a.m. (Yu/Ferguson-  
36 Miyamoto) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary  
37 Trustees-3)

38  
39  
40 Documents Distributed:

- 41 1. Draft Benefits Committee Minutes for May 21, 2024. (7 pages)
- 42 2. Memorandum to Board of Trustees from Kaiser Permanente, regarding 2025 Retiree Benefit  
43 Change, dated August 19, 2024, Redacted Version. (1 page)
- 44 3. Disease Management/Integrated Health Management Improvement Plan, Annual Update,  
45 Baseline: Measurement Period 1/1/2020-12/31/2020, Year 1 Update Period: 1/1/2021-  
46 12/31/2021, Year 2 Update Period: 1/1/2022-12/31/2022, prepared by Kaiser Permanente,  
47 Redacted Version. (9 pages)

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- 1 4. EUTF Disease Management/Integrated Health Management (DM/IHM) Improvement Plan  
2 Updates, 4-Year Plan Annual Updates, January 1, 2021-December 31, 2024, Baseline  
3 measurement period: 1/1/20-12/31/20, prepared by HMSA, dated August 19, 2024, Redacted  
4 Version. (43 pages)
- 5 5. Using proactive care management to improve member health and reduce costs for you with  
6 AccordantCare Rare™, 2023 EUTF Annual Review (Jan 1-Dec 31, 2023), prepared by CVS  
7 Health, dated August 19, 2024, Redacted Version. (23 pages)
- 8 6. Memorandum to Board of Trustees from HMSA, regarding Accordant Care Rare Program,  
9 dated August 19, 2024. (2 pages)
- 10 7. HMSA EUTF Virta Program, Q2 2024 Results, prepared by HMSA, dated August 19, 2024,  
11 Redacted Version. (11 pages)
- 12 8. EUTF Benefits Committee Meeting, Clinical Programs Analysis, prepared by Segal Consulting,  
13 dated August 19, 2024, Redacted Version. (19 pages)
- 14 9. Payment Transformation Update, prepared by HMSA, dated August 19, 2024, Redacted  
15 Version. (14 pages)
- 16 10. Memorandum to Board of Trustees from HMSA, regarding e-Consult Program, dated August  
17 19, 2024, Redacted Version. (2 pages)

# RxInsights<sup>®</sup>

## EUTF Medicare Retirees

Jan 2024 – June 2024

Prescription Benefit Review

 **CVS**Health<sup>®</sup>



# Q2 2024 Plan Summary

**Pharmacy Trend** – Overall Pharmacy net trend is at 13.3% and goes down to [REDACTED] after rebates and subsidies. Utilization and Drug Mix are the main trend drivers overall, while price inflation, utilization, and drug mix are equally contributing as the trend drivers for specialty drugs. Individually Non-Specialty trend is 9.1% and Specialty trend is 21.8%.

## Specialty

- Top 3 classes by cost: Oncology \$23M, Osteoporosis \$3.5M and Amyloidosis \$2.9M.
- 2.5% of members are responsible for 35.8% of overall net costs. This is lower than the EGWP BOB at [REDACTED].
- Top 10 classes remain the same with some shift in rankings. Growth in the Ocular Disorders class.
- Seeing increase utilization of generic specialty drugs- lenolidamide ,abiraterone and imatinib.

## Non-Specialty

- Top 3 classes by cost: Diabetes \$33.3M, Anticoagulants \$9.9M and Cardiovascular Agents \$6.2M
- Diabetes trend continues to be driven by GLP-1 and SGLT2 products.
- Continue to see increased utilization of Oxervate (an ophthalmic agent)- neurotrophic keratitis-8 week treatment
- EUTF's GDR remained flat at 83%, lower than the EGWP BOB at [REDACTED]. Generic substitution rate is 98.7%, also lower than BOB- [REDACTED].

**Utilization & Membership** – We have seen an increase in membership of and continue to see that the average percentage of utilizers as a percent of members increase, up 1.5%.

- Average eligible membership increased 2.6%, up to 43,483 eligible member, with 67% members utilizing the plan at any given time, but it remains over [REDACTED] lower than the EGWP BOB at [REDACTED].
- Prescription volume increased by 6.2%, from 465K, up to 495K.
- Mail utilization continues to decrease, down from 6.1% to 5.7%, with the EGWP BOB at [REDACTED]



# Key metrics at a glance

Membership	Jan-Dec 20	Jan-Dec 21	Jan-Dec 22	Jan-Dec 23	Jan-Jun 23	Jan-Jun 24	% Change
Average Eligible Members Per Month	41,314	42,141	42,505	42,502	42,376	43,483	2.6%
Average Utilizers as % of Members	65.3%	65.0%	65.8%	66.8%	66.1%	67.1%	1.5%
EGWP BOB							
LIS Members	476	435	401	363	374	378	1.1%
Average Member Age	76	77	77	77	77	77	0.0%
EGWP BOB							
<b>Total Medicare Part D Drug Costs</b>							
Total Gross Cost	\$188,144,918	\$197,734,548	\$215,037,785	\$241,211,904	\$116,340,608	\$134,600,153	15.7%
Gross Cost w/ Rebates**							
Member Cost	\$7,733,832	\$8,336,179	\$8,933,113	\$9,227,972	\$4,789,576	\$4,858,983	1.4%
Member Cost Share	4.1%	4.2%	4.2%	3.8%	4.1%	3.6%	-12.2%
EGWP BOB							
Member Cost Share after Rebates and Subsidies							
Total Net Cost-Before Med D Offsets	\$180,411,086	\$189,398,369	\$206,104,672	\$231,983,932	\$111,551,032	\$129,741,170	16.3%
<b>EGWP Offsets and Subsidies</b>							
LICS (Low-Income Cost Sharing)	\$1,287,906	\$1,270,231	\$1,169,480	\$1,069,526	\$593,775	\$690,444	16.3%
Estimated Federal Reinsurance	\$33,608,266	\$35,053,824	\$37,901,896	\$44,697,073	\$11,578,363	\$13,207,741	14.1%
Reported Gap Discount	\$30,939,097	\$33,566,281	\$37,073,654	\$41,080,236	\$14,913,152	\$16,551,618	11.0%
Direct Subsidy	\$2,068,773	(\$589,572)	(\$3,312,609)	(\$3,920,753)	(\$2,060,537)	\$3,019,930	-246.6%
LIPS (Low Income Premium Subsidy)	\$221,438	\$218,702	\$213,871	\$194,028	\$96,955	\$106,087	9.4%
Total EGWP Offsets and Subsidies	\$68,125,480	\$69,519,466	\$73,046,292	\$83,120,111	\$25,121,709	\$33,575,820	33.7%
Net Drug Cost Less EGWP Offsets and Subsidies	\$112,285,606	\$119,878,902	\$133,058,380	\$148,863,822	\$86,429,323	\$96,165,350	11.3%
<b>Total EGWP Plan Costs PMPM</b>							
Gross Cost PMPM	\$379.50	\$391.02	\$421.59	\$472.94	\$457.57	\$515.91	12.7%
EGWP BOB							
Member Cost PMPM	\$15.60	\$16.48	\$17.51	\$18.09	\$18.84	\$18.62	-1.2%
EGWP BOB							
Net Cost-Before Med D Item Reduction PMPM	\$363.90	\$374.53	\$404.08	\$454.85	\$438.74	\$497.29	13.3%
EGWP BOB							
LICS PMPM	\$2.60	\$2.51	\$2.29	\$2.10	\$2.34	\$2.65	13.2%
EGWP BOB							
Estimated Federal Reinsurance PMPM	\$67.79	\$69.32	\$74.31	\$87.64	\$45.54	\$50.62	11.2%
EGWP BOB							
Reported Gap Discount PMPM	\$62.41	\$66.38	\$72.68	\$80.55	\$58.65	\$63.44	8.2%
EGWP BOB							
Direct Subsidy PMPM	\$4.17	-\$1.17	-\$6.49	-\$7.69	-\$8.10	\$11.58	-243.0%
LIPS (Low Income Premium Subsidy) PMPM	\$0.45	\$0.43	\$0.42	\$0.38	\$0.38	\$0.41	7.9%
Net Cost-Less EGWP Offsets, Subsidies PMPM	\$226.49	\$237.06	\$260.87	\$291.88	\$339.93	\$368.59	8.4%
Rebates PMPM							
Net Cost-Less EGWP Offsets, Subsidies & Rebates PMPM							

# Key metrics at a glance

Drug Mix	Jan-Dec 20	Jan-Dec 21	Jan-Dec 22	Jan-Dec 23	Jan-Jun 23	Jan-Jun 24	% Change
% Single Source Brands	16.4%	16.6%	16.0%	16.7%	15.7%	15.8%	0.6%
EGWP BOB							
% Multi Source Brands	1.2%	1.0%	1.6%	1.6%	1.6%	1.1%	-31.3%
EGWP BOB							
Generic Dispensing Rate	82.4%	82.4%	82.4%	81.7%	82.8%	83.0%	0.2%
EGWP BOB							
Generic Substitution Rate	98.5%	98.8%	98.1%	98.1%	98.1%	98.7%	0.6%
EGWP BOB							
<b>Utilization</b>							
Total Prescriptions	898,486	894,987	918,371	945,111	465,916	494,782	6.2%
Total Days' Supply	57,255,140	58,132,085	59,313,858	60,112,698	29,911,290	31,373,134	4.9%
Prescriptions PMPM	1.8	1.8	1.8	1.9	1.8	1.9	5.6%
% Retail Prescriptions	93.1%	93.3%	93.6%	94.0%	93.9%	94.3%	0.4%
EGWP BOB							
% Mail Prescriptions	6.9%	6.7%	6.4%	6.0%	6.1%	5.7%	-6.6%
EGWP BOB							
Days' Supply PMPM	115.49	114.96	116.29	117.86	117.64	120.25	2.2%
EGWP BOB							
<b>Specialty</b>							
Specialty Total Net Cost	\$54,014,473	\$59,106,057	\$67,508,567	\$78,197,763	\$37,152,946	\$46,433,917	25.0%
Specialty Avg. Utilizers as % of Members	6.3%	2.1%	2.2%	2.3%	2.2%	2.5%	13.6%
Specialty Net Cost PMPM	\$108.95	\$116.88	\$132.35	\$153.32	\$146.12	\$177.98	21.8%
EGWP BOB							
Specialty % of Total Net Cost	29.9%	31.2%	32.8%	33.7%	33.3%	35.8%	7.5%
EGWP BOB							
Specialty % of Total Rx's	1.2%	1.3%	1.4%	1.4%	1.4%	1.5%	7.1%
EGWP BOB							
% Specialty Member Cost Share	1.5%	1.6%	1.5%	1.4%	1.6%	1.2%	-25.0%
EGWP BOB							

# Trend Drivers

## Overall

<b>Price Inflation</b>	<b>Jan-Dec 20</b>	<b>Jan-Dec 21</b>	<b>Jan-Dec 22</b>	<b>Jan-Dec 23</b>	<b>Jan-Jun 23</b>	<b>Jan-Jun 24</b>	<b>EGWP BOB</b>
Price Inflation	1.4%	2.0%	5.4%	11.5%	19.0%	1.3%	
<b>Utilization</b>							
Utilization Inflation	1.2%	-0.3%	1.2%	1.4%	1.6%	2.2%	
<b>Drug Mix</b>							
Drug Mix Inflation	1.0%	3.5%	5.3%	-0.7%	-9.7%	8.9%	

## Specialty

<b>Price Inflation</b>	<b>Jan-Dec 20</b>	<b>Jan-Dec 21</b>	<b>Jan-Dec 22</b>	<b>Jan-Dec 23</b>	<b>Jan-Jun 23</b>	<b>Jan-Jun 24</b>	<b>EGWP BOB</b>
Price Inflation							
Utilization Inflation	11.9%	9.1%	6.7%	5.1%	3.5%	9.3%	
<b>Drug Mix</b>							
Drug Mix Inflation	-1.0%	-2.9%	0.6%	4.8%	3.7%	6.1%	

## AWP

<b>AWP Inflation</b>	<b>Jan-Dec 20</b>	<b>Jan-Dec 21</b>	<b>Jan-Dec 22</b>	<b>Jan-Dec 23</b>	<b>Jan-Jun 23</b>	<b>Jan-Jun 24</b>	<b>EGWP BOB</b>
Overall AWP Inflation	1.9%	2.4%	2.5%	2.5%	2.5%	1.4%	■
Brand AWP Inflation	4.1%	4.3%	4.6%	4.9%	5.0%	2.9%	■
Generic AWP Inflation	-0.2%	0.6%	0.5%	0.1%	0.1%	0.0%	■
Specialty AWP Inflation	4.3%	4.2%	5.1%	5.4%	5.6%	4.6%	■



# Your trend overview

## Key metrics

**REBATES**  
generated



in Gross Cost savings.

**Specialty drugs**  
comprise

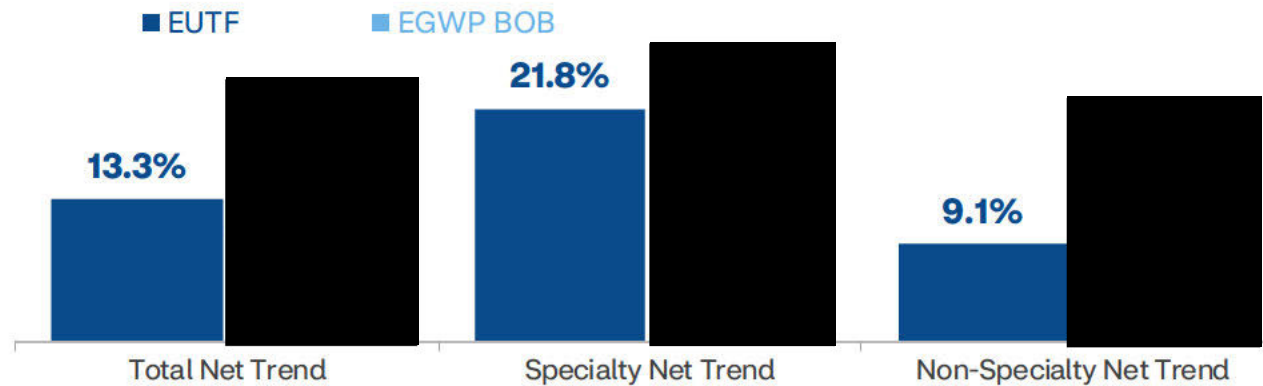
**35.8%**

of total net cost.

**Generics** account for

**16.4%**

of total net cost.



## Your top 5 trend contributors

Therapeutic Class	Top Drug Contributors	Net Cost	Utilizers	Net Cost PMPM	Net Trend	Contribution to Net Trend
Antidiabetics	Ozempic, Jardiance	[Redacted]	10,643	[Redacted]	10.6%	2.8%
Antivirals	Paxlovid, Lagevrio	[Redacted]	2,903	[Redacted]	238.2%	1.8%
Antineoplastics	Xtandi, Verzenio	[Redacted]	1,621	[Redacted]	10.5%	1.7%
Cardiovascular Agents - Misc.	Vyndamax, Entresto	[Redacted]	910	[Redacted]	41.7%	1.6%
Dermatologicals	Dupixent, Skyrizi	[Redacted]	8,985	[Redacted]	35.7%	1.0%

BOB Segment: EGWP

This page contains references to brand-name prescription drugs that are trademarks or registered trademarks of pharmaceutical manufacturers not affiliated with CVS Health and/or its affiliates.

# Your top 25 drugs

## By net cost

BOB Rank†	Prior Rank	Current Rank	Drug Name	Disp Type	Gen/Pref /NonPref	Dispense Type	Therapeutic Class	Generic Launch Date ††	Total Rx	Utilizers	AWP Inflation
	1	1	Eliquis	SSB	Pref	Brand	Anticoagulants	Q3-2028	6,351	2,662	6.0%
	2	2	Jardiance	SSB	Pref	Brand	Antidiabetics	NA	4,970	2,320	3.0%
	3	3	Ozempic	SSB	Pref	Brand	Antidiabetics	NA	4,001	1,453	3.6%
	4	4	Xtandi	SRx	Non-Pref	Specialty	Antineoplastics	Q3-2027	323	66	5.0%
	6	5	Januvia	SSB	Pref	Brand	Antidiabetics	Q2-2026	2,261	1,018	4.7%
	8	6	Prolia	SRx	Pref	Specialty	Endocrine And Metabolic Agents - Misc.	NA	1,750	1,738	0.8%
	12	7	Vyndamax	SRx	Non-Pref	Specialty	Cardiovascular Agents - Misc.	NA	119	24	7.0%
	10	8	Rybelsus	SSB	Pref	Brand	Antidiabetics	NA	1,290	570	3.6%
	7	9	Farxiga	SSB	Pref	Brand	Antidiabetics	Q1-2024	1,873	978	3.0%
	9	10	Xarelto	SSB	Pref	Brand	Anticoagulants	Q1-2025	1,954	894	5.0%
	5	11	Trulicity	SSB	Pref	Brand	Antidiabetics	NA	1,303	518	5.0%
	11	12	Tagrisso	SRx	Non-Pref	Specialty	Antineoplastics	NA	121	25	3.5%
	46	13	Mounjaro	SSB	Pref	Brand	Antidiabetics	NA	1,257	411	4.5%
	15	14	Entresto	SSB	Pref	Brand	Cardiovascular Agents - Misc.	Q3-2026	1,401	625	2.9%
508	15	15	Paxlovid	SSB	Pref	Brand	Antivirals	NA	1,546	1,518	NA
	16	16	Trelegy Ellipta	SSB	Pref	Brand	Antiasthmatic And Bronchodilator Agents	NA	1,807	677	3.0%
	23	17	Dupixent	SRx	Non-Pref	Specialty	Dermatologicals	NA	403	88	6.0%
	14	18	Ibrance	SRx	Non-Pref	Specialty	Antineoplastics	Q3-2027	93	17	6.0%
	119	19	Lenalidomide	SRx	Gen	Specialty	Assorted Classes	NA	86	25	NA
	17	20	Abiraterone Acetate	SRx	Gen	Specialty	Antineoplastics	NA	191	39	1.6%
	18	21	Imbruvica	SRx	Non-Pref	Specialty	Antineoplastics	NA	80	16	2.3%
	54	22	Oxervate	SRx	Non-Pref	Specialty	Ophthalmic Agents	NA	33	12	4.9%
	25	23	Cyclosporine	Gen	Gen	Generic	Ophthalmic Agents	NA	1,837	1,024	NA
		24	Dapagliflozin Propane	Gen	Gen	Generic	Antidiabetics	NA	944	514	NA
	37	25	Kerendia	SSB	Pref	Brand	Endocrine And Metabolic Agents - Misc.	NA	740	336	5.0%
<b>Subtotal of Top 25 Drugs</b>									<b>36,734</b>	<b>13,040</b>	
<b>All Others</b>									<b>458,048</b>	<b>41,006</b>	
<b>Total</b>									<b>494,782</b>	<b>41,164</b>	

†EGWP information is based on the most recent six months ending Jun 30, 2023.

††Generic launch date is based on numerous market factors and is an estimation. "NA" means that no estimate launch date is available at the time of this report.

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# Your top 25 drugs

## By days' supply

BOB Rank†	Prior Rank	Current Rank	Drug Name	Disp Type	Gen/NonPref	Therapeutic Class	% Total Days' Supply	Total Rxs	Total Utilizers	AWP Inflation
	1	1	Atorvastatin Calcium	Gen	Gen	Antihyperlipidemics	7.2%	26,290	13,606	-0.4%
	3	2	Losartan Potassium	Gen	Gen	Antihypertensives	4.5%	16,507	8,402	0.0%
	2	3	Amlodipine Besylate	Gen	Gen	Calcium Channel Blockers	4.5%	16,797	8,414	-0.6%
	4	4	Metoprolol Succinate Er	Gen	Gen	Beta Blockers	2.9%	10,916	5,417	0.9%
	6	5	Rosuvastatin Calcium	Gen	Gen	Antihyperlipidemics	2.4%	8,653	4,566	0.0%
	5	6	Simvastatin	Gen	Gen	Antihyperlipidemics	1.9%	6,912	3,584	0.2%
	7	7	Lisinopril	Gen	Gen	Antihypertensives	1.9%	6,995	3,540	0.0%
	9	8	Amos Levothyroxine Sodium	Gen	Gen	Thyroid Agents	1.8%	6,620	3,289	0.0%
	10	9	Tamsulosin Hydrochloride	Gen	Gen	Genitourinary Agents - Miscellaneous	1.8%	7,000	3,666	0.1%
	8	10	Metformin Hydrochloride	Gen	Gen	Antidiabetics	1.8%	6,733	3,507	0.1%
	11	11	Allopurinol	Gen	Gen	Gout Agents	1.5%	5,651	2,883	0.0%
	14	12	Eliquis	SSB	Pref	Anticoagulants	1.3%	6,351	2,662	6.0%
	12	13	Omeprazole	Gen	Gen	Ulcer Drugs	1.3%	5,105	2,830	0.0%
	20	14	Jardiance	SSB	Pref	Antidiabetics	1.2%	4,970	2,320	3.0%
	13	15	Hydrochlorothiazide	Gen	Gen	Diuretics	1.2%	4,370	2,296	4.1%
	17	16	Metformin Hydrochloride E	Gen	Gen	Antidiabetics	1.1%	4,187	2,241	-0.2%
	15	17	Pravastatin Sodium	Gen	Gen	Antihyperlipidemics	1.1%	4,106	2,112	0.0%
	16	18	Latanoprost	Gen	Gen	Ophthalmic Agents	1.1%	5,367	2,691	-0.2%
	19	19	Pantoprazole Sodium	Gen	Gen	Ulcer Drugs	1.1%	4,547	2,421	0.5%
	23	20	Fluticasone Propionate	Gen	Gen	Nasal Agents - Systemic And Topical	1.0%	4,982	3,272	21.2%
	18	21	Furosemide	Gen	Gen	Diuretics	1.0%	4,850	2,385	-5.1%
	22	22	Alendronate Sodium	Gen	Gen	Endocrine And Metabolic Agents - Misc.	1.0%	3,944	2,047	-0.1%
	21	23	Prolia	SRx	Pref	Endocrine And Metabolic Agents - Misc.	1.0%	1,750	1,738	10.8%
	24	24	Famotidine	Gen	Gen	Ulcer Drugs	0.9%	3,843	2,181	0.7%
	25	25	Irbesartan	Gen	Gen	Antihypertensives	0.9%	3,309	1,679	0.2%
<b>Subtotal of Top 25 Drugs</b>							<b>47.55%</b>	<b>180,755</b>	<b>35,602</b>	
<b>All Others</b>							<b>52.45%</b>	<b>314,027</b>	<b>38,376</b>	
<b>Total</b>								<b>494,782</b>	<b>41,164</b>	

†EGWP information is based on the most recent six months ending Jun 30, 2023.

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# Your top specialty classes by contribution to trend

## Key metrics

Specialty prescriptions represented **35.8%**

of total net cost and comprised **1.5%** of all prescriptions.

Newly launched medications contributed

**1.8%**

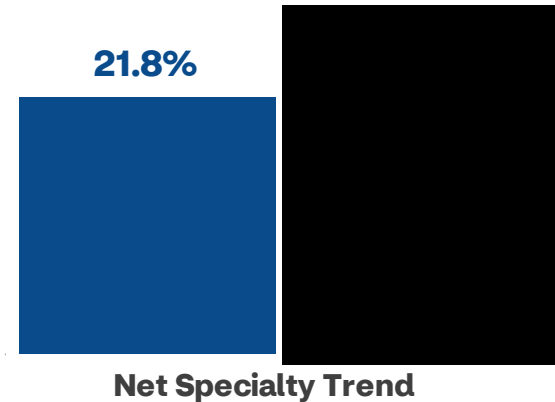
to specialty trend.

Price inflation contributed

**4.5%**

to specialty trend.

EUTF  
EGWP BOB



**9.3%**

Overall specialty utilization increase compared to prior period



The top three (3) classes with the greatest contribution to specialty drug utilization trend are:  
**Osteoporosis**  
**Transplant**  
**Atopic Dermatitis**

## Your top 5 contributing specialty classes

Specialty Class	Top Drug Contributors	Net Cost	Utilizers	Contribution to Net Trend
Oncology	Lenalidomide, Xtandi	████████	389	<b>2.1%</b>
Amyloidosis	Vyndamax, Vyndaqel	████████	25	<b>1.0%</b>
Ocular Disorders	Oxervate, Vabysmo	████████	59	<b>0.6%</b>
Neuromuscular	Vyvgart Hytrulo, Vyvgart	████████	5	<b>0.5%</b>
Osteoporosis	Prolia, Evenity	████████	1787	<b>0.5%</b>

BOB Segment: EGWP

This page contains references to brand-name prescription drugs that are trademarks or registered trademarks of pharmaceutical manufacturers not affiliated with CVS Health and/or its affiliates.

# Your top 25 specialty drugs

## By net cost

BOB Rank <sup>†</sup>	Prior Rank	Current Rank	Drug Name	Disp Type	Gen/Pref /NonPref	Specialty Class	% of Specialty Net Cost	Total Utilizers	Total Rxs
[REDACTED]	1	1	Xtandi	SSB	Non-Pref	Oncology	8.47%	66	323
[REDACTED]	2	2	Prolia	SSB	Pref	Osteoporosis	6.10%	1,738	1,750
[REDACTED]	4	3	Vyndamax	SSB	Non-Pref	Amyloidosis	5.85%	24	119
[REDACTED]	3	4	Tagrisso	SSB	Non-Pref	Oncology	4.27%	25	121
[REDACTED]	6	5	Ibrance	SSB	Non-Pref	Oncology	3.14%	17	93
[REDACTED]	49	6	Lenalidomide	Gen	Gen	Oncology	3.10%	25	86
[REDACTED]	7	7	Abiraterone Acetate	Gen	Gen	Oncology	2.98%	39	191
[REDACTED]	10	8	Dupixent	SSB	Non-Pref	Atopic Dermatitis	2.85%	82	363
[REDACTED]	8	9	Imbruvica	SSB	Non-Pref	Oncology	2.59%	16	80
[REDACTED]	17	10	Oxervate	SSB	Non-Pref	Ocular Disorders	2.51%	12	33
[REDACTED]	11	11	Ofev	SSB	Non-Pref	Pulmonary Disorders - Other	1.92%	19	72
[REDACTED]	13	12	Nubeqa	SSB	Non-Pref	Oncology	1.80%	15	62
[REDACTED]	21	13	Verzenio	SSB	Non-Pref	Oncology	1.64%	11	51
[REDACTED]	19	14	Jakafi	SSB	Non-Pref	Oncology	1.54%	10	51
[REDACTED]	24	15	Skyrizi	SSB	Non-Pref	Psoriasis	1.43%	18	32
[REDACTED]	12	16	Lenvima	SSB	Non-Pref	Oncology	1.41%	9	28
[REDACTED]	9	17	Pomalyst	SSB	Non-Pref	Oncology	1.41%	6	29
[REDACTED]	5	18	Revlimid	SSB	Non-Pref	Oncology	1.26%	8	32
[REDACTED]	20	19	Enbrel	SSB	Non-Pref	Rheumatoid Arthritis	1.08%	17	77
[REDACTED]	26	20	Imatinib Mesylate	Gen	Gen	Oncology	0.92%	16	71
[REDACTED]	18	21	Everolimus	SSB	Non-Pref	Oncology	0.92%	7	34
[REDACTED]	31	22	Erleada	SSB	Non-Pref	Oncology	0.91%	6	28
[REDACTED]	22	23	Humira	SSB	Non-Pref	Rheumatoid Arthritis	0.91%	17	65
[REDACTED]	27	24	Kisqali	SSB	Non-Pref	Oncology	0.85%	7	33
[REDACTED]	15	25	Nuplazid	SSB	Non-Pref	Movement Disorders	0.84%	14	81

### Total Top Net Specialty Drugs

### Total Top Net Specialty Drugs/Overall Biotech Specialty Drugs

60.70%

<sup>†</sup>EGWP information is based on the most recent quarter ending Mar 31, 2024.

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# 2025 and 2026 IRA Updates

**Ty Bowers**  
Strategic Account Director

October 15, 2024



# Inflation Reduction Act (IRA) Timeline

2023

2026



**2023**

- \$35 monthly insulin cap for Part D (30-day supply)
- \$0 Part D vaccines
- Temporary retro subsidy for Part D plans for excess costs in 2023 (as IRA was passed after plans were priced)
- 7/1: \$35 monthly cap for insulin furnished through Durable Medical Equipment (DME) on Part B plans

**2024**

- \$0 member cost share in Catastrophic phase for Part D covered formulary drugs
- Base member premium increases limited to 6% year over year from 2024 through 2029 (This increase limit is for Individual bids only, but it will have an impact on the Direct Subsidy for employer groups)
- Expands Low Income Subsidy (LIS) eligibility from 135% to 150% of the federal poverty level, which eliminates LIS Category Level 4

**2025**

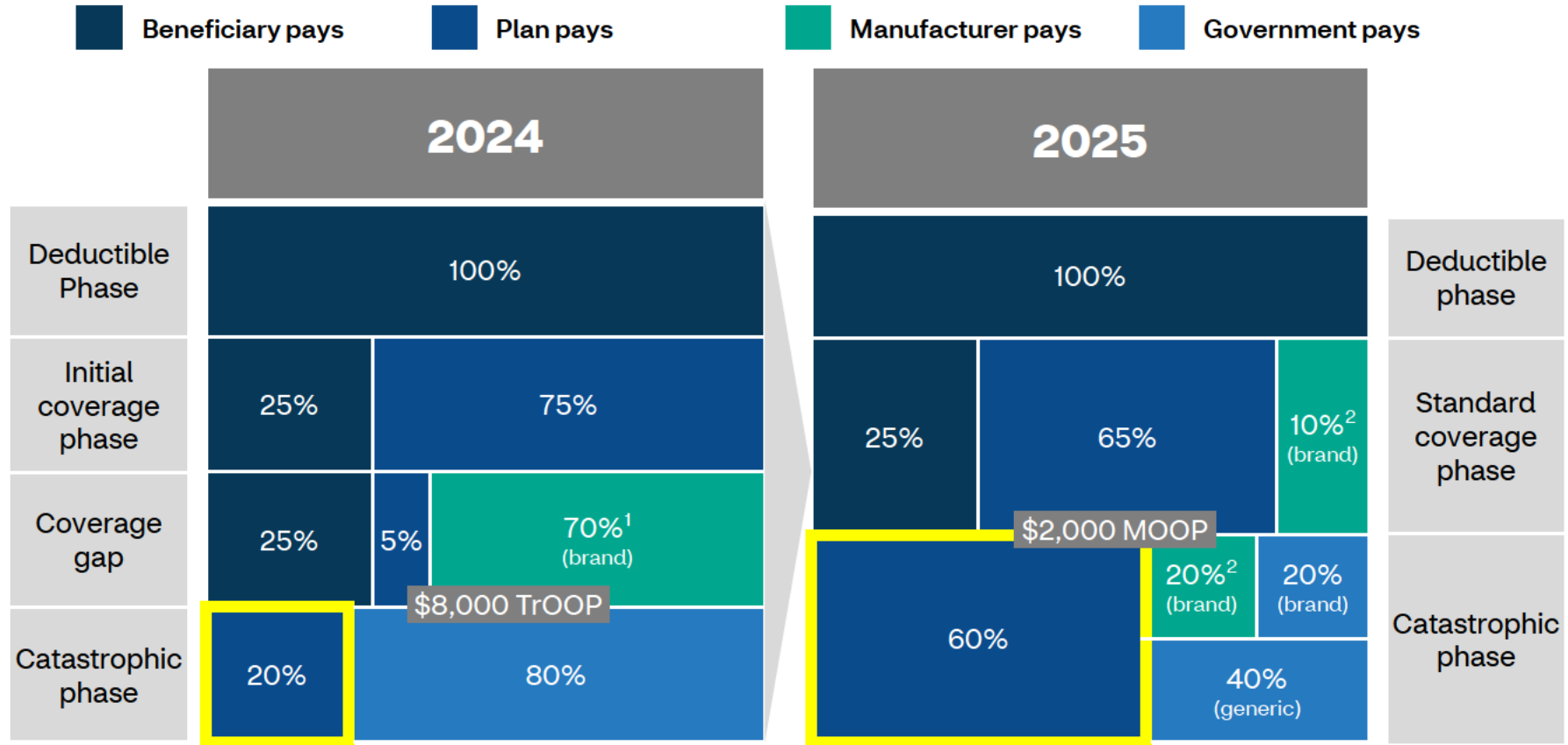
- Coverage Gap Discount Program eliminated
- 10% manufacturer (MFR) discount on Part D covered brand drugs that applies after the deductible is met until Catastrophic phase
- \$2000 member out-of-pocket cap
- 20% MFR discount on Part D covered brand drugs that applies in the Catastrophic phase

**2026**

- Insulin cap changes to the lesser of:
  - \$35
  - 25% of the maximum fair price established for insulin products
  - 25% of the Part D or MA plan's negotiated price
- CMS to negotiate Part B and D drug prices
  - 10 **Part D** drugs in 2026
  - 15 **Part D** drugs in 2027
  - 15 **Part B and Part D** drugs in 2028

# Part D benefit redesign

Under the Inflation Reduction Act, defined standard gets richer and catastrophic phase liability shifts to the plan



The defined standard includes **\$35 monthly cap on insulins & \$0 copays for Part D vaccines**

TrOOP: True Out-Of-Pocket; MOOP: Maximum Out-Of-Pocket

<sup>1</sup> Coverage gap discounts applicable to Non-Low-Income (NLI) beneficiaries only; coverage gap discounts accumulate towards the member's TrOOP.

<sup>2</sup> Manufacturer Discount Program replaces Coverage Gap Discount Program & extends to both LI & NLI; manufacturer discounts do not accumulate towards the member's MOOP.





## Direct Subsidy and CMS Premium Stabilization

Due to the 2025 Medicare Part D changes, the average basic member premium increase is 6% for individual bids, but each plan's premium increases/decreases by vastly different amounts.

CVS Health has opted into the demo for all of CMS PDP Contract S5601 (SilverScript). This will help reduce the EUTF liability.

- The base beneficiary premium (BBP) will be reduced by \$15 enabling **Group PDPs to get an extra \$15 PMPM** of CMS monthly Direct Subsidy.
  - Calculation:  $(\text{NABA}^* \times \text{Risk Score}) - \text{BBP} = \text{Direct Subsidy}$
- CMS will increase the monthly Direct Subsidy to fully cover the amount of the member premium reduction.
- The demonstration is designed for one year (2025).
- We anticipate that the Direct Subsidy will not include the additional \$15 for 2026 and beyond.

\*National Average Bid Amount (NABA) is the weighted average of standardized bid amounts for each stand-alone prescription drug plan and MAPD plan.



## Prospective Reinsurance- 2025

- Reinsurance is the offset that is paid by CMS based upon accumulations in the Catastrophic phase.
- CMS now calculates the prospective reinsurance payments for EGWPs using the weighted average reinsurance amounts submitted for enhanced alternative (EA) plans from the individual market.
- For calendar year 2025, the monthly amount is **\$30.41 PMPM.**
- This is a decrease of \$40.68 from 2024, which was \$71.09 PMPM.
- EUTF will still receive 100% of all CMS approved Reinsurance.



## Medicare Maximum Fair Price (MFP)

- Per the Inflation Reduction Act of 2022, CMS to negotiate drug prices with manufacturers for high-expenditure single source drugs, selected from the top 50.
- MFP negotiated drugs are effective 1/1/2026 for Part D and 1/1/2028 for Part B.
- CMS will add drugs each year. This has a cumulative effect (unless drugs come off list).
  - 2026: 10 drugs
  - 2027: additional 15 for total of 25
  - 2028: +15, 40 total
  - 2029: +20, 60 total
  - 2030: +20, 80 total
  - 2031: +20, 100 total
- This is the first time the government is directly negotiating with manufacturers in Medicare, but PBMs already had negotiated rates on all 10 products selected for 2026



## MFP Overview continued

- 1/1/2026: Plans must price the selected drugs using the MFP
- Plans must cover selected drugs in all forms (listed NDCs)
- MFP to increase annually after the first year, equal to the annual % increase of the consumer price index.
- Negotiation agreement is renegotiated every 2 years
- Drugs may be removed from MFP requirement if a generic or a biosimilar is approved and available on the market.
- Manufacturers must make dispensing entities whole for acquisition costs (or approximation).
- Manufacturer Discount (effective in 2025, Coverage Gap Discount in 2024) doesn't apply to selected drugs when MFP is applicable.
- Rebates on selected Part D drugs will likely end in 2025

# CMS Selected Drugs and Negotiated Prices for 2026\*

Drug Name	Conditions Treated	Maximum Fair Price per 30-day Supply for 2026	2023 List Price for 30-day Supply	CMS Discount of Negotiated Price from 2023 List Price	Number Part D Enrollees Who Used the Drug in 2023
Januvia	Diabetes	\$113.00	\$527.00	79%	843,000
Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill	Diabetes	\$119.00	\$495.00	76%	785,000
Farxiga	Diabetes; Heart failure; Chronic kidney disease	\$178.50	\$556.00	68%	994,000
Enbrel	Rheumatoid arthritis; Psoriasis; Psoriatic arthritis	\$2,355.00	\$7,106.00	67%	48,000
Jardiance	Diabetes; Heart failure; Chronic kidney disease	\$197.00	\$573.00	66%	1,883,000
Stelara	Psoriasis; Psoriatic arthritis; Crohn's disease; Ulcerative colitis	\$4,695.00	\$13,836.00	66%	23,000
Xarelto	Prevention and treatment of blood clots; Reduction of risk for patients with coronary or peripheral artery disease	\$197.00	\$517.00	62%	1,324,000
Eliquis	Prevention and treatment of blood clots	\$231.00	\$521.00	56%	3,928,000
Entresto	Heart failure	\$295.00	\$628.00	53%	664,000
Imbruvica	Blood cancers	\$9,319.00	\$14,934.00	38%	17,000

\*From CMS Publication 08/15/2024: Medicare Drug Price Negotiation Program: Negotiated Prices for Initial Price Applicability Year 2026

# CMS Selected Drugs and EUTF Utilization for Calendar Year 2023

		1/1/2023-12/31/2023				
				MFP Price per 30-day supply for 2026	Total Rx	Total Utilizers
Januvia	Pref Brand			\$113	4,755	1,244
Fiasp	Pref Brand			\$119	32	13
Farxiga	Pref Brand			\$179	4,567	1,254
Enbrel	Non-Pref SRx			\$2,355	143	21
Jardiance	Pref Brand			\$197	8,693	2,356
Stelara	Non-Pref SRx			\$4,695	21	6
Xarelto	Pref Brand			\$197	3,997	1,023
Eliquis	Pref Brand			\$231	12,334	2,996
Entresto	Pref Brand			\$295	2,558	674
Imbruvica	Non-Pref SRx			\$9,319	159	15

- 2026 estimated cost projections for EUTF will be available in Q1 2025.

\*Costs are before rebate and subsidy reductions.





# SilverScript M3P Updates

- SilverScript is continuing to working with Wipro to operationalize the M3P program, and we are on track for the 10/15/2024 launch date.
- In mid-September, annual member communications were mailed. These documents included a notice and brief description of the M3P program, which included that all members are eligible, but participation would not lower the member's drug costs. These documents were provided to all currently enrolled Medicare retirees.
- In early December, SilverScript will mail targeted notification letters to those who are likely to benefit from the M3P program. "Likely to benefit" members are defined as those who had are anticipated to have out of pocket spend of over \$2000 in 2024. 35 EUTF Medicare retirees are currently targeted for this mailing, but we will have final impact in late October.
- Disenrollment for non-payment will occur after a 60-day grace period.





# RxInsights<sup>®</sup>

## EUTF - ACTIVES

July 2023 - June 2024  
Prescription Benefit Review



# EUTF Actives

## 2Q2024 Plan Summary

### Pharmacy Trend:

For the period of July 2023 –Jun 2024, EUTF’s pharmacy trend is 18.9% and is at its highest level since 2015. EUTF’s trend is higher than CVS’s Book of Business and Government Peer clients and net of rebates the [REDACTED]. The trend is driven by both non-specialty drugs and specialty drugs, but we are seeing a higher trend shift with non-specialty drugs. There was a higher volume of prescriptions (utilization) compared to the prior period with the use of higher costing drugs (price inflation).

### Specialty:

The specialty drug trend is 14.7% and net of rebates, [REDACTED] utilizers increased by 10.5% and the volume of prescriptions increased by 13.6%. Collectively, specialty net costs increased by 15.8%. The top specialty drug in cost and utilization is Dupixent at \$7.4M and Skyrizi at \$6.2M. The top 3 classes of specialty spend are 1) Oncology \$12.2M, 2) Psoriasis \$11.1M and 3) Atopic Dermatitis \$7.8M.

EUTF has utilization management in place for all specialty drugs. Here are the savings realized in 2Q24 for the top 3 classes (Psoriasis is included in Auto-Immune with other therapies):

**Oncology - \$1.5M**  
**Auto-Immune - \$8.6M**  
**Atopic Dermatitis - \$907K**

Effective 4/1/2024, Humira was removed from coverage under ACSF and as of August 2024, we have been able to convert 95% of Humira claims to the lower-cost biosimilar.

**Non-Specialty:** The trend for non-specialty medications is 22.6%. The rebates for brand non-specialty [REDACTED] in a PMPM perspective, the non-specialty Diabetes drugs are the plan’s highest costing class of drugs at \$42.1M, followed Anti-Obesity/Stimulants at \$5.3M and Antihyperlipidemics at \$3.4M.

# EUTF Actives

## 2Q2024 Plan Summary

### Non-Specialty (Cont.)

Many GLP1/GIC agonist diabetic drugs like Ozempic and Mounjaro are also effective in weight loss and are a significant cost driver for EUTF and many clients across our book of business. On 7/1/2023, EUTF input a PA requirement that requires a Type 2 Diabetes diagnosis, or patient history of diabetic drug utilization within the last two years to cover these products. Between 7/1/23 – 6/30/24, EUTF Active plans saved \$2.8M with this PA requirement and ensures diabetic patients have access to these medications.

EUTF covers weight loss medications for patients that meet the clinical criteria for coverage. The total drug spend for weight loss medications is \$4.2M and the drug Wegovy incurred 86% of the total spend at \$3.6M. Wegovy is ranked #8 by net cost, up from #22 in the prior year. Utilization management for weight loss drugs saved EUTF over \$2.2M during the period of 7/1/23 – 6/30/24.

EUTF experienced increased costs in the use of Paxlovid, an anti-viral treatment for COVID. Federal government funding ended on 3/9/2024 and many clients are seeing COVID vaccines and treatments as cost drivers. From March – August 2024, the EUTF Active plan incurred 2,184 claims for Paxlovid at a cost of \$1M. The EUTF plan input a quantity limit for Paxlovid eff. 7/1/24. (Note - COVID vaccines are not covered under the drug plan, but under the HMSA medical plan).

As part of our optimization efforts, CVS Caremark will retire the Platelet Aggregation Inhibitors Limit, Post PA on 10/1/24, due to low usage and savings for clients. This was implemented on 10/1/23 and there are 115 utilizers using these medications that will no longer need to go through a quantity limit review.

### Strategic Plan Performance:

EUTF's GDR decreased slightly from 86.2% to 85.6% but is performing [REDACTED]. The decrease results from the Tier 1 program that promotes the use of targeted brands, but when we adjust [REDACTED] program, EUTF's GDR is at 86.2%. EUTF's Generic Substitution Rate (GSR) which excludes single-source brand drugs, is 98.8% and when adjusted to Tier 1, is 99.5%.

EUTF's diabetic trend is 13.7%, and higher than the Peer [REDACTED] diabetes drugs remain the highest contributor to EUTF's overall trend, contributing 4.1% to the net trend.

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# Key metrics at a glance

Eligibility	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	% Change
Average Eligible Members Per Month	65,373	65,429	64,146	63,584	64,193	1.0%
Average Utilizers as % of Members	32.2%	29.7%	31.2%	32.1%	32.5%	1.2%
Employer	[REDACTED]					
Peer	[REDACTED]					
Average Member Age	38	38	39	39	39	0.0%
Employer	[REDACTED]					
Peer	[REDACTED]					
<b>Cost</b>						
Total Gross Cost	\$105,694,538	\$111,669,435	\$121,206,161	\$132,496,840	\$158,278,877	19.5%
Total Net Cost	\$99,550,889	\$105,919,272	\$115,384,590	\$125,891,029	\$151,137,945	20.1%
Gross Cost PMPM	\$134.73	\$142.23	\$157.46	\$173.65	\$205.47	18.3%
Employer	[REDACTED]					
Peer	[REDACTED]					
Net Cost PMPM	\$126.90	\$134.90	\$149.90	\$164.99	\$196.20	18.9%
Employer	[REDACTED]					
Peer	[REDACTED]					
Non-Specialty PMPM	\$78.08	\$78.97	\$84.89	\$87.67	\$107.50	22.6%
Employer	[REDACTED]					
Peer	[REDACTED]					
% Total Member Cost Share	5.7%	5.1%	4.8%	5.0%	4.5%	-10.0%
Employer	[REDACTED]					
Peer	[REDACTED]					
% Total Member Cost Share (after reba)	NA	6.8%	6.7%	7.2%	6.7%	-7.4%
% Non-Specialty Member Cost Share	NA	6.2%	5.9%	6.7%	5.7%	-14.9%
Employer	[REDACTED]					
Peer	[REDACTED]					
<b>Cost with Rebates**</b>						
Gross Cost w/ Rebates**	[REDACTED]					
Total Net Cost w/ Rebates**	[REDACTED]					
Gross Cost w/ Rebates** PMPM	[REDACTED]					
Net Cost w/ Rebates** PMPM	[REDACTED]					
Specialty PMPM w/Rebates**	[REDACTED]					
Non-Specialty PMPM w/Rebates	[REDACTED]					

\*Peer: Government

\*\* Rebates represent client share of invoiced rebates (less: point of sale rebates) as of report run date of 09/27-2024 and may not reconcile with rebate guarantees or rebates paid to date.

Rebates included for this time period: 2023Q3 - 2024Q2. Prior period rebates include the same number of quarters as current per iod.

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# Key metrics at a glance

Drug Mix	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	% Change
% Single Source Brands	13.4%	13.1%	13.0%	13.2%	13.4%	1.5%
Employer						
Peer						
% Multi Source Brands	0.6%	0.4%	0.4%	0.5%	1.0%	100.0%
Employer						
Peer						
Generic Dispensing Rate	86.0%	86.5%	86.7%	86.2%	85.6%	-0.7%
Employer						
Peer						
Generic Substitution Rate	99.3%	99.5%	99.6%	99.4%	98.8%	-0.6%
Employer						
Peer						
<b>Utilization</b>						
Total Prescriptions	535,679	475,868	482,049	520,145	543,572	4.5%
% Retail Prescriptions	57.3%	50.6%	51.4%	55.0%	56.6%	2.9%
Employer						
Peer						
% Mail Prescriptions	2.5%	2.5%	2.2%	1.9%	1.7%	-10.5%
Employer						
Peer						
% Retail 90 Prescriptions	40.2%	46.9%	46.3%	43.1%	41.7%	-3.2%
Days' Supply PMPM						
Employer						
Peer						
<b>Specialty</b>						
Specialty Total Net Cost	\$38,298,555	\$43,911,714	\$50,040,519	\$58,995,547	\$68,329,937	15.8%
Specialty Avg. Utilizers as % of Members	2.2%	1.0%	1.1%	1.2%	1.3%	8.3%
Employer						
Peer						
Specialty Net Cost PMPM	\$48.82	\$55.93	\$65.01	\$77.32	\$88.70	14.7%
Employer						
Peer						
Specialty % of Total Net Cost	38.4%	41.4%	43.4%	46.9%	45.2%	-3.6%
Employer						
Peer						
Specialty % of Total Prescriptions	1.7%	2.0%	2.0%	2.0%	2.2%	10.0%
Employer						
Peer						
% Specialty Member Cost Share	4.1%	3.5%	3.3%	3.0%	3.1%	3.3%
Employer						
Peer						

\*Peer: Government  
 \*\* Rebates represent client share of invoiced rebates (less: point of sale rebates) as of report run date of 08-27-2024 and may not reconcile with rebate guarantees or rebates paid to date. Rebates included for this time period: 2023Q3 - 2024Q2. Prior period rebates include the same number of quarters as current period.

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# Key metrics at a glance

## 75/25 PPO Plan

## 80, 90 & HMO Plans

Eligibility	75/25 PPO Plan			80, 90 & HMO Plans			Jul-Jun 24 Employer	Jul-Jun 24 Peer*
	Jul-Jun 23	% Change	Jul-Jun 24	Jul-Jun 23	% Change	Jul-Jun 24		
Average Eligible Employees Per Month	18,614	6.2%	19,971	14,205	-5.1%	14,962		
Average Eligible Members Per Month	37,698	5.5%	39,774	25,713	-6.7%	23,996		
Average Utilizers as % of Members	27.7%	2.4%	28.4%	38.6%	2.3%	39.5%		
Average Member Age	36	0.5%	36	43	0.8%	43		
<b>Cost with Rebates**</b>								
Total Gross Cost	\$52,921,802	31.8%	\$69,763,597	\$79,365,440	11.0%	\$88,118,147		
Gross Cost w/ Rebates**								
Total Net Cost w/ Rebates**								
Gross Cost w/ Rebates** PMPM								
Net Cost PMPM	\$110.64	25.8%	\$139.18	\$245.16	19.5%	\$292.89		
Net Cost w/ Rebates** PMPM								15
% Total Member Cost Share	5.4%	-12.0%	4.8%	4.7%	-8.4%	4.3%		
% Non-Specialty Member Cost Share	7.1%	-16.6%	5.9%	6.3%	-13.8%	5.5%		
<b>Drug Mix</b>								
% Single Source Brands	11.8%	2.6%	12.1%	14.6%	1.8%	14.8%		
% Multi Source Brands	0.5%	89.4%	1.0%	0.5%	105.9%	1.1%		
Generic Dispensing Rate	87.7%	-0.9%	86.9%	84.9%	-0.9%	84.1%		
Generic Substitution Rate	99.4%	-0.5%	98.9%	99.4%	-0.6%	98.8%		
<b>Utilization</b>								
Total Prescriptions	248,597	11.2%	276,316	270,157	-2.2%	264,330		
% Retail Prescriptions	59.5%	2.4%	61.0%	50.8%	2.5%	52.0%		
% Mail Prescriptions	1.4%	-9.2%	1.3%	2.3%	-10.4%	2.1%		
% Retail 90 Prescriptions	39.1%	-3.3%	37.8%	46.9%	-2.2%	45.9%		
Days' Supply PMPM	28.50	4.0%	29.63	50.65	3.7%	52.54		
<b>Specialty</b>								
Specialty Total Net Cost	\$22,633,251	30.1%	\$29,445,536	\$36,317,633	6.9%	\$38,809,257		
Specialty Avg. Utilizers as % of Members	0.8%	21.0%	1.0%	1.7%	12.6%	1.9%		
Specialty Net Cost PMPM	\$50.03	23.3%	\$61.69	\$117.70	14.5%	\$134.78		
Specialty % of Total Net Cost	45.2%	-2.0%	44.3%	48.0%	-4.2%	46.0%		
Specialty % of Total Prescriptions	1.7%	13.3%	1.9%	2.3%	7.3%	2.4%		
% Specialty Member Cost Share	3.3%	-0.3%	3.3%	2.8%	1.7%	2.9%		

\*Peer: Government

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# Trend Drivers

## Total gross trend components & drivers

	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	Employer
Price Inflation	-4.3%	3.6%	2.7%	2.5%	6.5%	
Utilization (PMPM)	1.4%	-2.8%	1.9%	3.6%	1.9%	
Drug Mix	2.6%	4.8%	6.0%	3.8%	9.0%	

## Price Inflation

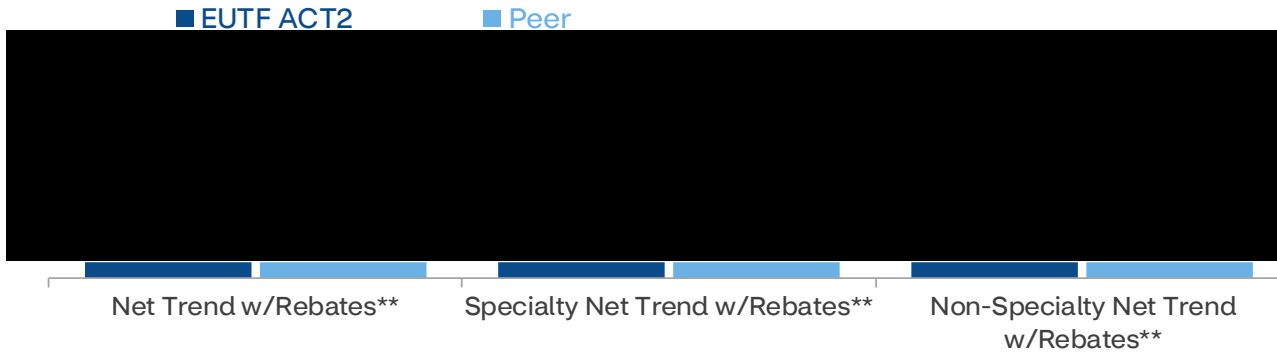
	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Overall AWP Inflation	1.7%	2.5%	2.3%	2.8%	2.4%
Brand AWP Inflation	3.8%	4.1%	4.3%	5.0%	4.1%
Generic AWP Inflation	-0.5%	0.8%	0.1%	0.1%	0.1%
Specialty AWP Inflation	4.5%	4.3%	4.7%	6.0%	4.6%

## Specialty

	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Price Inflation	3.9%	4.2%	2.8%	6.3%	4.5%
Utilization (PMPM)	12.0%	5.5%	7.1%	5.6%	11.5%
Drug Mix	0.7%	3.4%	5.3%	5.7%	-1.5%

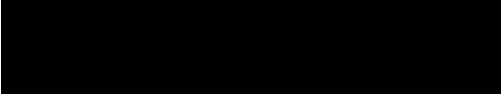
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# Your trend overview with rebate impact



## Key metrics

**Rebates**  
generated



in net cost savings.

**Specialty drugs**  
comprise

**45.2%**

of total net cost.

**Generics**  
account for

**10.3%**

of total net cost.

## Your Top 5 Trend Contributors

Therapeutic Class	Top Drug Contributors	Net Cost	Utilizers	Net Cost PMPM	Net Trend	Contribution to Net Trend
Dermatologicals	Dupixent, Skyrizi	\$22,886,301				
Antidiabetics	Mounjaro, Ozempic	\$42,762,376				
Antineoplastics	Sprycel, Qinlock	\$12,356,551				
Adhd/Anti-Narcolepsy/Anti-Obesity/Anorexiants	Wegovy, Zepbound	\$5,445,417				
Antivirals	Paxlovid, Biktarvy	\$5,138,750				

Peer:Government

\*\* Rebates represent client share of invoiced rebates (less: point of sale rebates) as of report run date o  
 Rebates included for this time period: 2023Q3 - 2024Q2. Prior period rebates include the same numbe  
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# Your top 10 overall therapeutic classes

## By net cost

## Percentage change over time

BOB Rank <sup>†</sup>	Prior Rank	Current Rank	Therapeutic Class	GDR	BOB GDR	Peer GDR	Total Rx	Net Cost	Utilizers	Net Cost (PMPM)	Cost	Cost Components		Utilization Components		
											Net PMPM	Days' Supply PMPM	Net Cost Per Day	Drug Mix		
														Utilization	/Inflation	Density of Use
1	1		Antidiabetics	39.4%				\$42,762,376								
2	2		Dermatologicals	86.6%				\$22,886,301								
3	3		Analgesics - Anti-Inflammatory	86.9%				\$14,680,178								
4	4		Antineoplastics	78.3%				\$12,356,551								
5	5		Antiasthmatic And Bronchodilator Agents	84.6%				\$5,823,406								
11	6		Adhd/Anti-Narcolepsy/Anti-Obesity/Aorexians	70.1%				\$5,445,417								
6	7		Antivirals	64.5%				\$5,138,750								
14	8		Antihyperlipidemics	95.2%				\$3,419,003								
8	9		Ophthalmic Agents	76.4%				\$3,379,578								
12	10		Migraine Products	55.0%				\$2,861,123								
<b>Subtotal of Top 10</b>				<b>74.5%</b>				<b>\$118,752,683</b>								
<b>All Other Categories</b>				<b>92.0%</b>				<b>\$32,385,261</b>								
<b>Total</b>				<b>85.6%</b>				<b>\$151,137,945</b>								

<sup>†</sup> Employer information is based on the most recent year ending Jun 30, 2024.

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# Trend Drivers

## Diabetes

	6/30/2020	6/30/2021	6/30/2022	06/302023	6/30/2024	% Change
GDR	45.7%	47.2%	45.0%	40.8%	39.4%	-3.4%
Peer GDR	[REDACTED]					
BOB GDR	[REDACTED]					
Total Rx	[REDACTED]					
Net Cost	\$27,140,180	\$29,319,307	\$32,093,034	\$37,266,972	\$42,762,376	14.7%
Utilizers	[REDACTED]					
Net Cost PMPM	[REDACTED]					
Peer	[REDACTED]					

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# Your top 25 drugs

## By net cost

BOB Rank†	Prior Rank	Current Rank	Drug Name	Dispense Type	Gen/Pref/NonPref	Therapeutic Class	Generic Launch Date ††	Net Cost	Net PMPM	Total Rx	% of Total Rxs	Utilizers	Net Cost Per Rx	Net Cost Per Days' Supply	AWP Inflation	
	1	1	Ozempic	Brand	Pref	Antidiabetics	NA	\$11,477,231								
	3	2	Dupixent	Specialty	Pref	Dermatologicals	NA	\$7,435,531								
	4	3	Jardiance	Brand	Pref	Antidiabetics	NA	\$6,593,726								
	5	4	Skyrizi	Specialty	Pref	Dermatologicals	NA	\$6,162,705								
	12	5	Mounjaro	Brand	Pref	Antidiabetics	NA	\$5,428,681								
	2	6	Humira	Specialty	Pref	Analgesics - Anti-Inflamator	NA	\$5,355,851								
	7	7	Rybelsus	Brand	Pref	Antidiabetics	NA	\$4,408,068								
	22	8	Wegovy	Brand	Pref	Adhd/Anti-Narcolepsy/Anti-C	NA	\$3,560,532								
	11	9	Taltz	Specialty	Pref	Dermatologicals	NA	\$2,653,084								
	6	10	Trulicity	Brand	Pref	Antidiabetics	NA	\$2,647,530								
	8	11	Farxiga	Brand	Pref	Antidiabetics	Q1-2024	\$2,559,507								
	9	12	Enbrel	Specialty	Pref	Analgesics - Anti-Inflamator	NA	\$2,535,871								
	14	13	Rinvoq	Specialty	Pref	Analgesics - Anti-Inflamator	NA	\$2,479,002								
	13	14	Cosentyx	Specialty	Pref	Dermatologicals	NA	\$1,805,248								
	18	15	Stelara	Specialty	Pref	Dermatologicals	NA	\$1,604,862								
	16	16	Eliquis	Brand	Pref	Anticoagulants	Q3-2028	\$1,532,382								
	24	17	Sprycel	Specialty	Pref	Antineoplastics	Q3-2024	\$1,478,522								
	17	18	Otezla	Specialty	Pref	Analgesics - Anti-Inflamator	Q3-2028	\$1,471,964								
	21	19	Descovy	Specialty	Pref	Antivirals	NA	\$1,163,695								
	15	20	Januvia	Brand	Pref	Antidiabetics	Q2-2026	\$1,129,732								
	19	21	Procysbi	Specialty	NonPref	Genitourinary Agents - Miscell	NA	\$1,118,065								
	80	22	Restasis	Brand	Pref	Ophthalmic Agents	NA	\$1,115,362								
	28	23	Nurtec	Brand	Pref	Migraine Products	NA	\$1,057,501								
	27	24	Entresto	Brand	Pref	Cardiovascular Agents - Misc.	Q3-2026	\$1,045,833								
	417	25	Paxlovid	Brand	NonPref	Antivirals	NA	\$1,013,077								
<b>Subtotal of Top 25 Drugs</b>								<b>\$78,833,564</b>								
<b>All Others</b>								<b>\$72,304,380</b>								
<b>Total</b>								<b>\$151,137,945</b>								

†Employer information is based on the most recent year ending Jun 30, 2024.

††Generic launch date is based on numerous market factors and is an estimation. "NA" means that no estimate launch date is available at the time of this report.

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# EUTF Actives GLP-1 Report

7/1/2023 to 6/30/2024

Product/Drug Name	Brand/Gen eric Code Claim	Drug Preferred Status	GPI 4 Class Name Desc	Total Net Cost	Net Cost PMPM	Total Rx	% of Total Rx	Total Utilizers	Avg. Net Cost / Rx	Avg. Net Cost / Days Supply
OZEMPIC	BRND	Preferred Brand	INCRETIN MIMETIC AGENTS	\$11,482,708.86						
MOUNJARO	BRND	Preferred Brand	INCRETIN MIMETIC AGENTS	\$5,431,578.17						
RYBELSUS	BRND	Preferred Brand	INCRETIN MIMETIC AGENTS	\$4,408,068.37						
WEGOVY	BRND	Preferred Brand	ANTI-OBESITY AGENTS	\$3,560,946.89						
TRULICITY	BRND	Preferred Brand	INCRETIN MIMETIC AGENTS	\$2,647,530.28						
ZEPBOUND	BRND	Preferred Brand	ANTI-OBESITY AGENTS	\$460,850.26						
VICTOZA	BRND	Preferred Brand	INCRETIN MIMETIC AGENTS	\$244,176.63						
SAXENDA	BRND	Preferred Brand	ANTI-OBESITY AGENTS	\$134,381.00						
BYDUREON BCISE	BRND	Non-Preferred Brand	INCRETIN MIMETIC AGENTS	\$54,034.55						
LIRAGLUTIDE	GNRC	Generic	INCRETIN MIMETIC AGENTS	\$525.31						

In a recent review of Mounjaro and Wegovy users, we monitored conversion rates to this diabetic and weight loss drug:

- 655 of 699 Mounjaro utilizers used another anti-diabetic drug in the prior year. The top drug conversions are Metformin, Ozempic, and Trulicity.

- 245 of 469 Wegovy utilizers used another anti-obesity drug in the prior year. The top drug conversions are Ozempic, Metformin, and Saxenda.

# Your top 25 drugs

## By days' supply

BOB Rank†	Prior Rank	Current Rank	Drug Name	Dispense Type	Gen/Pref /NonPref	Therapeutic Class	Total Net Cost	Net PMPM	% Total Days' Supply	Total Rxs	% of Total Rxs	Total Utilizers	Net Cost Per Rx	Net Cost Per Days' Supply	AWP Inflation
1	1		Atorvastatin Calcium	Generic	Gen	Antihyperlipidemics	\$641,631								
2	2		Losartan Potassium	Generic	Gen	Antihypertensives	\$306,905								
3	3		Amlodipine Besylate	Generic	Gen	Calcium Channel Blockers	\$35,246								
4	4		Lisinopril	Generic	Gen	Antihypertensives	\$3,666								
7	5		Rosuvastatin Calcium	Generic	Gen	Antihyperlipidemics	\$751,286								
5	6		Metformin Hydrochloride	Generic	Gen	Antidiabetics	\$29,275								
6	7		Metoprolol Succinate Er	Generic	Gen	Beta Blockers	\$143,988								
8	8		Fluticasone Propionate	Generic	Gen	Nasal Agents - Systemic An	\$22,887								
9	9		Metformin Hydrochloride E	Generic	Gen	Antidiabetics	\$18,270								
10	10		Amos Levothyroxine Sodium	Generic	Gen	Thyroid Agents	\$377								
11	11		Allopurinol	Generic	Gen	Gout Agents	\$630								
16	12		Ozempic	Brand	Pref	Antidiabetics	\$11,477,231								
15	13		Jardiance	Brand	Pref	Antidiabetics	\$6,593,726								
13	14		Omeprazole	Generic	Gen	Ulcer Drugs	\$83,866								
12	15		Hydrochlorothiazide	Generic	Gen	Diuretics	\$688								
14	16		Simvastatin	Generic	Gen	Antihyperlipidemics	\$29,282								
19	17		Escitalopram Oxalate	Generic	Gen	Antidepressants	\$134,105								
17	18		Losartan Potassium/Hydroc	Generic	Gen	Antihypertensives	\$57,494								
18	19		Montelukast Sodium	Generic	Gen	Antiasthmatic And Broncho	\$75,256								
20	20		Albuterol Sulfate Hfa	Generic	Gen	Antiasthmatic And Broncho	\$60,897								
37	21		Sertraline Hydrochloride	Generic	Gen	Antidepressants	\$27,959								
23	22		Pantoprazole Sodium	Generic	Gen	Ulcer Drugs	\$60,295								
22	23		Bupropion Hydrochloride E	Generic	Gen	Antidepressants	\$75,613								
21	24		Famotidine	Generic	Gen	Ulcer Drugs	\$33,881								
24	25		Irbesartan	Generic	Gen	Antihypertensives	\$60,748								
<b>Subtotal of Top 25 Drugs</b>							<b>\$20,725,201</b>								
<b>All Others</b>							<b>\$130,412,743</b>								
<b>Total</b>							<b>\$151,137,945</b>								

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# Your top specialty classes by contribution to trend

## Key metrics

Specialty prescriptions represented **45.2%**

of total net cost and comprised **2.2%** of all prescriptions.

Newly launched medications contributed

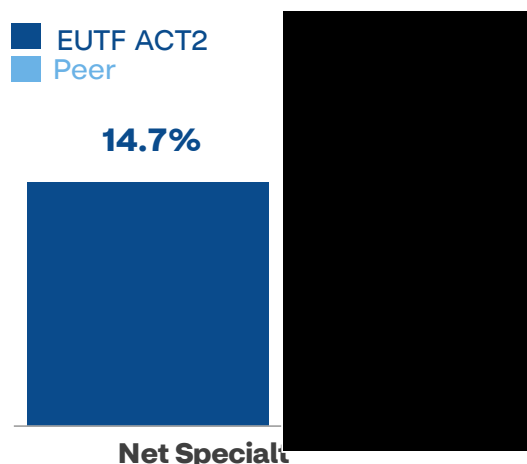
**2.7%**

to specialty trend.

Price inflation contributed

**4.5%**

to specialty trend.



**11.5%**

Overall specialty utilization increase compared to prior period



The top three (3) classes with the greatest contribution to specialty drug utilization trend are:  
**Atopic Dermatitis**  
**Human Immunodeficiency Virus**  
**Asthma**

## Your top 5 contributing specialty classes

Specialty Class	Top Drug Contributors	Net Cost	Utilizers	Net Cost PMPM	Contribution to Net Trend
Oncology	Sprycel, Qinlock	\$12,239,512	[Redacted]	[Redacted]	[Redacted]
Atopic Dermatitis	Dupixent, Rinvoq	\$7,809,091	[Redacted]	[Redacted]	[Redacted]
Psoriasis	Skyrizi, Cosentyx	\$11,121,609	[Redacted]	[Redacted]	[Redacted]
Asthma	Nucala, Dupixent	\$2,605,829	[Redacted]	[Redacted]	[Redacted]
Neurological Disorders	Daybue	\$800,555	[Redacted]	[Redacted]	[Redacted]

Peer:Government

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# Your top 25 specialty classes

## By net cost

BOB Rank†	Prior Rank	Current Rank	Specialty Class	Net Cost*	% of Specialty Net Cost	Net Cost PMPM	Utilizers	% Change in Utilizers	Net Cost Per Utilizer	Total Rx	Prior Year % Rxs CVS Specialty	% Rxs CVS Specialty
	1	1	Oncology	\$12,239,512	17.9%	\$15.89						
	2	2	Psoriasis	\$11,121,609	16.3%	\$14.44						
	4	3	Atopic Dermatitis	\$7,809,091	11.4%	\$10.14						
	3	4	Rheumatoid Arthritis	\$6,223,794	9.1%	\$8.08						
	5	5	Psoriatic Arthritis	\$4,293,782	6.3%	\$5.57						
	6	6	Human Immunodeficiency Virus	\$3,616,246	5.3%	\$4.69						
	8	7	Asthma	\$2,605,829	3.8%	\$3.38						
	10	8	Crohns Disease	\$2,073,281	3.0%	\$2.69						
	12	9	Ankylosing Spondylitis	\$1,344,938	2.0%	\$1.75						
	13	10	Ulcerative Colitis	\$1,260,212	1.8%	\$1.64						
	15	11	Lysosomal Storage Disorder	\$1,118,065	1.6%	\$1.45						
	11	12	Hemophilia	\$1,117,260	1.6%	\$1.45						
	19	13	Thrombocytopenia	\$1,072,203	1.6%	\$1.39						
	9	14	Ocular Disorders	\$1,046,781	1.5%	\$1.36						
	NA	15	Neurological Disorders	\$800,555	1.2%	\$1.04						
	17	16	Osteoporosis	\$768,562	1.1%	\$1.00						
	14	17	Hereditary Angioedema	\$749,136	1.1%	\$0.97						
	18	18	Systemic Lupus Erythematosus	\$726,604	1.1%	\$0.94						
	20	19	Paroxysmal Nocturnal Hemoglobinu	\$676,270	1.0%	\$0.88						
	21	20	Cushing'S	\$634,101	0.9%	\$0.82						
	22	21	Multiple Sclerosis	\$616,112	0.9%	\$0.80						
	16	22	Inflammatory Bowel Disease	\$553,846	0.8%	\$0.72						
	7	23	Gout	\$511,888	0.7%	\$0.66						
	25	24	Pulmonary Arterial Hypertension	\$411,673	0.6%	\$0.53						
	24	25	Hormonal Therapies	\$404,401	0.6%	\$0.52						

Percentage of Top 25 Specialty Therapeutic Classes Net Spend/Total Specialty

Percentage Total Specialty Net Spend/Total Net Spend

† Employer information is based on the most recent year ending Jun 30, 2024.

\* Represents pharmacy claims only.

NA = No prior data available



# Your top 25 specialty drugs

## By net cost

BOB Rank†	Prior Rank	Current Rank	Drug Name	Dispense Type***	Gen/Pref/NonPref	Specialty Class	Total Net Cost	% of Specialty Net Cost	Net Cost PMPM	Total Utilizers	Total Rxs	% of Specialty Rxs	Net Cost Per Rx	Net Cost Per Days' Supply
	1	1	Dupixent	SSB	Pref	Atopic Dermatitis	\$6,605,844							
	2	2	Skyrizi	SSB	Pref	Psoriasis	\$5,369,014							
	5	3	Taltz	SSB	Pref	Psoriasis	\$2,191,677							
	3	4	Humira	SSB	Pref	Rheumatoid Arthritis	\$1,823,185							
	6	5	Enbrel	SSB	Pref	Rheumatoid Arthritis	\$1,622,511							
	11	6	Sprycel	SSB	Pref	Oncology	\$1,478,522							
	10	7	Descovy	SSB	Pref	Human Immunodeficiency Virus	\$1,163,695							
	8	8	Procysbi	SSB	NonPref	Lysosomal Storage Disorder	\$1,118,065							
	7	9	Humira	SSB	Pref	Psoriatic Arthritis	\$982,559							
	46	10	Rinvoq	SSB	Pref	Atopic Dermatitis	\$975,752							
	39	11	Nucala	SSB	Pref	Asthma	\$950,865							
	13	12	Otezla	SSB	Pref	Psoriasis	\$943,342							
	21	13	Advate	SSB	Pref	Hemophilia	\$880,233							
	17	14	Rinvoq	SSB	Pref	Rheumatoid Arthritis	\$860,775							
	32	15	Tagrisso	SSB	Pref	Oncology	\$801,870							
	0	16	Daybue	SSB	NonPref	Neurological Disorders	\$800,555							
	16	17	Humira	SSB	Pref	Crohns Disease	\$779,477							
	24	18	Biktarvy	SSB	Pref	Human Immunodeficiency Virus	\$757,768							
	51	19	Verzenio	SSB	NonPref	Oncology	\$740,899							
	29	20	Stelara	SSB	Pref	Crohns Disease	\$725,341							
	49	21	Cosentyx	SSB	Pref	Psoriasis	\$719,860							
	57	22	Doptelet	SSB	Pref	Thrombocytopenia	\$717,455							
	9	23	Takhzyro	SSB	Pref	Hereditary Angioedema	\$706,674							
	31	24	Tremfya	SSB	Pref	Psoriasis	\$670,798							
	18	25	Cosentyx	SSB	Pref	Psoriatic Arthritis	\$668,657							

### Total Top Net Specialty Drugs

### Total Top Net Specialty Drugs/Overall Biotech Specialty Drugs

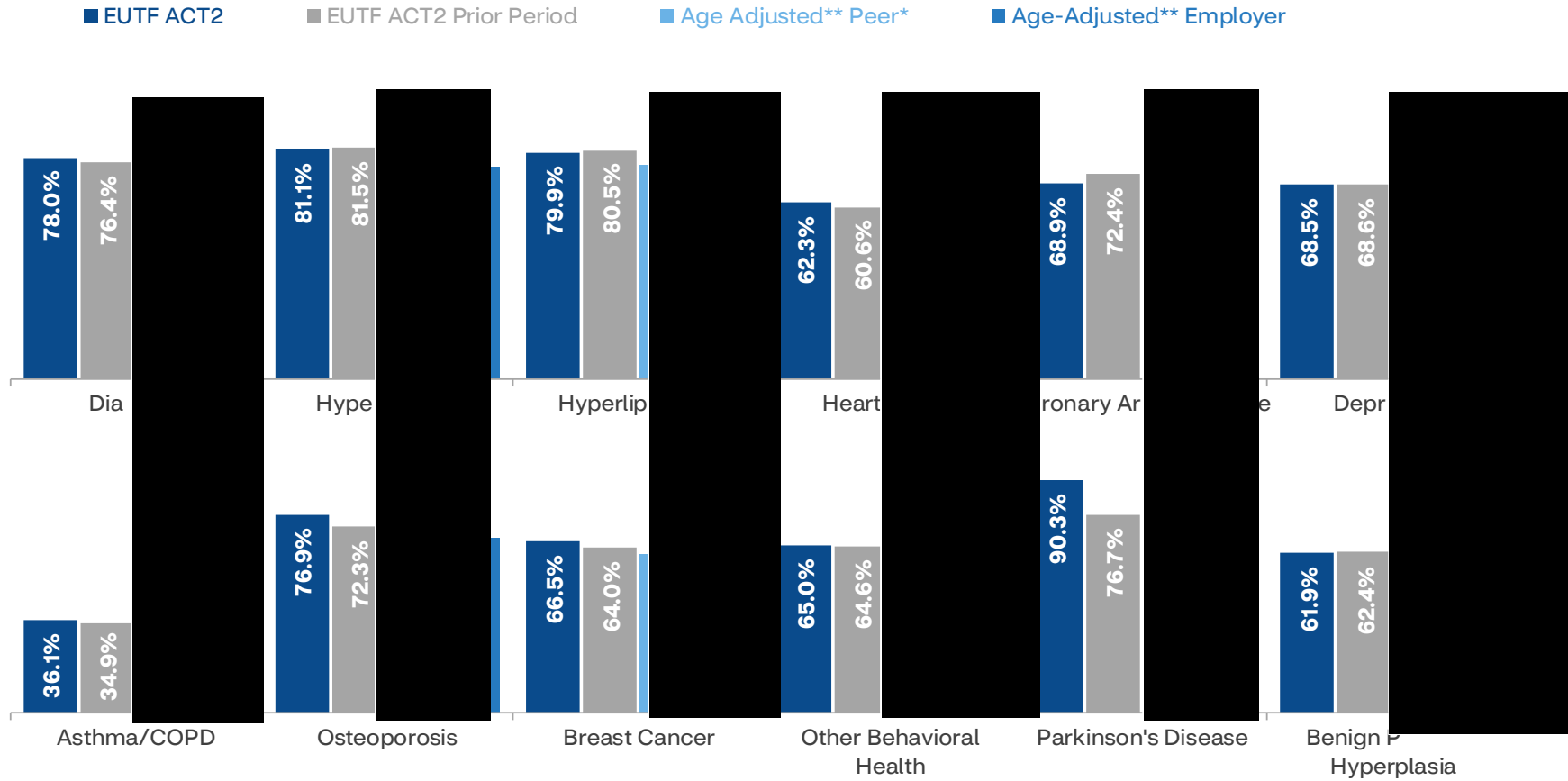
†Employer information is based on the most recent year ending Jun 30, 2024.

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# Managing chronic conditions: your adherence measures

## Percent optimal<sup>1</sup> adherence by chronic condition



<sup>1</sup> Optimal: ≥ 80% MPR

\*Peer: Government

\*\*Age-adjusted benchmarks represent the optimal adherence % of the book of business segment and peer based on the same age demographics as the client.

# Your top 5 retail pharmacy chains

## By net cost

Retail Pharmacy Chain	Total Rxs	Utilizers	Net Cost	Rx PMPM	% of Total Rxs	% of Utilizers	Net Cost Per Rx	Net Cost PMPM
<b>CVS PHARMACY INC</b>			\$58,026,891					
<b>ELEVATE PROVIDER NETWORK</b>			\$4,544,222					
<b>WALGREENS CORPORATION</b>			\$4,157,370					
<b>SAFEWAY STORES INC/N CAL DIV</b>			\$2,966,486					
<b>WALMART</b>			\$2,483,636					
Subtotal for Top 5 Retail Chains			\$72,178,605					
All Other Retail Chains			\$7,910,487					
<b>Total Retail</b>			<b>\$80,089,092</b>					

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# Appendix

# Drug Savings Review Savings Summary Report

## EUTF Actives

Jul 01, 2023 - Jun 30, 2024



This analysis is an estimate for information purposes only. These estimates do not represent an existing or future contractual guarantee provided by CVS Caremark. This information may be subject to change and does not represent any specific offer by CVS Caremark of return on investment in the future. All data sharing complies with applicable privacy laws and is in accordance with our PBM agreements.

# Drug Savings Review: savings by quarter

## Quarterly savings

Quarter	Client Savings	Average Lives	Savings/PMPM	Savings/Rx
2023Q3	\$389,950	63,901	\$2.03	\$2.99
2023Q4	\$420,062	64,336	\$2.18	\$3.15
2024Q1	\$404,715	64,253	\$2.10	\$2.95
2024Q2	\$362,528	64,282	\$1.88	\$2.54
<b>Total savings</b>	<b>\$1,577,255.43</b>	<b>64,193</b>	<b>\$2.05</b>	<b>\$2.91</b>

# Drug Savings Review: savings by edit category

## Edit category savings

Edit Category	2023Q3	2023Q4	2024Q1	2024Q2	% of Total Client Savings
Age Related	\$21,677.29	\$18,407.05	\$16,948.06	\$17,286.33	4.7%
Appropriate Therapy	\$1,859.99	\$269.18	\$105.17	\$744.58	0.2%
Condition Management	\$145,532.80	\$171,433.12	\$157,814.34	\$102,046.95	36.6%
Dose Optimization	\$157.05	\$95.15	\$169.48	\$116.44	0.0%
Drug Interaction	\$6,893.57	\$10,196.93	\$9,668.29	\$9,380.37	2.3%
Duration Of Therapy	\$62,507.51	\$52,871.81	\$45,011.96	\$59,051.49	13.9%
Gastro Intestinal Issues	\$11,855.46	\$10,814.05	\$12,343.40	\$11,613.41	3.0%
Specialty Program	\$10,635.72	\$27,733.30	\$31,840.04	\$11,648.18	5.2%
Therapeutic Duplication	\$128,830.17	\$128,241.83	\$130,814.41	\$150,640.55	34.1%
<b>Total savings</b>	<b>\$389,949.56</b>	<b>\$420,062.42</b>	<b>\$404,715.15</b>	<b>\$362,528.30</b>	<b>100%</b>



# Drug Savings Review: your top 10 interventions by savings

## Interventions by savings

Edit Category	Intervention Description	Client Savings
Condition Management	Minimize the use of GLP-1 RAs and a DPP-4 inhibitor	\$308,148.08
Condition Management	Overuse of Migraine Therapy: >16 units/30days	\$173,424.53
Duration Of Therapy	To identify situations where Rybelsus is prescribed for a longer duration of time than recommended	\$119,351.44
Therapeutic Duplication	Therapy Duplication: GLP-1 Agonists	\$93,665.60
Therapeutic Duplication	Therapy Duplication: Oral Contraceptives	\$90,373.95
Age Related	Use of stimulants in patients 17 years and older	\$69,500.11
Therapeutic Duplication	Therapy Duplication: Inhaled Corticosteroids	\$62,432.89
Duration Of Therapy	Taking weight loss agents >12 weeks (1)	\$49,453.96
Therapeutic Duplication	Therapy Duplication: Long-acting Inhaled Sympathomimetics	\$49,265.17
Specialty Program	Therapy Duplication: Respiratory Monoclonal Antibodies	\$28,515.68

# RxInsights<sup>®</sup>

## EUTF Non-Medicare Retiree Report

January - June 2024  
Prescription Benefit Review

 **CVS**Health<sup>®</sup>



# EUTF Non-Medicare Retirees

## 2Q24 Plan Summary

**Pharmacy Trend:** For the period of Jan – Jun 2024, EUTF's pharmacy net trend is 22.2% and [REDACTED] an the trend of CVS's Book of Business and Government Peer clients. Net of rebates, the trend lowe [REDACTED] ation and drug mix (the types of drugs members are using) are the top trend drivers. While the trend appears high, overall net costs increased by 3.2%.

Large fluctuations in membership impact EUTF's costs and trend. In the prior period, membership is artificially inflated by ~3K members due to eligibility issues related to the TH project. Eligibility in the current period is more accurately reflected and the membership produces a higher pmpm leading to a higher trend. This will continue to normalize and stabilize over time. If we recalculate the trend using the 6/30/24 enrollment, the trend reduces to 8.0% which is much closer to the BOB and peer trends.

**Specialty:** The trend for specialty medications is 22.0% and net of rebates, reduces to [REDACTED]. Specialty costs represent 42.8% of total net costs and are driven by 554 members which is 2.0% of EUTF's retiree membership. The top specialty drug in cost and utilization is Dupixent to treat Atopic Dermatitis, followed by Skyrizi to treat Psoriasis. The top 3 classes of specialty spend are 1) Oncology \$3M, 2) Psoriasis \$1.5M, and 3) Atopic Dermatitis at \$856K. Oncology is the highest contributor to trend at 3.7%. Nine of the Top 25 specialty drugs are oncology medications that account for \$1.6 of \$3M by 23 high-cost claimants.

EUTF has utilization management in place for all specialty drugs. Here are the savings realized in 2Q24 for the top 3 classes (Psoriasis falls under the Auto-Immune class with other therapies):

**Oncology - \$266,129**

**Atopic Dermatitis - \$162,893**

**Auto-Immune - \$1M**

Effective 4/1/2024, Humira was excluded under ACSF and is no longer listed as a Top 25 specialty drug. As of August 2024, there has been a 100% conversion rate to the lower-cost biosimilar.

**Non-Specialty:** Non-specialty drugs represent 57.2% of total net costs and 97.7% of all prescriptions. The trend for non-specialty medications is 22.3% and net of rebates, reduces [REDACTED]. Diabetes continues to be the plan's highest costing drug class at \$7.8M, followed by Ophthalmic Agents at \$655K, largely driven by the drug Restasis, and ADHD/Anti-Narcolepsy/Anti-Obesity/Anorexiant at \$576K, which primarily account for weight loss drugs.

# EUTF Non-Medicare Retirees

## 2Q24 Plan Summary

Many GLP1/GIC agonist diabetic drugs like Ozempic and Mounjaro are also effective in weight loss and are a significant cost driver for EUTF and many clients across our book of business. On 7/1/2023, EUTF input a PA requirement that requires a Type 2 Diabetes diagnosis, or patient history of diabetic drug utilization within the last two years to cover these products. Between 7/1/23 - 6/30/24, EUTF Retiree plans saved **\$952K** with this PA requirement and ensures diabetic patients have access to these medications.

EUTF covers weight loss medications for patients that meet the clinical criteria for coverage. The total drug spend for weight loss medications is \$513K and the drug Wegovy incurred 79% of the total spend at \$405K. Wegovy is ranked #11 by net cost, up from #37 in the prior year. Utilization management for weight loss drugs saved EUTF over \$272K during 2Q24.

EUTF experienced increased costs in the use of Paxlovid, an anti-viral treatment for COVID. Federal government funding ended on 3/9/2024 and many clients are seeing COVID vaccines and treatments as cost drivers. The EUTF retiree plan incurred 272 claims for Paxlovid at a cost of \$272K from March – August 2024. In the last six months, EUTF's plan input a quantity limit for Paxlovid eff. 7/1/24. (COVID vaccines are not covered under the drug plan, but under the HMSA medical plan).

### Strategic Plan Performance:

EUTF's GDR decreased slightly from 84.0% to 83.3%. We expect EUTF's GDR to continue decreasing due to the implementation of the Tier 1 strategy eff. 7/1/23; however, when adjusting for the Tier 1 strategy, EUTF's GDR is 84.1%. EUTF's Generic Substitution Rate (GSR), which excludes single-source brand drugs, is 98.8% and is [REDACTED] when adjusted for Tier 1, the GSR is 99.7%.

EUTF's diabetic trend is 23.6%, and higher than the Peer a [REDACTED]. Diabetes drugs remain the highest contributor to EUTF's overall trend, contributing 7.3% to th [REDACTED] trend.

# Key metrics at a glance

Eligibility	12/31/2020	12/31/2021	12/31/2022	12/31/2023	6/30/2023	6/30/2024	% Change
Average Eligible Members Per I	13,251	12,826	13,000	15,886	16,380	13,836	-15.5%
Average Utilizers as % of Membr	37.5%	37.4%	40.9%	38.0%	37.1%	41.1%	10.8%
Employer	[REDACTED]						
Peer	[REDACTED]						
Average Member Age	54	54	54	57	56	54	-4.6%
Employer	[REDACTED]						
Peer	[REDACTED]						
<b>Cost</b>							
Total Gross Cost	\$33,261,222	\$34,607,561	\$40,227,819	\$51,517,035	\$25,110,094	\$25,821,201	2.8%
Total Net Cost	\$31,806,368	\$33,011,758	\$38,427,253	\$49,299,368	\$23,918,517	\$24,682,564	3.2%
Gross Cost PMPM	\$209.17	\$224.85	\$257.87	\$270.24	\$255.50	\$311.04	21.7%
Employer	[REDACTED]						
Peer	[REDACTED]						
Net Cost PMPM	\$200.02	\$214.48	\$246.33	\$258.61	\$243.37	\$297.32	22.2%
Employer	[REDACTED]						
Peer	[REDACTED]						
Non-Specialty PMPM	\$124.44	\$123.15	\$138.44	\$144.89	\$138.92	\$169.94	22.3%
Employer	[REDACTED]						
Peer	[REDACTED]						
% Total Member Cost Share	4.4%	4.6%	4.5%	4.3%	4.7%	4.4%	-7.1%
Employer	[REDACTED]						
Peer	[REDACTED]						
% Total Member Cost Share (af	5.6%	6.3%	6.3%	6.3%	6.8%	6.6%	-3.6%
% Non-Specialty Member Cost	5.4%	5.9%	5.9%	5.7%	6.0%	5.4%	-9.3%
Employer	[REDACTED]						
Peer	[REDACTED]						
<b>Cost with Rebates**</b>							
Gross Cost w/ Rebates**	[REDACTED]						
Net Cost w/ Rebates**	[REDACTED]						
Gross Cost w/ Rebates** PMPM	[REDACTED]						
Net Cost w/ Rebates** PMPM	[REDACTED]						
Specialty PMPM w/Rebates**	[REDACTED]						
Non-Specialty PMPM w/Rebate	[REDACTED]						

\*Peer: Government  
 \*\* Rebates represent client share of invoiced rebates (less: point of sale rebates) as of report run date of 08-27-2024 and may not reconcile with rebate guarantees or rebates paid to date.  
 Rebates included for this time period: 2024Q1 - 2024Q2. Prior period rebates include the same number of quarters as current period.  
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# Key metrics at a glance

Drug Mix	12/31/2020	12/31/2021	12/31/2022	12/31/2023	6/30/2023	6/30/2024	% Change
% Single Source Brands	14.8%	15.1%	15.1%	15.6%	15.5%	15.7%	1.3%
Employer							
Peer							
% Multi Source Brands	0.7%	0.5%	0.5%	1.0%	0.5%	1.0%	100.0%
Employer							
Peer							
Generic Dispensing Rate	84.5%	84.4%	84.4%	83.4%	84.0%	83.3%	-0.8%
Employer							
Peer							
Generic Substitution Rate	99.2%	99.4%	99.4%	98.9%	99.4%	98.8%	-0.6%
Employer							
Peer							
<b>Utilization</b>							
Total Prescriptions	138,506	132,186	146,448	175,636	88,091	84,252	-4.4%
% Retail Prescriptions	42.1%	41.0%	43.1%	45.5%	45.2%	48.0%	6.2%
Employer							
Peer							
% Mail Prescriptions	4.4%	4.2%	3.8%	3.5%	3.6%	2.9%	-19.4%
Employer							
Peer							
% Retail 90 Prescriptions	53.5%	54.8%	53.1%	51.0%	51.2%	49.1%	-4.1%
Days' Supply PMPM	55.30	55.24	59.04	56.59	55.19	60.76	10.1%
Employer							
Peer							
<b>Specialty</b>							
Specialty Total Net Cost	\$12,018,779	\$14,057,015	\$16,831,154	\$21,678,034	\$10,265,714	\$10,574,594	3.0%
Specialty Avg. Utilizers as % of I	1.4%	1.7%	1.8%	1.8%	1.7%	2.0%	17.6%
Employer							
Peer							
Specialty Net Cost PMPM	\$75.58	\$91.33	\$107.89	\$113.72	\$104.45	\$127.38	22.0%
Employer							
Peer							
Specialty % of Total Net Cost	37.8%	42.8%	43.8%	44.0%	42.9%	42.8%	-0.2%
Employer							
Peer							
Specialty % of Total Prescription	1.9%	2.2%	2.3%	2.3%	2.2%	2.3%	4.5%
Employer							
Peer							
% Specialty Member Cost Share	2.7%	2.8%	2.6%	2.4%	3.1%	3.0%	-3.2%
Employer							
Peer							

\*Peer: Government

\*\* Rebates represent client share of invoiced rebates (less: point of sale rebates) as of report run date of 08-27-2024 and may not reconcile with rebate guarantees or rebates paid to date.

Rebates included for this time period: 2024Q1 - 2024Q2. Prior period rebates include the same number of quarters as current period.

# Trend Drivers

## Total gross trend components & drivers

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	6/30/2023	6/30/2024	Employer
Price Inflation	0.9%	0.4%	5.2%	4.5%	5.0%	1.1%	
Utilization (PMPM)	7.9%	-0.1%	6.9%	-4.2%	-1.6%	10.1%	
Drug Mix	1.5%	7.2%	2.0%	4.7%	0.0%	9.4%	

## Price Inflation

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	6/30/2023	6/30/2024
Overall AWP Inflation	1.9%	2.4%	2.5%	2.8%	2.9%	2.1%
Brand AWP Inflation	3.8%	4.3%	4.7%	5.1%	5.3%	3.6%
Generic AWP Inflation	-0.3%	0.4%	0.0%	0.0%	-0.2%	0.2%
Specialty AWP Inflation	4.4%	4.2%	5.3%	5.8%	6.3%	4.2%

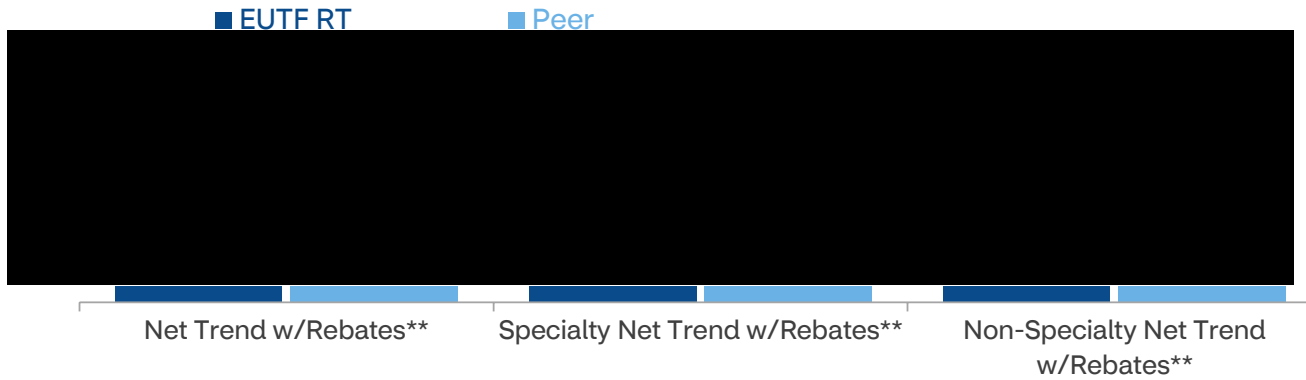
## Specialty

	12/31/2020	12/31/2021	12/31/2022	12/31/2023	6/30/2023	6/30/2024
Price Inflation	3.7%	2.2%	5.3%	5.6%	5.8%	2.5%
Utilization (PMPM)	23.9%	10.5%	10.5%	-1.5%	22.6%	11.8%
Drug Mix	-7.7%	7.0%	1.4%	1.2%	-3.7%	6.4%

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# Your trend overview with rebate impact



## Your Top 5 Trend Contributors

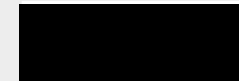
Therapeutic Class	Top Drug Contributors	Net Cost	Utilizers	Net Cost PMPM	Net Trend	Contribution to Net Trend
Antidiabetics	Ozempic, Mounjaro	\$7,763,016	████	████	████	7.3%
Dermatologicals	Dupixent, Skyrizi	\$3,027,770	████	████	████	4.3%
Antineoplastics	Xpovio, Pomalyst	\$2,716,958	██	████	████	2.6%
Adhd/Anti-Narcolepsy/Anti-Obesity/Anorexiant	Wegovy, Zepbound	\$608,695	██	████	████	1.8%
Assorted Classes	Lenalidomide, Benlysta	\$391,637	█	████	████	1.4%

Peer:Government

\*\* Rebates represent client share of invoiced rebates (less: point of sale rebates) as of report run date of 08-27-2024 and may not reconcile with rebate guarantees or rebates paid to date. Rebates included for this time period: 2024Q1 - 2024Q2. Prior period rebates include the same number of quarters as current period. This page contains references to brand-name prescription drugs that are trademarks or registered trademarks of pharmaceutical manufacturers not affiliated with CVS Health and/or its affiliates. ©2024 CVS Health and/or one of its affiliates: Confidential & Proprietary

## Key metrics

**Rebates**  
generated



in net cost savings.

## Specialty drugs

comprise

**42.8%**  
of total net cost.

## Generics

**9.6%**

of total net cost.

# Your top 25 drugs

## net cost

Prior Rank	Current Rank	Drug Name	Dispense Type	Gen/Pref/ NonPref	Therapeutic Class	Generic Launch Date ††	Net Cost
1	1	Ozempic	Brand	Pref	Antidiabetics	NA	\$2,210,138
2	2	Jardiance	Brand	Pref	Antidiabetics	NA	\$1,265,952
3	3	Dupixent	Specialty	Pref	Dermatologicals	NA	\$977,071
12	4	Mounjaro	Brand	Pref	Antidiabetics	NA	\$930,946
5	5	Rybelsus	Brand	Pref	Antidiabetics	NA	\$792,439
10	6	Skyrizi	Specialty	Pref	Dermatologicals	NA	\$600,803
4	7	Trulicity	Brand	Pref	Antidiabetics	NA	\$519,578
19	8	Rinvoq	Specialty	Pref	Analgesics - Anti-Inflammatory	NA	\$451,392
11	9	Taltz	Specialty	Pref	Dermatologicals	NA	\$418,894
20	10	Otezla	Specialty	Pref	Analgesics - Anti-Inflammatory	Q3-2028	\$415,132
37	11	Wegovy	Brand	Pref	Adhd/Anti-Narcolepsy/Anti-Obesity/Anorexia	NA	\$405,451
9	12	Eliquis	Brand	Pref	Anticoagulants	Q3-2028	\$388,630
15	13	Takhzyro	Specialty	Pref	Hematological Agents - Misc.	NA	\$385,098
8	14	Farxiga	Brand	Pref	Antidiabetics	Q1-2024	\$379,082
7	15	Enbrel	Specialty	Pref	Analgesics - Anti-Inflammatory	NA	\$374,928
16	Xpovio	Specialty	NonPref		Antineoplastics	NA	\$329,159
6	17	Humira	Specialty	Pref	Analgesics - Anti-Inflammatory	NA	\$316,980
48	18	Stelara	Specialty	Pref	Dermatologicals	NA	\$305,390
14	19	Januvia	Brand	Pref	Antidiabetics	Q2-2026	\$276,815
189	20	Restasis	Brand	Pref	Ophthalmic Agents	NA	\$267,133
439	21	Paxlovid	Brand	NonPref	Antivirals	NA	\$263,479
22	22	Entresto	Brand	Pref	Cardiovascular Agents - Misc.	Q3-2026	\$243,697
41	23	Cosentyx	Specialty	Pref	Dermatologicals	NA	\$221,383
63	24	Vascepa	Brand	Pref	Antihyperlipidemics	NA	\$210,648
17	25	Jakafi	Specialty	NonPref	Antineoplastics	NA	\$209,865
<b>Subtotal of Top 25 Drugs</b>							<b>\$13,160,082</b>
<b>All Others</b>							<b>\$11,522,482</b>
<b>Total</b>							<b>\$24,682,564</b>

†Employer information is based on the most recent six months ending Jun 30, 2024.

††Generic launch date is based on numerous market factors and is an estimation. "NA" means that no estimate launch date is available at the time of this report.

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# Your top 25 drugs

days' supply

Prior Rank	Current Rank	Drug Name	Dispense Type	Gen/Pref /NonPref	Therapeutic Class	Total Net Cost
1	1	Atorvastatin Calcium	Generic	Gen	Antihyperlipidemics	\$85,194
2	2	Losartan Potassium	Generic	Gen	Antihypertensives	\$5,665
3	3	Amlodipine Besylate	Generic	Gen	Calcium Channel Blocker	\$7,113
4	4	Rosuvastatin Calcium	Generic	Gen	Antihyperlipidemics	\$41,550
7	5	Lisinopril	Generic	Gen	Antihypertensives	\$2,325
6	6	Metoprolol Succinate Er	Generic	Gen	Beta Blockers	\$9,482
5	7	Metformin Hydrochloride	Generic	Gen	Antidiabetics	\$3,357
9	8	Metformin Hydrochloride	Generic	Gen	Antidiabetics	\$7,594
10	9	Amos Levothyroxine Sodi	Generic	Gen	Thyroid Agents	\$30
16	10	Ozempic	Brand	Pref	Antidiabetics	\$2,210,138
15	11	Jardiance	Brand	Pref	Antidiabetics	\$1,265,952
11	12	Allopurinol	Generic	Gen	Gout Agents	\$633
13	13	Hydrochlorothiazide	Generic	Gen	Diuretics	\$69
8	14	Simvastatin	Generic	Gen	Antihyperlipidemics	\$3,173
14	15	Fluticasone Propionate	Generic	Gen	Nasal Agents - Systemic	\$5,577
12	16	Omeprazole	Generic	Gen	Ulcer Drugs	\$2,563
17	17	Losartan Potassium/Hydr	Generic	Gen	Antihypertensives	\$35,520
18	18	Montelukast Sodium	Generic	Gen	Antiasthmatic And Bron	\$8,432
19	19	Tamsulosin Hydrochloride	Generic	Gen	Genitourinary Agents - ↑	\$5,141
21	20	Irbesartan	Generic	Gen	Antihypertensives	\$2,977
22	21	Pantoprazole Sodium	Generic	Gen	Ulcer Drugs	\$3,183
23	22	Famotidine	Generic	Gen	Ulcer Drugs	\$1,197
28	23	Ezetimibe	Generic	Gen	Antihyperlipidemics	\$28,723
20	24	Pravastatin Sodium	Generic	Gen	Antihyperlipidemics	\$6,346
30	25	Estradiol	Generic	Gen	Estrogens	\$13,167
<b>Subtotal of Top 25 Drugs</b>						<b>\$3,755,100</b>
<b>All Others</b>						<b>\$20,927,464</b>
<b>Total</b>						<b>\$24,682,564</b>

†Employer information is based on the most recent six months ending Jun 30, 2024.

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# Your top specialty classes by contribution to trend

## Key metrics

Specialty prescriptions represented **42.8%**

of total net cost and comprised **2.3%** of all prescriptions.

Newly launched medications contributed

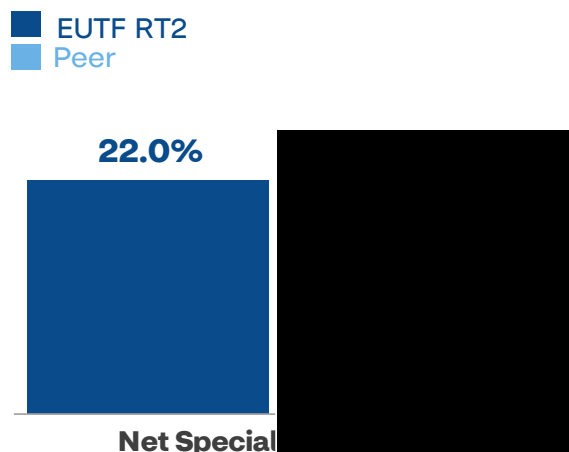
**0.0%**

to specialty trend.

Price inflation contributed

**2.5%**

to specialty trend.



**11.8%**

Overall specialty utilization increase compared to prior period



The top three (3) classes with the greatest contribution to specialty drug utilization trend are:  
**Osteoporosis**  
**Atopic Dermatitis**  
**Psoriasis**

## Your top 5 contributing specialty classes

Specialty Class	Top Drug Contributors	Net Cost	Utilizers	Net Cost	Contribution to Net Trend
Oncology	Xpovio, Lenalidomide	\$2,975,590			<b>3.7%</b>
Psoriasis	Skyrizi, Stelara	\$1,543,508			<b>2.3%</b>
Atopic Dermatitis	Dupixent, Rinvoq	\$855,903			<b>1.4%</b>
Asthma	Nucala, Dupixent	\$541,444			<b>1.0%</b>
Amyloidosis	Vyndamax	\$199,947			<b>1.0%</b>

Peer:Government

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# Your top 25 specialty drugs

## By net cost

BOB Rank†	Prior Rank	Current Rank	Drug Name	Dispense Type***	Gen/Pref/NonPref	Specialty Class	Total Net Cost
	1	1	Dupixent	SSB	Pref	Atopic Dermatitis	\$675,538
	2	2	Skyrizi	SSB	Pref	Psoriasis	\$555,968
	4	3	Takhzyro	SSB	Pref	Hereditary Angioedema	\$385,098
	0	4	Xpovio	SSB	NonPref	Oncology	\$329,159
	5	5	Taltz	SSB	Pref	Psoriasis	\$280,851
	24	6	Otezla	SSB	Pref	Psoriasis	\$231,864
	6	7	Jakafi	SSB	NonPref	Oncology	\$209,865
	46	8	Stelara	SSB	Pref	Psoriasis	\$201,478
	0	9	Vyndamax	SSB	NonPref	Amyloidosis	\$199,947
	9	10	Dupixent	SSB	Pref	Crswnp	\$196,716
	10	11	Tagrisso	SSB	Pref	Oncology	\$195,096
	86	12	Xtandi	SSB	Pref	Oncology	\$194,000
	15	13	Xeljanz	SSB	Pref	Rheumatoid Arthritis	\$192,351
	7	14	Imbruvica	SSB	Pref	Oncology	\$192,321
	17	15	Prolia	SSB	Pref	Osteoporosis	\$190,600
	0	16	Lenalidomide	GEN	Gen	Oncology	\$185,819
	38	17	Otezla	SSB	Pref	Psoriatic Arthritis	\$183,268
	8	18	Enbrel	SSB	Pref	Rheumatoid Arthritis	\$180,233
	0	19	Pomalyst	SSB	NonPref	Oncology	\$179,233
	13	20	Bosulif	SSB	Pref	Oncology	\$175,894
	23	21	Rinvoq	SSB	Pref	Rheumatoid Arthritis	\$174,152
	19	22	Orencia	SSB	Pref	Rheumatoid Arthritis	\$169,891
	37	23	Rinvoq	SSB	Pref	Atopic Dermatitis	\$162,132
	14	24	Enbrel	SSB	Pref	Psoriatic Arthritis	\$160,043
	111	25	Verzenio	SSB	NonPref	Oncology	\$159,242

### Total Top Net Specialty Drugs

### Total Top Net Specialty Drugs/Overall Biotech Specialty Drugs

†Employer information is based on the most recent six months ending Jun 30, 2024.

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**REDACTED**

# EUTF Active and Non-Medicare Retiree Plan Changes

Shelley Chun, Pharm.D., Vice President & Pharmacy Benefits Consultant



Tyler Brotz, Senior Consultant, Pharmacy Benefits Financial Analysis

October 2024

Proprietary & Confidential





# Agenda

# Table of Contents

**EUTF Summary of Rx Trends**

**2025 Rx Plan Changes Proposals**

**Formulary: Hyperinflation Management & Basic Control**

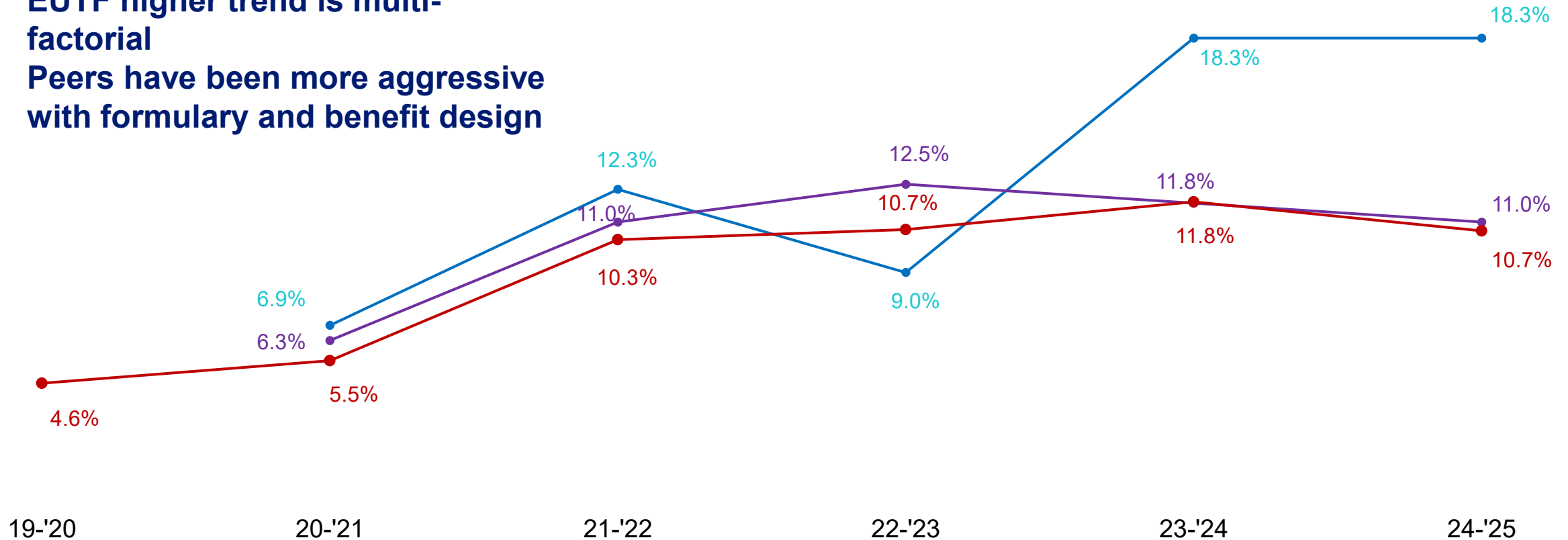
**Non-specialty copay**

**GLP1 Utilization Management: diabetic GLP1s & weight loss GLP1s**

# Ten-Year Summary of Selected Rx Trends: *Plan Year 2020–2023 Actual and 2024 and 2025 Projected*<sup>1</sup>

— EUTF PY Actives      — Segal Public Sector Rx      — Segal BoB Rx

- **EUTF higher trend is multi-factorial**
- **Peers have been more aggressive with formulary and benefit design**



Source: 2025 Segal Health Plan Cost Trend Survey, Plan Year SHAPE data for EUTF Actives

<sup>1</sup> All benchmark trends are illustrated for actives and non-Medicare retirees, measured at end of calendar year. EUTF measured at end of plan year (June).

<sup>2</sup> Prescription drug trend is combined for retail and mail order delivery channels.

# Current EUTF formulary and how it compares to others

	<b>Drug list</b>	<b>Savings</b>	<b>Member Impact</b>
Standard Opt-Out (SOO)	Open	\$	N/A
Basic Control	Open w/UM for preferred	\$\$	Low
Standard Control	Exclusionary	\$\$\$	Medium
Hyperinflation Management	Subset	\$\$	Low

- Current EUTF SOO Formulary has clinical Prior Authorization, Step Therapy, and Quantity Limits in place for specialty drugs and other high-cost classes adopted over the years
- HMSA/CVS (local benchmark) formulary
  - Custom ‘Essential’ or ‘Optimal’: base standard formulary w/Hyperinflation and other proprietary cost containment strategies built in. Akin to Standard Control with CVS on a direct basis
  - Typically trial of 3 or more preferred drugs required before getting non-preferred
  - HMSA works closely w/prescribers when making changes with high member impact
- Segal State clients are more aggressive; primarily use formularies comparable to Standard Control which explains EUTF’s higher trend.
- 68% of CVS State clients use Standard Control; the remaining are on custom and/or more restrictive formularies

# Hyperinflation Management

Excludes high-cost drugs that have readily available, clinically appropriate and more cost-effective alternatives (i.e. new dosage/formulation).

- No grandfathering
- No opting out of quarterly updates; have not had many new targets recently due to effectiveness of current program
- 84% of CVS State clients currently utilizing
- As of 2024, 98 drugs have been excluded from program
- Change notices to members and prescribers 60 days in advance (mail) and members 14 days and effective date via txt/email
- Coverage is available via medical exception process

---

Actives Disruption	Actives Net Savings	NMD Retiree Disruption	NMD Retiree Net Savings
██████████	████████████████████	████████████████████	████████████████████

# Hyperinflation Management Top Member Impact for primarily acute indications

Drug Name	Alternatives (target vs. alternative cash price)	Actives	NMD Retirees
Topical steroid (itchy skin): Betamethasone oint	<i>Desoximetasone, fluocinonide</i> \$ [REDACTED]		
Laxative (bowel prep): Peg-3350/Sodium Sulf/NACL	<i>sodium sulfate-potassium sulfate-magnesium sulfate, CLENPIQ</i> \$ [REDACTED]		
Laxative (bowel prep): Peg-3350/Electrolytes/ASC	<i>sodium sulfate-potassium sulfate-magnesium sulfate, CLENPIQ</i> \$ [REDACTED]		
Topical antibiotic (impetigo): Mupirocin	<i>gentamicin, mupirocin ointment</i> \$ [REDACTED]		
Psoriasis: Calcipotriene topical foam	<i>calcipotriene ointment/solution, VTAMA, ZORYVE CREAM</i> \$ [REDACTED]		
Subtotal			
Total member impact			
% of total member impact			

**Recommendation:** Implement for the EUTF actives and NMD retirees effective 7/1/25.

# Basic Control Formulary

- Same list of drugs as SOO, no exclusions (open formulary)
- No grandfathering and no customization
- UM for non-preferred products in 10 drug classes (5 of which are diabetes, asthma inhalers, anticoagulants, irritable bowel syndrome) to incentivize usage of preferred drugs is comparable to other public sector plan offerings. Trial of 3 preferred products are typically required; no set duration specified.
- Changes occur quarterly – notices to members and prescribers 60 days in advance (mail) and members 14 days (text and email)
- Coverage is available via medical exception process
- While the majority of peer plans use a closed or exclusionary formulary, for CVS nationally, Basic Control is the most prevalent formulary and is a gradual step towards benchmark plans. One CVS client (50K lives) saved about 2% of their annual cost, impacting about 1% of membership moving to BCF without any member issues.

Actives Disruption	Actives Net Savings	NMD Retiree Disruption	NMD Retiree Net Savings
██████████	\$ ██████████	██████████	\$ ██████████

Savings are net of improved rebates valued at \$1.1M across actives and retirees in Year 1

# Basic Control Formulary Top Member Impact – primarily maintenance drugs

Drug Class (target vs. alternative cash price)	Examples	Actives	NMD Retirees
<b>Diagnostic tests (diabetic strips)</b> \$ [REDACTED]	Target: Freestyle brand Prefer: Accu-check, One-Touch	[REDACTED]	[REDACTED]
<b>Antihypelipidemics (omega-3 fatty acids for high triglycerides)</b> \$ [REDACTED]	Target: Vascepa Prefer: icosapent ethyl ester, omega-3 acid ethyl esters		
<b>Vaginal contraceptives (pregnancy prevention)</b> [REDACTED]	Target: etonogestrel/ethinyl estradiol Prefer: Annovera		
<b>Asthma steroid inhalants</b> \$ [REDACTED]	Target: Alvesco, Asmanex Prefer: budesonide, Flovent, Arnuity Ellipta, Pulmicort, QVAR		
<b>Subtotal</b>			
<b>Total member impact</b>			
<b>% of total member impact</b>			

**Recommendation:** Implement for the EUTF actives and NMD retirees effective 7/1/25.



# Standard Control Formulary

- Exclusionary/closed formulary with quarterly changes
- Least restrictive CVS closed formulary
- Most disruption in asthma inhalers (albuterol and steroid), insulin, diabetic supplies, diabetes (SGLT2Is)
- No grandfathering or ability to opt-out of quarterly changes
- 63% of CVS State clients use Standard Control Formulary
- Changes occur quarterly – notices to members and prescribers 60 days in advance (mail) and members 14 days (text and email)
- Coverage is available via medical exception process

Actives Disruption	Actives Net Savings	NMD Retiree Disruption	NMD Retiree Net Savings
██████████	\$ ██████████	██████████	\$ ██████████

Savings projections include rebate improvements and ingredient cost savings per CVS

# Standard Control Formulary Top Member Impact

Drug Class	Actives	NMD Retirees
Sympathomimetics (albuterol HFA)		
Steroid inhalants (fluticasone, QVAR)		
Insulins (Basaglar, insulin glargine-yfgn)		
Diabetes SGLT2Is: dapagliflozin, Invokana		
Anaphylaxis (epinephrine, Epi-pen 2 pack)		
Subtotal		
Total member impact		
% of total member impact		

**Recommendation:** not implement at this time due to member disruption

# Plan Design overview: current copays are below benchmark

Average Participant Cost Share\* Per Prescription (Retail 30-day Supply) by Prevalent Plan Type and Proposed Changes

	Generic	Preferred Brand	Non-preferred Brand	Specialty	MOOP**
Segal Public Sector West					
HMSA					
Current EUTF					

Source: Segal State Health Employee Benefit Study, April 2024. Public Sector West includes AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, WA, WY

\*The average participant cost share per prescription above includes states with flat copay designs and richest benefit.

\*\* EUTF has a \$2,500 specialty MOOP that accumulates to the overall MOOP; specialty drugs drive MOOP accumulation the most. Avg. specialty cost share was \$165.

# Non-specialty copay proposal

## Reasons for proposal

- The current 4.4% member cost share is well below CVS and Segal Peers (7.0% and 15.8%, respectively)
- Inflation and rising costs of GLP-1s (most of which are preferred products costing an avg \$1,000 per month), contributing 4.1% to trend.
- Align with copays for the HMSA prevalent plan
- Savings of \$1.1M annually across all plans

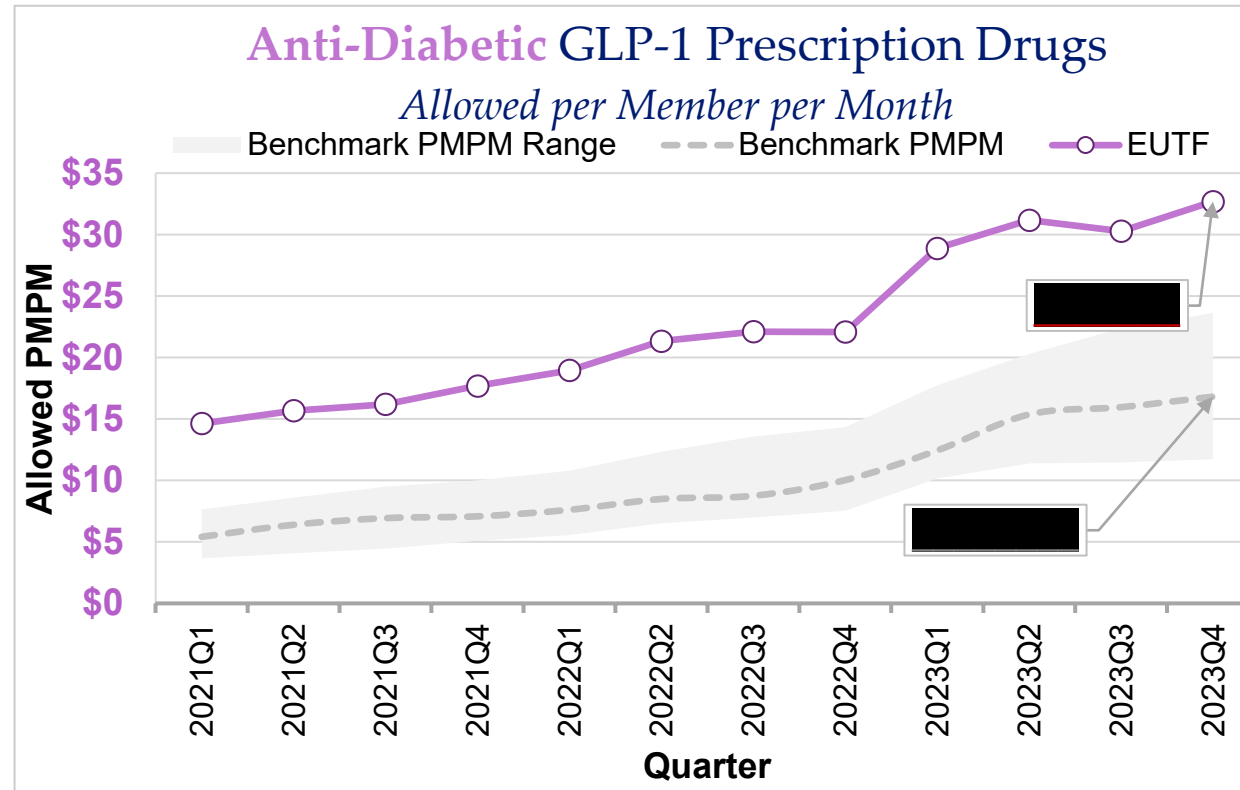
Option	Proposal	75/25 Net Plan Savings	Other EUTF Active Net Plan Savings	Total Active Net Plan Savings
1	Increase Tier 1 copay from \$█ to \$█ for a 30DS			
2	Increase Tier 2 copay from \$█ to \$█ and Tier 3 copay from \$█ to \$█ for a 30DS			

**Recommendation:** increase T1, T2, and T3 copays for the EUTF actives effective 7/1/25 for projected one-year savings of \$1,114,300.

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# Anti-Diabetic GLP-1 Medications

## *Allowed PMPM by Disease Indication*



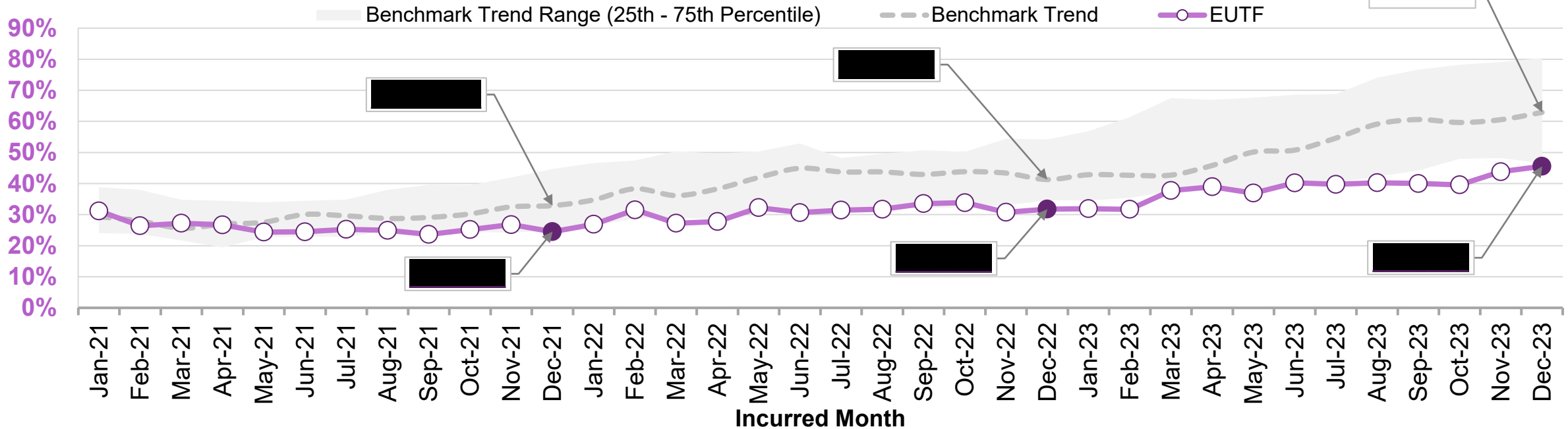
- Anti-diabetic GLP-1 PMPM is higher than Benchmark likely due to higher prevalence of diabetes compared to Public Sector benchmark (██████████), slightly higher average age (██████████), and a generous plan design. Historical negotiated pricing could be a factor (new contract for 2025 w/market check 2026). PA implemented 2Q23 leveled out trend.
- Diabetic GLP1 trend is ██████% (per CVS through 7/24 net of rebates); ██████% due to AWP inflation and ██████% due to utilization

# Antidiabetic GLP-1 Medications

*% Change in Allowed PMPM*

## Anti-Diabetic GLP-1 Prescription Drugs

*Rolling 12-Month Trend*



- Year-over-year trends (before rebates) for GLP-1 medications were [REDACTED]% compared to the Segal Public Sector Benchmark of approximately [REDACTED]% as of December 2023. Trend is not as steep due to higher EUTF historical costs.
- The Segal Benchmark plans have experienced higher trend due to off-label use of diabetic GLP1s for weight loss. The EUTF diabetic GLP1 trendline is lower because EUTF already covered weight loss.



# Diabetic GLP1 Utilization Management

## Diabetic GLP1s (i.e., Ozempic, Mounjaro)



\*Savings are 1.5% of total net drug costs (after mbr share) or \$████ PMPM, below the CVS benchmark of \$████ PMPM.

# Diabetic GLP1 Proposed UM changes

Option	Proposal	Actives Disruption	Actives Net Savings	NMD Retiree Disruption	NMD Retiree Net Savings
1	Remove metformin + diabetic supplies from lookback				
2	Remove smart logic				

**Impact to guarantees:**

Retail: -\$ [redacted] x 36,075 claims = -\$ [redacted]

Retail 90: -\$ [redacted] x 65,253 claims = -\$ [redacted]

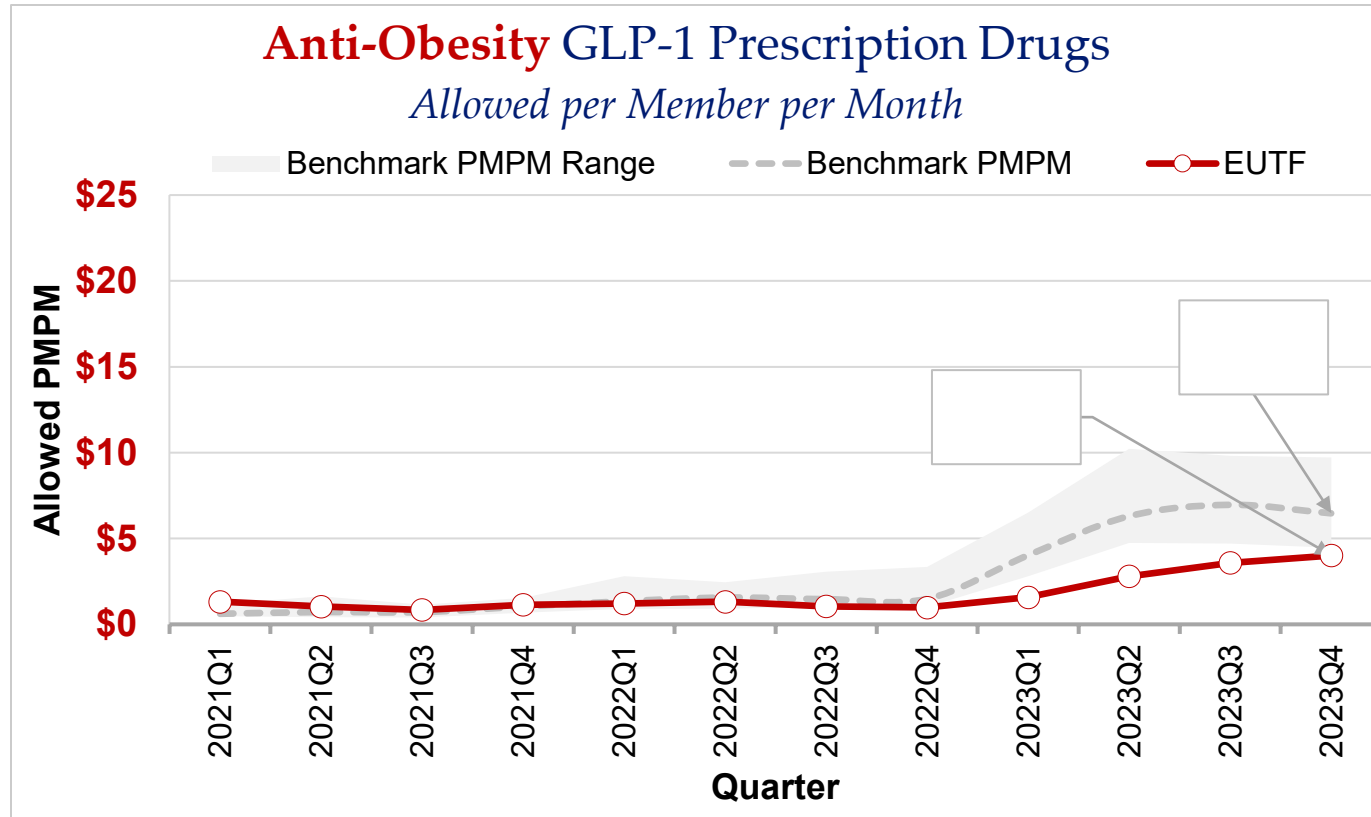
Mail: -\$ [redacted] x 3,228 claims = -\$ [redacted]

Total impact to the guarantees of \$15.9M would negate all the ingredient cost net of rebate savings and add plan cost

**Recommendation:** Remove metformin and diabetic supplies from 24-month lookback for EUTF actives and NMD retirees effective 7/1/25. Do not recommend removing smart logic altogether due to added plan costs (impact to rebate guarantees). Segal and EUTF will continue to review approval duration and reauthorization criteria.

# Anti-Obesity GLP-1 Medications

*Allowed PMPM by Disease Indication*



- PMPM spend on anti-obesity GLP-1s was not as dramatic a rise as Segal benchmark, as EUTF already covered weight loss drugs (Wegovy approved for weight 6/21) with UM likely applied earlier.
- Anti-obesity GLP1 trend was 224% (per CVS as of 7/24 net of rebates); all of which was due to increased utilization.

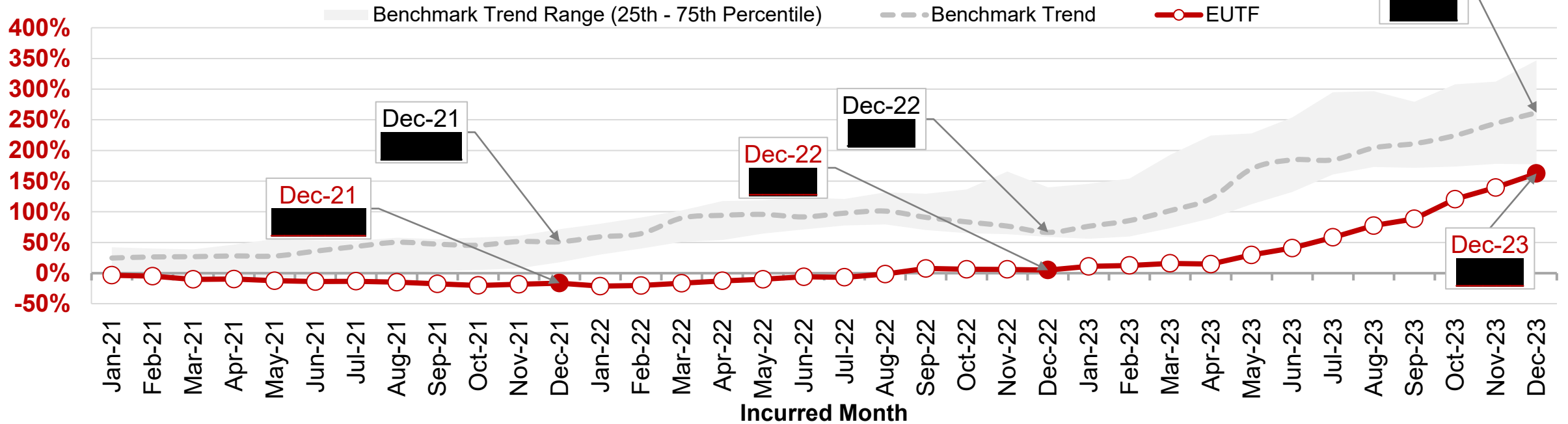
Source: SHAPE Data Warehouse and 2Q24 CVS RxInsights and Tableau dashboard

# GLP-1 Medications

## % Change in Allowed PMPM for Anti-Obesity Agents

### Anti-Obesity GLP-1 Prescription Drugs

#### Rolling 12-Month Trend



- The biggest YOY changes for both Public Sector Benchmark and EUTF is with the anti-obesity GLP1s. 14 out of 19 Public Sector clients cover AOMs.
- Change in PMPM (before rebates) on anti-obesity GLP-1s was not as dramatic a rise as Segal benchmark, as EUTF started with higher baseline costs and already covered weight loss drugs with UM likely applied earlier.

# Weight Loss GLP1 Utilization Management

## Weight loss GLP1s (i.e., Wegovy, Zepbound)

Current PA criteria for overweight/obesity requires

- [Redacted]
- [Redacted]
- [Redacted]

Current PA criteria for cardiovascular risk reduction in overweight/obesity requires the above plus

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

PA on these drugs has saved EUTF \$2.2M\*

- [Redacted]

\*Savings are 1.5% of total net drug costs (after mbr share) or \$3.66 PMPM, below the CVS benchmark of \$4.86 PMPM.

# Weight loss GLP-1 UM

- Current anti-obesity GLP-1 PA requires BMI 30 or 27 w/comorbidities and participation in weight management program
- Consider modifying PA criteria to increase BMI:
  - From 27 to 30 for members with other risk factors
  - From 30 to 35 for members with no other risk factors
  - Would require SPD language change
- **Recommendation:** Do not implement BMI change at this time due to savings negated by impact to guarantees; continue to evaluate weight loss vendors

Actives Disruption	Actives Net Savings	NMD Retiree Disruption	NMD Retiree Net Savings
██████████	\$ ██████████	██████████	\$ ██████████

## Impact to guarantees:

Retail:  $-\$ \text{██████████} \times 36,075 \text{ claims} = -\$ \text{██████████}$   
 Retail 90:  $-\$ \text{██████████} \times 65,253 \text{ claims} = -\$ \text{██████████}$   
 Mail:  $-\$ \text{██████████} \times 3,228 \text{ claims} = -\$ \text{██████████}$

Total impact to the guarantees of \$██████████ would negate nearly all the ingredient cost net of rebate savings

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# CVS PA and Appeal Process

- PA can be initiated by member or pharmacy
- CVS PA team will reach out to prescriber for information needed
- Once received from prescriber, urgent requests are processed within 24-72 hours
- Non-urgent requests are processed within 72hrs-15 days
- Appeals for denials
  - 1<sup>st</sup> level – supporting documentation reviewed against pre-determined criteria
  - 2<sup>nd</sup> level – if 1<sup>st</sup> level appeal denial is upheld, reviewer will determine medical necessity
  - 3<sup>rd</sup> level – if 2<sup>nd</sup> level appeal denial is upheld, can request to be sent to outside independent physician reviewer

Thank You





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**REDACTED**

## Memorandum

**To:** Benefits Committee  
 Hawaii Employer-Union Health Benefits Trust Fund

**From:** Shelley Chun, Pharm.D. *Shelley Chun*

**Date:** October 15, 2024

**Re:** Addendum to Appendix from April 2024 Formulary Analysis

### Actives Hyperinflation

Drug Name/Avg GoodRx cash price vs. alternative	Alternative Drugs	Drug Group	Affected Members	Affected Scripts	Percent Affected Members in Therapeutic Class	Percent Scripts in Therapeutic Class
ACYCLOVIR [REDACTED]	acyclovir capsule, acyclovir tablet, valacyclovir	ANTIVIRALS - TOPICAL	[REDACTED]	[REDACTED]	25.77%	55.38%
BETAMETHASONE DIPROPIONATE oint [REDACTED]	Desoximetasone, (except desoximetasone ointment 0.05%), flucinonide (except flucinonide cream 0.1%), BRYHALI	CORTICOSTEROIDS - TOPICAL	[REDACTED]	[REDACTED]	2.58%	4.29%
CALCIPOTRIENE (foam) [REDACTED]	calcipotriene ointment/solution, VTAMA, ZORYVE CREAM	ANTIPSORIATICS	[REDACTED]	[REDACTED]	16.78%	10.67%
CALCIPOTRIENE/BETAMETHASONE [REDACTED]	calcipotriene ointment/solution WITH desoximetasone (except 0.05% ointment), flucinonide (except 0.1% cream), BRYHALI, ENSTILAR	CORTICOSTEROIDS - TOPICAL	[REDACTED]	[REDACTED]	0.15%	0.22%
CALCITRIOL oint [REDACTED]	calcipotriene ointment, calcipotriene solution	ANTIPSORIATICS	[REDACTED]	[REDACTED]	0.46%	0.38%
CARISOPRODOL [REDACTED]	cyclobenzaprine (except cyclobenzaprine tablet 7.5 mg)	CENTRAL MUSCLE RELAXANTS	[REDACTED]	[REDACTED]	0.29%	0.44%
CLINDAMYCIN PHOSPHATE cream [REDACTED]	adapalene (except adapalene pad), benzoyl peroxide, clindamycin gel (except NDC 68682046275, 69238203107, 73473030275),	ACNE PRODUCTS	[REDACTED]	[REDACTED]	0.04%	0.03%

Drug Name/Avg GoodRx cash price vs. alternative	Alternative Drugs	Drug Group	Affected Members	Affected Scripts	Percent Affected Members in Therapeutic Class	Percent Scripts in Therapeutic Class
CLOBETASOL PROPIONATE (emollient foam)	clindamycin solution, clindamycin-benzoyl peroxide, erythromycin solution, erythromycin- benzoyl peroxide, tretinoin, AKLIEF, EPIDUO, ONEXTON, TWYNEO, WINLEVI  clobetasol cream, clobetasol foam (except clobetasol emollient foam), clobetasol gel, clobetasol lotion, clobetasol ointment, halobetasol cream, halobetasol ointment	CORTICOSTEROIDS – TOPICAL			0.20%	0.34%
CLOCORTOLONE PROPIONATE EMO	hydrocortisone butyrate cream, hydrocortisone butyrate ointment, hydrocortisone butyrate solution, mometasone, triamcinolone cream, triamcinolone lotion, triamcinolone ointment (except triamcinolone ointment 0.05%)	CORTICOSTEROIDS - TOPICAL			0.02%	0.02%
CYCLOBENZAPRINE HYDROCHLO	cyclobenzaprine (except cyclobenzaprine tablet 7.5 mg)	CENTRAL MUSCLE RELAXANTS			0.53%	1.32%
DESOXIMETASONE	hydrocortisone butyrate cream, hydrocortisone butyrate ointment, hydrocortisone butyrate solution, mometasone, triamcinolone cream, triamcinolone lotion, triamcinolone ointment (except triamcinolone ointment 0.05%)	CORTICOSTEROIDS - TOPICAL			0.07%	0.08%
DICLOFENAC POTASSIUM	bromfenac, dexamethasone, diclofenac sodium, difluprednate, ketorolac, loteprednol, prednisolone acetate 1%, ACUVAIL, FML FORTE, ILEVRO, MAXIDEX, NEVANAC, PRED MILD	NSAIDs (pain, inflammation)			0.01%	0.04%
DIFLORASONE DIACETATE	Desoximetasone, (except desoximetasone ointment 0.05%), fluocinonide (except fluocinonide cream 0.1%), BRYHALI	CORTICOSTEROIDS - TOPICAL			0.03%	0.10%

Drug Name/Avg GoodRx cash price vs. alternative	Alternative Drugs	Drug Group	Affected Members	Affected Scripts	Percent Affected Members in Therapeutic Class	Percent Scripts in Therapeutic Class
DOXYCYCLINE HYCLATE ██████████	doxycycline hyclate 20 mg, doxycycline hyclate capsule, minocycline, tetracycline	TETRACYCLINES (antibiotic)	██████████	██████████	0.71%	1.44%
DOXYCYCLINE HYCLATE DR ██████████	doxycycline hyclate 20 mg, doxycycline hyclate capsule, minocycline, tetracycline	TETRACYCLINES			0.22%	0.33%
ERGOTAMINE TARTRATE/CAFFEINE ██████████	eletriptan, naratriptan, rizatriptan, sumatriptan, zolmitriptan, NURTEC ODT, ONZETRA XSAIL, UBRELVY, ZEMBRACE SYMTOUCH	MIGRAINE COMBINATIONS			0.11%	0.07%
FENOFIBRATE ██████████	fenofibrate (except fenofibrate capsule 50 mg, 130 mg; fenofibrate tablet 40 mg, 120 mg), fenofibric acid delayed-rel	FIBRIC ACID DERIVATIVES (high lipids)			2.81%	3.92%
FLUOCINONIDE ██████████	clobetasol cream, clobetasol foam (except clobetasol emollient foam), clobetasol gel, clobetasol lotion, clobetasol ointment, halobetasol cream, halobetasol ointment	CORTICOSTEROIDS - TOPICAL			0.15%	0.20%
FLUOXETINE HYDROCHLORIDE ██████████	fluoxetine (except fluoxetine tablet 60 mg, fluoxetine tablet [generics for SARAFEM]), paroxetine HCl ext-rel (except NDC 60505367503), sertraline	PREMENSTRUAL DYSPHORIC DISORDER (PMDD) AGENTS			100.00%	200.00%
FLUOXETINE HYDROCHLORIDE ██████████	citalopram, escitalopram, fluoxetine (except fluoxetine tablet 60 mg, fluoxetine tablet [generics for SARAFEM]), paroxetine HCl, paroxetine HCl ext-rel (except NDC^ 60505367503), sertraline, TRINTELLIX	SELECTIVE SEROTONIN REUPTAKE INHIBITORS (SSRIS) Depression/mood			0.52%	0.78%
FLURANDRENOLIDE ██████████	desonide (except desonide gel), hydrocortisone	CORTICOSTEROIDS - TOPICAL			0.02%	0.04%
HYDROCORTISONE BUTYRATE soln/lotion ██████████	hydrocortisone butyrate cream, hydrocortisone butyrate ointment, hydrocortisone butyrate solution, mometasone, triamcinolone cream, triamcinolone lotion, triamcinolone ointment (except triamcinolone ointment 0.05%)	CORTICOSTEROIDS - TOPICAL	0.03%	0.04%		

Drug Name/Avg GoodRx cash price vs. alternative	Alternative Drugs	Drug Group	Affected Members	Affected Scripts	Percent Affected Members in Therapeutic Class	Percent Scripts in Therapeutic Class
HYDROCORTISONE BUTYRATE soln/lotion ██████████	hydrocortisone butyrate cream, hydrocortisone butyrate ointment, hydrocortisone butyrate solution, mometasone, triamcinolone cream, triamcinolone lotion, triamcinolone ointment (except triamcinolone ointment 0.05%)	CORTICOSTEROIDS - TOPICAL	██████████	██████████	0.02%	0.02%
HYOSCYAMINE SULFATE ER ██████████	dicyclomine	ANTISPASMODICS (neurogenic bowel/spasticity/IBS)	██████████	██████████	0.41%	1.07%
KETOCONAZOLE ██████████	ketoconazole shampoo 2%, selenium sulfide lotion 2.5%	ANTIFUNGALS - TOPICAL	██████████	██████████	0.09%	0.11%
LANSOPRAZOLE ██████████	esomeprazole DR, lansoprazole DR capsule, omeprazole DR, pantoprazole DR tablet	PROTON PUMP INHIBITORS	██████████	██████████	0.06%	0.09%
LANSOPRAZOLE ODT ██████████	esomeprazole DR, lansoprazole DR capsule, omeprazole DR, pantoprazole DR tablet	PROTON PUMP INHIBITORS	██████████	██████████	0.03%	0.02%
LANTHANUM CARBONATE ██████████	calcium acetate, sevelamer carbonate, AURYXIA	PHOSPHATE BINDER AGENTS (hyperphosphatemia in CKD)	██████████	██████████	9.57%	18.64%
LULICONAZOLE ██████████	ciclopirox, clotrimazole, econazole, ketoconazole cream 2%, NAFTIN	ANTIFUNGALS - TOPICAL	██████████	██████████	0.06%	0.07%
MELOXICAM Capsules ██████████	diclofenac sodium, ibuprofen, meloxicam tablet, naproxen (except naproxen CR or naproxen suspension)	NONSTEROIDAL ANTI-INFLAMMATORY AGENTS (NSAIDS)	██████████	██████████	0.03%	0.04%
METAXALONE ██████████	cyclobenzaprine (except cyclobenzaprine tablet 7.5 mg)	CENTRAL MUSCLE RELAXANTS	██████████	██████████	0.25%	0.35%
MINOCYCLINE HYDROCHLORIDE tabs ██████████	doxycycline hyclate 20 mg, doxycycline hyclate capsule, minocycline caps, tetracycline	TETRACYCLINES (antibiotic)	██████████	██████████	0.03%	0.14%
MUPIROCIN cream ██████████	gentamicin, mupirocin ointment	ANTIBIOTICS - TOPICAL	██████████	██████████	1.61%	3.50%
NAPROXEN SODIUM ER ██████████	diclofenac sodium, ibuprofen, meloxicam tablet, naproxen (except naproxen CR or naproxen suspension)	NONSTEROIDAL ANTI-INFLAMMATORY AGENTS (NSAIDS)	██████████	██████████	0.01%	0.01%

Drug Name/Avg GoodRx cash price vs. alternative	Alternative Drugs	Drug Group	Affected Members	Affected Scripts	Percent Affected Members in Therapeutic Class	Percent Scripts in Therapeutic Class
NITROFURANTOIN (NDC 16571074024) [REDACTED]	generic nitrofurantoin suspension (except NDC 16571074024, 70954049610)	URINARY ANTI- INFECTIVES	[REDACTED]	[REDACTED]	0.06%	0.08%
PANTOPRAZOLE SODIUM [REDACTED]	esomeprazole DR, lansoprazole DR capsule, omeprazole DR, pantoprazole DR tablet	PROTON PUMP INHIBITORS (ulcers, heartburn)	[REDACTED]	[REDACTED]	0.11%	0.09%
PAROXETINE [REDACTED]	paroxetine HCl	VASOMOTOR SYMPTOM AGENTS (menopause)	[REDACTED]	[REDACTED]	100.00%	200.00%
PEG- 3350/ELECTROLYTES/ASC [REDACTED]	peg 3350-electrolytes (except generics for MOVIPREP), sodium sulfate-potassium sulfate-magnesium sulfate, CLENPIQ	LAXATIVE COMBINATIONS	[REDACTED]	[REDACTED]	2.66%	5.09%
PEG- 3350/SODIUM SULF/NACL [REDACTED]	peg 3350-electrolytes (except generics for MOVIPREP), sodium sulfate-potassium sulfate-magnesium sulfate, CLENPIQ	LAXATIVE COMBINATIONS	[REDACTED]	[REDACTED]	4.17%	7.83%
POSACONAZOLE DR [REDACTED]	fluconazole, itraconazole	IMIDAZOLE-RELATED ANTIFUNGALS	[REDACTED]	[REDACTED]	0.18%	1.35%
PROMETRIUM [REDACTED]	medroxyprogesterone; progesterone, micronized	PROGESTINS (endometrial hyperplasia)	[REDACTED]	[REDACTED]	0.11%	0.09%
SPRIX (ketorolac spray) [REDACTED]	diclofenac sodium, ibuprofen, meloxicam tablet, naproxen (except naproxen CR or naproxen suspension)	NSAID (pain, Inflammation)	[REDACTED]	[REDACTED]	0.01%	0.13%
SUCRALFATE SUSP [REDACTED]	sucralfate tablet	MISC. ANTI- ULCER	[REDACTED]	[REDACTED]	23.70%	51.71%
TAVABOROLE (topical soln) [REDACTED]	Fluconazole, itraconazole, terbinafine	Topical antifungal	[REDACTED]	[REDACTED]	0.43%	0.54%
TOPIRAMATE ER [REDACTED]	carbamazepine, carbamazepine ext-rel, clobazam, divalproex sodium, divalproex sodium ext-rel, gabapentin, lamotrigine, lamotrigine ext-rel, levetiracetam, levetiracetam	ANTICONVULSANTS - MISC.	[REDACTED]	[REDACTED]	0.43%	0.69%



Drug Name/Avg GoodRx cash price vs. alternative	Alternative Drugs	Drug Group	Affected Members	Affected Scripts	Percent Affected Members in Therapeutic Class	Percent Scripts in Therapeutic Class
	ext-rel, oxcarbazepine, phenobarbital, phenytoin, phenytoin sodium ext-rel, primidone, rufinamide, tiagabine, topiramate, valproic acid, zonisamide, APTIOM, FYCOMPA, OXTELLAR XR, TROKENDI XR, XCOPRI					
TRIAMCINOLONE ACETONIDE oint	Hydrocortisone, dexamethasone, betamethasone, prednisolone	CORTICOSTEROIDS – TOPICAL			0.03%	0.04%
VENLAFAXINE HYDROCHLORIDE	bupropion, bupropion ext-rel, citalopram, desvenlafaxine ext-rel, duloxetine, escitalopram, fluoxetine, mirtazapine, paroxetine hcl, paroxetine hcl ext-rel, sertraline, trazodone, venlafaxine, venlafaxine ext-rel capsule, vilazodone, FETZIMA, TRINTELLIX, VIIBRYD	SEROTONIN-NOREPINEPHRINE REUPTAKE INHIBITORS (SNRIS) Depression/mood			0.90%	1.01%
VEREGEN oint	imiquimod	AGENTS FOR EXTERNAL GENITAL AND PERIANAL WARTS			12.50%	22.22%
ZILEUTON ER	montelukast, zafirlukast	LEUKOTRIENE MODULATORS (asthma)			0.08%	0.12%
ZOLPIDEM TARTRATE cap	doxepin, eszopiclone, ramelteon, zolpidem, zolpidem ext-rel, BELSOMRA, DAYVIGO, QUVIVIQ	NON- BARBITURATE HYPNOTICS (anxiety)			0.36%	0.36%

### Retirees Hyperinflation

Drug Name	Alternative Drugs	Drug Group	Affected Members	Affected Scripts	Percent Affected Members in Therapeutic Class	Percent Scripts in Therapeutic Class
ACYCLOVIR	acyclovir capsule, acyclovir tablet, valacyclovir	ANTIVIRALS - TOPICAL			35.48%	63.16%

Drug Name	Alternative Drugs	Drug Group	Affected Members	Affected Scripts	Percent Affected Members in Therapeutic Class	Percent Scripts in Therapeutic Class
BETAMETHASONE DIPROPIONAT	Desoximetasone, (except desoximetasone ointment 0.05%),  fluocinonide (except fluocinonide cream 0.1%), BRYHALI	CORTICOSTER OIDS - TOPICAL			2.63%	4.16%
CALCIPOTRIENE	<i>calcipotriene ointment/solution, VTAMA, ZORYVE CREAM</i>	ANTIPSORIATI CS			18.64%	13.64%
CALCIPOTRIENE/BETA METHASO	calcipotriene ointment/solution WITH desoximetasone (except 0.05% ointment),  fluocinonide (except 0.1% cream), BRYHALI, ENSTILAR	CORTICOSTER OIDS - TOPICAL			0.35%	0.42%
CARISOPRODOL	cyclobenzaprine (except cyclobenzaprine tablet 7.5 mg)	CENTRAL MUSCLE RELAXANTS			0.34%	0.73%
CLOBETASOL PROPIONATE	<i>clobetasol cream, clobetasol foam (except clobetasol emollient foam), clobetasol gel, clobetasol lotion, clobetasol ointment, halobetasol cream, halobetasol ointment</i>	CORTICOSTER OIDS - TOPICAL			0.42%	0.75%
CYCLOBENZAPRINE HYDROCHLO	cyclobenzaprine (except cyclobenzaprine tablet 7.5 mg)	CENTRAL MUSCLE RELAXANTS			0.51%	0.44%
DIFLORASONE DIACETATE	Desoximetasone, (except desoximetasone ointment 0.05%), fluocinonide (except fluocinonide cream 0.1%), BRYHALI	CORTICOSTER OIDS - TOPICAL			0.07%	0.08%
DOXYCYCLINE HYCLATE	doxycycline hyclate 20 mg, doxycycline hyclate capsule, minocycline, tetracycline	TETRACYCLINE S			0.30%	0.88%
DOXYCYCLINE HYCLATE DR	doxycycline hyclate 20 mg, doxycycline hyclate capsule, minocycline, tetracycline	TETRACYCLINE S			0.30%	0.44%
ERGOTAMINE TARTRATE/CAFFE	eletriptan, naratriptan, rizatriptan, sumatriptan, zolmitriptan, NURTEC ODT, ONZETRA XSAIL, UBRELVY, ZEMBRACE SYMTOUCH	MIGRAINE COMBINATION S			0.49%	0.58%
FENOFIBRATE	fenofibrate (except fenofibrate capsule 50 mg, 130 mg; fenofibrate tablet 40 mg, 120 mg), fenofibric acid delayed-rel	FIBRIC ACID DERIVATIVES			1.30%	1.82%
FLUOCINONIDE	clobetasol cream, clobetasol foam (except clobetasol emollient foam), clobetasol gel, clobetasol lotion, clobetasol ointment, halobetasol cream, halobetasol ointment	CORTICOSTER OIDS - TOPICAL			0.35%	0.50%
FLUOXETINE HYDROCHLORIDE	citalopram, escitalopram, fluoxetine (except	SELECTIVE SEROTONIN			0.66%	1.30%

Drug Name	Alternative Drugs	Drug Group	Affected Members	Affected Scripts	Percent Affected Members in Therapeutic Class	Percent Scripts in Therapeutic Class
	fluoxetine tablet 60 mg, fluoxetine tablet [generics for SARAFEM]), paroxetine HCl, paroxetine HCl ext-rel (except NDC^ 60505367503), sertraline, TRINTELLIX	REUPTAKE INHIBITORS (SSRIS)				
FLURANDRENOLIDE	desonide (except desonide gel), hydrocortisone	CORTICOSTEROIDS - TOPICAL			0.21%	0.50%
HYOSCYAMINE SULFATE ER	dicyclomine	ANTISPASMODICS			1.69%	3.86%
LANTHANUM CARBONATE	calcium acetate, sevelamer carbonate, AURYXIA	PHOSPHATE BINDER AGENTS			1.85%	1.52%
MELOXICAM	diclofenac sodium, ibuprofen, meloxicam tablet, naproxen (except naproxen CR or naproxen suspension)	NONSTEROIDAL ANTI-INFLAMMATORY AGENTS (NSAIDS)			0.05%	0.05%
METAXALONE	cyclobenzaprine (except cyclobenzaprine tablet 7.5 mg)	CENTRAL MUSCLE RELAXANTS			0.17%	0.15%
metformin ext-rel (generics FORTAMET and GLUMETZA)	metformin, metformin ext-rel (except generic FORTAMET or GLUMETZA)	BIGUANIDES (type 2 diabetes)			0.31%	0.22%
██████████						
MUPIROCIIN cream	gentamicin, mupirocin ointment	ANTIBIOTICS - TOPICAL			1.67%	3.05%
NAPROXEN SODIUM ER	diclofenac sodium, ibuprofen, meloxicam tablet, naproxen (except naproxen CR or naproxen suspension)	NONSTEROIDAL ANTI-INFLAMMATORY AGENTS (NSAIDS)			0.05%	0.15%
PANTOPRAZOLE SODIUM	esomeprazole DR, lansoprazole DR capsule, omeprazole DR, pantoprazole DR tablet	PROTON PUMP INHIBITORS			0.15%	0.26%
paroxetine mesylate capsule 7.5 mg	paroxetine HCl	VASOMOTOR SYMPTOM AGENTS			100.00%	200.00%
PEG-3350/ELECTROLYTES/ASC	peg 3350-electrolytes (except generics for MOVIPREP), sodium sulfate-potassium sulfate- magnesium sulfate, CLENPIQ	LAXATIVE COMBINATION S			3.25%	6.32%
PEG-3350/SODIUM SULF/NACL	peg 3350-electrolytes (except generics for MOVIPREP), sodium sulfate-potassium sulfate- magnesium sulfate, CLENPIQ	LAXATIVE COMBINATION S			3.76%	7.08%
POSACONAZOLE DR	fluconazole, itraconazole	IMIDAZOLE-RELATED ANTIFUNGALS			1.02%	2.39%

Drug Name	Alternative Drugs	Drug Group	Affected Members	Affected Scripts	Percent Affected Members in Therapeutic Class	Percent Scripts in Therapeutic Class
SUCRALFATE susp	sucralfate tablet	MISC. ANTI-ULCER			27.03%	51.06%
TAVABOROLE	Fluconazole, itraconazole, terbinafine	ANTIFUNGALS - TOPICAL			7.32%	11.32%
THEO-24 [REDACTED]	<i>ipratropium inhalation solution</i> , PERFOROMIST, SPIRIVA, STRIVERDI RESPIMAT, YUPELRI	XANTHINES (asthma/COPD)			20.00%	25.00%
TOPIRAMATE ER	carbamazepine, carbamazepine ext-rel, clobazam, divalproex sodium, divalproex sodium ext-rel, gabapentin, lamotrigine, lamotrigine ext-rel, levetiracetam, levetiracetam ext-rel, oxcarbazepine, phenobarbital, phenytoin, phenytoin sodium ext-rel, primidone, rufinamide, tiagabine, topiramate, valproic acid, zonisamide, APTIOM, FYCOMPA, OXTELLAR XR, TROKENDI XR, XCOPRI	ANTICONVULSANTS - MISC.			0.42%	1.06%
TRIAMCINOLONE ACETONIDE	Hydrocortisone, dexamethasone, betamethasone, prednisolone	CORTICOSTEROIDS - TOPICAL			0.07%	0.08%
VENLAFAXINE HYDROCHLORIDE	bupropion, bupropion ext-rel, citalopram, desvenlafaxine ext-rel, duloxetine, escitalopram, fluoxetine, mirtazapine, paroxetine hcl, paroxetine hcl ext-rel, sertraline, trazodone, venlafaxine, venlafaxine ext-rel capsule, vilazodone, FETZIMA, TRINTELLIX, VIIBRYD	SEROTONIN-NOREPINEPHRINE REUPTAKE INHIBITORS (SNRIS)			0.78%	0.81%
ZILEUTON ER	montelukast, zafirlukast	LEUKOTRIENE MODULATORS			0.23%	1.08%
ZOLPIDEM TARTRATE	doxepin, eszopiclone, ramelteon, zolpidem, zolpidem ext-rel, BELSOMRA, DAYVIGO, QUVIVIQ	NON-BARBITURATE HYPNOTICS			0.28%	1.97%

### Actives Basic Control

Rank	Drug Class and Avg 30 day cash price Pref/Non-Pref	Top Target Contributors (% of Total Projected Rx's)	Alternative Drugs	Members Impacted	% Members Impacted	Rxs Impacted	% Rx's Impacte d
1	DIAGNOSTIC TESTS [REDACTED]	FREESTYLE LITE TEST STRIP (8.1%) CONTOUR NEXT BLOOD GLUCOS (0.7%)	ACCU-CHEK AVIVA PLUS STRIPS AND KITS, ACCU-CHEK GUIDE STRIPS AND KITS, ACCU-CHECK SMARTVIEW STRIPS AND KITS, ONETOUCH ULTRA STRIPS AND KITS, ONETOUCH VERIO STRIPS AND KITS	239	13.1%	432	10.3%
2	ANTIHYPERTENSIVES – MISC. [REDACTED]	VASCEPA (9.4%)	Omega-3 ethyl esters, ICOSAPENT ETHYL	124	25.7%	132	9.4%
3	COMBINATION CONTRACEPTIVES – VAGINAL [REDACTED]	ETONOGESTREL/ETHINYL ESTR (16.0%) ELURYNG (0.6%)	Ethinyl estradiol-drospirenone, Ethinyl estradiol-drospirenone-levomefolate, Ethinyl estradiol-etonogestrel, Ethinyl estradiol-levonorgestrel, Ethinyl estradiol-levonorgestrel-iron, Ethinyl estradiol-norelgestromin, Ethinyl estradiol-norethindrone acetate, Ethinyl estradiol-norethindrone acetate-iron, Ethinyl estradiol-norgestimate, Annovera, Lo Loestrin Fe, Natazia	112	47.3%	111	16.8%

Rank	Drug Class	Top Target Contributors (% of Total Projected Rx's)	Alternative Drugs	Members Impacted	% Members Impacted	Rxs Impacted	% Rx's Impacte d
4	STEROID INHALANTS [REDACTED]	ALVESCO (1.2%) ASMANEX TWISTHALER 60 MET (0.4%)	Budesonide inhalation suspension, ARNUITY ELLIPTA, FLOVANT DISKUS, FLOVENT HFA, PULMICORT FLEXHALER, QVAR REDHALER	22	1.8%	47	2.3%
5	SODIUM-GLUCOSE CO-TRANSPORTER 2 (SGLT2) INHIBITORS [REDACTED]	STEGLATRO (0.5%)	FARXIGA, JARDIANCE	17	0.8%	39	0.5%

Rank	Drug Class	Top Target Contributors (% of Total Projected Rx's)	Alternative Drugs	Members Impacted	% Members Impacted	Rxs Impacted	% Rx's Impacte d
6	DIABETIC SUPPLIES ██████████	FREESTYLE LITE BLOOD GLUC (0.3%) FREESTYLE FREEDOM LITE (0.0%)	ACCU-CHEK AVIVA PLUS STRIPS AND KITS, ACCU- CHEK GUIDE STRIPS AND KITS, ACCU- CHECK SMARTVIEW STRIPS AND KITS, ONETOUCH ULTRA STRIPS AND KITS, ONETOUCH VERIO STRIPS AND KITS	14	0.8%	14	0.3%
7	THROMBIN INHIBITORS ██████████	PRADAXA (44.0%)	Warfarin, ELIQUIS, XARELTO	10	41.7%	24	26.1%
8	5-HT4 RECEPTOR AGONISTS ██████████	MOTEGRITY (100.0%)	Lubiprostone, LINZESS	5	100.0%	16	100.0%
9	ANTIDIABETIC COMBINATIONS ██████████	KOMBIGLYZE (0.4%) SEGLUOMET (0.1%)	Saxagliptin-metformin ext-rel, JANUMET, JANUMET XR, JENTADUETO, JENTADUETO XR	5	0.7%	11	0.5%
10	AGENTS FOR CHRONIC IDIOPATHIC CONSTIPATION (CIC) ██████████	TRULANCE (100.0%)	Lubiprostone, LINZESS	1	100.0%	5	100.0%
	OTHER NON- SPECIALTY CLASSES			1	0.3%	1	0.1%
	TOTAL			536	0.8%	832	3.5%

### Retirees Basic Control

Rank	Drug Class	Top Target Contributors (% of Total Projected Rx's)	Alternatives	Members Impacted	% Members Impacted	Rxs Impacted	% Rx's Impacted
1	DIAGNOSTIC TESTS ██████████	FREESTYLE LITE TEST STRIP (8.5%) CONTOUR NEXT BLOOD GLUCOS (1.0%)	ACCU-CHEK AVIVA PLUS STRIPS AND KITS, ACCU- CHEK GUIDE STRIPS AND KITS, ACCU- CHECK SMARTVIEW STRIPS AND KITS, ONETOUCH ULTRA STRIPS AND KITS,	86	12.2%	153	10.3%



Rank	Drug Class	Top Target Contributors (% of Total Projected Rx's)	Alternatives	Members Impacted	% Members Impacted	Rxs Impacted	% Rxs Impacted
			ONETOUCH VERIO STRIPS AND KITS				
2	ANTIHYPERTENSIVE – MISC. ██████████	VASCEPA (7.8%)	Omega-3 ethyl esters, ISOSAPENT ETHYL	47	20.1%	49	7.8%
3	STEROID INHALANTS ██████████	ALVESCO (1.3%), ASMANEX HFA (1.3%)	Budesonide inhalation suspension, ARNUITY ELLIPTA, FLOVANT DISKUS, FLOVENT HFA, PULMICORT FLEXHALER, QVAR REDHALER	7	3.1%	10	2.5%
4	5-HT4 RECEPTOR AGONISTS ██████████	MOTEGRITY (100.0%)	Lubiprostone, LINZESS	6	100.0%	11	100.0%
5	DIABETIC SUPPLIES ██████████	FREESTYLE LITE BLOOD GLUC (0.3%) FREESTYLE FREEDOM LITE (0.1%)	ACCU-CHEK AVIVA PLUS STRIPS AND KITS, ACCU-CHEK GUIDE STRIPS AND KITS, ACCU-CHEK SMARTVIEW STRIPS AND KITS, ONETOUCH ULTRA STRIPS AND KITS, ONETOUCH VERIO STRIPS AND KITS	6	1%	6	0.4%
6	COMBINATION CONTRACEPTIVES – VAGINAL ██████████	ETNOGESTREL/ETHINYL ESTR (13.9%)	Ethinyl estradiol-drospirenone, Ethinyl estradiol-drospirenone-levomefolate, Ethinyl estradiol-etonogestrel, Ethinyl estradiol-levonorgestrel, Ethinyl estradiol-levonorgestrel-iron, Ethinyl estradiol-norelgestromin, Ethinyl estradiol-norethindrone acetate, Ethinyl estradiol-norethindrone acetate-iron, Ethinyl estradiol-norgestimate, Annovera, Lo Loestrin Fe, Natazia	5	33.3%	5	13.9%
7	THROMBIN INHIBITORS ████████████████████	PRADAXA (27.5%)	Warfarin, ELIQUIS, XARELTO	5	38.5%	7	21.2%
8	AGENTS FOR CHRONIC IDIOPATHIC CONSTIPATION (CIC) ██████████	TRULANCE (100.0%)	Lubiprostone, LINZESS	3	100.0%	8	100.0%

Rank	Drug Class	Top Target Contributors (% of Total Projected Rx's)	Alternatives	Members Impacted	% Members Impacted	Rx's Impacted	% Rx's Impacted
9	ANTIDIABETIC COMBINATIONS ██████████	OSENI (0.1%) (alogliptin/pioglitazone)	Saxagliptin-metformin ext-rel, JANUMET, JANUMET XR, JENTADUETO, JENTADUETO XR	1	0.3%	1	0.1%
10	SODIUM-GLUCOSE CO-TRANSPORTER 2 (SGLT2) INHIBITORS ████████████████████	STEGLATRO (0.1%)	FARXIGA, JARDIANCE	1	0.3%	2	0.1%
<b>TOTAL</b>				<b>164</b>	<b>1.2%</b>	<b>252</b>	<b>3.0%</b>

cc: Derek Mizuno, Lara Nitta  
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HMSA Plan Change Overview and Authorization, Actives (2025) Retirees (2025 and 2026)

Type of Change	Proposal	Proposed Change	Reason	Rate Impact	Effective Date(s)	Authorization (check one)									
Benefit	CMS Preventive Health Services	<p>HMSA is proposing to uniformly cover CMS Medicare-covered preventive screening services at the current benefit level under EUTF's non-Medicare and Medicare-eligible Retiree plans effective 1/1/25.</p> <table border="1"> <thead> <tr> <th></th> <th>In-Network</th> <th>Out-of-Network</th> </tr> </thead> <tbody> <tr> <td>EUTF</td> <td>20%</td> <td>30%*</td> </tr> <tr> <td>HSTA VB</td> <td>10%</td> <td>30%*</td> </tr> </tbody> </table> <p>* Deductible applies.</p>		In-Network	Out-of-Network	EUTF	20%	30%*	HSTA VB	10%	30%*	Close the coverage gap between HMSA's active and Medicare eligible Retiree plans.		1/1/2025	<input type="checkbox"/> Approved <input type="checkbox"/> Not Approved
	In-Network	Out-of-Network													
EUTF	20%	30%*													
HSTA VB	10%	30%*													


HMSA Plan Change Overview and Authorization, Actives (2025) Retirees (2025 and 2026)

Type of Change	Proposal	Proposed Change	Reason	Rate Impact	Effective Date(s)	Authorization (check one)
Benefit	Cardiac Rehabilitation	<p><b>Current benefit:</b> Currently, traditional cardiac rehabilitation is not a covered benefit. Traditional cardiac rehabilitation is a medically supervised program designed to improve your cardiovascular health if you have experienced a heart attack, heart failure, angioplasty, or heart surgery. Cardiac rehab has three equally important parts:</p> <ul style="list-style-type: none"> <li>• <b>Exercise counseling and training:</b> <a href="#">Exercise</a> gets your heart pumping and your entire cardiovascular system working. You'll learn how to get your body moving in ways that promote heart health.</li> <li>• <b>Education for heart-healthy living:</b> A key element of cardiac rehab is educating yourself: How can you manage your risk factors and <a href="#">take care of yourself</a>? Quit smoking? Make heart-healthy nutrition choices?</li> <li>• <b>Counseling to reduce stress:</b> <a href="#">Stress</a> hurts your heart. This part of cardiac rehab helps you identify and tackle everyday sources of stress.</li> </ul> <p>It usually encompasses 36 sessions (hospital outpatient at Queens Medical Center and Hilo Medical Center) to help heart patients recover and improve their overall physical, mental, and social functioning where the goal is to stabilize, slow or even reverse the progression of cardiovascular disease, thereby reducing the risk of heart disease, another cardiac event or death. EUTF members</p>	<p>Cardiac rehabilitation has evidentiary support that demonstrates that it can improve cardiovascular function, thereby reducing the physical, emotional, and financial costs of cardiovascular disease, including hospital readmissions. We are working on a data gathering strategy with our provider partners; however, the more important element is that we induce them to adhere to the standards of a cardiac rehab program as established by the American Academy of Cardiopulmonary Rehabilitation. Cardiac rehab that adheres to these standards have been proven by the best level evidence (randomized controlled trials) and comes with the highest level of recommendation from the American College of Cardiology and American Heart Association society guidelines.</p>		7/1/2025	<input type="checkbox"/> Approved <input type="checkbox"/> Not Approved
					1/1/2026	<input type="checkbox"/> Approved <input type="checkbox"/> Not Approved

HMSA Plan Change Overview and Authorization, Actives (2025) Retirees (2025 and 2026)

Type of Change	Proposal	Proposed Change	Reason	Rate Impact	Effective Date(s)	Authorization (check one)																					
		<p>residing on the neighbor islands will be allowed to utilize HMSA's Care Access Assistance Program if care is not available in their area.</p> <p><b>Proposed benefit:</b> Cardiac rehabilitation will be covered at the same cost-share as the Physical and Occupational Therapy benefit. Program requirements include the following:</p> <ul style="list-style-type: none"> <li>• A heart attack in the last 12 months</li> <li>• Coronary artery bypass surgery</li> <li>• Current stable angina (chest pain)</li> <li>• A heart valve repair or replacement</li> <li>• A coronary angioplasty (a medical procedure used to open a blocked artery) or coronary stenting (a procedure used to keep an artery open)</li> <li>• A heart or heart-lung transplant</li> <li>• Stable chronic heart failure</li> </ul> <p>These program requirements will be maintained in a medical policy. Precertification will not be required, and member may receive service(s) for each cardiac event.</p> <table border="1"> <thead> <tr> <th>Plan</th> <th>In-Network</th> <th>Out-of-Network</th> </tr> </thead> <tbody> <tr> <td>EUTF Actives 90/10 PPO</td> <td>10%</td> <td>30%*</td> </tr> <tr> <td>EUTF Actives 80/20 PPO</td> <td>20%</td> <td>40%*</td> </tr> <tr> <td>EUTF Actives 75/25 PPO</td> <td>25%*</td> <td>40%*</td> </tr> <tr> <td>EUTF Actives HMO</td> <td>\$15</td> <td>Not covered</td> </tr> <tr> <td>HSTA VB Actives 90/10 PPO</td> <td>10%</td> <td>30%*</td> </tr> <tr> <td>HSTA VB Actives 80/20 PPO</td> <td>20%</td> <td>20%</td> </tr> </tbody> </table>	Plan	In-Network	Out-of-Network	EUTF Actives 90/10 PPO	10%	30%*	EUTF Actives 80/20 PPO	20%	40%*	EUTF Actives 75/25 PPO	25%*	40%*	EUTF Actives HMO	\$15	Not covered	HSTA VB Actives 90/10 PPO	10%	30%*	HSTA VB Actives 80/20 PPO	20%	20%	<p>This is a standard of care treatment.</p> <p>Cost per session: \$124.30 Medicare coverage: 80% Covered under Part B</p>			
Plan	In-Network	Out-of-Network																									
EUTF Actives 90/10 PPO	10%	30%*																									
EUTF Actives 80/20 PPO	20%	40%*																									
EUTF Actives 75/25 PPO	25%*	40%*																									
EUTF Actives HMO	\$15	Not covered																									
HSTA VB Actives 90/10 PPO	10%	30%*																									
HSTA VB Actives 80/20 PPO	20%	20%																									

HMSA Plan Change Overview and Authorization, Actives (2025) Retirees (2025 and 2026)

Type of Change	Proposal	Proposed Change		Reason	Rate Impact	Effective Date(s)	Authorization (check one)
		EUTF Retiree 90/10 PPO with Medicare	20%*	30%*			
		EUTF Retiree 90/10 PPO without Medicare					
		HSTA VB Retiree 90/10 PPO with Medicare	10%				
		HSTA VB Retiree 90/10 PPO without Medicare					
		<i>*Deductible applies</i>					

\_\_\_\_\_  
Date

\_\_\_\_\_  
Derek Mizuno, EUTF Administrator



**HDS**  
Hawaii Dental Service



PUBLIC

EUTF Benefits Committee Meeting  
October 15, 2024

# HSTA VB Active Plans Propose Benefit Changes

REDACTED FOR PUBLIC

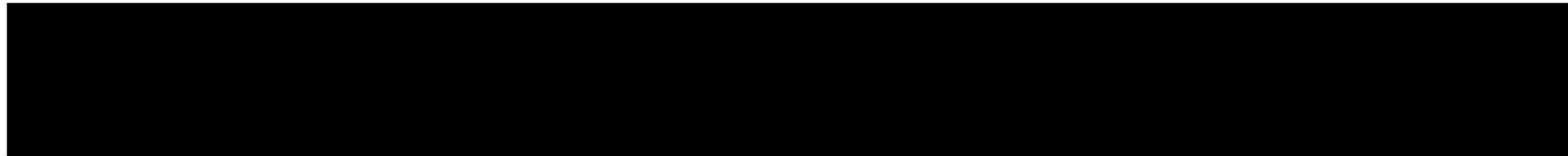
PRESENTED BY  
Stacia Baek  
Strategic Account Executive





# HSTA VB Active Plans

## Proposed Plan Benefit Changes – 2<sup>nd</sup> Fluoride Treatment



- To align the HSTA VB Active Plans with the prevalent plan design for fluoride treatments, HDS is proposing to increase the number of Fluoride Treatments per Calendar Year (CY) through age 19 from one to two, effective 7/1/2025 under the:
  - HSTA VB Actives Plan
  - HSTA VB Actives Supplemental Plan

	EUTF Active	EUTF & HSTA VB Retiree	HSTA VB Active	HSTA VB Active Supplemental
Current Benefit 7/1/24 – 6/30/25		100% 2 per CY Through age 19	100% 1 per CY Through age 19	50% 1 per CY Through age 19
Proposed Benefit 7/1/25 – 6/30/26		NO CHANGE	100% 2 per CY Through age 19	50% 2 per CY Through age 19





# HSTA VB Active Plans

## Proposed Plan Benefit Changes – 2<sup>nd</sup> Fluoride Treatment

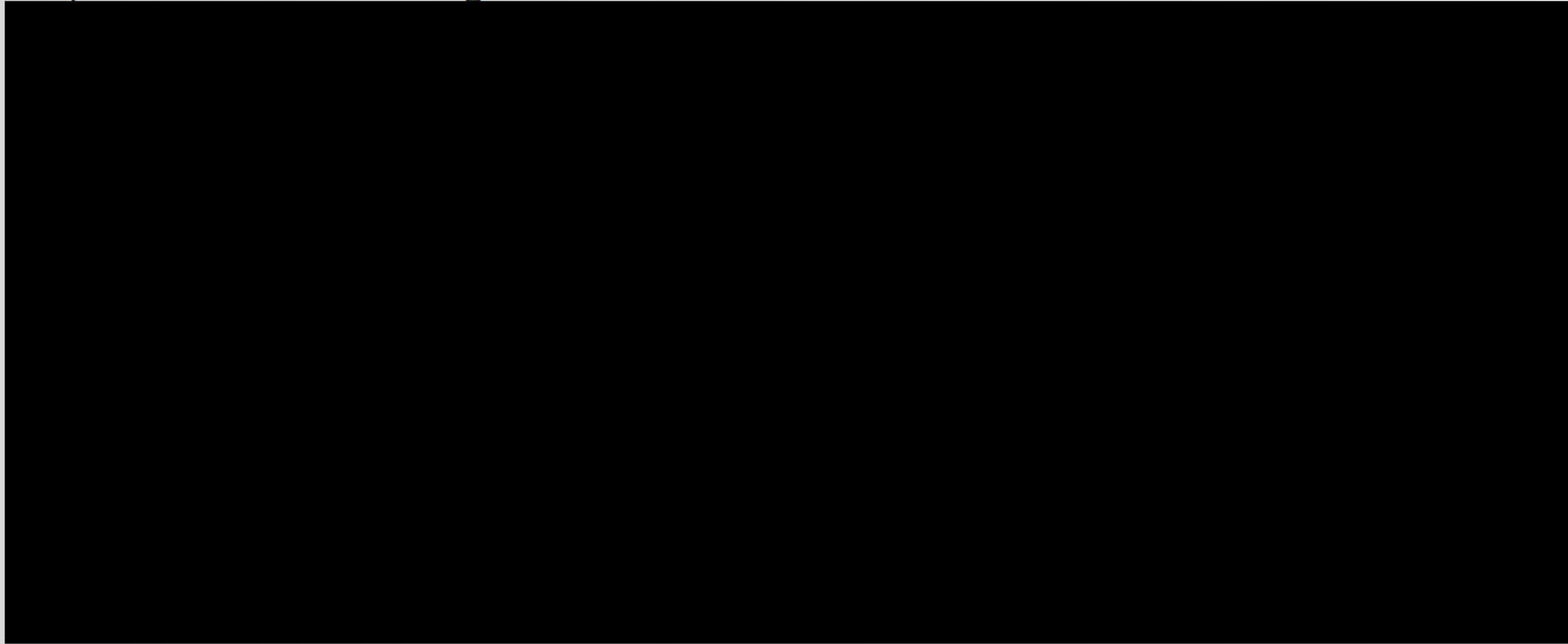
The assumptions for the second fluoride cost to the HSTA VB Actives and HSTA VB Supplemental are as follows:

- If an eligible child (age 19 and under) had only 1 check-up visit (exam and/or cleaning) during the year, then at most this child will only be able to use 1 fluoride. Even if the group has 2 fluoride treatment benefits, due to the lack of a second dental visit, he/she will not incur a 2nd fluoride.
- If an eligible child did not use his/her first fluoride benefit, then it is assumed the child will not use a 2nd fluoride benefit even if the group has a 2nd fluoride benefit.
- If an eligible child had 2 or more check-up visits, and the child used 1 fluoride in one of those visits, then it is assumed the child will receive a 2nd fluoride in one of the check-up visits that did not have a fluoride treatment and will incur additional cost for the 2nd fluoride benefit if the child is still within the fluoride age limit of 19.

Child Name	Dental Visit(s)	Used 1st Fluoride	Child Will Receive a 2nd Fluoride
John Dole	Check-up visit #1	Yes	No: this is 1st fluoride
	Check-up visit #2	No	Yes: patient will receive 2nd fluoride since they had a 2nd visit, and they used the 1st fluoride benefit
Jane Dole	Check-up visit #1	No	No: did not do 1st fluoride
	Check-up visit #2	No	No: did not do 1st fluoride
Jack Dole	Check-up visit #1	Yes	No: patient only went to the dentist once this year
Jackie Dole	No Check-up visits	No	No: did not do 1st fluoride

# HSTA VB Active Plans

Proposed Plan Benefit Changes – 2<sup>nd</sup> Fluoride Treatment







# Questions?

Mahalo for your time!



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# EUTF

## Proposed Benefit Changes

ACTIVES – Effective July 1, 2025

RETIREES – Effective January 1, 2026

Monica Kim – Market Director, VSP Hawaii

Benefits Committee Meeting: October 15<sup>th</sup>, 2024



REDACTED



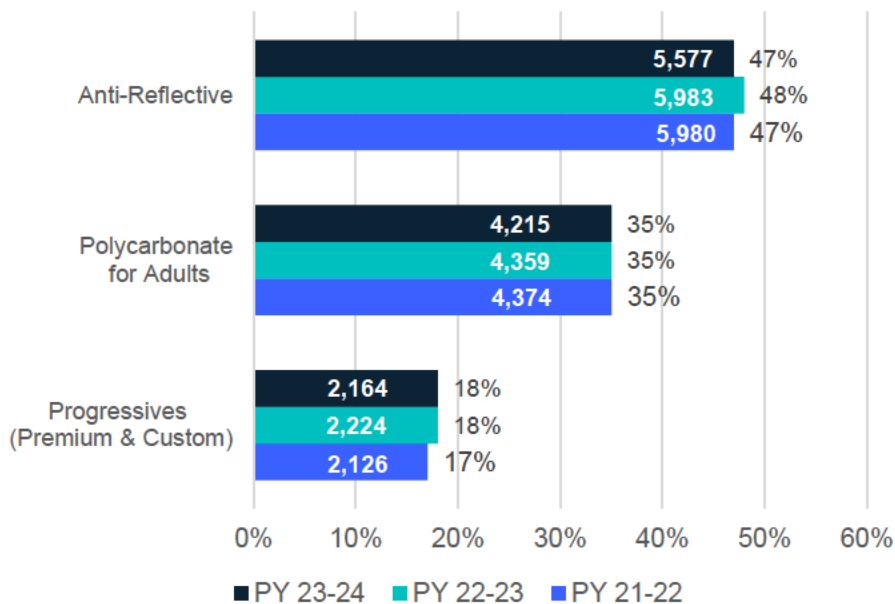
# Proposed Benefit Upgrades

<b>Anti-Reflective Coating</b>	Can reduce eye strain caused by glare, reflections, and the “halos” you see around lights at night—plus, it helps protect lenses from scratches, smudges, dust, and water. Also helps reduce excessive blue light exposure that may contribute to digital eye strain.
<b>Polycarbonate for Adults</b>	One of the thinnest, lightest, and most impact-resistant materials available—plus, they provide UV protection and scratch resistance.
<b>Progressive Lenses (Premium/Custom)</b>	<p>Progressive Lenses are line-free multifocal lenses that gradually change power with distance.</p> <p>PREMIUM Progressives: Have wider fields of vision with the variable powers and are often manufactured using newer, more accurate digital surfacing techniques.</p> <p>CUSTOM Progressives: Use cutting-edge technology utilizing digital surfacing, and many also incorporate additional exam measurements into the prescription to help lessen the effects of higher order visual aberrations.</p> <p>Both Premium &amp; Custom Progressive Lenses are becoming increasingly popular in the marketplace.</p>

The projected rates in this proposal are based on the cost of the various lens options proposed, EUTF Active & EUTF Retiree specific experience, and potential future usage based on VSP's BOB experience.

# Top 3 Non-Covered Lens Enhancements - ACTIVES

# and % of Lens Enhancements Purchased



NOTE: Lens Claims may include more than one Lens Enhancement

Total Number of In-Network Lens "Claims"

PY 2023 - 24	11,890
PY 2022 - 23	12,431
PY 2021 - 22	12,605

- VSP In-Network Doctors discount their retail charges on non-covered lens enhancements by an average 40%.
- The table below lists the members' average out-of-pocket costs based on these discounts and the average savings for the Top 3 Non-Covered Lens Enhancements PY 2023-24:

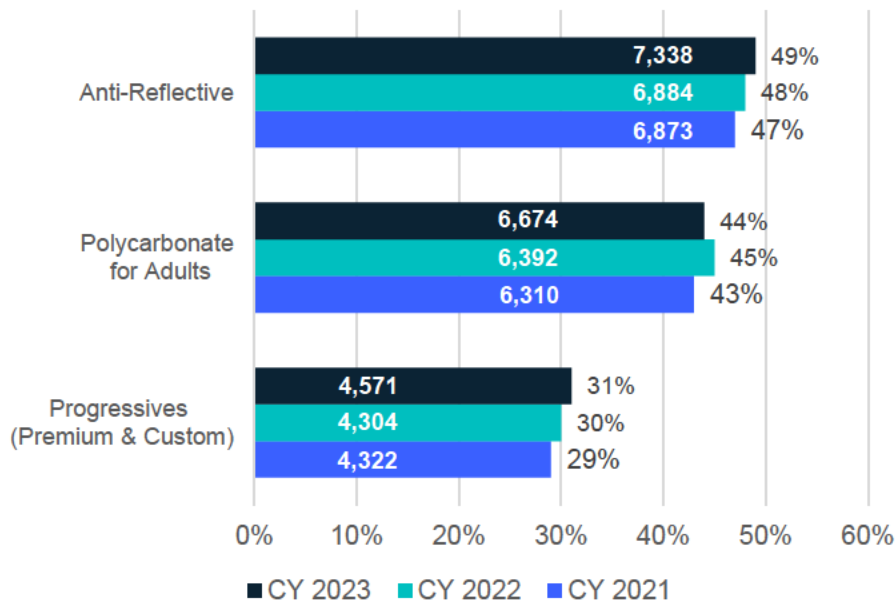
Lens Enhancement	Average Out-of-Pocket	Average Savings
Anti-Reflective	\$72.44	\$76.28
Polycarbonate for Adults	\$30.64	\$32.91
Progressives (Premium & Custom)	\$133.95	\$125.03

Current Copay Range:

- Progressives: Premium \$80-\$90 / Custom \$120-\$160
- The range of costs is due to various types of lens material.

# Top 3 Non-Covered Lens Enhancements - RETIREES

# and % of Lens Enhancements Purchased



NOTE: Lens Claims may include more than one Lens Enhancement

Total Number of In-Network Lens "Claims"

CY 2023	14,886
CY 2022	14,343
CY 2021	14,682

- VSP In-Network Doctors discount their retail charges on non-covered lens enhancements by an average 40%.
- The table below lists the members' average out-of-pocket costs based on these discounts and the average savings for the Top 3 Non-Covered Lens Enhancements CY 2023:

Lens Enhancement	Average Out-of-Pocket	Average Savings
Anti-Reflective	\$71.49	\$73.74
Polycarbonate for Adults	\$29.15	\$34.48
Progressives (Premium & Custom)	\$127.72	\$119.29

Current Copay Range:

- Progressives: Premium \$80-\$90 / Custom \$120-\$160
- The range of costs is due to various types of lens material.

# Benefit Changes – Proposed Options & Cost **ACTIVES**

EUTF ACTIVES – Effective July 1, 2025

<b>COVERED IN FULL</b>	<b>Current Plan Rates</b>	<b>Anti-Reflective Covered-In-Full</b>	<b>Polycarbonate for <u>Adults</u> Covered-in-Full</b>	<b>Progressives (Premium &amp; Custom) Covered in Full</b>	<b>All Lens Options</b>	<b>Total Premium Rates</b>
Cost Impact (%)	n/a	████████	████████	████████	████████	████████
ADDITIONAL PREMIUM COSTS:						
Single	\$4.20	████████	████████	████████	████████	████████
2 Party	\$7.82	████████	████████	████████	████████	████████
Family	\$10.22	████████	████████	████████	████████	████████
Monthly Plan Costs		████████	████████	████████	████████	████████
ANNUAL PLAN COSTS		████████	████████	████████	████████	████████
<b>COVERED W/COPAY</b>	<b>Current Plan Rates</b>	<b>Anti-Reflective Covered with \$20 Copay</b>	<b>Polycarbonate for <u>Adults</u> Covered-in-Full</b>	<b>Progressives (Premium &amp; Custom) Covered with \$50 Copay</b>	<b>All Lens Options</b>	<b>Total Premium Rates</b>
Cost Impact (%)	n/a	████████	████████	████████	████████	████████
ADDITIONAL PREMIUM COSTS:						
Single	\$4.20	████████	████████	████████	████████	████████
2 Party	\$7.82	████████	████████	████████	████████	████████
Family	\$10.22	████████	████████	████████	████████	████████
Monthly Plan Costs		████████	████████	████████	████████	████████
ANNUAL PLAN COSTS		████████	████████	████████	████████	████████

Rate Projections are based on enrollment counts for August 2024: Single – 29,305; Two Party – 10,931; Family – 12,204  
 Current Annual Plan Costs: ██████████

REDACTED

VSP Vision Classification: RESTRICTED



# Benefit Changes – Proposed Options & Cost RETIREES

EUTF RETIREES – Effective January 1, 2026

<b>COVERED IN FULL</b>	<b>Current Plan Rates</b>	<b>Anti-Reflective Covered-In-Full</b>	<b>Polycarbonate for Adults Covered-in-Full</b>	<b>Progressives (Premium &amp; Custom) Covered in Full</b>	<b>All Lens Options</b>	<b>Total Premium Rates</b>
Cost Impact (%)	n/a	██████	██████	██████	██████	██████
ADDITIONAL PREMIUM COSTS:						
Single	\$3.54	██████	██████	██████	██████	██████
2 Party	\$7.10	██████	██████	██████	██████	██████
Family	\$9.52	██████	██████	██████	██████	██████
Monthly Plan Costs		██████	██████	██████	██████	██████
ANNUAL PLAN COSTS		██████	██████	██████	██████	██████
<b>COVERED W/COPAY</b>	<b>Current Plan Rates</b>	<b>Anti-Reflective Covered with \$20 Copay</b>	<b>Polycarbonate for Adults Covered-in-Full</b>	<b>Progressives (Premium &amp; Custom) Covered with \$50 Copay</b>	<b>All Lens Options</b>	<b>Total Premium Rates</b>
Cost Impact (%)	n/a	██████	██████	██████	██████	██████
ADDITIONAL PREMIUM COSTS:						
Single	\$3.54	██████	██████	██████	██████	██████
2 Party	\$7.10	██████	██████	██████	██████	██████
Family	\$9.52	██████	██████	██████	██████	██████
Monthly Plan Costs		██████	██████	██████	██████	██████
ANNUAL PLAN COSTS		██████	██████	██████	██████	██████

Rate Projections are based on enrollment counts for August 2024: Single – 30,120; Two Party – 19,205; Family – 1,660  
 Current Annual Plan Costs: ██████

REDACTED

VSP Vision Classification: RESTRICTED



# Thank You.

**vsp.**  
vision care  
See Well. Be Well.®

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VSP Vision Classification: RESTRICTED

REDACTED







**JOSH GREEN, M.D.**  
GOVERNOR  
**SYLVIA LUKE**  
LIEUTENANT GOVERNOR

**STATE OF HAWAII**  
**HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND**

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**ASSISTANT ADMINISTRATOR**  
DONNA A. TONAKI

October 7, 2024

**TO:** Benefits Committee  
**FROM:** Derek Mizuno, Administrator  
**SUBJECT:** Dependent Child Eligibility

**Background**

The Affordable Care Act (ACA) from 2010 required that employer sponsored medical and prescription drug plans for employees cover dependent children until age 26 without requirements such as unmarried, co-habitation and full-time student status. This provision was not applicable to the EUTF retiree plans.

	<b>Pre ACA</b>	<b>Post ACA</b>
<b>Active employees</b>		
Medical/prescription drug	Until age 19 and age 24 if full-time student	Until age 26 (eff. 7/1/11)
Dental	Until age 19 and age 24 if full-time student	No change
Vision	Until age 19 and age 24 if full-time student	No change
<b>Retirees</b>		
Medical/prescription drug	Until age 19 and age 24 if full-time student	No change
Dental	Until age 19 and age 24 if full-time student	No change
Vision	Until age 19 and age 24 if full-time student	No change

At the March 17, 2011 Board meeting, a motion to extend the age 26 ACA medical and prescription drug provisions to the retiree plans failed. We are not aware of a proposed motion to extend the age 26 ACA provisions to the dental and vision plans.

**Current Situation**

A trustee requested that staff review the extension of the age 26 provisions to the active dental and vision and all the retiree plans.

The following information was provided by the carriers regarding their book of business:

<b>Coverage Ends</b>	<b>HMSA</b>	<b>Kaiser</b>	<b>HDS</b>		<b>Vision</b>	
	<b>Retiree</b>	<b>Retiree</b>	<b>Active</b>	<b>Retiree</b>	<b>Active</b>	<b>Retiree</b>
Age 26 or higher w/o student status	79%	98%	93.4%	80.6%	94.5%	100%
Age 24 w/o student status	-	-	-	-	1.8	-
Age 24-26 w/student status	-	1	5.8	13.9	2.8	-
Age 19 or earlier	21	1	0.8	-	0.9	-
Not covered	-	-	-	5.5	-	-

**EUTF's Mission:** We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.

In addition, Segal and EUTF staff found that 100% of western states surveyed (Alaska, Arizona, California, Nevada, New Mexico, Oregon, Washington and Wyoming) cover active employee dependent children until age 26 for dental and vision without a full-time student status requirement. In addition, all western states surveyed (Arizona, California, Nevada, New Mexico, Oregon, Washington and Wyoming), except Alaska (coverage until age 21 and then until age 26 if full-time student) cover retiree dependent children until age 26 for medical, prescription drug, dental and vision without a full-time status requirement.

To estimate the additional claims to the plans, EUTF staff queried the benefits administration system (BAS) for dependent children 19-25.

	No Med/Rx	With Med/Rx	Est. Claims	Annual	ER Share
<b>Actives (19-23 no student requirement)</b>					
No dental	3,446 (1)	2,700	\$23	\$745,200	\$447,100
No vision	3,630 (1)	2,760	(2)	43,400 (2)	26,000 (2)
				<b>\$788,600</b>	<b>\$473,100</b>
<b>Actives (19-25 no student requirement)</b>					
No dental	5,325 (1)	4,478	\$23	\$1,235,900	\$741,600
No vision	5,511 (1)	4,538	(2)	74,300 (2)	44,600 (2)
				<b>\$1,310,200</b>	<b>\$786,200</b>
<b>Pre 7/1/01 Retirees (19-25 no student requirement)</b>					
No medical/rx	2,324	NA	250	\$6,972,000	\$6,972,000
No dental	2,301	NA	23	635,100	635,100
No vision	2,316	NA	(2)	60,500 (2)	60,500 (2)
				<b>\$7,667,600</b>	<b>\$7,667,600</b>
<b>Unfunded impact</b>					<b>\$30.1 million</b> (approx. average \$1,375,000 annually in premiums)
<b>Grand total</b>				<b>\$8,977,800</b>	<b>\$8,453,800</b>
<b>Pre 7/1/01 Retirees (19-23 no student requirement)</b>					
No medical/rx	985	NA	250	\$2,955,000	\$2,955,000
No dental	980	NA	23	270,500	270,500
No vision	982	NA	(2)	25,800 (2)	25,800 (2)
				<b>\$3,251,300</b>	<b>\$3,251,300</b>
<b>Unfunded impact</b>					<b>\$14.7 million</b> (approx. average \$672,000 annually in premiums)
<b>Actives Unrestricted, Unreserved 5/31/24</b>					<b>\$75.2 million</b>
<b>Retirees Unrestricted, Unreserved 5/31/24</b>					<b>\$323.4 million</b>

(1) Not included in active estimated claims total as there is no assumption that these dependent children will enroll in dental and vision since they are not enrolled in medical/prescription drug even though eligible.

Memorandum to the Board of Trustees  
October 7, 2024  
Subject: Dependent Child Eligibility  
Page 3

(2) VSP confirmed premiums would not change. Increased costs represents tier changes from single to two-party and two-party to family.

Eliminating the full-time student status requirement for the actives and retirees would reduce administrative work by approximately 1 and 0.5 FTEs, respectively. Additionally, it would eliminate the need for the Dependent Children Non-ACA Eligibility (i.e. not married) audit, which is set to restart in Q4 of 2024 and be conducted every other month. This audit requires both MSB and ISB resources.

In the future when there are only post 6/30/01 hire date retirees, deferred vested, and employees, there will be no cost to the employers since the employers do not pay premiums for the dependents of this group. Having these dependent children covered under the plan (but paid by the retiree) would actually lower costs to the employers by reducing per member per month claims.

If the Board approves a change at the October 2024 Board meeting and amended EUTF Administrative Rules, the amended EUTF Administrative Rules could be approved by the Lt. Governor in February 2025 for an effective date of July 1, 2025 for the actives and retirees. Actives could add the dependent children during regular open enrollment and EUTF would conduct a special open enrollment for the retirees.



PUBLIC

**REDACTED**

# EUTF Actives Annual Prescription Drug Report July 2023-June 2024

Shelley Chun, Pharm.D., Vice President & Pharmacy Benefits Consultant



Tyler Brotz, Senior Consultant, Pharmacy Benefits Financial Analysis

October 2024

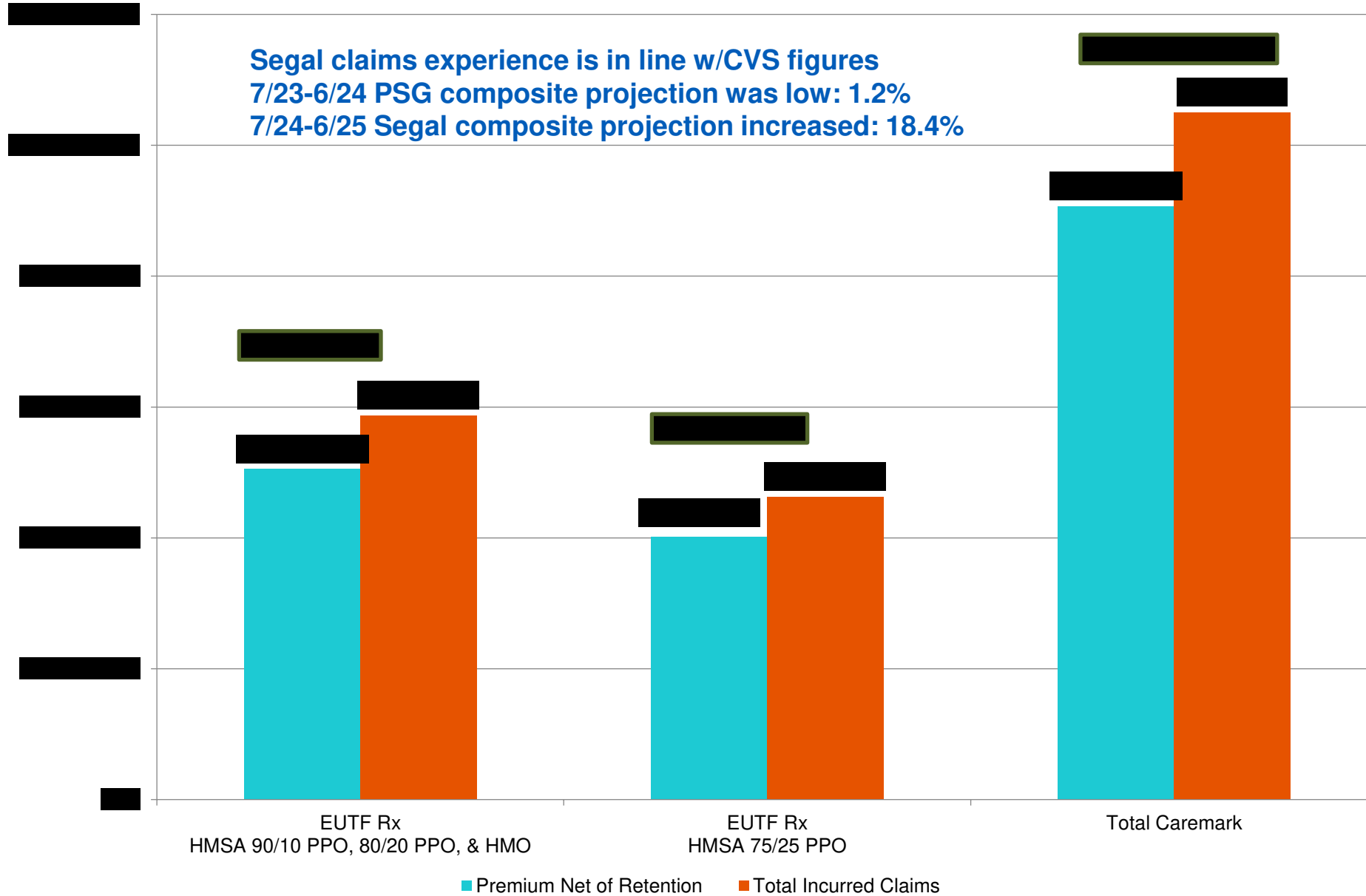
Proprietary & Confidential



# Hawaii Employer Union Health Benefits Trust Fund

## YTD Contract - July 2023 through June 2024

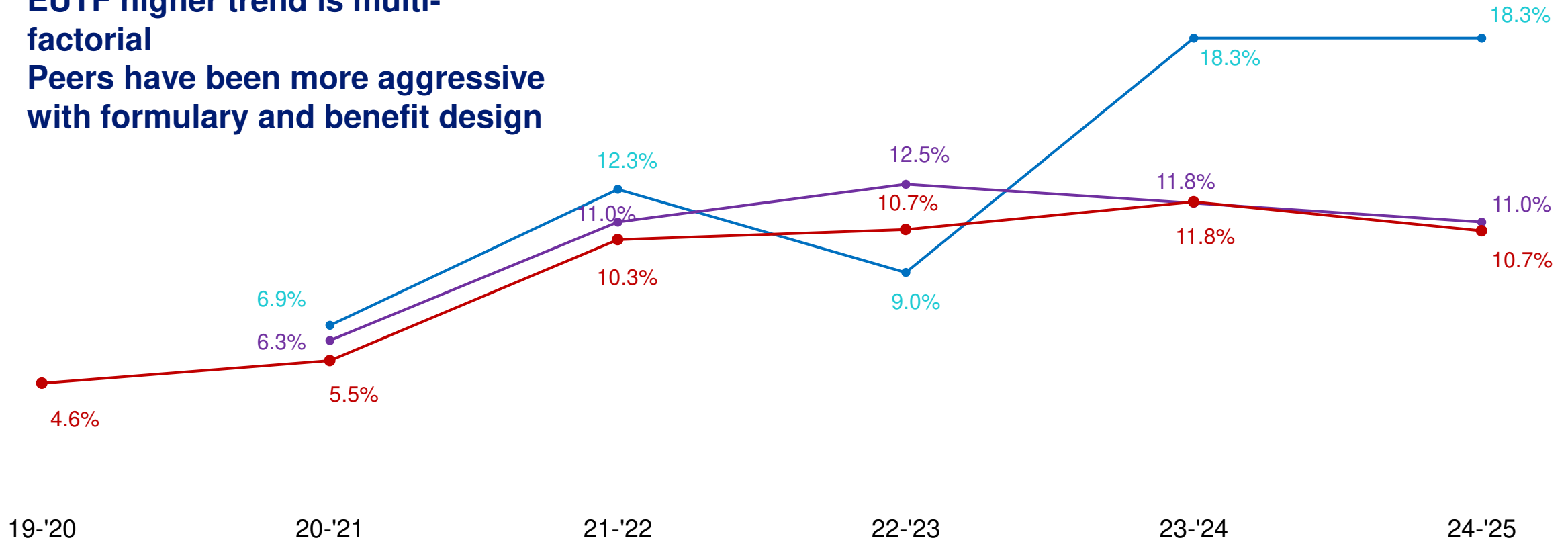
### EUTF Actives Only - Caremark Prescription Drug Plan Experience



# Ten-Year Summary of Selected Gross Cost Rx Trends: *Plan Year 2020–2023 Actual; 2024 and 2025 Projected*<sup>1,2</sup>

— EUTF PY Actives      — Segal Public Sector Rx      — Segal BoB Rx

- **EUTF higher trend is multi-factorial**
- **Peers have been more aggressive with formulary and benefit design**

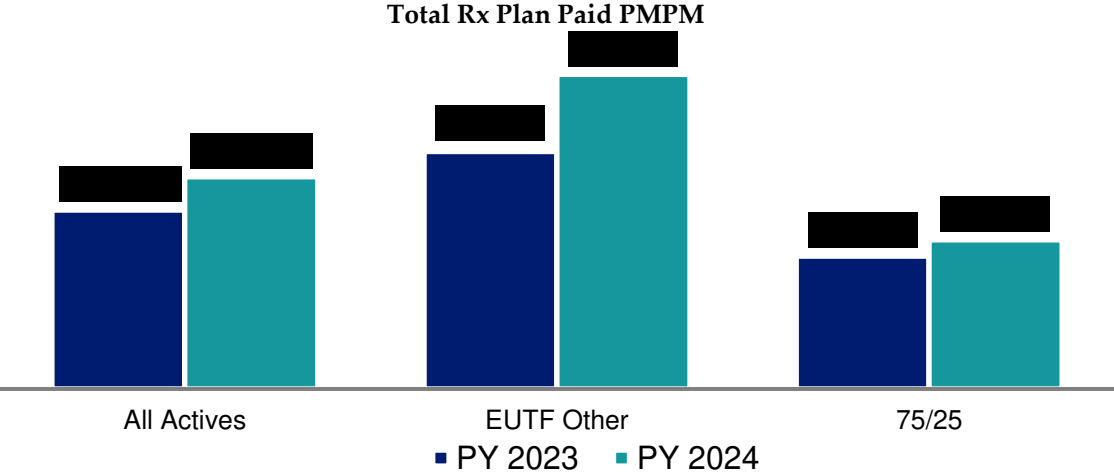
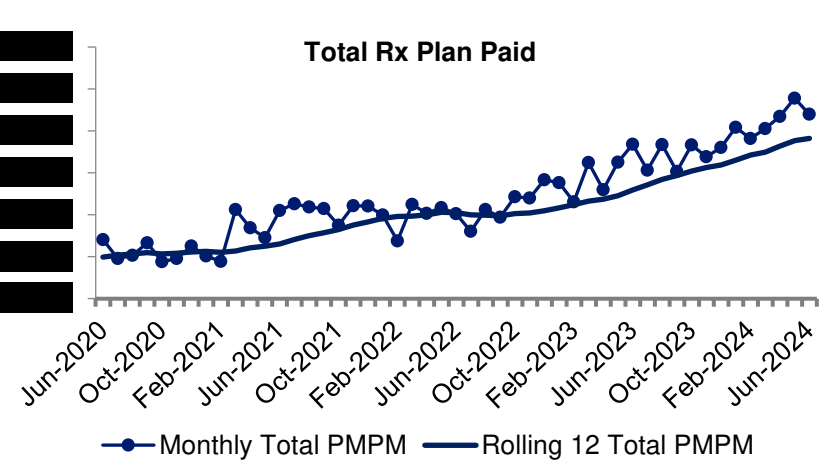


Source: 2025 Segal Health Plan Cost Trend Survey, Plan Year SHAPE data for EUTF Actives

<sup>1</sup> All benchmark trends are illustrated for actives and non-Medicare retirees, measured at end of calendar year. EUTF measured at end of plan year (June).

<sup>2</sup> Prescription drug trend is combined for retail and mail order delivery channels.

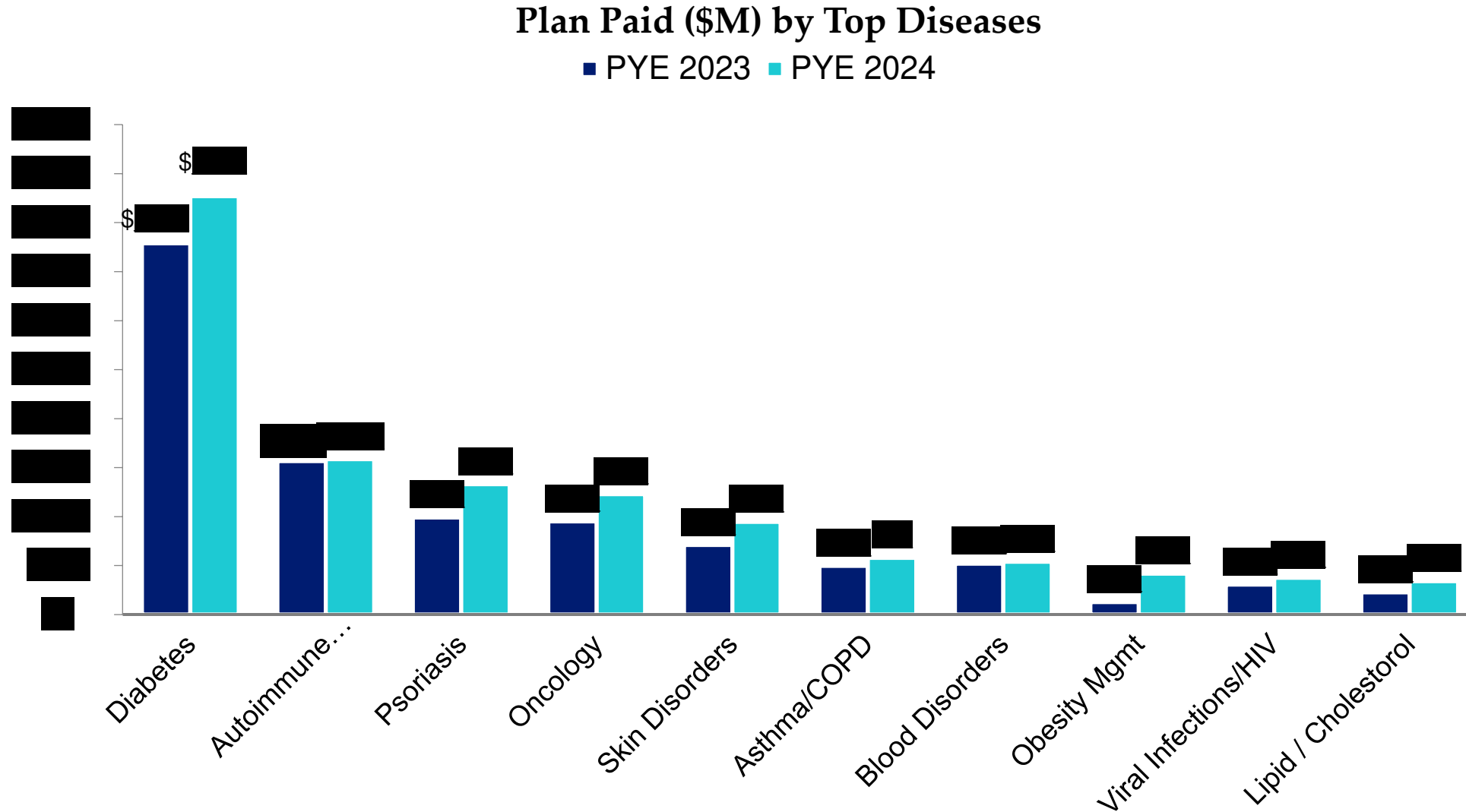
# 75/25 PPO Plan Rx PMPM and trend is lowest



Plan	Average Members	July 2023			June 2023			% Change		
		Rx Plan Paid	Rx Plan Paid PMPM	% of Total	Rx Plan Paid	Rx Plan Paid PMPM	% of Total	Average Members	Rx Plan Pd PMPM	
75/25	40,028	\$ [REDACTED]	\$ [REDACTED]	43.9%	35,848	\$ [REDACTED]	\$ [REDACTED]	41.3%	11.7%	<b>12.2%</b>
Other EUTF*	24,095	\$ [REDACTED]	\$ [REDACTED]	56.1%	28,474	\$ [REDACTED]	\$ [REDACTED]	58.7%	-15.4%	32.6%
All	64,123	\$ [REDACTED]	\$ [REDACTED]		64,458	\$ [REDACTED]	\$ [REDACTED]		-0.5%	18.7%

\*Other EUTF includes 90/10, 80/20 and HMO plans; Note figures may not add as exhibited due to rounding. Gross minus member share (does not include rebates)

# Diabetes is the largest driver of cost by dollars due to utilization





# UM & Formulary in Top 3 Disease Drivers varies across clients/PBMs\*

	CVS UM	CVS Formulary	Other clients/PBM UM	Other Formulary Strategies
Diabetes				
Autoimmune/ Psoriasis				
Oncology				

- Savings from Specialty Guideline Management (which autoimmune/psoriasis and oncology are included) is \$███M.
- Future plan design consideration: increase \$███ copay cap or increase the oral oncology copay to match the specialty tier

\*See appendix for list of EUTF UM – which is more than other CVS government clients (not states)

Clinical Program Savings are 16% of total drug spend<sup>^</sup> and is similar to other PBM-reported savings for Segal clients (range 14-23.6%)

<b>Program</b>	<b>7/22-6/23 Count</b>	<b>7/22-6/23 net savings*</b>	<b>7/23-6/24 Count</b>	<b>7/23-6/24 net Savings*</b>
Dose optimization				
Step Therapy				
Prior Authorization				
Safety & Monitoring				
Step with PA				

<sup>^</sup>net of member cost share for dose opt, ST, care gaps, PA/QL/ST, and safety programs

\*or gross savings where net savings not provided

# Tier 1 Strategy Savings represents 0.4% of gross drug spend

	Actives	Retirees
# members		
Total rebates from Brand		
Savings net of rebates		

- The retirees experienced greater savings than the actives based upon drug utilization of the targeted products.
- Tier 1 Strategy is part of Standard Control Formulary, so most clients see savings incorporated into overall formulary savings.
- Generic Dispensing Rate has decreased 0.7% from prior year as a result of Tier 1 Strategy.

# Interchangeable Biosimilar Pipeline

Biosimilar Name	Anticipated Approval	Disease	Reference Brand Name	EUTF Top 20 Impact
Wezlana	2024; launch 2025	Crohn's, psoriasis, psoriatic arthritis, ulcerative colitis	Stelara	#15 actives, #8 NMD retirees
Jubbonti, 8 others	2025	Osteoporosis	Prolia	#6 EGWP
Yesafili, Opuviz	H2 2024	AMD, macular edema, diabetic retinopathy	Eylea	
Xlucane, Cimerli, Byooviz	2025 2022	AMD, macular edema, diabetic retinopathy	Lucentis	
Omlyclo, 2 others	3/25, 2026	Asthma, food allergies, nasal polyp	Xolair	

CVS was the first to launch a private label biosimilar strategy for Humira. The other 2 major PBMs have followed suit for 2025. Member transition was smooth for CVS, and we expect similar for the other PBMs, as theirs are interchangeable and do not require calling doctors to change prescription.

CVS will not make a Stelara biosimilar change until likely 7/1/25 pending manufacturer negotiations.

# Thank You

Appendix to follow



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# EUTF UM approved by Board action previously

- Clinical PA on 19 non-specialty classes:
  - acne, actinic keratosis, anabolic steroids, antidiabetics, antiparasitics, antivirals, anti-allergens, atopic dermatitis, collagenase (topical), compounds (>\$█), dental, GI, artificial saliva, omega-3 FAs, opioid dependence, pain, retinal disease, rosacea, weight loss
- Specialty Guideline Management on 64 classes, including but not limited to:
  - Anemia, asthma, atopic dermatitis, cystic fibrosis, enzyme disorders, growth hormone, hemophilia, hepatitis C, HAE, HIV and other immune disorders, infertility, IBD, lipid disorders, MS and other neurological disorders, neutropenia, oncology, osteoporosis, psoriasis, PAH, rare diseases, RA, seizure, sickle-cell, sleep disorders, thrombocytopenia
- Step therapy on 5 classes:
  - anti-fungal, migraine, neuropathic pain, pruritis and Wilson's disease
- generic ST on 13 classes:
  - acne-topical, cholesterol, depression, prostate, glaucoma, high blood pressure, insomnia, migraine, nasal steroids, osteoporosis, overactive bladder, pain, stomach acid
- Quantity limits on 8 classes:
  - anti-emetics, anti-infectives, anti-parasitics, diabetic supplies, influenza, pain, opioid dependence, topical corticosteroids



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**REDACTED**

## Memorandum

**To:** Benefits Committee  
Hawaii Employer-Union Health Benefits Trust Fund

**From:** Shelley Chun, Pharm.D. 

**Date:** October 15, 2024

**Re:** Pharmacy vs. Medical coverage of Continuous Glucose Monitors and Disposable Insulin Pumps

---

### Executive Summary

Based on lower member and plan costs associated with covering continuous glucose monitors (CGMs) and disposable insulin pumps (DIPs) under the pharmacy benefit, pending further analysis, Segal recommends the EUTF consider discontinuing covering these items under the medical benefit and switch to covering them under the pharmacy benefit. HMSA is planning to make this same change for their book of business effective January 1, 2025.

Per HMSA, retirees (both non-Medicare and Medicare) would continue to be eligible for CGM and DIP coverage under the medical plan. If EUTF can identify non-Medicare retirees that declined EUTF's drug plan, HMSA would research their ability to only allow those members to submit CGM and DIP claims under EUTF's medical coverage. Most claims under HMSA currently are being dispensed by a pharmacy but billed to the medical plan.

### Background

EUTF covers regular glucose monitors and insulin for diabetes under the pharmacy benefit with copays between \$0 and \$25 for a 30-day supply depending on product.

EUTF currently covers CGMs and DIPs under the medical benefit. These products are used by diabetic patients (typically Type 1 but can also be used in Type 2) that have difficulty maintaining blood sugar levels in the normal range, either severely high and/or severely low. CGMs and DIPs can work together to maintain a near-normal blood sugar range.

EUTF and Segal asked both CVS and HMSA to model scenarios moving CGM and DIP coverage to the pharmacy benefit or allowing coverage under both. EUTF active and retiree claims data for the period October-December, 2023, was used to perform this analysis.



## HMSA coverage

### Member Experience:

In general, members may perceive a better experience as they take the products home and get billed later. The downside to the plan is medical claims take longer to process since these items typically fall under the durable medical equipment (DME) benefit subject to deductibles and coinsurance.

- Majority of members currently obtain CGMs and DIPs through HMSA via retail pharmacies that bill HMSA (195/218 or 89% of claims)
- Members present their medical card at the pharmacy, take the product home, and are billed later by HMSA.

CGM	Service count	Provider name	Provider type
			Pharmacy
Hawaii			DME provider
Ohio			DME provider

DIP	Service count	Provider name	Provider type
Hawaii			Pharmacy
<b>Total</b>			

HMSA 30-day costs	CGM	DIP	Total
Gross cost			
Member copay			
Member deductible			
Other payer payment			
Net cost			
Unique members			
Service count			
Avg Net Plan cost per service count			
Avg Net Member cost per service count			

## CVS Proposed Coverage

### Member experience:

Members under the current drug copay structure pay relatively low out of pocket costs \$0-25 depending on the CGM and DIP product. From the Plan's perspective, it is quicker to file a claim under the pharmacy benefit and settle any copays at Point of Sale ("POS").

	Gross Cost CGM+DIP	30 Day Rxs	Utilizers/Month
<b>Total Target</b>			
<b>Actives</b>			
<b>Retirees</b>			
<b>Member copay</b>			
<b>Actives</b>			
<b>Retirees</b>			
<b>Net Plan Cost</b>			
<b>Actives</b>			
<b>Retirees</b>			
<b>Avg Mbr Cost</b>			
<b>Actives</b>			
<b>Retirees</b>			

If additional UM were applied, CVS projects incremental savings could be achieved:

	Net Cost	Rxs
<b>Total Target Actives</b>		
<b>Total Target Retirees</b>		

CVS analysis also showed the following rebate guarantee impact by channel: Retail 30: \$6.00, Retail 90: \$1.00, and Mail Order \$25.00 per brand prescription. However, per CVS, EUTF usually over-performs in rebates and if that continues, there would not be any financial impact. CVS will confirm what the impact would be if the EUTF decides to move forward.

### CVS Notes

- Copay estimates do not take into account MOOPs, standard copay is based on current plan design of \$0 for preferred and \$30 for 30 day rx
- Projections of cost and utilization are based on CVS Book of Business experience to determine Total Target figure.
- Utilization projections could be underestimated if the PBM offers a better benefit than the medical, likely more claims transferred over time as people learn about any enhanced coverage.

## Summary

Average costs for both the plan and member are lower under the CVS drug plan compared to the HMSA medical plan and copays are settled at POS rather than retrospectively.

The next steps are to compare the current benefit under the medical plan with the benefit options under the drug plan (including rate impact) for the commercial plans and present them at a future Benefits Committee meeting for a vote.

	HMSA	CVS
<b>Avg. Plan Cost</b>		
<b>Avg. Member Cost</b>		

Segal clients are primarily covering CGMs and DIPs under the pharmacy benefit due to lower costs. Below are average figures from 2023. Per the SHAPE team, a small subset of clients cover on both medical and pharmacy. EUTF/HMSA's net cost figures are estimated below compared to Segal's benchmark.

CGM	Segal Benchmark Medical	Segal Benchmark Rx	HMSA/EUTF
Cost			
Utilization per 1,000 members			

DIP	Segal Benchmark Medical	Segal Benchmark Rx	HMSA/EUTF
Cost*			
Utilization per 1,000 members			

We look forward to discussing any further questions you may have at our next meeting.

\* Average 2021-2023 data due the number of users relative to enrollment is very small.



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## Memorandum

**To:** Benefits Committee  
Hawaii Employer-Union Health Benefits Trust Fund

**REDACTED**

**From:** Shelley Chun, Pharm.D. *Shelley Chun*

**Date:** October 15, 2024

**Re:** PrudentRx Opportunity Analysis

---

### Executive Summary

PrudentRx assists members by helping them enroll in manufacturer copay assistance programs. Significant plan and member out of pocket savings can be achieved, however there are caveats with the program to consider. The biggest issue is pending legislation that would remove the loopholes copay maximizer programs use to collect the maximum amount from a drugmaker's assistance program.<sup>1</sup> For this reason, Segal does not recommend the EUTF implement PrudentRx.

### Background

The program requires a change in plan design set-up to include 30% coinsurance with no cap. This gets around ACA requirements limiting patient cost sharing by declaring the drugs "non-essential health benefits". Additionally, it requires using the exclusive CVS network. However, Hawaii statute has anti-steerage provisions, so a custom network solicitation would need to occur for EUTF, which would take approximately 6-9 months to complete and implement.

Below are excerpts from sample SPD language provided by CVS that provide additional details:

- [REDACTED]
- [REDACTED]
- [REDACTED]

<sup>1</sup> <https://www.benefitspro.com/2024/03/25/when-copay-assistance-backfires-on-patients/?slreturn=20240827171051>

[REDACTED]

- [REDACTED]

### Considerations of implementing the program

- The drug list is subject to change, and not all drugs are covered. Under the program, the client agrees to cover the listed products for prudent enrollees at 100%. Some of the drugs do not have coupons, or the coupon may have been discontinued. Overall, the savings is highest in the first few years of the program, but Segal has seen savings erode over time as more manufacturers exit/drugs come off from copay assistance programs involving PBMs (manufacturers may continue to offer direct-to-consumer programs).
- If a member opts out or forgets to enroll, they would be subject to the 30% coinsurance, which for a high-cost specialty drug such as Skyrizi (\$ [REDACTED]) would be \$ [REDACTED].
- Contracting a custom network takes time and may not yield an adequate network.
- Litigation is still pending on whether non-accumulation of coupon value toward the MOOP will continue to be allowed. CVS notes they can turn off accumulator blocks if state law forbids it. A proposed 2025 federal rule aims to make plans consider any covered drug an “essential benefit”, effectively getting rid of the loophole currently used to obtain the max amount of assistance.
- [CVS provided opportunity analysis time period: 7/1/23-6/30/24](#)

	EUTF Actives	EUTF NMD Retirees	HSTA VB Actives	HSTA VB Retirees
Total Specialty Spend	[REDACTED]			
Current Member Cost Share	[REDACTED]			
Projected Specialty Savings*	[REDACTED]			
Members/Scripts	[REDACTED]			
PrudentRx Fees^	[REDACTED]			
Total (%) Savings	[REDACTED]			

\* Not all specialty scripts are eligible for PrudentRx

^ Fees are calculated using a “discount amount” factor which reduces copay value to acknowledge/account for prior plan design which clients may have had in place prior to implementing PrudentRx.

## Summary and recommendation

Due to the hurdles to implementing this program for EUTF, including legislative unknowns and network constraints, Segal does not recommend implementing PrudentRx at this time. We look forward to discussing further if needed at our next meeting.

cc: Derek Mizuno  
Lara Nitta  
Steve Murphy, Mary Fedor



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JOSH GREEN, M.D.
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SYLVIA LUKE
LIEUTENANT GOVERNOR

STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

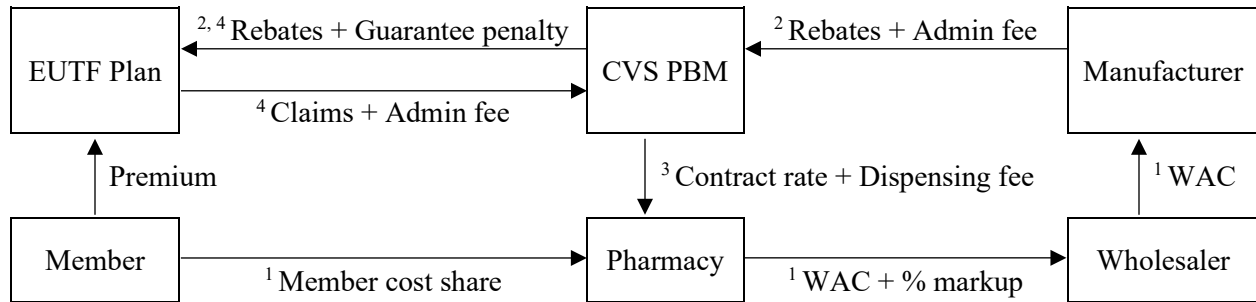
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October 15, 2024

TO: Benefits Committee
THROUGH: Derek Mizuno, Administrator
FROM: Lara Nitta, Program Specialist
Shelley Chun, Pharm.D., Segal Pharmacy Benefit Consultant
SUBJECT: Drug Pricing Overview – Confidential

The diagram below shows the cash flow from the consumer (Plan and member) to the manufacturer and the PBM's role in negotiating manufacturer rebates and pharmacy reimbursement.



- 1. Supply chain. The wholesaler or direct purchaser pays the drug list price set by the manufacturer called the wholesale acquisition cost (WAC), and then charges the pharmacy a markup price to make a profit. The member then pays the member cost share (i.e. copay or coinsurance) of the contracted drug cost which is determined by plan design.
2. Manufacturer rebates. The PBM uses formulary placement to negotiate discounts through rebates with the manufacturer. Rebates generally depend on ease of access to the drug (e.g. formulary inclusion, little to no UM clinical criteria, and low member copay). The EUTF contract with CVS then requires 100% pass through of rebates to the Plan.
3. Pharmacy reimbursement. The PBM also uses network contracting to manage drug cost. To participate in the network, the pharmacy must agree to contracted rates (e.g. MAC or % of AWP). It is then in the best interest of the pharmacy to acquire drugs below the contracted rate.
• MAC. Maximum allowable cost (MAC) pricing is specific to generic drugs. MAC pricing is set by the PBM by client, is confidential to remain competitive, and is managed to meet the pricing guarantees. Multi-source brand drugs with two or more generic manufacturers are added to the MAC list.
• AWP. The average wholesale price (AWP) is a pricing benchmark of the average price paid by pharmacies to the wholesaler ("list" or "sticker" price) and is gathered by MediSpan.

EUTF's Mission: We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.

- **CostVantage.** CostVantage is a pharmacy reimbursement model based on actual drug cost (rather than AWP) and will be rolled out to CVS pharmacies effective 1/1/25. CVS confirmed that transparent pricing and pricing guarantees will not be impacted.

4. **Plan cost**

- **Claim cost.** The Plan is a self-insured prescription drug plan designed to have 100% pass through pricing, where Plan cost is the pharmacy reimbursement cost.
- **Pricing guarantees.** Pricing guarantees are in place to ensure that the PBM continues to negotiate low drug costs on behalf of the Plan. They are currently reconciled on a component level (brands and generics) by delivery channel (e.g. Retail 30, Retail 90, Mail, and CVS Specialty Pharmacy).

Below are the administrative fees and pricing guarantees for the actives and retirees effective 7/1/25 and 1/1/25, respectively. All the pricing guarantees listed are minimum guarantees except the dispensing fee guarantees.

*The pricing and financial information contained in this document contains information that is confidential, proprietary and trade secret information of CVS Caremark and must not be disclosed without the express written consent of CVS Caremark.*

	Actives (effective 7/1/25)	NMD Retirees (effective 1/1/25)	EGWP (effective 1/1/25)
<b>Administrative Fee (per subscriber per month)</b>			
Electronic Claim	████	████	████
<b>AWP Discount Guarantees</b>			
<b>Retail 30</b>			
Generic (MAC and non-MAC combined)	████████	████████	████████
Brand	████████	████████	████████
<b>Retail 90 / Mail</b>			
Generic (MAC and non-MAC combined)	████████	████████	████████
Brand	████████	████████	████████
<b>Specialty Overall Effective Discount Guarantees</b>			
<b>Retail 30</b>			
Specialty Generic	████████	████████	████████
Specialty Brand	████████	████████	████████
NTM Specialty (including LDD and biosimilars)*	████████	████████	████████
<b>CVS Specialty Pharmacy</b>			
NTM Specialty (including LDD and biosimilars)*	████████	████████	████████



	Actives (effective 7/1/25)	NMD Retirees (effective 1/1/25)	EGWP (effective 1/1/25)
<b>Dispensing Fee Guarantees (per claim)</b>			
Retail 30	████	████	████
Retail 90 / Mail	████	████	████
Specialty	████	████	████
<b>Rebate Guarantees** (per brand claim)</b>			
Retail 30	██████████ ██████████	██████████ ██████████	██████████
Retail 90	██████████ ██████████	██████████ ██████████	██████████
Mail	██████████ ██████████	██████████ ██████████	██████████
Specialty	██████████	██████████	██████████
<b>GDR Guarantees***</b>			
Retail	██		██████████
Mail	██		██████████
Max Annual Payout	██		██████████

\* The period that a specialty drug is considered new to market (NTM) varies but is not to exceed 6 months from MediSpan entry. Limited distribution drugs (LDD) are drugs that are only available through certain specialty pharmacies due to exclusive or preferred arrangements with the manufacturer.

\*\* Includes what the rebate guarantees will be if the Basic Control Formulary (BCF) is adopted for the EUTF active and non-Medicare retirees effective 7/1/25.

\*\*\* The EUTF EGWP GDR as of 12/31/23 is 81.7%.

- TrueCost.** TrueCost is an optional pricing model offered by CVS starting 1/1/25 that provides net cost pricing at the drug level based on acquisition cost (the lesser of NADAC and WAC). National Average Drug Acquisition Cost (NADAC) is set by CMS and is supposed to be more reflective of true acquisition cost and not just wholesale acquisition cost. TrueCost will require adjusting the pricing guarantees and administrative fees provided in response to RFP 24-001 for Medical Benefits and PBM Services.

**Segal Recommendation**

Many of the major PBMs are offering NADAC-based pricing in response to demand in the market for more transparent pass-through pricing and recent federal and state legislation to ban spread pricing. While EUTF’s current contract utilizes a pass-through approach, the pricing guarantees are rolled up to brand and generic pricing in aggregate (and by dispensing channel). TrueCost would provide another level of granularity into pass-through pricing reported at the GPI14 level (i.e., down to the drug name/strength/dosage form level). CVS has stated that TrueCost is intended to be net neutral in cost to the current model, however there are still outstanding questions and considerations, including but not limited to, additional administrative charges and inherent issues with the NADAC benchmark itself, which add variability and unknowns into the ability to control trend. Until there is more experience with other clients using this pricing methodology, Segal recommends waiting until the next pricing event (the market check scheduled for 2026) to evaluate a TrueCost offer against the improved offer of RFP 24-001.

Cc: Steve Murphy, Segal



# Reshaping pharmacy pricing

with CVS Pharmacy CostVantage™  
and CVS Caremark TrueCost™

**Sandra Benevides**  
Strategic Account Executive

October 15, 2024



**CVS CostVantage™**

# CVS CostVantage™

A business to business (B2B) pharmacy reimbursement model between CVS retail pharmacy (Longs Drugs) & PBMs

## Current State

Market-basket pricing – a system where drugs are priced based on a basket of various medications aiming to balance costs across different drugs.

Cross-subsidization - Reimbursement of generic drugs are set higher to offset the lower reimbursement of brand drugs.

## Future State

Aims to align pharmacy reimbursement with the actual cost of medications and dispensing.

Focuses on the true drivers of drug pricing: inflation and utilization.

Promotes greater transparency.

# CVS CostVantage™

## Transparent formula built on –

**AWP\* x average discount + dispense fees**



**Drug Cost x Markup % + Patient Management Fee**

- The patient management fee aims to align pharmacy reimbursement with the actual cost of medications, and pharmacy dispensing services such as adherence counseling and safety guidelines.
- Effective 1/1/2025 for all commercial claims at CVS (Longs Drugs) retail pharmacies with all PBMs and payors.
- EUTF's transparent contract terms remain intact.
- CVS CostVantage™ does not impact EUTF's price/rebate guarantees.
- CVS Caremark will continue to reconcile annually and if there are any shortfalls, EUTF is made whole annually upon reconciliation.

\*Average Wholesale Price

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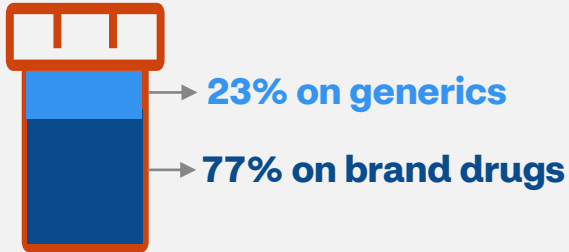
TrueCost™



# Bold pricing strategy for an evolving pharmacy landscape

**A B2B pricing model between CVS Caremark and clients**

## Average client spend<sup>1</sup>



## Market basket pricing



Often masked the cost of individual drugs by balancing costs to make all drugs affordable.

## Fragmented experience



Members purchase outside their benefit because they find value elsewhere, leading to poor experiences and outcomes

## Market Dynamics

**57%**

of members are enrolled in high-deductible health plans (HDHPs) exposing them to full drug costs<sup>2</sup>

**28%**

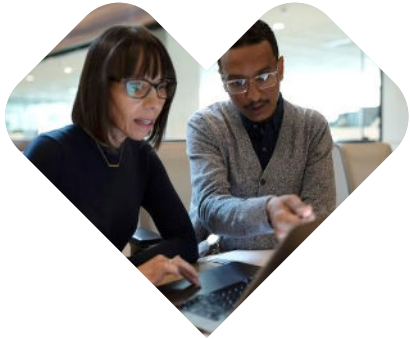
of U.S. adults report it's difficult to afford the cost of their prescription medicine<sup>3</sup>

**We need to change the market practices,** eliminate cross-subsidization and unmask the market basket pricing, **creating more transparency for drug pricing, for every drug from every manufacturer for every condition and every member.**

<sup>1</sup> CVS Caremark Book of Business Data. <sup>2</sup> KFF Employer Health benefits Survey, 2023

<sup>3</sup> KFF Health Tracking Poll (July 11-19, 2023).

# TrueCost is reshaping the future of drug pricing and making it clearer and simpler – as it should be



**Providing deeper transparency** with multi-year, net cost pricing and guarantees across all drugs.

**Delivering simplicity** with acquisition cost pricing guarantees to help sustain economic predictability and guide strategic decision making

**Strengthening the value** of your pharmacy benefit, keeping members on benefit when they fill their prescription

***TrueCost is an optional price model for CVS commercial clients starting in 2025. Adoption of TrueCost will modify contract pricing terms including administrative fees.***





# A simple equation means more visibility into drug cost economics and pricing

## TrueCost net cost guarantee

$$\text{Drug cost} - \text{Rebate (for brand drugs)} + \text{Dispensing fee} + \text{Admin fee}$$

Current price guarantee: AWP - % Discount. Rebates and Dispense fees are reconciled separately.

A disclosed drug mark up may be applicable on a client by client basis, to ensure appropriate pharmacy network reimbursement based on client's pharmacy utilization

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Illustrative example

# Transparency into acquisition-based pricing

**EUTF members will continue to pay applicable copays for their prescriptions.**

**Net cost guarantee example (per unit)**

	<b>Net Cost Guarantee<sup>2</sup></b>
Drug A (generic)	\$0.74
Drug B (brand)	<b>\$3.76</b>
Drug C (specialty)	\$2,652.00

Client guarantee inclusive of mark-up and rebates



**Actual Pricing Document**

GPI14 with B/G	Brand/ Generic	Drug Name, Form and Strength	Year 1 Guaranteed Unit Price	Year 2 Guaranteed Unit Price	Year 3 Guaranteed Unit Price	Rebate Tiers
10203948005000	Generic	DRUG NAME - TAB 20 MG	0.020	0.020	0.019	
10203948003521	Brand	DRUG NAME - CAP 100 MG	1.53	1.59	1.65	1
24090203948002	Brand	DRUG NAME 3- CRM 5MG/ML	4.13	4.29	4.46	3

1. A disclosed drug mark-up *may be applicable* on a client-by-client basis, to ensure appropriate pharmacy network reimbursement based on client's pharmacy utilization  
 2. Product level pricing will be guaranteed, however, a yearly reconciliation in the aggregate is still required for true-up purposes, inclusive of ingredient costs, dispensing fees, and rebates

Illustrative example

# TrueCost dispensing fee example

Excerpt from Pricing Document

<b>Retail dispensing fees</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
National Network	\$5.00 per claim	\$5.25 per claim	\$5.50 per claim
Retail 90	\$10.00 per claim	\$10.50 per claim	\$11.03 per claim
<b>Mail dispensing fees</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Mail	\$10.00 per claim	\$10.50 per claim	\$11.03 per claim
<b>Specialty drug dispensing fees</b> <i>(applicable to all channels)</i>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Level 1	\$25.00 per claim	\$26.25 per claim	\$27.50 per claim
Level 2	\$50.00 per claim	\$52.50 per claim	\$55.13 per claim
Level 3	\$100.00 per claim	\$105.00 per claim	\$110.25 per claim
Level 4	\$200.00 per claim	\$210.00 per claim	\$220.50 per claim
Limited distribution drugs	\$300.00 per claim	\$315.00 per claim	\$330.75 per claim

**3-year guarantees**  
by channel

Incentive for  
**extended day supply**

**Specialty dispensing levels**  
based on complexity of  
dispensing (e.g., REMS  
programs, special handling)

REMS - Risk Evaluation and Mitigation Strategy; FDA programs required for dispensing certain medications

# What a TrueCost claim will look like

## Detailed Claims Example

### Claim Example (per unit, per tablet):

**Note: These are guaranteed prices, not guaranteed adjudication prices**

	Client Guaranteed Price	Dispensed Quantity	Days Supply	Pharmacy	Dispensing Fee	Claim Total
Generic Drug 1	\$0.74	90	30	Walgreens	\$5	\$71.60
Generic Drug 2	\$1.10	30	30	Independent	\$5	\$38.00
Brand Drug 1	\$3.76	90	90	Caremark Mail Order	\$10	\$348.40
Brand Drug 2	\$2.55	90	90	CVS Pharmacy	\$10	\$239.50
Specialty Drug 1	\$535.50	1	30	CVS Specialty	\$50	\$585.50
Specialty Drug 2	\$2,652.00	1	30	CVS Specialty	\$100	\$2,752.00

A disclosed drug mark-up *may be applicable* on a client-by-client basis, to ensure appropriate pharmacy network reimbursement based on client's pharmacy utilization. Product level pricing will be guaranteed, however, a yearly reconciliation in the aggregate is still required for true-up purposes, inclusive of ingredient costs, dispensing fees, and rebates.

# TrueCost may be an ideal fit for:



**Clients looking for a new pricing construct** that delivers drug level guarantees



**Clients wanting simplified pricing** with net cost guarantees



**Currently pass their rebate value** to their participants



**Helps remove member incentive to shop off benefit** with acquisition-based pricing with industry benchmarks

# Delivering on what matters most to you.

- ✓ **First to market drug level pricing model** that enables drug by drug price comparison
- ✓ **Deeper transparency** with multi-year net cost guarantee for all drugs, across all channels, including new to market drugs
- ✓ **Member value that helps keep them on benefit** when filling their prescriptions

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**Thank  
you**



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Adherence and health outcome results, savings projections and performance ratings are based on CVS Caremark data. Actual results may vary depending on benefit plan design, member demographics, programs implemented by the plan and other factors. Client-specific modeling available upon request.

The Maintenance Choice program is available to self-funded employer clients that are subject to ERISA. Non-ERISA plans such as fully insured health plans, plans for city, state or government employees and church plans need CVS Caremark legal approval prior to adopting the Maintenance Choice program. Prices may vary between mail service and CVS Pharmacy due to dispensing factors, such as applicable local or use taxes.

Specialty Expedite is available exclusively for providers who use compatible electronic health record (EHR) systems, including Epic Systems and others that participate in the Carequality Interoperability Framework.

Specialty delivery options are available where allowed by law. In-store pick up is currently not available in Oklahoma. Puerto Rico requires first-fill prescriptions to be transmitted directly to the dispensing specialty pharmacy. Products are dispensed by CVS Specialty and certain services are only accessed by calling CVS Specialty directly. Certain specialty medication may not qualify. Services are also available at Long's Drugs locations.

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