

ABC Company

Demo Project 2/09/2017

January 1, 2015 - December 31, 2015



CLARKE & COMPANY
BENEFITS LLC

Prepared by:

Clarke & Company Benefits, LLC
2422 Devine St.; Suite B
Columbia, SC 29205
803-253-6997

Project ID 366551

Methodology and Enrollment Summary

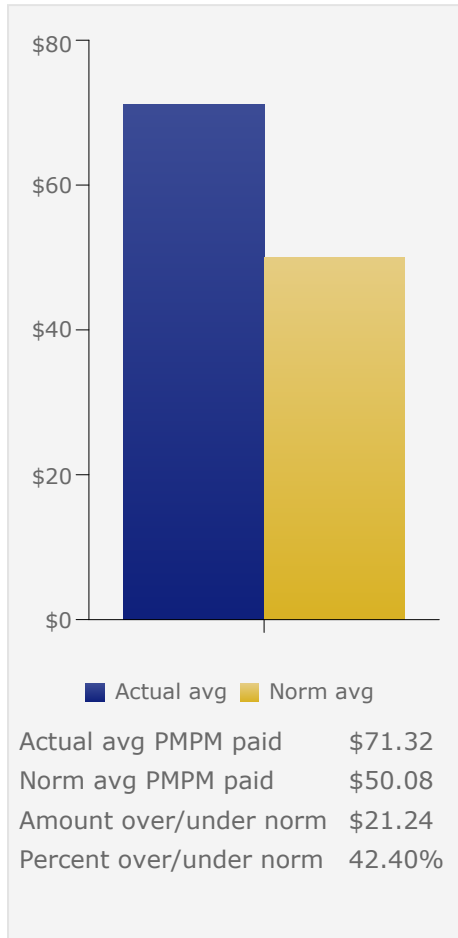
We analyzed your prescription drug claims experience compared to that of your peers. This comparison will allow you to identify and address potential issues concerning Rx utilization and costs. Be sure to review all exhibits for the full scope of this analysis. Make note of large differences between your actual experience and the norm, as this may indicate room for improvement.

Number of employees	831
Number of single contracts	688
Number of single + 1 contracts	0
Number of single + 2 contracts	0
Number of family contracts	143
Total enrolled	1,284

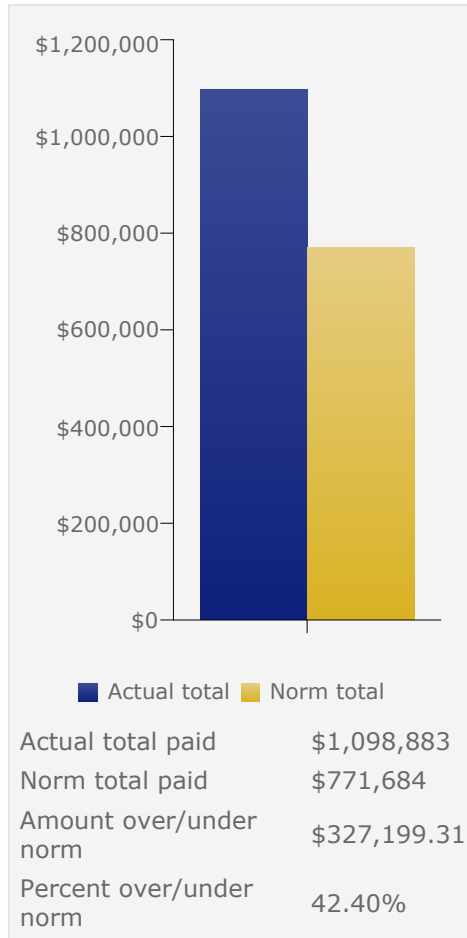
Paid Summary

Gauge whether your prescription costs are in line with your peers.

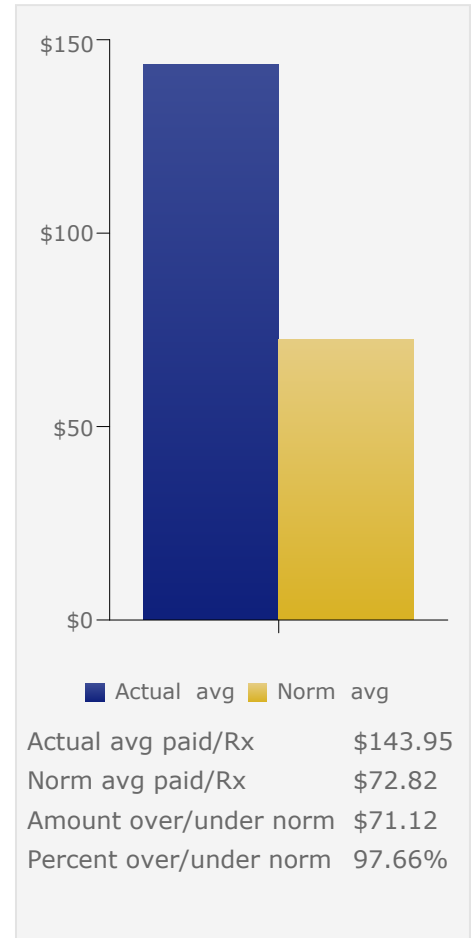
Average PMPM Paid Amount



Total Plan Paid



Average Paid per Rx



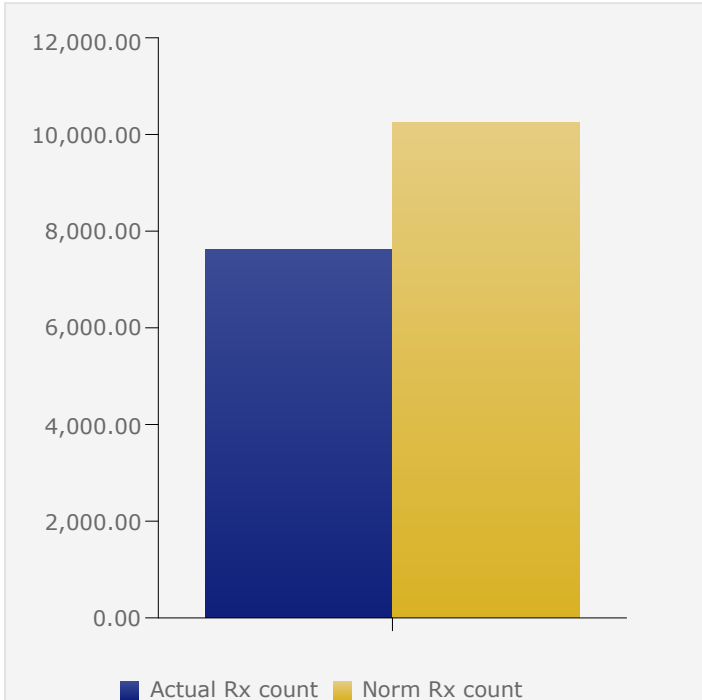
Points to consider:

- How do high cost claimants, including those using specialty medications, influence results?
- Are there elements you could incorporate into your plan design to control costs?
- Have you explored alternate Pharmacy Benefit Programs (PBPs) to determine whether your discounts, rebates, and other factors are as generous as they could be?

Prescription Volume (PMPM)

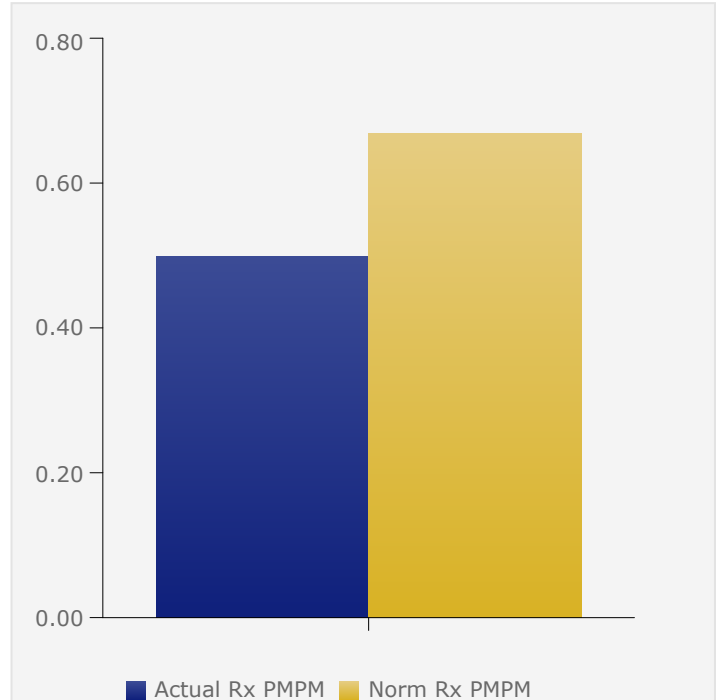
Compare the number of prescriptions paid by your plan against other employer groups like yours.

Total Rx Count



Actual Rx count	7,634.00
Norm Rx count	10,272.00
Amount over/under norm	-2,638.00
Percent over/under norm	-25.68%

Total Number of Rx PMPM



Actual Rx PMPM	0.50
Norm Rx PMPM	0.67
Amount over/under norm	-0.17
Percent over/under norm	-25.68%

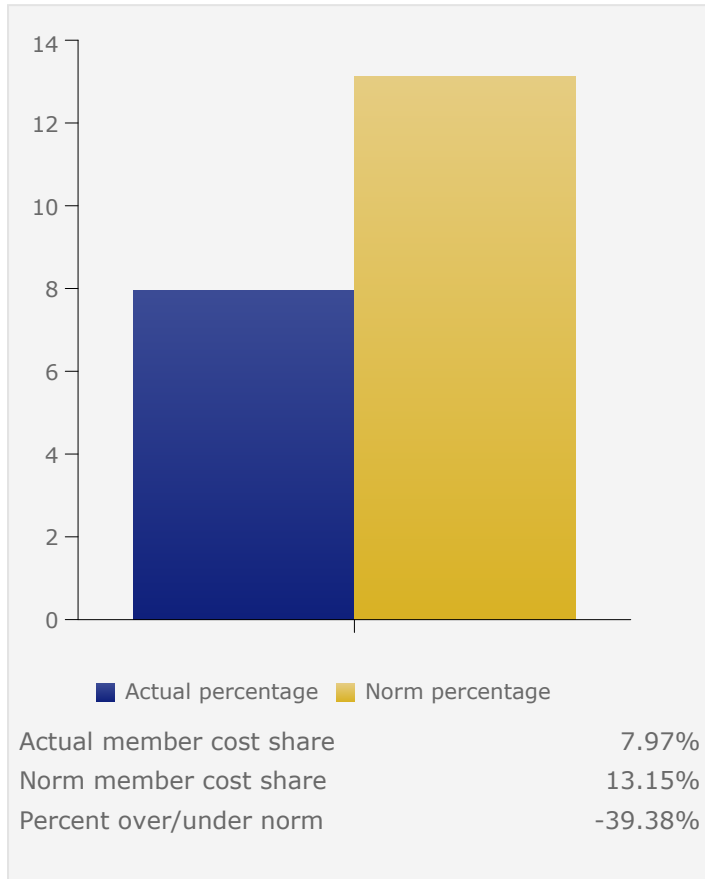
Points to consider:

- Does the age distribution of your membership impact prescription volume?
- Consider how mail service utilization may affect this comparison.
- Are high cost claimants skewing results?

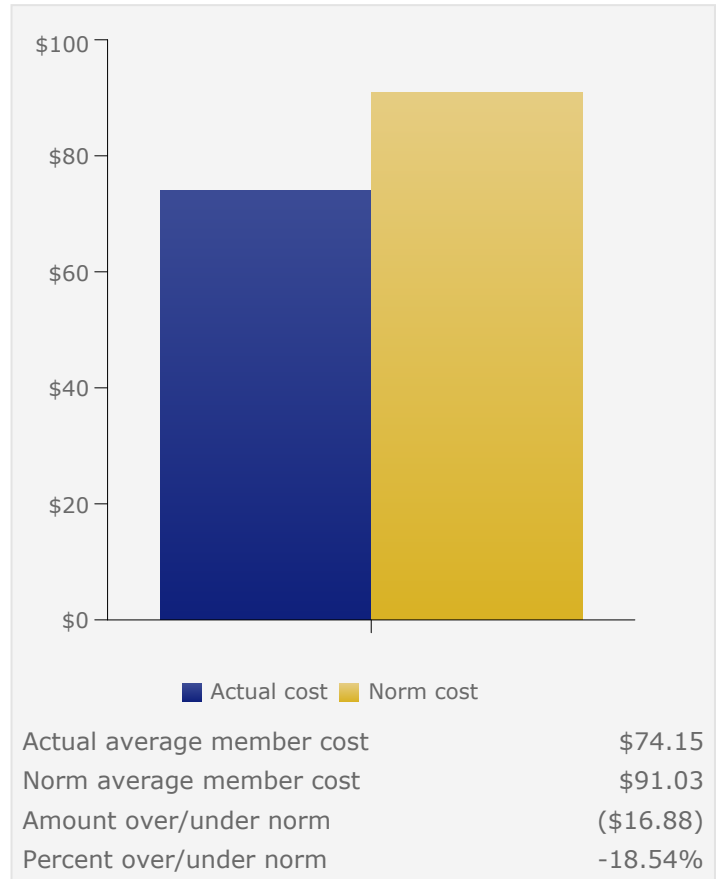
Total Member Cost Share

Assess your plan members' expenses compared to members of similar employers' plans.

Member Cost Share Percentage



Average Member Cost Share

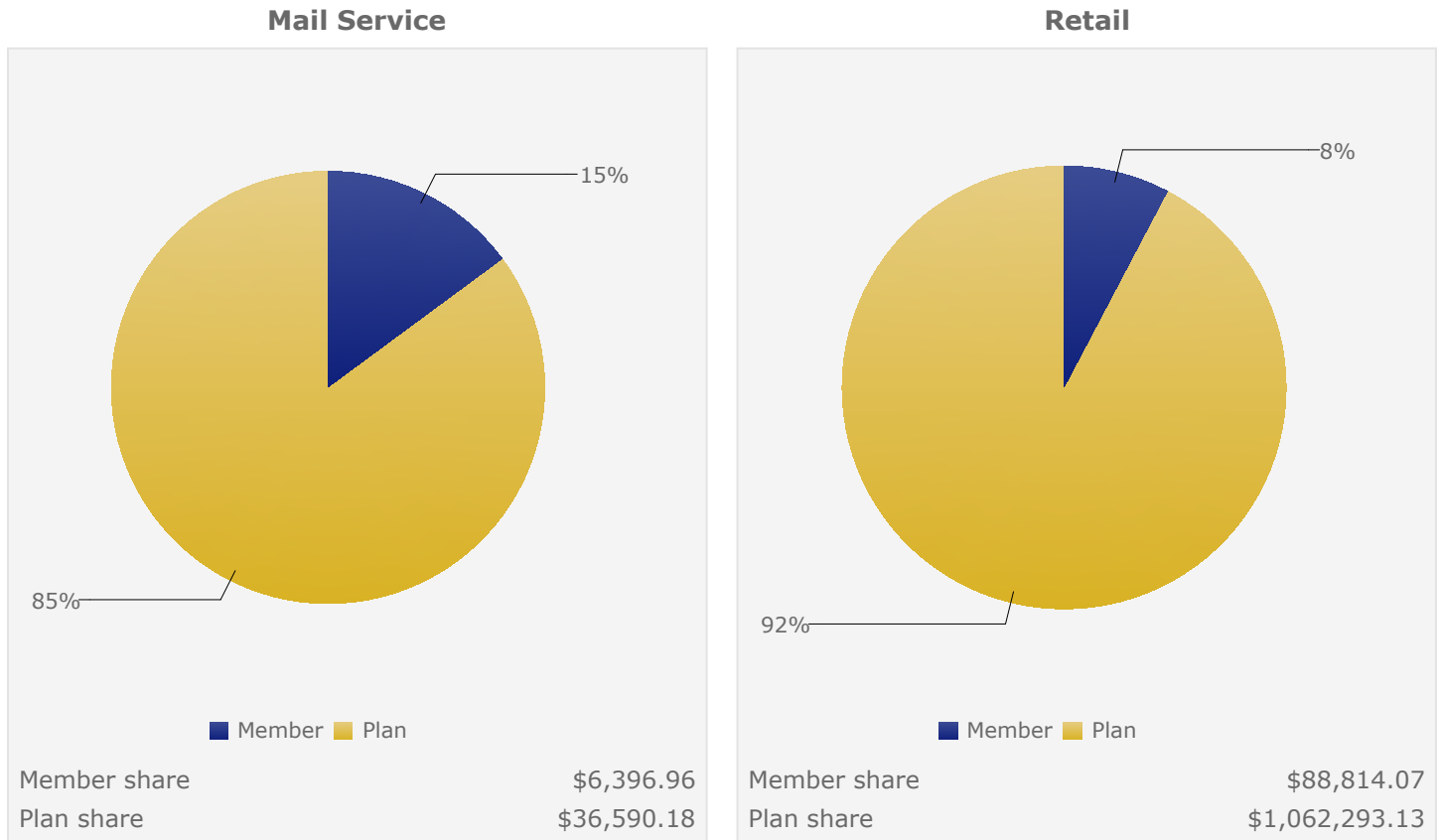


Points to consider:

- How does your members' cost compare to the recommended 25-35%?
- Have you considered implementing percentage coinsurance options, tiered copay structures or front-end deductibles?
- Are your prescription drug tiers competitive?

Member Cost Share: Retail and Mail Service

Evaluate how your company’s plan members utilize retail versus mail service prescriptions as well as associated prescription costs, as compared to the norm.



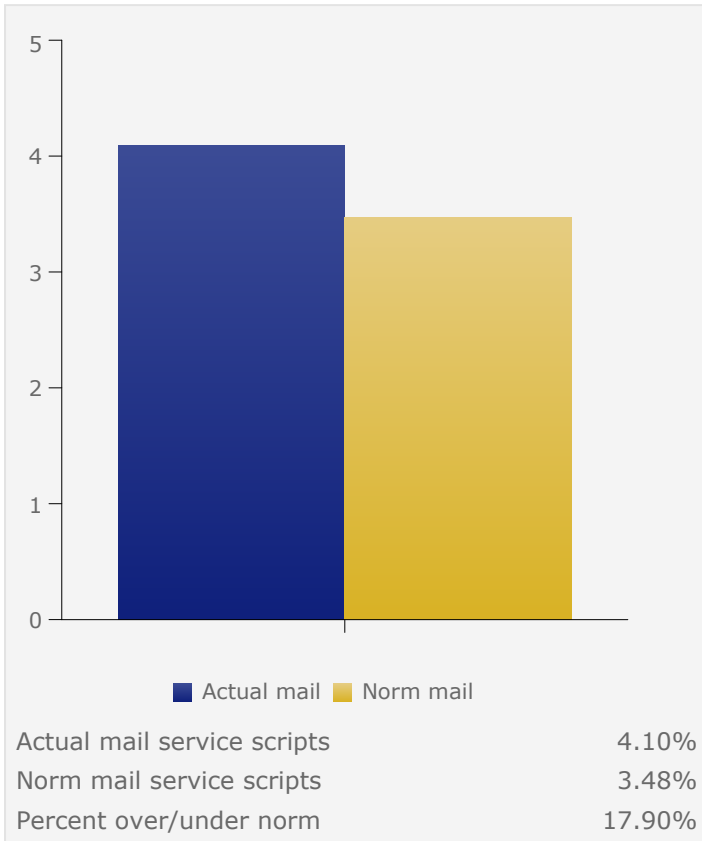
Points to consider:

- Are mail service cost share strategies set appropriately? A good rule of thumb is 2.5 times the retail amount for a three month supply.
- Does your plan design and supporting communication strategy steer participants to the most cost-effective setting?

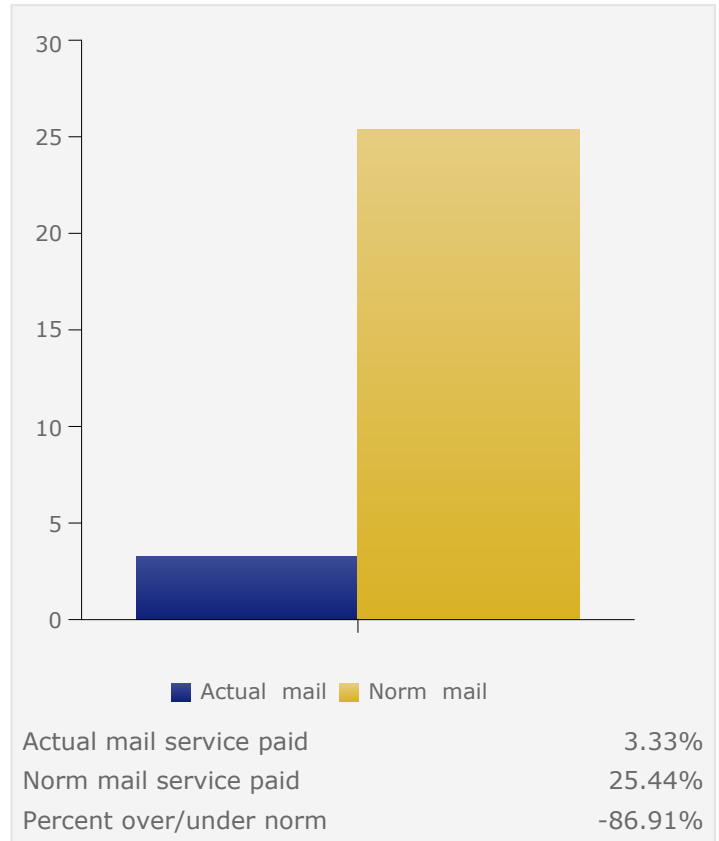
Mail Service Utilization

Gauge your plan's use of mail service compared to your peers.

Percentage of Mail Service Scripts



Percentage of Mail Service Paid



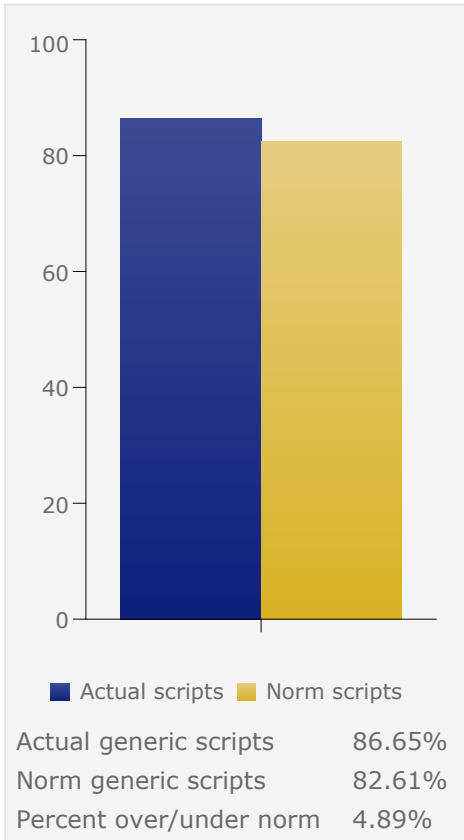
Points to consider:

- Is mail service cost share properly balanced with retail cost share?
- Have you considered implementing a mandatory mail or refill allowance program?
- Do you target communication to users of maintenance medications to encourage mail service utilization?

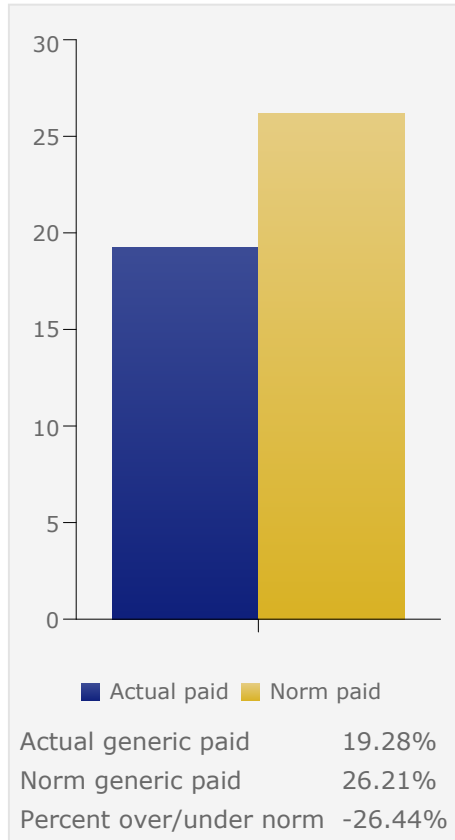
Generic Utilization

Consider how your plan's utilization, as well as costs associated with generic prescriptions, stack up against your peers.

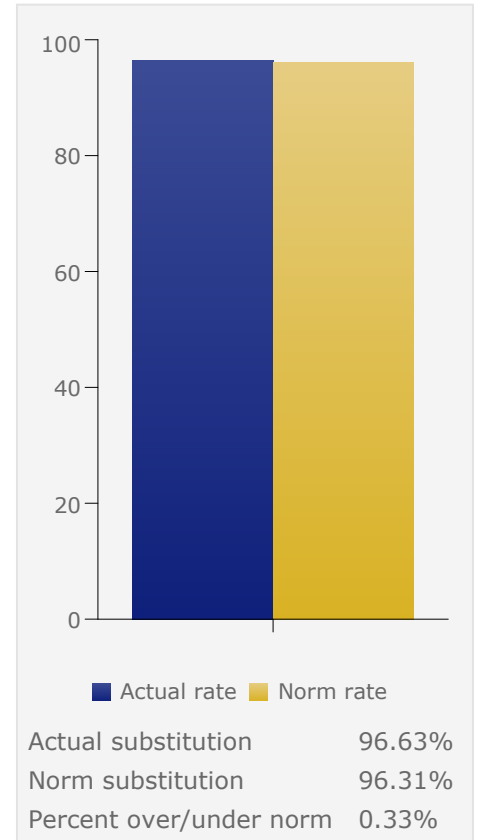
Percentage of Generic Scripts



Percentage of Total Paid



Generic Substitution Rate



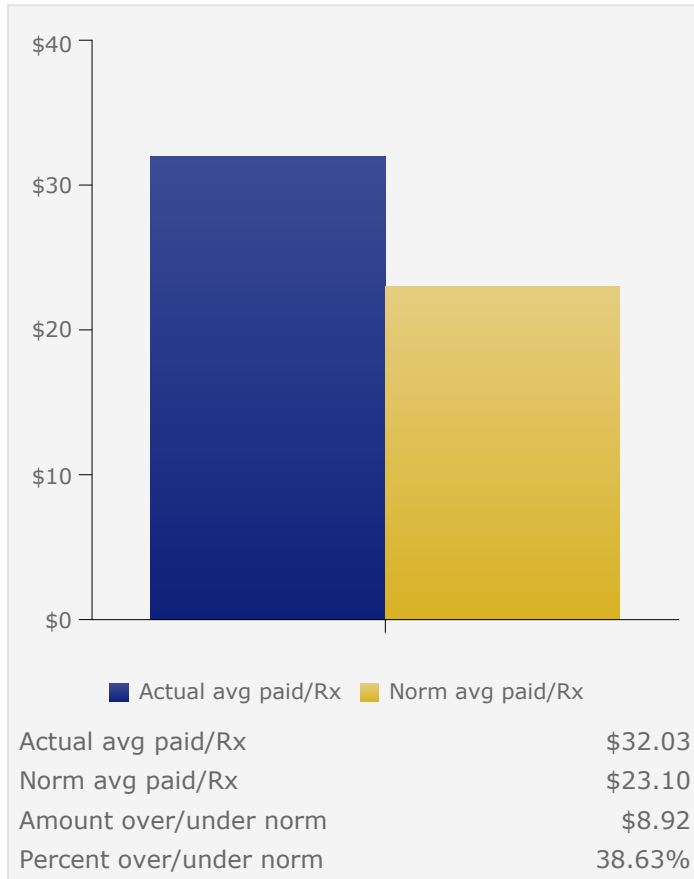
Points to consider:

- Is there an opportunity to promote generic utilization based on your generic substitution rate (the number of times a generic is chosen over its brand counterpart)?
- Should your plan design incorporate strategies; such as: a mandatory generic program, a front-end brand deductible, or copay waiver program to encourage generic use?
- Considering that every 1% increase in generic utilization yields an estimated 0.5% - 1% reduction in total drug spend, do your educational pieces emphasize generic utilization appropriately?

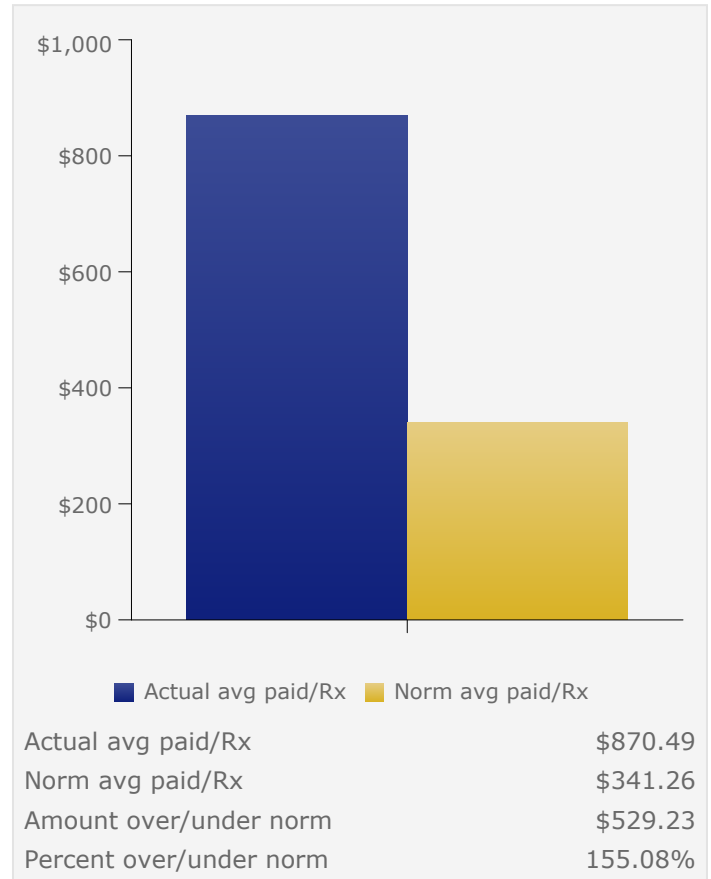
Brand vs. Generic

Evaluate how your plan's costs for generic and brand drugs compare to those of your peers.

Average Plan Paid per Generic Rx



Average Plan Paid per Brand Rx

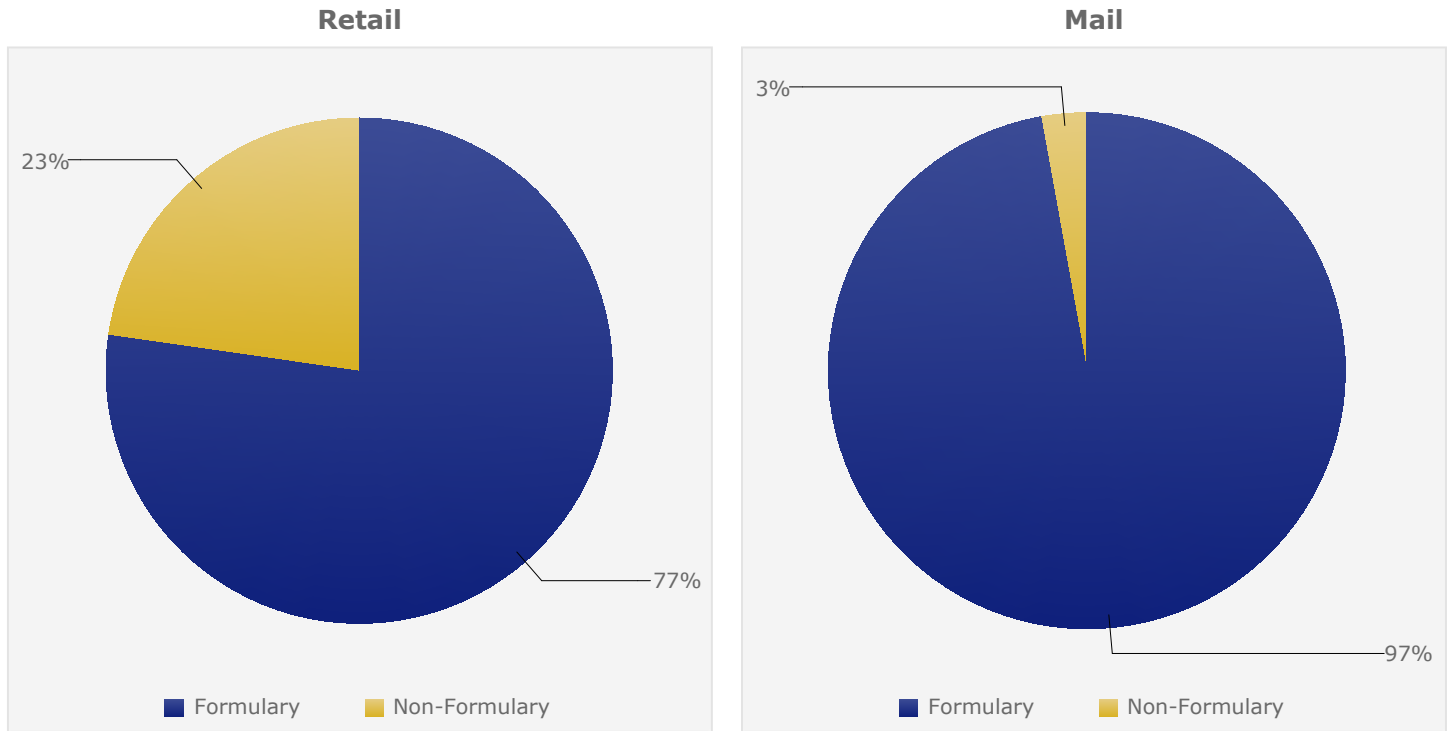


Points to consider:

- Do specialty or other high cost medications contribute to higher than expected costs?
- Is your plan design effective in encouraging generic utilization?
- Does your pharmacy benefit management company target communications to participants who may benefit from education on alternate, lower cost medication options?

Formulary vs. Non-Formulary

Consider how your distribution of prescriptions and costs by formulary and fill method contribute to your overall costs.



Retail

Area	Rx Count	Member Cost	Plan Cost	Member Cost/Rx	Plan Cost/Rx
Formulary	7,041	\$76,421.88	\$820,789.18	\$10.85	\$116.57
Non-Formulary	280	\$12,392.19	\$241,503.95	\$44.26	\$862.51

Mail

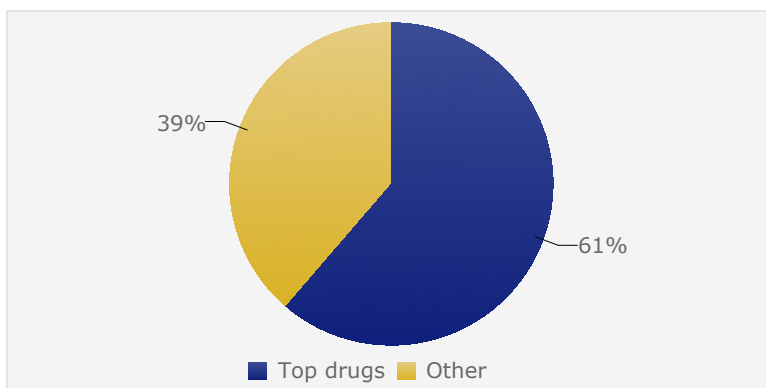
Area	Rx Count	Member Cost	Plan Cost	Member Cost/Rx	Plan Cost/Rx
Formulary	311	\$6,256.96	\$35,546.45	\$20.12	\$114.30
Non-Formulary	2	\$140.00	\$1,043.73	\$70.00	\$521.87

Points to consider:

- Does your formulary contain the right high efficacy medications to meet your plan’s needs?
- Are members encouraged through plan design and communication to use medications that are in the formulary?
- Have you considered adding additional tiers to your plan with appropriate cost share differentials?

Top Drugs Paid by Plan

Review your company's top drugs by plan cost to determine trends and opportunities.



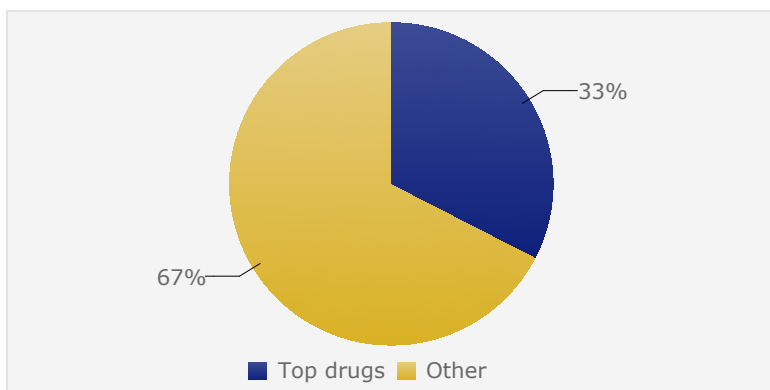
Drug Name	Plan Cost	Type	Generic Available?	% of Total Plan Paid
VIEKIRA PAK	\$89,507.31	Brand	No	8.15%
SOVALDI	\$85,593.30	Brand	No	7.79%
HUMIRA	\$68,206.79	Brand	No	6.21%
COPAXONE	\$59,050.41	Brand	No	5.37%
GILENYA	\$44,687.14	Brand	No	4.07%
NORDITROPIN FLEXP	\$44,367.31	Brand	No	4.04%
VICTOZA 3-PAK	\$29,555.27	Brand	No	2.69%
PULMOZYME	\$28,290.90	Brand	No	2.57%
SIMPONI	\$26,232.38	Brand	No	2.39%
LANTUS SOLOSTAR	\$25,776.15	Brand	No	2.35%
STELARA	\$25,137.88	Brand	No	2.29%
LEVEMIR FLEXTOUCH	\$23,419.60	Brand	No	2.13%
NOVOLOG FLEXPEN	\$18,732.83	Brand	No	1.70%
ADDERALL XR	\$17,687.61	Brand	Yes	1.61%
LIALDA	\$16,195.79	Brand	No	1.47%
XELJANZ	\$15,730.27	Brand	No	1.43%
JANUVIA	\$15,388.25	Brand	No	1.40%
NOVOLOG	\$13,504.75	Brand	No	1.23%
CRESTOR	\$13,374.28	Brand	No	1.22%
VORICONAZOLE	\$13,308.25	Generic	No	1.21%

Points to consider:

- How do high cost claimants impact this list?
- Is there an opportunity to address utilization of brand prescriptions where generics are available?

Top Drugs Paid by Volume

Review your company's top drugs by volume to determine trends and opportunities.



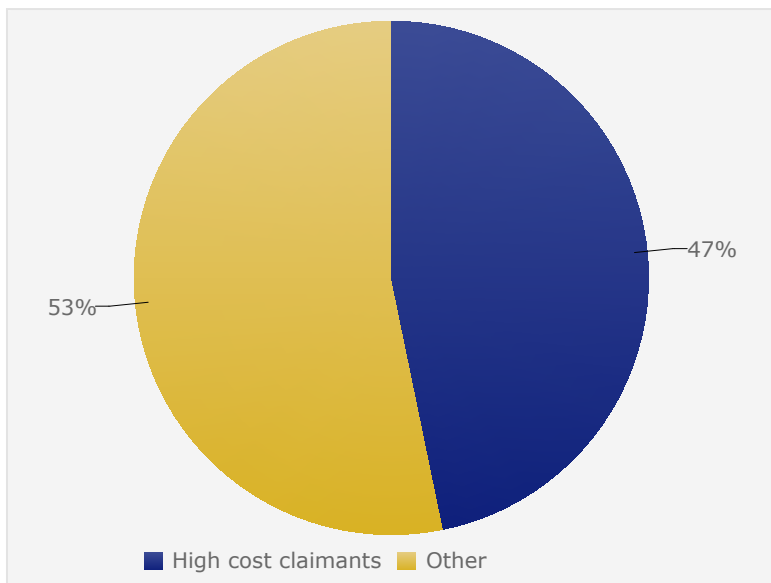
Drug Name	Rx Count	Type	Generic Available?	% of Total Rx Filled
HYDROCODONE-ACETAMINOPHEN	252	Generic	No	3.30%
LISINAPRIL	182	Generic	No	2.38%
OMEPRAZOLE	176	Generic	No	2.31%
GABAPENTIN	153	Generic	No	2.00%
SIMVASTATIN	147	Generic	No	1.93%
TRAMADOL HCL	144	Generic	No	1.89%
HYDROCHLOROTHIAZIDE	138	Generic	No	1.81%
AZITHROMYCIN	134	Generic	No	1.76%
SERTRALINE HCL	126	Generic	No	1.65%
METFORMIN HCL	122	Generic	No	1.60%
ATORVASTATIN CALCIUM	106	Generic	No	1.39%
LEVOTHYROXINE SODIUM	105	Generic	No	1.38%
PREDNISONE	95	Generic	No	1.24%
CYCLOBENZAPRINE HCL	93	Generic	No	1.22%
METOPROLOL TARTRATE	91	Generic	No	1.19%
AMOXICILLIN	90	Generic	No	1.18%
AMLODIPINE BESYLATE	89	Generic	No	1.17%
BUPROPION XL	83	Generic	No	1.09%
FUROSEMIDE	79	Generic	No	1.03%
VENLAFAXINE HCL ER	79	Generic	No	1.03%

Points to consider:

- Is there an opportunity to address utilization of brand prescriptions where generics are available?
- Does your plan appropriately encourage the use of less costly therapeutic alternatives, such as covering over-the-counter medications at little or no member cost share?

High Cost Claimants

Review your plan’s top claimants to determine trends and opportunities.



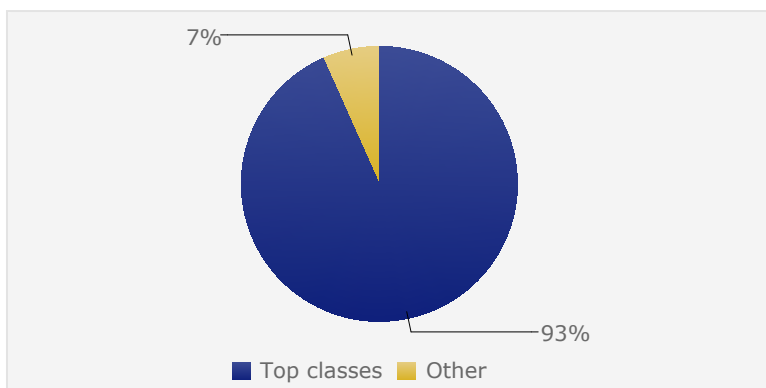
Claimant ID	Top Therapeutic Class	Total Plan Paid	Rx Count	Average Paid Per Rx	% of Total Paid
419	ANTIVIRALS	\$99,698.73	24	\$4,154.11	9.07%
806	ANTIVIRALS	\$89,507.31	3	\$29,835.77	8.15%
143	MISCELLANEOUS	\$59,050.41	3	\$19,683.47	5.37%
500	MISCELLANEOUS	\$53,856.87	103	\$522.88	4.90%
550	MISCELLANEOUS	\$45,007.40	21	\$2,143.21	4.10%
657	OTHER HORMONES	\$44,376.63	9	\$4,930.74	4.04%
645	ANTIARTHRITICS	\$39,685.95	21	\$1,889.81	3.61%
141	ANTIARTHRITICS	\$30,465.34	31	\$982.75	2.77%
292	ANTIARTHRITICS	\$26,737.88	14	\$1,909.85	2.43%
754	MISCELLANEOUS	\$25,424.69	5	\$5,084.94	2.31%

Points to consider:

- Is there an opportunity to more appropriately manage prescription drug utilization and costs for top claimants?
- Do specialty medications impact costs associated with top claimants?
- Are there themes among top claimants that could be addressed through disease management?

Top Therapeutic Classes

Review your company's top therapeutic classes to determine trends and opportunities.



Therapeutic Class	Rx Count	Plan Cost	Average Paid Per Rx	% of Total Plan Paid
MISCELLANEOUS	252	\$236,207.47	\$937.33	21.50%
ANTIVIRALS	56	\$177,802.94	\$3,175.05	16.18%
DIABETIC THERAPY	404	\$144,167.72	\$356.85	13.12%
ANTIARTHRITICS	176	\$124,719.48	\$708.63	11.35%
OTHER HORMONES	9	\$44,666.84	\$4,962.98	4.06%
ANTICONVULSANTS	369	\$36,339.29	\$98.48	3.31%
PSYCHOSTIMULANTS-ANTIDEPRESSANTS	787	\$34,053.63	\$43.27	3.10%
AMPHETAMINE PREPARATIONS	154	\$30,590.52	\$198.64	2.78%
BRONCHIAL DILATORS	216	\$28,876.20	\$133.69	2.63%
LIPOTROPICS	343	\$24,448.80	\$71.28	2.22%
NON-NARCOTIC ANALGESICS	108	\$20,598.70	\$190.73	1.87%
GLUCOCORTICOIDS	226	\$19,601.24	\$86.73	1.78%
ANTI-ULCER PREPS/GASTROINTESTINAL PREPS	330	\$17,638.07	\$53.45	1.61%
ANTICOAGULANTS	114	\$16,730.50	\$146.76	1.52%
ANTIFUNGALS	75	\$14,349.30	\$191.32	1.31%
SYSTEMIC CONTRACEPTIVES	166	\$13,172.50	\$79.35	1.20%
CNS STIMULANTS	88	\$11,623.66	\$132.09	1.06%
OTHER CARDIOVASCULAR PREPS	424	\$11,407.50	\$26.90	1.04%
ATARACTICS-TRANQUILIZERS	130	\$9,485.03	\$72.96	0.86%
ELECTROLYTES & MISCELLANEOUS NUTRIENTS	63	\$8,999.58	\$142.85	0.82%

Points to consider:

- Would step therapy or other plan mandates impact higher cost therapeutic classes?
- Is there an opportunity to educate participants in regards to generic availability for drugs that have recently come off patent, or will in the near future?

At - A - Glance

General Information				
Total Employees				831
Total Covered Lives				1,284
Area	Actual	Norm	Difference	Experience
Average Paid Per Member Per Month	\$71.32	\$50.08	42.40%	Unfavorable
Total Plan Paid	\$1,098,883.31	\$771,684.00	42.40%	Unfavorable
Average Paid Per Rx	\$143.95	\$72.82	97.66%	Unfavorable
Total Rx Count	7,634.00	10,272.00	-25.68%	Favorable
Total Rx Per Member Per Month	0.50	0.67	-25.68%	Favorable
Member Cost Share %	7.97%	13.15%	-39.38%	Unfavorable
Average Member Cost	\$74.15	\$91.03	-18.54%	Favorable
Mail Service Rx %	4.10%	3.48%	17.90%	Favorable
Mail Service Paid %	3.33%	25.44%	-86.91%	Unfavorable
Generic Rx %	86.65%	82.61%	4.89%	Acceptable
Generic Total Paid %	19.28%	26.21%	-26.44%	Unfavorable
Generic Substitution %	96.63%	96.31%	0.33%	Acceptable
Average Paid Per Generic Rx	\$32.03	\$23.10	38.63%	Unfavorable
Average Paid Per Brand Rx	\$870.49	\$341.26	155.08%	Unfavorable