

INSURANCE INFORMATION

April 2015

School/Employee Recommended Insurance Costs

(Same as 2014-2015.)

| | District Paid | Employee Cost |
|-----------------|----------------------|----------------------|
| Employee | \$450 | None |
| Add Spouse | None | \$500 |
| Add 1 Child | None | \$185 |
| Add 2+ Children | None | \$300 |
| Add Family | None | \$685 or \$800 |

Proposed Plan Design – Preventive 100%

(Same as 2014-2015.)

| Open Access & In-Network | Individual | Family |
|-------------------------------------|-------------------|---------------|
| Deductible | \$1,500 | \$4,500 |
| Coinsurance % | 20% | 20% |
| Coinsurance Maximum | \$4,850 | \$8,200 |
| Maximum Out of Pocket | \$6,350 | \$12,700 |
| Current Max Out of Pocket | \$2,500 | \$7,000 |

| Out of Network | Individual | Family |
|-----------------------|-------------------|---------------|
| Deductible | \$5,000 | \$15,000 |
| Coinsurance % | 50% | 50% |
| Coinsurance Maximum | \$5,000 | \$15,000 |

Camdenton RIII School District 2015 Renewal



Review and Recommendations

Review

The Camdenton Rx Plan has seen increases in average approved price and per member per month client pay over the last year and this is mainly due to specialty drug usage. Specialty drug plan pay increased roughly 20% over the last year and number of specialty fills increased from 49 to 74 (see page 7 of the PMR). See below for recommendations on how to curb specialty spending for the upcoming year. The Camdenton Plan utilizes the following MedTrak programs which have successfully contributed to the excellent generic utilization rate of 86%: Copay Waiver, ScriptChoice, and Step Therapy. The Plan also utilizes a "dollar plus percentage" copay structure which is a major motivating factor for members to choose generic drugs over brands whenever possible.

| | | |
|---------------------------------|----------|-----------|
| Average Approved Price | \$102.61 | +14% |
| Average Patient Pay | \$22.09 | +10% |
| Per Member Per Month Client Pay | \$56.32 | +14% |
| Rx Per Member Per Month | 0.70 | No change |
| Generic Utilization | 86% | +1% |

Plan Design Recommendations for 2015

Generic Incentive Penalty: For members taking a brand medication for which a generic equivalent is available (e.g. brand Zocor/generic simvastatin), the member would be charged a penalty. The penalty consists of the brand copay plus the difference in cost between the brand and generic drugs. With this penalty in place, the member essentially pays the full cost of the brand medication. (The generic incentive penalty program ONLY applies to those brand drugs which have a generic equivalent available). There are two ways to implement this program. The first option allows the penalty to be waived when the doctor "mandates" the brand drug. (This means the doctor has instructed the pharmacy to dispense the brand "as written" therefore no penalty would apply). With this option in place, the penalty would apply to those whose doctor has authorized the generic yet the member still chooses to fill the brand). The other way to implement the program is to penalize for ALL brand drugs that have a generic equivalent available (regardless of the "dispense as written" directions). MedTrak recommends the second option: penalizing regardless of the "dispense as written" directions; although the final decision is up to the Plan which would result in \$14,352 in annual savings to the Plan

As an example, currently the # 1 most utilized drug on the Plan is Nexium at an average cost per script of \$605.33. A generic equivalent for Nexium was released to the market in the past three months, but unless the Plan implements generic incentive, then Nexium will most likely remain in the top 10 most utilized drugs for some time to come.

Specialty Drug Copay and Out of Pocket Maximum: Currently the Plan utilizes a 10% coinsurance up to a \$1,500 yearly out of pocket maximum. Members meet this maximum rather quickly and so the Plan ends up picking up the majority of the cost of specialty medications. MedTrak recommends increasing the specialty coinsurance to at least 20% and increasing the out of pocket maximum to be included in the combined ACA Medical/Pharmacy Out-of-Pocket Maximum, currently \$6,350 Individual/\$12,700 Family.

Medication Recommendations

PPACA Updates: HCR Medications: Attached you will find a list of medications required to be covered under PPACA. The Camdenton Plan is already covering the non-highlighted items on the "Health Care Reform Update" sheet. Because the Plan is non-grandfathered, MedTrak recommends that the highlighted items be added to the Plan in order to meet PPACA requirements. Please refer to the additional exhibit "HCR Recommendations" for additional information.

Botox: Botox was originally released to the market for cosmetic purposes only. The FDA has expanded the indications for the use of Botox, including: hyperhidrosis (excessive sweating), cervical dystonia (involuntary movement of muscles) and headaches. MedTrak recommends moving Botox from 'exclude' to a 'Prior Authorization'. MedTrak will continue to deny Botox if it is being prescribed for cosmetic purposes.

Daily Erectile Dysfunction Medications: Currently, the Plan 'includes' erectile dysfunction drugs with limits in place (6 pills per 30 day supply). However, a daily, low-dose tablet of Cialis is available on the market. The cost of the Cialis Daily is comparable to MedTrak's Plan limits recommended for Erectile Dysfunction full strength dose. MedTrak recommends allowing members to fill the low-dose Cialis Daily.

The Affordable Care Act (ACA) requirements below apply to medications dispensed pursuant to a written prescription and subject to FDA guidelines.

Preventive Care Medications and Coverage Requirements under the ACA:

| Medication | Copay | Limits |
|---|------------------------|--|
| Aspirin 81 mg | \$0; N/A to Deductible | Ages 45 through 78 for Males; Ages 55 through 78 for Females; OTC Generics and Legend Generics |
| Fluoride Supplements (Oral) | \$0; N/A to Deductible | Ages 6 Months through Age 6; Allow OTC |
| Folic Acid (400 mcg and 800 mcg only) | \$0; N/A to Deductible | Ages 11 through 48 for Females; OTC Generics and Legend Generics |
| Iron Supplements | \$0; N/A to Deductible | Ages 6 Months through 12 Months; OTC Generics and Legend Generics |
| Smoking Deterrents (Oral, gum, lozenges, patches, oral inhaler, and nasal inhaler) | \$0; N/A to Deductible | OTC and Legend medications per FDA guidelines, Limit <u>two</u> treatment cycles per calendar year |
| Vitamin D2, D3 Products, and calcium Vitamin D < 1,000 IU | \$0; N/A to Deductible | Age 65 and older; OTC Generics and Legend Generics |
| Bowel Preps (Bisacodyl, Mag Citrate, Milk of Magnesia, PEG 3350-Electrolyte) | \$0; N/A to Deductible | Age 50 through 75; OTC Generics and Legend Generics; Limit 2 prescriptions per year |
| Breast Cancer Prevention (for preventive use) | \$0; N/A to Deductible | Ages 35 or older for Females; OTC Generics and Legend Generics |

Vaccines

| Medication | Copay | Limits |
|--------------------------|------------------------|--|
| HPV Vaccine | \$0; N/A to Deductible | Ages 9 through 26; Allow up to a \$25 admin fee |
| Influenza Vaccine | \$0; N/A to Deductible | Allow up to a \$25 admin fee |
| Shingles Vaccine | \$0; N/A to Deductible | Ages 60 or above; Allow up to a \$25 admin fee |
| Pneumonia Vaccine | \$0; N/A to Deductible | Ages 65 or above with some exceptions for below age 65; Allow up to a \$25 admin fee |

Women's Contraceptives

| Method | Copay |
|---|--|
| Hormonal (Oral drugs, patches, rings, injectables) | \$0 copay*; N/A to Deductible |
| Barrier (Diaphragms, female condoms, spermicides, cervical caps, sponges) | \$0 copay*; N/A to Deductible; Allow OTC |
| Emergency "Morning After" Pill | \$0 copay*; N/A to Deductible; Allow OTC |
| Implants IUDs | \$0 copay*; N/A to Deductible |

*Note: Brand Drugs with a generic equivalent will be covered at a \$0 copay to the Plan's members when the prescriber has indicated "Dispense as Written" (DAW1) on the prescription. On the other hand, members requesting the Brand Drug over the Generic equivalent (DAW2) will be subject to the standard copay by the member.