

# Annual Report

OKHEEI: ALL



Oklahoma Higher Education  
Employee Insurance Group

May 5, 2016



| Plan Performance | High Cost Claimants | Inpatient Facility | Diagnostic Categories |
|------------------|---------------------|--------------------|-----------------------|
|------------------|---------------------|--------------------|-----------------------|

- |  |   |   |   |
|--|---|---|---|
| <ul style="list-style-type: none"> <li>Enrollment decreased <b>10%</b> in the current period.</li> <li>The average age also decreased from <b>40.8 to 40.4</b> years of age.</li> <li>The medical paid PMPM increased <b>9.1%</b> in the current period</li> <li>In-network utilization was <b>98.7%</b> in the current period</li> <li>The discount percentage for OKHEEI was <b>57.1%</b></li> </ul> | <ul style="list-style-type: none"> <li>HCC's are responsible for <b>32.0%</b> of the total paid PMPM</li> <li>HCC paid dollars increased <b>38.7%</b> in the current period</li> <li>The amount of Claimants with over \$300K in paid dollars doubled from the prior period.</li> <li>Neoplasms make up <b>29%</b> of the total HCC paid</li> <li>Neoplasm paid HCC paid dollars increased <b>28.9%</b> while claimants decreased <b>22.2%</b></li> </ul> | <ul style="list-style-type: none"> <li>Inpatient facility Paid per Admission increased <b>18.1%</b></li> <li>Total admissions decreased by <b>3.4%</b></li> <li>HCC paid increased <b>27.7%</b> driving the overall IP Paid PMPM increase of <b>14.0%</b></li> <li>HCC accounted for <b>69.5%</b> of the IP Paid PMPM</li> <li>Surgical is the top service type for IP, responsible for <b>56.1%</b> of the IP Paid PMPM</li> </ul> | <ul style="list-style-type: none"> <li>Neoplasms is the top Diagnostic category with <b>78.9%</b> of the PMPM coming from HCC's</li> <li>This has been the top category for 2 years</li> <li>Musculoskeletal has been trending upwards 3 years. Being driven by Non-HCC's with <b>76.3%</b> of the current PMPM coming from Non-HCC's.</li> <li>The top 3 Diagnostic categories are all above the Higher Education Benchmark</li> </ul> |
|--|---|---|---|

What Opportunities does OKHEEI have?

OKHEEI is doing well with preventive testing. Keeping members educated and keeping the preventive visits high will assist in turning to a positive trend .

Usage of BDC+ facilities for Knee & Hip, Spinal, and Cardiac surgeries can provide some cost savings.

Continued Preventive screenings can help turn a positive trend on Neoplasms.

**Data Parameters**

**Current Reporting Period:** The current reporting period represents claims incurred from January 1, 2015 - December 31, 2015 and paid through February 29, 2016.

**Prior Reporting Period:** The prior reporting period represents claims incurred from January 1, 2014 - December 31, 2014 and paid through February 28, 2015.

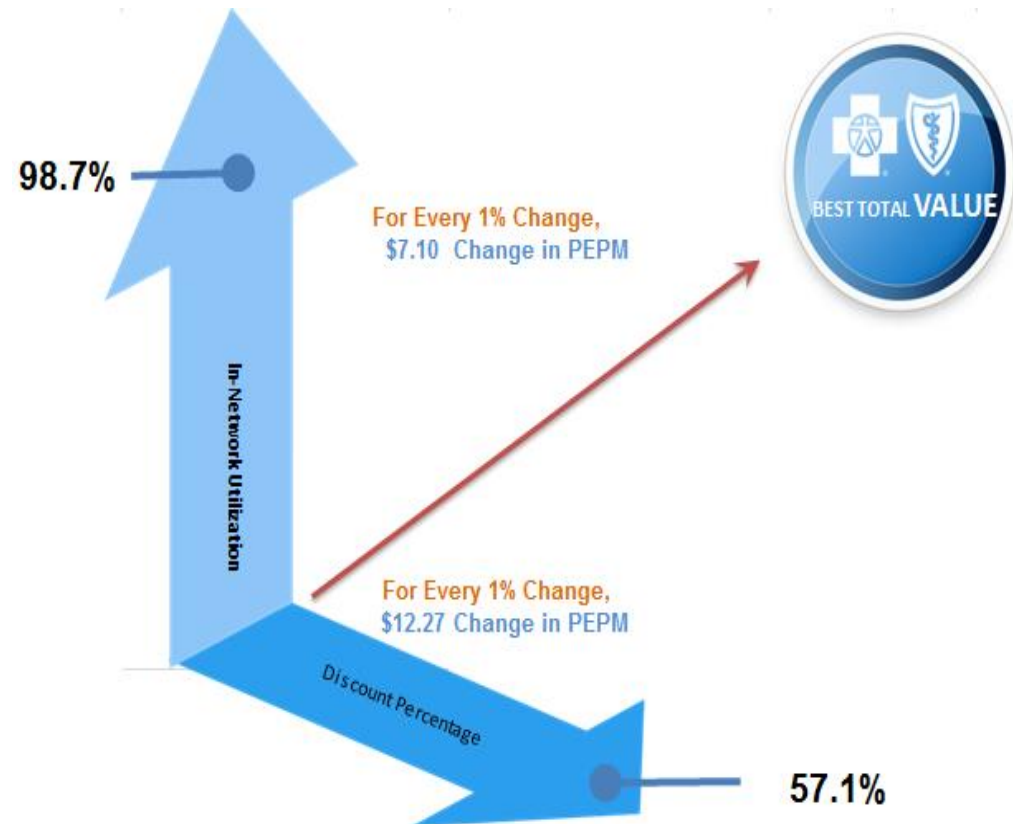
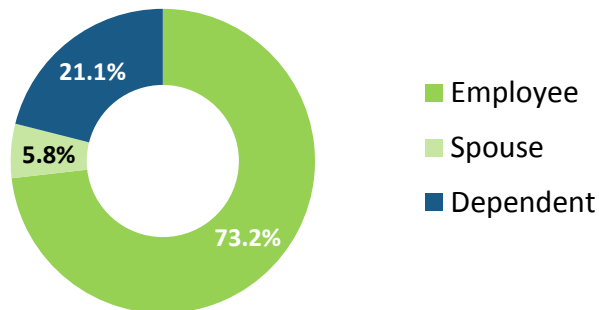
Benchmark data is based on BCBSOK's non-HMO book of business. The book of business includes all groups with greater than 500 subscribers.

# Plan Performance: Enrollment and Value of the Network

| Reporting Period        | Jan 2015 - Dec 2015 | OK Benchmark | Benchmark Variance | Higher Ed Benchmark | Benchmark Variance |
|-------------------------|---------------------|--------------|--------------------|---------------------|--------------------|
| Average Membership      | 7,087               |              |                    |                     |                    |
| Employee                | 5,187               |              |                    |                     |                    |
| Spouse                  | 408                 |              |                    |                     |                    |
| Dependent               | 1,492               |              |                    |                     |                    |
| Average Contract Size   | 1.4                 | 1.9          | -29.0%             | 1.8                 | -24.7%             |
| Average Age             | 40.4                | 33.8         | 19.5%              | 39.3                | 3.0%               |
| Employee                | 47.3                | 43.5         | 8.7%               | 49.1                | -3.5%              |
| Spouse                  | 53.5                | 45.1         | 18.4%              | 51.3                | 4.3%               |
| Dependent               | 12.9                | 12.1         | 6.5%               | 12.5                | 3.3%               |
| <b>Gender</b>           |                     |              |                    |                     |                    |
| % of Males              | 44.4%               | 45.1%        |                    |                     |                    |
| % of Females            | 55.6%               | 54.9%        |                    |                     |                    |
| % of Females Ages 20-44 | 19.9%               | 20.4%        |                    |                     |                    |

| Provider Contract Status      | Service Category    | Jan 2015 - Dec 2015 |                     |              |                     |
|-------------------------------|---------------------|---------------------|---------------------|--------------|---------------------|
|                               |                     | Covered             | Discount            | Discount %   | Paid                |
| <b>Network Provider</b>       | Inpatient Facility  | \$20,246,028        | \$11,694,141        | 57.8%        | \$8,057,137         |
|                               | Outpatient Facility | \$29,842,006        | \$18,456,368        | 61.8%        | \$9,049,674         |
|                               | Professional        | \$23,677,208        | \$11,985,780        | 50.6%        | \$8,676,670         |
|                               | <b>Total</b>        | <b>\$73,765,242</b> | <b>\$42,136,289</b> | <b>57.1%</b> | <b>\$25,783,480</b> |
| <b>Participating Provider</b> | Inpatient Facility  | -                   | -                   | -            | -                   |
|                               | Outpatient Facility | \$929               | \$251               | 27.0%        | \$339               |
|                               | Professional        | \$40,566            | \$28,454            | 70.1%        | \$7,695             |
|                               | <b>Total</b>        | <b>\$41,496</b>     | <b>\$28,706</b>     | <b>69.2%</b> | <b>\$8,034</b>      |
| <b>Grand Total</b>            |                     | <b>\$73,806,738</b> | <b>\$42,164,994</b> | <b>57.1%</b> | <b>\$25,791,514</b> |

## Enrollment by Relationship



|                  |             | Feb 16 Selection |              |              |                |              |
|------------------|-------------|------------------|--------------|--------------|----------------|--------------|
|                  |             | BLUE PLAN        | RED PLAN     | WHITE PLAN   | TERMED MEMBERS | TOTAL        |
| Dec 15 Selection | BLUE PLAN   | 544              | 47           | 76           | 35             | 701          |
|                  | RED PLAN    | 310              | 3,744        | 2,102        | 215            | 6,371        |
|                  | NEW MEMBERS | 74               | 92           | 135          |                | 301          |
|                  | TOTAL       | <b>928</b>       | <b>3,883</b> | <b>2,313</b> | <b>250</b>     | <b>7,373</b> |

**55%** enrolled in Red Plan

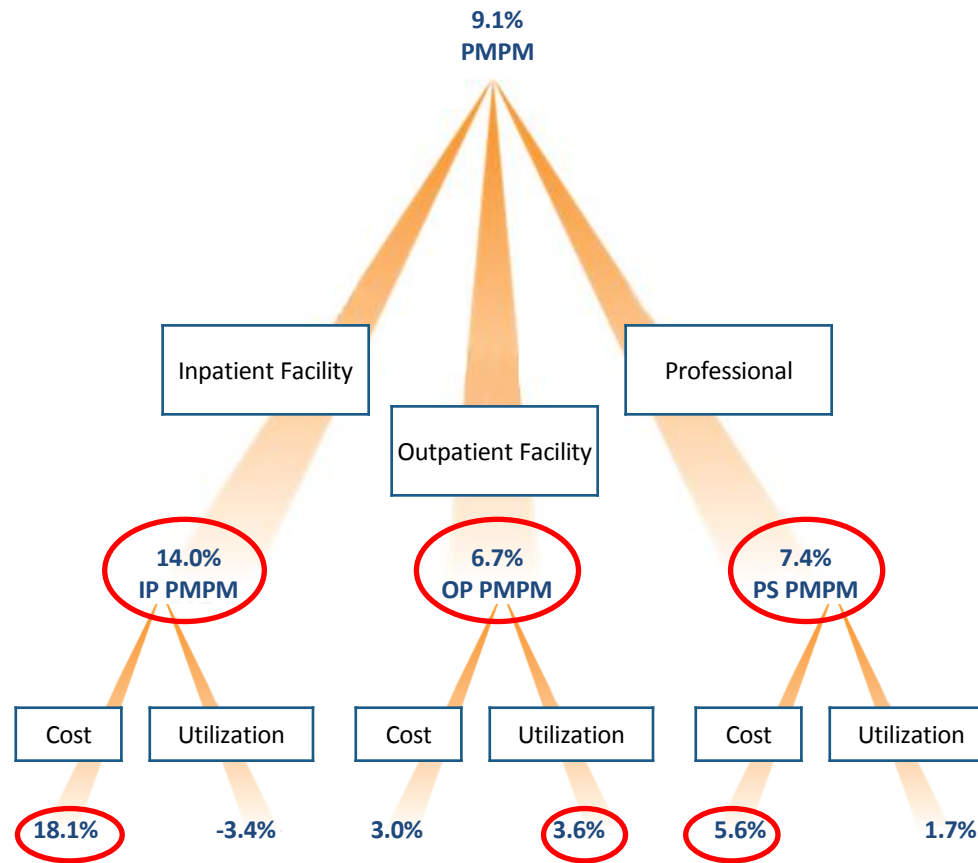
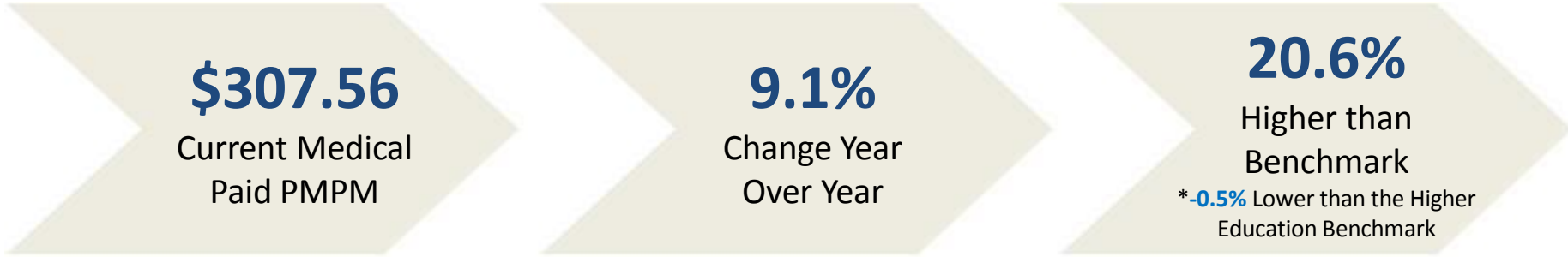
**32%** enrolled in White Plan

**13%** enrolled in Blue Plan

Column on left indicates members' prior selection (Dec '15); Row at top indicates current selection (Feb '16)

| School                                 | Single       |              | Subscriber + Spouse |            | Subscriber + Dependent(s) |            | Family     |            | All          |              |
|--|--------------|--------------|---------------------|------------|---------------------------|------------|------------|------------|--------------|--------------|
|  | Member       | Subscriber   | Member              | Subscriber | Member                    | Subscriber | Member     | Subscriber | Member       | Subscriber   |
| East Central University                | 385          | 385          | 50                  | 25         | 146                       | 56         | 34         | 9          | 615          | 475          |
| Murray State College                   | 130          | 130          | 18                  | 9          | 68                        | 21         | 17         | 5          | 233          | 165          |
| Northeastern State University          | 781          | 781          | 82                  | 41         | 276                       | 106        | 98         | 25         | 1,237        | 953          |
| Northern Oklahoma College              | 229          | 229          | 24                  | 12         | 103                       | 39         | 14         | 3          | 370          | 283          |
| Northwestern Oklahoma State University | 223          | 223          | 28                  | 14         | 80                        | 29         | 49         | 13         | 380          | 279          |
| RUSO Board Staff                       | 5            | 5            |                     |            |                           |            | 9          | 2          | 14           | 7            |
| Redlands Community College             | 88           | 88           | 6                   | 3          | 38                        | 15         | 7          | 2          | 139          | 108          |
| Rose State College                     | 311          | 311          | 32                  | 16         | 109                       | 43         | 19         | 5          | 471          | 375          |
| Seminole State College                 | 103          | 103          | 10                  | 5          | 56                        | 22         | 7          | 2          | 176          | 132          |
| Southeastern Oklahoma State University | 341          | 341          | 46                  | 23         | 145                       | 54         | 60         | 16         | 592          | 434          |
| Southwestern Oklahoma State University | 422          | 422          | 64                  | 32         | 246                       | 88         | 93         | 22         | 825          | 564          |
| University of Central Oklahoma         | 971          | 971          | 142                 | 71         | 536                       | 201        | 286        | 71         | 1,935        | 1,314        |
| Western Oklahoma State College         | 74           | 74           | 4                   | 2          | 58                        | 23         |            |            | 136          | 99           |
| <b>Total: All</b>                      | <b>4,063</b> | <b>4,063</b> | <b>506</b>          | <b>253</b> | <b>1,861</b>              | <b>697</b> | <b>693</b> | <b>175</b> | <b>7,123</b> | <b>5,188</b> |

- Medical Enrollment only



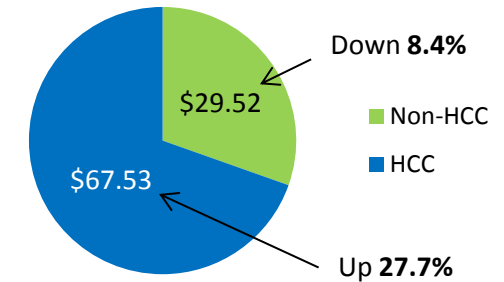
The above chart shows the % change from prior period to current period in paid PMPM, the % change in the amount paid per service (cost), and the % change in the number of services per 1,000 (utilization) by service category.

# Key Indicators

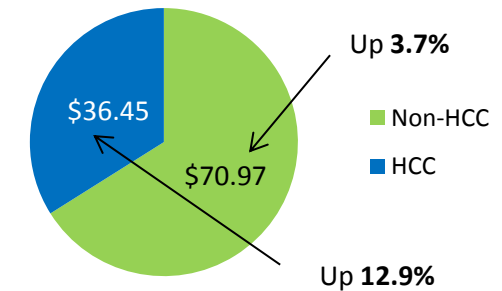
An increase in utilization and cost across all services categories, mostly driven by High Cost Claimants, is driving the overall medical paid PMPM up.

| Service Category    | Reporting Period       | Jan 2014 - Dec 2014 | Jan 2015 - Dec 2015 | % Change    | Oklahoma Benchmark | Benchmark Variance | Higher Ed Benchmark | Benchmark Variance |
|---------------------|------------------------|---------------------|---------------------|-------------|--------------------|--------------------|---------------------|--------------------|
| Inpatient Facility  | Paid PMPM              | \$85.14             | \$97.05             | 14.0%       | \$75.84            | 28.0%              | \$78.15             | 24.2%              |
|                     | Paid PEPM              | \$115.23            | \$132.60            | 15.1%       | \$145.85           | -9.1%              | \$140.55            | -5.7%              |
|                     | Allowed PMPM           | \$94.68             | \$102.25            | 8.0%        | \$91.60            | 11.6%              | \$175.76            | 41.8%              |
|                     | Admissions/1,000       | 60.1                | 58.0                | -3.4%       | 59.2               | -2.1%              | 72.7                | -20.1%             |
|                     | Days/1,000             | 286.6               | 282.5               | -1.4%       | 281.0              | 0.5%               | 439.6               | -35.7%             |
|                     | Average Length of Stay | 4.8                 | 4.9                 | 2.1%        | 4.7                | 2.7%               | 6.0                 | -19.6%             |
|                     | Paid/Admission         | \$17,009            | \$20,081            | 18.1%       | \$15,365           | 30.7%              | \$12,897            | 35.8%              |
|                     | Paid/Day               | \$3,565             | \$4,123             | 15.7%       | \$3,239            | 27.3%              | \$2,133             | 93.3%              |
| Outpatient Facility | Paid PMPM              | \$100.70            | \$107.42            | 6.7%        | \$87.92            | 22.2%              | \$106.26            | 1.1%               |
|                     | Paid PEPM              | \$136.30            | \$146.76            | 7.7%        | \$169.09           | -13.2%             | \$191.10            | -23.2%             |
|                     | Allowed PMPM           | \$130.06            | \$140.94            | 8.4%        | \$132.44           | 6.4%               | \$249.89            | -43.6%             |
|                     | Visits/1,000           | 1,822.6             | 1,887.5             | 3.6%        | 1,546.3            | 22.1%              | 1,974.1             | -4.6%              |
|                     | Paid/Visit             | \$663               | \$683               | 3.0%        | \$682              | 0.1%               | \$646               | 5.6%               |
| Professional        | Paid PMPM              | \$95.97             | \$103.09            | 7.4%        | \$91.29            | 12.9%              | \$124.63            | -17.3%             |
|                     | Paid PEPM              | \$129.90            | \$140.85            | 8.4%        | \$175.57           | -19.8%             | \$224.14            | -37.2%             |
|                     | Allowed PMPM           | \$136.09            | \$140.45            | 3.2%        | \$121.13           | 16.0%              | \$154.02            | -8.8%              |
|                     | Services/1,000         | 18,634.8            | 18,949.0            | 1.7%        | 16,760.3           | 13.1%              | 23,818.7            | -20.4%             |
|                     | Paid/Service           | \$62                | \$65                | 5.6%        | \$65               | -0.1%              | \$63                | 3.9%               |
| Medical Summary     | <b>Paid PMPM</b>       | <b>\$281.81</b>     | <b>\$307.56</b>     | <b>9.1%</b> | <b>\$255.06</b>    | <b>20.6%</b>       | <b>\$309.05</b>     | <b>-0.5%</b>       |
|                     | Paid PEPM              | \$381.43            | \$420.21            | 10.2%       | \$490.51           | -14.3%             | \$555.79            | -24.4%             |
|                     | Allowed PMPM           | \$360.84            | \$383.64            | 6.3%        | \$345.17           | 11.1%              | \$579.66            | -33.8%             |
|                     | In-Network Paid %      | 98.5%               | 98.6%               |             | 98.5%              |                    | 98.5%               |                    |
|                     | In-Network Services %  | 96.0%               | 96.9%               |             | 97.5%              |                    | 96.6%               |                    |
|                     | Plan Share %           | 79.3%               | 81.4%               |             | 81.0%              |                    | 86.5%               |                    |

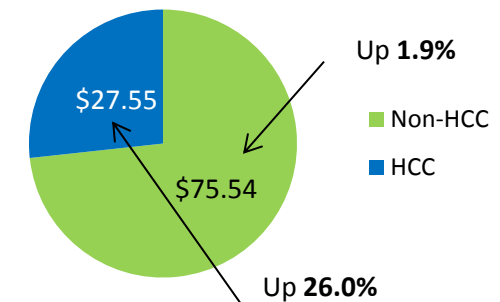
### Inpatient Paid



### Outpatient Paid



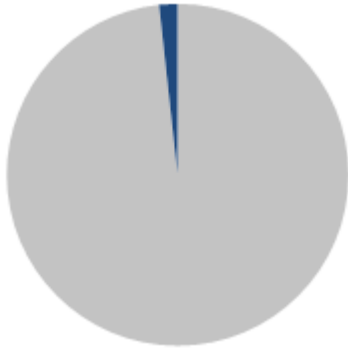
### Professional Paid



## 1.74%

Of Membership

1.14% Benchmark

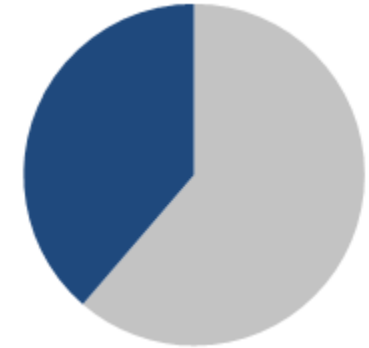


|                        | Jan 2014 - Dec 2014 | Jan 2015 - Dec 2015 | % Change     | Benchmark       | Benchmark Variance |
|------------------------|---------------------|---------------------|--------------|-----------------|--------------------|
| High Cost Claimants    | 116                 | 123                 | 6.0%         |                 |                    |
| % of Total Members     | 1.47%               | 1.74%               |              | 1.14%           |                    |
| HCC Paid               | \$12,194,374        | \$14,482,682        | 18.8%        |                 |                    |
| % of Total Paid        | 33.6%               | 38.7%               |              | 32.7%           |                    |
| <b>Total Paid PMPM</b> | <b>\$383.63</b>     | <b>\$440.38</b>     | <b>14.8%</b> | <b>\$335.94</b> | <b>31.1%</b>       |
| Non-High cost          | \$254.59            | \$270.08            | 6.1%         | \$226.02        | 19.5%              |
| High Cost              | \$129.04            | \$170.30            | 32.0%        | \$109.93        | 54.9%              |
| HCC Paid/Claimant      | \$105,124           | \$117,745           | 12.0%        | \$111,630       | 5.5%               |

## 38.7%

of Total Paid

32.7% Benchmark



## 30.1%

Repeat HCCs

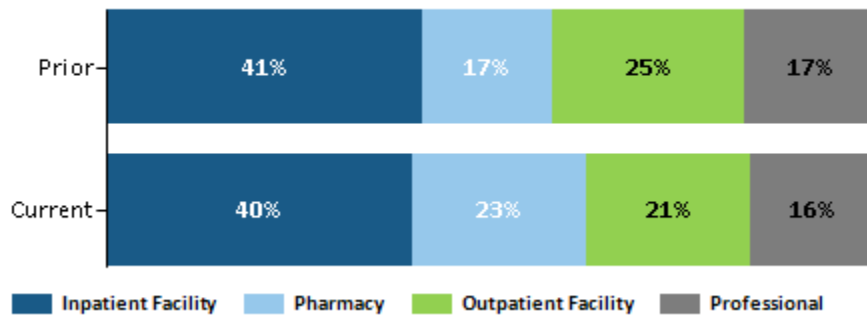
22.0% Benchmark

## \$14.5 M

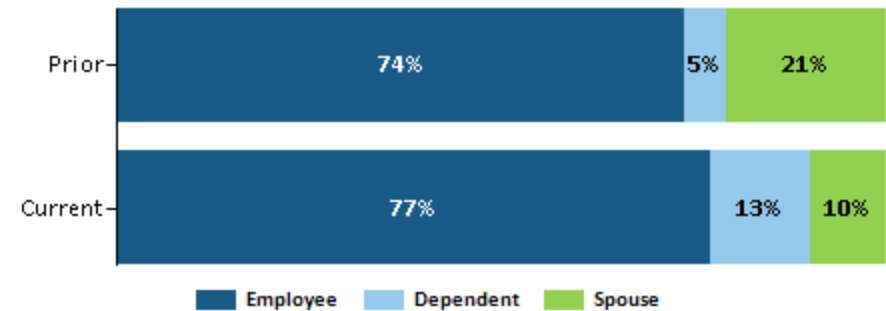
Total Paid

\$12.2 M in prior period

HCC Cost Distribution by Service Category



HCC Cost Distribution by Relationship



Benchmark data is based on BCBSOK Non-HMO book of business, all groups with greater than 500 subscribers

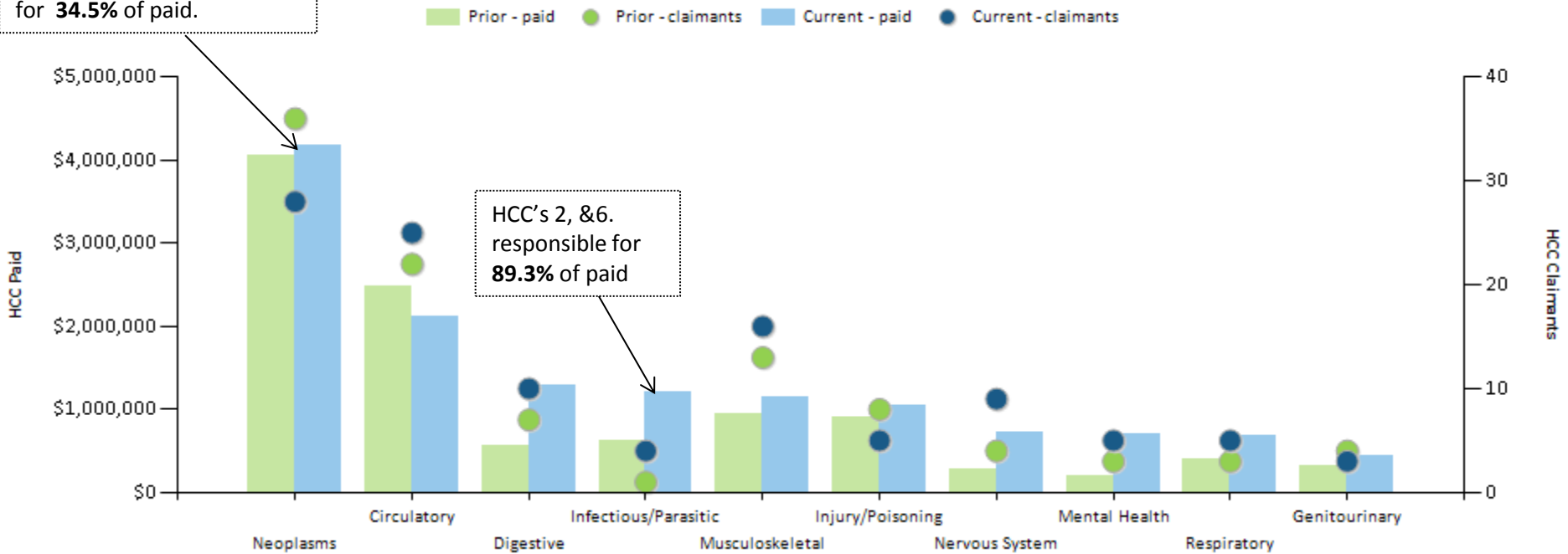
Claimant Distribution by Paid Band

| Dollar Range        | Jan 2014 - Dec 2014 |                     |              | Jan 2015 - Dec 2015 |                     |              | % Change    |              |
|---------------------|---------------------|---------------------|--------------|---------------------|---------------------|--------------|-------------|--------------|
|                     | Claimants           | Paid                | Paid %       | Claimants           | Paid                | Paid %       | Claimants   | Paid         |
| \$0-\$49,999        | 8,047               | \$24,059,035        | 66.4%        | 7,268               | \$22,967,530        | 61.3%        | -9.7%       | -4.5%        |
| \$50,000-\$99,999   | 82                  | \$5,385,786         | 14.9%        | 86                  | \$5,963,335         | 15.9%        | 4.9%        | 10.7%        |
| \$100,000-\$299,999 | 29                  | \$4,440,847         | 12.3%        | 27                  | \$3,892,974         | 10.4%        | -6.9%       | -12.3%       |
| \$300,000+          | 5                   | \$2,367,741         | 6.5%         | 10                  | \$4,626,372         | 12.4%        | 100.0%      | 95.4%        |
| <b>HCC Subtotal</b> | <b>116</b>          | <b>\$12,194,374</b> | <b>33.6%</b> | <b>123</b>          | <b>\$14,482,682</b> | <b>38.7%</b> | <b>6.0%</b> | <b>18.8%</b> |

- Twice as many \$300k+ claimants has nearly doubled the paid in this category.
- **90%** of the top 20 HCC's have IP stays, totaling over **3.3M** paid dollars.

HCC's 1, 7, & 10. These claimants are responsible for **34.5%** of paid.

Ten Most Costly HCC Diagnostic Categories



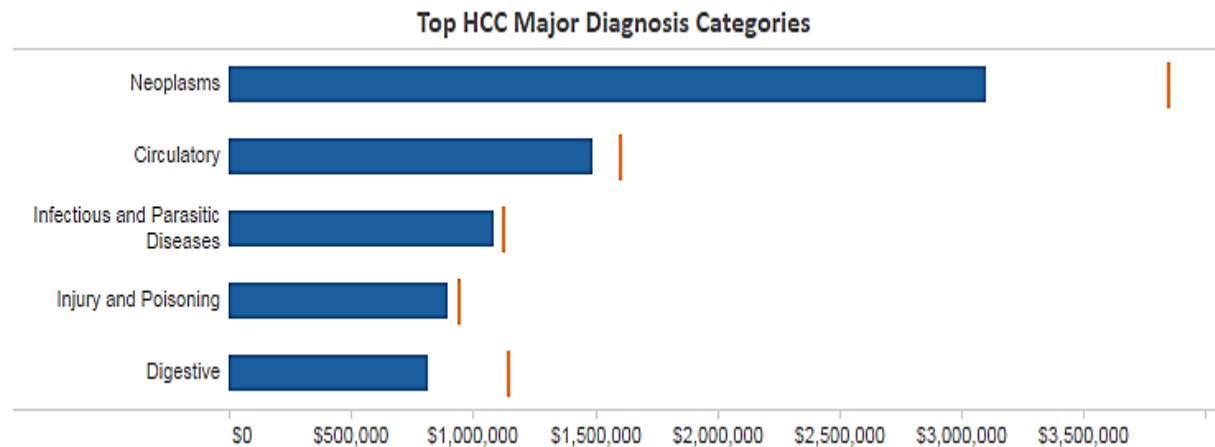


| Rank | Age/Gender Band | Prior HCC | Currently Enrolled | Inpatient Paid | Outpatient Paid | Professional Paid | Pharmacy Paid | Total Paid |
|------|-----------------|-----------|--------------------|----------------|-----------------|-------------------|---------------|------------|
| 1    | Male 60-64      | \$155,105 | No                 | \$464,228      | \$250,233       | \$41,369          | \$35,246      | \$791,076  |
| 2    | Male 65+        | NO        | No                 | \$596,091      | \$21,599        | \$36,468          | \$41,098      | \$695,256  |
| 3    | Male 60-64      | \$130,105 | No                 | \$397,887      | \$169,513       | \$44,963          | \$19,267      | \$631,630  |
| 4    | Male 30-39      | \$254,872 | Yes                | \$0            | \$0             | \$2,180           | \$413,023     | \$415,203  |
| 5    | Male 20-29      | \$210,156 | Yes                | \$61,519       | \$3,306         | \$10,348          | \$312,710     | \$387,883  |
| 6    | Male 50-59      | NO        | No                 | \$329,853      | \$10,590        | \$27,222          | \$7,780       | \$375,445  |
| 7    | Female <1-19    | NO        | Yes                | \$241,714      | \$90,594        | \$9,384           | \$675         | \$342,367  |
| 8    | Male 60-64      | NO        | Yes                | \$158,984      | \$94,393        | \$80,619          | \$4,948       | \$338,944  |
| 9    | Male 60-64      | \$648,372 | Yes                | \$281,009      | \$26,814        | \$19,061          | \$9,001       | \$335,885  |
| 10   | Female 60-64    | NO        | Yes                | \$233,156      | \$47,771        | \$21,526          | \$10,229      | \$312,682  |

- 50% of the current HCC's were a HCC in the prior period
- 40% of the top 10 HCC's are no longer on the plan
- The top 10 HCC's include all members with over \$300K+ total paid.

| Account Summary        |                 |                     |                          |
|------------------------|-----------------|---------------------|--------------------------|
| Current HCC Plan Spend | Est. Plan Spend | Est. 6 Month Growth | Bnmk Est. 6 Month Growth |
| \$10,361,864           | \$12,494,864    | 21%                 | 12%                      |

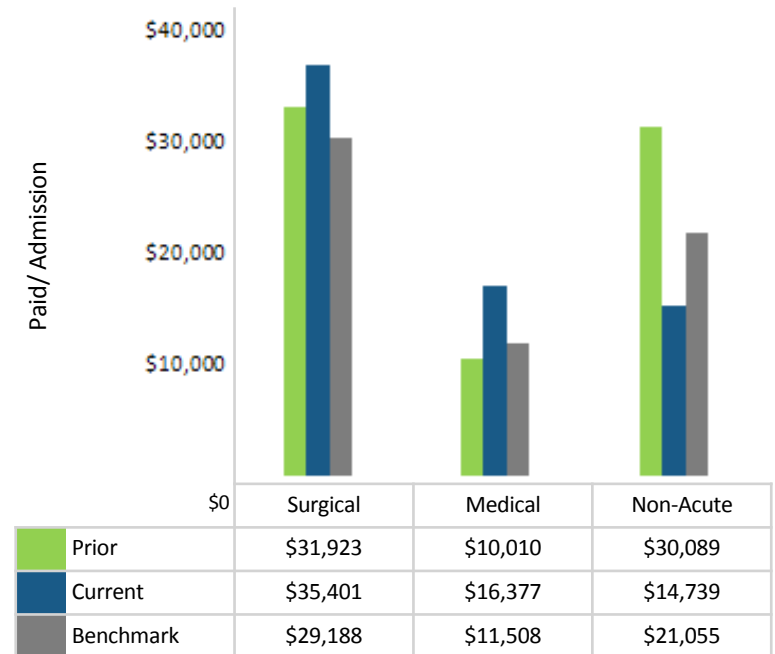
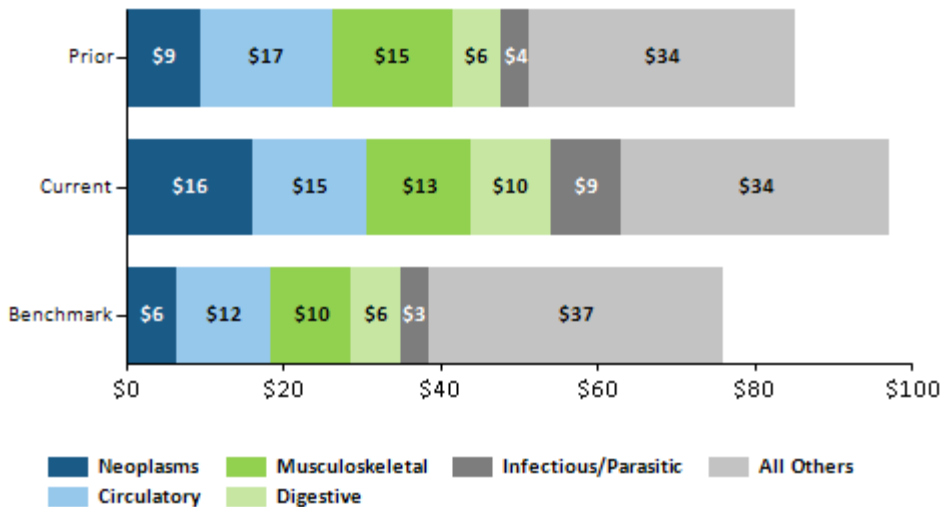
- Estimated growth through June 2016.
- Benchmark data based on OK accounts with 150+ subs
- Estimates are for medical paid ONLY



| Reporting Period        | Jan 2014 - Dec 2014 | Jan 2015 - Dec 2015 | % Change     | Benchmark      | Benchmark Variance |
|-------------------------|---------------------|---------------------|--------------|----------------|--------------------|
| Allowed                 | \$8,947,284         | \$8,695,057         | -2.8%        |                |                    |
| Allowed PMPM            | \$94.68             | \$102.25            | 8.0%         | \$91.60        | 11.6%              |
| Paid                    | \$8,045,437         | \$8,253,446         | 2.6%         |                |                    |
| Paid PMPM               | \$115.23            | \$132.60            | 15.1%        | \$145.85       | -9.1%              |
| <b>Paid PMPM</b>        | <b>\$85.14</b>      | <b>\$97.05</b>      | <b>14.0%</b> | <b>\$75.84</b> | <b>28.0%</b>       |
| Non-High Cost           | \$32.24             | \$29.52             | -8.4%        | \$30.72        | -3.9%              |
| High Cost               | \$52.89             | \$67.53             | 27.7%        | \$45.12        | 49.7%              |
| Admissions              | 473                 | 411                 | -13.1%       |                |                    |
| Admissions/1,000        | 60.1                | 58.0                | -3.4%        | 59.2           | -2.1%              |
| Days/1,000              | 286.6               | 282.5               | -1.4%        | 281.0          | 0.5%               |
| Average Length of Stay  | 4.8                 | 4.9                 | 2.1%         | 4.7            | 2.7%               |
| Paid/Admission          | \$17,009            | \$20,081            | 18.1%        | \$15,365       | 30.7%              |
| In-Network Paid %       | 99.3%               | 99.3%               |              | 98.6%          |                    |
| In-Network Admissions % | 97.9%               | 97.6%               |              | 98.0%          |                    |

- A **27.7%** increase in HCC PMPM is the cause of the **14%** overall IP Paid PMPM increase.
- HCC's are responsible for **69.6%** of IP Paid PMPM
- Surgical Paid per Admission increased **10.9%** in the current period and is **21.3%** above benchmark
- Medical Paid per Admission increased **63.6%** in the current period and is **42.3%** above benchmark

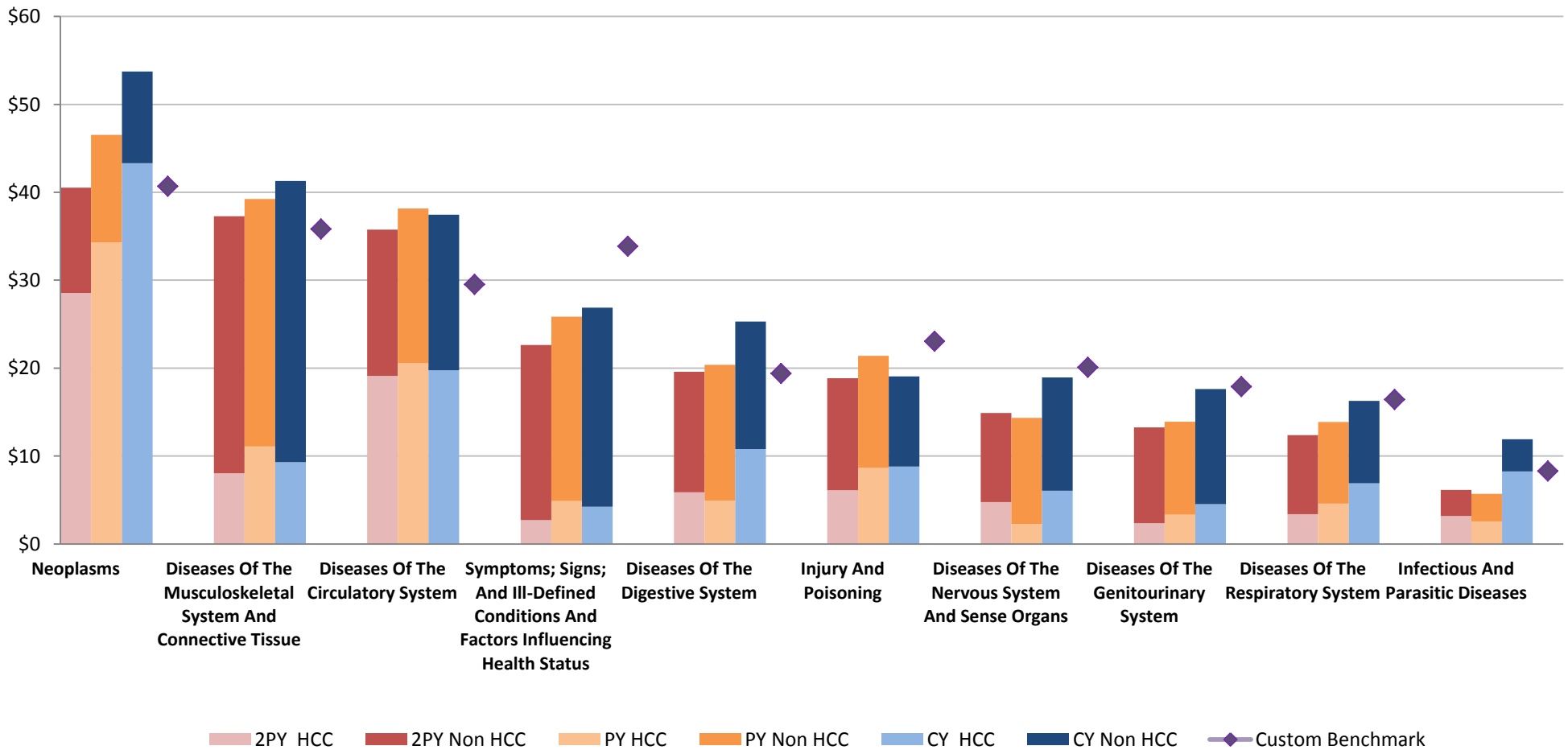
**Inpatient Paid PMPM by Current Period Top Diagnostic Categories**



- The top 5 diagnostic categories with the exception of Circulatory are all trending upwards this period.
  - With the exception of Symptoms/Ill-Defined the top 5 are all above the benchmark

- Neoplasms has been trending upwards the past 3 years.
  - 80.6%** is HCC spend and total PMPM is **30%** above the Benchmark
- Musculoskeletal has also been trending upwards the past 3 years
  - This is following a growing trend

**Top 10 CCS Diagnostic Categories**  
 Three Years Paid PMPM with Higher Education Benchmark  
 for High-Cost and Non-High-Cost Claimants



| CATEGORY                            | CRITERIA                       | RECOMMENDED FREQUENCY OF TESTING  | PRIOR 3 YRS CE | CURRENT 3 YRS CE | Oklahoma BoB BENCHMARK (3YRS CE) |
|-------------------------------------|--------------------------------|---|----------------|------------------|----------------------------------|
| Cervical Cancer Screening           | Female, Age 21-64              | Age 21-64: cervical cytology every 3 years<br>Age 30-64: cervical cytology/HPV co-testing every 5 years                     | 33.4%          | 31.9%            | 30.4%                            |
| Cholesterol Screening               | Male Age 35+<br>Female Age 45+ | Frequency of screening based on risk factor; every 5 years with repeated normal results.                                    | 47.8%          | 50.8%            | 44.9%                            |
| Colon Cancer Screening              | Age 50-75                      | 1) Annual fecal occult blood test - OR -<br>2) A flexible Sigmoidoscopy every 5 yrs - OR -<br>3) A colonoscopy every 10 yrs | 17.6%          | 19.1%            | 16.2%                            |
| Mammogram Screening                 | Female, Age 50-74              | Every 2 years   | 57%            | 55.3%            | 47.2%                            |
| Adult Preventive Exam (Visits/1000) | Age 18+                        | Annual Visit  | 278.0          | 329.0            | 239.0                            |

- Preventive services create cost savings from early detection. Early detection means catching cancer at a less severe state and often allows for a more diverse selection of treatment options.
- All screenings, except Cervical and Mammogram, increased from the prior period.
- All screenings are above the Benchmark.
- Adult preventive and Mammogram are well above the Benchmark.
- Screening rates on this page are annual rates based on the HEDIS guidelines for each specific preventive screening test (3 years continuously enrolled).

BCBS has a 3.9% discount advantage compared to the best of the competition

### How do BCBS network discounts compare to the competition?

When looking at OKHEEI claims paid from January 2015 to December 2015, BCBS has a \$4.0M advantage over the best of the competition, translating into \$63.70 PEPM.

|                 | BCBS Network | Best Combo of Competitors |
|-----------------|--------------|---------------------------|
| <b>Allowed</b>  | \$43,991,000 | \$49,942,000              |
| <b>Discount</b> | 57.1%        | 53.2%                     |

BCBS Discount Comparison by Market

| Market | Covered      | BCBS Discount | Top Competitor Discount | Allowed Savings | BCBS PEPM Advantage |
|--------|--------------|---------------|-------------------------|-----------------|---------------------|
| OK     | \$96,899,000 | 54.5%         | 50.5%                   | \$3,828,000     | \$63.62             |
| TX     | \$3,247,000  | 60.9%         | 57.3%                   | \$115,000       | \$125.96            |
| KS     | \$168,000    | 44.6%         | 43.9%                   | \$1,000         | \$3.73              |

### How was this analysis done?

This analysis is based on claims and discount information provided by carriers to major consulting firms for the purpose of analyzing cost across the nation. BCBS participates in this national database and receives results by market. All competitor names are blinded for each market (except for BCBS).

Actual January 2015 to December 2015 paid claims for OKHEEI, were mapped against the BCBS discount estimates from the independent discount analysis, then mapped a second time against the best discounts for a non-BCBS carrier for each market.

BCBS Network Advantage



3.9%

discount advantage



\$3,951,000

allowed savings



8.6%

% increase in total savings



\$63.70

BCBS PEPM advantage

# Appendix

## Claims on paid basis

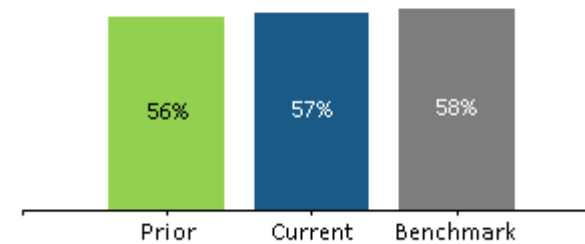
### Financial Order of Reduction

|                   | Jan 2014 - Dec 2014 | Jan 2015 - Dec 2015 | % Change |
|-------------------|---------------------|---------------------|----------|
| Billed            | \$89,810,260        | \$88,350,069        | -1.6%    |
| Not Covered       | \$10,362,053        | \$10,205,892        | -1.5%    |
| Covered           | \$79,448,208        | \$78,144,178        | -1.6%    |
| Discount          | \$44,389,906        | \$44,593,427        | 0.5%     |
| Allowed           | \$35,058,301        | \$33,550,751        | -4.3%    |
| Out of Pocket     | \$7,026,101         | \$6,066,474         | -13.7%   |
| COB               | \$172,499           | \$168,294           | -2.4%    |
| COB Medicare      | \$773,009           | \$769,543           | -0.4%    |
| Other Reductions  | \$4,587             | \$12,512            | >100%    |
| Other Adjustments | (\$71,131)          | (\$63,165)          | -11.2%   |
| Paid - Provider   | \$27,153,237        | \$26,597,093        | -2.0%    |
| Other Payments    | \$24,269            | \$49,996            | >100%    |
| Total Paid        | \$27,177,506        | \$26,647,089        | -2.0%    |
| Allowed PMPM      | \$370.98            | \$394.52            | 6.3%     |
| Paid PMPM         | \$287.59            | \$313.34            | 9.0%     |
| Plan Share        | 79.5%               | 81.5%               | 2.5%     |

- The **total paid** amount **decreased by 2.0%** between reporting periods.
- Total in-network **discounts** (excluding Medicare) were **\$42,435,467 (57.0%)** for the current reporting period.
- The **in-network paid percentage** (excluding Medicare) was **98.8%** for the current reporting period.

### Discount Percentage

(In-network, excluding Medicare)



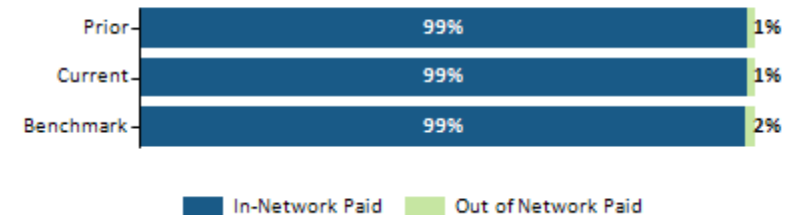
## Network Overview Jan 2015 - Dec 2015

### Medicare Primary

| Indicator      | Network Indicator | Covered             | Discount            | Discount %    | Paid                | % of Paid     |
|----------------|-------------------|---------------------|---------------------|---------------|---------------------|---------------|
| No             | In-Network        | \$74,463,280        | \$42,435,467        | 57.0%         | \$26,135,849        | 98.66%        |
|                | Out of Network    | \$1,688,167         | \$1,058,381         | 62.7%         | \$354,275           | 1.3%          |
| Yes            | In-Network        | \$1,972,660         | \$1,091,450         |               | \$153,644           | 0.6%          |
|                | Out of Network    | \$20,070            | \$8,130             |               | \$3,321             | 0.0%          |
| <b>Summary</b> |                   | <b>\$78,144,178</b> | <b>\$44,593,427</b> | <b>57.1%*</b> | <b>\$26,647,089</b> | <b>100.0%</b> |

### Network Paid Percentage

(excluding Medicare)



\*Calculated discount percent excludes Medicare Primary.

| Reporting Period        | Jan 2014 - Dec 2014 | Jan 2015 - Dec 2015 | % Change | Benchmark | Benchmark Variance |
|-------------------------|---------------------|---------------------|----------|-----------|--------------------|
| Average Membership      | 7,875               | 7,087               | -10.0%   |           |                    |
| Employee                | 5,818               | 5,187               | -10.8%   |           |                    |
| Spouse                  | 474                 | 408                 | -14.0%   |           |                    |
| Dependent               | 1,583               | 1,492               | -5.7%    |           |                    |
| Average Contract Size   | 1.4                 | 1.4                 | 0.9%     | 1.9       | -29.0%             |
| Average Age             | 40.8                | 40.4                | -0.9%    | 33.8      | 19.5%              |
| Employee                | 47.3                | 47.3                | 0.0%     | 43.5      | 8.7%               |
| Spouse                  | 53.3                | 53.5                | 0.3%     | 45.1      | 18.4%              |
| Dependent               | 13.0                | 12.9                | -1.2%    | 12.1      | 6.5%               |
| % Under 30              | 28.9%               | 29.4%               |          | 43.4%     |                    |
| % 30 to 49              | 30.4%               | 30.9%               |          | 31.3%     |                    |
| % 50 to 64              | 33.8%               | 32.7%               |          | 20.7%     |                    |
| % 65+                   | 4.4%                | 4.4%                |          | 3.7%      |                    |
| Gender                  |                     |                     |          |           |                    |
| % of Males              | 45.0%               | 44.4%               |          | 51.6%     |                    |
| % of Females            | 55.0%               | 55.6%               |          | 48.4%     |                    |
| % of Females Ages 20-44 | 19.6%               | 19.9%               |          | 19.7%     |                    |

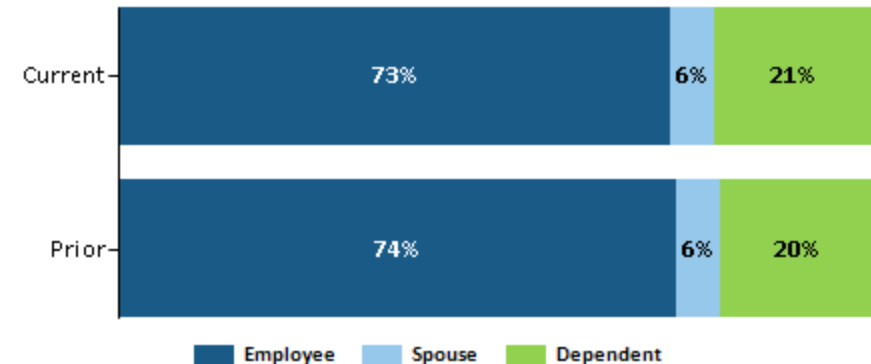
• Overall, membership **decreased by 10.0%** between reporting periods.

• The average age was 40.4 and **decreased by 0.9%** between reporting periods.

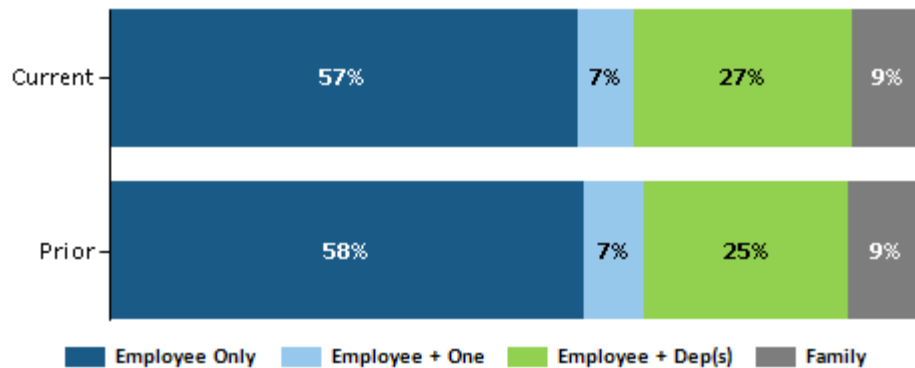
• Contract size **increased by 0.9%** between reporting periods.

• The percentage of females between ages 20 and 44 **increased from 19.6% to 19.9%** between reporting periods.

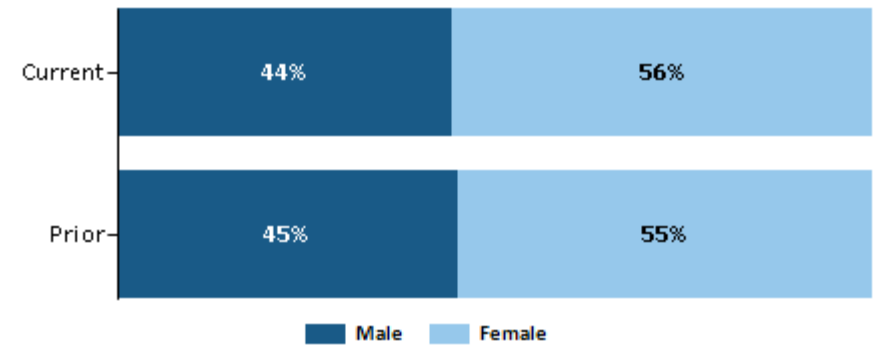
**Enrollment by Relationship**



**Enrollment by Tier**



**Enrollment by Gender**





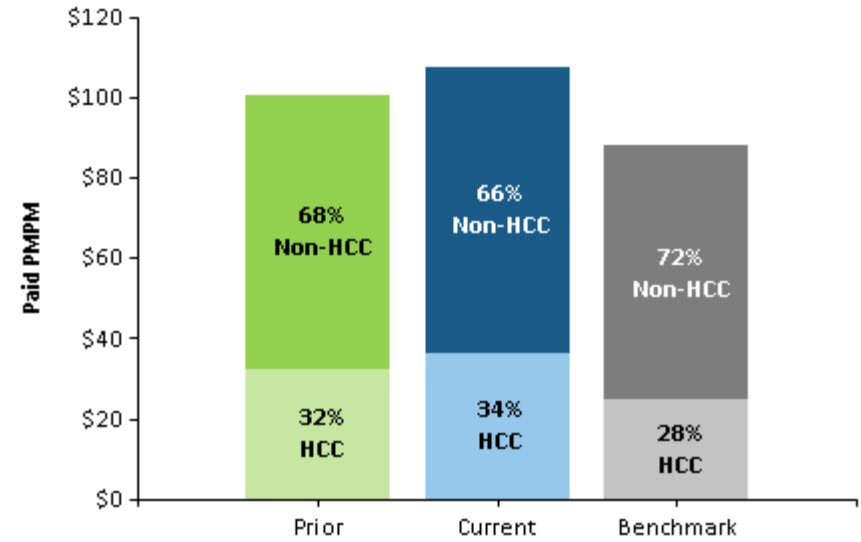
| Reporting Period    | Jan 2014 - Dec 2014 | Jan 2015 - Dec 2015 | % Change    | Benchmark      | Benchmark Variance |
|---------------------|---------------------|---------------------|-------------|----------------|--------------------|
| Allowed             | \$12,291,387        | \$11,986,022        | -2.5%       |                |                    |
| Allowed PMPM        | \$130.06            | \$140.94            | 8.4%        | \$132.44       | 6.4%               |
| Paid                | \$9,516,592         | \$9,134,960         | -4.0%       |                |                    |
| Paid PMPM           | \$136.30            | \$146.76            | 7.7%        | \$169.09       | -13.2%             |
| <b>Paid PMPM</b>    | <b>\$100.70</b>     | <b>\$107.42</b>     | <b>6.7%</b> | <b>\$87.92</b> | <b>22.2%</b>       |
| Non-High Cost       | \$68.41             | \$70.97             | 3.7%        | \$63.38        | 12.0%              |
| High Cost           | \$32.29             | \$36.45             | 12.9%       | \$24.54        | 48.5%              |
| Visits              | 14,353              | 13,376              | -6.8%       |                |                    |
| Visits/1,000        | 1,822.6             | 1,887.5             | 3.6%        | 1,546.3        | 22.1%              |
| Paid/Visit          | \$663               | \$683               | 3.0%        | \$682          | 0.1%               |
| In-Network Paid %   | 98.2%               | 98.6%               |             | 98.4%          |                    |
| In-Network Visits % | 94.9%               | 96.5%               |             | 96.6%          |                    |

- Outpatient paid PMPM **increased by 6.7%** between the two reporting periods and was **22.2% higher than** the benchmark.
- High Cost Claimants accounted for **33.9% of total outpatient spend** compared to **32.1%** from the previous reporting period.
- **Neoplasms** was the most costly diagnostic category for outpatient services in the current reporting period. It **decreased 0.9%** and was **82.1% higher than** the benchmark.

Outpatient Paid PMPM by Current Period Top Diagnostic Categories



Outpatient PMPM with HCC Impact



| Reporting Period    | Jan 2014 - Dec 2014 | Jan 2015 - Dec 2015 | % Change | Benchmark | Benchmark Variance |
|---------------------|---------------------|---------------------|----------|-----------|--------------------|
| Allowed             | \$12,861,076        | \$11,943,990        | -7.1%    |           |                    |
| Allowed PMPM        | \$136.09            | \$140.45            | 3.2%     | \$121.13  | 16.0%              |
| Paid                | \$9,069,333         | \$8,767,003         | -3.3%    |           |                    |
| Paid PMPM           | \$95.97             | \$103.09            | 7.4%     | \$91.29   | 12.9%              |
| Non-High Cost       | \$74.10             | \$75.54             | 1.9%     | \$70.74   | 6.8%               |
| High Cost           | \$21.87             | \$27.55             | 26.0%    | \$20.56   | 34.0%              |
| Visits/1,000        | 9,678.0             | 9,749.7             | 0.7%     | 8,396.7   | 16.1%              |
| Services/1,000      | 18,634.8            | 18,949.0            | 1.7%     | 16,760.3  | 13.1%              |
| Paid/Visit          | \$119               | \$127               | 6.6%     | \$130     | -2.7%              |
| Paid/Service        | \$62                | \$65                | 5.6%     | \$65      | -0.1%              |
| In-Network Paid %   | 98.2%               | 98.1%               |          | 98.3%     |                    |
| In-Network Visits % | 96.1%               | 96.9%               |          | 97.7%     |                    |

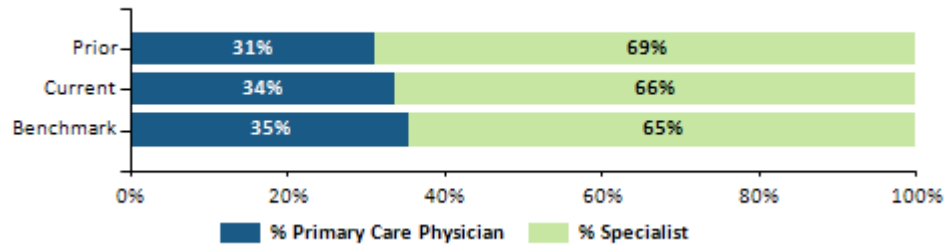
- Professional paid PMPM **increased by 7.4%** between the two reporting periods and was **12.9% higher than** the benchmark.

- High Cost Claimants accounted for **26.7% of total professional spend** compared to **22.8%** from the previous reporting period.

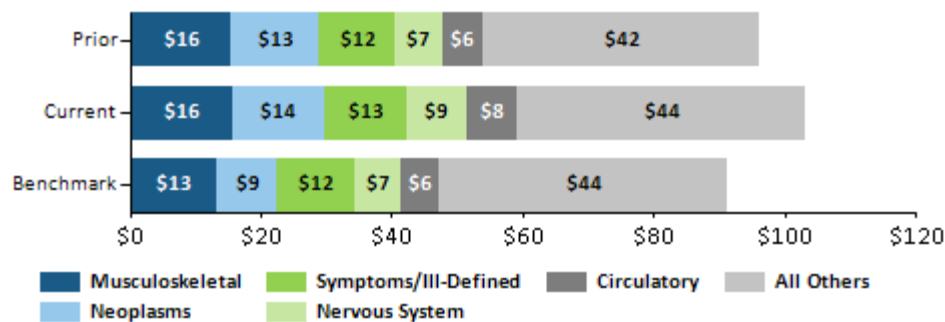
- Musculoskeletal** was the most costly diagnostic category for professional services in the current reporting period. It **increased 0.8%** and was **17.2% higher than** the benchmark.

- Primary Care Physicians accounted for **33.6% of the total professional visits** in the current reporting period.

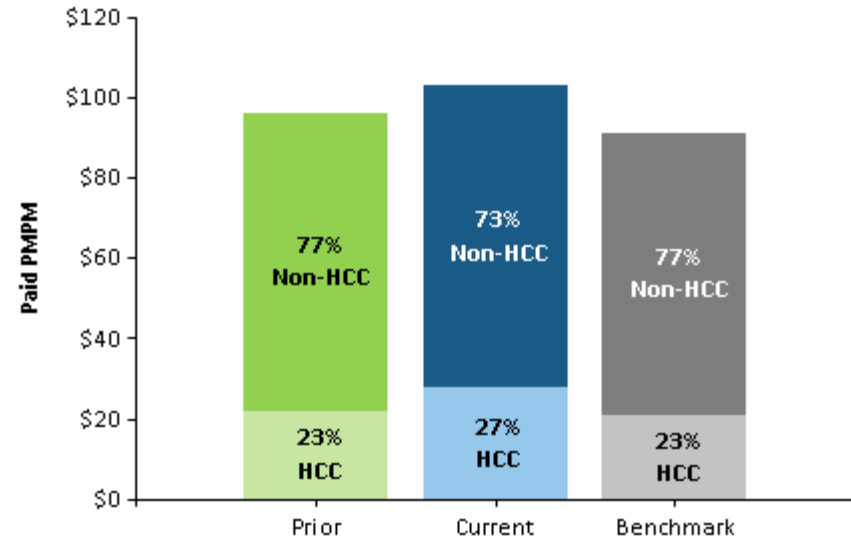
PCP vs Specialist % of Visits



Professional Paid PMPM by Current Period Top Diagnostic Categories



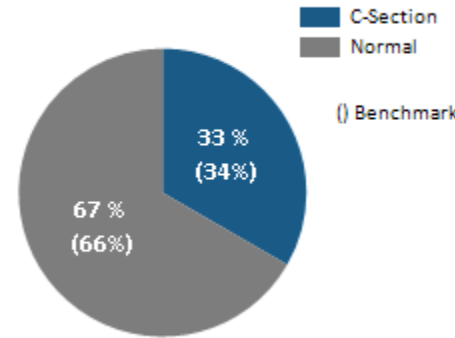
Professional PMPM with HCC Impact



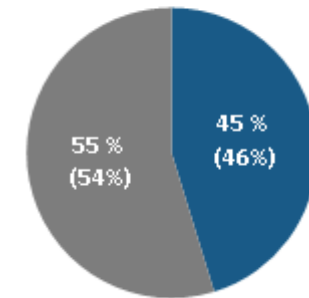
The C-Section rate was **33%** which is below the benchmark (34%) .

| Reporting Period       | Jan 2014 - Dec 2014 | Jan 2015 - Dec 2015 | % Change      | Benchmark     | Benchmark Variance |
|------------------------|---------------------|---------------------|---------------|---------------|--------------------|
| Paid                   | \$730,367           | \$374,210           | -48.8%        |               |                    |
| <b>Paid PMPM</b>       | <b>\$7.73</b>       | <b>\$4.40</b>       | <b>-43.1%</b> | <b>\$5.22</b> | <b>-15.7%</b>      |
| Admissions             | 101                 | 66                  | -34.7%        |               |                    |
| C-Section Delivery     | 38                  | 22                  | -42.1%        |               |                    |
| Normal Delivery        | 63                  | 44                  | -30.2%        |               |                    |
| Admissions/1,000       | 12.8                | 9.3                 | -27.4%        | 11.1          | -15.9%             |
| Days/1,000             | 35.6                | 22.2                | -37.7%        | 27.7          | -20.0%             |
| Average Length of Stay | 2.8                 | 2.4                 | -14.2%        | 2.5           | -4.9%              |
| C-Section Delivery     | 3.7                 | 3.3                 | -11.8%        | 3.2           | 3.6%               |
| Normal Delivery        | 2.2                 | 1.9                 | -12.4%        | 2.2           | -10.4%             |
| Paid/Admission         | \$7,231             | \$5,670             | -21.6%        | \$5,660       | 0.2%               |
| Average Mother Age     | 30.8                | 31.4                | 1.9%          | 29.1          | 8.0%               |

Percent of Deliveries by Type

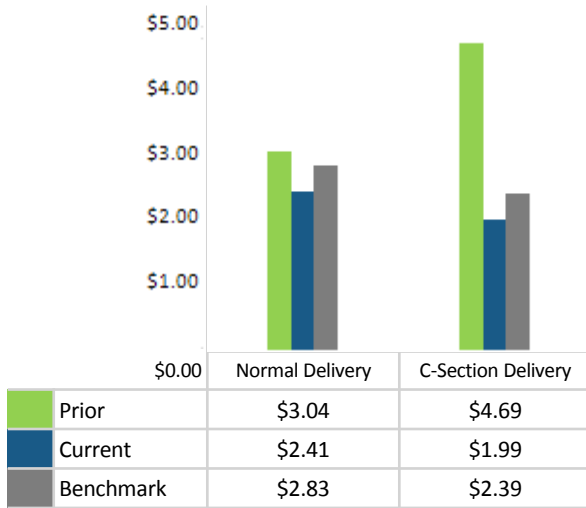


Percent of Delivery Costs by Type

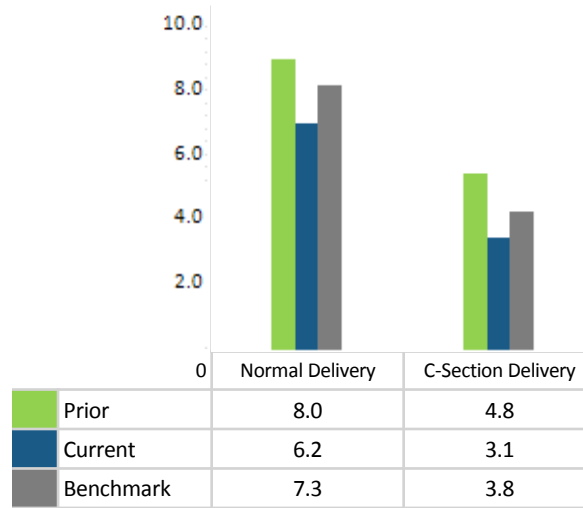


### Normal Delivery and C-Section Overview:

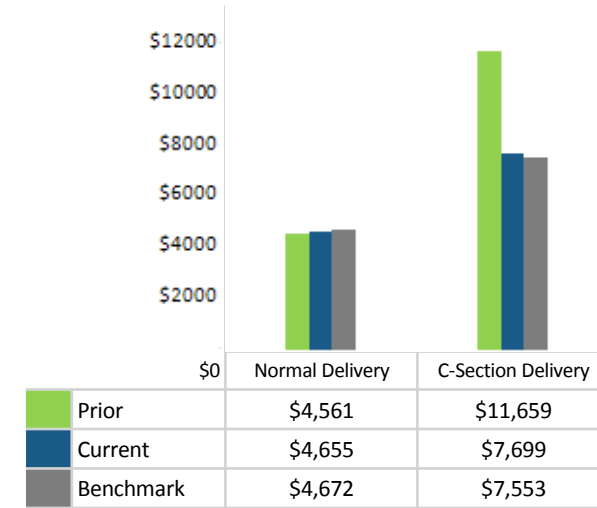
Paid PMPM



Admissions/1,000



Paid/Admission



**Complications of Pregnancy, Childbirth and the Puerperium:** Includes vaginal and cesarean deliveries and pregnancy complications (Hypertension, Hemorrhage, Early/Threatened Labor, Ectopic). Puerperium refers to 42 days following childbirth and expulsion of the placenta. Services are only related to the mother. This category now includes services formerly tied to the diagnostic category of Procreative and Contraceptive Management. This includes artificial insemination, fertility testing, genetic counseling, family planning, sterilizations and contraceptive management.

**Conditions Originating in the Perinatal Period:** Perinatal refers to the period beginning after the 28th week of gestation and ending 28 days after birth. Problems can include hemorrhage, digestive disorders, respiratory distress syndrome and disorders relating to short gestation and unspecified low birth weight. Claims previously found in the Liveborn Infants category can be found here as well. This includes V-codes for single and multiple births.

**Congenital Anomalies:** Includes the treatment of any condition present at birth. This includes Spina Bifida, cleft palate, Down's Syndrome, heart disease, kidney displacement & polycystic kidney disease.

**Diseases of the Blood and Blood Forming Organs:** Includes any problems associated with white or red blood cells, platelets or plasma. An example includes Anemia, a deficiency in red blood cells.

**Diseases of the Circulatory System:** Includes problems with the heart, blood vessels and circulation. Some common diagnoses include Coronary Artery Disease, Chronic Heart Failure, cardiovascular disease and stroke.

**Diseases of the Digestive System:** Includes the treatment of any organ or area of the body pertaining to digestion. These areas include the mouth/teeth, esophagus, stomach, intestines, gall bladder, liver and pancreas. Diagnoses include: Esophageal Reflux, Gastroenteritis, Appendicitis and hernias.

**Diseases of the Genitourinary System:** Includes problems related to the kidneys, bladder and male and female genitalia. Common diagnoses include Hematuria, Urinary Tract Infection, Acute or Chronic Renal Failure and Calculus of Kidney (stones). Dialysis treatments are found in this category.

**Diseases of the Nervous System and Sense Organs:** Includes treatment for disorders of the Central and Peripheral Nervous systems. Diagnoses include: Carpal Tunnel Syndrome, Obstructive Sleep Apnea, Epilepsy, Multiple Sclerosis, Alzheimer's Disease and Migraine headaches. This category also includes conditions involving the sense organs, including former diagnostic categories of Eyes and Ears and Mastoid. The mastoid process is the portion of the temporal bone extending down behind the ear. Diagnoses include Otitis Media, Tinnitus, Meniere's Disease, Hearing Loss and Labyrinthitis.

**Diseases of the Respiratory System:** Includes treatment for diagnoses such as Asthma, Pneumonia, Emphysema, Pharyngitis, Sinusitis, Bronchitis and COPD. These can be acute or chronic in nature.

**Diseases of the Skin and Subcutaneous Tissue:** This involves any condition relating to the skin or beneath the skin, including hair and nails. Some conditions include Acne, Corns, Cellulitis, Psoriasis, Dermatitis and fungal infections.

**Endocrine, Nutritional & Metabolic Diseases and Immunity Disorders:** Endocrine disorders include those of the endocrine glands and includes the thyroid, pituitary, pancreas, ovaries and testes. Disorders include Diabetes, thyroid disease, Obesity, Hyperlipidemia and any disease affecting the immune system.

**Infectious and Parasitic Diseases:** Includes diseases caused by microbes outside of the body that infect and cause damage within the body. These diseases are recognized as communicable or transmissible. Diagnoses include Hepatitis and Septicemia; includes vaccinations against disease.

**Injury and Poisoning:** Includes treatment for injuries to the body or for any poison ingested. Diagnoses include sprains & strains, fractures, burns and lead poisoning. Patients are most commonly seen in the ER for acute conditions. Complications from procedures and medical devices are also found here.

**Mental Illness:** Refers to a group of mental health disorders causing severe disturbances in thinking, feeling or relating. Includes treatment of any condition that affects mood or behavior. The most common diagnoses include anxiety disorders, depressive disorders and schizophrenia. Substance Abuse conditions are also found here and include behavior marked by the use of chemically active agents, such as prescription or illicit drugs, alcohol or tobacco. Cognitive, behavioral and physiological symptoms indicate that the person continues use of the substance.

**Musculoskeletal and Connective Tissue Disease:** Includes orthopedic treatment and involve anything related to the bones, muscles, joints and soft tissue. Diagnoses include: Arthritis, Tendonitis, back disorders, disc disorders, rheumatism and scoliosis. These diagnoses are usually chronic.

**Neoplasms:** Includes any abnormal growth of cells, either benign or malignant (cancer). Though these can be found at any spot of the body, some of the most common forms include neoplasms of the breast, lung, prostate, skin and colon. Other examples: Leukemia and Hodgkin's Disease. Diagnostic codes (V-codes) related to Chemotherapy, Immunotherapy and Radiation Therapy services are also found here. Personal or family history exams related to cancer conditions are also included here.

**Signs, Symptoms, Ill-Defined Conditions and Factors Influencing Health Status (Signs & Symptoms):** Includes signs, symptoms, abnormal lab results and ill-defined conditions for which no known cause can be found. For example, a patient may experience chest pain, but no known cause is found. Most common 3-digit diagnosis for emergency room visits. Factors Influencing Health Status includes monitoring of medications, post-surgical states, organ / tissue transplants, artificial limbs and replacements. Examples include knee replacements and organ transplant statuses. This category also contains items under the former category of Without Reported Diagnosis and includes general medical examinations, gynecological exams, mammogram screenings, preventive services, physicals and special screenings for neoplasms. This diagnostic category is often where preventive screening exams are bucketed. Conditions under the former category of Health Services: Reproduction and Development are also found here. These include services pertaining to the child only. For example, normal pregnancy, post-partum care and exam or health supervision of an infant or child.



BlueCross BlueShield  
of Oklahoma



PRIME  
THERAPEUTICS®

REPORT



Oklahoma Higher Education  
Employee Insurance Group

# Pharmacy Focus

## *In-Depth Pharmacy Performance Review*

**OKHEEI:**  
**Claims Paid 1/1/2015 to 12/31/2015**

*Forward together*



Oklahoma Higher Education  
Employee Insurance Group

***Our results...***

## Performance Overview

# Summary for OKHEEI

### Current drug trend

|                |       |
|----------------|-------|
| Overall:       | 21.7% |
| Non-Specialty: | 16.7% |
| Specialty:     | 38.9% |

### 2015 Savings impact for implemented programs

|                                  |           |
|----------------------------------|-----------|
| •Utilization Management Programs | \$586,515 |
| •Prime Specialty Pharmacy        | \$25,685  |

## Blue + Prime savings for 2015

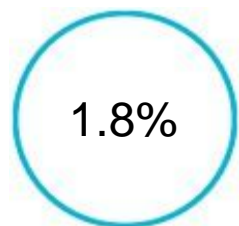
Our unique connection with Blue Plans means you achieve the lowest total cost of care while maintaining superior customer service

**Total Savings**  
**\$612,200**



Our results...

# Key metrics: Your overall Rx spend



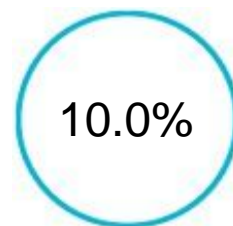
**utilization**

change in number of drugs used



**inflation**

change in unit cost of drugs



**mix**

change in high cost verses low cost drugs



**drug trend**

change in total cost per member, per month

These Key Indicators are at the top of the range

## Key Performance Indicators

|                              | 2014         | 2015         | Change   | Prime BoB Range**  | Prime BoB Range % Change |
|------------------------------|--------------|--------------|----------|--------------------|--------------------------|
| Average Members Per Month    | 7,889        | 7,094        | -10.1%   | N/A                | N/A                      |
| Average Age                  | 40           | 40           | -0.9%    | 32-41              | -0.1% - 8.3%             |
| Female Pct                   | 55.0%        | 55.6%        | 1.1 pts  | 47.3% - 52.8%      | -0.01 - 0.01 pts         |
| Total Cost                   | \$11,958,617 | \$13,090,284 | 9.5%     | N/A                | N/A                      |
| Plan Paid                    | \$9,621,994  | \$11,294,745 | 17.4%    | N/A                | N/A                      |
| Member Paid                  | \$2,336,623  | \$1,795,540  | -23.2%   | N/A                | N/A                      |
| Total Cost PMPM              | \$126.32     | \$153.78     | 21.7%    | \$63.65 - \$106.54 | 5.9% - 29.5%             |
| Plan Paid PMPM               | \$101.64     | \$132.69     | 30.5%    | \$52.93 - \$91.06  | 11.5% - 39.1%            |
| Member Paid PMPM             | \$24.68      | \$21.09      | -14.5%   | \$10.72 - \$18.43  | -15.1% - 3.3%            |
| Member Contribution          | 19.5%        | 13.7%        | -5.8 pts | 13.3% - 24.6%      | -5.8 pts - -1.1 pts      |
| Specialty Total Cost*        | \$2,721,054  | \$3,397,735  | 24.9%    | N/A                | N/A                      |
| Specialty Total Cost PMPM*   | \$28.74      | \$39.92      | 38.9%    | \$22.90 - \$30.29  | 17.6% - 57.3%            |
| Avg Ing Cost/Rx †            | \$74.38      | \$89.16      | 19.9%    | \$70.14 - \$94.16  | 8.3% - 18.7%             |
| PMPY - Rxs †                 | 20.1         | 20.5         | 1.8%     | 10.75 - 16.63      | -2.9% - 9.6%             |
| Generic Utilization †        | 79.7%        | 80.9%        | 1.2 pts  | 78.6% - 86.4%      | 0.3 - 2.0 pts            |
| 90 Day Rx Utilization (Mail) | 0.9%         | 1.1%         | 0.2 pts  | 0.3% - 4.6%        | -0.4 - 0.1 pts           |

\*Specialty metrics are derived from Prime's standard specialty drug management list \*\*Prime BoB Range represents Prime Therapeutic's commercial book of business. Please see the Reference Documents for BOB ranges for previous quarters † Calculations are based on weighted metrics

Our results...

# Top 15 Traditional (Non-Specialty) Drugs by Cost

| 2015 Rank | 2014 Rank | Drug Name              | Therapeutic Class | Clinical Program | Formulary | Plan Paid PMPM | Avg Ing Cost/Rx † | Member Paid PMPM | # Rxs † |
|-----------|-----------|------------------------|-------------------|------------------|-----------|----------------|-------------------|------------------|---------|
| 1         | 2         | CRESTOR                | ANTHYPERLIPIDEMIC | ST               | ON        | \$2.70         | \$208.59          | \$0.26           | 1,209   |
| 2         | 3         | VICTOZA                | DIABETES          | ST/QL            | ON        | \$2.20         | \$607.11          | \$0.10           | 323     |
| 3         | 76        | RENOVO                 | NOT IN CORE AREAS |                  | OFF       | \$1.87         | \$3,931.28        | \$0.01           | 41      |
| 4         | 5         | ANDROGEL PUMP          | NOT IN CORE AREAS | PA/QL            | ON        | \$1.86         | \$567.80          | \$0.11           | 296     |
| 5         | 17        | NOVOLOG                | DIABETES          | QL               | ON        | \$1.73         | \$551.66          | \$0.06           | 278     |
| 6         | 112       | LEVEMIR FLEXTOUCH      | DIABETES          | QL               | ON        | \$1.58         | \$449.73          | \$0.09           | 319     |
| 7         | 6         | ADVAIR DISKUS          | ASTHMA/COPD       | QL               | ON        | \$1.49         | \$291.38          | \$0.18           | 491     |
| 8         | 7         | LYRICA                 | ANTICONVULSANT    | QL               | ON        | \$1.47         | \$373.17          | \$0.08           | 355     |
| 9         | 11        | JANUVIA                | DIABETES          | QL               | ON        | \$1.38         | \$332.82          | \$0.11           | 383     |
| 10        | 13        | NOVOLOG FLEXPEN        | DIABETES          | QL               | ON        | \$1.31         | \$612.44          | \$0.06           | 192     |
| 11        | 8         | LANTUS SOLOSTAR        | DIABETES          | QL               | ON        | \$1.28         | \$333.87          | \$0.08           | 350     |
| 12        | --        | ESOMEPRAZOLE MAGNESIUM | PPIs              | QL               | ON        | \$1.19         | \$202.86          | \$0.10           | 543     |
| 13        | 24        | INVOKANA               | DIABETES          | QL               | ON        | \$1.14         | \$355.29          | \$0.11           | 301     |
| 14        | 23        | XARELTO                | ANTICOAGULANT     | QL               | ON        | \$1.01         | \$328.07          | \$0.08           | 286     |
| 15        | 95        | GLUMETZA               | DIABETES          | PA               | OFF       | \$1.00         | \$2,083.47        | \$0.03           | 42      |

\*PA=Prior Authorization ST= Step Therapy QL= Quantity Limits



Oklahoma Higher Education  
Employee Insurance Group

## *Specialty Focus*

Our results...

# Key metrics: Your overall Specialty Rx spend



**utilization**

change in number of drugs used



**inflation**

change in unit cost of drugs



**mix**

change in high cost verses low cost drugs



**drug trend**

change in total cost per member, per month

## Key Performance Indicators

|                             | 2014        | 2015        | Change   | Prime BoB Range         |
|-----------------------------|-------------|-------------|----------|-------------------------|
| # Rxs                       | 661         | 672         | 1.7%     | N/A                     |
| PMPY - Rxs †                | 0.08        | 0.09        | 13.1%    | 0.05 - 0.07             |
| % Rxs                       | 0.6%        | 0.7%        | 0.07 pts | 0.3% - 0.6%             |
| Specialty Total Cost *      | \$2,721,054 | \$3,397,735 | 24.9%    | N/A                     |
| Specialty Total Cost PMPM * | \$28.74     | \$39.92     | 38.9%    | \$22.90 - \$30.29       |
| % Total Cost                | 22.8%       | 26.0%       | 3.2 pts  | 22.4% - 39.5%           |
| Avg Ing Cost/Rx †           | \$4,115.03  | \$5,056.14  | 22.9%    | \$4,699.95 - \$6,025.53 |

\*Specialty metrics are derived from Prime's standard specialty drug management list \*\*Prime BoB Range represents Prime Therapeutic's commercial book of business . Please see the Reference Documents for BOB ranges for previous quarters

† Calculations are based on weighted metrics

Our results...

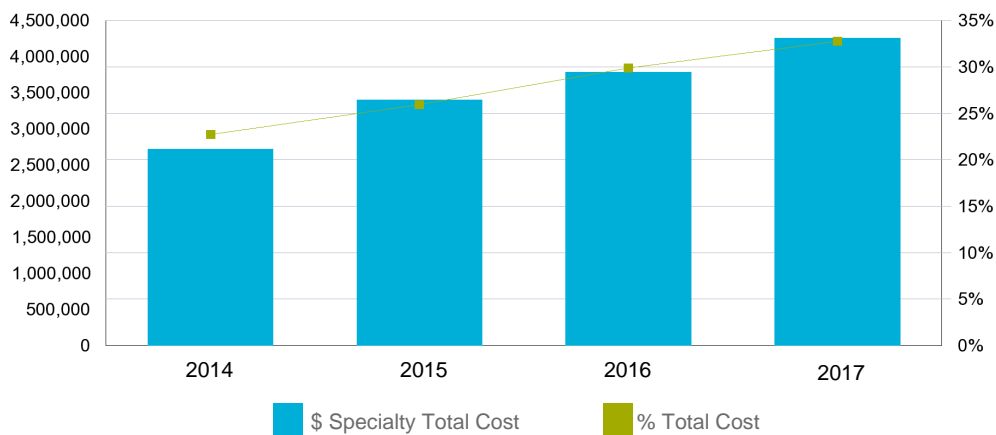
# Top Specialty Drugs by Cost

## Specialty Drug Utilization by Cost

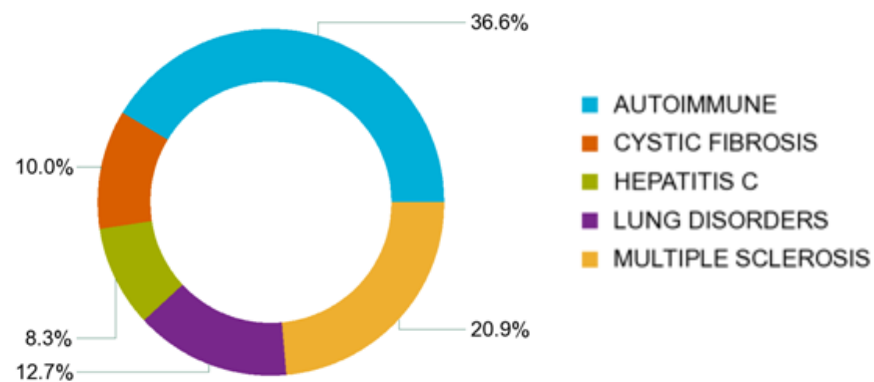
| Rank 2015 | Rank 2014 | Drug Name        | Therapeutic Class  | Clinical Program | Formulary | \$ Total Paid | # Rxs | \$ Avg Plan Cost / Rx | \$ Avg Mbr Cost / Rx | # Unique Util Mbrs |
|-----------|-----------|------------------|--------------------|------------------|-----------|---------------|-------|-----------------------|----------------------|--------------------|
| 1         | 1         | HUMIRA PEN       | AUTOIMMUNE         | ST/QL            | ON        | \$492,328     | 144   | \$3,337.55            | \$81.38              | 22                 |
| 2         | 4         | ACTIMMUNE        | LUNG DISORDERS     |                  | OFF       | \$401,226     | 11    | \$36,402.33           | \$72.72              | 1                  |
| 3         | 3         | ENBREL SURECLICK | AUTOIMMUNE         | ST/QL            | ON        | \$364,865     | 116   | \$3,068.11            | \$77.27              | 15                 |
| 4         | 2         | COPAXONE         | MULTIPLE SCLEROSIS |                  | ON        | \$325,245     | 61    | \$5,256.32            | \$75.55              | 6                  |
| 5         | --        | HARVONI          | HEPATITIS C        | PA               | ON        | \$281,799     | 9     | \$31,222.11           | \$88.88              | 3                  |
| 6         | 7         | REBIF            | MULTIPLE SCLEROSIS | QL               | ON        | \$140,874     | 26    | \$5,341.31            | \$76.92              | 2                  |
| 7         | --        | ORKAMBI          | CYSTIC FIBROSIS    |                  | OFF       | \$120,495     | 6     | \$20,065.80           | \$16.66              | 1                  |
| 8         | 9         | HUMIRA           | AUTOIMMUNE         | PA/QL            | ON        | \$118,963     | 35    | \$3,300.96            | \$97.99              | 6                  |
| 9         | 11        | PULMOZYME        | CYSTIC FIBROSIS    |                  | OFF       | \$97,502      | 23    | \$4,187.06            | \$52.17              | 2                  |
| 10        | 5         | AVONEX           | MULTIPLE SCLEROSIS | ST/QL            | OFF       | \$87,830      | 18    | \$4,779.45            | \$100.00             | 3                  |

\*PA=Prior Authorization ST= Step Therapy QL= Quantity Limits

## Specialty Trend



The top therapeutic classes account for 88.5% of all specialty cost.





Oklahoma Higher Education  
Employee Insurance Group

***Next steps, moving forward...***

Opportunities

# 6 Tier Network – Coinsurance Design

## Model to drive highest plan savings

| Cost Share                       | Coinsurance (recommended approach) |
|----------------------------------|------------------------------------|
| Tier 1 (preferred generics)      | \$10                               |
| Tier 2 (non-preferred generics)  | 50% (\$25 min - \$50 max)          |
| Tier 3 (preferred brand)         | 30% (\$50 max)                     |
| Tier 4 (non-preferred brand)     | 50% (\$75 min)                     |
| Tier 5 (preferred specialty)     | 30% (\$250 max)                    |
| Tier 6 (non-preferred specialty) | 50% (\$275 min)                    |

A tiered benefit design helps drive members to choose the lowest-cost option (even amongst generic drugs), while providing savings to both members and clients

Helps to:

- Mitigate the increasing costs of generic and brand drugs
- Control spend
- Minimize member impact

# Opportunity

## 6 Tier Plan - Coinsurance Design

**In 2015-2016, your benefits were:**

3 tier (generic/brand/non-preferred brand)

Pharmacy Plan paid total was: **\$13,090,284**

Pharmacy member cost share is **13.7%**

**In 2017, recommend:**

6 tier (preferred generic, non-preferred generic, preferred brand, non-preferred brand, preferred specialty, non-preferred specialty)

**2017 Estimated Savings:**

**\$543,401**

### Savings opportunity

| Plan savings PMPM | Projected Member Share Increase | Projected Total Plan savings per year |
|-------------------|---------------------------------|---------------------------------------|
| <b>\$6.36</b>     | <b>4.1%</b>                     | <b>\$543,401</b>                      |

*Data is inclusive of January 2015 to December 2015*



# Opportunity Member Pays the Difference

## DAW 2

Create a **disincentive for use of brand drugs with generic equivalents** to promote awareness of cost impact  
 Member is required to pay the difference between the generic and brand drug cost **if they** request a brand, up to the total cost of the brand-name drug

| All Claims Move to Generic | Outcome   |
|----------------------------|-----------|
| Projected Plan Savings     | \$231,444 |
| Impacted Claims            | 561       |
| Impacted Members           | 143       |

## DAW 1 & 2

Create a **disincentive for use of brand drugs with generic equivalents** to promote awareness of cost impact  
 Member is required to pay the difference between the generic and brand drug cost **if they or their doctor** request a brand, up to the total cost of the brand-name drug

| All Claims Move to Generic | Outcome   |
|----------------------------|-----------|
| Projected Plan Savings     | \$340,332 |
| Impacted Claims            | 981       |
| Impacted Members           | 220       |

Based on claims from 1/1/15-12/31/15

# Opportunity

## Proton Pump Inhibitors (PPI) exclusion

- PPIs are used to treat conditions such as heartburn, gastroesophageal reflux disease (GERD) and ulcers
- Many drugs in the class are readily available over-the-counter
- PPIs have similar efficacy, regardless of whether they are prescription or over-the-counter
- Exclusion of these products will assist in directing members to use the most cost-effective medications

| Drug Name                                 | Average Cost |
|---|--------------|
| Nexium OTC 42 cnt                         | \$23.68      |
| Prilosec OTC 42 cnt                       | \$23.88      |
| Prevacid OTC 42 cnt                       | \$23.88      |
| Zegrid OTC 42 cnt                         | \$22.84      |
| Omeprazole OTC 42 cnt (generic Prilosec)  | \$16.97      |
| Lansoprazole OTC 42cnt (generic Prevacid) | \$16.97      |

*Proton Pump Inhibitor utilization for OKHEEI:*

*Member Impact\**

**Generic: 520**

**Brand: 32**

\*Member impact are Active members with claims from October 2015 – January 2016

Where the industry is heading...

## What's coming in 2016

- **Aggressive benefit designs** with more tiers
- **Narrow networks** more common
- Targeting the **management of specific health conditions** is becoming more prevalent; watch for more on managing cholesterol, hemophilia, and oncology
- The **specialty drug pipeline** shows several new oral oncology drugs that are expected to enter the market



Oklahoma Higher Education  
Employee Insurance Group

# Appendix

Our results...

# Auto-Add Utilization Management Programs

Prior Authorization and Step Therapy programs implemented for OKHEEI

| Program Name  | Type | Effective Date | Sample Medications*  |
|---|------|----------------|--|
| Addyi   | PA   | 4/1/16         | Addyi  |
| HCN (Hyperpolarization-Activated Cyclic Nucleotide-Gated Channel Blocker) | PA   | 4/1/16         | Corlanor   |
| Nepriylsin  | PA   | 4/1/16         | Entresto   |
| Ophthalmic Immunomodulator  | PA   | 7/1/16         | Restasis & new product soon to come to market  |
| Opioid Induced Constipation   | PA   | 4/1/16         | Relistor, Movantik   |
| Parathyroid Hormone   | PA   | 4/1/16         | Natpara  |
| Therapeutic Alternatives  | PA   | 4/1/16         | Absorica, Amrix, Ativan, Bupap, Cambia, Carac/Fluorouracil, Cuprimine, Daraprim, Dexpak, Durlaza, Fortamet, Glumetza, Pandel, Primlev, Rayos,  |
| Topical Antifungal Agents   | PA   | 4/1/16         | Jublia, Kerydin, CNL8, Ciclodan, Pedipak, Pedipirox-4 Nail, Penlac   |
| Atypical Antipsychotic  | ST   | 7/1/16         | Abilify, Abilify Discmelt, Abilify Maintena, Aripiprazole ODT, Clozaril, clozapine ODT, Fanapt, FazaClo, Geodon, Invega, Invega Sustenna, Invega Trinza, Latuda, Rexulti, Risperdal, Risperdal M-Tab, Risperdal Consta, Saphris, Seroquel, Seroquel XR, Versacloz, Zyprexa, Zyprexa Zydis, Zyprexa Relprev |
| Topical NSAID   | ST   | 4/1/16         | Flector, Pennsaid, Voltaren Gel  |

**Total Estimated Savings for Implemented Programs:  
\$75,764 - \$85,128**

\*This information is an estimate and should not be considered binding.

\*Third-party brand names are the property of their respective owners.

Our results...

# Top 25 Therapeutic Classes by Cost

| Rank 2015 | Rank 2014 | Therapeutic Class        | \$ Total Paid | % Total Paid | # Rxs  | \$ Avg Total Cost / Rx | \$ Avg Plan Cost / Rx | \$ Avg Mbr Cost / Rx | % Generic Util Rate | # Unique Util Mbrs |
|-----------|-----------|--------------------------|---------------|--------------|--------|------------------------|-----------------------|----------------------|---------------------|--------------------|
| 1         | 1         | DIABETES                 | \$1,888,107   | 14.4%        | 10,419 | \$181.21               | \$164.21              | \$17.00              | 46.4%               | 626                |
| 2         | 2         | AUTOIMMUNE               | \$1,273,276   | 9.7%         | 436    | \$2,920.35             | \$2,847.53            | \$72.81              | 15.8%               | 59                 |
| 3         | 3         | MULTIPLE SCLEROSIS       | \$710,847     | 5.4%         | 151    | \$4,707.59             | \$4,628.24            | \$79.35              | 0.0%                | 15                 |
| 4         | 4         | ANTHYPERLIPIDEMIC        | \$603,872     | 4.6%         | 10,784 | \$55.99                | \$45.60               | \$10.39              | 82.3%               | 1,133              |
| 5         | 5         | PAIN                     | \$568,828     | 4.3%         | 9,659  | \$58.89                | \$46.96               | \$11.92              | 93.9%               | 2,226              |
| 6         | 7         | ASTHMA/COPD              | \$478,792     | 3.7%         | 5,501  | \$87.03                | \$68.62               | \$18.41              | 51.7%               | 1,010              |
| 7         | 6         | ANTHYPERTENSIVE          | \$477,585     | 3.6%         | 26,505 | \$18.01                | \$11.48               | \$6.53               | 94.4%               | 1,983              |
| 8         | 13        | LUNG DISORDERS           | \$432,975     | 3.3%         | 15     | \$28,864.98            | \$28,784.98           | \$80.00              | 0.0%                | 2                  |
| 9         | 8         | ESTROGENS & OSTEOPOROSIS | \$418,384     | 3.2%         | 8,409  | \$49.75                | \$35.03               | \$14.71              | 72.0%               | 999                |
| 10        | 12        | CYSTIC FIBROSIS          | \$401,427     | 3.1%         | 70     | \$5,734.66             | \$5,697.52            | \$37.14              | 1.4%                | 5                  |
| 11        | 11        | ANTICONVULSANT           | \$340,032     | 2.6%         | 4,110  | \$82.73                | \$72.81               | \$9.92               | 88.7%               | 574                |
| 12        | 10        | DEPRESSION               | \$300,034     | 2.3%         | 10,610 | \$28.27                | \$19.17               | \$9.10               | 95.4%               | 1,218              |
| 13        | 24        | HEPATITIS C              | \$281,799     | 2.2%         | 9      | \$31,311.00            | \$31,222.11           | \$88.88              | 0.0%                | 3                  |
| 14        | 9         | PPIs                     | \$269,493     | 2.1%         | 5,174  | \$52.08                | \$42.75               | \$9.33               | 91.4%               | 729                |
| 15        | 15        | CANCER-ORAL              | \$258,536     | 2.0%         | 113    | \$2,287.92             | \$2,276.33            | \$11.58              | 83.2%               | 19                 |
| 16        | 14        | ADHD                     | \$207,995     | 1.6%         | 1,262  | \$164.81               | \$128.88              | \$35.92              | 59.2%               | 181                |
| 17        | 16        | OTHER - ANTIPSYCHOTIC    | \$202,814     | 1.5%         | 568    | \$357.06               | \$333.73              | \$23.33              | 72.5%               | 84                 |
| 18        | 19        | ANTICOAGULANT            | \$167,686     | 1.3%         | 1,301  | \$128.89               | \$115.18              | \$13.70              | 60.7%               | 173                |
| 19        | 18        | LIFESTYLE                | \$165,979     | 1.3%         | 791    | \$209.83               | \$182.25              | \$27.57              | 27.1%               | 192                |
| 20        | 22        | IMMUNOSUPPRESSANTS       | \$71,471      | 0.5%         | 293    | \$243.92               | \$227.24              | \$16.68              | 88.1%               | 19                 |
| 21        | 20        | ANTICOAGULANTS           | \$67,085      | 0.5%         | 84     | \$798.62               | \$775.86              | \$22.76              | 89.3%               | 31                 |
| 22        | 17        | HIGH COST OTHERS         | \$60,906      | 0.5%         | 40     | \$1,522.65             | \$1,473.29            | \$49.36              | 0.0%                | 7                  |
| 23        | 25        | ENZYME DEFICIENCIES      | \$49,824      | 0.4%         | 8      | \$6,228.04             | \$6,128.04            | \$100.00             | 0.0%                | 1                  |
| 24        | 23        | INSOMNIA                 | \$37,005      | 0.3%         | 1,869  | \$19.79                | \$11.05               | \$8.74               | 97.3%               | 348                |
| 25        | 26        | NAUSEA & VOMITING        | \$14,392      | 0.1%         | 511    | \$28.16                | \$18.14               | \$10.02              | 99.4%               | 372                |

Data is inclusive of January 2015 to December 2015.

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Our results...

# Top 25 Drugs by Claims

| Rank 2015 | Rank 2014 | Drug Name                       | Therapeutic Class | \$ Total Paid | # Rxs | \$ Avg Total Cost / Rx | \$ Avg Plan Cost / Rx | \$ Avg Mbr Cost / Rx | Brand/ Generic | # Unique Util Mbrs |
|-----------|-----------|---------------------------------|-------------------|---------------|-------|------------------------|-----------------------|----------------------|----------------|--------------------|
| 1         | 1         | LEVOTHYROXINE SODIUM            | NOT IN CORE AREAS | \$56,692      | 4,904 | \$11.56                | \$4.03                | \$7.52               | Generic        | 547                |
| 2         | 2         | LISINOPRIL                      | ANTIHYPERTENSIVE  | \$25,436      | 4,696 | \$5.41                 | \$0.81                | \$4.59               | Generic        | 576                |
| 3         | 3         | ATORVASTATIN CALCIUM            | ANTIHYPERTENSIVE  | \$22,953      | 3,382 | \$6.78                 | \$0.89                | \$5.89               | Generic        | 428                |
| 4         | 6         | METFORMIN HCL                   | DIABETES          | \$13,025      | 2,727 | \$4.77                 | \$0.69                | \$4.08               | Generic        | 338                |
| 5         | 7         | OMEPRAZOLE                      | PPIs              | \$21,856      | 2,711 | \$8.06                 | \$1.54                | \$6.51               | Generic        | 414                |
| 6         | 8         | MONTELUKAST SODIUM              | ASTHMA/COPD       | \$29,422      | 2,516 | \$11.69                | \$2.82                | \$8.87               | Generic        | 412                |
| 7         | 5         | SIMVASTATIN                     | ANTIHYPERTENSIVE  | \$13,620      | 2,484 | \$5.48                 | \$0.63                | \$4.84               | Generic        | 285                |
| 8         | 9         | HYDROCHLOROTHIAZIDE             | ANTIHYPERTENSIVE  | \$4,473       | 2,460 | \$1.81                 | \$0.18                | \$1.63               | Generic        | 321                |
| 9         | 4         | HYDROCODONE/ ACETAMINOPHEN      | PAIN              | \$51,814      | 2,343 | \$22.11                | \$9.36                | \$12.75              | Generic        | 977                |
| 10        | 10        | AMLODIPINE BESYLATE             | ANTIHYPERTENSIVE  | \$12,251      | 2,095 | \$5.84                 | \$0.74                | \$5.10               | Generic        | 259                |
| 11        | 11        | FLUTICASONE PROPIONATE          | NOT IN CORE AREAS | \$13,035      | 1,665 | \$7.82                 | \$0.60                | \$7.22               | Generic        | 676                |
| 12        | 14        | MELOXICAM                       | PAIN              | \$3,601       | 1,616 | \$2.22                 | \$0.25                | \$1.97               | Generic        | 377                |
| 13        | 16        | GABAPENTIN                      | ANTICONSULSANT    | \$20,000      | 1,591 | \$12.57                | \$5.94                | \$6.62               | Generic        | 275                |
| 14        | 15        | AZITHROMYCIN                    | NOT IN CORE AREAS | \$14,716      | 1,533 | \$9.59                 | \$1.23                | \$8.36               | Generic        | 1,177              |
| 15        | 13        | METOPROLOL SUCCINATE ER         | ANTIHYPERTENSIVE  | \$29,126      | 1,517 | \$19.19                | \$10.47               | \$8.72               | Generic        | 184                |
| 16        | 12        | LISINOPRIL/ HYDROCHLOROTHIAZIDE | ANTIHYPERTENSIVE  | \$5,095       | 1,489 | \$3.42                 | \$0.31                | \$3.11               | Generic        | 181                |
| 17        | 21        | LOSARTAN POTASSIUM              | ANTIHYPERTENSIVE  | \$5,603       | 1,354 | \$4.13                 | \$0.57                | \$3.56               | Generic        | 170                |
| 18        | 19        | SERTRALINE HCL                  | DEPRESSION        | \$8,578       | 1,290 | \$6.64                 | \$0.96                | \$5.68               | Generic        | 192                |
| 19        | 18        | FLUOXETINE HCL                  | DEPRESSION        | \$8,082       | 1,269 | \$6.36                 | \$2.21                | \$4.15               | Generic        | 167                |
| 20        | 20        | PRAVASTATIN SODIUM              | ANTIHYPERTENSIVE  | \$18,877      | 1,264 | \$14.93                | \$6.45                | \$8.48               | Generic        | 152                |
| 21        | 24        | CRESTOR                         | ANTIHYPERTENSIVE  | \$252,828     | 1,209 | \$209.12               | \$190.56              | \$18.55              | Brand          | 142                |
| 22        | 22        | CITALOPRAM HYDROBROMIDE         | DEPRESSION        | \$6,195       | 1,188 | \$5.21                 | \$0.55                | \$4.65               | Generic        | 171                |
| 23        | 17        | METOPROLOL TARTRATE             | ANTIHYPERTENSIVE  | \$2,965       | 1,180 | \$2.51                 | \$0.48                | \$2.02               | Generic        | 159                |
| 24        | 22        | AMOXICILLIN                     | NOT IN CORE AREAS | \$5,585       | 1,169 | \$4.77                 | \$0.26                | \$4.51               | Generic        | 911                |
| 25        | 28        | ESCITALOPRAM OXALATE            | DEPRESSION        | \$7,466       | 1,146 | \$6.51                 | \$0.82                | \$5.69               | Generic        | 167                |

Data is inclusive of January 2015 to December 2015.

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Our results...

# Generic Utilization

*Each 1% shift from brand to generic can save 1.5% in plan savings*

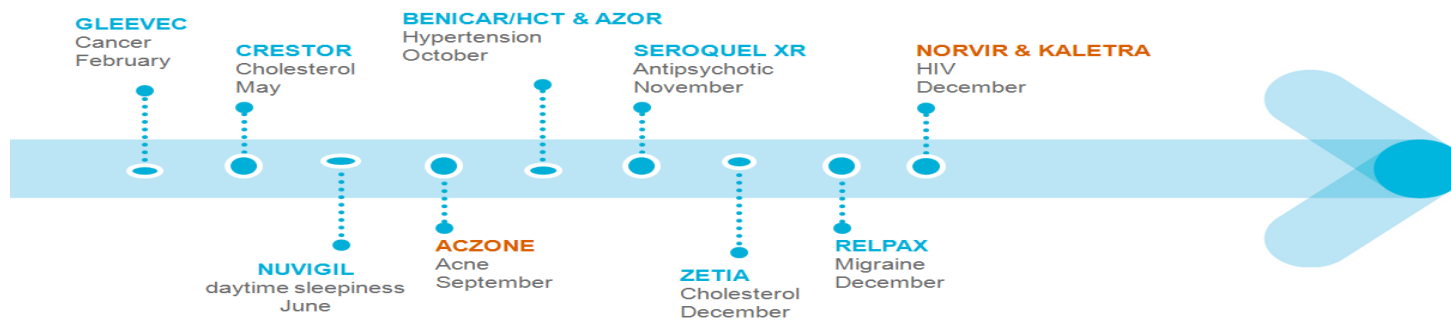
A 1.2 pt increase in generic utilization leads to \$235,625 in estimated total savings

## Generic Trend

|                     | 2014   |       |                   | 2015   |       |                    | Change |     |                 |
|---------------------|--------|-------|-------------------|--------|-------|--------------------|--------|-----|-----------------|
|                     | # Rxs  | % Rxs | Avg Ing Cost/Rx † | # Rxs  | % Rxs | Avg Ing. Cost/Rx † | # Rxs  | Pts | Avg Ing Cost/Rx |
| Generic Utilization | 83,743 | 79.7% | \$20.51           | 77,149 | 80.9% | \$22.51            | -7.9%  | 1.2 | 9.8%            |

† Calculations are based on weighted metrics

## 2016 Marketplace timeline for generic drugs/patent expirations





How we can work together....

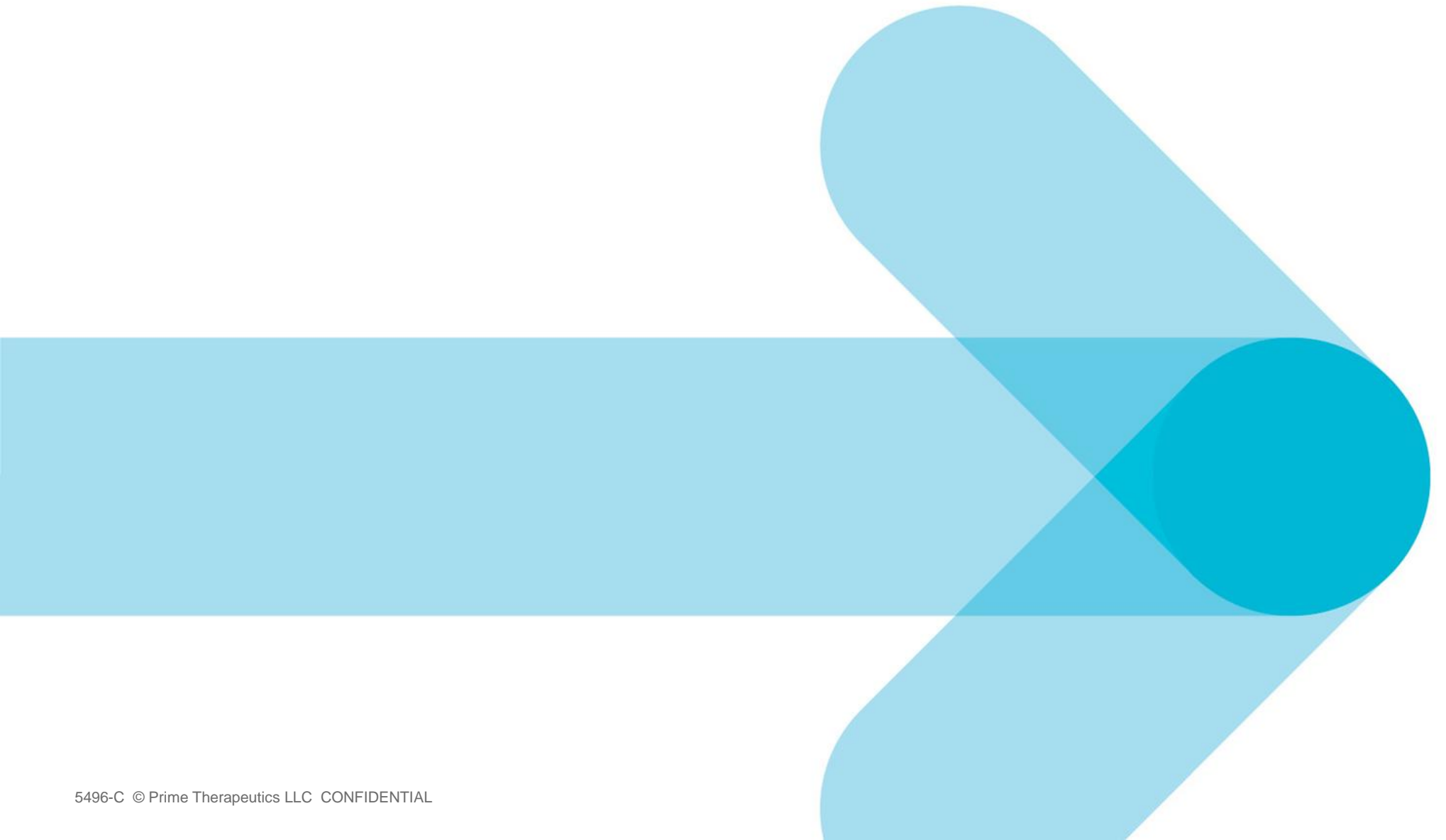
## Utilization Management Add-on Features

### UM FastPAth - Implemented

- Designed to implement prior authorization (PA) on new-to-market drugs that meet the selection criteria, within 1 week of receiving new drug information.
- Acts as a bridge PA to cover the gap in time from drug launch to completion and implementation of final approved PA criteria
- FastPAth criteria is based on the FDA-approved product package insert information

### Auto-Add - Implemented

- Any new Prior Authorization or Step Therapy programs will be automatically implemented for the client. Client sign-off will not be required to implement new programs.





BlueCross BlueShield  
of Oklahoma

# MCM Summary

Medical Care Management



**OKHEEI**

Account #600600

Reporting Period: 2015/01/01 - 2015/12/31

# REPORT PARAMETERS

**Membership**

7,763

***Contracts***

5,595

- All metrics represent the reporting period denoted on the cover and page footers of the report.
- Any associated claims information will be representative of incurred within the reporting period.
  - Any prior period comparisons will reflect the same reporting period time frame from the prior year if applicable.
- All members with at least 1 month of eligibility will be included in this report.
  - Members must be PPO/Fully insured to be included in this report.
  - Medicare primary members are excluded.
- High cost claimants are not excluded from any pages. Additional information on just the High Cost Claimant population (\$50,000 single claim/\$100,000 total claims) is provided within the report.
- PBM data is integrated into the identification and predictive modeling processes when applicable.
- Book of Business comparisons are based on accounts with similar robust medical care management products
  - Book of business will represent the plan state associated with the account.

**OKHEEI**

**Reporting Period: 2015/01/01 - 2015/12/31**

# Executive Summary

## Membership

**25.3%**  
of membership\* is consuming  
**71.7%**  
of total dollars

|         |                  | Healthy | Low   | Moderate | High  | Complex/<br>Catastrophic |
|---------|------------------|---------|-------|----------|-------|--------------------------|
| Members | Account          | 30.0%   | 37.3% | 13.3%    | 10.6% | 1.3%                     |
|         | Book of Business | 31.4%   | 31.0% | 8.8%     | 6.6%  | 0.8%                     |
| Paid    | Account          | 3.5%    | 21.6% | 21.3%    | 28.7% | 21.7%                    |
|         | Book of Business | 2.1%    | 10.4% | 8.9%     | 11.7% | 9.1%                     |

\* Moderate, high/multiple conditions and complex/catastrophic risk categories.

## Clinical Program Overview

**94.4%**  
targeted for outreach (of Identified)  
*90.7%*  
*Book of Business*

**70.0%**  
contacted engagement rate  
*63.0%*  
*Book of Business*

OKHEEI

Reporting Period: 2015/01/01 - 2015/12/31

# ENGAGEMENT & OPPORTUNITIES Summary

## Participant counts by engagement status:

|                |                                     |         | Total         | Case Management | Condition Management | LifeStyle Management | Special Beginnings |
|----------------|-------------------------------------|---------|---------------|-----------------|----------------------|----------------------|--------------------|
| Engagement     | Newly Engaged                       | Account | 306           | 49              | 220                  | 25                   | 6                  |
|                |                                     | BOB     | 3,722         | 1,224           | 1,910                | 203                  | 57                 |
|                | Managed (Newly Engaged + Carryover) | Account | 326           | 56              | 224                  | 31                   | 9                  |
|                |                                     | BOB     | 4,135         | 1,423           | 1,983                | 262                  | 79                 |
| Program Status | Graduated                           | Account | 254 / 77.9%   | 36 / 64.3%      | 200 / 89.3%          | 11 / 35.5%           | 3 / 33.3%          |
|                |                                     | BOB     | 2,957 / 71.5% | 832 / 58.5%     | 1,734 / 87.4%        | 92 / 35.1%           | 17 / 21.5%         |
|                | Opted Out                           | Account | 41 / 12.6%    | 12 / 21.4%      | 12 / 5.4%            | 11 / 35.5%           | 4 / 44.4%          |
|                |                                     | BOB     | 522 / 12.6%   | 237 / 16.6%     | 129 / 6.5%           | 97 / 37.0%           | 33 / 41.8%         |
|                | Still Active                        | Account | 25 / 7.7%     | 4 / 7.1%        | 11 / 4.9%            | 8 / 25.8%            | 2 / 22.2%          |
|                |                                     | BOB     | 429 / 10.4%   | 190 / 13.4%     | 96 / 4.8%            | 62 / 23.7%           | 24 / 30.4%         |
|                | Became Ineligible                   | Account | 6 / 1.8%      | 4 / 7.1%        | 1 / .4%              | 1 / 3.2%             | 0 / .0%            |
|                |                                     | BOB     | 227 / 5.5%    | 164 / 11.5%     | 24 / 1.2%            | 11 / 4.2%            | 5 / 6.3%           |

## Missed Opportunities:

**2,066 / 79.6%**  
unique missed  
opportunities

*Book of Business 41,122 / 80.3%*  
*(Incomplete Contact Information,  
Refused and Unable to Reach)*

**88.9% Employees**

**11.1% Dependents**

**OKHEEI**

**Reporting Period: 2015/01/01 - 2015/12/31**

# ENGAGEMENT & OPPORTUNITIES

## Case Management

### Participant counts by engagement status:

|                       |  |                |             | <b>Case</b>       |             |
|-----------------------|--|----------------|-------------|-------------------|-------------|
|                       |  | <b>Total</b>   |             | <b>Management</b> | <b>CCEI</b> |
| <b>Engagement</b>     | <b>Newly Engaged</b>                       | <i>Account</i> | 49          | 36                | 15          |
|                       |  | <i>BOB</i>     | 1,224       | 901               | 363         |
|                       | <b>Managed (Newly Engaged + Carryover)</b> | <i>Account</i> | 56          | 43                | 15          |
|                       |  | <i>BOB</i>     | 1,423       | 1,088             | 384         |
| <b>Program Status</b> | <b>Graduated</b>                           | <i>Account</i> | 36 / 64.3%  | 30 / 69.8%        | 6 / 40.0%   |
|                       |  | <i>BOB</i>     | 832 / 58.5% | 671 / 61.7%       | 178 / 46.4% |
|                       | <b>Opted Out</b>                           | <i>Account</i> | 12 / 21.4%  | 6 / 14.0%         | 7 / 46.7%   |
|                       |  | <i>BOB</i>     | 237 / 16.6% | 132 / 12.1%       | 113 / 29.4% |
|                       | <b>Still Active</b>                        | <i>Account</i> | 4 / 7.1%    | 4 / 9.3%          | 0 / .0%     |
|                       |  | <i>BOB</i>     | 190 / 13.4% | 176 / 16.2%       | 23 / 6.0%   |
|                       | <b>Became Ineligible</b>                   | <i>Account</i> | 4 / 7.1%    | 3 / 7.0%          | 2 / 13.3%   |
|                       |  | <i>BOB</i>     | 164 / 11.5% | 109 / 10.0%       | 70 / 18.2%  |

### Missed Opportunities:

**230 / 64.4%**  
unique missed  
opportunities

*Book of Business 4,413 / 53.3%*  
*(Incomplete Contact Information,  
Refused and Unable to Reach)*

**85.2% Employees**

**14.8% Dependents**

**OKHEEI**

**Reporting Period: 2015/01/01 - 2015/12/31**

# ENGAGEMENT & OPPORTUNITIES

## Condition Management

### Participant counts by engagement status:

|                |                                     |         | Total         | Diabetes    | Asthma      | CHF        | COPD       | CAD         |
|----------------|-------------------------------------|---------|---------------|-------------|-------------|------------|------------|-------------|
| Engagement     | Newly Engaged                       | Account | 220           | 44          | 12          | 2          | 0          | 7           |
|                |                                     | BOB     | 1,910         | 792         | 150         | 23         | 35         | 202         |
|                | Managed (Newly Engaged + Carryover) | Account | 224           | 48          | 12          | 2          | 0          | 7           |
|                |                                     | BOB     | 1,983         | 836         | 153         | 23         | 38         | 205         |
| Program Status | Graduated                           | Account | 200 / 89.3%   | 44 / 91.7%  | 9 / 75.0%   | 2 / 100.0% | 0 / .0%    | 7 / 100.0%  |
|                |                                     | BOB     | 1,734 / 87.4% | 747 / 89.4% | 141 / 92.2% | 21 / 91.3% | 33 / 86.8% | 191 / 93.2% |
|                | Opted Out                           | Account | 12 / 5.4%     | 1 / 2.1%    | 0 / .0%     | 0 / .0%    | 0 / .0%    | 0 / .0%     |
|                |                                     | BOB     | 129 / 6.5%    | 20 / 2.4%   | 4 / 2.6%    | 0 / .0%    | 2 / 5.3%   | 4 / 2.0%    |
|                | Still Active                        | Account | 11 / 4.9%     | 3 / 6.2%    | 2 / 16.7%   | 0 / .0%    | 0 / .0%    | 0 / .0%     |
|                |                                     | BOB     | 96 / 4.8%     | 59 / 7.1%   | 6 / 3.9%    | 1 / 4.4%   | 2 / 5.3%   | 9 / 4.4%    |
|                | Became Ineligible                   | Account | 1 / .4%       | 0 / .0%     | 1 / 8.3%    | 0 / .0%    | 0 / .0%    | 0 / .0%     |
|                |                                     | BOB     | 24 / 1.2%     | 10 / 1.2%   | 2 / 1.3%    | 1 / 4.4%   | 1 / 2.6%   | 1 / .5%     |

### Missed Opportunities:

**1,155 / 79.7%**  
unique missed  
opportunities

*Book of Business 19,753 / 85.2%*  
*(Incomplete Contact Information,  
Refused and Unable to Reach)*

**88.5% Employees**

**11.5% Dependents**

**OKHEEI**

**Reporting Period: 2015/01/01 - 2015/12/31**



# ENGAGEMENT & OPPORTUNITIES

## *Lifestyle Management*

### Participant counts by engagement status:

|                |                                     |         | Total      | Tobacco<br>Cessation | Weight<br>Management | Metabolic<br>Syndrome |
|----------------|-------------------------------------|---------|------------|----------------------|----------------------|-----------------------|
| Engagement     | Newly Engaged                       | Account | 25         | 1                    | 24                   | 0                     |
|                |                                     | BOB     | 203        | 44                   | 150                  | 9                     |
|                | Managed (Newly Engaged + Carryover) | Account | 31         | 1                    | 29                   | 1                     |
|                |                                     | BOB     | 262        | 55                   | 187                  | 20                    |
| Program Status | Graduated                           | Account | 11 / 35.5% | 0 / .0%              | 10 / 34.5%           | 1 / 100.0%            |
|                |                                     | BOB     | 92 / 35.1% | 15 / 27.3%           | 67 / 35.8%           | 10 / 50.0%            |
|                | Opted Out                           | Account | 11 / 35.5% | 0 / .0%              | 11 / 37.9%           | 0 / .0%               |
|                |                                     | BOB     | 97 / 37.0% | 26 / 47.3%           | 67 / 35.8%           | 4 / 20.0%             |
|                | Still Active                        | Account | 8 / 25.8%  | 1 / 100.0%           | 7 / 24.1%            | 0 / .0%               |
|                |                                     | BOB     | 62 / 23.7% | 10 / 18.2%           | 47 / 25.1%           | 5 / 25.0%             |
|                | Became Ineligible                   | Account | 1 / 3.2%   | 0 / .0%              | 1 / 3.4%             | 0 / .0%               |
|                |                                     | BOB     | 11 / 4.2%  | 4 / 7.3%             | 6 / 3.2%             | 1 / 5.0%              |

### Missed Opportunities:

**651 / 90.7%**  
unique missed  
opportunities

*Book of Business 16,388 / 94.9%*  
*(Incomplete Contact Information,  
Refused and Unable to Reach)*

**92.5% Employees**

**7.5% Dependents**

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**Reporting Period: 2015/01/01 - 2015/12/31**

# ENGAGEMENT & OPPORTUNITIES

## *Special Beginnings*

### Participant counts by engagement status:

|                |                                     | Total   |            |
|----------------|-------------------------------------|---------|------------|
| Engagement     | Newly Engaged                       | Account | 6          |
|                |                                     | BOB     | 57         |
|                | Managed (Newly Engaged + Carryover) | Account | 9          |
|                |                                     | BOB     | 79         |
| Program Status | Graduated                           | Account | 3 / 33.3%  |
|                |                                     | BOB     | 17 / 21.5% |
|                | Opted Out                           | Account | 4 / 44.4%  |
|                |                                     | BOB     | 33 / 41.8% |
|                | Still Active                        | Account | 2 / 22.2%  |
|                |                                     | BOB     | 24 / 30.4% |
|                | Became Ineligible                   | Account | 0 / .0%    |
|                |                                     | BOB     | 5 / 6.3%   |

### Missed Opportunities:

**12 / 27.9%**  
unique missed  
opportunities

*Book of Business 196 / 12.1%*  
*(Incomplete Contact Information,  
Refused and Unable to Reach)*

**91.7% Employees**

**8.3% Dependents**

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**Reporting Period: 2015/01/01 - 2015/12/31**

# ENGAGEMENT & OPPORTUNITIES

## *Behavioral Health*

### Participant counts by engagement status:

|                |                                     |         | Total       | Mental Health | Substance Abuse |
|----------------|-------------------------------------|---------|-------------|---------------|-----------------|
| Engagement     | Newly Engaged                       | Account | 3           | 2             | 1               |
|                |                                     | BOB     | 165         | 139           | 26              |
|                | Managed (Newly Engaged + Carryover) | Account | 3           | 2             | 1               |
|                |                                     | BOB     | 195         | 164           | 31              |
| Program Status | Graduated                           | Account | 2 / 66.7%   | 2 / 100.0%    | 0 / .0%         |
|                |                                     | BOB     | 141 / 72.3% | 120 / 73.2%   | 21 / 67.7%      |
|                | Opted Out                           | Account | 1 / 33.3%   | 0 / .0%       | 1 / 100.0%      |
|                |                                     | BOB     | 13 / 6.7%   | 8 / 4.9%      | 5 / 16.1%       |
|                | Still Active                        | Account | 0 / .0%     | 0 / .0%       | 0 / .0%         |
|                |                                     | BOB     | 29 / 14.9%  | 24 / 14.6%    | 5 / 16.1%       |
|                | Became Ineligible                   | Account | 0 / .0%     | 0 / .0%       | 0 / .0%         |
|                |                                     | BOB     | 12 / 6.2%   | 12 / 7.3%     | 0 / .0%         |

### Missed Opportunities:

**10 / 66.7%**  
unique missed  
opportunities

*Book of Business 192 / 42.1%*  
*(Incomplete Contact Information,  
Refused and Unable to Reach)*

**30.0% Employees**

**70.0% Dependents**

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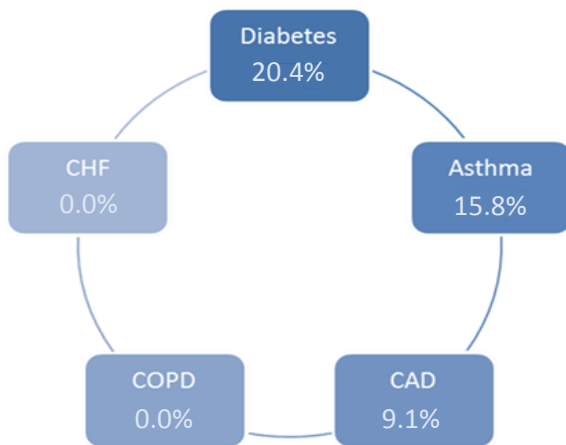
**Reporting Period: 2015/01/01 - 2015/12/31**

# CHRONIC CONDITIONS

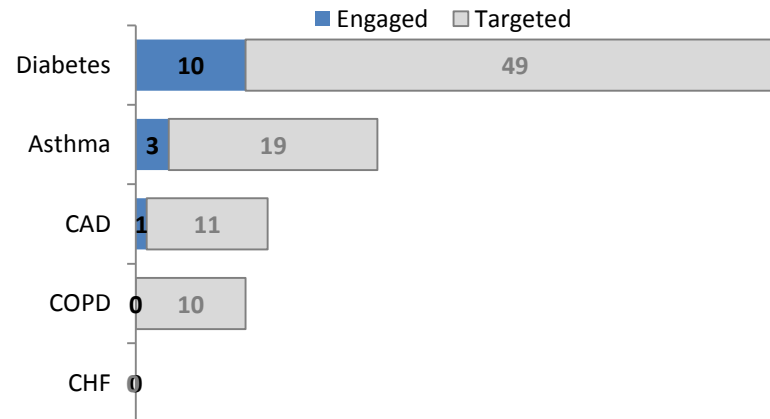
Core Gaps in Care **Compliance Rates** of Engaged Population:

|  | Current | Prior  | Book of Business |
|--|---------|--------|------------------|
| <b>Diabetes</b>  |         |        |                  |
| HbA1C in the past 12 months  | 59.2%   | 50.0%  | 67.4%            |
| Physician office visit in past 6 months  | 95.9%   | 92.6%  | 91.8%            |
| LDL Level in past 12 months  | 65.3%   | 57.4%  | 69.5%            |
| Microalbuminuria test in past 12 month &/or (for diabetics with hypertension)<br>ACE/ARB medication in past 6 months | 98.0%   | 94.4%  | 96.5%            |
| <b>Asthma</b>  |         |        |                  |
| On controller medication   | 100.0%  | 92.9%  | 97.3%            |
| <b>Cardiovascular Cluster (CAD)</b>  |         |        |                  |
| LDL level in the past 12 months  | 45.5%   | 62.5%  | 59.4%            |
| <b>Chronic Obstructive Pulmonary Disorder (COPD)</b>   |         |        |                  |
| Bronchodilator Adherence   | 100.0%  | 100.0% | 98.4%            |
| <b>Congestive Heart Failure (CHF)</b>  |         |        |                  |
| Physician office visit in past 6 months  | 0.0%    | 0.0%   | 97.4%            |

Contacted Engagement Rates:



Targeted and Engaged members for the 5 core conditions:



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Reporting Period: 2015/01/01 - 2015/12/31

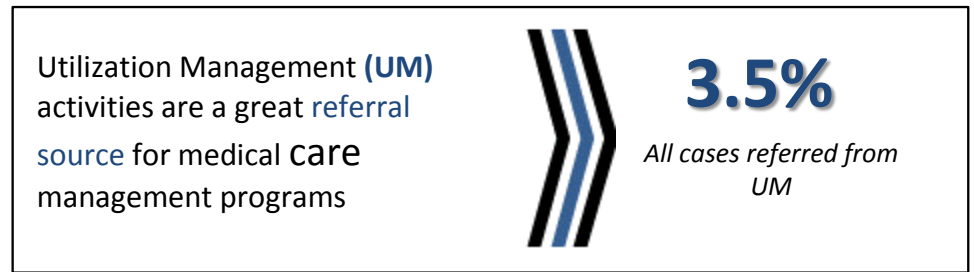
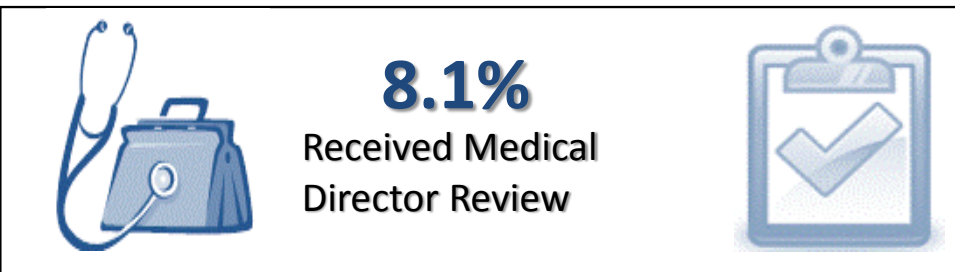
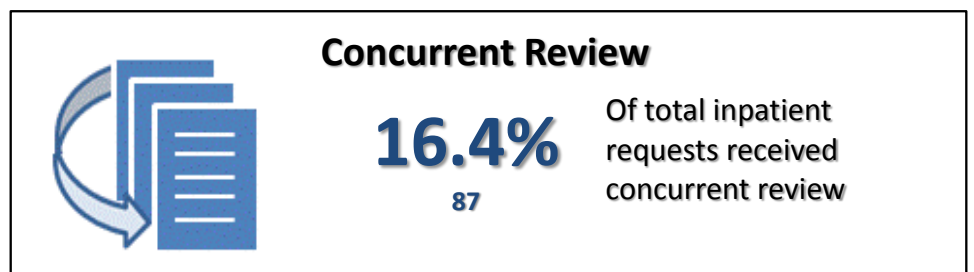
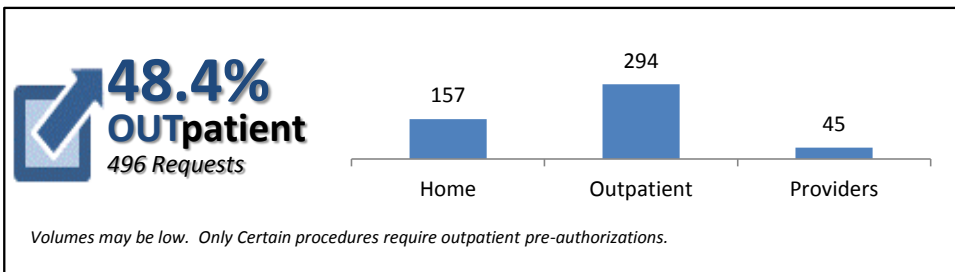
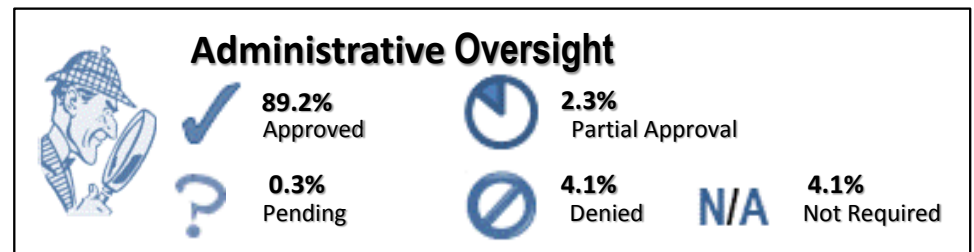
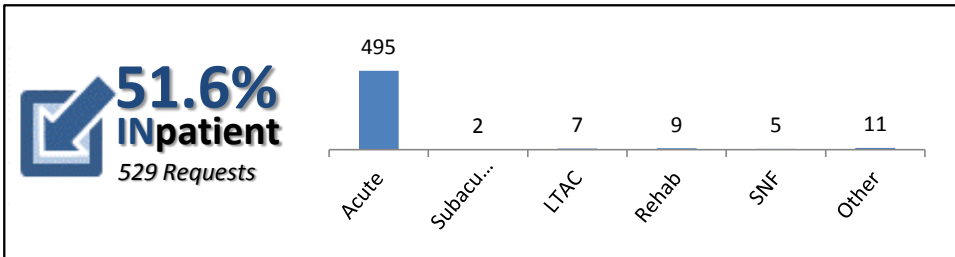
# UTILIZATION MANAGEMENT ACTIVITIES

There are many oversight and quality care functions that HCSC performs on utilization management activities. Below are some key elements for the requests processed >>>>>

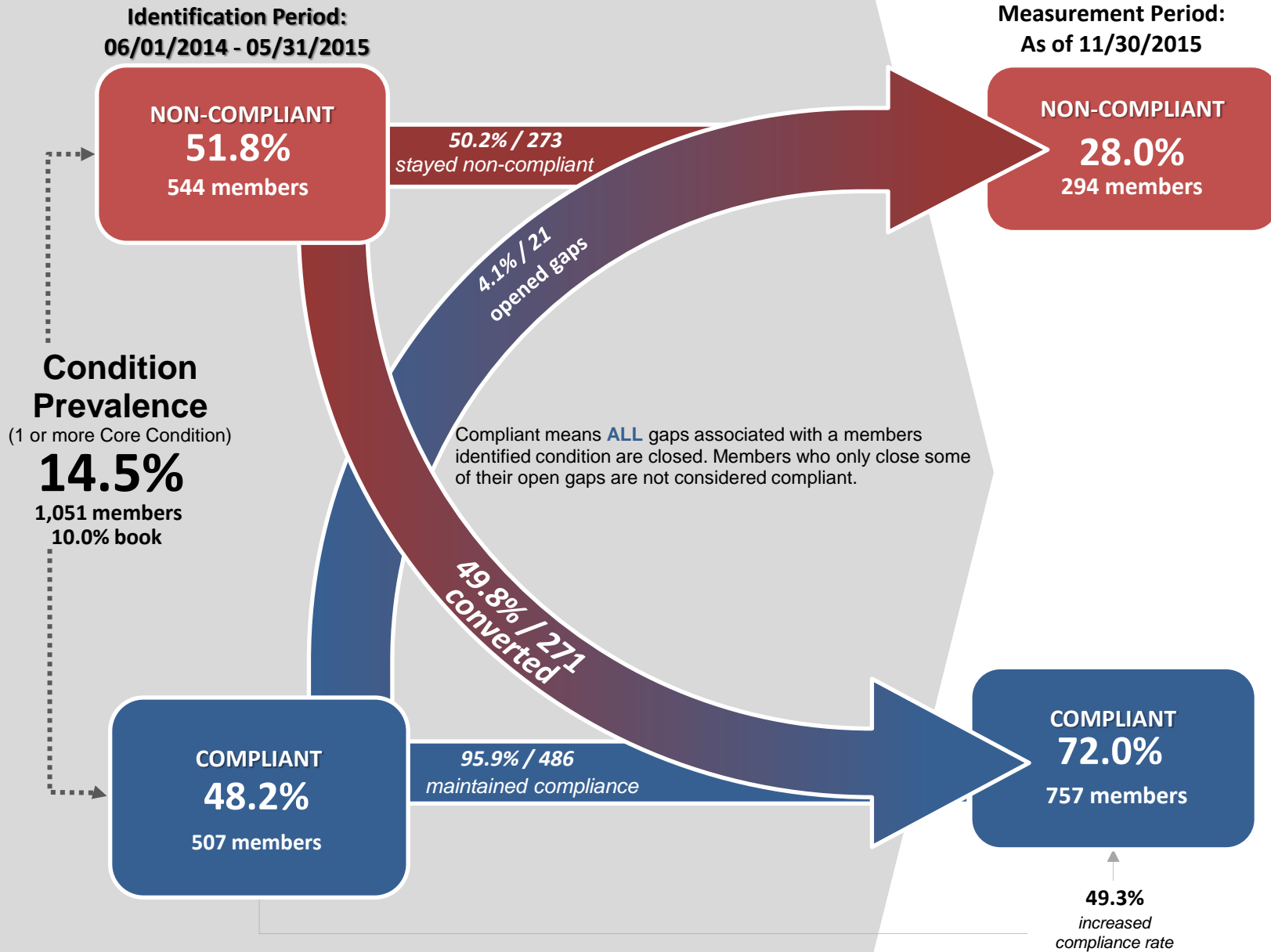


## 1,025

## TOTAL REQUESTS PROCESSED



# GAP CONVERSION VALUE



OKHEEI

Reporting Period: 2015/01/01 - 2015/12/31

# GLOSSARY

- **Targeted** – the identified population remaining after ineligible members are removed. These members will receive outreach via telephonic contacts and mailings to participate and benefit from associated programs
- **Contacted Engagement Rate** = Engaged/Contacted
- **Engaged** – members who verbally consented to a BCA-managed program during the reporting period (i.e. John Smith newly engaged in the Diabetes program in January of the current reporting period). BCA-to-provider collaboration on behalf of a member is also included
- **Managed** – members who verbally consented to a BCA-managed program during the reporting period (i.e. John Smith newly engaged in the Diabetes program in January of the current reporting period). BCA-to-provider collaboration on behalf of a member is also included
- **Graduated** – members who successfully complete the program by closing all core gaps and all goals are met
- **Opted Out** – members or physicians who have verbally declined to participate in an outreach program. Possible refusal reasons include: member wishes not to be contacted by the health plan, a member does not have time to participate, members would prefer to work with their physician, etc
- **Still Active** – Unique members who verbally consented to a BCA-managed program during the reporting period OR entered the reporting period as previously engaged but still active AND are still engaged at the end of the reporting period (i.e. John Smith was managed during calendar year 2013 but engaged in the Diabetes program 12/1/2012 and is still active as of 12/31/2013). BCA-to-provider collaboration on behalf of a member is also included
- **Incomplete Contact Information (ICI)** – members who have a missing or invalid phone number that prevents telephonic outreach
- **Refused** – members who have verbally declined to participate in an outreach program. Possible refusal reasons include: member wishes not to be contacted by the health plan, a member does not have time to participate, member would prefer to work with their physician, etc
- **Unable to Reach (UTR)** - subset of targeted members who have received multiple contact attempts and mailings and do not speak to a BCA or Health Coach
- **Compliant** – a member with a core condition who has no associated core gaps open
- **Core Conditions (Members with Condition)** - Refers to the core condition management programs of: Diabetes, Cardiovascular Condition Cluster(CAD), Congestive Heart Failure(CHF), Chronic Obstructive Pulmonary Disorder (COPD) and Asthma.

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Reporting Period: 2015/01/01 - 2015/12/31