

# SFHSS Specialty Pharmacy

Board Meeting Presentation 4/13/17

#### **Medical/Pharmacy Trends**

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#### CITY AND COUNTY OF SAN FRANCISCO Actives & Early Retirees

	Actual Medical Trend (Capitation & FFS		Actual Claims Trend (Med & Rx	
Year	combined)	Actual Rx Trend	combined)	Comments
2012	_	-	-	-
2013	-0.91%	-5.48%	-1.62%	Due to ACO implementation
2014	15.65%	23.93%	16.88%	Due to large claims
2015	-1.59%	14.87%	1.00%	
2016	6.77%	12.65%	7.82%	

Note: actual trends are on a PMPM basis.

Drug costs as % of medical FFS claims cost on PMPM basis is 3.59% Drug costs: These are medications that are billed through the medical benefit and may be office or outpatient hospital based.

#### Specialty Cost Increases/Cost Share

- Average Paid per Specialty drug Rx = \$6,350
  - Specialty, \$34.82 Specialty, \$27.56 Specialty, \$30.50 Member cost share = 20% to \$100 Specialty, \$19.61 maximum Non-Preferred Non-Preferred Non-Preferred Brand, \$16.44 Non-Preferred Brand, \$12.94 Brand, \$14.92 Brand, \$11.69 Preferred Brand Preferred Brand, Preferred Brand, Preferred Brand, Member cost share = 1.57%\$38.10 \$38.05 \$33.80 \$36.06 Generics, \$16.93 Generics, \$15.91 Generics, \$15.64 Generics, \$13.25 SFHSS Specialty = 14% higher than SF HSS SF HSS SF HSS Benchmark benchmark Nov 2013 - Oct 2014 Nov 2014 - Oct 2015 Nov 2015 - Oct 2016 Nov 2015 - Oct 2016 Paid PMPM = \$80.61 Paid PMPM = \$94.45 Paid PMPM = \$106.29 Paid PMPM = \$94.86
- Specialty Costs increased 26% Year over Year

### **Specialty Prescription Programs**

- **Rebating:** Eye on net cost, not volume of rebate
- End to End Integrated specialty drug management of pharmacy and medical benefits
- **Utilization Management**: Evidence based guidelines = annual reduction of 13.8%
- **Preferred Specialty Pharmacies**: Attain lowest unit cost, and help members manage side effects
- Tiered Professional Fee Schedule: Encourage use of lower cost, clinically optimum agents
- Site of Service Redirection: Ambulatory and home settings. (Costs can be 2-3 x higher in out-patient hospital settings)
- Member Interventions: Advance telephonic outreach before refills. Ensure compliance, assess health status changes, address side effects
- Short Cycle Program: Reduce waste/costs. First scripts are 14-16 days (member cost share is pro-rated). Tolerance is evaluated then 30 day regiment begins.

## Thank you

Blue Shield of California

