

City of Manitowoc

Clinical Program Review

Total Number of Lives: 575
Time Period: 7/1/2013 - 12/31/2013

Costs and savings are annualized based on time period used

Overview

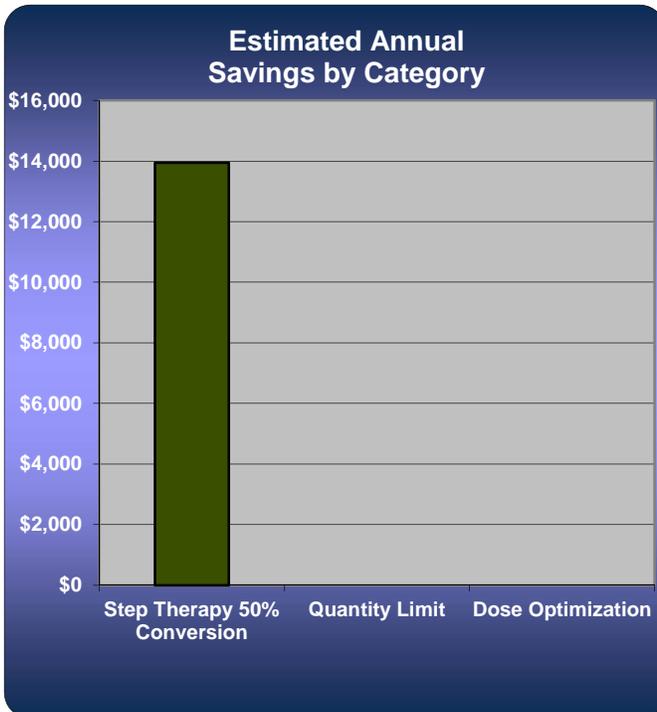
Category	Members Affected	Percent of Members Affected	Current Annual Costs	Estimated Annual Costs	Estimated Annual Savings	Savings Percent ⁴	PMPM Savings
Step Therapy Program	35	6.09%	\$34,257.78	\$6,381.28	\$13,938.25 ¹	3.1%	\$2.02
TOTALS	35 ²	6.09%	\$34,257.78	\$6,381.28	\$13,938.25	3.1%	\$2.02

¹ Savings based on 50% member conversion

² Members Affected Total = Total Unique Members

³ Potential Savings is variable based on utilization

⁴ Savings Percent is based on overall prescription costs



Impact to your plan's grandfathered status as it relates to the Patient Protection and Affordable Care Act (PPACA) has not been considered in the formulation of these plan change recommendations.

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Step Therapy Program

The Serve You Step Therapy Program decreases plan costs, ensures appropriate drug therapy, and includes offerings designed to meet a diversity of plan goals and objectives. Options include:

- Targeted patient and provider education
- Targeted patient and provider education with co-pay incentive on first or all applicable generic fills
- Step Therapy
- Limited Brand Coverage

Therapeutic categories commonly targeted in Step Therapy Programs include:

- Proton Pump Inhibitors (PPIs, for gastric ulcer, GERD, or other stomach issues)
- HMG-CoA Reductase Inhibitors ("Statins," for high cholesterol)
- Non- and Less-Sedating Antihistamines (for allergies)
- Nasal Steroids (for allergies)
- Bisphosphonates (for treatment or prevention of osteoporosis)
- Sedative-hypnotics (for sleep)
- Allergy Eye Drops
- Angiotensin Receptor Blockers and combination products (for high blood pressure)
- DPP-4 Inhibitors (for treatment of diabetes)

Based on an analysis of City of Manitowoc claim data for 7/1/2013 - 12/31/2013. If members with evidence of targeted brand therapy switched to the recommended generic drug, the estimated annual savings would be:

100%	50%	25%
\$27,876.50	\$13,938.25	\$6,969.13

Items for Consideration:

- Percent conversion from brand therapy to preferred generic therapy is dependent on the strategy implemented. In general, greater conversion is expected from programs that remove prescriber choice (Step Therapy and Limited Brand Coverage) vs. educational programs where prescriber and patient choice are preserved.
- Step Therapy is available with or without a grandfathering provision. With grandfathering in place, Step Therapy focuses on new starts of targeted medication only, allowing patients currently maintained on brand therapy to continue uninterrupted. Step Therapy without grandfathering requires everyone-- new and current users of targeted brand therapy-- to try a generic first.
- The savings from 100 percent conversion to the preferred generic product is listed for illustrative purposes only. An amount less than 100 percent of patients will be successfully treated with the prerequisite generic product.
- Due to contractual obligations in place with pharmaceutical manufacturers, implementation of Step Therapy or Limited Brand Coverage will result in renegotiation of the rebate sharing arrangement. Please ask your account manager for more details.