

# Lawley

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## EMPLOYEE BENEFITS

***ABC Company***

**Claims Analysis**

**May '16 - Apr '17 vs. May '17 - Apr '18**

## Key Information & Reporting Periods

<b>High Cost Claimant Threshold:</b>	\$50,000
<b>Stop Loss Level:</b>	\$125,000
<b>Current Reporting Period:</b>	Incurred May 2017 through Apr 2018 (3 months of claims runout through Jul 2018)
<b>Prior Reporting Period:</b>	Incurred May 2016 through Apr 2017
<b>Benchmark Period:</b>	May 2017 through Apr 2018

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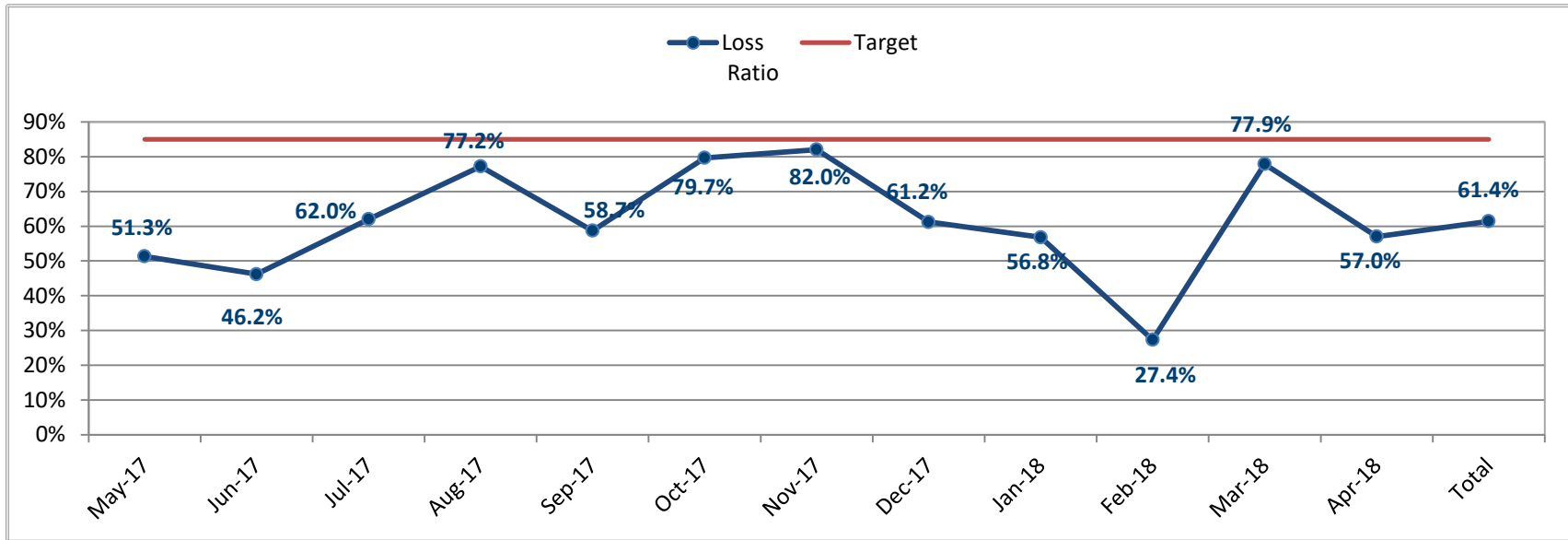
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# ABC Company

## Premium vs. Claims

May '17 - Apr '18



Month	Contracts	Budgeted Expenses	Medical Claims	Drug Claims	Total Claims	Loss Ratio
May-17	316	\$256,603	\$96,230	\$35,465	\$131,695	51.3%
Jun-17	316	\$256,788	\$82,376	\$36,248	\$118,624	46.2%
Jul-17	320	\$258,890	\$123,392	\$37,199	\$160,591	62.0%
Aug-17	322	\$261,243	\$165,149	\$36,538	\$201,687	77.2%
Sep-17	317	\$257,243	\$120,110	\$30,983	\$151,093	58.7%
Oct-17	326	\$262,532	\$161,651	\$47,509	\$209,160	79.7%
Nov-17	327	\$264,519	\$184,851	\$32,108	\$216,959	82.0%
Dec-17	326	\$265,450	\$130,603	\$31,916	\$162,519	61.2%
Jan-18	334	\$270,937	\$102,462	\$51,489	\$153,951	56.8%
Feb-18	341	\$274,382	\$41,708	\$33,340	\$75,048	27.4%
Mar-18	345	\$275,472	\$169,658	\$44,854	\$214,512	77.9%
Apr-18	345	\$277,409	\$102,053	\$56,108	\$158,161	57.0%
<b>Total</b>	<b>328</b>	<b>\$3,181,469</b>	<b>\$1,480,243</b>	<b>\$473,757</b>	<b>\$1,954,000</b>	<b>61.4%</b>



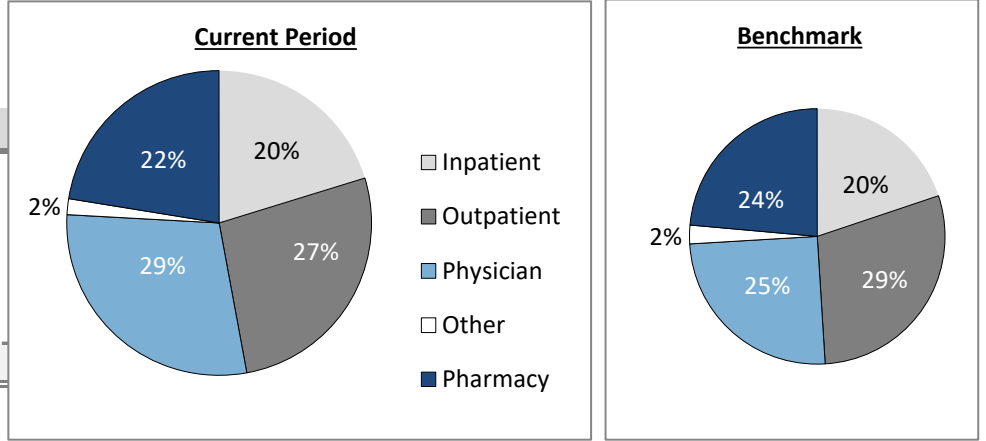
# ABC Company

## Plan Performance Overview

May '16 - Apr '17 vs. May '17 - Apr '18

	May '16 - Apr '17	May '17 - Apr '18	Difference	% Difference
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Enrollment				
Average Contracts	304	328	24	7.9%
Average Members	562	618	55	9.9%
Average Members/Contract	1.9	1.9	0.0	1.8%



Paid Claims				
Inpatient	\$458,392	\$429,351	-\$29,042	-6.3%
Outpatient	\$433,434	\$569,703	\$136,270	31.4%
Physician	\$503,084	\$610,279	\$107,195	21.3%
Other	\$134,630	\$35,796	-\$98,834	-73.4%
Pharmacy	\$393,538	\$475,991	\$82,453	21.0%
<b>Total Claims</b>	<b>\$1,923,078</b>	<b>\$2,121,119</b>	<b>\$198,041</b>	<b>10.3%</b>
<b>Total Claims, net of Stop Loss</b>	<b>\$1,894,987</b>	<b>\$2,079,760</b>	<b>\$184,773</b>	<b>9.8%</b>

Paid Claims PMPM (per member per month)					Excellus Benchmark	Difference	% Difference
Inpatient	\$67.95	\$57.93	-\$10.02	-14.7%	\$81.27	-\$23.34	-28.7%
Outpatient	\$64.25	\$76.87	\$12.62	19.6%	\$119.41	-\$42.54	-35.6%
Physician	\$74.58	\$82.35	\$7.77	10.4%	\$102.68	-\$20.33	-19.8%
Other	\$19.96	\$4.83	-\$15.13	-75.8%	\$9.63	-\$4.80	-49.8%
Pharmacy	\$58.34	\$64.23	\$5.89	10.1%	\$96.57	-\$32.34	-33.5%
<b>Total Claims PMPM</b>	<b>\$285.07</b>	<b>\$286.21</b>	<b>\$1.14</b>	<b>0.4%</b>	<b>\$409.56</b>	<b>-\$123.35</b>	<b>-30.1%</b>
<b>Total PMPM, net of Stop Loss</b>	<b>\$280.91</b>	<b>\$280.63</b>	<b>-\$0.27</b>	<b>-0.1%</b>			

Paid/Service					Excellus Benchmark	Difference	% Difference
Inpatient	\$10,914	\$15,902	\$4,988	45.7%	\$16,007	-\$106	-0.7%
Outpatient	\$289	\$328	\$39	13.5%	\$586	-\$258	-44.1%
Physician	\$92	\$92	\$0	0.0%	\$113	-\$21	-18.9%

High Claims Overview					Lawley Benchmark	Difference	% Difference
High Claimants > \$50,000	9	11	2	22.2%			
High Claim Costs	\$715,206	\$794,176	\$78,970	11.0%			
<b>% of Total Costs</b>	<b>37.2%</b>	<b>37.4%</b>	<b>0.3%</b>	<b>0.7%</b>	<b>31%</b>	-	6.2%
Claims over Stop Loss \$125K	\$28,091	\$41,359	\$13,268	47.2%			



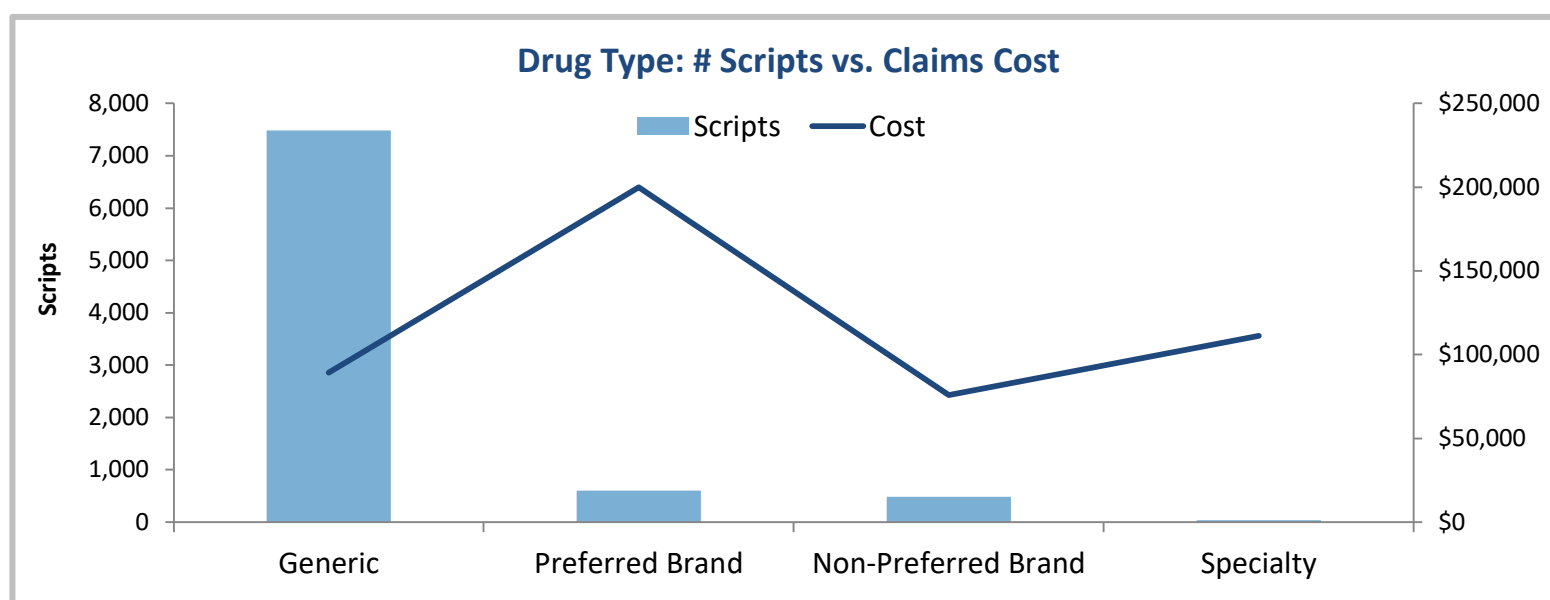
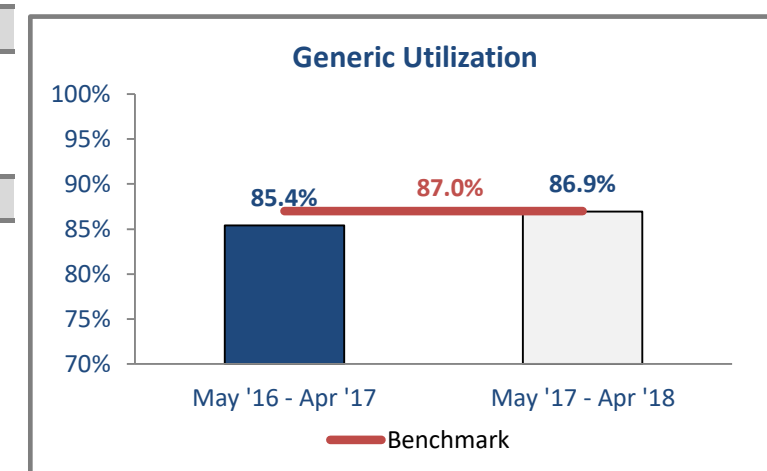
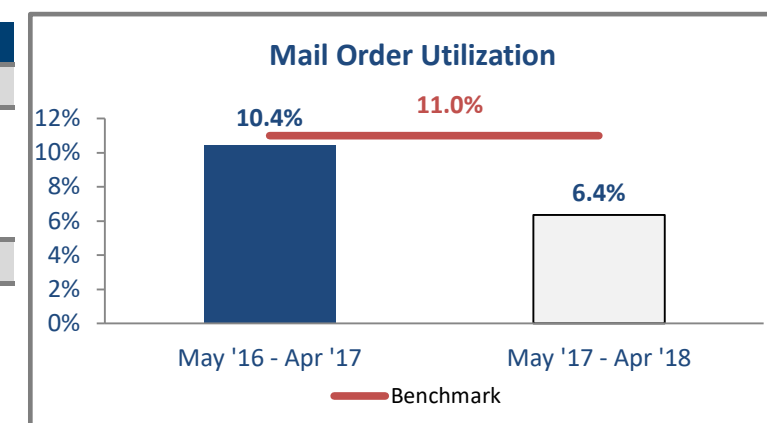
# ABC Company

## Pharmacy Overview

May '16 - Apr '17 vs. May '17 - Apr '18

**22% of recent claims spend is on pharmacy (24% benchmark)**

	May '16 - Apr '17	May '17 - Apr '18	Difference	% Difference	Benchmark	Difference	% Difference
<b>Pharmacy Overview</b>							
Pharmacy PMPM	\$58.34	\$64.23	\$5.89	10.1%	<b>\$96.57</b>	-\$32.34	-33.5%
Prescriptions PMPY	13.2	13.9	0.7	5.3%	<b>15.3</b>	-1.4	-8.9%
<b>Average Cost to Plan vs. Member</b>							
Plan Cost/Script	\$41.15	\$42.57	\$1.42	3.4%	<b>\$118.90</b>	-\$76.33	-64.2%
Member Cost/Script	\$11.90	\$9.70	-\$2.20	-18.5%	<b>\$12.49</b>	-\$2.79	-22.3%
Total Cost/Script	\$53.06	\$52.27	-\$0.79	-1.5%	<b>\$131.39</b>	-\$79.12	-60.2%
<b>Mail Order vs. Retail</b>							
Retail	89.6%	93.6%	-	4.1%	<b>89.0%</b>	-	4.6%
Mail Order	10.4%	6.4%	-	-4.1%	<b>11.0%</b>	-	-4.6%
<b>Utilization by Drug Tier</b>							
Tier 1 (Generic)	85.38%	86.94%	-	1.6%	<b>87.0%</b>	-	-0.1%
Tier 2 (Preferred)	8.13%	6.98%	-	-1.2%	<b>8.0%</b>	-	-1.0%
Tier 3 (Non - Preferred)	5.81%	5.62%	-	-0.2%	<b>5.0%</b>	-	0.6%
Specialty	0.7%	0.5%	-	-0.2%	<b>1.0%</b>	-	-0.5%



Cost per Script	May '17 - Apr '18
Generic	\$12
Preferred Brand	\$332
Non Preferred Brand	\$157
Specialty	\$2,778

SPECIALTY	May '16 - Apr '17	May '17 - Apr '18	Difference	% Difference
Specialty Paid \$	\$80,324	\$111,109	\$30,785	38.3%
Specialty # Scripts	49	40	-9	-18.4%
Specialty Paid \$/Script	\$1,639	\$2,778	\$1,138	69.4%
Specialty \$ as % of Cost	21.3%	23.3%	-	2.1%

**23% of total pharmacy spend is Specialty medications (42.0% benchmark)**

**0.5% of scripts filled are Specialty medications (1.0% benchmark)**

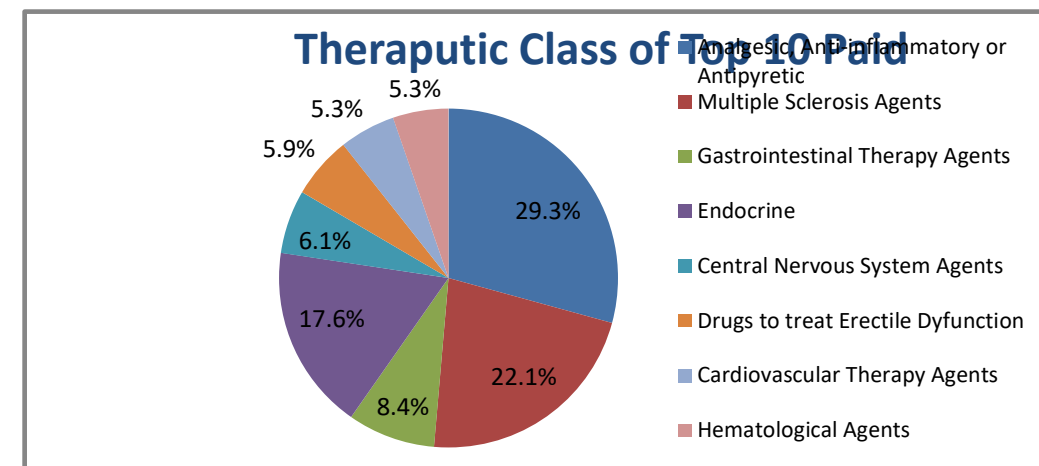
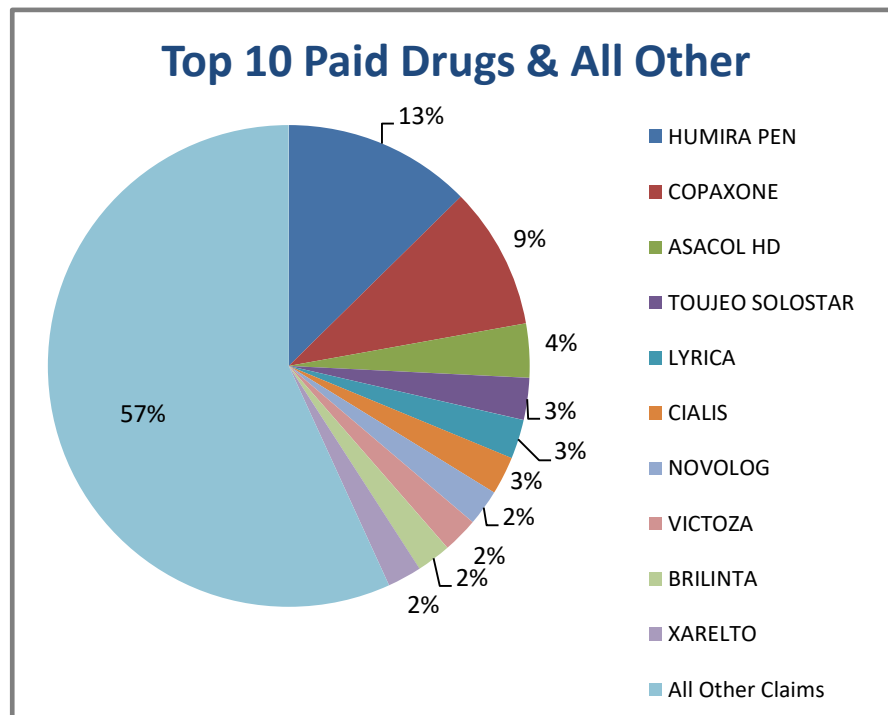


ABC Company

Pharmacy: Top 10 Paid & Top 10 Dispensed  
May '16 - Apr '17 vs. May '17 - Apr '18

Top 10 Paid Drugs:			May '17 - Apr '18			May '16 - Apr '17		
Drug	Therapeutic Class	Tier	Paid	Scripts	Paid/Script	Paid	Scripts	Paid/Script
1 HUMIRA PEN	Analgesic, Anti-inflammatory or Antipyretic	Specialty Drug	\$60,141	14	\$4,296	\$42,756	11	\$3,887
2 COPAXONE	Multiple Sclerosis Agents	Specialty Drug	\$45,420	8	\$5,678	\$11,758	2	\$5,879
3 ASACOL HD	Gastrointestinal Therapy Agents	Preferred Brand	\$17,196	13	\$1,323	\$10,693	8	\$1,337
4 TOUJEO SOLOSTAR	Endocrine	Preferred Brand	\$13,429	33	\$407	\$3,603	13	\$277
5 LYRICA	Central Nervous System Agents	Preferred Brand	\$12,486	11	\$1,135	\$8,336	11	\$758
6 CIALIS	Drugs to treat Erectile Dysfunction	Non-Preferred Brand	\$12,158	50	\$243	\$5,292	24	\$221
7 NOVOLOG	Endocrine	Preferred Brand	\$11,496	15	\$766	\$6,478	12	\$540
8 VICTOZA	Endocrine	Preferred Brand	\$11,323	16	\$708	\$16,701	24	\$696
9 BRILINTA	Cardiovascular Therapy Agents	Preferred Brand	\$10,973	35	\$314	\$4,757	16	\$297
10 XARELTO	Hematological Agents	Preferred Brand	\$10,891	29	\$376	\$12,424	41	303

<b>Top 10 Paid Total</b>	<b>\$205,513</b>	<b>224</b>	<b>\$122,798</b>	<b>162</b>
All Other Claims	\$270,478	8,387	\$270,740	7,283
<b>Top 10 as % of Total</b>	<b>43.2%</b>	<b>2.6%</b>	<b>31.2%</b>	<b>2.2%</b>



In the top 10 Paid Drugs list, 2 of the drugs are specialty medications.  
In the recent period, all of the 10 most utilized drugs are generics.

Top 10 Utilized Drugs:			May '17 - Apr '18			May '16 - Apr '17		
Drug	Therapeutic Class	Tier	Paid	Scripts	Paid/Script	Paid	Scripts	Paid/Script
1 Subject to protected health.	Subject to protected health.	Generic	\$3,507	461	\$8	\$350	58	\$6
2 LISINOPRIL	Cardiovascular Therapy Agents	Generic	\$183	409	\$0	\$44	310	\$0
3 ATORVASTATIN CALCIUM	Cardiovascular Therapy Agents	Generic	\$1,295	391	\$3	\$757	339	\$2
4 LEVOTHYROXINE SODIUM	Endocrine	Generic	\$633	216	\$3	\$573	188	\$3
5 OMEPRAZOLE	Gastrointestinal Therapy Agents	Generic	\$605	213	\$3	\$53	198	\$0
6 AMLODIPINE BESYLATE	Cardiovascular Therapy Agents	Generic	\$350	193	\$2	\$29	168	\$0
7 HYDROCHLOROTHIAZIDE	Cardiovascular Therapy Agents	Generic	\$68	176	\$0	\$12	173	\$0
8 METOPROLOL SUCCINATE ER	Cardiovascular Therapy Agents	Generic	\$2,575	170	\$15	\$1,081	134	\$8
9 SIMVASTATIN	Cardiovascular Therapy Agents	Generic	\$151	130	\$1	\$29	117	\$0
10 LOSARTAN POTASSIUM	Cardiovascular Therapy Agents	Generic	\$167	124	\$1	\$26	123	\$0

<b>Top 10 Utilized Total</b>	<b>\$9,534</b>	<b>2,483</b>	<b>\$2,954</b>	<b>1,808</b>
All Other Claims	\$466,457	6,128	\$390,584	5,637
<b>% of Total</b>	<b>2.0%</b>	<b>28.8%</b>	<b>0.8%</b>	<b>24.3%</b>



# ABC Company

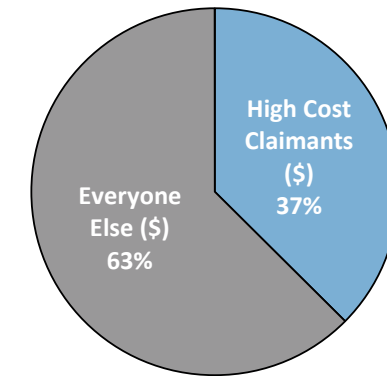
## High Cost Claimant Overview

May '16 - Apr '17 vs. May '17 - Apr '18

	May '16 - Apr '17	May '17 - Apr '18	Difference	% Difference
<b>High Cost Claimants</b>				
High Claimants > \$50,000	9	11	2	22.2%
High Claim Costs	\$715,206	\$794,176	\$78,970	11.0%
Average Cost per Claimant	\$79,467	\$72,198	-\$7,270	-9.1%
<b>HCCs as a percentage of Total</b>				
% of Claimants	1.6%	1.8%	-	0.2%
% of Claims	37.2%	37.4%	-	0.3%
<b>Stop Loss Overview (&gt;\$125,000)</b>				
Claimants over Stop Loss	1	1	0	0
Claims over Stop Loss	\$28,091	\$41,359	\$13,268	47.2%

### May '17 - Apr '18

#### HCC Spend as % of Claims



■ High Cost Claimants (\$) ■ Everyone Else (\$)

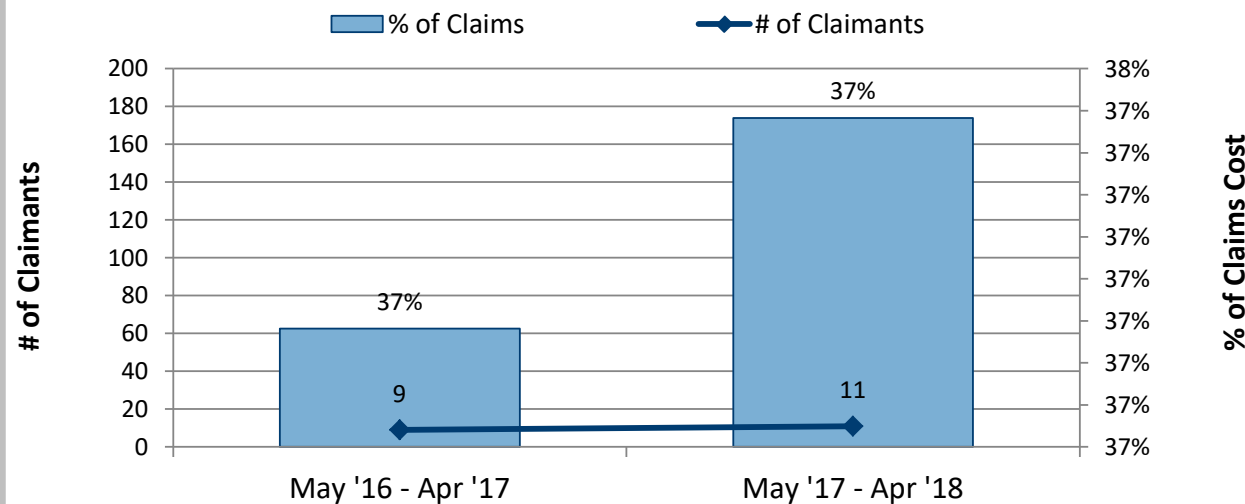
#### Average Cost per Claimant

High Cost Claimants	\$72,198
Everyone Else	\$2,188

In the current reporting period, 11 high cost claimants (1.8%) represent \$794,176, or 37.4% of total claim expenses. During the prior period, 9 claimants (1.6%) represented \$715,206 (37.2%). Typically, it is expected that high claimants make up 1.5% of total claimants and represent approximately 31.2% of total claim expenses.

Costs related to the high cost claimants increased 11.0% (\$78,970) from period to period.

### 2-Year Look at High Claimants



Refer to the following page for full high cost claimant details for the period: May 2017 through April 2018.



## ABC Company

## High Cost Claimant Details

May '17 - Apr '18

Claimant	Member ID	Diagnosis	Plan Cost	Current Status	Forecast > \$50K w/o IBNR
1	608296	C71 Malignant neoplasm of brain	\$166,359	Active	YES
2	13377856	N18 Chronic kidney disease (CKD)	\$86,620	Active	YES
3	11150725	G35 Multiple sclerosis	\$69,261	Active	YES
4	13267856	elevation (STEMI) and non-ST elevation (NSTEMI)	\$68,108	Active	YES
5	12990253	K57 Diverticular disease of intestine	\$62,941	Active	YES
6	13115781	M17 Osteoarthritis of knee	\$61,007	Active	YES
7	611792	Rx - Multiple Sclerosis - Copaxone	\$60,038	Active	NO
8	13265924	C54 Malignant neoplasm of corpus uteri	\$58,746	Active	YES
9	2160966	horacic, thoracolumbar, and lumbosacral interve	\$58,375	Active	NO
10	149463	Rx - Rheumatic Disease - Humira Pen	\$51,701	Active	NO
11	308896	elevation (STEMI) and non-ST elevation (NSTEMI)	\$51,020	Active	YES





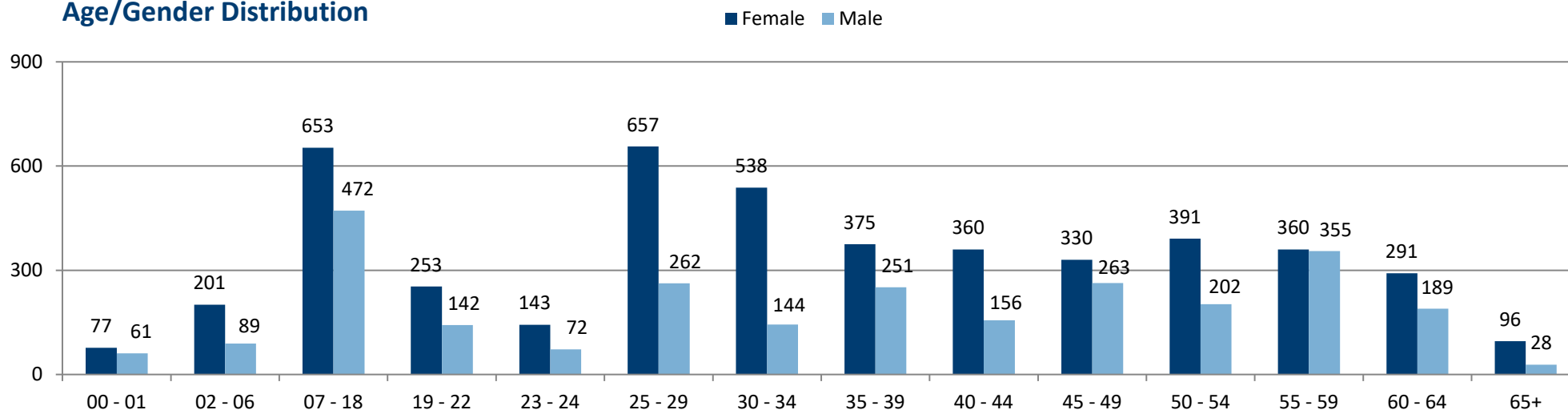
# ABC Company

## Demographic Summary

May '16 - Apr '17 vs. May '17 - Apr '18

	May '16 - Apr '17	May '17 - Apr '18	Difference	% Difference	Benchmark	Difference	% Difference
Average Monthly Contracts	304	328	24	7.9%			
Average Monthly Membership	562	618	55	9.9%			
Contract Size	1.85	1.89	0.03	1.8%	2.10	-0.21	-10.2%
Proportion of Males	64.1%	63.8%	-	-0.3%	49.0%	-	14.8%
Proportion of Females	35.9%	36.2%	-	0.3%	51.0%	-	-14.8%
Proportion of Childbearing Female	32.3%	31.4%	-	-0.9%	17.3%	-	14.4%

### Age/Gender Distribution



Average contracts increased 7.9%. Average membership increased 9.9%.

Males are 63.8% of membership and females are 36.2% of membership, which is 14.8% off benchmark. The proportion of childbearing females is 31.4%, which is 14.0% over benchmark. This high proportion could lead to uncontrollable costs related to pregnancy and pregnancy complications.

The average subscriber age for ABC Company is 45.5 years old, which is 1.5% younger than the benchmark average age.

The average member age is 36.6, which is 1% older than the benchmark subscriber age.



## ABC Company

### Service Category Overview

May '16 - Apr '17 vs. May '17 - Apr '18

Inpatient	May '16 - Apr '17	May '17 - Apr '18	Difference	% Difference	Benchmark	Difference	% Difference
Paid	\$458,392	\$429,351	-\$29,042	-6.3%			
Paid PMPM	\$67.95	\$57.93	-\$10.02	-14.7%	\$81.27	-\$23.34	-28.7%
Admissions	42	27	-15	-35.7%			
Admits/1000	74.7	43.7	-31.0	-41.5%	61.0	-17.3	-28.3%
Paid per Admit	\$10,914	\$15,902	\$4,988	45.7%			
Length of Stay	4.5	5.2	0.8	17.3%	4.7	0.5	11.1%

Inpatient PMPM decreased 14.7% to \$57.93 and is 28.7% under benchmark. Medical/Surgical admissions totaled \$371,611 and were 86.6% of current inpatient expenses. During the prior year, medical/surgical admissions totaled \$304,999 and were 66.5% of expenses. Maternity admissions totaled \$37,869 and were 8.8% of current inpatient expenses. During the prior year, maternity admissions totaled \$89,872 and were 19.6% of expenses.

Outpatient	May '16 - Apr '17	May '17 - Apr '18	Difference	% Difference	Benchmark	Difference	% Difference
Paid	\$433,434	\$569,703	\$136,270	31.4%			
Paid PMPM	\$64.25	\$76.87	\$12.62	19.6%	\$119.41	-\$42.54	-35.6%
Services	1,500	1,737	237	15.8%			
Services/1000	2,668.2	2,812.6	144.3	5.4%	2,796.0	16.6	0.6%
Paid per Visit	\$289	\$328	\$39	13.5%			

Outpatient PMPM increased 19.6% but is 35.6% under benchmark. The three leading visit types based on expenses were outpatient surgery (\$144,397), pharmacy (\$75,667) and outpatient alcohol/drug (\$63,653). These visits were 49.8% of outpatient costs. During the prior year, the same visits were 40.4% of costs.

### Urgent Care vs. Emergency Room

ER utilization increased 2.7% and ER costs increased 6.2%. ER visits for minor illnesses and non-emergent conditions were 0.9% of ER expenses for the current period. During the prior, they were 7.4% of ER costs. Urgent care utilization increased to 3 visits in the current reporting period, compared to 11 visits in the prior period. Educating members about using Urgent Care as an alternative to the ER for any non-emergent case or condition, can help to greatly reduce outpatient costs.

Physician	May '16 - Apr '17	May '17 - Apr '18	Difference	% Difference	Benchmark	Difference	% Difference
Paid	\$503,084	\$610,279	\$107,195	21.3%			
Paid PMPM	\$74.58	\$82.35	\$7.77	10.4%	\$102.68	-\$20.33	-19.8%
Services	5,494	6,663	1,169	21.3%			
Services/1000	9,772.9	10,788.8	1,015.9	10.4%	11,729.0	-940.2	-8.0%
Paid per Visit	\$92	\$92	\$0	0.0%			

Physician PMPM increased 10.4% but is 19.8% under benchmark.

### Preventive:

During the current period, primary care visits comprised 5.6% of all Physician visits and 8.3% of expenses; compared to the prior period, primary care visits were 5.0% of Physician visits and 6.7% of expenses. Primary care utilization increased 24.9%. ABC Company should encourage their membership to receive the recommended annual preventive services.



# ABC Company

## Leading Diagnostic Categories

May '16 - Apr '17 vs. May '17 - Apr '18

Top Diagnoses by Cost	May '16 - Apr '17		May '17 - Apr '18		% Change in Cost
	Cost	PMPM Cost	Cost	PMPM Cost	
Neoplasms	\$302,671	\$44.87	\$227,710	\$30.73	-31.5%
Digestive System	\$72,490	\$10.75	\$192,060	\$25.92	141.2%
Symptoms and Health Factors	\$141,917	\$21.04	\$164,175	\$22.15	5.3%
Circulatory System	\$149,301	\$22.13	\$145,736	\$19.66	-11.2%
Nervous System	\$114,047	\$16.91	\$137,054	\$18.49	9.4%
<b>Top 5 Diagnoses Total</b>	<b>\$780,426</b>	<b>\$115.69</b>	<b>\$866,735</b>	<b>\$116.95</b>	

### Neoplasms

- Cancer, other primary
- Cancer, uterus & cervix
- Cancer of skin

### Digestive System

- Biliary tract disease
- Lower GI disorders
- Abdominal hernia

### Symptoms and Health Factors

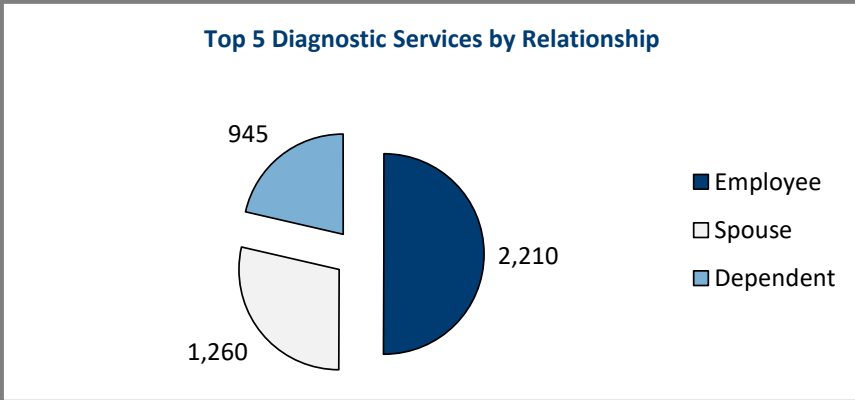
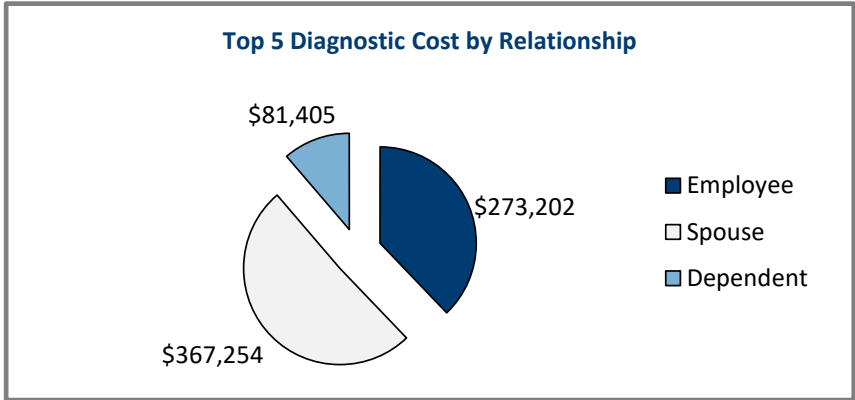
- Symptoms and Ill Defined Conditions
- Factors affecting health
- Protected Health Information

### Circulatory System

- Diseases of the heart
- Hypertension
- Disease of veins and lymphatics

### Nervous System

- Hereditary and degenerative nervous conditions
- Eye disorders
- Other nervous system disorders



### Medical

<b><u>Childbearing Females:</u></b>	Females between the age of 19 and 44.
<b><u>High Cost Claimant:</u></b>	Any member with incurred paid claims exceeding the \$50,000 threshold set by Excellus.
<b><u>Inpatient:</u></b>	Care given to a patient admitted to a hospital, extended care facility, nursing home or other facility.
<b><u>Outpatient:</u></b>	Any health care service provided to a patient who is not admitted to a facility. Outpatient care may be provided in a doctor's office, clinic, the patient's home or hospital outpatient department.
<b><u>Other (Service Category):</u></b>	Includes expenses for lab, prosthetics, home health care, hearing aids, ambulance services and durable medical equipment.
<b><u>Physician:</u></b>	Any visit of a patient to a physician or doctor's office, including routine physicals.
<b><u>PMPM:</u></b>	Per member per month; Calculated by dividing total cost by the number of member months, which is the total of the number of months each member is enrolled for.
<b><u>Stop Loss Level:</u></b>	The amount at which the plan is no longer responsible for a medical claim. For example, the stop loss level for ABC Company is \$125,000. This means that ABC Company pays the first \$125,000 of medical claims for each claimant. Any amount exceeding \$125,000 is the responsibility of the stop loss carrier.
<b><u>Services/1000:</u></b>	Number of services incurred by a group in the reporting period, normalized for a base membership of one thousand. Calculated by dividing total services by the number of member months and multiplying by 12 and then by 1000. This allows for an accurate comparison of utilization rates for groups of different sizes.

### Pharmacy

<b><u>Prescriptions PMPY:</u></b>	Prescriptions Per Member Per Year
<b><u>Generic Drug Dispensing Rate:</u></b>	Percent of prescription drugs dispensed in the reporting period that are classified as a Tier one, generic drug.

