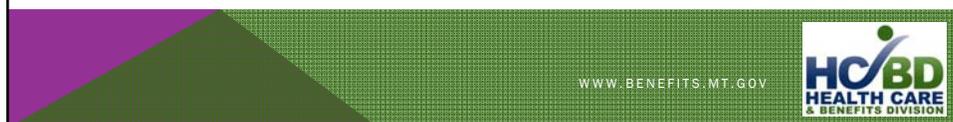


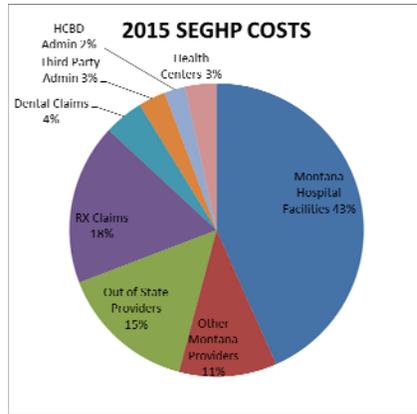


MEASURES TO REDUCE PLAN COSTS

- Cost Containment Strategy
- Transparent Pricing
- Pharmacy
- Transparency Tools
- What's next?



COST CONTAINMENT STRATEGIES

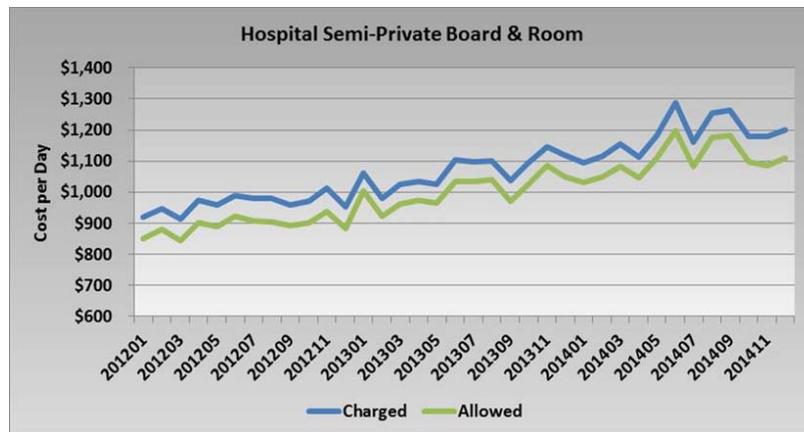


- Manage the Benefit Design
- Data Analysis
- Manage Risk
- Manage the Contracts
- High Dollar Claim Management
- Address the highest spend areas
- Engage Members in Cost Containment

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CHARGE LESS DISCOUNT



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CHARGE LESS DISCOUNT

- 2016 SEGHP Claim Data - Knee Replacement Surgery
- Comparison between two Montana Hospitals
- Higher Discounts don't always result in Lower Costs

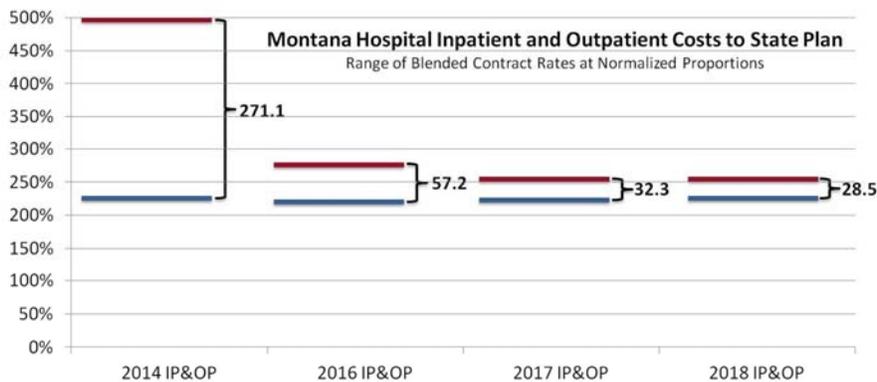
Hospital A		Hospital B	
Hospital Charge	\$115,000	Hospital Charge	\$25,000
Discount	10%	Discount	7%
Cost to State Plan	\$103,500	Cost to State Plan	\$23,250

- *Not Predictable*
- *Not Transparent*
- *Not Comparable*
- *Not Consistent*

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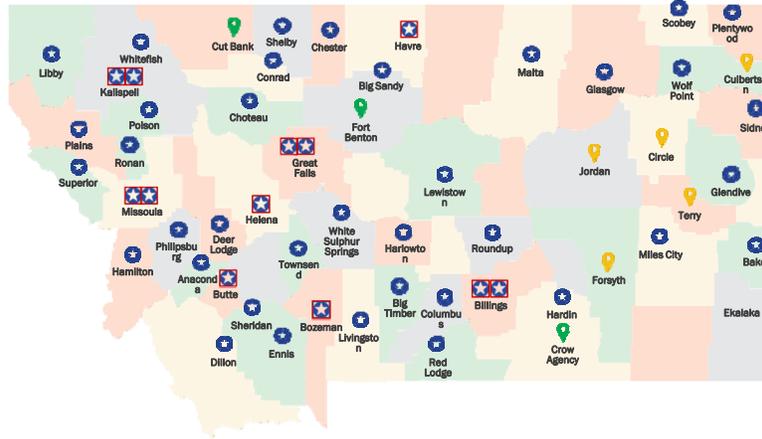
TRANSPARENT PRICING



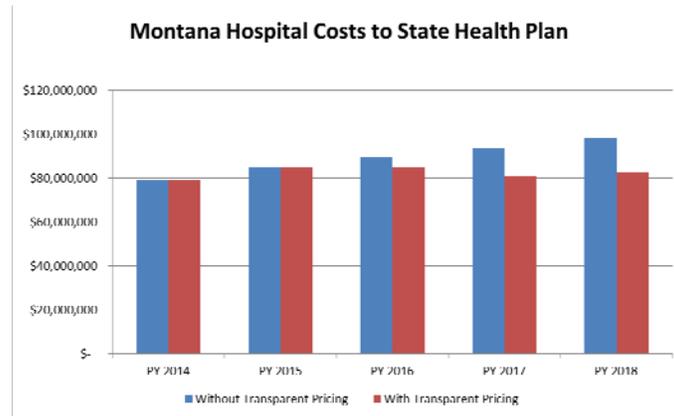
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MAP OF PARTICIPATING PROVIDERS



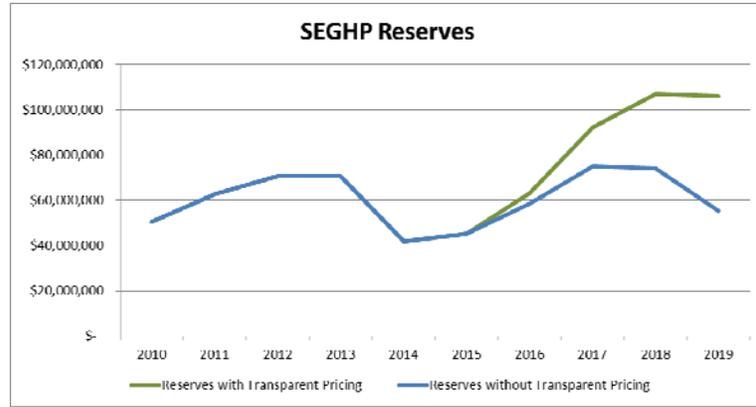
TRANSPARENT PRICING



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FINANCIAL PROJECTION



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RX CHANGES – EMPLOYEE PLAN

	URx	Navitus
Projected Annual Drug Costs	\$83,329,000	\$83,329,000
Retail Discount	-\$25,687,000	-\$27,095,667
Mail Discounts	-\$9,467,333	-\$9,567,333
Specialty Discounts	-\$4,085,667	-\$4,497,000
Total After Discounts	\$44,089,000	\$42,169,000
Rebates	-\$2,617,500	-\$3,982,000
Gross Rx Spend	\$42,568,167	\$39,278,333
Employee Savings		\$914,334
Plan Savings		\$2,375,500
Total Savings		\$3,289,834

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RX CHANGES – MEDICARE RETIREES

	URx	Navitus
Projected Annual Drug Costs	\$23,812,336	\$23,812,336
Administration Costs	\$90,027	\$498,750
Dispensing Fee	\$178,605	\$117,699
Total Costs	\$24,080,968	\$24,428,785
Retail Discount	-\$11,213,336	-\$11,762,001
Coverage Gap Discount	-	-\$991,800
Direct Subsidy	-	-\$427,500
Reinsurance Program	-	-\$1,573,200
RDS Subsidy	-\$1,450,000	-
Rebate Guarantee	-\$828,380	-\$845,966
Gross Rx Spend	\$10,589,252	\$8,828,318
Total Savings		\$1,760,934



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TRANSPARENCY TOOLS

PROVIDER COST & QUALITY RATING			
QUALITY	✓ Highest Quality	✓ Average Quality	✗ Lowest Quality
COST	● At or Below Fair Price	▲ Slightly Above Fair Price	● Highest Price
Facility	Distance	Quality Rating	Cost Rating
St. Vincent Indianapolis Hospital	(~15 miles)	✓	●
Community Hospital - North	(~2 miles)	✓	●
Riverview Health	(~5 miles)	✓	▲
Community Hospital - East	(~4 miles)	✓	●
University West Hospital	(~1 mile)	✓	●
Mid State Health West	(~7 miles)	✓	▲
St. Ignatius Hospital	(~2 miles)	✓	▲
St. Lukes Hospital	(~13 miles)	✓	●
Hendricks Regional Hospital	(~12 miles)	✓	▲
Memorial Hospital	(~3 miles)	✗	●

Health Care Blue Book

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TRANSPARENCY TOOLS

enoxaparin (generic Lovenox)
2 syringes 40mg/0.4ml
Prescribed for Demo by DR. ZIA AHMED

NEXT REFILL
20 days

Prices for 2 syringes 40mg/0.4ml of enoxaparin (generic)

Save \$293: Fill a 90-Day Supply to Save
3x
You may be able to lower your total cost by filling a greater quantity at one time.

YOUR CURRENT PHARMACY

\$28.45	Walgreens	2 refills left, 20 days	View History
	2.2 miles	Next refill: Aug 21	

Save money by transferring to one of these pharmacies

\$22.55	Fitchburg Hometown Pharmacy	Transfer and Save
Save 21%	1.9 miles	

Navi-Gate Rx

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WHAT'S NEXT?

- Performance Monitoring
- Data Analytics
- Out of State Facility Costs
- Primary Care

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QUESTIONS?

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