



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

| Year | Actual Medical Trend (Capitation & FFS combined) | Actual Rx Trend | Actual Claims Trend (Med & Rx 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
- ▶ Member cost share = 20% to \$100 maximum
- ▶ Member cost share = 1.57%
- ▶ SFHSS Specialty = 14% higher than benchmark
- ▶ 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

