Fiscal Year 2016 Pharmacy Annual Trend Report

Oklahoma Health Care Authority

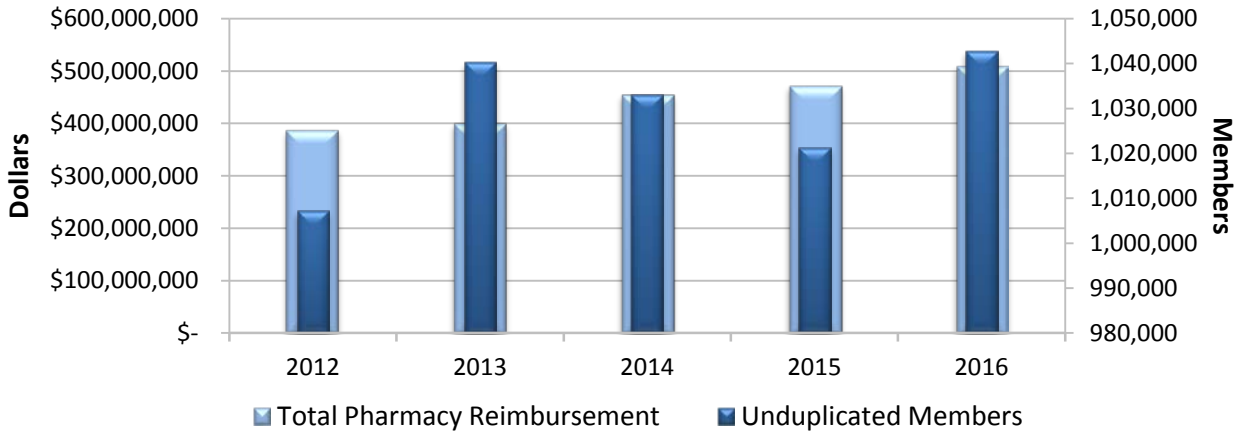
Introduction

The Oklahoma Medicaid program (SoonerCare) provides pharmacy benefits for its members. In order to provide the best care to as many SoonerCare members as possible pharmacy claim trends are assessed and adjustments are implemented where appropriate. Cost containment avenues are deployed to minimize healthcare cost increases while ensuring access. Annual trends of enrollment, claims, reimbursement, and utilization are monitored for future program planning. During State Fiscal Year (SFY) 2016, prescription drugs accounted for $509 million of the approximate $5 billion in total SoonerCare funding. According to the Centers for Medicare and Medicaid Services (CMS), the expected rate of healthcare costs increased by 5.8% annually.[1] Comparing SoonerCare pharmacy data from state fiscal years 2015 and 2016, the total reimbursement only increased by 3.3% which is less than anticipated. The cost per member increased by 1.16% from the previous SFY 2015. Cost per Claim and Cost per Day have also increased to the highest since SFY 2010. The number of SoonerCare members increased in SFY 2016 to the highest it has been in the last 10 years however the amount of pharmacy benefit utilizers has been trending down since 2013.

Total Pharmacy Fiscal Year Comparison

SFY	Members	Utilizers	Claims	Reimbursement	Days	Cost/ Member	Cost/ Claim	Cost/ Day
2010	885,238	515,436	5,320,746	$354,293,701	124,139,343	$400.22	$66.59	$2.85
2011	968,296	553,200	5,782,249	$349,029,291	137,444,282	$360.46	$60.36	$2.54
2012	1,007,356	579,892	6,334,413	$397,692,844	153,973,718	$394.79	$62.78	$2.58
2013	1,040,332	600,950	6,479,131	$410,385,880	158,274,398	$394.46	$63.34	$2.59
2014	1,033,114	573,699	6,378,863	$461,468,656	157,296,100	$446.68	$72.34	$2.93
2015	1,021,359	569,421	6,393,186	$493,616,586	157,443,279	$483.29	$77.21	$3.14
2016	1,042,826	558,874	6,133,447	$509,837,571	155,079,647	$488.90	$83.12	$3.29

Total Pharmacy Reimbursement and Member Enrollment Comparison



Traditional Versus Specialty Pharmacy Products

Traditional pharmaceuticals include products which are typically indicated for many common chronic conditions such as diabetes, hypertension, and Chronic Obstructive Pulmonary Disease (COPD). Traditional pharmaceuticals carry the bulk of the reimbursement costs accounting for 84% of the total pharmacy reimbursement in 2016. Specialty products, in contrast, are typically injectable and require special handling such as refrigerated transport and special administration techniques. These products include treatments for hemophilia, rheumatoid arthritis, and genetic deficiencies, for example. Recently, the specialty pharmaceutical products total pharmacy reimbursement has been on the incline due to new emerging therapies and the high costs associated with these therapies.

Traditional Pharmacy Expenditure Trends

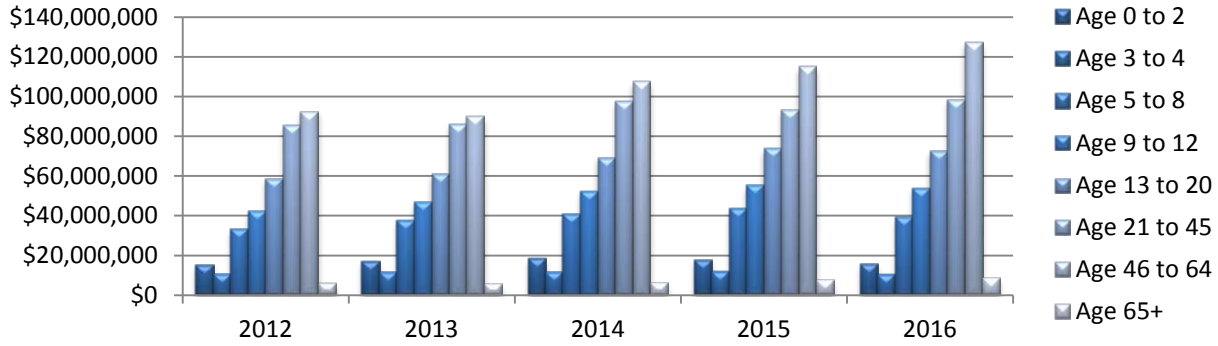
The traditional pharmaceutical products comprised 84% of the total pharmacy reimbursement costs and were used by 99.4% of utilizers. In SFY 2014 the traditional reimbursement comprised 88% of the total pharmacy reimbursement however during SFY 2015 and 2016, traditional reimbursement decreased to 85% and then 84% respectively. Percentage of overall spending for traditional products had gradually increased since 2012 until 2015 broke the trend. Traditional pharmacy spending for ages up to 20 years of age has decreased slightly and ages 21 years and older have all increased from SFY 2015 to 2016. Traditional spending for those age 65 years and up increased more than 16% in 2016 from the previous year.

The top traditional pharmaceuticals for ages 0 to 4 years include antibiotics and anti-asthma products. For ages 5 to 20 years traditional pharmaceuticals include treatments for attention deficit hyperactivity disorder (ADHD) and other behavioral health-related conditions. For those ages 21 to 45 years, the increase in expenditures can be attributed to atypical antipsychotics, hepatitis C therapies, and diabetes medications. Finally, expenditures for ages 46 years and older include similar therapies to those age 21 to 45 years with the addition of COPD products.

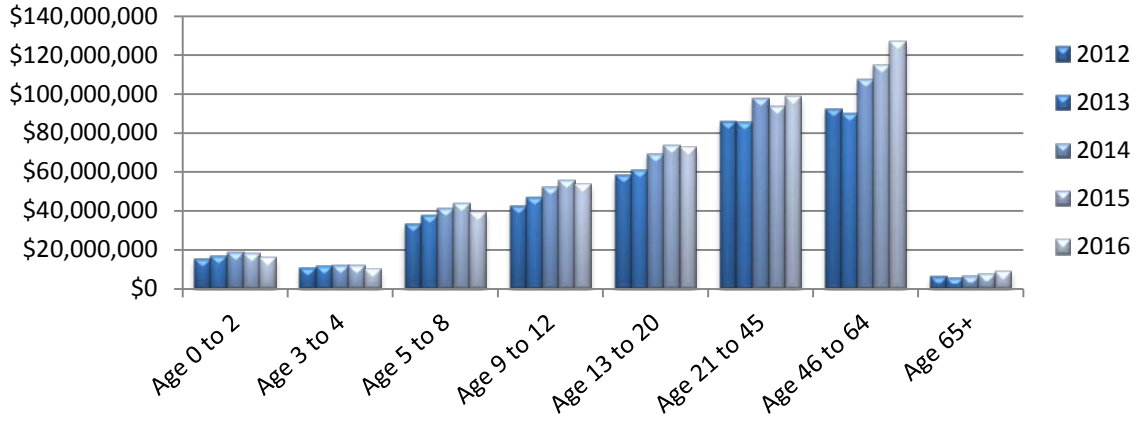
Traditional Pharmacy Reimbursement Age Group Comparison by Fiscal Year

Traditional	2012	2013	2014	2015	2016
Age 0 to 2	$15,411,667	$17,218,539	$18,580,268	$18,138,809	$16,131,012
Age 3 to 4	$11,083,377	$11,791,096	$12,287,713	$12,089,657	$10,641,115
Age 5 to 8	$33,570,159	$37,972,235	$41,231,725	$43,568,704	$39,531,162
Age 9 to 12	$42,614,490	$47,038,663	$52,587,236	$55,539,515	$54,070,341
Age 13 to 20	$58,635,781	$61,295,659	$69,578,269	$73,862,213	$73,020,122
Age 21 to 45	$85,652,772	$86,146,716	$97,696,715	$93,705,234	$98,834,224
Age 46 to 64	$92,820,612	$89,908,733	$107,430,317	$115,142,876	$127,338,789
Age 65+	$6,137,321	$5,891,280	$6,681,625	$7,787,682	$9,039,918
All ages	**$345,926,179**	**$357,262,921**	**$406,073,868**	**$419,834,690**	**$428,606,684**

Traditional Pharmacy Reimbursement Trend by Fiscal Year



Traditional Pharmacy Reimbursement Trend by Age



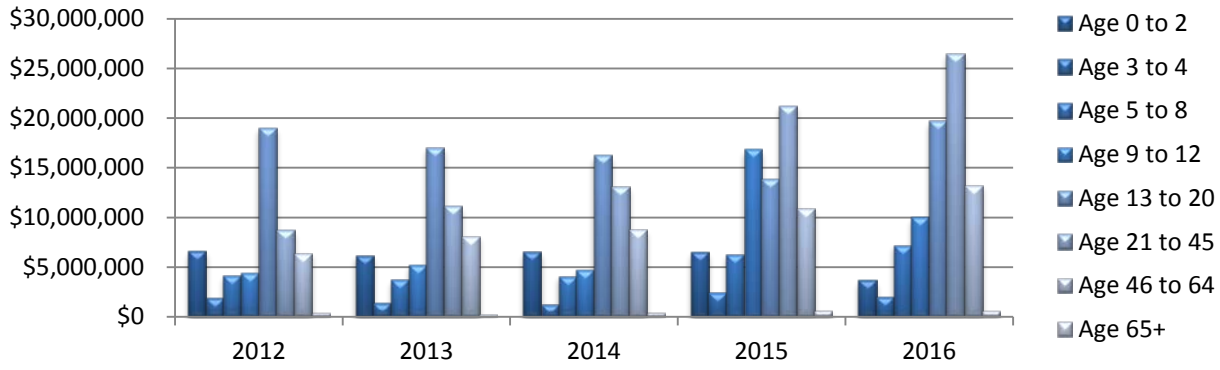
Specialty Pharmacy Expenditure Trends

Specialty pharmaceuticals have become a larger part of reimbursement over the last five years now comprising close to 16% of total expenditures. Newly approved therapies for hemophilia, multiple sclerosis, and rheumatoid conditions have led to an increase in specialty pharmaceutical expenditures. The top specialty pharmaceuticals for ages 0 to 2 years include anti-infectives, immunizing agents, antihemophilic agents, and respiratory agents. Utilization of Synagis® (palivizumab), a specialty medication used in the infant population, decreased from this last fiscal year as a result of the SoonerCare adoption of the more conservative, updated American Academy of Pediatric guidelines for palivizumab use. Some medication reimbursement requirements have minimum age limits for approval, one example being growth hormone, which for most indications requires the member to be 2 years of age or older. For ages 5 to 12 years specialty pharmaceuticals include similar examples to the younger children as well as targeted immunomodulator agents (e.g., adalimumab, infliximab, etanercept) and cystic fibrosis medications. Teens most commonly utilized growth hormone, antihemophilic agents, and Cinryze® (C1 esterase inhibitor [human]), a C1 esterase inhibitor indicated to prevent Hereditary Angioedema attacks. For adults age 18 years and older, the large specialty reimbursement costs are attributed to hydroxyprogesterone for pre-term labor and new hematologic therapies such as Wilate® (von Willebrand Factor/Coagulation Factor VIII Complex).

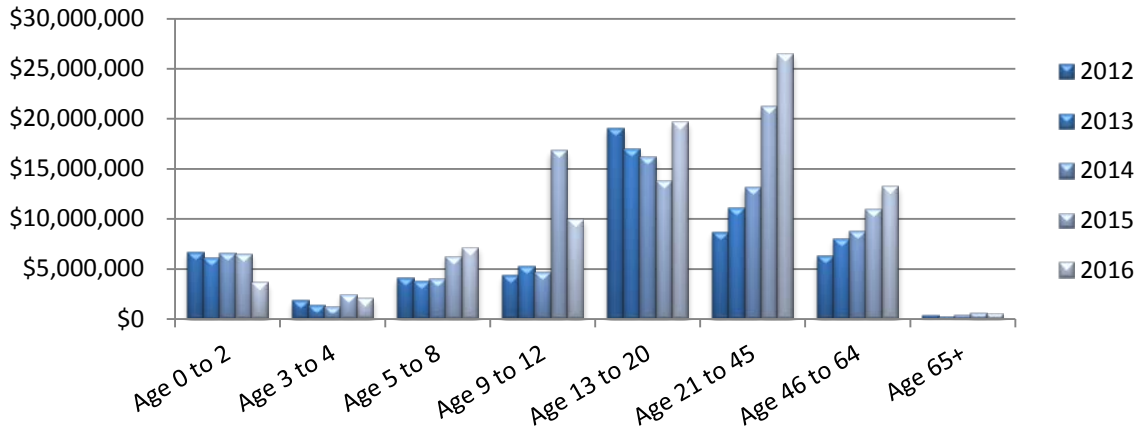
Finally, for ages 46 years and older specialty pharmaceuticals include the addition of multiple sclerosis and cardiovascular specialty pharmaceutical products.

Specialty Pharmacy Reimbursement Age Group Comparison by Fiscal Year					
Specialty	**2012**	**2013**	**2014**	**2015**	**2016**
Age 0 to 2	$6,920,031	$6,164,339	$6,605,415	$6,508,459	$3,651,369
Age 3 to 4	$1,856,738	$1,386,304	$1,303,351	$2,435,422	$2,026,328
Age 5 to 8	$4,130,658	$3,769,625	$4,115,579	$6,288,636	$7,205,538
Age 9 to 12	$4,342,169	$5,233,654	$4,717,588	$9,029,454	$9,958,532
Age 13 to 20	$19,025,050	$17,008,883	$16,267,713	$16,825,260	$19,732,939
Age 21 to 45	$8,685,855	$11,131,710	$13,142,479	$21,206,852	$26,512,657
Age 46 to 64	$6,421,741	$8,112,318	$8,779,363	$10,885,366	$13,261,630
Age 65+	$321,724	$272,005	$347,787	$602,441	$554,507
All ages	**$51,703,966**	**$53,078,838**	**$55,279,275**	**$73,781,890**	**$82,903,501**

Specialty Pharmacy Reimbursement Trend by Fiscal Year



Specialty Pharmacy Reimbursement Trend by Age



Per Member Per Year Spending

Overall Per Member Per Year (PMPY) spending has increased from $483.29 to $488.90 from SFY 2015 to 2016. The increased PMPY spending can be attributed to the rising cost of generic medications with single manufacturers, brand formulation price increases as products approach the end of their patent-life, as well as the significant cost of new therapies upon market entry.

Spending Per Member Per Year by Fiscal Year					
Fiscal Year	**2012**	**2013**	**2014**	**2015**	**2016**
Overall PMPY	$394.79	$394.48	$446.68	$483.29	$488.90

Traditional pharmaceutical product PMPY has decreased minimally from SFY 2015 to 2016 by a factor of only 0.5% trending by age in the same manner as total traditional pharmacy reimbursement. The increase in PMPY traditional spending in the adult age groups is likely a result of increased utilization and price increases in chronic medications for diabetes, hepatitis C therapies, or topical products for chronic dermatological conditions. Special formulations of prednisolone oral solution were prior authorized resulting in corticosteroid costs declining by $1.44 million, and attributing to the decrease in pediatric traditional PMPY reimbursement for fiscal year 2016.

Traditional Per Member Per Year Age Group Comparison by Fiscal Year					
Traditional PMPY	**2012**	**2013**	**2014**	**2015**	**2016**
Age 0 to 2	$127.50	$142.23	$161.41	$157.59	$140.68
Age 3 to 4	$151.15	$161.19	$176.75	$174.44	$148.44
Age 5 to 8	$254.68	$276.82	$299.12	$310.60	$278.52
Age 9 to 12	$379.97	$404.16	$446.71	$458.07	$416.21
Age 13 to 20	$340.26	$344.53	$389.91	$404.25	$377.43
Age 21 to 45	$363.60	$344.30	$395.07	$408.26	$418.63
Age 46 to 64	$987.97	$928.86	$1081.00	$1,205.76	$1,284.66
Age 65+	$91.14	$87.09	$98.55	$114.80	$145.35
All ages	**$343.40**	**$343.41**	**$393.06**	**$410.99**	**$408.63**

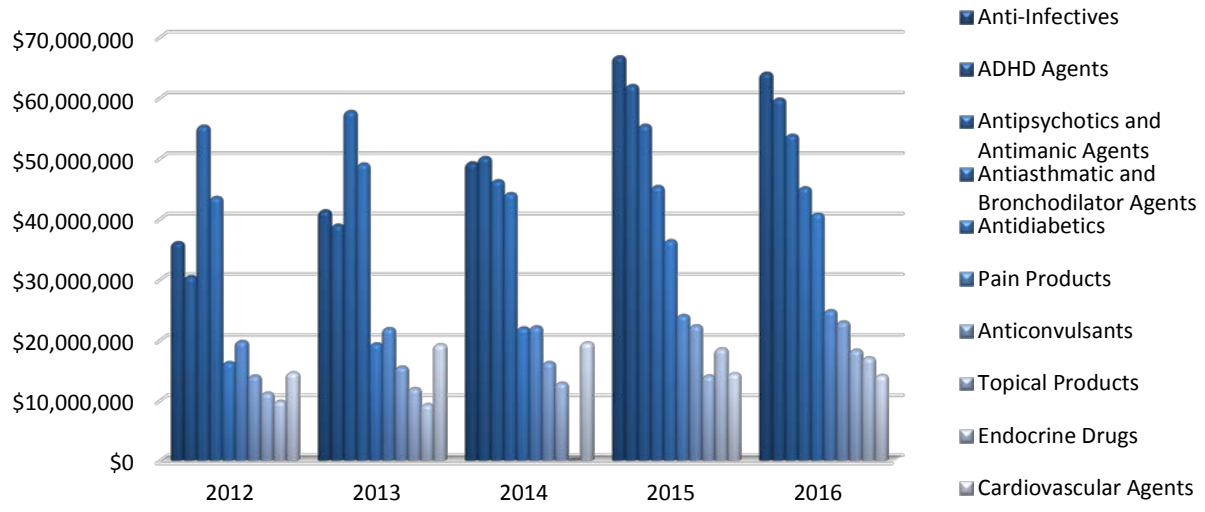
Specialty PMPY overall has increased since 2013. From SFY 2014 to 2015 the increase was 35% which was most likely due to the introduction of new therapies for cystic fibrosis, hemophilia, and multiple sclerosis. SFY 2016 increased by almost 9% among all ages, and most age categories saw an increase except those age 0 to 4 years and those over 65 years of age. Synagis® (palivizumab) usage decreased from 424 to 253 members this last fiscal year as a result of the SoonerCare adoption of the more conservative, updated American Academy of Pediatric guidelines for palivizumab use. The 40% decrease in palivizumab member utilization makes up the decline seen in the 0 to 2 year age group reducing specialty spending by $1.4 million.

Specialty Per Member Per Year Age Group Comparison by Fiscal Year					
Specialty PMPY	**2012**	**2013**	**2014**	**2015**	**2016**
Age 0 to 2	$57.25	$50.92	$57.38	$56.54	$31.81
Age 3 to 4	$25.32	$18.95	$18.75	$35.23	$28.08
Age 5 to 8	$31.34	$27.48	$29.86	$44.83	$50.45
Age 9 to 12	$38.72	$44.97	$40.07	$74.47	$76.72
Age 13 to 20	$110.40	$95.60	$91.16	$92.33	$101.78
Age 21 to 45	$36.87	$44.49	$53.15	$92.46	$112.20
Age 46 to 64	$68.35	$83.81	$88.34	$114.92	$133.90
Age 65+	$4.78	$4.02	$5.13	$8.88	$8.54
All ages	**$51.33**	**$51.02**	**$53.51**	**$72.38**	**$78.85**

Top 10 Therapeutic Classes by Reimbursement

Traditional pharmaceutical classes that show the most significant change include antidiabetic agents and topical agents. Traditional 2016 therapeutic class reimbursement rankings changed slightly from the previous fiscal year with topical products moving up from 10th in SFY 2015 to being the 8th largest traditional reimbursement class this year. The topical agent class is comprised of dermatological, otic, ophthalmic, mouth/throat/dental agents, and anorectal products. Otic medications had the largest increase within this therapeutic class, increasing $3 million from the previous fiscal year. Generic ofloxacin otic products became three times more expensive and were moved to Tier-2 to alleviate the spending increase. Ciprodex® (ciprofloxacin/dexamethasone) utilization went up fivefold due to increased access following its move down in tier due to supplemental rebate participation; the increased utilization accounted for an increase in reimbursement and 87% of the total cost of the otic category. Costs in this report do not reflect the supplemental rebates that are provided by branded medication manufacturers. Long-acting insulin pens increased in price significantly resulting in a large spending increase in the antidiabetic class. These products have significant federal rebates designed to keep the Medicaid net cost relatively flat; rebates are not accounted for in this analysis.

Traditional Top 10 Classes by Reimbursement					
Therapeutic Class	**2012**	**2013**	**2014**	**2015**	**2016**
Anti-Infectives	$36,112,500	$41,357,758	$49,273,091	$66,777,042	$64,064,450
ADHD Agents	$30,521,196	$39,003,819	$50,158,842	$62,031,944	$59,787,706
Antipsychotics Antimanics	$55,318,785	$57,762,754	$46,321,048	$55,482,712	$53,823,476
Antiasthmatics	$43,572,019	$49,072,153	$44,193,036	$45,361,712	$45,147,446
Antidiabetes	$16,321,953	$19,413,722	$22,029,931	$36,432,089	$40,836,990
Pain products	$19,804,389	$21,926,488	$22,203,544	$24,097,067	$24,890,116
Anticonvulsants	$14,072,466	$15,554,822	$16,312,027	$22,379,045	$23,003,191
Topical Agents	$11,224,159	$11,980,392	$12,868,362	$14,083,160	$18,340,940
Endocrine drugs	$9,850,946	$9,291,711	$9,851,652	$18,564,352	$17,079,754
Cardiovascular Agents	$14,580,574	$19,224,291	$19,549,646	$14,420,946	$14,139,082

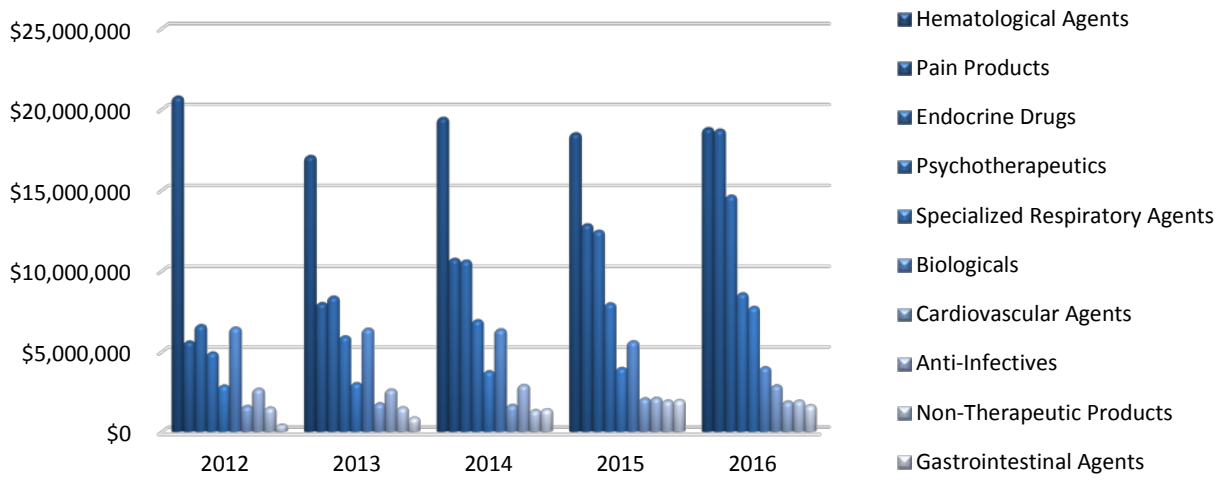


Specialty therapeutic product costs are high largely in part due to the therapies focused on rare diseases. Specialty pharmaceutical respiratory agents include medications for Cystic Fibrosis (CF), idiopathic pulmonary fibrosis (IPF), and emphysema. Orkambi® (lumacaftor/ivacaftor) is a medication approved by the U.S. Food and Drug Administration (FDA) in July 2015 for CF patients with two copies of the *F508del* mutation in their cystic fibrosis transmembrane regulator (CFTR) gene.[2] Orkambi® contributed to $2,693,283 of total reimbursement for state fiscal year 2016.

The cost of specialty pain products has increased by $5 million within the last fiscal year and the additional spend can be attributed to the cost inflation of targeted immunomodulator agents such as: Humira® (adalimumab), Enbrel® (etanercept), Ilaris® (canakinumab), Orencia® (abatacept), Simponi® (golimumab), Xeljanz® (tofacitinib), Otezla® (apremilast), and Kineret®(anakinra). In June 2015 clinical studies of a biosimilar of etanercept were published which met primary endpoints showing efficacy and safety profile comparable to Enbrel®.[3] With the emergence of biosimilar FDA approvals, current branded product manufacturers raised their prices in anticipation of more market competition. All of the above mentioned products have increased in cost per claim by a minimum of $400 per claim. The average price increase per claim of the aforementioned products this fiscal year was $617 per claim. This cost increase was seen while utilization remained relatively flat. This class will soon face biosimilar competition similar to generic competition for branded patent expirations. The consumer price index (CPI) penalty of the federal rebate is designed to keep Medicaid net cost relatively flat despite price increases in medications that pay the brand penalty. The cost increases in the report do not reflect the net cost increases. Additionally, the majority of utilization was seen in Tier-2 medications which are subject to supplemental rebates. The supplemental rebated prices are also not reflected in this analysis.

Specialty Top 10 Classes by Reimbursement					
Therapeutic Class	**2012**	**2013**	**2014**	**2015**	**2016**
Hematological Agents	$20,775,219	$17,106,134	$19,464,704	$18,506,935	$18,827,959
Pain Products	$5,630,894	$8,009,294	$10,745,209	$12,879,307	$18,734,339
Endocrine Drugs	$6,642,331	$8,403,437	$10,630,955	$12,482,212	$14,652,716
Psychotherapeutics	$4,938,844	$5,948,671	$6,944,096	$7,986,737	$8,608,234
Specialized Respiratory Agents	$2,880,850	$3,025,945	$3,767,672	$3,976,385	$7,763,918
Biologicals	$6,483,684	$6,416,479	$6,380,054	$5,638,501	$4,020,167
Cardiovascular Agents	$1,596,990	$1,765,848	$1,666,526	$2,073,762	$2,885,262
Anti-Infectives	$2,671,857	$2,626,950	$2,905,295	$2,101,669	$1,872,634
Non-Therapeutic Products	$1,496,455	$1,510,748	$1,336,217	$1,930,027	$1,928,230
Gastrointestinal Agents	$407,396	$877,906	$1,390,862	$1,962,601	$1,642,701

Top 10 Specialty Therapeutic Classes by Reimbursement



Hepatitis C Medication Therapy Management

The hepatitis C management program has been initiated to improve adherence and clinical cure rates (sustained virologic response [SVR]) while maintaining minimal cost increases in regimens. At this time therapy initiation forms, intent to treat contracts, therapy continuation forms, and SVR response forms are required to obtain SVR data, start dates, and member compliance. This program analyzes therapy options for effectiveness and tolerability to determine optimal treatments with cost-effective outcomes.

Hepatitis C Medications Compared by Fiscal Year						
Fiscal Year	**Claims**	**Members**	**Cost**	**Cost/Claim**	**Cost/Member**	**Cost/Day**
2014	2,432	311	$19,873,167	$8,171.53	$63,900.86	$289.73
2015	1,275	291	$21,719,650	$17,035.02	$74,637.98	$610.09
2016	1,355	371	$32,105,818	$23,694.33	$86,538.59	$847.57
% Change	**-44.3%**	**19.3%**	**61.6%**	**190.0%**	**35.4%**	**192.5%**
Change	**-1,077**	**60**	**$12,232,651**	**$15,522.80**	**$22,637.73**	**$557.84**

*Change calculated from 2014 to 2016.

The increase in hepatitis C medication spending is likely due to the increase in utilization as well as the increased cost of some of the new highly utilized regimens compared to the original regimens approved in 2013. The cost increase could also be accounted for by the use of two direct acting antiviral agents in combination as recommended by the guidelines for some less common hepatitis C viral genotypes. Combination regimen use should decrease as they are no longer preferred regimens due to increased availability of new regimens across multiple genotypes. Continual efforts are made to ensure appropriate use for efficacy and cost containment.

Top 10 Products by Reimbursement

Most of the top products are still branded at this time. The patent for Strattera® (atomoxetine) expires November 2016, additionally the extended patent expiration for Humira® (adalimumab) is December 31st, 2016. The top products typically come from the psychotherapeutic class, such as atypical antipsychotics and attention deficit therapies, the respiratory class, including rescue and maintenance therapies, and the anti-infective class, which includes antiviral medications for hepatitis C. Top drug reimbursement rankings change from year to year only slightly for several reasons: high utilization, broad use between age demographics, and high costs of new therapies such as hepatitis C. Harvoni® (ledipasvir/sofosbuvir) was one of the top cost contenders for clinics and nonfederal hospitals across the United States as well.[4]

Top 10 Drugs by Reimbursement

Rank	2012	2013	2014	2015	2016
1	Abilify®	Abilify®	Abilify®	Abilify®	Vyvanse®
2	Concerta®	Concerta®	Sovaldi®	Vyvanse®	Harvoni®
3	Singulair®	Proair®	Proair®	Proair®	Abilify®
4	Quetiapine	Adderall XR®	Vyvanse®	Sovaldi®	Proair®
5	Proair®	Intuniv®	Intuniv®	Harvoni®	Strattera®
6	Olanzapine	Invega®	Adderall XR®	guanfacine	Invega®
7	Vyvanse®	Vyvanse®	Invega®	Strattera®	Sovaldi®
8	Budesonide	Focalin XR®	Concerta®	Invega®	Humira®
9	Adderall XR®	Flovent®	Dexmethylphenidate	Tamiflu®	Flovent®
10	Focalin XR®	Budesonide	Flovent®	Flovent®	Genotropin®

Total Enrollment[5]

Total enrollment of SoonerCare members has reached over 1 million for the past five years. It is likely that SoonerCare enrollment will remain high due to several reasons including: low-wage jobs held by 31.9% of Oklahomans, the income poverty level of Oklahoma is 16.69%, and poor overall health of Oklahomans (Oklahoma ranked 46th in the nation in overall health). Total enrollment includes the following: Children's Health Insurance Program (CHIP), Program of all Inclusive Care for the Elderly (PACE), Home and Community-Based Services (HCBS), Soon to be Sooners (STBS), Care for Children with Disabilities: Tax Equity and Fiscal Responsibility Act (TEFRA), Family Planning (SoonerPlan), Breast and Cervical Cancer (Oklahoma Cares), Tuberculosis (TB) patients, and Insure Oklahoma.

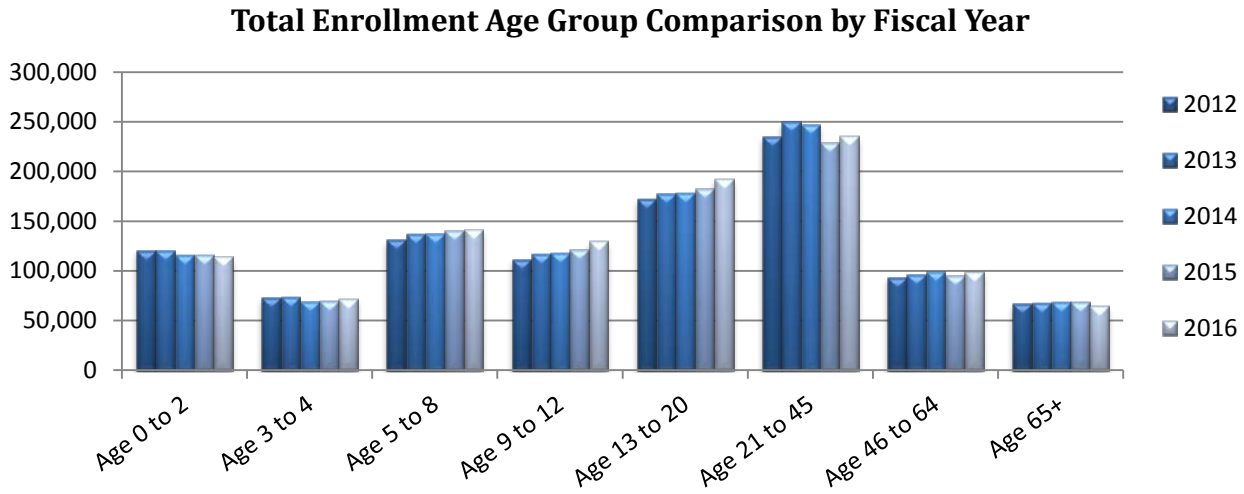
- Oklahoma Cares is the Breast and Cervical Cancer Treatment Program that provides SoonerCare benefits to uninsured women under age 65, who need treatment for breast or cervical cancer (including pre-cancerous conditions and early stage cancer).
- SoonerPlan is a benefit plan covering limited services related to family planning, to women and men ages 19 and older, in an effort to reduce unwanted pregnancies.
- TEFRA Care for Children with Disabilities allows members under age 19 with special health care needs or disabilities to be cared for at home instead of in an institution.
- CHIP provides benefits to children under age 19 and have income between the maximum for standard eligibility and the expanded Federal Poverty Level (FPL) income guidelines.

Insure Oklahoma (IO) is a program to bridge the gap in the health care coverage for low-income working adults. Under the Employer-Sponsored Insurance (ESI) program, premium costs are shared by the state (60 percent), the employer (25 percent) and the employee (15 percent). The Individual Plan (IP) allows people who can't access the benefits through their employer, including those who are self-employed or may be temporarily unemployed, to buy health insurance directly through the state. IO has had unstable enrollment which can be accounted for by the following reasons: January 2014 decreased Insure Oklahoma IP qualifying income guidelines from 200 to 100 percent of the federal poverty level, July 2015 CMS approved a one-year extension (January 1, 2016 to December 31, 2016) for the IO Premium Assistance Program without any modifications, September 2015 ESI became available to any small business with up to 250 employees, and lastly March 2016 IO moved to online enrollment.

Total Enrollment Age Group Comparison by Fiscal Year

Members*	2012	2013	2014	2015	2016
Age 0 to 2	120,877	121,060	115,113	115,097	114,661
Age 3 to 4	73,329	73,151	69,520	69,274	71,565
Age 5 to 8	131,811	137,173	137,845	140,272	141,516
Age 9 to 12	112,152	116,386	117,720	121,246	129,533
Age 13 to 20	172,327	177,910	178,445	182,714	192,629
Age 21 to 45	235,570	250,210	247,288	229,498	235,377
Age 46 to 64	93,951	96,795	99,384	95,426	98,861
Age 65+	67,339	67,647	67,799	67,832	64,188
All Ages	**1,007,356**	**1,040,332**	**1,033,114**	**1,021,359**	**1,048,330**

*Includes Insure Oklahoma members.



Upcoming Projections

The forecast for SFY2017 and SFY2018 shown below is an extrapolation of future trends. These estimated values are based on a best fit (least squares) linear regression with the known values from the previous seven years of data. These assumed values do not take into consideration new economic policies or healthcare reforms going into 2017.

Forecast: Total Pharmacy Fiscal Year Comparison

SFY	Members	Utilizers	Claims	Reimbursement	Days	Cost/Claim	Cost/Day
2010	885,238	515,436	5,320,746	$354,293,701	124,139,343	$66.59	$2.85
2011	968,296	553,200	5,782,249	$349,029,291	137,444,282	$60.36	$2.54
2012	1,007,356	579,892	6,334,413	$397,692,844	153,973,718	$62.78	$2.58
2013	1,040,332	600,950	6,479,131	$410,385,880	158,274,398	$63.34	$2.59
2014	1,033,114	573,699	6,378,863	$461,468,656	157,296,100	$72.34	$2.93
2015	1,021,359	569,421	6,393,186	$493,616,586	157,443,279	$77.21	$3.14
2016	1,042,826	558,874	6,133,447	$509,837,571	155,079,647	$83.12	$3.29
2017	1,086,167	586,862	6,646,637	$542,272,363	168,541,722	$81.59	$3.22
2018	1,086,433	578,617	6,607,602	$578,793,224	168,960,887	$87.60	$3.43

The comparison between the forecasted and the actual numbers from 2016 show less of an increase than was anticipated. The increase in expenditure was predicted to be 5.8% as previously mentioned, yet the increase was only 3.29% from 2015.[1] These numbers indicate an effective pharmacy management program.

State Fiscal Year 2016 Projected vs Actual Comparison

SFY	Members	Utilizers	Claims	Reimbursement	Days	Cost/ Claim	Cost/ Day
Actual 2016	1,042,826	558,874	6,133,447	$509,837,571	155,079,647	$83.12	$3.29
Projected 2016	1,053,657	580,899	6,653,466	$528,323,772	165,882,468	$80.18	$3.22
Difference	**-10,831**	**-22,025**	**-520,019**	**-$18,486,201**	**-10,802,821**	**$2.94**	**$0.07**
% Error	**-1.04%**	**-3.94%**	**-8.48%**	**-3.63%**	**-6.97%**	**3.54%**	**2.13%**

Overall Pharmacy Trend SFY 2016 Comparison*			
	Trend		
	PMPY Spend	Unit Cost	Reimbursement
Traditional	$408.63	3.35%	2.09%
Specialty	$78.85	-12.67%	12.36%
Total Overall	**$488.90**	**1.93%**	**3.29%**

*Percent changes are in comparison to SFY2015.

+Unduplicated members in total overall change.

Conclusion

Even though costs have risen, they have not risen in direct proportion to the increase in membership, indicating cost-effective management measures were successful. New prior authorization categories during this fiscal year include breast cancer medications, granulocyte colony stimulating factors (G-CSFs), constipation/diarrhea medications, tetracycline and fluoroquinolone antibiotics, oral antifungal medications, Parkinson's disease medications, ulcerative colitis and Crohn's disease medications, anthelmintic medications, bowel preparation medications, Gaucher disease medications, vasomotor symptom medications, PCSK9 inhibitor medications, diabetic supplies, prostate cancer medications, and hemophilia medications. Modifications to the topical steroid tier structure and other generic categories reduced elevated spending on high-priced generic products which have been established on the market. When new drugs are approved and out on the market cost-effective analysis is preformed to ensure spending is minimized while maintaining appropriate clinical care. The goal of the SoonerCare program is to provide members with the most appropriate healthcare in a fiscally responsible manner. For the pharmacy benefit this is accomplished by the use of a robust prior authorization program, limiting the number of total prescriptions and the number of brand name prescriptions allowed each month for non-institutionalized adults, continuous product pricing maintenance, and provider outreach and education. Constant market review and response to changes such as the introduction of new hepatitis C treatments, growth of the specialty market, and introduction of biosimilars is necessary. SoonerCare will continue to strive to bring value-based pharmacy services to its members.

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