



# Managed Prescription Drug Program Report

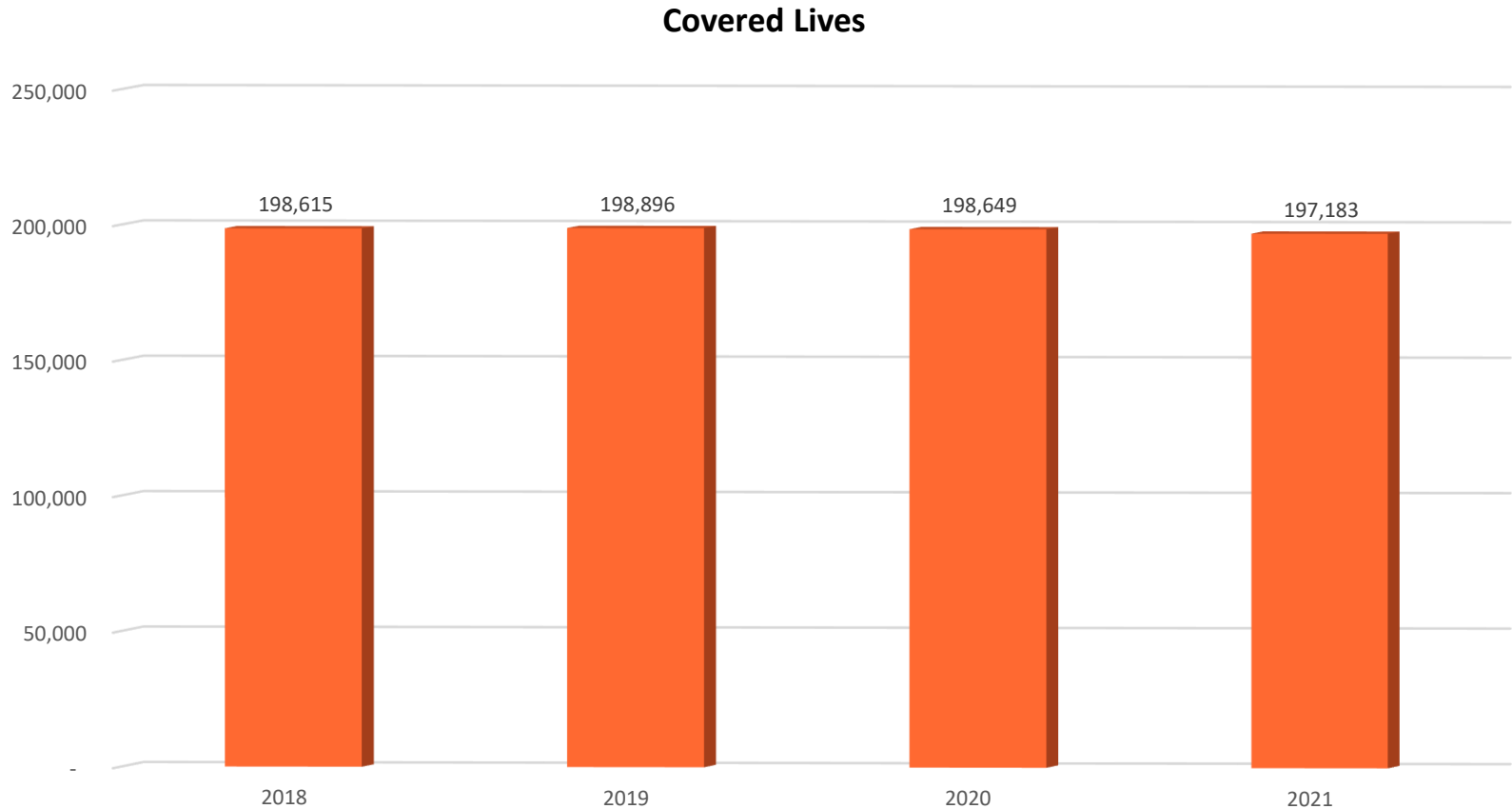
2021 Annual Report

Michigan Public School Employees'  
Retirement System

Presented July 14, 2022

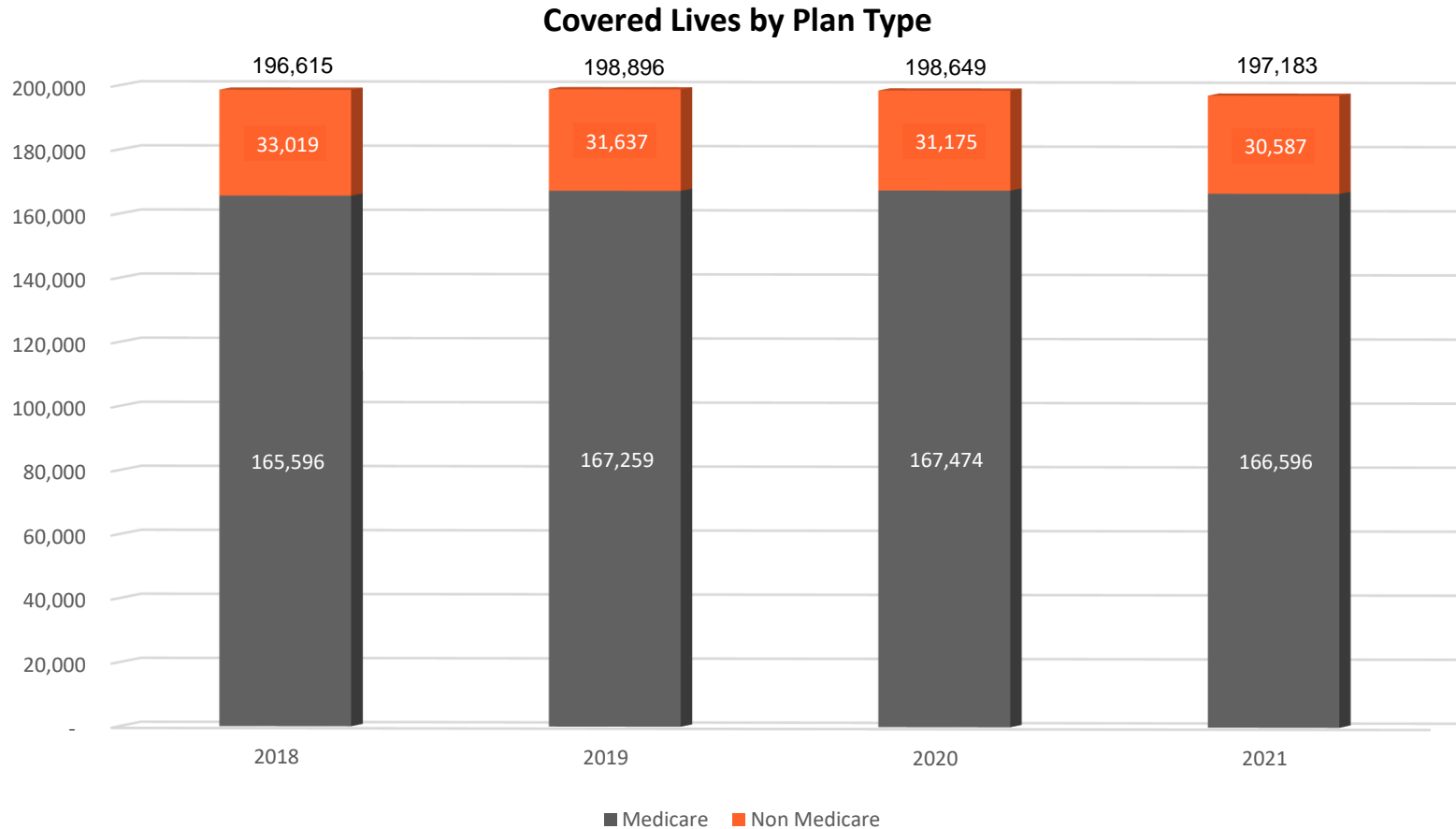


# Membership Remains Stable for the Michigan Public School Employees' Retirement System



**Membership continues to remain stable year after year.**

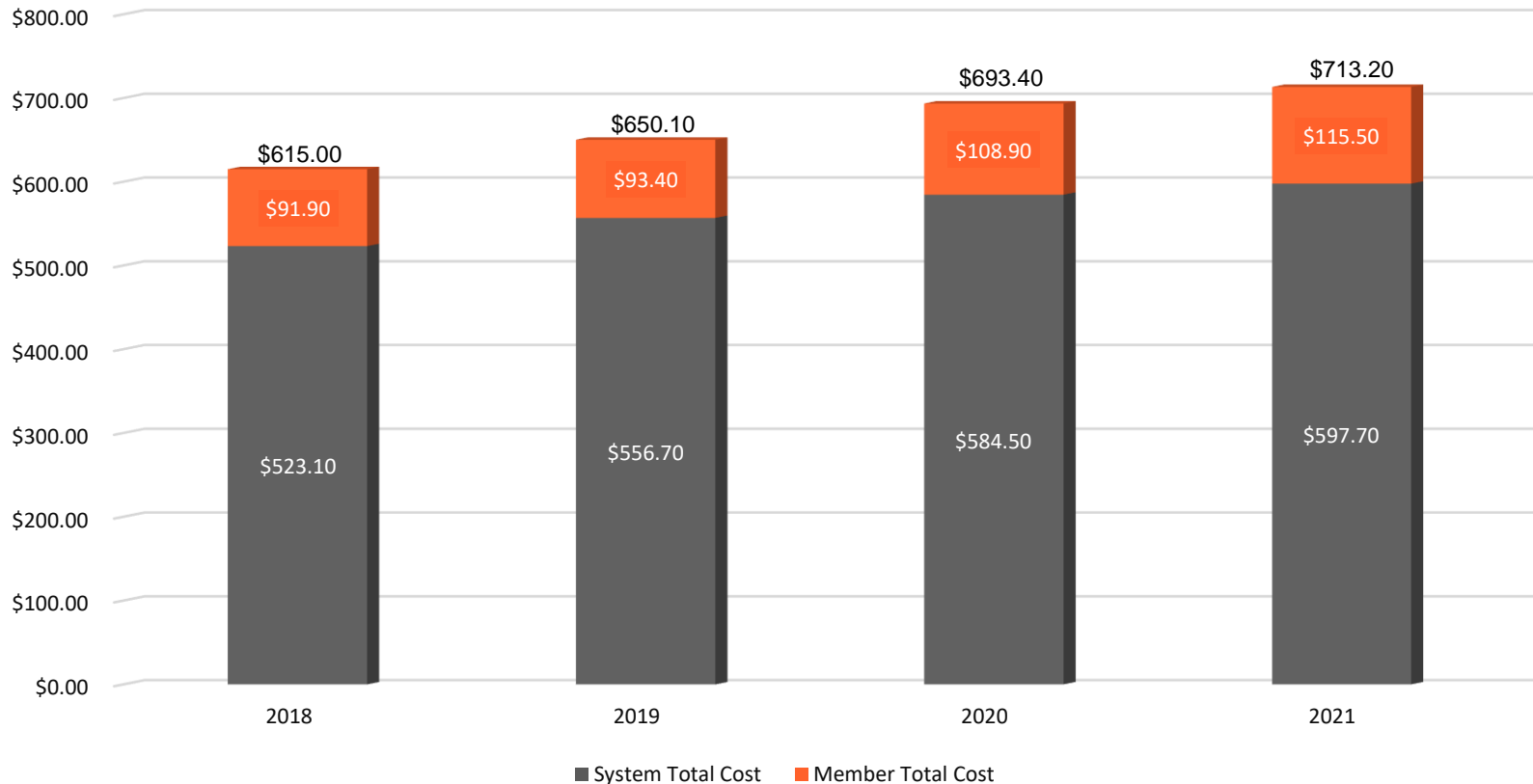
# Medicare Membership Grew, While Non-Medicare Membership Decreased



**Non-Medicare Enrollment decreased 1.89% and Medicare Enrollment decreased 0.52% in 2021.**

# Total Prescription Cost Increased in 2021

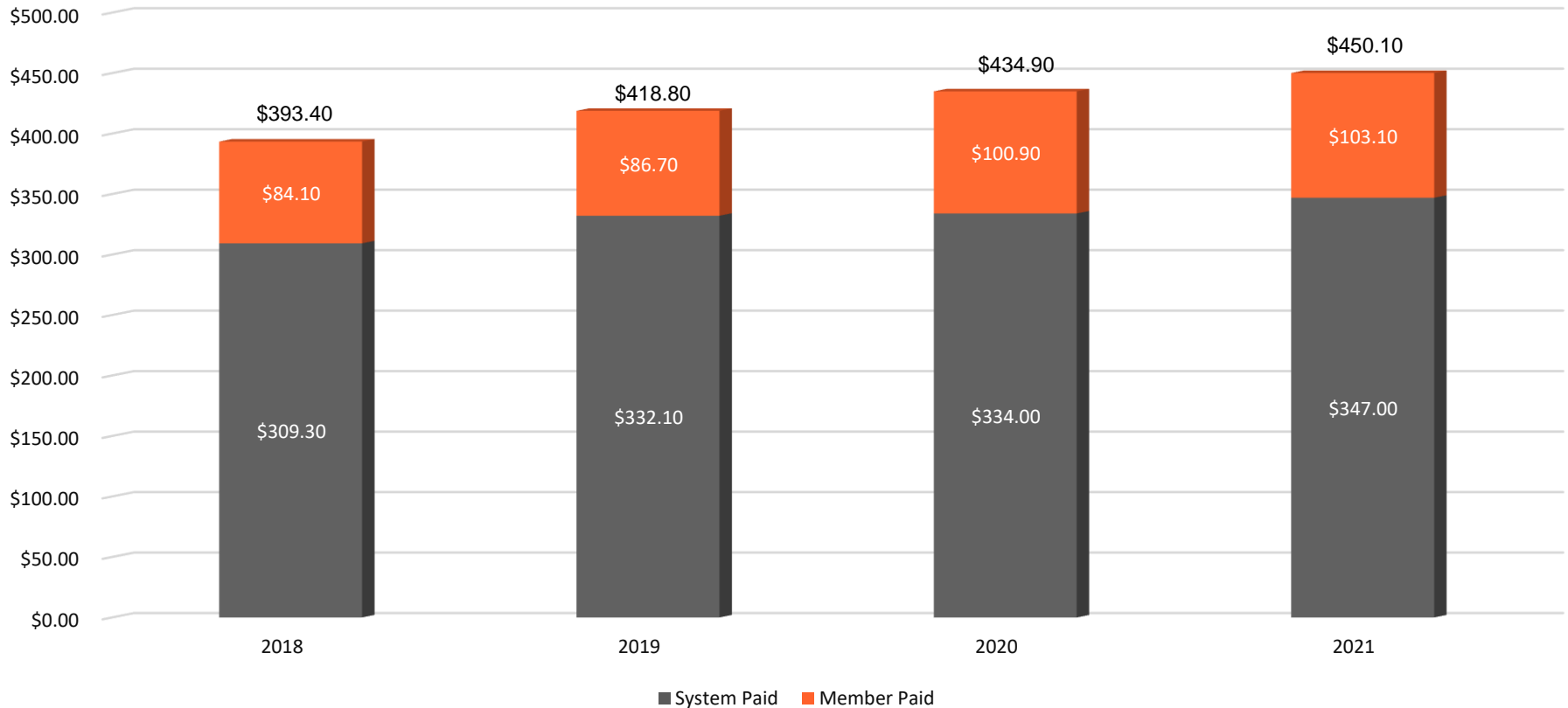
## Member and System Total Spend in Millions



**Total prescription cost increased by \$19.8 million in 2021, as compared to a \$43.3 million increase in 2020.**

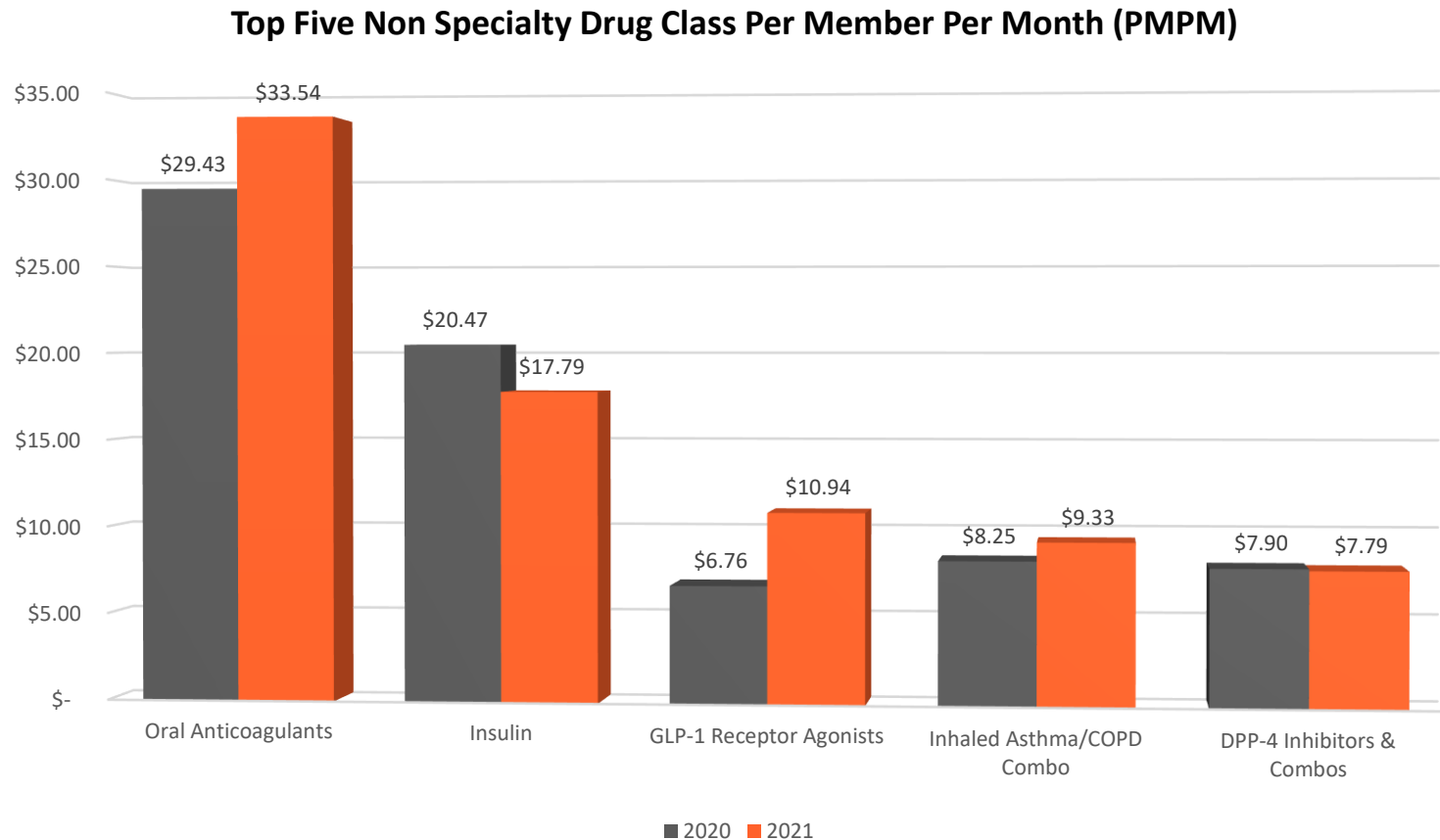
# Non-Specialty Drug Cost Increased in 2021

## System and Member Non Specialty Drug Spend in Millions



**Total year over year non-specialty drug cost increase of 3.5%, compared to a 3.8% increase in 2020.**

# Top Non-Specialty Classes by Total Cost



- **Increased utilization and higher cost of newer agents continues to drive Oral Anticoagulants trend.**
- **Diabetes categories continue to drive trend due to increased utilization and costs**

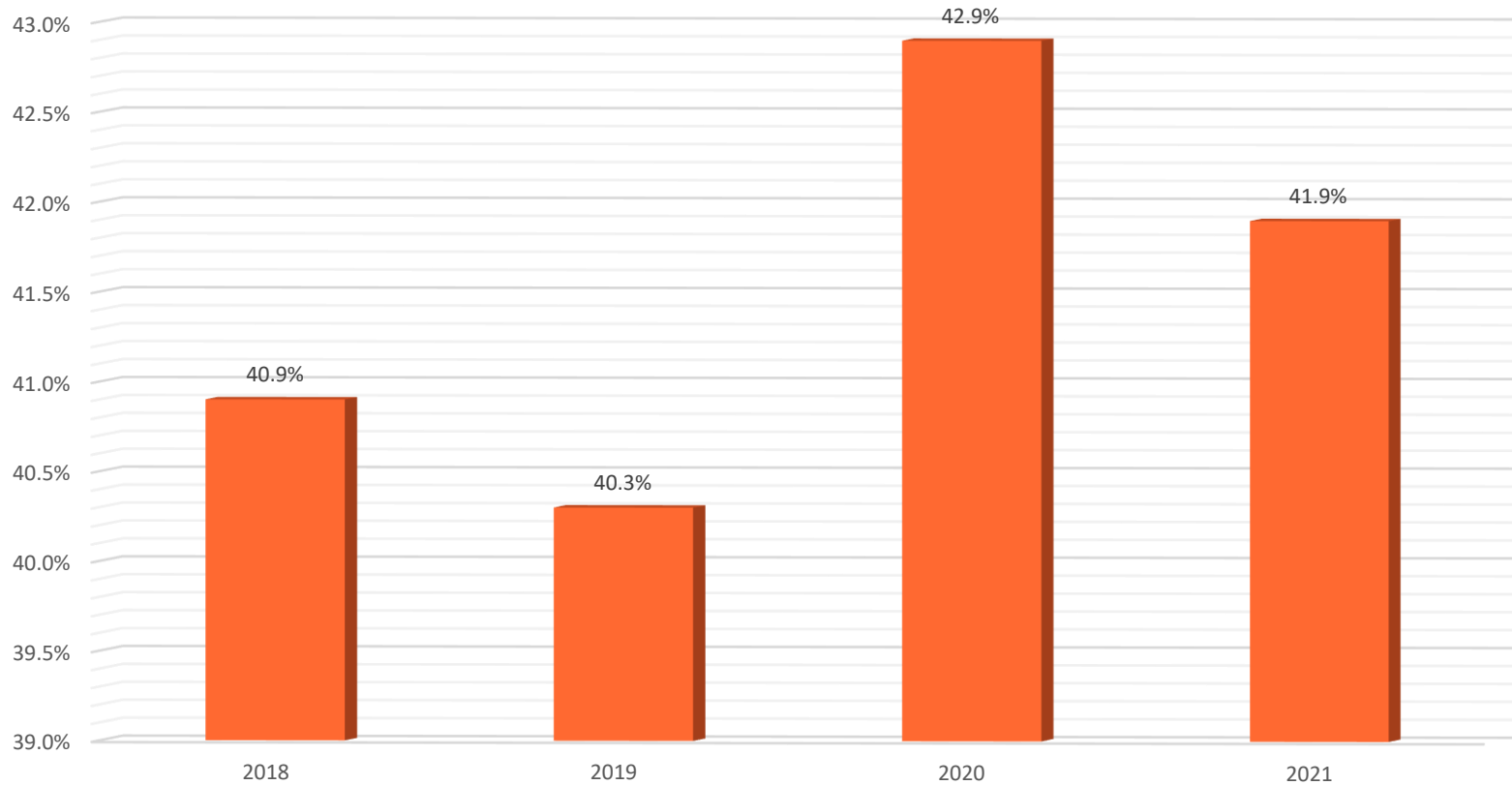
# Top 10 Non-Specialty Drugs by Cost

		Jan 21 - Dec 21				
Drug Name	Therapeutic Class Name	System Paid	Rxs	System Paid Per Rx	System Paid PMPM	PCT of Total System Cost
ELIQUIS	Oral Anticoagulants	\$55,095,952	70,564	\$780.79	\$23.28	15.9%
XARELTO	Oral Anticoagulants	\$23,703,035	27,792	\$852.87	\$10.02	6.8%
JANUVIA	DPP-4 Inhibitors & Combos	\$16,289,426	18,581	\$876.67	\$6.88	4.7%
TRULICITY	GLP-1 Receptor Agonists	\$15,885,648	13,074	\$1,215.06	\$6.71	4.6%
LANTUS SOLOSTAR	Insulin	\$13,443,517	21,689	\$619.83	\$5.68	3.9%
JARDIANCE	SGLT-2 Inhibitors & Combos	\$11,956,529	12,861	\$929.67	\$5.05	3.4%
MYRBETRIQ	Urinary Antispasmodics & OAB Drugs	\$9,587,897	15,336	\$625.19	\$4.05	2.8%
SYMBICORT	Inhaled Asthma/COPD Combo	\$8,048,498	16,085	\$500.37	\$3.40	2.3%
NOVOLOG FLEXPEN	Insulin	\$6,407,348	5,876	\$1,090.43	\$2.71	1.8%
RESTASIS	Ophthalmic Immunomodulators	\$5,688,826	6,050	\$940.30	\$2.40	1.6%

Increased cost and use of more expensive brand products led to a non-specialty drug trend of 4.7% in 2021.

# Specialty Drug Cost Saw a Decrease as a Percentage of Plan Cost

Specialty Drug Cost as a Percentage of Total Plan Cost

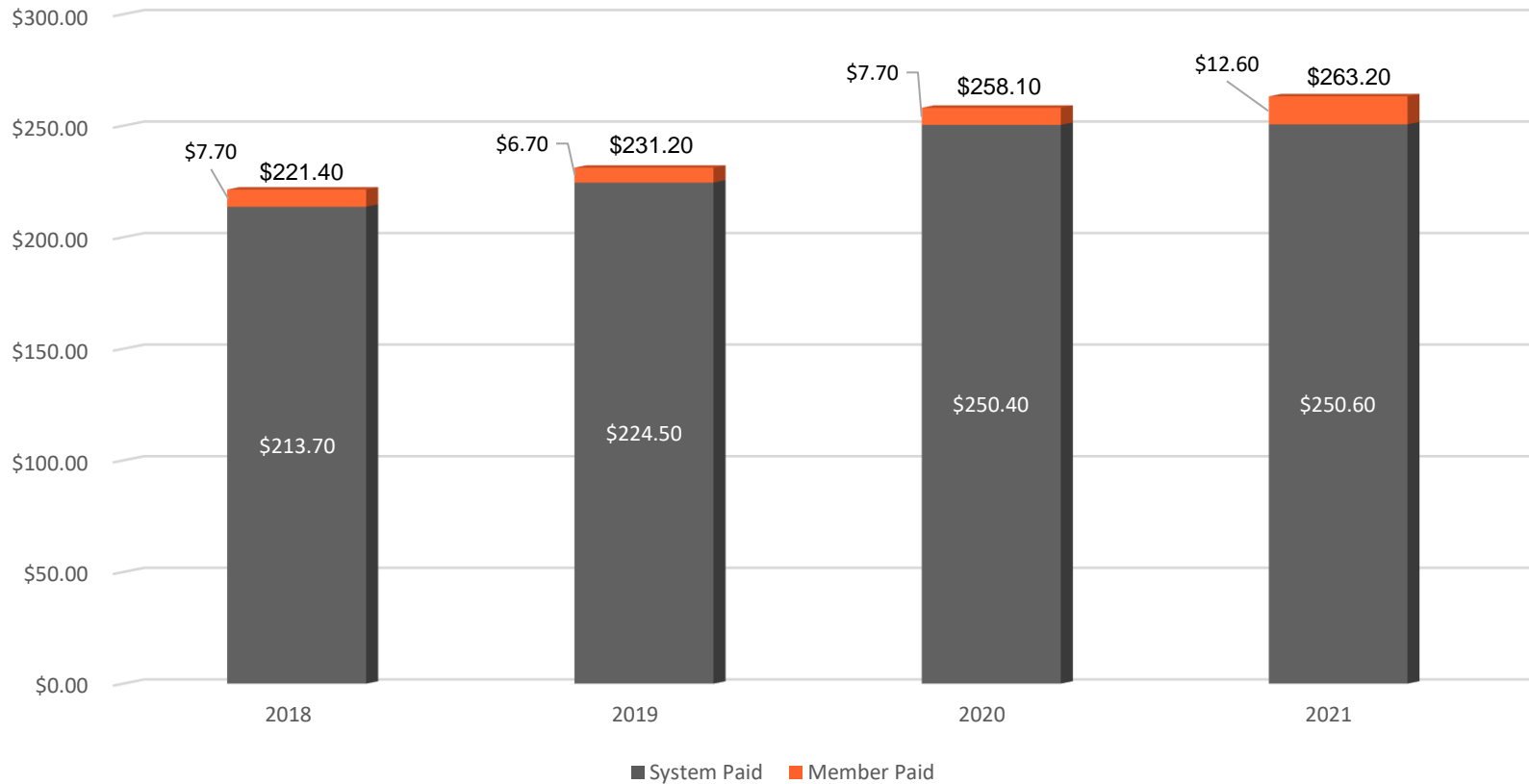


**Specialty trend is being driven by increased cost and use of more expensive branded medications.**



# Specialty Cost Increased in 2021

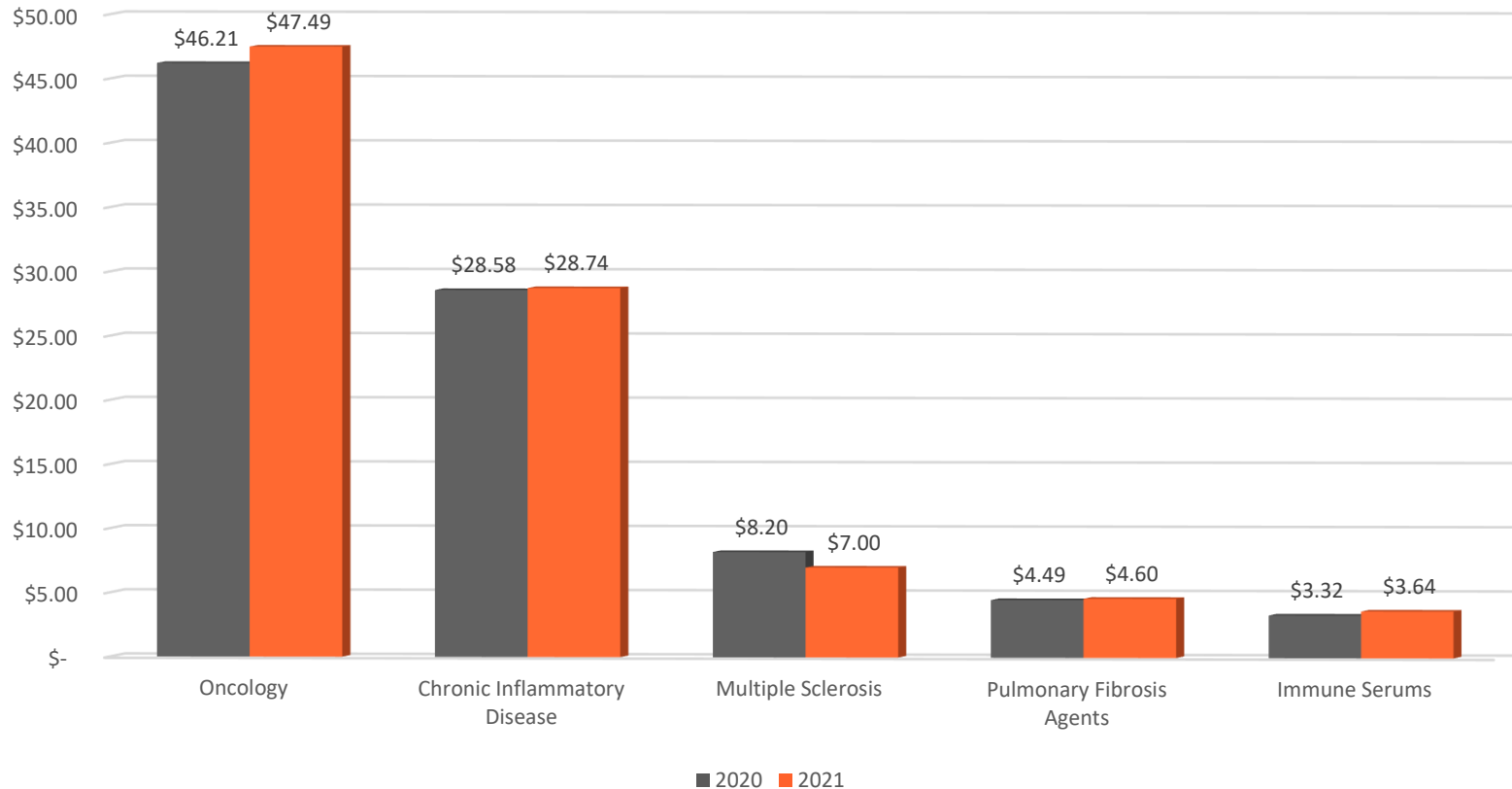
System and Member Specialty Drug Spend in Millions



**Total year over year specialty cost increase of 1.98%, compared to an 11.63% increase in 2020. This trend was held relatively flat due to a decrease in Rx Count and an increase in member contribution.**

# Top Five Specialty Drug Classes

Top Five Specialty Drug Classes Per Member Per Month (PMPM)



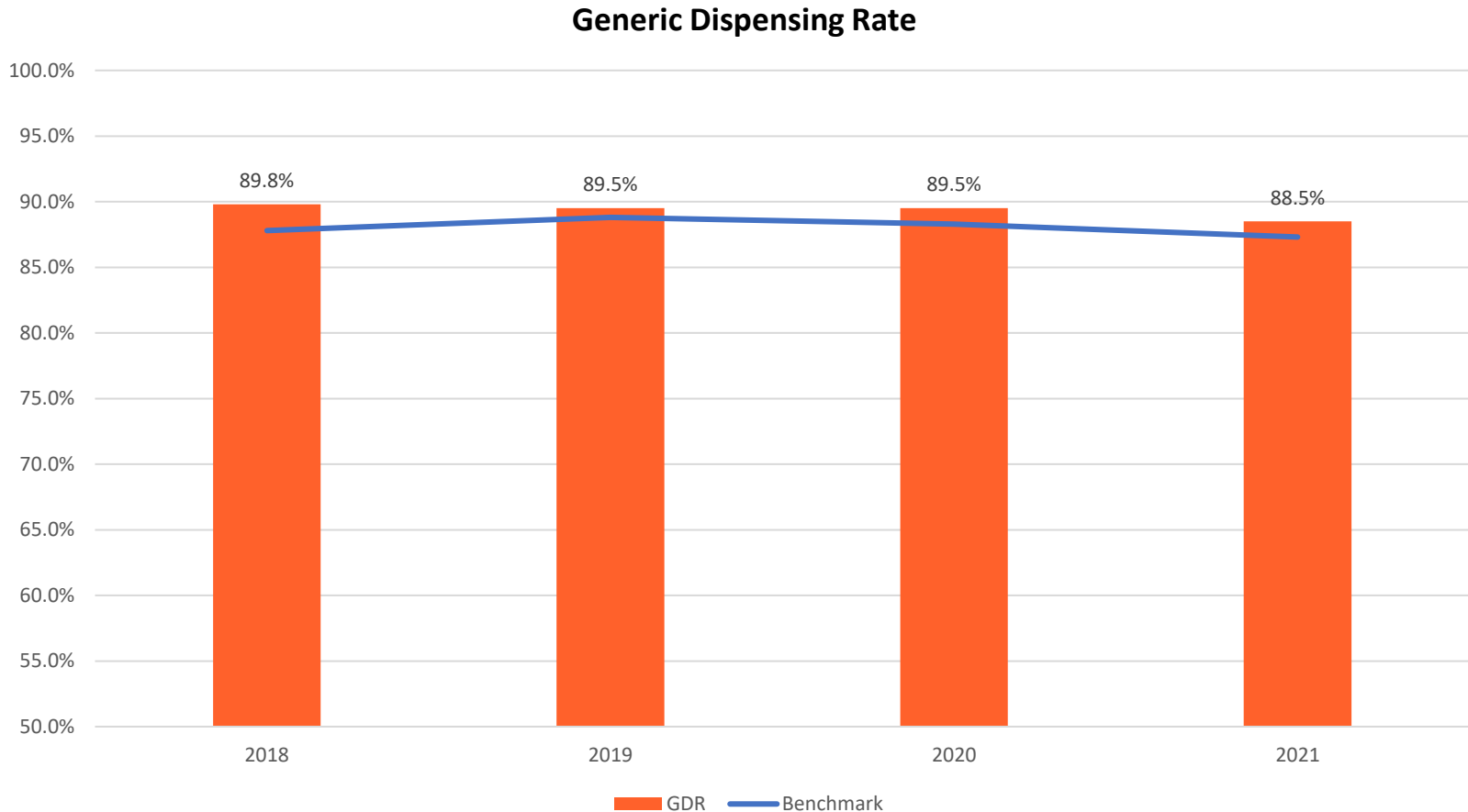
- These top 5 classes have remained stable year over year and accounted for 86% of specialty spend in 2021.
- The plan has comprehensive PA and QL in place for specialty medications, days' supply restriction, Optum Specialty exclusive/preferred arrangements for pricing discounts and enhanced member care services.

# Top 10 Specialty Drugs Increased in Cost

		Jan 21 - Dec 21				
Drug Name	Therapeutic Class Name	System Paid	Rxs	System Paid Per Rx	System Paid PMPM	PCT of Total System Cost
REVLIMID	Oncology	\$28,161,078	1,702	\$16,545.87	\$11.90	11.2%
HUMIRA PEN	Chronic Inflammatory Disease	\$25,930,306	3,736	\$6,940.66	\$10.96	10.3%
IMBRUVICA	Oncology	\$18,237,413	1,413	\$12,906.87	\$7.71	7.3%
ENBREL SURECLICK	Chronic Inflammatory Disease	\$12,755,804	2,147	\$5,941.22	\$5.39	5.1%
XTANDI	Oncology	\$12,638,197	1,139	\$11,095.87	\$5.34	5.0%
IBRANCE	Oncology	\$7,667,940	635	\$12,075.50	\$3.24	3.1%
JAKAFI	Oncology	\$6,894,134	510	\$13,517.91	\$2.91	2.8%
ENBREL	Chronic Inflammatory Disease	\$6,545,484	1,134	\$5,772.03	\$2.77	2.6%
OFEV	Pulmonary Fibrosis Agents	\$6,274,257	603	\$10,405.07	\$2.65	2.5%
ESBRIET	Pulmonary Fibrosis Agents	\$4,606,521	498	\$9,250.04	\$1.95	1.8%

- Specialty medications had a trend of 0.8% in 2021.
- Overall, 0.7% of prescriptions are driving 41.9% of system costs

# Generic Dispensing Rate Decreased Slightly



**Generic dispensing rate decreased slightly in 2021 due to increased use of more expensive brand products however continues to outperform the benchmark.**

# Key Indicators Summary

Key Indicator	2018	2019	2020	2021
Enrolled Members	198,615	198,896	198,649	197,183
Number of Prescriptions	5,846,700	5,748,794	5,409,695	5,252,102
Average Prescriptions per Member per Month	2.45	2.41	2.27	2.22
Generic Dispensing Rate	89.8%	89.5%	89.5%	88.5%
Specialty Drug Cost as a Percentage of Total Drug Cost	40.9%	40.3%	42.9%	41.9%

**Total costs increased, largely due to increased drug prices and use of more expensive branded medications.**

# OptumRx COVID-19 Response

- OptumRx experienced no disruption of member or client services
- Provided frequent communication and resources to clients and members
- Lifted refill-too-soon restrictions
- One-time 90-day supply for certain medications, instead of a 30-day supply
- One time 90-day extension for existing PAs set to expire
- Ability for the Non-Medicare members to receive a 90-day supply of medications at retail just as Medicare Plan members are allowed
- Ability to access out-of-network pharmacy in the event of drug shortages
- Provided free tools for members
  - Emotional support services through Optum EAP and Sanvello

# OPPORTUNITIES TO TAKE ACTION

- Continue to focus on lowest-net-cost approach to formulary and management programs
- Continue to focus on Specialty Pharmacy
- Continue to examine current benefit design looking for improvement opportunities
- Continue to use utilization management tools appropriately

Thank you for your time