



# Managed Prescription Drug Program Report

2023 Annual Report

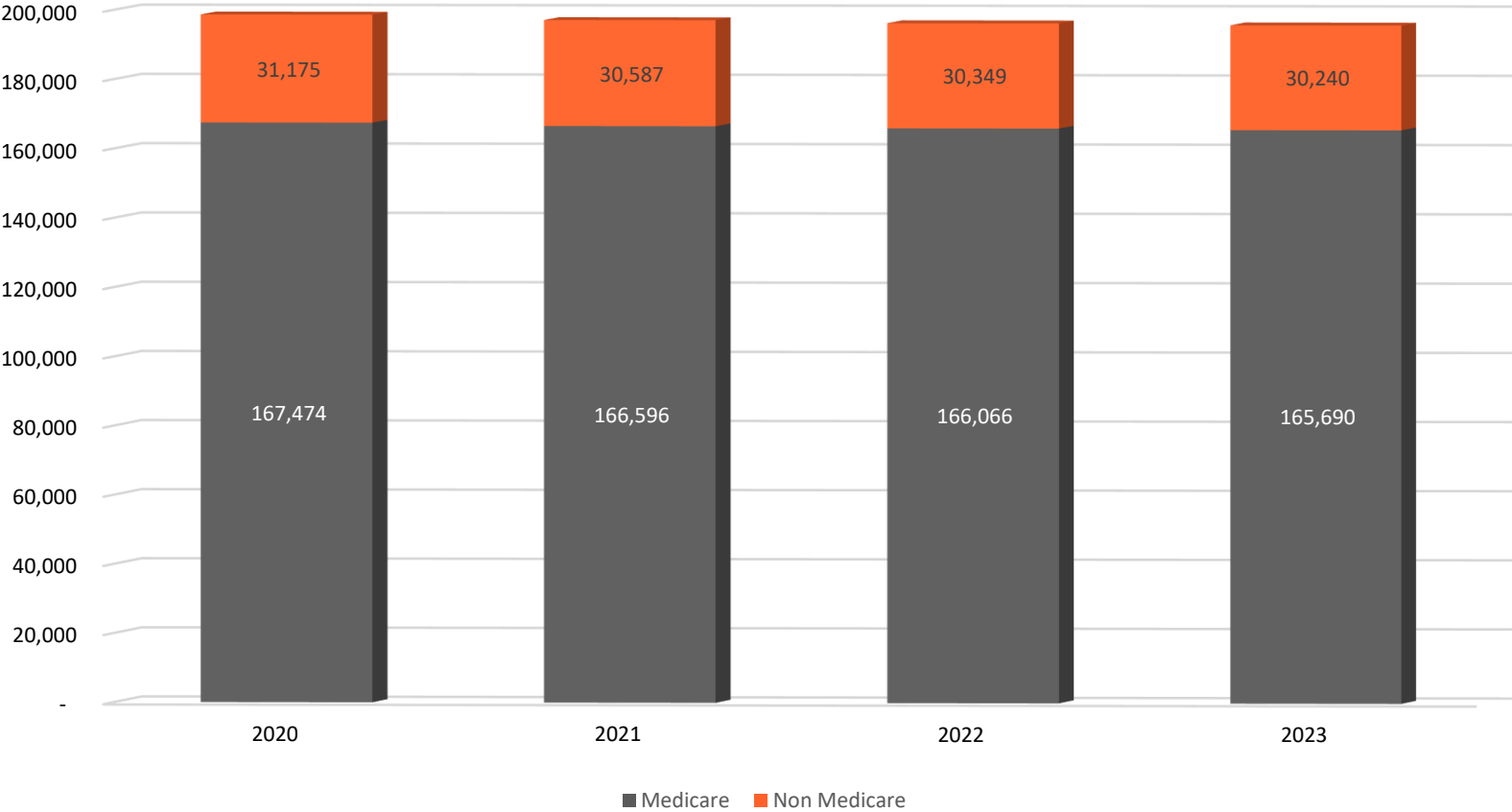
Michigan Public School Employees'  
Retirement System

Presented July 18, 2024



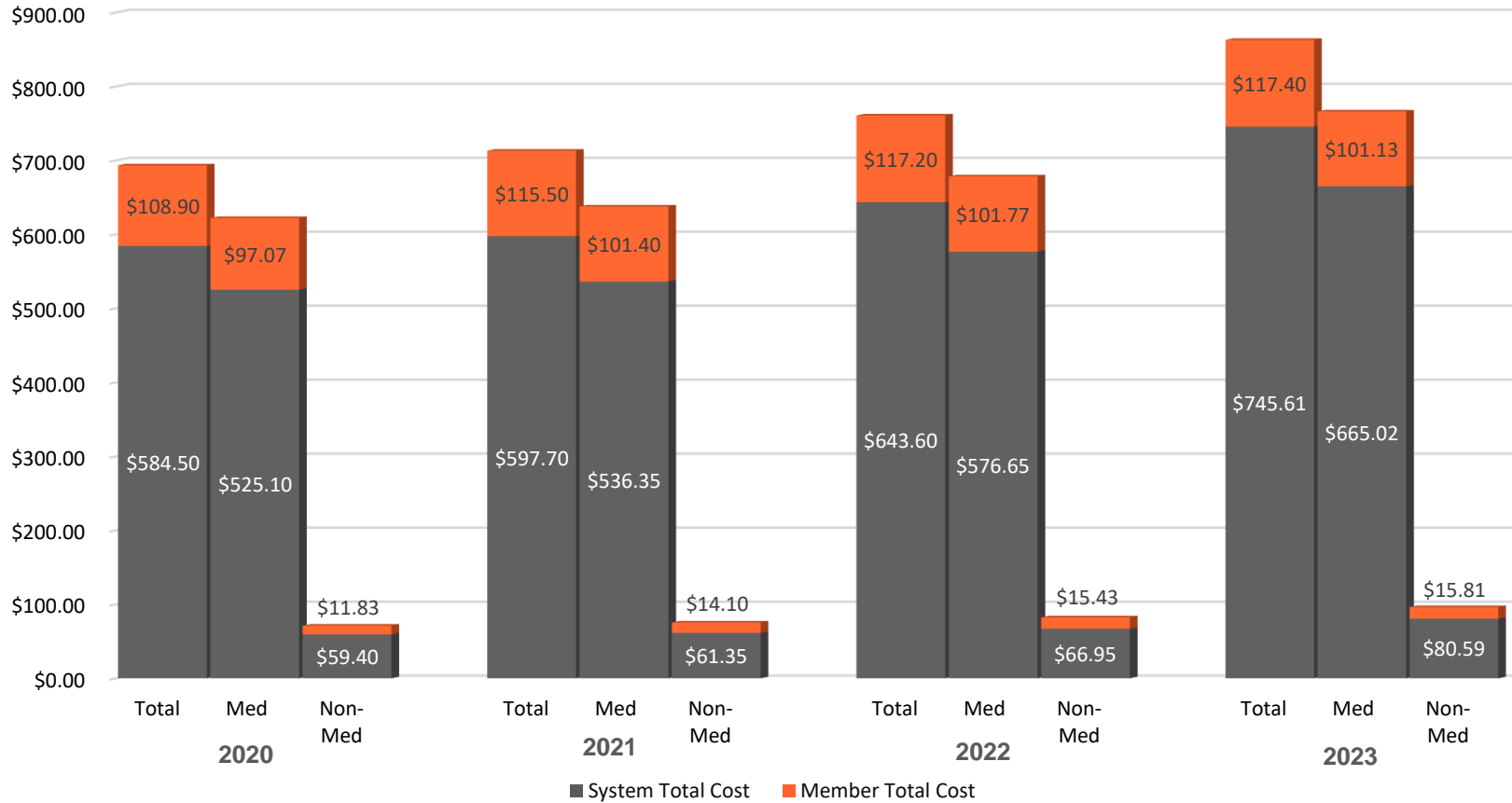
# Membership

# Medicare and Non-Medicare Membership

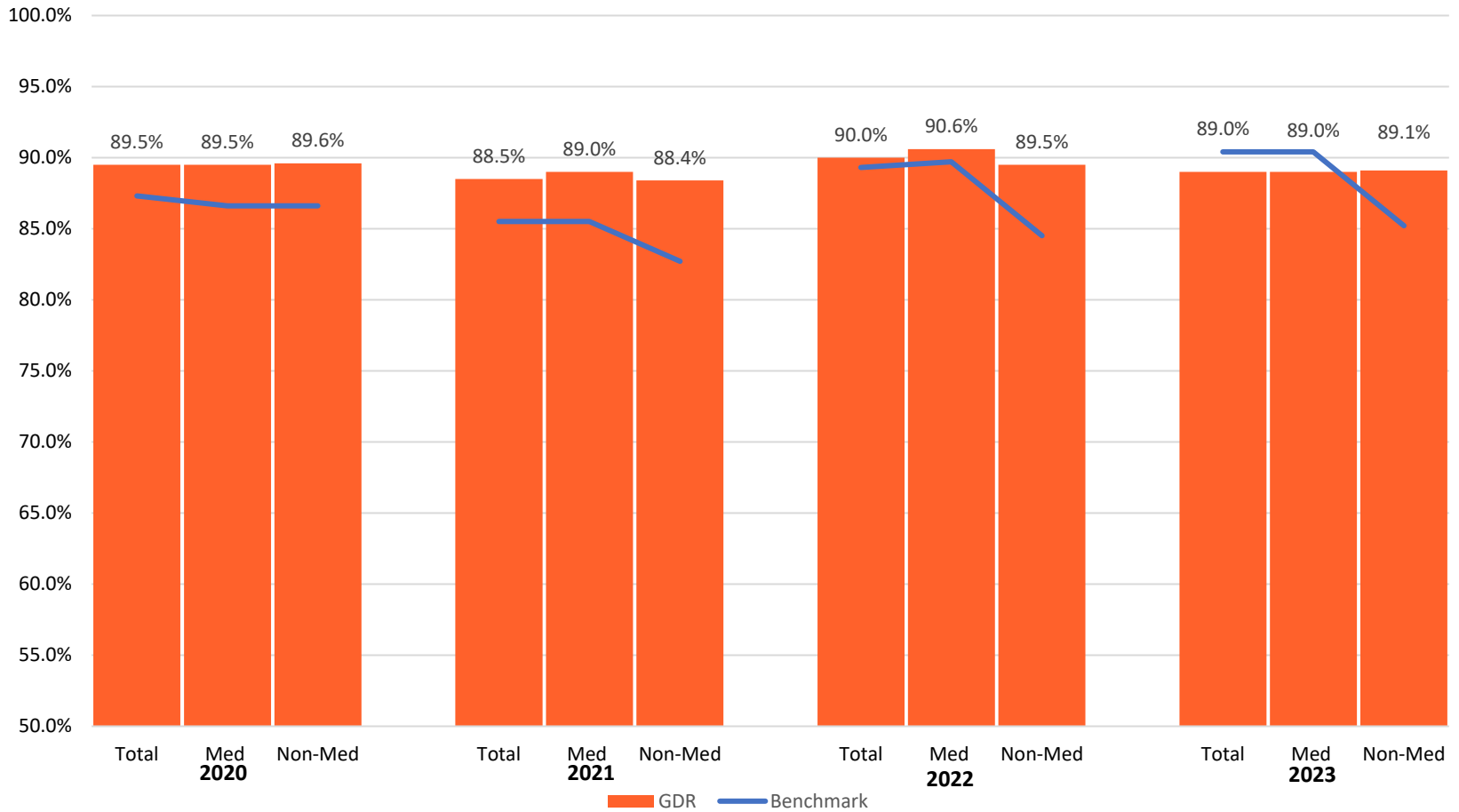


# Pharmacy Trends Total

# Total Prescription Cost (In Millions)



# Generic Dispensing Rate (GDR)



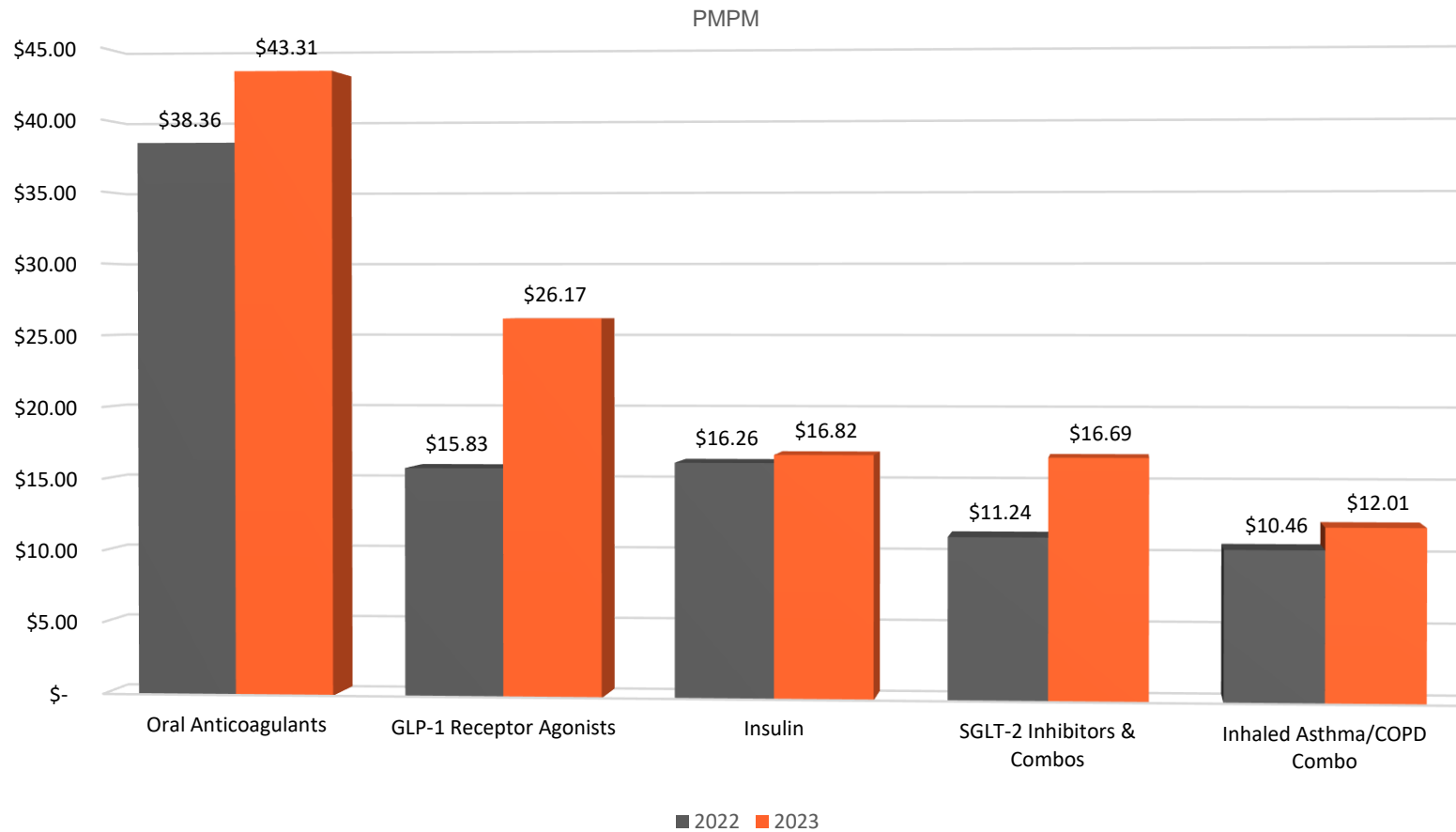
# Pharmacy Trends Non-Specialty

# Non-Specialty Drug Cost (In Millions)





# Top Non-Specialty Classes by Total Cost

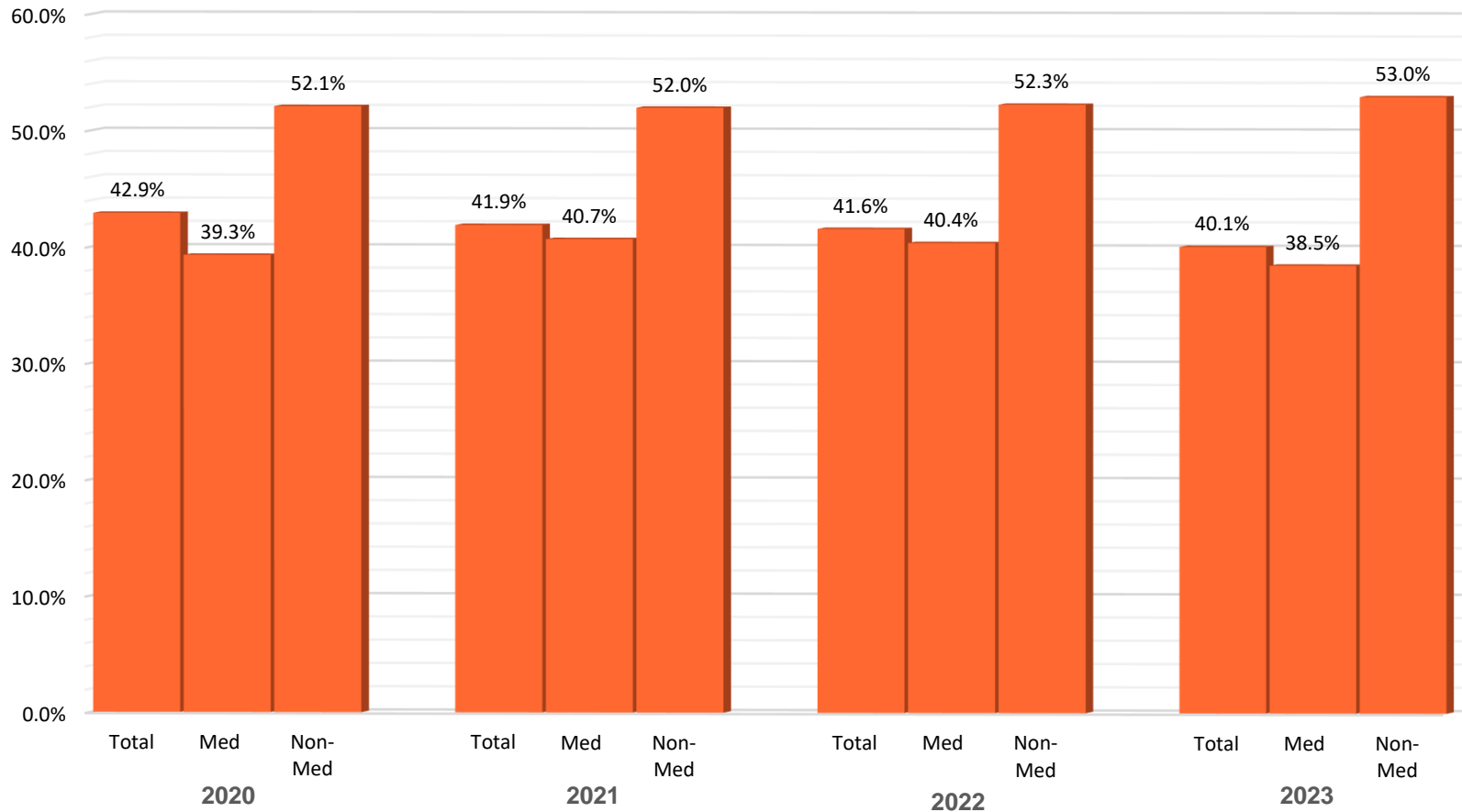


# Top 10 Non-Specialty Drugs by Plan Paid

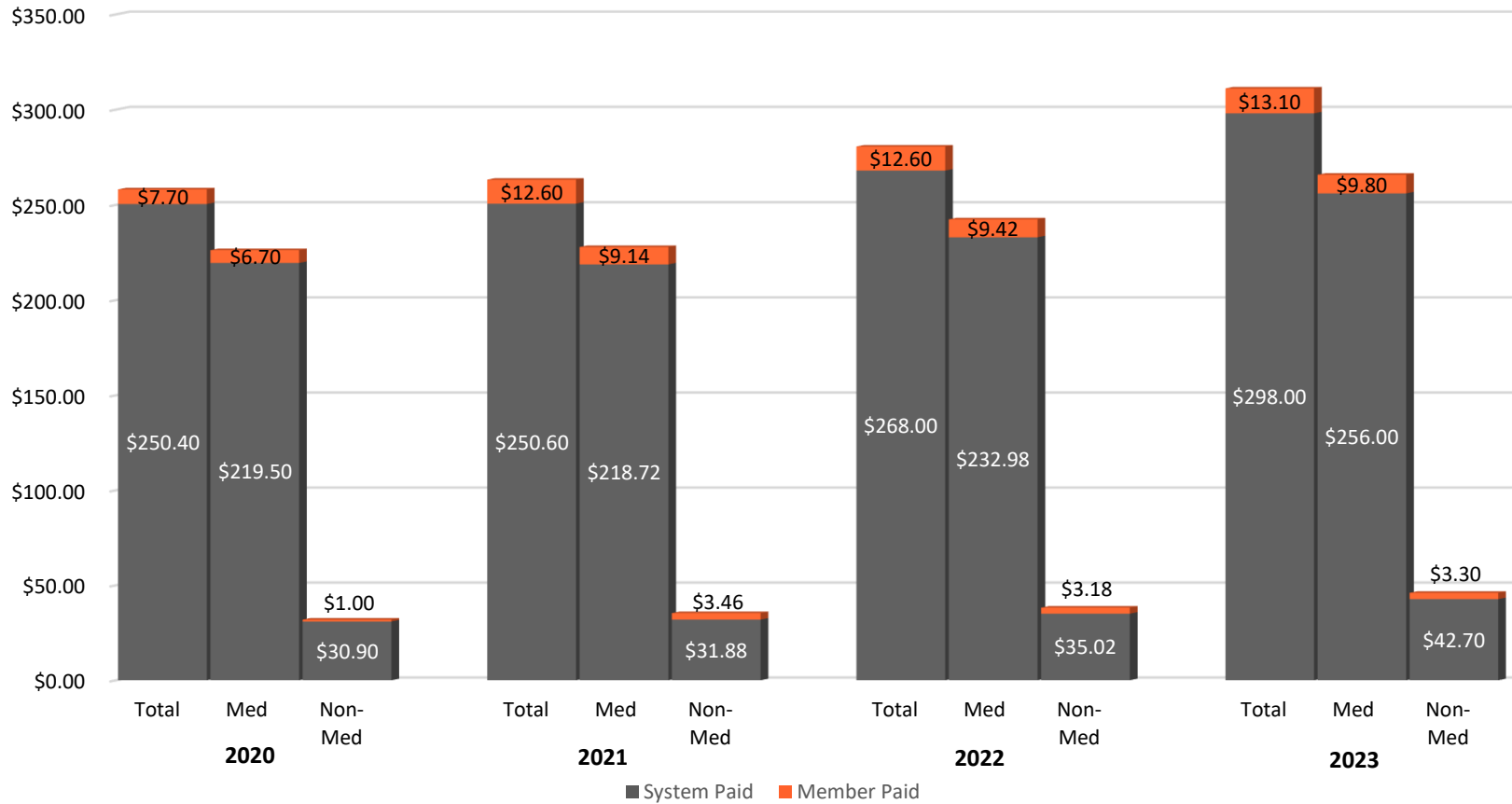
Rank	Drug Name	Therapy Class	Utilizers	Rxs	Avg Days Supply	Total Plan Paid	Plan Paid per Rx	Curr plan paid PMPM	Prev plan paid PMPM	Bench plan paid PMPM	% Trend	Top driver
1	ELIQUIS	Oral Anticoagulants	18,299	80,911	59.2	\$75,956,979	\$938.77	\$32.31	\$27.69	\$11.85	16.7%	Utlzn
2	JARDIANCE	SGLT-2 Inhibitors & Combos	8,060	30,989	61.9	\$32,316,968	\$1,042.85	\$13.75	\$8.52	\$8.75	61.4%	Utlzn
3	TRULICITY	GLP-1 Receptor Agonists	4,169	20,700	53.5	\$32,037,786	\$1,547.72	\$13.63	\$11.98	\$3.13	13.8%	Utlzn
4	XARELTO	Oral Anticoagulants	6,197	25,911	64.2	\$25,476,357	\$983.23	\$10.84	\$10.49	\$4.74	3.3%	Cost
5	OZEMPIC	GLP-1 Receptor Agonists	3,443	14,790	44.4	\$18,482,479	\$1,249.66	\$7.86	\$2.07	\$4.00	280.6%	Utlzn
6	JANUVIA	DPP-4 Inhibitors & Combos	3,469	14,346	65.5	\$14,498,678	\$1,010.64	\$6.17	\$6.68	\$1.55	-7.7%	Utlzn
7	LANTUS SOLOSTAR	Insulin	4,800	18,793	61.7	\$12,439,727	\$661.93	\$5.29	\$5.20	\$1.33	1.8%	Mbr Contrb
8	MYRBETRIQ	Urinary Antispasmodics & OAB Drugs	3,184	11,721	56.5	\$12,357,941	\$712.27	\$5.26	\$4.54	\$2.37	15.8%	Utlzn
9	TRELEGY ELLIPTA	Inhaled Asthma/COPD Combo	28,992	27,386	51.4	\$10,899,589	\$929.92	\$4.64	\$3.07	\$1.19	50.9%	Utlzn
10	AREXVY	Vaccines	18,299	80,911	1	\$8,207,022	\$299.68	\$3.49	\$0.00	\$0.88	-	-

# Pharmacy Trends Specialty

# Specialty Drug Cost as a Percentage of Total Plan Cost

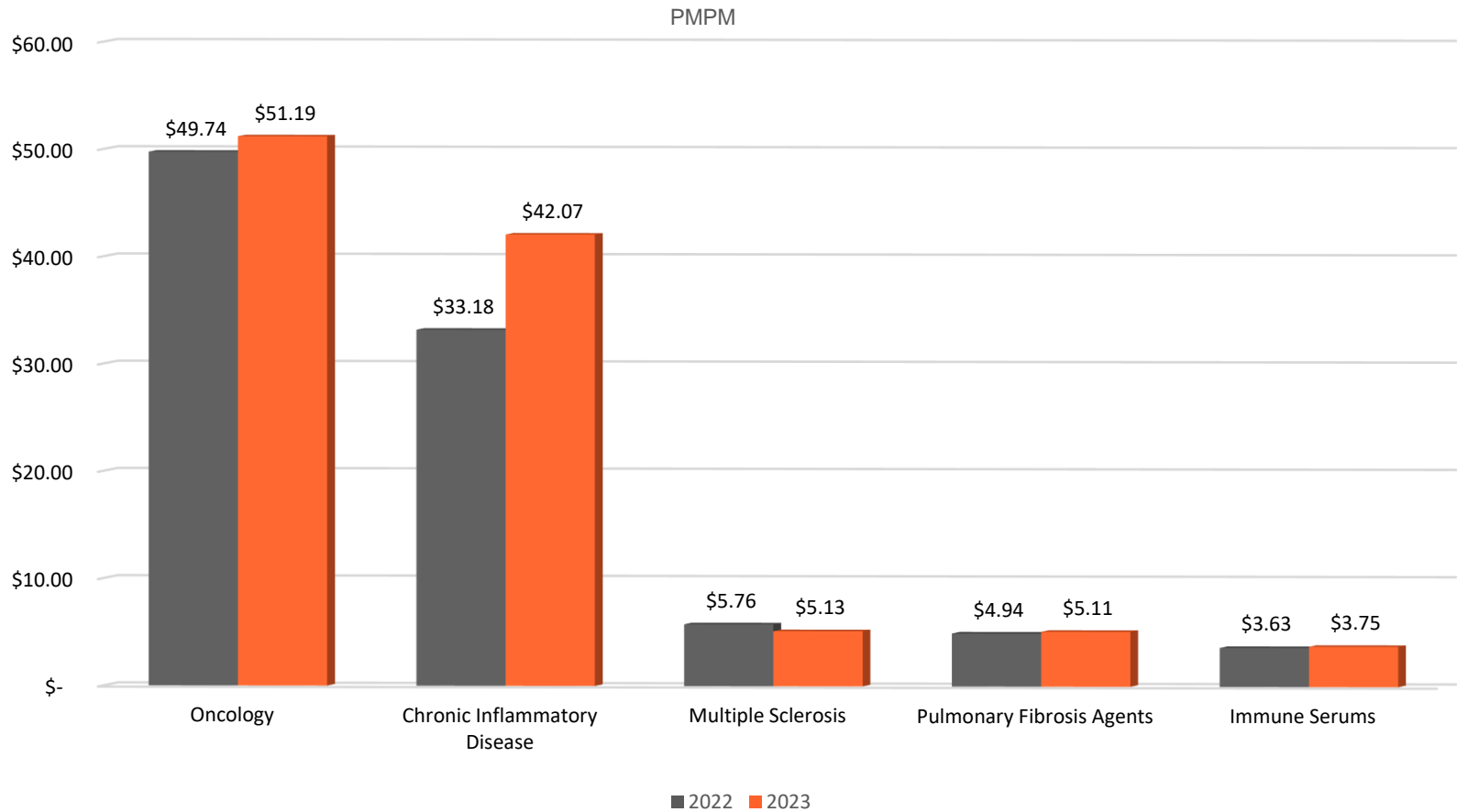


# Specialty Drug Cost (In Millions)



\*Rebates are not included in any figures

# Top Specialty Drug Classes by Total Cost



# Top 10 Specialty Drugs by Plan Paid

Rank	Drug Name	Therapy Class	Utilizers	Rxs	Avg Days Supply	Total Plan Paid	Plan Paid per Rx	Curr plan paid PMPM	Prev plan paid PMPM	Bench plan paid PMPM	% Trend	Top driver
1	HUMIRA PEN	Chronic Inflammatory Disease	526	4093	29.6	\$32,736,874	\$7,998.26	\$13.92	\$11.98	\$2.83	16.2%	Cost
2	REVLIMID	Oncology	210	1,128	26.7	\$19,285,435	\$17,097.02	\$8.20	\$11.52	\$2.31	-28.8%	Utlzn
3	IMBRUVICA	Oncology	125	1,066	28.3	\$16,202,151	\$15,199.02	\$6.89	\$7.89	\$2.92	-12.6%	Utlzn
4	ENBREL SURECLICK	Chronic Inflammatory Disease	263	2,149	28.3	\$14,997,729	\$6,978.93	\$6.38	\$5.40	\$2.79	18.2%	Cost
5	XTANDI	Oncology	191	993	29.5	\$12,127,666	\$12,213.16	\$5.16	\$5.01	\$4.31	2.9%	Cost
6	STELARA	Chronic Inflammatory Disease	122	455	52.9	\$11,042,423	\$24,269.06	\$4.70	\$2.84	\$2.53	65.6%	Utlzn
7	OFEV	Pulmonary Fibrosis Agents	133	730	29.9	\$8,860,276	\$12,137.36	\$3.77	\$3.07	\$2.04	22.6%	Utlzn
8	JAKAFI	Oncology	78	581	29.9	\$8,689,663	\$14,956.39	\$3.70	\$3.35	\$2.27	10.4%	Utlzn
9	IBRANCE	Oncology	90	569	27.9	\$8,454,384	\$14,858.32	\$3.60	\$3.44	\$5.67	4.4%	Cost
10	LENALIDOMIDE	Oncology	112	554	27.0	\$7,749,066	\$13,987.48	\$3.30	\$0.60	\$6.68	448.4%	Utlzn

# Clinical Programs

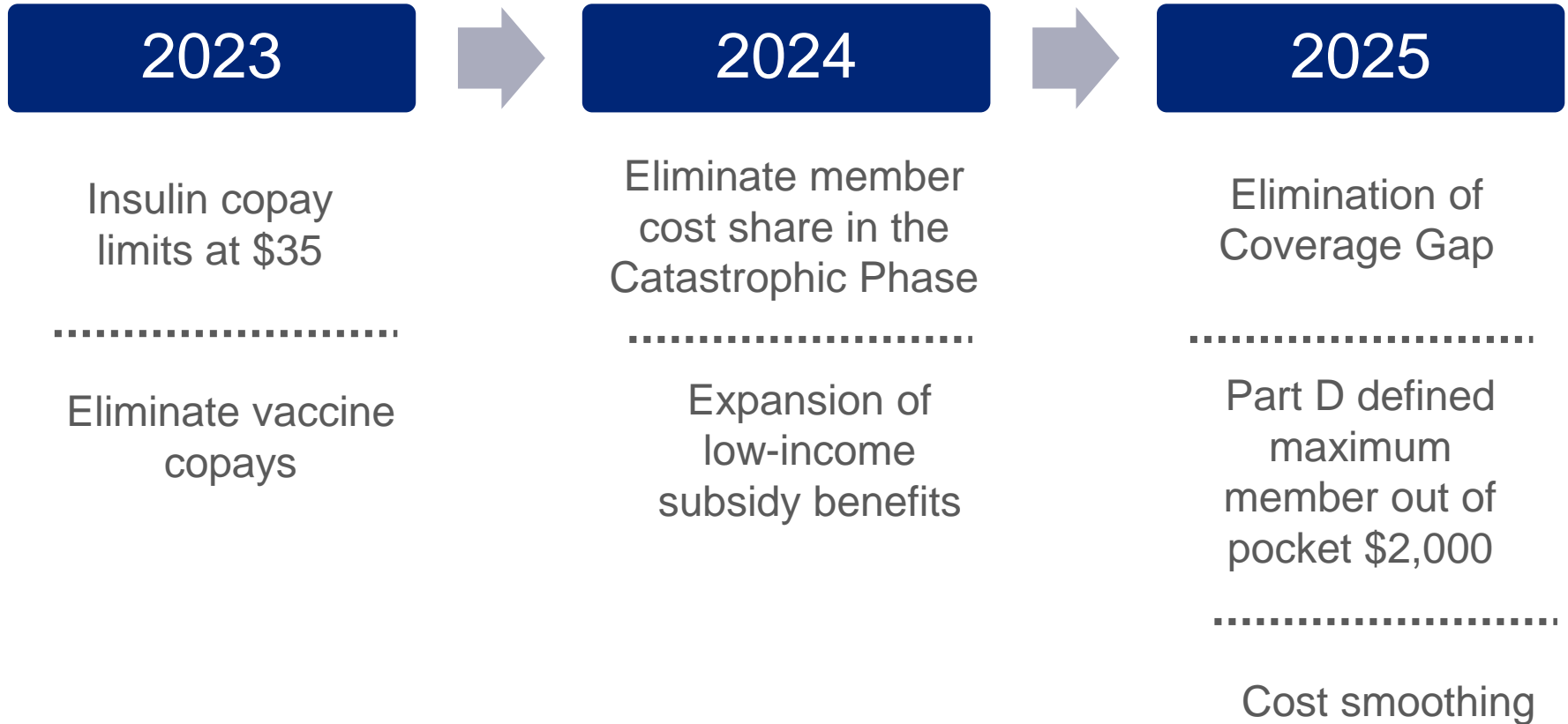


# Clinical Program Metrics

Program Name	CY 2023 Savings	CY 2023 Clinical Metrics
Orphan Drug (Timeframe 6/1/23-12/31/23)	N/A	95 members enrolled, 69 post consultation letters sent
Real Appeal*	N/A	4.0% average weight loss, 91% of participants attended 4+ sessions, 4.84/5 overall survey rating
Polypharmacy*	N/A	2.6k members enrolled, 810 consultations completed, 910 interventions sent to prescriber
Vigilant Drug Program*	\$2.5M	1.8k members impacted, 716 claims switched to lower cost alternatives, 1.4k claims abandoned
Personalized Rx Counselor* (Timeframe 10/1/23-12/31/23)	\$30.2k	239 targeted medication reviews, 196 comprehensive medication reviews
Medication Therapy Management	\$6.4M	17.5k targeted medication reviews, 10k comprehensive medication reviews
Opioid Risk Management	\$187k	7.3k prescriber interventions, 9.8k member education mailings, 46% decrease in utilization
Utilization Management	\$139.6M	28.7k prior authorizations, 15.8k quantity limits, 7.2k step therapy
PreCheck MyScript	\$59.4k	28% physicians utilizing PCMS, 14% alternative conversions, 376 prior authorizations avoided
Retrospective Intervention Program	\$38.9M	117.2k total interventions
Meds on Track	\$70.1M	105.2k new to therapy interventions, 476.5k late to refill IVR calls, 132.6k low adherence outreach to prescriber, 15.4k primary non-adherence interventions to prescriber

# Regulatory Items

# Inflation Reduction Act: Key Pharmacy Changes



# Ongoing Strategies

# Ongoing Strategies

- Continue to align with regulatory requirements.
- Focus on lowest-net-cost approach to formulary and management programs.
- Focus on Specialty Pharmacy.
- Focus on development of member-centric benefit opportunities.
- Continue to use utilization management tools appropriately.

Thank you for your time

# Appendix

## Non-Specialty Drug Class Summary

<b>Drug Class</b>	<b>Conditions Treated</b>	<b>Drug Examples</b>
Oral Anticoagulants	Blood Clot Prevention; Stroke Prevention	Eliquis, Xarelto
GLP-1 Receptor Agonists	Type 2 Diabetes	Ozempic, Trulicity
Insulin	Type 1 Diabetes; Type 2 Diabetes	Humulin, Humalog, Novolin, Novolog, Lantus
SGLT-2 Inhibitors & Combos	Type 2 Diabetes	Invokana, Jardiance
Inhaled Asthma/COPD Combo	Asthma; COPD	Symbicort, Trelegy Ellipta



## Specialty Drug Class Summary

Drug Class	Conditions Treated	Drug Examples
Oncology	Cancer	Ibrance, Imbruvica, Jakafi, Revlimid, Xtandi
Chronic Inflammatory Disease	Rheumatoid Arthritis; Crohn's Disease; Ulcerative Colitis; Psoriasis	Cosentyx, Enbrel, Humira, Stelara
Multiple Sclerosis	Multiple Sclerosis	Aubagio, Avonex, Betaseron, Kesimpta
Pulmonary Fibrosis Agents	Pulmonary Fibrosis	Ofev, Esbriet
Immune Serums	Blood Disorders; Infections; Immune System Disorders	Gammagard, Gammaplex, Hizentra

# Clinical Program Overview

Program Name	Program Overview
Orphan Drug	Orphan drugs are medications developed to treat, prevent, or diagnose rare conditions affecting less than 200,000 people in the US and are typically very high in cost. This program enables expert clinical pharmacists to tailor and guide optimal orphan drug therapy for members. The program includes one-on-one coaching led by ORx pharmacists with training and expertise in orphan drugs and diseases who then collaborate with physicians to address clinical concerns and adverse medication events.
Real Appeal*	Pay for performance weight loss program using intensive lifestyle interventions to create behavioral changes targeted to prediabetic members. The program is delivered digitally with live coaches over the course of 30+ group sessions with the overall goals of weight loss, reduced risk of chronic disease, and lower healthcare costs. Members are sent letters to encourage enrollment.
Polypharmacy*	Polypharmacy is defined as the use of 5 or more chronic medications. This program utilizes analytics to identify members experiencing polypharmacy that are most likely to benefit from a prescription review. Targeted members are invited to participate in a pharmacist-led consultation that is part of a shared decision process with the prescriber. The goal of the program is to address medication overload and lower the risks and costs associated with clinically unnecessary or unwarranted treatment.
Vigilant Drug Program*	Ensures clinically appropriate medication use and minimizes drug spend by removing or restricting certain medications from coverage and driving use of lower-cost options. This program is designed to help safeguard from substantially higher-cost products that offer no additional value over other medication choices.
Personalized Rx Counselor*	Includes Comprehensive Medication Reviews with members and Targeted Medication Review interventions with prescribers.
Medication Therapy Management**	Includes Comprehensive Medication Reviews with members and Targeted Medication Review interventions with prescribers.
Opioid Risk Management*	Comprehensive solution that uses advanced analytics and evidence-based clinical rules to decrease overprescribing, prevent opioid misuse, identify and intervene with high-risk members, and support those with dependency through successful recovery. Member intervention includes educational mailings to new opioid utilizers.
Utilization Management	Program edits such as prior authorization, step therapy, and quantity limits which are put in place to ensure members meet appropriate clinical criteria before initiation of certain drug therapy.
PreCheck MyScript	In office prescriber-based tool to provide insights into member benefit coverage options to enable improvement in affordability, health outcomes, and medication adherence.
Retrospective Intervention Program	Focuses on patient safety, improving quality of care, and lowering total health care cost by targeting clinical opportunities and guiding prescribing and therapy changes.
Meds on Track	Supports medication adherence through member and provider outreach efforts including Low Adherence fax/letter to provider, New to Therapy letter to member, Primary Medication Nonadherence to fax/letter to provider, and both early and late refill reminders to member.

\*Non-Medicare only

\*\*Medicare only

# Key Pharmacy Considerations - 2025

Provision	Description
Part D Benefit Redesign	<p style="text-align: center;"><b><u>Part D Benefit reduced to 3 phases as the Coverage Gap is eliminated!</u></b></p> <p><b>Establishes \$2,000 out-of-pocket (OOP) threshold, beginning in 2025</b></p> <p><b>Deductible</b></p> <ul style="list-style-type: none"> <li>- Beneficiary: 100%</li> </ul> <p><b>Initial Coverage Phase</b></p> <p>Beneficiary: 25%</p> <ul style="list-style-type: none"> <li>- Plan: 65% of costs for brands; 75% of costs for generic drugs</li> <li>- Manufacturer: 10% of costs for brands; 0% of costs for generic drugs</li> </ul> <p><b>Coverage Gap</b></p> <ul style="list-style-type: none"> <li>- Eliminated</li> </ul> <p><b>Catastrophic Phase</b></p> <ul style="list-style-type: none"> <li>- Member: 0%</li> <li>- Reinsurance: 20% of costs for brands; 40% of costs for generics</li> <li>- Plan: 60% of costs</li> <li>- Manufacturer: 20% of costs for brands; 0% of costs for generics</li> </ul> <p>Includes phase-in for manufacturer discounts for LIS claims for certain small manufacturers, and all claims for certain “specified small” manufacturers.</p>
Cost smoothing (M3P Offering)	<p>Enrollees can make coinsurance payments in the form of equal monthly installments over the remaining portion of the plan year. (Important for members who have percentage copays and take Specialty medications-members “opt in” to the program.)</p>

## M3P Core Requirements as defined by CMS guidance



Part D members have **option to spread prescription costs over monthly installments.**



**All Part D members will be eligible to opt into program for 1/1/25**, regardless of Low-Income status and/or prior challenges with premium payment.



Members opting in, **pay \$0 at pharmacy counter** and the financed member cost share immediately contributes to Part D accumulators.



**Pharmacy reimbursement does not change -** pharmacies are paid in full and the plan sponsor funds the member cost share; pharmacies do not bear risk.



**Plan sponsors financially responsible** to fund and bill members monthly using prescribed payment methodology from CMS.

Core requirements identified within the August 2023 CMS requirements documentation and guidance.