

Cigna Senior and Retiree Services

Rutherford County Government

John Palmieri, Vice President, Senior & Retiree Services



EGWP with Supplemental Wrap Overview

- EGWP with Supplemental Wrap – What Does This Mean?
 - Simply put, the concept of wrap-around coverage is coordination of benefits and further reduces member out-of-pocket costs.
 - Because of the Coverage Gap Discount Program, this concept is more appealing in terms of cost savings for Employer Groups and their retirees. The attractiveness of the wrap-around coverage is as follows:
 - The Employer Group would no longer have to provide additional coverage in the gap; the plan would offer standard/basic coverage in the coverage gap (i.e., no additional coverage beyond the Medicare standard).
 - A Supplemental (non-Part D) wrap pharmacy plan offered “on top of” the ERPDP plan, which coordinates with the primary Medicare Part D plan. (same formulary as Part D)
 - With this approach, the full manufacturer coverage gap discount is applied to the cost of the drug under the standard (basic) Part D plan *before* the employer’s wrap plan provides supplemental coverage, thereby reducing the employer’s liability in the coverage gap.
 - With the elimination of the tax savings on the RDS benefit as of 1/1/2013, this offering is much more attractive for those Employer Groups as well as current ERPDP groups; \$25-\$50 PMPM.

Rutherford County

Plan Design \$5 / 20% / 35% / 35%

GAP Coverage \$5 / 20% / \$35% / \$35%

	<u>Standard Coverage</u>	<u>Secondary Claim Commercial Wrap</u>
Drug Cost	\$200	\$200
Retiree Pays	\$ 40	\$ 40
Drug Manufacturer	--	\$100
Plan Pays	\$160	\$ 60

Members 477

Medical and Rx PMPM
Current Plans \$352

Medicare Advantage
MAPD High Plan-POS
MAPD High Plan

\$269.18
\$247.02

Savings PMPM
-\$82.92
\$104.98

Annual Projected
Savings
\$474,061
\$600,905

Pharmacy PMPM
Current Plans
Fee \$231.29

Part D EGWP \$170.19

Savings PMPM
-\$61.10

Annual Projected
Cost / (Savings)
(\$349,736)

Pharmacy Pricing
Rutherford County Employee Benefit Trust
January 1, 2013

Summary of Offering - Medicare Part D ASO

Pricing			
	1/1/2013	7/1/2013	7/1/2014
	Pricing	Pricing	Pricing

Subscribers	490	490	490
Customers	490	490	490

Admin Medicare Part D Admin Fee PMPM

Pharmacy Administration fees			
	\$0.00	\$0.00	\$0.00

IMPORTANT !!

The discount guarantees and rebate sharing for the Medicare Part D business is intended to mirror the arrangement made on the non-Medicare business. If there is a disagreement between this document and the commercial quote, the commercial quote will be the deciding document. Only the Administrative fees, which are specific to Medicare Part D are specific to this document. Administrative and clinical module fees for the commercial quote do not apply to the Medicare Part D quote. All caveats and notes in the commercial quote apply to the Medicare Part D quote as well.

Retail Retail aggregate performance Guarantee
Retail Brand
Retail Generic
Retail Dispensing Fee Brand
Retail Dispensing Fee Generic

AWP -
AWP -

Retail Discounts and Dispensing			
	15.50%	15.75%	16.00%
	72.00%	72.00%	72.00%
	\$1.30	\$1.25	\$1.20
	\$1.30	\$1.25	\$1.20

MOD CIGNA Home Delivery (MOD) guarantee
CIGNA Home Delivery Brand Discount
CIGNA Home Delivery Generic MAC
CIGNA Home Delivery Generic Discount
CIGNA Home Delivery Dispensing Fee

Rebate Sharing -- 100% of rebate shared

Retail Per Brand
Guaranteed
Home Delivery (MOD) Per Brand
Guaranteed

Mail Order Discount and Dispensing			
	24.00%	24.50%	25.00%
	MAC	MAC	MAC
	73.50%	73.50%	73.50%
	\$0.00	\$0.00	\$0.00

Rebate Sharing			
	Per Brand	Per Brand	Per Brand
	\$16.00	\$16.50	\$17.00
	Per Brand	Per Brand	Per Brand
	\$68.00	\$69.00	\$71.00

Pharmacy Performance Guarantees

Retail Discount and Dispensing Fee Guarantee
Retail brand AWP - 15.50%, generic AWP - 72% and dispensing \$1.30. The generic discount covers multi source generics, single source generics are included under the retail brand discount. Zero Balance and U & C claims are included in this guarantee. Specialty is not included in this guarantee. Should we fail to meet these guarantees, we will make the client whole up to the level of the overall guarantee.

CIGNA Home Delivery Discount Generic MAC

Generic Dispensing Rate Guarantee

Combined Retail and CIGNA Home Delivery without Step Therapy
Combined Retail and CIGNA Home Delivery with Step Therapy

Performance Guarantees			
	Value - to make whole up to the overall level of the guarantee	Value - to make whole up to the overall level of the guarantee	Value - to make whole up to the overall level of the guarantee
	73.50%	73.50%	73.50%
	77.00%	77.50%	78.00%
	77.50%	78.50%	79.00%



RUTHERFORD COUNTY GOVERNMENT
Medicare Impact Assessment
 1-Jan-12 through 30-Jun-12

% of Part D Eligible Drugs Covered (From Utilized Drugs & Supplies covered under the Commercial Pharmacy Benefit)	98.56%
% of Claims from Utilized Drugs Covered under Standard Cigna Medicare Part-D Formulary	97.99%
Additional % of Claims from Utilized Drugs Covered with Optional Buyups for Non-Formulary Part D Eligibles	0.11%
Additional % of Claims from Utilized Drugs Covered with Optional Buyups for Part D Exclusions	1.74%
% of Claims from Utilized Drugs Covered Standard Cigna Medicare Part-D Formulary with Both Above Optional Buyups	99.84%

	# Claims	# Brands	Distinct # Members	% of Claims Covered Under Buyup
Claims Analysis				
All Drugs	10,269	562	394	
Top Drugs	9,000	214	391	
Drugs Analysis (Ranked by Overall Prescription Volume)				
<u>Positive Impact</u>				
# of Part-D eligible Drugs with Tier Improvement	284	9	69	
				<i>Tier 3 to Tier 2</i>
	257	8	64	
				<i>Tier 2 to Tier 1</i>
	27	1	6	
# of Part-D eligible Drugs with Removal of PA (if applicable)	52	2	14	
# of Part-D eligible Drugs with Removal of Step Therapy (if applicable)	52	2	14	
<u>Negative Impact</u>				
# of Part-D eligible Drugs with Tier Increase	3,917	68	342	
				<i>Tier 0 to Tier 1</i>
	3,569	57	335	
				<i>Tier 1 to Tier 2</i>
	13	1	4	
				<i>Tier 2 to Tier 3</i>
	335	10	76	
	23	3	11	
# of Part D Eligible Drugs that are Not Covered (i.e. nonformulary)				
<i>NonFormulary Products Covered under Medicare Supplemental Coverage Buyup M</i>	-	-	-	0.00%
<i>NonFormulary Products Covered under Medicare Supplemental Coverage Buyup S</i>	10	1	8	0.11%
# of Medicare Added Step Therapy (i.e. Commercial had neither Step Therapy nor Prior Auth Requirement)	59	4	14	
# of Medicare Added Prior Authorization Requirement	-	-	-	
<u>Miscellaneous Coverage Change(s)</u>				
# of Part D Exclusions - covered under Medicare Part B	43	2	22	
# of Drugs that are Medicare Part D Specialty	-	-	-	
# of Drugs that are Statutory Part D exclusions (and not Part B Eligible)	158	4	46	1.76%
<i>Drugs Counted in Statutory Exclusions that are offered under Optional Cough and Cold Buyup</i>	-	-	-	0.00%
<i>Drugs Counted in Statutory Exclusions that are offered under Optional ED/Lifestyle Buyup</i>	11	1	5	0.12%
<i>Drugs Counted in Statutory Exclusions that are offered under Optional Vitamin Buyup</i>	146	3	41	1.62%
<i>Drugs Counted in Statutory Exclusions that are offered under Optional Fertility Buyup</i>	-	-	-	



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Rutherford County Government Exhibit

Account Name	Segment	Membership
Memphis City Public Schools - TN	Gov't	4,960
Metro Nashville Public Schools	Gov't	2,708
DEKALB COUNTY BOARD OF COMMISSIONERS	Gov't	1,455
ARLINGTON COUNTY GOVERNMENT	Gov't	1,133
ARLINGTON COUNTY SCHOOL BOARD	Gov't	1,081
SHELBY COUNTY BOARD OF EDUCATION	Gov't	1,043
CITY OF GARLAND	Gov't	457
COBB COUNTY GOVERNMENT	Gov't	270
WESTPORT BOARD OF EDUCATION	Gov't	131
VALENCIA COMMUNITY COLLEGE	Gov't	118
CITY OF CLEVELAND/CLEVELAND UTILITIES	Gov't	97
City of Indianapolis Retired Merit Deputies	Gov't	89
CITY OF NORTH RICHLAND HILLS	Gov't	54
Local Gov't Insurance Trust - City of Gaithersburg	Gov't	35
Local Gov't Insurance Trust - City of Westminster	Gov't	16
Humboldt County School	Gov't	16
TOTALS	16	13,663