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Helping People —

NEVADA DEPARTMENT OF
HUMAN RESOURCES



it's who we are and what we do

SENIOR RX

February 12

ORIGINAL EXHIBIT ON FILE AT THE
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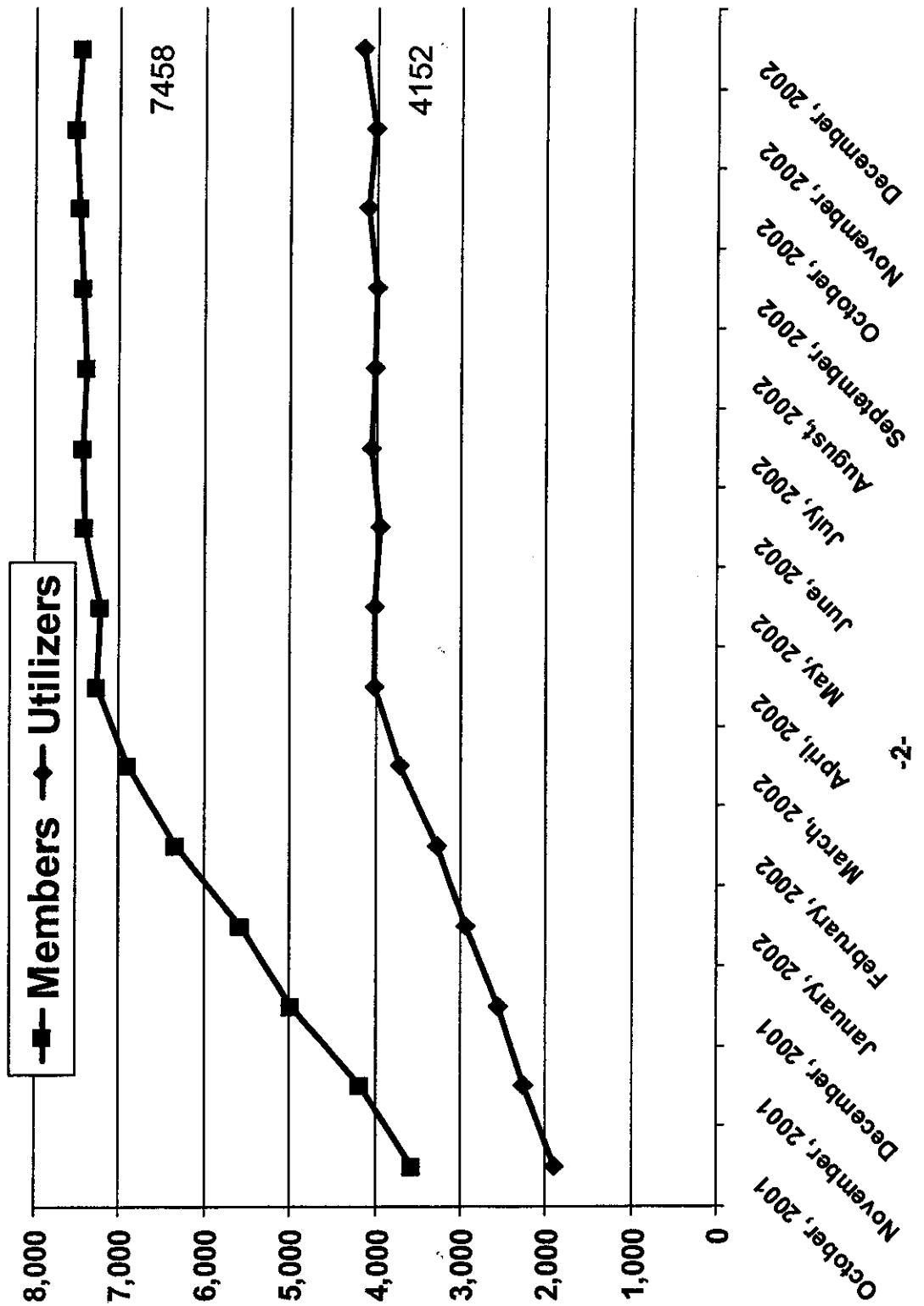
ASSEMBLY HEALTH AND HUMAN SERVICES
DATE: 2/12/03 ROOM: 3138 EXHIBIT D-1 of 10
SUBMITTED BY: Jane Smedes

UTILIZATION YEAR 2002		Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02
UTILIZATION													
# Eligible		5,585	6,316	6,881	7,251	7,230	7,402	7,425	7,398	7,402	7,465	7,517	7,458
Members Utilizing		2,902	3,248	3,697	3,992	3,995	3,948	4,051	4,002	3,979	4,072	3,991	4,142
% Utilizing		53%	51%	54%	55%	55%	53%	55%	54%	54%	55%	53%	55%
Net claims (# of Rx's)		9,979	10,473	12,232	13,416	13,606	12,634	13,901	13,461	13,152	14,318	13,041	14,139
Avg # of Rx's filled per member		3	3	3	3	3	3	3	3	3.31	3.52	3.27	3
Average out of pocket cost to member for the month		\$66.79	\$63.58	\$64.91	\$62.86	\$66.81	\$55.25	\$65.42	\$62.33	\$60.04	\$64.51	\$60.44	\$62.73
Average Member Payment per RX		\$19.42	\$19.72	\$19.62	\$18.70	\$19.62	\$17.27	\$19.07	\$18.53	\$18.17	\$18.35	\$18.50	\$18.38
PMPM		\$41.39	\$38.46	\$41.76	\$44.19	\$45.25	\$43.69	\$46.64	\$42.80	\$41.61	\$44.02	\$39.80	\$44.91
Average Rx Cost		\$42.51	\$42.91	\$43.11	\$42.59	\$43.66	\$42.86	\$43.98	\$42.05	\$41.67	\$41.30	\$41.44	\$42.07
Total Drug Ingredient Cost		\$401,661.76	\$425,726.12	\$499,647.63	\$540,866.91	\$583,432.72	\$ 513,073.86	\$580,397.14	\$535,304.08	\$517,961.56	\$558,508.71	\$510,206.71	\$562,116.88
Total Dispensing Fees		\$22,508.80	\$23,721.80	\$27,706.23	\$30,459.98	\$ 30,622.59	\$ 28,451.27	\$30,924.45	\$30,724.10	\$30,032.46	\$32,775.27	\$30,192.41	\$32,650.49
Total Price		\$424,170.56	\$449,447.92	\$527,353.86	\$571,326.89	\$594,064.47	\$ 541,525.13	\$611,321.59	\$566,028.18	\$547,994.02	\$591,283.98	\$540,399.12	\$594,770.38
Total Member Payments		\$193,819.30	\$206,509.09	\$239,981.18	\$250,935.89	\$ 266,908.90	\$ 218,138.17	\$265,033.26	\$249,430.92	\$238,908.74	\$262,682.30	\$241,212.18	\$259,837.44
Total Paid by Insurer		\$230,351.26	\$242,938.83	\$287,372.68	\$320,391.00	\$ 327,155.57	\$ 323,386.96	\$346,288.33	\$316,616.95	\$309,088.47	\$328,601.68	\$299,186.94	\$334,932.94
Paid Claims PMPM		\$41.39	\$38.46	\$41.76	\$44.19	\$45.25	\$43.69	\$46.64	\$42.80	\$41.61	\$44.02	\$39.80	\$44.91
Contract Target PMPM		\$65.55	\$65.55	\$65.55	\$65.55	\$65.55	\$65.55	\$65.55	\$65.55	\$65.55	\$65.55	\$65.55	\$65.55
Underwriting Gain		\$134,450.40	\$171,100.44	\$163,698.99	\$154,881.36	\$146,769.00	\$161,814.14	\$140,420.42	\$168,321.95	\$177,882.48	\$160,729.07	\$193,582.41	\$153,938.96
Total													\$1,927,559.62



utilization management

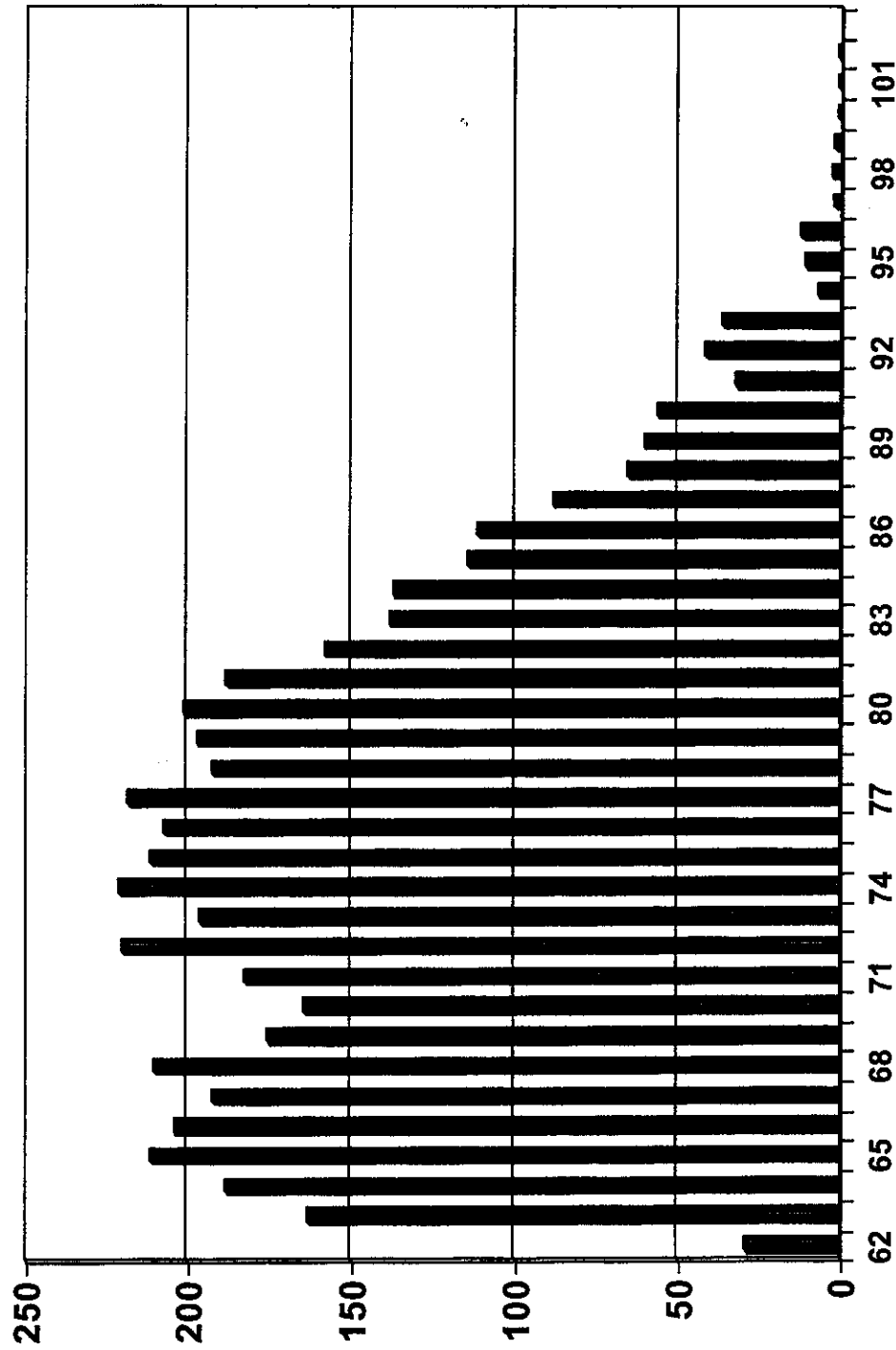
Membership by Month: Beneficiaries vs. Utilizers



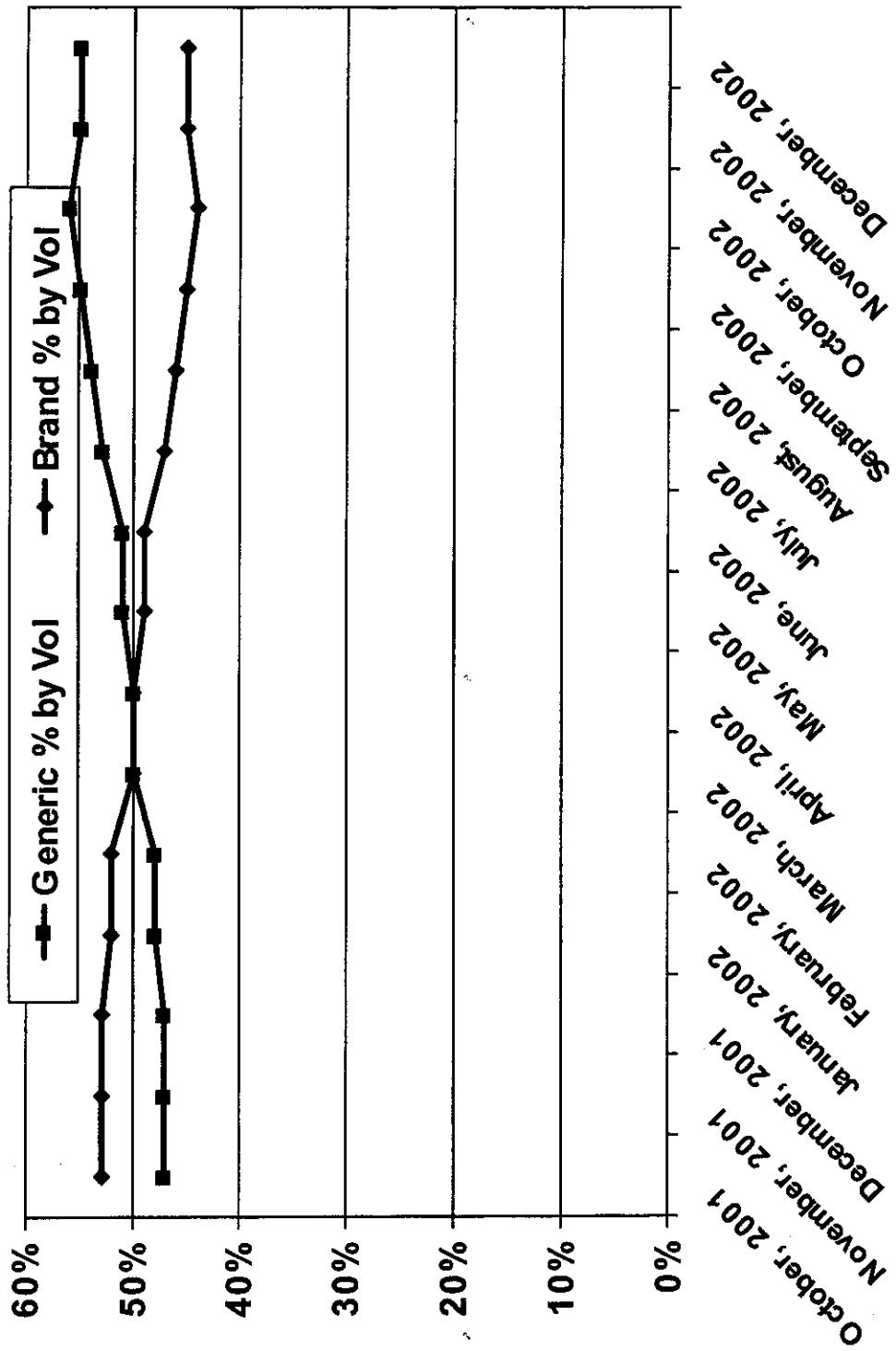
PROFESSIONAL CARE NETWORK

SPC

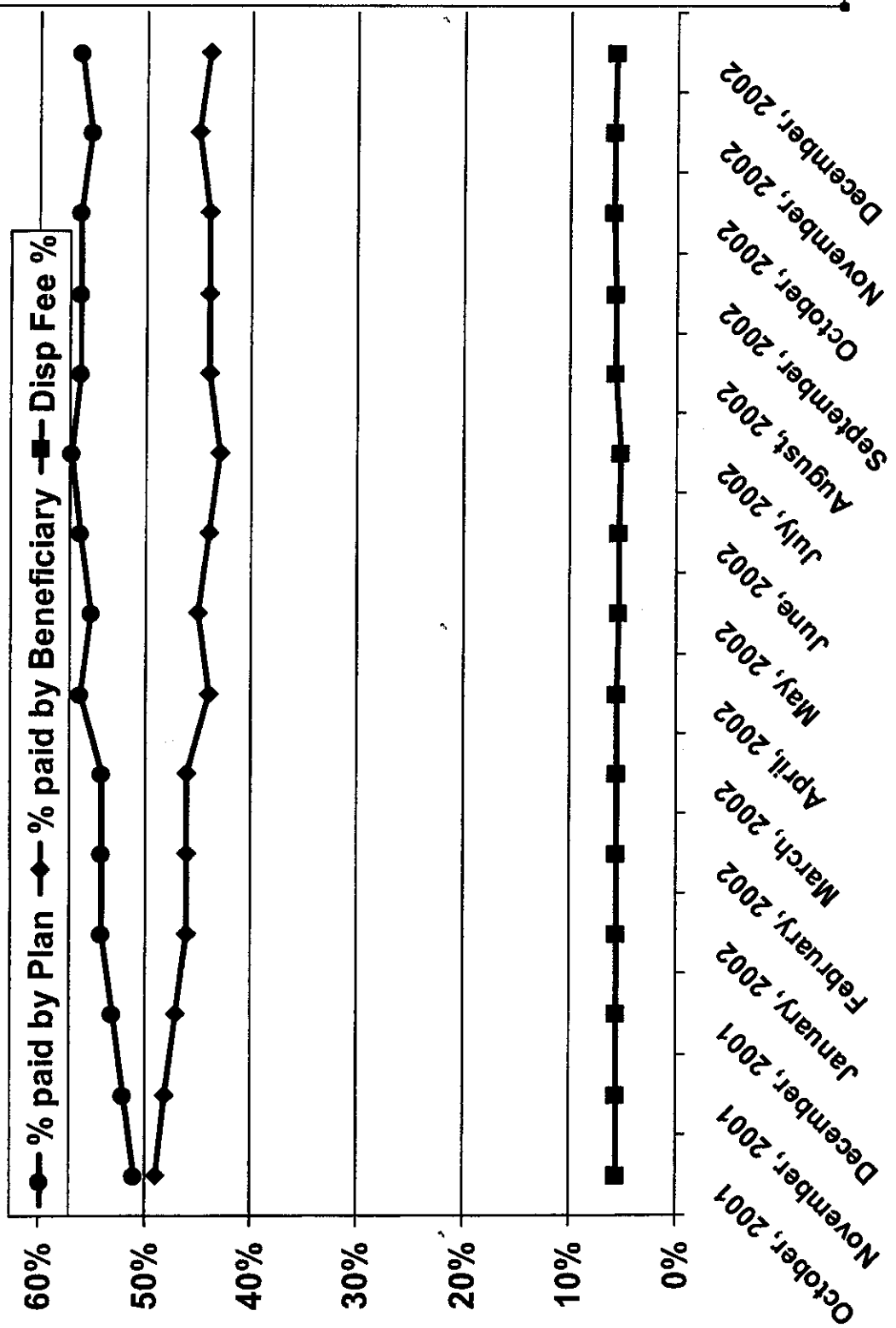
Number of Utilizers by Age (4q02)



Generic vs. Brand: % by Volume



Prescription Cost Sharing



-5-

SPC

Pharmaceutical Core Network

SENIOR RX
MONTHLY REPORT FOR
DECEMBER 2002

Top 20 Drugs by Cost		Treatment for	Total Cost for Month	Top 20 Drugs by # Prescribed		Treatment for	Total # for Month
LIPITOR	TAB 80MG	Cholesterol	\$36,242.79	LEVOXYL	TAB 50MCG	Thyroid	576
PLAVIX	TAB 75MG	Heart attack/stroke	\$22,715.32	HYDROCO/APAP	TAB 10/660MG	Pain	410
NORVASC	TAB 2.5MG	Angina/high blood pressure	\$15,203.10	LIPITOR	TAB 80MG	Cholesterol	404
PROTONIX	TAB 20MG	Ulcers/GERD	\$15,004.69	FUROSEMIDE	TAB 20MG	Diuretic	381
FOSAMAX	TAB 5MG	Osteoporosis	\$13,660.45	POT CHLORIDE	TAB 10MEQ CR	Potassium	356
ACIPHEX	TAB 20MG	Ulcers/GERD	\$12,434.88	ATENOLOL	TAB 50MG	Hypertension/Angina	289
OXYCODONE	TAB 5MG	Pain	\$10,781.51	LISINAPRIL	TAB 5MG	Hypertension	272
ADVAIR DISKU MIS 500/50		Asthma/COPD	\$10,219.01	NORVASC	TAB 2.5MG	Angina/High blood pressure	271
NEURONTIN	CAP 400MG	Epilepsy	\$9,251.83	PREMARIN	TAB 0.625MG	Hormone Replacement	256
METFORMIN	TAB 500MG	Diabetes	\$8,383.06	DIGOXIN	TAB 0.125MG	Congestive Heart Failure	250
DILTIAZEM ER CAP 240MG/24		Hypertension/Angina	\$7,739.38	METFORMIN	TAB 500MG	Diabetes	231
LEVOXYL	TAB 50MCG	Thyroid	\$7,553.25	HYDROCHLOROT	TAB 25MG	Hypertension	223
PREMARIN	TAB 0.625MG	Hormone Replacement	\$7,494.41	WARFARIN	TAB 2MG	Blood Clots	213
LESCOL	CAP 40MG	Cholesterol	\$7,041.68	PLAVIX	TAB 75MG	Heart Attack/Stroke	205
DURAGESIC	DIS 50MCG/HR	Pain	\$6,985.07	ALPRAZOLAM	TAB 0.25MG	Anxiety	190
PAXIL CR	TAB 25MG	Depression	\$6,920.12	FOSAMAX	TAB 5MG	Osteoporosis	182
NIFEDIPINE	TAB 60MG ER	Angina/High blood pressure	\$6,548.86	TRIAMHCTZ	CAP 37.5-25M	Asthma	157
TAMOXIFEN	TAB 10MG	Breast Cancer	\$6,366.39	GLIPIZIDE	TAB 5MG	Diabetes	155
AMBIEN	TAB 5MG	Insomnia	\$6,331.86	TOPROL XL	TAB 200MG	Angina/High blood pressure	148
CELEBREX	CAP 200MG	Pain & Inflammation of Arthritis	\$6,274.78	PROTONIX	TAB 20MG	Ulcers/GERD	142

DRUG DATA PROVIDED BY PHARMACEUTICAL CARE NETWORK (PCN)

SENIOR RX
MONTHLY REPORT FOR DECEMBER 2002

WAITING LIST		Data is as of December 31, 2002	
# on Waiting List		1,328	
Average Waiting Time		Percent Waiting	
30 days or less		10%	
30-60 Days		8%	
60-90 Days		7%	
90-120 Days		5%	
120-150 Days		6%	
150-180 Days		7%	
180-210 Days		6%	
210-240 Days		10%	
240-270 Days		13%	
270-310 Days		29%	
Income Levels		% on Waiting List	
\$12,700 or Less		9%	
\$12,701 to \$14,800		22%	
\$14,801 to \$17,000		24%	
\$17,001 to \$19,100		20%	
\$19,101 to \$21,500		23%	
*Over \$21,500		2%	
*Applicants over income have 30 day appeal period or are requesting an income waiver			
Geographic Location of waiting list			
Southern Nevada (Clark County)		48%	
Rural Nevada (All Others)		27%	
Northern Nevada (Washoe County)		25%	

DEPARTMENT OF HUMAN RESOURCES
SENIOR RX PROGRAM
BUDGET REQUEST FY 04 AND FY 05
E - 426 EXPAND SENIOR RX

Couples Eligibility = Incomes up to \$28,660
New Enrollees Income < \$21,501

Average Costs are:
Average claim cost per member per month \$ 47.00
Contract Premium Retention \$ 19.50
Total Avg. Monthly Premium PMPM \$ 66.50

Resulting Enrollment:
Current 7,500 10,480
Add 2,980 1,680
Total 10,480 12,160
% Increase 39.73% 18.03%

FY 04 FY 05
REQUEST REQUEST

GL# GL TITLE DESCRIPTION/JUSTIFICATION/DOCUMENTATION OF NEED

FY 04

Service Plan	Rate/ Month	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June Year-End	Totals	Average Per Mo.
Add:															
Waiting List		1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,600	1300.00
Couples Eligibility		25	50	75	100	125	150	175	200	225	250	275	300	1,950	162.50
New Enrollees		115	230	345	460	575	690	805	920	1,035	1,150	1,265	1,380	8,970	747.50
Total Placements		1,440	1,580	1,720	1,860	2,000	2,140	2,280	2,420	2,560	2,700	2,840	2,980	26,520	2210.00
Cost:															
Waiting List	\$66.50	88,450	88,450	88,450	88,450	88,450	88,450	88,450	88,450	88,450	88,450	88,450	88,450	\$ 1,037,400	\$ 86,450
Couples	\$66.50	1,663	3,325	4,988	6,650	8,313	9,975	11,638	13,300	14,963	16,625	18,288	19,950	\$ 129,678	\$ 10,807
New Enrollees	\$66.50	7,648	15,295	22,943	30,590	38,238	45,885	53,533	61,180	68,828	76,475	84,123	91,770	\$ 598,508	\$ 49,709
FY 04 Total Cost		\$ 95,761	\$ 105,070	\$ 114,381	\$ 123,690	\$ 133,001	\$ 142,310	\$ 151,621	\$ 160,930	\$ 170,241	\$ 179,550	\$ 188,861	\$ 198,170	\$ 1,763,586	\$ 146,968

FY 05

Service Plan	Rate/ Month	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April	May	June Year-End	Totals	Average Per Mo.
Add:															
Waiting List		1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,600	1300.00
Couples Eligibility		325	350	375	400	425	450	475	500	525	550	575	600	5,950	495.83
New Enrollees		1,495	1,610	1,725	1,840	1,955	2,070	2,185	2,300	2,415	2,530	2,645	2,760	25,530	2127.50
Total Placements		3,120	3,260	3,400	3,540	3,680	3,820	3,960	4,100	4,240	4,380	4,520	4,660	46,080	3840.00
Cost:															
Waiting List	\$66.50	88,450	88,450	88,450	88,450	88,450	88,450	88,450	88,450	88,450	88,450	88,450	88,450	\$ 1,037,400	\$ 86,450
Couples	\$66.50	21,813	23,275	24,738	26,200	27,663	29,125	30,588	32,050	33,513	34,975	36,438	37,900	\$ 388,078	\$ 32,339
New Enrollees	\$66.50	99,418	107,065	114,713	122,360	130,008	137,655	145,303	152,950	160,598	168,245	175,893	183,540	\$ 1,897,748	\$ 158,145
FY 05 Total Cost		\$ 207,481	\$ 216,790	\$ 226,101	\$ 235,410	\$ 244,721	\$ 254,030	\$ 263,341	\$ 272,650	\$ 281,961	\$ 291,270	\$ 300,581	\$ 309,890	\$ 3,104,226	\$ 258,686

Total Senior Rx Premium Costs

\$1,763,586 \$3,104,226

Biennium Total

\$4,867,812

SENIOR RX HISTORY

Original Contract / October 20, 2000 (BOE) Through December 31, 2001

- ❖ Blue: \$74.76 pmpm, managed formulary, \$10 / \$35 co-pays, \$5,000 cap
- ❖ Silver: \$98.31 pmpm, preferred drug list, \$10 / \$25 co-pays, \$5,000 cap
- ❖ Enrollment: 23 in January 2001 → 247 in June 2001 (6 months)

First Amendment / July 1, 2001 through December 31, 2002

- ❖ New single program benefit design
- ❖ \$106.64 pmpm, \$10 / \$25 co-pays, \$5,000 cap
- ❖ Enrollment: 872 in July 2001 → 4,980 in December 2001 (6 months)

Second Amendment / January 1, 2002 through December 31, 2002

- ❖ \$85.27 pmpm, \$10 / \$25 co-pays, \$5,000 cap
- ❖ 3 percent prepayment discount
- ❖ State to be reimbursed 100 percent of underwriting gains below \$65.55 pmpm and fully insured over \$65.55 pmpm
- ❖ Enrollment: 5,565 in January 2002 → 7,517 in November 2002 (last recorded month)

New Contract / January 1, 2003 through December 31, 2007

- ❖ Actual claims paid (\$41--\$45 pmpm average) plus \$19.50 retention
- ❖ Fully insured if pmpm claims are over \$65.55
- ❖ \$1.9 million underwriting gain credit (credit balance)