

Comparison of PBM-Provided Pharmacy Trends to Actual Trends- 2016 and 2017 Rate Filings

2016 Filing Assumptions- National Trends			2017 Filing Assumptions- VT SG/INDV Specific Trends		Actual Data		
	2015/2014	2016/2015		2016/2015		2015/2014	2016/2015
Generic Unit Cost	4.3%	3.3%	Generic Unit Cost	-12.6%	Generic Unit Cost	-14.1%	-13.4%
Brand Unit Cost	13.5%	13.5%	Brand Unit Cost	10.4%	Brand Unit Cost	9.4%	4.7%
Specialty Unit Cost	16.0%	14.0%	Specialty Unit Cost	10.9%	Specialty Unit Cost	28.3%	17.6%
Generic Utilization	3.4%	2.1%	Generic Utilization	3.4%	Generic Utilization	12.3%	-2.7%
Brand Utilization	-11.4%	-4.5%	Brand Utilization	-2.2%	Brand Utilization	12.1%	-9.0%
Specialty Utilization	5.0%	6.0%	Specialty Utilization	10.3%	Specialty Utilization	-0.5%	19.1%
Generic Total	7.8%	5.5%	Generic Total	-9.6%	Generic Total	-3.5%	-15.7%
Brand Total	0.6%	8.4%	Brand Total	8.0%	Brand Total	22.6%	-4.8%
Specialty Total	21.8%	20.8%	Specialty Total	22.3%	Specialty Total	27.6%	40.1%
Total Allowed PMPM	6.8%	11.7%	Total Allowed PMPM	8.4%	Total Allowed PMPM	15.2%	7.3%

Reserve Amounts as % of Premium under various CTR Scenarios, 2018 VT Exchange

Assuming 2.0% CTR			
	2016 End of Year	2017- Projected	2018- Projected
Premium, VT SG + INDV AR44	\$35,020,356	\$55,032,648	\$58,740,388
Current Reserves Allocated to Block	\$5,652,286	\$6,326,594	\$7,640,175
Reserve amount as % of Premium	16.1%	11.5%	13.0%
% of Premium CTR		1.0%	2.0%
Projected Investment Income Allocated to Block		\$123,982	\$138,773

Assuming 1.0% CTR			
	2016 End of Year	2017- Projected	2018- Projected
Premium, VT SG + INDV AR44	\$35,020,356	\$55,032,648	\$58,152,984
Current Reserves Allocated to Block	\$5,652,286	\$6,326,594	\$7,046,897
Reserve amount as % of Premium	16.1%	11.5%	12.1%
% of Premium CTR		1.0%	1.0%
Projected Investment Income Allocated to Block		\$123,982	\$138,773

Assuming 0% CTR			
	2016 End of Year	2017- Projected	2018- Projected
Premium, VT SG + INDV AR44	\$35,020,356	\$55,032,648	\$57,565,580
Current Reserves Allocated to Block	\$5,652,286	\$6,326,594	\$6,465,367
Reserve amount as % of Premium	16.1%	11.5%	11.2%
% of Premium CTR		1.0%	0.0%
Projected Investment Income Allocated to Block		\$123,982	\$138,773

CTR Needed to get back to 16%			
	2016 End of Year	2017- Projected	2018- Projected
Premium, VT SG + INDV AR44	\$35,020,356	\$55,032,648	\$57,565,580
Current Reserves Allocated to Block	\$5,652,286	\$6,326,594	\$9,228,515
Reserve amount as % of Premium	16.1%	11.5%	16.0%
% of Premium CTR		1.0%	4.8%
Projected Investment Income Allocated to Block		\$123,982	\$138,773