

SPRING/SUMMER 2017 trends

State Health Plan's per-capita costs rise 4.27 percent in 2016

Plan spends more than \$4,500 per member for medical, drug costs

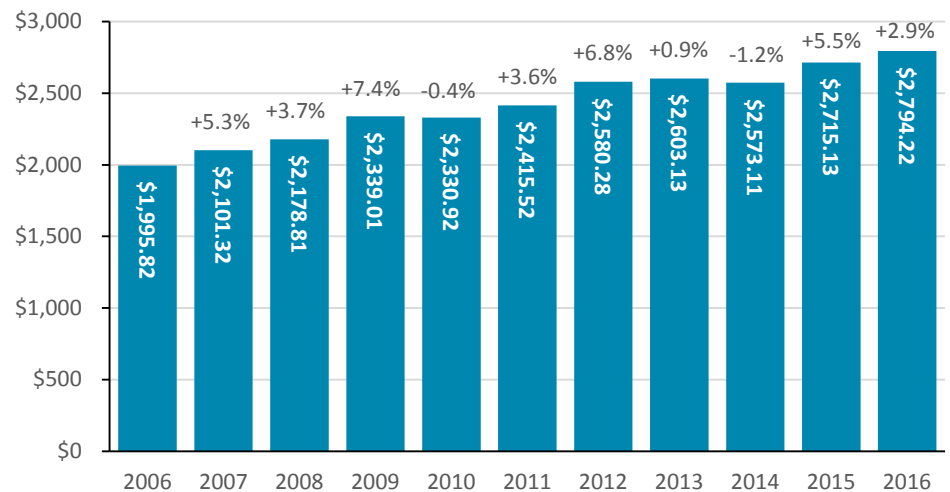
The State Health Plan paid an average of \$4,648.91 per member in 2016, up 4.27 percent from \$4,458.35 in 2015. It is the second largest increase in the past 10 years. Enrollment in the State Health Plan increased 1.83 percent, from 447,494 in 2015 to 455,665 in 2016.

The State Health Plan paid an average of \$2,794.22 per member in medical claims in 2016, up 2.92 percent from \$2,715.02 in 2015. The per-capita medical spending has increased an average of 3.00 percent the past five years.

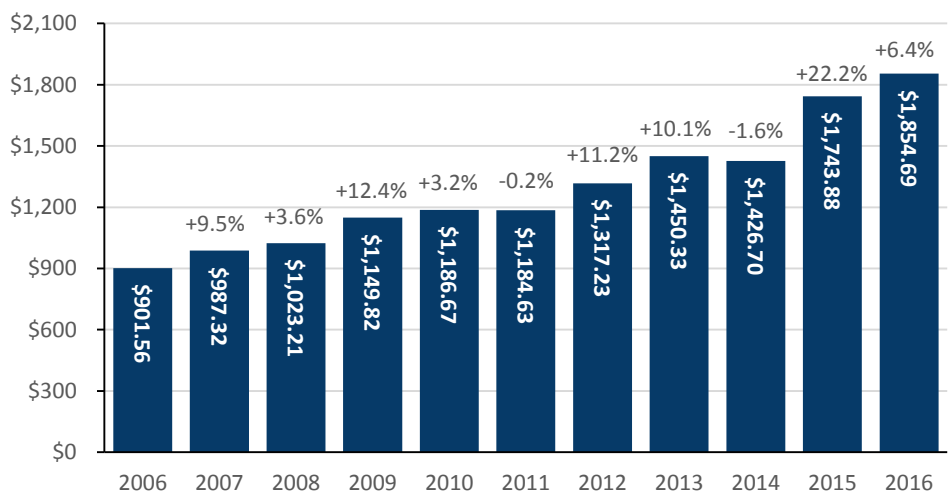
The plan's per-member prescription drug costs rose from \$1,743.32 in 2015 to \$1,854.69 in 2016, an increase of 6.39 percent. The per-capita prescription drug spending

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Annual medical payment per member



Annual prescription drug payment per member



Spending

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has increased an average of 9.65 percent the past five years.

More than 63 percent of the plan's medical spending went toward subscribers' health care in 2016, while spouses accounted for 23.5 percent and children accounted for 12.8 percent. In 2016, the plan spent an average of \$3,098.26 per subscriber, \$3,989.06 per spouse and \$1,391.37 per child.

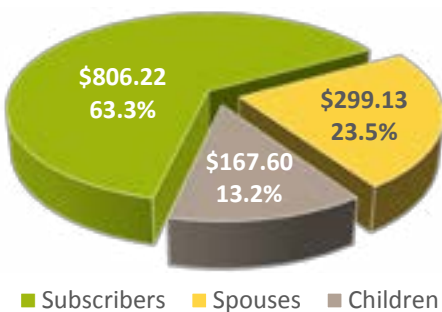
Medical costs accounted for 60.10 percent of total plan costs in 2016, down from 60.90 percent in 2015.

The top reason members went to the emergency room in 2016 was respiratory and other chest symptoms. More than 8,200 visits fell into this category, and the plan spent \$8.00 million on these visits. The top five reasons for emergency room visits cost the plan \$20.80 million overall.

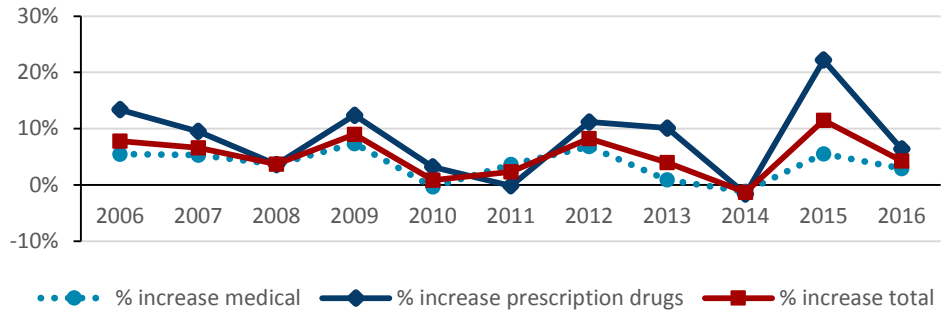
Childbirth accounted for more than 3,700 hospital inpatient services, costing the plan \$13.02 million. The top five reasons for inpatient services cost the plan \$67.97 million overall.

Cost by member type

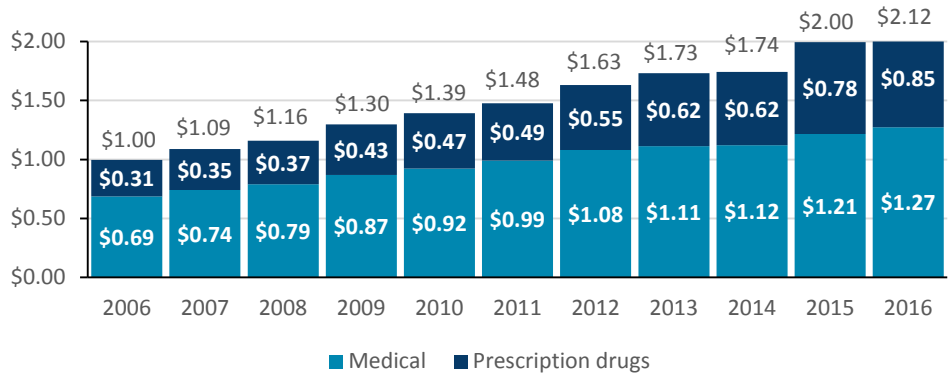
(in millions of dollars)



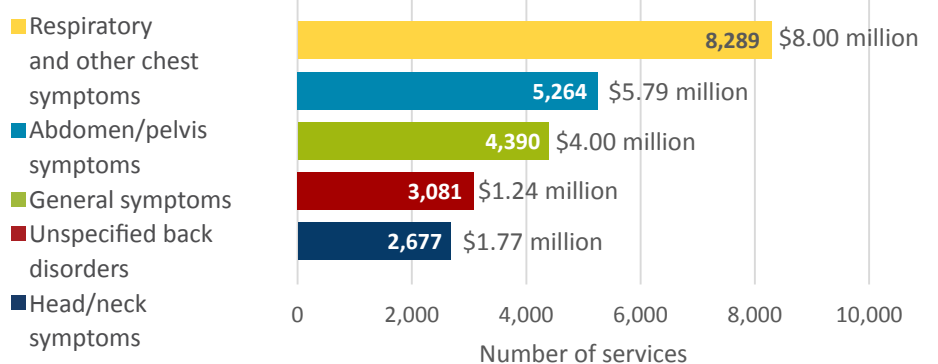
Percentage growth of plan spending per member



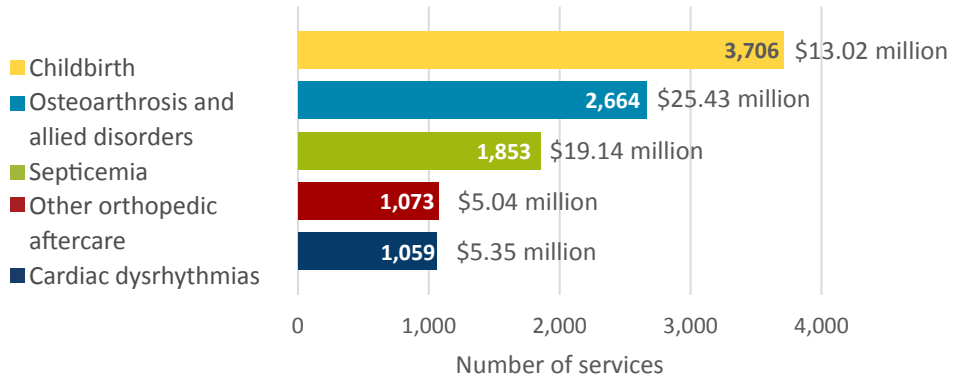
State Health Plan spending (in billions of dollars)



Top five reasons for emergency room services



Top five reasons for hospital inpatient services



Top 10 prescription drugs in 2016

Drug	Therapeutic class	Plan cost (in millions)
Tier 1		
Esomeprazole Magnesium	Proton pump inhibitors	\$9.96
Metformin HCL ER	Non-sulfonylureas	\$9.25
Rosuvastatin Calcium	Statins	\$5.70
Methylphenidate ER	CNS stimulants	\$3.68
Imatinib Mesylate	Protein kinase inhibitor	\$2.66
Dermacinrx Prizopak	CNS stimulants	\$2.56
Dextroamphetamine-Amphet ER	CNS stimulants	\$2.44
Omeprazole-Sodium Bicarbonate	Proton pump inhibitors	\$2.39
Clobetasol Propionate	Corticosteroid	\$2.25
Aripiprazole	Atypical antipsychotics	\$1.92
Tier 2		
Humira Pen	Antirheumatics, TNF alfa inhibitors	\$35.71
Enbrel	Antirheumatics, TNF alfa inhibitors	\$19.63
Lantus Solostar	Insulin	\$12.52
Januvia	Dipeptidyl peptidase 4 inhibitors	\$11.89
Revlimid	Antineoplastics, other immunosuppressants	\$11.25
Victoza	Incretin mimetics	\$10.84
Lyrica	Gamma-aminobutyric acid analogs	\$10.23
Eliquis	Factor Xa inhibitors	\$9.04
Zetia	Cholesterol absorption inhibitors	\$8.11
Vyvanse	CNS stimulants	\$7.93
Tier 3		
Gleevec	BCR-ABL tyrosine kinase inhibitors	\$2.60
Crestor	Statins	\$1.56
Glumetza	Non-sulfonylureas	\$1.30
Nexium	Proton pump inhibitors	\$1.20
Compounds	Miscellaneous	\$1.16
Xenazine	Miscellaneous central nervous system agents	\$0.28
Synthroid	Thyroid drugs	\$0.23
Lamictal XR	Triazine anticonvulsants	\$0.23
Ativan	Benzodiazepine anticonvulsants	\$0.21
Wellbutrin XL	Miscellaneous anitdepressants	\$0.20

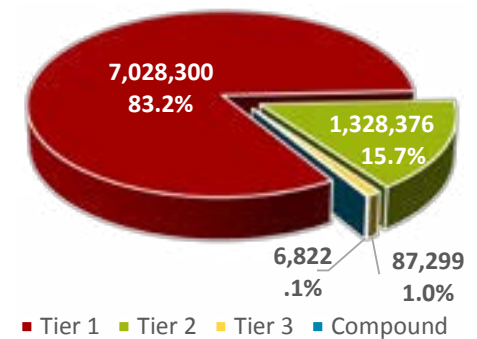
Plan spending on prescription drugs rises 8.33 percent

The State Health Plan's spending on prescription drugs accounted grew from \$780.13 million in 2015 to \$845.12 million in 2016, an increase of 8.33 percent. The plan's increase in per-capita prescription drug costs in 2016 was 6.39 percent.

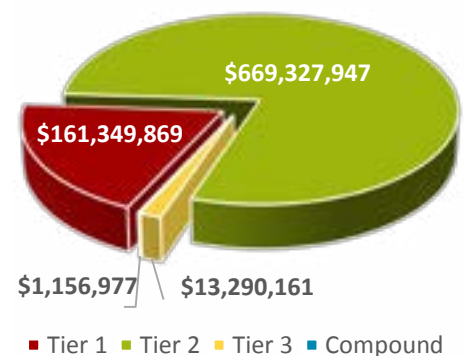
More than seven million generic, or tier 1, drugs were filled in 2016. The generic dispensing rate (GDR) was 84.60 percent in 2016. The GDR has grown annually since 2006, when it was 47.10 percent.

The plan spent the most money, \$669.33 million, on tier 2 drugs in 2016.

Fills by prescription tier

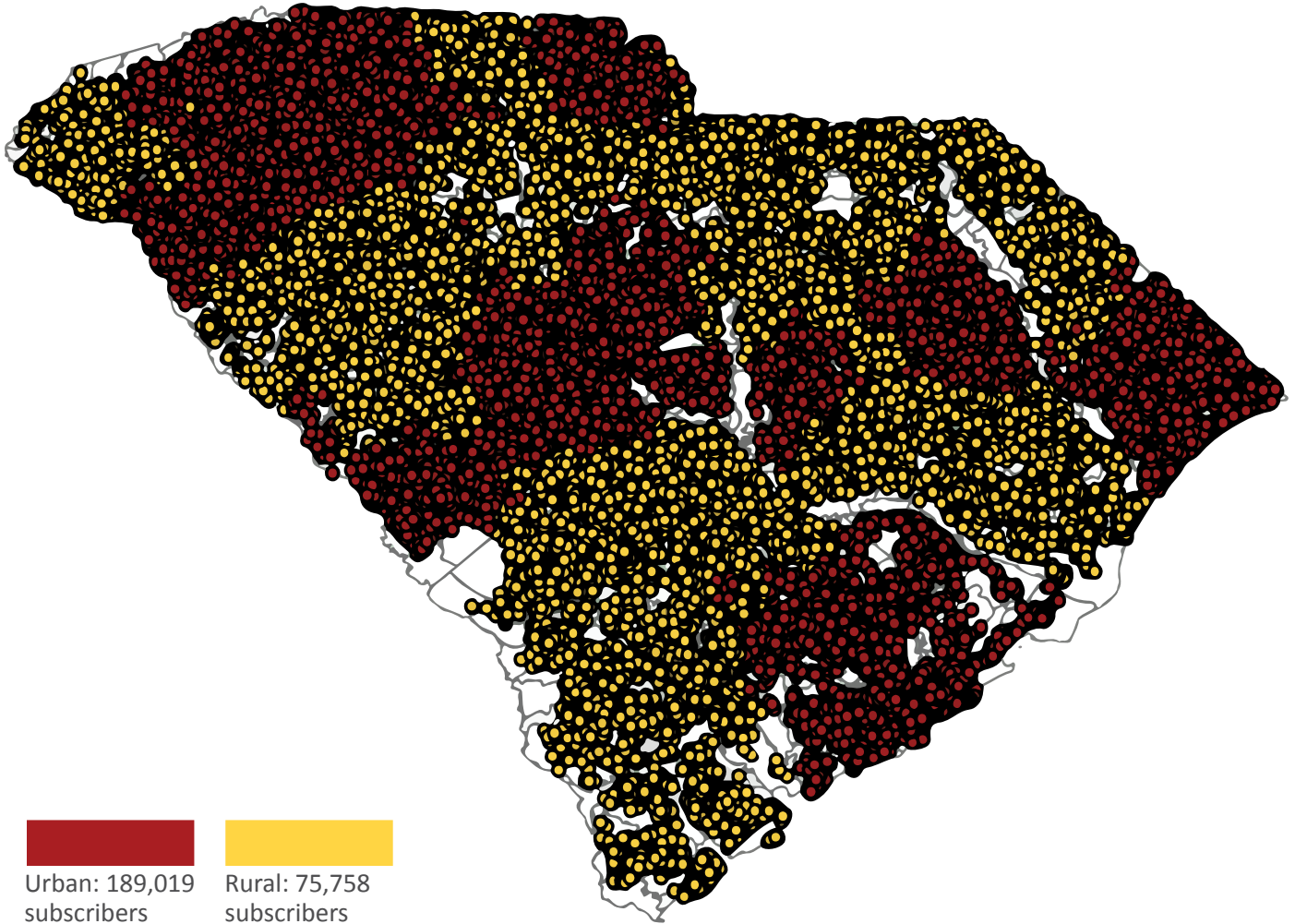


Cost by prescription tier



Urban and rural classification of PEBA insurance subscribers

(data from the U.S. Census Bureau; urban areas are those with 2,500 or more people; rural areas have fewer than 2,500; dots represent subscribers' addresses)



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