STATE OF NEW YORK

ELDERLY PHARMACEUTICAL INSURANCE COVERAGE PROGRAM

EPIC

Annual Report

TO THE GOVERNOR & LEGISLATURE

OCTOBER 2008 TO SEPTEMBER 2009

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Executive Summary

Background

The Elderly Pharmaceutical Insurance Coverage (EPIC) program is New York's senior prescription plan. Since it began in 1987, EPIC has provided prescription drug coverage to more than 875,000 low and moderate income New York seniors, with EPIC pharmacy payments totaling over $6.1 billion. This Annual Report summarizes the twenty-second year of program operations from October 1, 2008, through September 30, 2009, and highlights significant program accomplishments.

During the program year, the coordination of Medicare Part D and EPIC prescription benefits was fully integrated ensuring that member claims were billed appropriately. By using EPIC and Medicare Part D, members saved nearly $848 million at the pharmacy. The EPIC program has transitioned from providing primary prescription coverage to providing secondary or supplemental coverage for most members. As secondary payer, net State costs for EPIC were reduced by nearly $300 million since 2006 when Medicare drug coverage first became available through the Medicare Modernization Act of 2003.

Program Overview

Effective July 2007, most members, with limited exceptions, were required to join a Medicare Part D plan as a condition of EPIC eligibility and EPIC provides Part D premium assistance to these members. EPIC assisted over 150,000 members with enrolling in Medicare Part D plans that best fit their drug needs and allowed them to continue to use their preferred pharmacy. During the program year ending September 2009, over 83 percent of EPIC members were enrolled in a Medicare Part D prescription drug plan and used it as primary coverage. EPIC, as a secondary payer, was used to supplement drug costs not covered by Medicare Part D drug plans including deductibles, coinsurance/co-payments and coverage gap claims. EPIC also paid for drugs in classes not covered by Part D plans, as well as drugs that are not on the Part D plan formularies*. Having Part D as their primary coverage allowed members to maximize their coverage and save, on average, $2,761 of their total drug cost during the program year.

As the member's authorized representative, EPIC also assists lower income members to enroll in Medicare's Low Income Subsidy (LIS) also known as Extra Help and the Medicare Savings Program (MSP), which saves them even more money at the pharmacy.

Enrollment

At the end of the program year, 307,716 low and moderate income seniors were enrolled in EPIC with 254,747 enrolled in Part D plans. This represents a 4.76 percent decrease in total EPIC enrollment from the prior program year due to a decline in applications and an increase in cancellations. A total of 52,969 members were not enrolled in Medicare Part D because they were either not eligible for Part D or exempt from joining a Part D plan because they: 1) were enrolled in a Medicare Advantage plan or 2) would lose their union/retiree health coverage if they enrolled in Part D.

* Effective 10/01/2010, due to legislative statute, EPIC does not cover Part D non-formulary drugs unless a coverage determination and two levels of appeals have been denied by the Part D plan.

Costs and Utilization

During the program year, EPIC members filled over 10.1 million prescriptions costing $956.5 million (Appendix Table IV-A), a 12 percent decline in cost from the prior program year. By having EPIC along with Part D, members saved $848 million of their total drug costs. Pharmacy payments were $71 million less, a 15.8 percent decrease from the previous year. As the primary payer, EPIC expenditures were 75 percent of members' total drug expenses compared to only 33 percent of the total drug cost when the member had Part D or other drug coverage as primary drug insurance and EPIC provided supplemental coverage only. Members using EPIC as primary coverage saved an average of $2,404 off their total drug costs.

The 4,463 pharmacies that provided services to EPIC members received $379.9 million in EPIC payments. Net State costs for the program year were $187.3 million. Of the enrolled pharmacies, 51 percent were chain stores, while 49 percent were independent and other types such as institutional pharmacies or nursing homes.

Brand name sole source drugs represented 33 percent of the prescriptions purchased, while generic drugs accounted for 60 percent and multi-source brand products were 7 percent. The substitution rate for drugs with a generic alternative was 90 percent.

In order to identify potential problems and safeguard the health and safety of program members, EPIC continued to monitor the members using both prospective and retrospective drug utilization reviews.

Program Operations

EPIC helped members in a variety of ways by initiating Part D appeals* and providing premium assistance. Program integrity was ensured through contract monitoring, auditing and oversight of program operations.

During the program year, EPIC established an Appeals Unit to pursue formulary exceptions and prior authorizations from Medicare Part D plans on behalf of its members. During the year, EPIC initiated 3,400 coverage determination requests resulting in savings to EPIC of $4.7 million and savings to members through lower co-payments.

EPIC provides Part D premium assistance to all members. For Fee Plan members, EPIC paid up to the Centers for Medicare and Medicaid Services (CMS) benchmark amount ($27.71 per month for 2009) directly to the Part D plans. Members eligible for premium assistance were identified through a monthly data exchange with the CMS. For the program year, the total premium payments made to Part D plans totaled $27.5 million. While no payments are made on behalf of Deductible Plan members, the annual EPIC deductible was lowered by $333 for these members in order to offset the monthly payments that they are responsible for paying directly to the plans.

* Effective 10/01/2010, as a result of legislative statute, EPIC no longer initiates Part D appeals for non-formulary drugs but assists prescribers who call the EPIC Temporary Coverage Request (TCR) Helpline by providing information to help them start the appeal process.

EPIC contracted services with Health Management Systems (HMS) to recover benefit payments from other major prescription insurance carriers that were erroneously paid by EPIC for members who had Part D or other drug coverage. In the cases where EPIC was billed as the primary payer, $33.5 million was recovered during the program year. By the end of the program year, a total of $105.9 million has been recovered since the program began in 2004.

Pharmaceutical manufacturers must enter into formal agreements with EPIC in order to have their drugs included in the program. The manufacturers pay rebates to EPIC in return. There are agreements with 350 manufacturers, including larger companies, and the EPIC rebate program invoiced over $169.4 million in rebate payments during the program year.

EPIC performed both on-site and desk audits of selected participating pharmacies. During 2008-2009, EPIC staff conducted 143 pharmacy field audits resulting in recoveries of $469,408. Throughout the program year, EPIC staff monitored contractor compliance against performance standards, through routine and special reviews.

Conclusion – During the program year 2008-2009:

- The full integration of the coordination of Medicare Part D and EPIC prescription benefits was accomplished and EPIC transitioned from primary to secondary payer. EPIC implemented all legislative amendments in a timely manner which resulted in increased savings to the EPIC program;

- EPIC provided supplemental coverage for those members with catastrophic drug costs who were in the Medicare coverage gap and provided reduced co-pays and deductibles for most members, which lowered out-of-pocket drug costs; and

- EPIC enrollment declined primarily in the lower income groups because Medicare Part D with Extra Help provided those members with adequate prescription coverage and EPIC was not needed as a supplement. With Extra Help, these members had no Medicare deductible or coverage gap.

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Section I: About the Program

1. Background

Since it began in 1987, the EPIC program has provided prescription coverage to more than 875,000 New York State seniors. EPIC income limits were increased in 2001 which resulted in an expansion in enrollment to more than 375,000 members. With the implementation of Medicare Part D drug coverage in 2006, EPIC has gradually transitioned to a supplemental prescription program that provides secondary coverage to Medicare Part D and other insurance plans. Today, EPIC is the largest State Pharmaceutical Assistance Program in the nation.

2. Program Description

EPIC is available to New York State residents age 65 or older who meet the income requirements: up to $35,000 for single seniors, $50,000 joint income for married individuals. Seniors who receive full Medicaid benefits are not eligible for the program.

EPIC offers two plans based on income — the Fee Plan and the Deductible Plan. The Fee Plan serves seniors with lower incomes, charging an annual fee (from $8 to $300 per member) and then requiring only a co-payment that ranges from $3 to $20 for prescription drugs. Both plans, Fee and Deductible are based on a sliding scale of income and marital status.

The Deductible Plan is available to seniors with higher incomes than the Fee Plan and was designed to provide catastrophic coverage. Instead of paying an annual fee, these seniors have an annual deductible based on income (from $530 to $1,715 per person). After meeting the deductible, seniors are charged only co-payments for their drugs.

3. EPIC and Medicare Working Together

The Medicare Part D prescription benefit became effective on January 1, 2006, and offered comprehensive prescription drug coverage to all Medicare beneficiaries. Subsequently, the role of the State-funded EPIC program was redirected from providing primary prescription drug coverage to one that supplements Medicare Part D drug coverage.

If eligible, EPIC members were required to enroll in a Part D drug plan and use it as primary coverage. As secondary payer, EPIC supplemented drug costs for Part D covered drugs providing greater savings. When purchasing prescription drugs, the member showed both EPIC and Medicare Part D cards at the pharmacy. Any drug costs not covered by Medicare, including deductibles, coinsurance/co-payments, Part D non-covered drugs classes (such as benzodiazepines and barbiturates) and coverage gap claims, were submitted to EPIC. This resulted in the lowest possible co-payment and reduced the State costs for prescription coverage when Part D is the primary insurer instead of EPIC.

In addition, EPIC provided assistance by paying Part D drug premiums for Fee Plan members. While members in the EPIC Deductible Plan must pay the monthly Part D premiums, EPIC lowered their required EPIC deductibles by the average annual premium of a Medicare benchmark drug plan ($333 in 2009).

4. Statutory Changes to EPIC

Since January 2006 when Part D began, EPIC has implemented a series of programmatic changes mandated by amendments to Title 3 of the New York State Elder Law. These amendments were designed to maximize participation and utilization of Part D benefits while protecting EPIC coverage provided to seniors:

- EPIC was authorized to represent members for Medicare Part D effective July 1, 2006. Income eligible members are required to provide information needed to apply for LIS up to 150 percent of the Federal Poverty Level (FPL) under Medicare Part D. Those approved were required to enroll in a Medicare drug plan unless enrollment results in significant additional financial liability to the member. Extensive educational and outreach efforts were undertaken to encourage members to join Medicare Part D. By September 30, 2006, a total of 156,000 EPIC members (42 percent) were enrolled in Part D drug plans and 254,747 (83 percent) were enrolled in Part D by September 30, 2009.

- Effective July 1, 2007, all eligible EPIC members were required to enroll in a Medicare drug plan unless enrollment resulted in significant additional financial liability to the member. EPIC began to pay Part D premiums up to the annual benchmark amount computed by CMS for Fee Plan members. For Deductible Plan members, the EPIC Deductible was lowered by the annual benchmark amount. Members with income from 135 percent to 150 percent of the FPL were also required to apply for Partial LIS. As of September 2007, the number of EPIC members enrolled in Part D drug plans was 263,948 (76 percent). By September 2009, over 150,000 of these members were facilitated into Part D drug plans by EPIC; another 52,969 were exempt from the Part D requirement or not eligible to join Part D.

- The EPIC pharmacy reimbursement methodology was statutorily changed effective July 1, 2008, limiting reimbursement for brand name drugs to the Average Wholesale Price (AWP) minus 16.25 percent, plus a dispensing fee. A State Maximum Allowable Cost (SMAC) program was added to the EPIC pricing for generic drugs. The reimbursement for generic drugs was limited to the lower of AWP minus 25 percent, SMAC and Federal Upper Limit (FUL), each with a dispensing fee added, or the pharmacy's usual and customary price. The current dispensing fees ($4.50 for generics, $3.50 for brands) continued. This change was consistent with that of the New York State Medicaid Program.

- Effective October 1, 2008, the EPIC definition of a covered drug was amended to require generic substitution for multi-source brand drugs, with some exceptions. A prior authorization (PA) process was implemented to cover brand multi-source drugs that are medically necessary. As a result, approximately 18,000 brand multi-source claims were initially denied where EPIC was the primary payer. However, over 4,000 of the claims were approved after a PA was pursued and EPIC saved approximately $900,000 for the program year as a result of this initiative.

- Since EPIC continued to be billed as the primary payer for a large number of claims that should have been covered by Part D drug plans, an enhanced coordination of benefits program was initiated at the point of sale effective October 1, 2008. This statutory change required an EPIC participating pharmacy to consult with the prescriber to determine if a Part D covered drug could be alternately prescribed, before billing EPIC as the primary payer for a non-formulary drug. This new process allowed EPIC members to continue to receive needed medications, while maximizing their Part D plan, when appropriate. If a non-formulary drug was determined to be medically necessary by a prescriber, EPIC approved the claim and initiated an appeal to the Part D plan for coverage of the non-formulary drug. As a result, many members received drugs covered by their Part D formulary and paid lower EPIC co-payments. EPIC initiated 3,400 coverage determinations with Part D plans for medically necessary medications and saved $4.7 million when Part D approved the drug.

- Effective July 1, 2009, EPIC began covering Part D plan formulary drugs purchased at participating out-of-state mail order pharmacies registered with the NYS Board of Pharmacy. This provide another option for Part D plan members to save on medication purchases. As of July 2009, 49 provider agreements had been received from qualified mail order pharmacies and EPIC continues to work with others to gain full participation.

- Also, effective July 1, 2009, income eligible EPIC members were required to apply for either LIS or an MSP benefit as a condition of EPIC eligibility. The MSP program has three benefit levels that provide payment of Medicare Part A and/or Part B premiums: Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), or a Qualifying Individual (QI). Members approved for a MSP are deemed eligible and receive LIS from Medicare. MSP requires income eligibility but does not require the reporting of assets. EPIC identified members who did not qualify for LIS based on assets, but who appeared eligible for MSP based on income. During the program year, EPIC assisted 22,800 members to apply for MSP. A total of 5,200 applications were submitted to local Department of Social Services offices for processing and 2,191 members were approved by the end of the program year.

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Section II: Enrollment

1. Application and Cancellation Activity

On September 30, 2009, EPIC enrollment was 307,716. This represented a decrease of 15,388 (4.76 percent) members compared to the previous program year. The primary reasons for the decrease in members were the continuing decline in new applications coupled with an increase in cancelations. Since the average EPIC member is almost 80 years old, cancelation due to death is significant and accounted for more than 13,000 members.

Enrollment has been steadily declining since 2007. This pattern coincides with the implementation of Medicare Part D drug coverage. The largest drop in enrollment were members in the lower income Fee Plan, where LIS and MSP benefits are available and Part D prescription coverage is provided at no cost, with low co-payments and no coverage gap. Conversely, there has been an increase in enrollment in the EPIC Deductible Plan since 2006. Minority enrollment was 13 percent at the end of the program year.

Figure 1
Annual Application Activity

Program Year	New Applications Received*	Cancellations	Annual Net Change in Enrollment	Enrollment at End of Program Year
2006-2007	28,340	31,170	(21,489)	345,451
2007-2008	26,075	35,831	(22,347)	323,104
2008-2009	26,485	35,621	(15,388)	307,716

* Not all applications are approved

2. Enrollment by Plan Type

By the end of the program year, 65.6 percent of EPIC members were enrolled in the Fee Plan and 34.4 percent in the Deductible Plan. Enrollment in the EPIC Deductible Plan has steadily increased since 2006 when it was 25.3 percent. There is no cost to join the Deductible Plan which provides a safety net for members with catastrophic drug costs. Any out-of-pocket drug costs not covered by Medicare Part D, including drugs purchased in the coverage gap or non-covered drugs are applied to the EPIC deductible. Once met, EPIC supplements Part D coverage for members by reducing out-of-pocket drug costs.

3. Enrollment in Part D

EPIC requires enrollment in Medicare Part D drug plans in order to provide maximum savings to members as well as to limit State expenditures for benefits. Through extensive enrollment efforts, the program has been able to consistently improve the rates of Part D participation while ensuring the quality of coverage for EPIC members.

4. Medicare Low Income Subsidy (LIS) Application Process

Throughout the year, EPIC sends out Request for Additional Information (RFAI) forms to new members or renewing members who are income eligible for LIS from Medicare. As the authorized representative for members, EPIC receives the information and then transmits it electronically to the Social Security Administration (SSA) where it is evaluated for approval of the LIS benefit. LIS is a subsidy from Medicare providing savings for medications. Members approved for full LIS paid $2.40 for generics and $6.00 for brand drugs in 2009. Medicare also pays the Part D premiums for the member and there is no Part D coverage gap. In addition, the EPIC enrollment fee is waived for members approved for full LIS. By the end of the program year, EPIC applied to SSA for LIS on behalf of 30,423 members and had a total of 77,864 EPIC members receiving LIS from Medicare.

EPIC facilitates the enrollment of income eligible members who are over the asset limit for LIS in MSP by assisting them with the completion of the MSP application. If approved, Medicare provides assistance for payment of their Medicare Part A and/or Part B premiums and the member also receives LIS from Medicare, which lowers their drug cost. The EPIC program worked with the Medicare Rights Center and Benefits Data Trust to assist members to apply for MSP during this program year.

5. Facilitated Enrollment in Part D Plans

EPIC also facilitates the enrollment of members into Part D plans on a routine basis using Intelligent Random Assignment. This process compares all the benchmark Part D drug plans' formulary drugs (excluding those that require prior authorization or step therapy) to drugs the member purchased during the last three months at a local pharmacy. It then identifies the plan that covers all or most of the member's drugs. If multiple plans cover the same number of drugs, the member is randomly assigned to one of those plans. This maximizes the Part D plan benefit for EPIC members. During the program year, the number of new members that were facilitated into Part D drug plans was 7,095. EPIC reassigned 30,817 members into new Part D plans effective January 2009 because the plan they were enrolled in was no longer designated a benchmark plan by CMS in 2009.

Figure 2
Part D Enrollment

Category	September 2007	September 2008	September 2009
Total EPIC Enrollees	345,451	323,104	307,716
Part D Members	263,948	262,742	254,747
Percent Part D	76%	81%	83%
Receiving LIS/Deemed	76,083	78,342	77,864
Exempt/Not Eligible	81,503	60,362	52,969

6. Exemption from Part D

Most EPIC members are required to join Medicare Part D drug plans. There are a few exceptions. These include members who are not eligible for or enrolled in Medicare Part A or Part B; those in Medicare Advantage health plans whose cost sharing would be significantly increased if they joined Part D; those with union or retiree coverage who would lose, or their family member would lose health coverage by joining Part D, as well as those in the EPIC Deductible Plan with low drug costs who never meet their EPIC deductible and would incur significant financial costs by joining Part D. As of September 30, 2009, a total of 52,969 EPIC members were not eligible for Part D or exempt from the Medicare Part D drug plan requirement and EPIC provided primary drug coverage during the program year.

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Section III: Costs and Utilization

1. Costs

a. Overview

A total of 314,122 seniors used their EPIC benefits to fill one or more claims during the program year, purchasing over 10.1 million prescriptions at a total cost of $956.5 million. By using EPIC and Part D, members saved nearly $848 million at the pharmacy. Of the $848 million, $380 million is attributable to EPIC supplemental coverage. After deducting member fees, rebates from manufacturers, and coordination of benefit recoveries from Part D plans or other insurers and adding the cost of Medicare Part D premiums, the net cost to the State was $187.3 million (Appendix Table IV-A). EPIC members purchased prescriptions at an average annual cost of $3,045 per year and saved $2,699 (89 percent) after paying EPIC co-payments and deductibles.

b. Deductible Plan and Fee Plan Utilization

Enrolled for a full year with EPIC and Part D

EPIC Deductible Plan seniors averaged $3,492 in total drug costs and saved on average 82 percent using EPIC and Medicare. Members in the Fee Plan averaged $3,234 in total drug costs and saved an average of 93 percent with EPIC and Medicare. EPIC members with LIS averaged $2,870 in total drug costs and saved on average 96 percent using EPIC and Medicare. It should be noted that the total drug costs for members with LIS are lower than other Part D members because some claims are not submitted to EPIC as a secondary payer. The co-payments of $2.40 for generic drugs are lower than the $3.00 minimum EPIC co-payments. During the 2008 calendar year, 78,000 (49 percent) of EPIC members with Part D reached the Part D coverage gap and 22,400 (29 percent) reached catastrophic coverage.

Enrolled for a full year with EPIC Alone (Not Enrolled in Part D)

EPIC Fee Plan members averaged $3,232 in total drug costs and saved an average of 90 percent when using EPIC as their primary prescription insurance. EPIC Deductible Plan members averaged $2,689 in total drug costs and saved 72 percent using EPIC as their primary prescription insurance. The savings is less because these members have a higher deductible than those in Part D plans.

Members Who Reached Their EPIC Deductible Limit or Co-payment Limit

A total of 67,162 EPIC Deductible Plan members reached the EPIC annual deductible limit by program year end. There were 6,091 members who reached their annual out-of-pocket co-payment limit by program year end. After reaching the limit, members do not have to pay any additional co-payments for drugs purchased for the remainder of their annual coverage year (Appendix Table IV-B).

2. Claims, Expenditures, Revenue and Utilization

EPIC members filled 10.1 million prescriptions during the 2008-2009 program year at a total cost of $956.5 million, which represents a 12 percent decrease in cost compared to the prior year. Payments to pharmacies decreased $71 million (15.8 percent) from the prior year. The net EPIC State cost was $187.3 million due to revenue received from manufacturer rebates and member fees, less the co-payments and EPIC deductibles paid by members, claims paid in part by Medicare or other third party insurers at the point of sale and through retroactive claim recoveries. EPIC member out-of-pocket costs averaged 11.3 percent of the average total cost of the drugs (Appendix Table IV-A).

3. EPIC and Medicare Part D Coordination of Benefit Outcomes

The maximization of Medicare Part D by coordinating benefits with other insurance when drugs are purchased at the pharmacy resulted in substantial savings to the EPIC program. During the 2008-2009 program year, 8.4 million claims (83.2 percent) were billed to EPIC as the secondary payer. Medicare and other primary prescription insurance plans paid $468 million on those claims, saving EPIC 49 percent of the total cost of drugs (Appendix Table XII).

4. EPIC Mandatory Generic Drug Substitution Program

In October 2008, EPIC implemented a mandatory generic drug substitution program. This program requires the substitution of brand name multi-source drugs for a specific list of drugs with an "A" rated generic equivalent when EPIC pays for the claim as the primary insurer. A brand named multi-source drug is only covered if a prescriber obtains a prior authorization from EPIC. If the prescriber cannot be reached, a three-day (72-hour) emergency supply prior authorization may be obtained by the dispensing pharmacist. Emergency overrides also may be granted to pharmacies if a generic equivalent is in short supply.

During the program year, EPIC has approved over 4,000 medically necessary prior authorizations out of more than 18,000 claims that were denied for the mandatory generic substitution requirement. Savings to the EPIC program has been estimated at about $900,000 by program year end. If a prescription drug is changed by the prescriber to a generic at the point of sale, Medicare Part D may pay the claim as primary. Therefore, the actual savings is most likely higher. The generic substitution rate by the end of September 2008 was 89 percent; by the end of September 2009, the generic substitution rate rose to 90 percent.

5. EPIC Two-Year Enrollment and Cost Projections

Enrollment and cost projections for the next two years (Figure 3) reflect a number of recent trends and developments including the savings generated by the implementation of the Medicare Part D drug benefit. These program changes are expected to result in payments to pharmacies projected at $313.1 million in the 2009-2010 program year and $289.1 million in 2010-2011. Net State costs are projected to be $125.8 million in program year 2009-2010 and $128.6 million in 2010-2011.

Figure 3
Two-Year Enrollment and Cost Projections

Category		Oct 2008 - Sept 2009	Oct 2009 - Sept 2010	Oct 2010 - Sept 2011
Enrollment		307,716	303,574	296,626
Total Cost of Drugs*		$956.5	$953.3	$985.9
EPIC Expenditures		$379.9	$313.1	$289.1
Premium Payments		$27.5	$27.3	$31.2
Revenues	Fees	$17.1	$16.8	$16.7
	Benefit Recovery	$33.5	$10	$5
	Rebates	$169.5	$187.8	$170.0
	Total Revenues	$220.1	$214.6	$191.7
Net State Costs = (Expenditures + Premiums – Revenue)		**$187.3**	**$125.8**	**$128.6**

* Dollars in millions

6. Payments to Pharmacies

Across New York State, 4,463 pharmacies provided services to EPIC members this year. Pharmacies received $379.9 million in EPIC payments. Each pharmacy received an average annual payment of $85,123 (Appendix Table XI).

More than half (51 percent) of enrolled pharmacies are chain stores, 47 percent are independently operated and the rest are institutions or mail order pharmacies. Chain stores received 64 percent of EPIC expenditures during the current program year, while independent pharmacies received 35 percent (Appendix Table X).

7. EPIC Utilization

a. Top Medications Used by EPIC Members

More than 26 percent of the 10 most frequently purchased drugs by therapeutic classification (Appendix Table VII) are used to treat cardiac disease or hypertension. Antidepressants, proton-pump inhibitors (for gastrointestinal disorders), beta-adrenergic agonists (for breathing problems), opiate agonists (for pain) and thyroid agents account for the balance of the most frequently utilized therapeutic classes in the EPIC program.

b. Brand versus Generic Drug Use

Sole source drugs represented 33 percent of the prescriptions purchased, while generic drugs accounted for 60 percent. The use of brand multi-source products was 7 percent. During the program year, the substitution rate for drugs with a generic alternative was 90 percent, a rate comparable to programs with strong generic incentives. Under the New York State mandatory generic drug substitution requirement, a generic drug must be dispensed when a multi-source product is prescribed, unless the prescriber indicates that the brand name product is required. In addition, an EPIC mandatory generic drug substitution program was established in October 2008, which requires prior authorization for EPIC coverage of multi-source brands.

c. Therapeutic Drug Monitoring: Pro-DUR System

In response to concerns about overuse and misuse of medications by members, the EPIC Therapeutic Drug Monitoring (TDM) system attempts to identify potential problems through its Prospective Drug Utilization Review (Pro-DUR) to safeguard members' health and safety. By issuing a "drug alert," the Pro-DUR system notifies the pharmacist at the point of sale of possible inappropriate drug therapy such as: drug-to-drug interactions, therapeutic duplications or early refills. The system compares the drugs dispensed for that member over the last three months at any of the 4,400 participating EPIC pharmacies to identify potential clinical issues when a new or refill prescription is being filled. When potential problems are identified, the Pro-DUR system issues a drug alert and the pharmacist then exercises clinical judgment in dispensing the medication.

More than 11 million prescriptions were submitted electronically and processed by the EPIC online point of sale system during the past program year. If the claims are suspended for potential therapeutic problems, pharmacists are alerted and complete clinical reviews, which may include contacting the prescriber, before dispensing medication. As a result of these alerts and clinical reviews, some prescriptions were not filled, thereby preventing possible adverse consequences and saving the program money.

d. Therapeutic Drug Monitoring: Retro-DUR System

Additionally, the EPIC TDM system tries to identify medication problems with its Retrospective Drug Utilization Review (Retro-DUR) System. The Retro-DUR System identifies potential drug therapy that may be inappropriate over time and communicates these findings directly to prescribers. Following clinical reviews by EPIC pharmacists, prescribers are sent informational letters and detailed claims profiles for selected members.

Using specific therapeutic criteria that are ranked by severity level, staff pharmacists reviewed 750 selected member medication histories every month during the program year, for a total of 9,000 clinical reviews in 2008-2009. As a result, 1,619 letters were sent to prescribers on behalf of 766 members, advising them of potential problems with drug interactions, duplicative therapies, overuse or the use of multiple pharmacies or multiple prescribers. Over 31 percent of prescribers receiving the letters responded thanking EPIC for the information.

Section IV: Program Operations

1. Outreach

a. Outreach Operations

Outreach uses a variety of ways to attract new members and to educate current members about how to coordinate their benefits by using EPIC with Medicare Part D or other prescription drug coverage.

- Partnerships - The New York State Office for the Aging (NYSOFA) also maintains a Hot Line and website that provided information about EPIC. During the program year, NYSOFA staff handled EPIC-related telephone calls and referred numerous callers to the EPIC Helpline. The Health Insurance Information Counseling and Assistance Program (HIICAP) administered by NYSOFA, New York City Department for the Aging (NYC DFTA) and the Medicare Rights Center are partners with EPIC and assist members and advocate for them. EPIC also worked with CMS and SSA to secure low income subsidies and other benefits for eligible members.
- Helpline - The EPIC Helpline provided support and assistance to members, caregivers and applicants by responding to 512,209 calls during the program year. In addition, the Provider Helpline responded to 116,406 calls from pharmacists. There also were 33,754 written requests from seniors for information about the program. The EPIC Helpline is 1-800-332-3742 or TTY 1-800-290-9138.
- Internet Services - The EPIC website http://www.nyhealth.gov, (EPIC for Seniors) provides additional resources for individuals interested in obtaining program information. The Department of Health reported 121,592 visitors to the EPIC homepage with over 41,600 hits each on applications and coordination of benefits and over 21,700 looking into Part D plans. Additionally, interested parties contacted EPIC electronically at EPIC@health.state.ny.us. There were 1,479 email inquiries received through the mail log during the 2008-2009 program year.
- EPIC Letters - Written communication is a primary means of explaining program changes to members, providers and prescribers. The implementation of the Medicare Part D requirement in 2007 generated the highest volume of letters given that facilitated enrollment was implemented to help members select a plan. More than 800,000 letters were sent to assist members during this transition. In addition to specialized messaging and letters sent to individuals, the EPIC program also sends large-scale system generated letters involving enrollment issues, eligibility, change in enrollment status and coverage.

- EPIC Materials - A variety of materials were developed to explain how the EPIC benefit works with Medicare Part D. The materials were continuously revised to incorporate new information, such as legislative changes and updated pricing. Items developed for distribution and training include: brochures, fact sheets/flyers, posters, bulletins, placemats, tent cards, postcards and PowerPoint presentations. Select items were translated into Spanish, Chinese and Russian and two general information sheets were produced and distributed in Braille. An EPIC Information Sheet (translated in the following languages: Arabic, Haitian Creole, Korean, Italian, Russian, Polish, Chinese and Yiddish) is used to promote the program in ethnic and minority neighborhoods. EPIC also produced a public service announcement in English and in Spanish that was distributed statewide and used with Department of Health media buys.

b. Community Events

Community outreach continued to be the primary strategy for distributing program information and increasing awareness of EPIC. During the program year, outreach representatives participated in 4,276 events that promoted EPIC to 284,000 seniors. Of these events, a total of 950 information, enrollment and training sessions were attended by approximately 24,000 seniors and agency staff. The programs were presented at senior centers, libraries, pharmacies, senior housing facilities and health/wellness fairs. These and other special programs were sponsored by legislators or county and local officials.

There were 1,300 EPIC events that were specifically intended to reach diverse ethnic and minority communities that included African Americans, Hispanics, Asians and Russians, as well as individuals with disabilities. One-third of the EPIC outreach staff includes bilingual representatives.

A total of 448,535 EPIC enrollment applications and brochures were distributed to seniors, family members and caregivers as well as pharmacies, legislators and health care providers. EPIC annual outreach cost effectiveness was based on the yearly staffing cost of EPIC outreach representatives and the distribution of brochures, which generated 26,485 new applications at a cost of $31.69 per application. Applications are available in English and Spanish.

Outreach representatives also distributed materials and attended events aimed at enrolling individuals in the New York Prescription Saver (NYPS). This is a discount prescription card program that was introduced in April 2009 and is administered by EPIC through its contractor. The card is available to income eligible New York State residents who are 50 to 64 years of age or persons of any age, who have been determined disabled by SSA. The income limits are the same as those of the EPIC program. At the end of September 2009, enrollment in NYPS was 10,074 and 42 percent of enrollees are individuals who have been determined disabled by the SSA. Applicants can apply on-line at http://nyprescriptionsaver.fhsc.com or call the NYPS Helpline at 1-800-788-6917 (or TTY 1-800-290-9138) for more information or to complete an application over the phone. The NYPS website had almost 30,000 visitors between April 1, 2009, and September 30, 2009.

2. Contractor Performance

The EPIC program is administered by a fiscal intermediary contractor secured through a competitive procurement process. Major operational functions are performed by the contractor including: application and enrollment processing, member and provider relations, pharmacy enrollment and reimbursement, claim processing, outreach and systems development, as well as support to the State operation of the Manufacturer Rebates and TDM programs.

Throughout the program year, State staff monitored contractor compliance with the contract performance standards through routine and special reviews, emphasizing areas that directly affect members and pharmacy providers. Reported to the EPIC Panel during the year were the successful implementation the Part D mail order option for members on July 1, 2009, and the issue that the contractor also provided needed resources to support the Medicare Savings Program initiative.

Overall, the contractor continued to display commitment to the success of the EPIC program and completed several significant initiatives during the year including: monthly updates to the SMAC pricing for generic drugs that went into effect July 1, 2008; the implementation of a Mandatory Generic Substitution Program effective October 1, 2008; and implementation of the NYPS cash discount prescription drug card program effective April 1, 2009.

3. EPIC Medicare Part D Appeal Process*

In September 2008, EPIC established an Appeals Unit to pursue formulary exceptions and prior authorizations from Medicare Part D plans on behalf of its members. The unit reviewed claims denied by Medicare Part D that meet selection criteria, for which EPIC paid as primary and initiated a coverage determination request. A signed coverage determination request form and additional documentation that is necessary from the prescriber was collected by the Appeals Unit and submitted to the Medicare Part D plan. If the initial coverage determination was denied by the plan, EPIC may pursue additional levels of appeals.

As of September 30, 2009, EPIC initiated 3,400 coverage determination requests and has reported total EPIC savings of $4.7 million. EPIC savings reflected initial claims approved by Part D plans that are reversed and re-billed for primary insurance as well as the savings accrued from refills.

4. Medicare Part D Premium Payments

EPIC is required by law to pay a portion of the Part D monthly premium that is the responsibility of Fee Plan members. No payments are made on behalf of the Deductible Plan members but their deductible is lowered by an equal amount ($333 for 2009). The law limits EPIC payments to the benchmark or basic plan amount ($27.71 per month for 2009) established by CMS each calendar year.

* Effective 10/01/2010, as a result of legislative statute, EPIC no longer initiates Part D appeals for non-formulary drugs but assists prescribers who call the EPIC Temporary Coverage Request (TCR) Helpline by providing information to help them start the appeal process.

Each month, EPIC calculates and remits payment to Part D carriers for Fee Plan members based on their enrollment in a Part D plan as identified through a monthly data exchange with CMS. EPIC payments are made based exclusively on CMS data, which is the same data utilized to coordinate EPIC coverage with Part D coverage at the pharmacy. Any necessary EPIC payment adjustments will be processed in a subsequent month's routine payment based on updated data received through CMS. Medicare makes monthly premium payments up to the benchmark amount for individuals who are approved for a full or partial subsidy. If necessary, EPIC will supplement the premium payment that is paid by Medicare for partial or full LIS members up to the benchmark amount.

Each plan is sent a monthly Premium Remittance Advice (PRA) file, which contains the member-level detail that supports the monthly payment amount. Premium payments made to plans, for the period of October 1, 2008, through September 30, 2009, totaled $27.5 million, an average of $2.3 million per month.

5. Retrospective Benefit Recovery Program

EPIC contracts with Health Management Systems (HMS), an independent contractor, to pursue claim recoveries from Part D drug plans and other major prescription insurance carriers. These are claims that were paid by EPIC as the primary payer and should have been paid primary by Medicare or other insurers and secondary by EPIC.

HMS executed data sharing agreements with a number of major insurance carriers and Medicare Managed Care plans. These accounted for a majority of EPIC members with other prescription coverage. After receiving EPIC enrollment and claim data, HMS performs matches of the EPIC data against other insurer databases to identify members with other prescription coverage. Since the inception of the Retrospective Benefit Recovery Program, $105.9 million has been recovered of which $33.5 million was for the program year of 2008-2009.

6. Manufacturer Rebates

The EPIC program requires drug manufacturers to have rebate agreements in order for their drugs to be covered. EPIC maintains agreement with 350 manufacturers, which ensured that most pharmaceuticals are covered by the program. Quarterly invoices are sent to manufacturers containing a detailed listing of the drugs and quantities that were purchased by EPIC members and the manufacturers pay rebates back to EPIC for those medications. During the 2008-2009 program year, the Manufacturer Rebates Program invoiced over $169.4 million in rebate payments. In total, $1.9 billion in rebate payments have been invoiced since 1991, with over 9 percent of that amount invoiced in 2008-2009.

Figure 4
Manufacturer Rebates

Rebate Year	Total Manufacturer Rebate Payments
Program Life	$1,896,044,377
04/91-9/91	$3,475,121
10/91-9/92	$8,676,544
10/92-9/93	$10,206,040
10/93-9/94	$10,475,058
10/94-9/95	$12,103,099
10/95-9/96*	$15,079,708
10/96-9/97	$21,459,988
10/97-9/98	$22,991,368
10/98-9/99	$28,160,422
10/99-9/00	$35,246,774
10/00-9/01**	$66,471,413
10/01-9/02***	$116,396,192
10/02-09/03	$159,650,887
10/03-09/04	$184,095,071
10/04-09/05	$246,214,041
10/05-09/06****	$295,721,272
10/06-09/07	$263,864,871
10/07-09/08	$226,262,168
10/08-09/09	$169,494,340

Footnotes:

* New rebate formula based on total cost of drugs implemented July 1, 1996.

** Modified CPI- component added to rebate formula effective October 1, 2000.

*** Full CMS CPI- component added to rebate formula effective April 1, 2002.

**** Medicare Part D coverage became effective the first quarter of 2006.

7. Audit Functions

EPIC verifies that pharmacies are in good standing with the Medicaid Program. During the program year, EPIC performed on-site and desk audits of selected participating pharmacies. Audit staff directly verified the validity of claim information at the pharmacy by reviewing paper and electronic prescriptions to support claims submitted electronically to EPIC. This process is used to confirm claim reimbursements were appropriate and correct by the program. In 2008-2009, the EPIC audit unit completed 143 pharmacy field audits that resulted in recoveries of $469,408 due to erroneous billings.

EPIC also continued its Verification of Benefits (VOB) process to identify potential inappropriate billing. More than 140,000 members, whose drug utilization met specific criteria, were asked through the VOB process to verify that they received the drugs billed on their behalf. More than 70 percent of the selected members responded. All negative responses were referred to the EPIC audit team for further investigation.

Audits were also conducted relating to specific drugs dispensed, based on high dollar parameters or numbers of claims filled per member. The contractor produced 400 provider profiles per quarter, which were reviewed for appropriateness and accuracy. When necessary, follow-up was conducted directly with the pharmacies.

Section V: Conclusion

The EPIC program provided benefits to 314,122 seniors during the program year. The total net State costs continued to decrease and were $187 million (Appendix Table IV-A). EPIC has successfully transitioned from being primary payer to secondary payer at the pharmacy, via the point of sale claims processing, for members with Part D coverage. This resulted in more than $454 million in savings to EPIC during the year (Appendix Table XII). EPIC implemented five legislative amendments during the program year all within the specified effective dates. The intent of each of the changes was to reduce state costs while preserving member access to low cost medication. Three of the changes were designed to maximize member's Medicare Part D coverage.

EPIC provided supplementary coverage to 78,000 members who reached the Medicare Part D coverage gap and 22,400 who reached catastrophic coverage. EPIC covered the Part D deductible and supplemental co-payments for the remaining 176,700 members. EPIC also provided Part D premium assistance for members enrolled in Part D drug plans and initiated Part D appeals on behalf of members for drugs that were not covered by Medicare drug plans.

By September 30, 2009, enrollment declined to 307,716 members (4.76 percent). This was due to a decrease in applications received and an increase in cancellations. More than 13,000 members were canceled from the program due to death. There was also an increased rate of cancellations by members in the lower income Fee program. These members were eligible for LIS or MSP which provided them with comprehensive drug coverage from Medicare Part D with no deductible or coverage gap and low co-payments. Throughout the upcoming program year, EPIC will continue to assist eligible members with the coordination of their Medicare Part D and EPIC benefits to ensure they have comprehensive drug coverage and achieve even greater savings.

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EPIC Program Annual Report 2008-2009 Appendix

Table I: Applications and Enrollment by County

Table II: Enrollment Changes by County

Table III: Utilization by Coverage Type, Marital Status and Income

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Tables V-A: Distribution of Drug Claims by Volume and Total Prescription Cost;
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Table XII: Distribution of Claims and Expenditures by Status of Medicare Part D

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EPIC Program Annual Report 2008-2009 Appendix: Table I

Table I
Applications and Enrollment by County*

County	Applications Received 10/08-9/09	Applications Received 10/87-9/09	Enrollment as of 9/30/09
Albany	365	15,670	4,893
Allegany	118	4,087	1,385
Broome	394	17,435	5,594
Cattaragus	217	8,905	3,182
Cayuga	136	6,000	2,110
Chautauqua	426	16,415	5,815
Chemung	213	8,358	2,488
Chenango	154	5,552	1,952
Clinton	120	5,863	1,915
Columbia	110	5,260	1,760
Cortland	99	4,152	1,398
Delaware	87	5,071	1,635
Dutchess	377	13,427	4,096
Erie	2,005	79,174	26,955
Essex	50	2,909	920
Franklin	68	4,095	1,284
Fulton	138	5,587	1,865
Genesee	149	5,632	2,177
Greene	129	4,468	1,396
Herkimer	230	7,639	2,634
Jefferson	174	8,716	2,856
Lewis	42	2,720	986
Livingston	147	4,585	1,730
Madison	136	5,462	1,958
Monroe	1,271	39,785	14,057
Montgomery	120	6,473	2,168
Nassau	1,616	68,675	19,530
Niagara	544	17,341	6,070
Oneida	430	21,168	6,771
Onondaga	809	29,240	9,642
Ontario	216	8,019	2,843
Orange	460	17,742	5,316
Orleans	126	3,140	1,196
Oswego	280	10,412	3,616
Otsego	141	5,546	1,737
Putnam	128	4,527	1,430
Rensselaer	161	9,040	2,960
Rockland	328	13,186	3,716
Saint Lawrence	249	10,097	2,689

Table I - continued

County	Applications Received 10/08-9/09	Applications Received 10/87-9/09	Enrollment as of 9/30/09
Saratoga	409	9,159	3,842
Schenectady	206	4,184	2,744
Schoharie	67	1,855	866
Schuyler	35	2,063	519
Seneca	47	7,070	748
Steuben	169	7,228	2,391
Suffolk	1,880	75,278	22,228
Sullivan	115	5,830	1,657
Tioga	105	3,972	1,279
Tompkins	103	4,216	1,307
Ulster	314	11,685	3,709
Warren/Hamilton	147	5,698	2,049
Washington	168	5,104	1,912
Wayne	189	7,583	2,706
Westchester	1,010	43,145	11,711
Wyoming	89	3,821	1,521
Yates	49	2,415	898
Upstate Subtotal	18,065	711,879	228,812
Bronx	1,206	68,592	9,717
Kings	2,523	51,474	23,195
New York	1,497	41,222	14,143
Queens	2,579	82,389	26,624
Richmond	615	16,495	5,225
NYC Subtotal	8,420	260,172	78,904
Statewide Total	**26,485**	**972,051**	**307,716**

* Table I represents the applications received and enrollment by county for the program year (October 2008-September 2009) as well as total applications received since the program began in October 1987.

EPIC Program Annual Report 2008-2009 Appendix: Table II

Table II
Enrollment Changes by County*

County	Enrollment as of 9/30/08	Enrollment as of 9/30/09	Total Change	Percent Change
Albany	5,168	4,893	(275)	-5.32%
Allegany	1,405	1,385	(20)	-1.42%
Broome	5,907	5,594	(313)	-5.30%
Cattaraugus	3,320	3,182	(138)	-4.16%
Cayuga	2,208	2,110	(98)	-4.44%
Chautauqua	6,034	5,815	(219)	-3.63%
Chemung	2,602	2,488	(114)	-4.38%
Chenango	2,023	1,952	(71)	-3.51%
Clinton	2,042	1,915	(127)	-6.22%
Columbia	1,870	1,760	(110)	-5.88%
Cortland	1,466	1,398	(68)	-4.64%
Delaware	1,760	1,635	(125)	-7.10%
Dutchess	4,274	4,096	(178)	-4.16%
Erie	28,117	26,955	(1,162)	-4.13%
Essex	979	920	(59)	-6.03%
Franklin	1,355	1,284	(71)	-5.24%
Fulton	1,926	1,865	(61)	-3.17%
Genesee	2,278	2,177	(101)	-4.43%
Greene	1,438	1,396	(42)	-2.92%
Herkimer	2,664	2,634	(30)	-1.13%
Jefferson	3,026	2,856	(170)	-5.62%
Lewis	1,035	986	(49)	-4.73%
Livingston	1,801	1,730	(71)	-3.94%
Madison	2,054	1,958	(96)	-4.67%
Monroe	14,604	14,057	(547)	-3.75%
Montgomery	2,326	2,168	(158)	-6.79%
Nassau	20,924	19,530	(1,394)	-6.66%
Niagara	6,232	6,070	(162)	-2.60%
Oneida	7,143	6,771	(372)	-5.21%
Onondaga	10,082	9,642	(440)	-4.36%
Ontario	2,949	2,843	(106)	-3.59%
Orange	5,618	5,316	(302)	-5.38%
Orleans	1,197	1,196	(1)	-0.08%
Oswego	3,766	3,616	(150)	-3.98%
Otsego	1,814	1,737	(77)	-4.24%
Putnam	1,545	1,430	(115)	-7.44%
Rensselaer	3,154	2,960	(194)	-6.15%
Rockland	3,944	3,716	(228)	-5.78%
Saint Lawrence	2,693	2,689	(4)	-0.15%

Table II - continued

County	Enrollment as of 9/30/08	Enrollment as of 9/30/09	Total Change	Percent Change
Saratoga	3,924	3,842	(82)	-2.09%
Schenectady	2,862	2,744	(118)	-4.12%
Schoharie	904	866	(38)	-4.20%
Schuyler	540	519	(21)	-3.89%
Seneca	793	748	(45)	-5.67%
Steuben	2,491	2,391	(100)	-4.01%
Suffolk	23,550	22,228	(1,322)	-5.61%
Sullivan	1,774	1,657	(117)	-6.60%
Tioga	1,305	1,279	(26)	-1.99%
Tompkins	1,374	1,307	(67)	-4.88%
Ulster	3,880	3,709	(171)	-4.41%
Warren/Hamilton	2,107	2,049	(58)	-2.75%
Washington	1,958	1,912	(46)	-2.35%
Wayne	2,822	2,706	(116)	-4.11%
Westchester	12,498	11,711	(787)	-6.30%
Wyoming	1,591	1,521	(70)	-4.40%
Yates	928	898	(30)	-3.23%
Upstate Subtotal	240,044	228,812	(11,232)	-4.68%
Bronx	10,295	9,717	(578)	-5.61%
Kings	24,245	23,195	(1,050)	-4.33%
New York	15,021	14,143	(878)	-5.85%
Queens	28,047	26,625	(1,422)	-5.07%
Richmond	5,452	5,225	(227)	-4.16%
NYC Subtotal	83,060	78,904	(4,156)	-5.00%
Statewide Total	**323,104**	**307,716**	**(15,388)**	**-4.76%**

* Table II represents the enrollment for the program year (October 2008-September 2009) as well as the previous program year and indicates the change in enrollment.

EPIC Program Annual Report 2008-2009 Appendix: Table III

Table III

Utilization by Coverage Type, Marital Status and Income*

Demographic	Category	Percent of Participants	EPIC Payments	Participant Copays	Participant Deductibles**	Third Party Payments***
Coverage Type	Fee Plan	65.6%	$259,289,924	$46,017,268	$726,058	$317,294,243
	Deductible Plan	34.4%	$120,614,705	$18,741,325	$43,109,986	$150,742,973
Marital Status	Married, Living Apart	1.7%	$6,984,054	$1,126,303	$248,189	$9,227,282
	Married	31.7%	$117,166,238	$18,176,861	$24,913,335	$147,761,441
	Single	66.6%	$255,754,337	$45,455,429	$18,674,520	$311,048,493
Annual Income	$5,000 or Less	1.6%	$4,628,273	$715,019	$11,361	$7,867,393
	$5,001 – $10,000	8.7%	$23,772,049	$4,337,140	$61,630	$43,521,984
	$10,001 – $15,000	25.7%	$82,592,200	$15,806,916	$142,989	$133,489,276
	$15,001 – $20,000	22.6%	$108,776,544	$18,991,031	$360,103	$100,476,067
	$20,001 – $25,000	15.7%	$73,597,748	$12,029,422	$8,160,626	$68,220,094
	$25,001 – $30,000	10.4%	$41,965,615	$6,513,442	$10,984,618	$46,337,223
	$30,001 – $35,000	7.0%	$22,117,150	$3,326,317	$9,991,685	$30,859,020
	$35,001 – $40,000	3.6%	$10,578,184	$1,423,669	$5,694,941	$16,014,138
	$40,001 – $45,000	3.0%	$7,575,378	$1,046,402	$5,090,653	$13,166,820
	$45,001 – $50,000	1.9%	$4,301,488	$569,235	$3,337,438	$8,085,201
Total	**All**	100.0%	$379,904,629	$64,758,593	$43,836,044	$468,037,216

* Table III provides the percent of participants by Coverage Type, Marital Status and Income for the program year (October 1, 2008 through September 30, 2009) as related to EPIC Payments, Participant Copays, and Participant Deductibles.

** The Deductible Plan participants who changed to Fee Plan participants during the program year result in Deductible totals in the Fee-related rows in this table.

*** Medicare Part D or other insurance payers.

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EPIC Program Annual Report 2008-2009 Appendix: Tables IV-A and IV-B

Table IV-A
Claims, Expenditures and Revenue by Program Year*

Description	Category	Twentieth (2006-2007)	Twenty-first (2007-2008)	Twenty-second (2008-2009)
Number of Claims	Co-payment	9,869,298	9,192,928	8,541,283
	Deductible	1,371,050	1,477,951	1,587,704
	Total Claims	11,240,348	10,670,879	10,128,987
Expenditures	Total Cost of Drugs	$1,125,400,862	$1,090,587,079	$956,536,482
	less Third Party Payments**	$297,696,081	$518,118,379	$468,037,216
	less Participant Co-payments	$101,573,094	$77,150,989	$64,758,593
	less Deductible Payments	$55,386,837	$44,412,254	$43,836,044
	Total EPIC Expenditures	$670,744,850	$450,905,457	$379,904,629
Plus Premium	Payments	$5,131,049	$25,924,547	$27,466,913
Less Revenue	Manufacturers' Rebates	$263,864,871	$226,262,168	$169,494,340
	plus Participant Fees	$20,636,889	$18,746,354	$17,117,037
	plus Claim Recovery***	$14,070,733	$40,959,794	$33,477,058
	Total Revenue	$298,572,493	$285,968,316	$220,088,435
Net State Cost= (Expenditures+Premiums-Revenue)		$377,303,406	$190,861,688	$187,283,107

* Table IV-A represents Claims, Expenditures and Revenue by Program Year up to October 2008-September 2009.

** Estimated Third Party Payments from Medicare Part D coverage and other insurers.

*** Retroactive Third Party Claim recoveries from Medicare and other insurers.

Table IV-B
Payment and Utilization by Program Year*

Paid Claims	Twentieth (2006-2007)	Twenty-first (2007-2008)	Twenty-second (2008-2009)
Average EPIC Payment per Claim	$59.67	$42.26	$37.51
Average Deductible Payment per Claim	$40.40	$30.05	$27.61
Average Participant Co-payment per Claim	$10.29	$8.39	$7.58
Average Third Party Payment** per Claim	$26.48	$48.55	$46.21
Average Total Cost per Claim	$100.12	$102.20	$94.44
Number of Participants Reaching Deductible	63,043	67,301	67,162
Number of Participants Reaching Copay limit	31,508	12,189	6,091

* Table IV-B represents Payment and Utilization by program year up to October 2008-September 2009.

** Estimated Third Party Payments from Medicare Part D coverage and other insurers.

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EPIC Program Annual Report 2008-2009 Appendix: Tables V-A and V-B

Table V-A
Distribution of Drug Claims by Volume and Total Prescription Cost*

Total Prescription Cost**	Percentage of Claims	Cumulative Percentage of Claims
Up to $5	0.73%	0.73%
$5.01 - $10	23.92%	24.65%
$10.01 - $15	11.85%	36.50%
$15.01 - $20	6.04%	42.54%
$20.01 - $30	8.70%	51.24%
$30.01 - $40	4.59%	55.83%
$40.01 - $50	2.83%	58.66%
$50.01 - $60	2.08%	60.74%
$60.01 - $70	2.30%	63.04%
$70.01 - $80	2.96%	66.00%
$80.01 - $90	2.90%	68.90%
$90.01 - $100	3.37%	72.27%
$100.01 - $250	18.63%	90.90%
$250.01 - $500	7.35%	98.25%
$500.01 - $2500	1.61%	99.86%
Over $2500	0.14%	100.00%

* Table V-A provides the percent and cumulative percent of adjudicated claims for the program year (October 1, 2008 through September 30, 2009) as they fall into particular ranges of Total Prescription Cost.

** Total Prescription Cost includes participant, EPIC and third-party payments.

Table V-B
Distribution of Drugs Purchased by Total Prescription Cost*

Total Prescription Cost**	Percentage of Claims
Up to $15	36.50%
$15.01 - $35	17.04%
$35.01 - $55	6.29%
$55.01 - $100	12.44%
Over $100	27.73%
Total	100.00%

* Table V-B provides the percent of adjudicated claims for the program year (October 1, 2008 through September 30, 2009) as they fall into co-pay ranges of Prescription Cost.

** Total Prescription Cost includes participant, EPIC and third-party payments.

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EPIC Program Annual Report 2008-2009 Appendix: Table VI

Table VI
300 Most Frequently Purchased Drugs*

Rank by Number of Claims	Drug and Strength	Drug Type**	Number of Claims	EPIC Payments	Rank by Payment
1	PLAVIX (75 MG)	SS	184,753	$17,234,750	1
2	HYDROCHLOROTHIAZIDE (25 MG)	Gen	173,312	$144,237	438
3	OMEPRAZOLE (20 MG)	Gen	135,790	$1,526,423	43
4	FUROSEMIDE (40 MG)	Gen	130,240	$190,832	349
5	AMLODIPINE BESYLATE (5 MG)	Gen	113,503	$346,046	213
6	NEXIUM (40 MG)	SS	109,156	$12,726,312	2
7	ALENDRONATE SODIUM (70 MG)	Gen	104,608	$596,037	123
8	LIPITOR (10 MG)	SS	103,607	$6,245,068	5
9	SIMVASTATIN (20 MG)	Gen	99,577	$391,750	190
10	FUROSEMIDE (20 MG)	Gen	98,122	$118,356	508
11	AMLODIPINE BESYLATE (10 MG)	Gen	91,162	$289,148	246
12	METOPROLOL TARTRATE (50 MG)	Gen	90,959	$156,683	411
13	SIMVASTATIN (40 MG)	Gen	89,396	$398,479	185
14	LIPITOR (20 MG)	SS	85,484	$7,326,087	4
15	SPIRIVA (18MCG)	SS	79,470	$5,929,431	7
16	METFORMIN HCL (500 MG)	Gen	79,375	$240,972	288
17	METOPROLOL TARTRATE (25 MG)	Gen	76,311	$141,290	446
18	VITAMIN D (50000 UNIT)	Gen	73,953	$516,142	145
19	FLOMAX (0.4 MG)	SS	73,896	$4,888,175	8
20	METOPROLOL SUCCINATE (50 MG)	Gen	73,570	$905,905	85
21	ATENOLOL (50 MG)	Gen	70,436	$121,000	498
22	PANTOPRAZOLE SODIUM (40 MG)	Gen	68,257	$4,674,584	10
23	XALATAN (0.005%)	SS	63,177	$2,624,021	25
24	ARICEPT (10 MG)	SS	59,906	$6,044,200	6
25	ATENOLOL (25 MG)	Gen	58,495	$86,558	613
26	PREVACID (30 MG)	SS	58,371	$7,864,413	3
27	ADVAIR DISKUS (250-50MCG)	SS	58,228	$4,716,712	9
28	ZOLPIDEM TARTRATE (10 MG)	Gen	57,088	$93,248	589
29	FOLIC ACID (1 MG)	Gen	55,243	$153,232	416
30	LISINOPRIL (10 MG)	Gen	52,702	$96,484	570
31	LIPITOR (40 MG)	SS	52,129	$4,551,605	11
32	LISINOPRIL (20 MG)	Gen	51,837	$130,920	467
33	DIGOXIN (125 MCG)	Gen	50,786	$145,570	434
34	ACTONEL (35 MG)	SS	50,551	$3,294,285	19
35	HYDROCODONE-ACETAMINOPHEN (5 MG-500MG)	Gen	50,341	$105,726	542
36	ZETIA (10 MG)	SS	50,316	$3,848,999	13

Table VI - continued

Rank by Number of Claims	Drug and Strength	Drug Type**	Number of Claims	EPIC Payments	Rank by Payment
37	AZITHROMYCIN (250 MG)	Gen	49,486	$226,289	299
38	KLOR-CON M20 (20 MEQ)	Gen	48,882	$296,296	241
39	PROAIR HFA (90MCG)	BNMS	47,676	$751,727	98
40	METOPROLOL SUCCINATE (100 MG)	Gen	47,498	$914,968	83
41	KLOR-CON 10 (10 MEQ)	Gen	46,486	$267,399	271
42	SINGULAIR (10 MG)	SS	46,454	$3,044,849	21
43	METOPROLOL SUCCINATE (25 MG)	Gen	45,673	$531,000	143
44	NAMENDA (10 MG)	SS	44,863	$3,481,703	16
45	TRIAMTERENE-HCTZ (37.5-25MG)	Gen	43,674	$158,037	406
46	AMOXICILLIN (500 MG)	Gen	43,234	$43,813	899
47	LEVOTHYROXINE SODIUM (50 MCG)	Gen	42,237	$153,067	417
48	HYDROCHLOROTHIAZIDE (12.5 MG)	Gen	41,406	$168,763	387
49	DIOVAN (160 MG)	SS	39,166	$1,955,135	38
50	LISINOPRIL (40 MG)	Gen	38,713	$128,783	476
51	POTASSIUM CHLORIDE (10 MEQ)	Gen	38,582	$249,707	283
52	CELEBREX (200 MG)	SS	38,155	$3,299,165	18
53	ALPRAZOLAM (0.25 MG)	Gen	37,083	$128,646	477
54	POTASSIUM CHLORIDE (20 MEQ)	Gen	36,678	$223,679	306
55	METFORMIN HCL (1000 MG)	Gen	36,317	$144,085	439
56	ISOSORBIDE MONONITRATE (30 MG)	Gen	35,643	$188,143	351
57	LEVOTHYROXINE SODIUM (75MCG)	Gen	35,502	$138,885	455
58	WARFARIN SODIUM (5 MG)	Gen	35,333	$178,717	364
59	LANTUS (100/ML)	SS	34,908	$2,433,294	28
60	LEXAPRO (10 MG)	SS	34,765	$1,833,433	39
61	PRAVASTATIN SODIUM (40 MG)	Gen	34,166	$215,487	316
62	SERTRALINE HCL (50 MG)	Gen	33,749	$105,198	545
63	EVISTA (60 MG)	SS	33,651	$2,093,288	35
64	CRESTOR (10 MG)	SS	33,607	$2,373,826	31
65	PROPOXYPHENE NAP-ACETAMINOPHEN (100-650 MG)	Gen	33,314	$135,100	460
66	PREDNISONE (5 MG)	Gen	33,059	$24,773	1192
67	BONIVA (150 MG)	SS	32,573	$2,390,755	30
68	CIPROFLOXACIN HCL (500 MG)	Gen	32,557	$49,789	844
69	DETROL LA (4 MG)	SS	32,435	$2,454,253	27
70	LEVOTHYROXINE SODIUM (100 MCG)	Gen	31,076	$127,124	482
71	DIOVAN (80 MG)	SS	30,775	$1,412,784	45
72	GLYBURIDE (5 MG)	Gen	29,975	$172,863	376
73	LISINOPRIL (5 MG)	Gen	29,561	$42,488	914
74	JANUVIA (100 MG)	SS	29,500	$3,524,852	15
75	LIDODERM (5%(700MG))	SS	29,109	$3,137,607	20
76	GABAPENTIN (300 MG)	Gen	29,066	$139,929	448
77	COMBIVENT (18-103MCG)	SS	28,962	$1,424,068	44
78	METOPROLOL TARTRATE (100 MG)	Gen	28,756	$71,078	689

Table VI - continued

Rank by Number of Claims	Drug and Strength	Drug Type**	Number of Claims	EPIC Payments	Rank by Payment
79	SPIRONOLACTONE (25 MG)	Gen	28,639	$111,297	527
80	COZAAR (50 MG)	SS	27,903	$1,309,253	53
81	TRICOR (145MG)	SS	27,782	$2,346,088	32
82	FINASTERIDE (5 MG)	Gen	27,761	$586,658	127
83	TRAMADOL HCL (50 MG)	Gen	27,440	$83,960	621
84	PROTONIX (40 MG)	BNMS	27,306	$2,622,787	26
85	VENTOLIN HFA (90MCG)	BNMS	27,279	$394,830	188
86	LEVOTHYROXINE SODIUM (25 MCG)	Gen	26,859	$86,398	614
87	ISOSORBIDE MONONITRATE (60 MG)	Gen	26,808	$129,203	473
88	ALLOPURINOL (100 MG)	Gen	26,650	$45,006	890
89	LUMIGAN (0.03%)	SS	26,387	$1,400,291	46
90	RAMIPRIL (10 MG)	Gen	25,845	$224,981	303
91	SIMVASTATIN (10 MG)	Gen	25,503	$95,181	578
92	ACIPHEX (20 MG)	SS	25,282	$4,325,467	12
93	ALBUTEROL SULFATE (2.5 MG/3ML)	Gen	25,179	$163,181	397
94	ZOLPIDEM TARTRATE (5 MG)	Gen	25,063	$41,910	921
95	METHOTREXATE (2.5 MG)	Gen	24,972	$186,790	354
96	LEVAQUIN (500 MG)	SS	24,377	$916,520	82
97	COZAAR (100 MG)	SS	23,899	$1,374,563	49
98	ATENOLOL (100 MG)	Gen	23,843	$62,558	746
99	RANITIDINE HCL (150 MG)	Gen	23,790	$70,401	693
100	SIMVASTATIN (80 MG)	Gen	23,369	$119,444	501
101	WARFARIN SODIUM (2 MG)	Gen	23,298	$142,801	440
102	PROVENTIL HFA (90MCG)	BNMS	23,231	$422,728	174
103	METFORMIN HCL ER (500 MG)	Gen	23,133	$93,994	585
104	PREDNISONE (10 MG)	Gen	23,055	$21,522	1259
105	ALPRAZOLAM (0.5 MG)	Gen	22,846	$100,365	557
106	ACTOS (30 MG)	SS	22,598	$3,000,949	22
107	AMLODIPINE BESYLATE (2.5 MG)	Gen	22,357	$68,078	708
108	FLUTICASONE PROPIONATE (50 MCG)	Gen	22,347	$116,971	510
109	ARICEPT (5 MG)	SS	22,278	$2,017,524	36
110	WARFARIN SODIUM (1 MG)	Gen	22,230	$151,202	422
111	TOPROL XL (50 MG)	BNMS	22,202	$632,471	111
112	ENALAPRIL MALEATE (20 MG)	Gen	21,779	$64,676	731
113	LOVASTATIN (40 MG)	Gen	21,729	$175,191	372
114	CARVEDILOL (6.25MG)	Gen	21,438	$81,933	628
115	SERTRALINE HCL (100 MG)	Gen	21,287	$70,580	691
116	OXYCODONE-ACETAMINOPHEN (5MG-325MG)	Gen	20,758	$55,619	794
117	PRAVASTATIN SODIUM (20 MG)	Gen	20,696	$116,925	511
118	GABAPENTIN (100 MG)	Gen	20,578	$72,020	685
119	DIOVAN (320MG)	SS	20,521	$1,174,950	64
120	CEPHALEXIN (500 MG)	Gen	20,380	$53,773	812

Table VI - continued

Rank by Number of Claims	Drug and Strength	Drug Type**	Number of Claims	EPIC Payments	Rank by Payment
121	ALLOPURINOL (300 MG)	Gen	20,323	$55,193	795
122	ENALAPRIL MALEATE (10 MG)	Gen	20,259	$50,681	835
123	LIPITOR (80 MG)	SS	20,215	$1,738,885	41
124	LOVAZA (1 G)	SS	20,144	$1,368,585	50
125	LORAZEPAM (0.5 MG)	Gen	20,076	$93,575	587
126	ADVAIR DISKUS (500-50MCG)	SS	19,989	$2,312,664	33
127	CITALOPRAM HBR (20 MG)	Gen	19,933	$56,892	784
128	AVAPRO (300 MG)	SS	19,901	$1,255,752	56
129	FEXOFENADINE HCL (180 MG)	Gen	19,798	$358,653	205
130	TIMOLOL MALEATE (0.5 %)	Gen	19,630	$138,914	454
131	DIOVAN HCT (160-12.5MG)	SS	19,593	$1,026,660	73
132	AVODART (0.5 MG)	SS	19,513	$1,195,636	63
133	HYDROCODONE-ACETAMINOPHEN (7.5-500MG)	Gen	19,404	$66,502	718
134	SULFAMETHOXAZOLE-TRIMETHOPRIM (800-160MG)	Gen	19,237	$37,015	987
135	CARVEDILOL (12.5 MG)	Gen	19,067	$73,843	674
136	CARVEDILOL (25 MG)	Gen	19,057	$76,029	658
137	DIGOXIN (250 MCG)	Gen	18,942	$56,136	788
138	AVAPRO (150 MG)	SS	18,853	$1,043,194	72
139	DORZOLAMIDE-TIMOLOL (2%-0.5%)	Gen	18,816	$501,308	148
140	NASONEX (50 MCG)	SS	18,537	$612,443	120
141	COSOPT (2%-0.5%)	BNMS	18,412	$975,392	76
142	ACETAMINOPHEN-CODEINE (300MG-30MG)	Gen	18,341	$53,551	814
143	LOVASTATIN (20 MG)	Gen	18,176	$97,219	568
144	POLYETHYLENE GLYCOL 3350 (17G/DOSE)	Gen	17,958	$147,735	429
145	CARBIDOPA-LEVODOPA (25MG-100MG)	Gen	17,722	$232,152	293
146	CRESTOR (5 MG)	SS	17,560	$1,198,978	62
147	VERAPAMIL HCL (240 MG)	Gen	17,425	$134,897	461
148	QUINAPRIL HCL (40 MG)	Gen	17,404	$87,450	609
149	LEXAPRO (20 MG)	SS	17,364	$964,143	78
150	WARFARIN SODIUM (2.5 MG)	Gen	17,327	$92,316	593
151	PAROXETINE HCL (20 MG)	Gen	16,876	$104,125	548
152	ACTOS (15 MG)	SS	16,860	$1,397,535	47
153	ACTOS (45 MG)	SS	16,822	$2,416,692	29
154	GLIMEPIRIDE (4 MG)	Gen	16,803	$82,310	626
155	RAMIPRIL (5 MG)	Gen	16,666	$114,984	518
156	ARIMIDEX (1 MG)	SS	16,452	$3,590,424	14
157	LEVOTHYROXINE SODIUM (88MCG)	Gen	16,345	$69,776	699
158	VYTORIN (10MG-40MG)	SS	16,325	$1,291,754	54
159	ENALAPRIL MALEATE (5 MG)	Gen	16,053	$32,074	1056
160	AGGRENOX (25-200MG)	SS	15,740	$1,122,108	66
161	CARVEDILOL (3.125MG)	Gen	15,719	$60,379	758

Table VI - continued

Rank by Number of Claims	Drug and Strength	Drug Type**	Number of Claims	EPIC Payments	Rank by Payment
162	LISINOPRIL-HCTZ (20-12.5MG)	Gen	15,672	$59,698	763
163	SYNTHROID (50 MCG)	BNMS	15,628	$157,388	409
164	WARFARIN SODIUM (3 MG)	Gen	15,620	$76,092	657
165	SYNTHROID (75MCG)	BNMS	15,509	$176,214	368
166	HYZAAR (100MG-25MG)	SS	15,501	$999,318	74
167	CIPROFLOXACIN HCL (250 MG)	Gen	15,458	$21,517	1260
168	CLOTRIMAZOLE-BETAMETHASONE (1-0.05%)	Gen	15,341	$97,322	566
169	ADVAIR DISKUS (100-50MCG)	SS	15,331	$970,875	77
170	CLONAZEPAM (0.5 MG)	Gen	15,278	$55,883	790
171	AMBIEN CR (12.5 MG)	SS	15,222	$1,105,984	67
172	LEVOTHYROXINE SODIUM (125 MCG)	Gen	15,004	$66,981	715
173	CARTIA XT (240 MG)	Gen	14,770	$305,973	235
174	AMIODARONE HCL (200 MG)	Gen	14,655	$108,805	531
175	VYTORIN (10MG-20MG)	SS	14,586	$1,151,997	65
176	MELOXICAM (7.5 MG)	Gen	14,558	$36,779	990
177	FORTICAL (200/DOSE)	Gen	14,514	$408,542	180
178	TRAVATAN Z (0.004%)	SS	14,416	$610,820	121
179	GEMFIBROZIL (600 MG)	Gen	14,367	$84,958	619
180	SYNTHROID (100 MCG)	BNMS	14,324	$173,709	375
181	AMOX TR-POTASSIUM CLAVULANATE (875-125MG)	Gen	14,146	$113,333	521
182	WARFARIN SODIUM (4 MG)	Gen	13,879	$66,724	716
183	AMLODIPINE BESYLATE-BENAZEPRIL (5MG-20MG)	Gen	13,864	$557,889	137
184	LANTUS SOLOSTAR (300/3ML)	SS	13,793	$1,254,196	57
185	DIAZEPAM (5 MG)	Gen	13,686	$49,674	846
186	LORAZEPAM (1 MG)	Gen	13,588	$80,257	636
187	PREDNISONE (1 MG)	Gen	13,587	$54,599	802
188	METHYLPREDNISOLONE (4 MG)	Gen	13,580	$29,946	1096
189	CRESTOR (20 MG)	SS	13,535	$994,258	75
190	FUROSEMIDE (80 MG)	Gen	13,514	$32,814	1043
191	SEROQUEL (25 MG)	SS	13,448	$742,256	100
192	GLIPIZIDE (5 MG)	Gen	13,436	$30,989	1079
193	CLONIDINE HCL (0.1 MG)	Gen	13,357	$37,308	982
194	QUINAPRIL HCL (20 MG)	Gen	13,303	$65,206	727
195	ALPHAGAN P (0.1%)	SS	13,288	$579,962	129
196	CYMBALTA (60 MG)	SS	13,048	$1,051,772	70
197	MECLIZINE HCL (25 MG)	Gen	13,032	$47,827	858
198	FOSAMAX PLUS D (70 MG-2800)	SS	12,991	$839,930	89
199	TRAMADOL HCL-ACETAMINOPHEN (37.5-325MG)	Gen	12,899	$232,279	292
200	COLCHICINE (0.6 MG)	Gen	12,830	$38,213	973
201	FAMOTIDINE (20 MG)	Gen	12,808	$38,689	965

Table VI - continued

Rank by Number of Claims	Drug and Strength	Drug Type**	Number of Claims	EPIC Payments	Rank by Payment
202	AMITRIPTYLINE HCL (25 MG)	Gen	12,630	$19,498	1328
203	MIRTAZAPINE (15 MG)	Gen	12,600	$96,180	573
204	HYDROCHLOROTHIAZIDE (50 MG)	Gen	12,534	$19,458	1330
205	RESTASIS (0.05%)	SS	12,525	$1,089,636	68
206	GLIMEPIRIDE (2 MG)	Gen	12,521	$42,679	909
207	VIGAMOX (0.5 %)	SS	12,511	$286,436	249
208	GLYBURIDE-METFORMIN HCL (5 MG-500MG)	Gen	12,320	$225,054	302
209	PREDNISONE (20 MG)	Gen	12,205	$10,104	1731
210	MELOXICAM (15 MG)	Gen	12,134	$28,944	1111
211	INSULIN SYRINGE (31GX5/16")	Syrn	12,111	$121,549	497
212	NIASPAN (500 MG)	SS	12,102	$700,468	103
213	ALPHAGAN P (0.15 %)	SS	12,032	$553,247	138
214	STARLIX (120 MG)	BNMS	11,834	$865,921	86
215	CHERATUSSIN AC (100-10MG/5)	Gen	11,797	$33,918	1030
216	NYSTATIN-TRIAMCINOLONE (100000-0.1)	Gen	11,700	$21,339	1265
217	NITROFURANTOIN MONO-MACRO (100 MG)	Gen	11,523	$50,304	839
218	GLIPIZIDE ER (10 MG)	Gen	11,511	$123,030	494
219	TRIAMCINOLONE ACETONIDE (0.1%)	Gen	11,506	$35,672	1008
220	CARTIA XT (120 MG)	Gen	11,505	$154,371	415
221	PEN NEEDLE (31GX5/16")	Syrn	11,405	$146,867	431
222	TRAZODONE HCL (50 MG)	Gen	11,353	$16,565	1422
223	AVELOX (400 MG)	BNMS	11,309	$493,398	152
224	NAPROXEN (500 MG)	Gen	11,083	$32,290	1051
225	MECLIZINE HCL (12.5 MG)	Gen	11,034	$22,878	1230
226	GLYBURIDE (2.5 MG)	Gen	10,923	$38,328	972
227	CHLORHEXIDINE GLUCONATE (0.12 %)	Gen	10,903	$20,720	1283
228	KLOR-CON M10 (10 MEQ)	Gen	10,860	$40,980	933
229	RAMIPRIL (2.5 MG)	Gen	10,816	$74,790	668
230	BENICAR (40 MG)	SS	10,774	$572,701	132
231	ACTONEL (150 MG)	SS	10,757	$765,713	96
232	DIOVAN HCT (160-25MG)	SS	10,664	$627,406	115
233	SERTRALINE HCL (25 MG)	Gen	10,623	$31,443	1068
234	JANUVIA (50 MG)	SS	10,607	$1,257,801	55
235	HUMALOG (100/ML)	SS	10,591	$964,138	79
236	HYDROCODONE-ACETAMINOPHEN (7.5-750MG)	Gen	10,575	$27,011	1147
237	INSULIN SYRINGE (30GX1/2")	Syrn	10,534	$105,996	540
238	HUMULIN N (100/ML)	BNMS	10,516	$435,971	166
239	LISINOPRIL-HCTZ (20-25MG)	Gen	10,477	$39,028	957
240	LISINOPRIL (2.5 MG)	Gen	10,472	$12,791	1584
241	DOXYCYCLINE HYCLATE (100 MG)	Gen	10,431	$11,349	1662
242	LEVOTHYROXINE SODIUM (112MCG)	Gen	10,422	$47,394	863

Table VI - continued

Rank by Number of Claims	Drug and Strength	Drug Type**	Number of Claims	EPIC Payments	Rank by Payment
243	GLIPIZIDE (10 MG)	Gen	10,373	$31,730	1062
244	AMLODIPINE BESYLATE-BENAZEPRIL (10MG-20MG)	Gen	10,315	$428,678	171
245	VESICARE (5 MG)	SS	10,243	$834,320	90
246	HYZAAR (50-12.5MG)	SS	10,180	$513,917	146
247	DILTIAZEM 24HR ER (240 MG)	Gen	10,178	$206,423	327
248	BENICAR (20 MG)	SS	10,125	$435,630	167
249	CYCLOBENZAPRINE HCL (10 MG)	Gen	10,105	$25,093	1186
250	EFFEXOR XR (75 MG)	SS	10,074	$1,046,524	71
251	NIFEDICAL XL (60 MG)	Gen	10,033	$277,185	261
252	PROPOXYPHENE NAPSYLATE-APAP (100-650 MG)	Gen	9,933	$45,237	888
253	CLOBETASOL PROPIONATE (0.05%)	Gen	9,926	$100,039	559
254	FLUOXETINE HCL (20 MG)	Gen	9,900	$28,977	1110
255	METFORMIN HCL (850MG)	Gen	9,889	$40,759	939
256	OXYBUTYNIN CHLORIDE (5 MG)	Gen	9,884	$27,301	1141
257	PAROXETINE HCL (10 MG)	Gen	9,796	$53,840	811
258	DIOVAN HCT (80-12.5MG)	SS	9,725	$465,451	159
259	COUMADIN (5 MG)	BNMS	9,679	$256,064	278
260	NITROGLYCERIN (0.4 MG)	Gen	9,666	$30,312	1091
261	METOPROLOL SUCCINATE (200 MG)	Gen	9,633	$284,166	254
262	ZYMAR (0.3 %)	SS	9,621	$235,225	290
263	LANOXIN (125 MCG)	BNMS	9,562	$57,883	773
264	FOSAMAX (70 MG)	BNMS	9,561	$961,371	81
265	GLIPIZIDE ER (5 MG)	Gen	9,495	$64,945	729
266	CITALOPRAM HBR (10 MG)	Gen	9,430	$25,003	1189
267	FEMARA (2.5 MG)	SS	9,380	$2,273,710	34
268	OMEPRAZOLE (40 MG)	Gen	9,320	$418,061	177
269	ACULAR LS (0.4 %)	SS	9,316	$337,786	218
270	PREDNISOLONE ACETATE (1 %)	Gen	9,300	$40,387	945
271	NOVOLOG (100/ML)	SS	9,270	$855,102	88
272	IPRATROPIUM-ALBUTEROL (0.5-2.5/3)	Gen	9,158	$330,684	221
273	COMBIGAN (0.2%-0.5%)	SS	9,121	$284,282	253
274	TORSEMIDE (20 MG)	Gen	9,018	$98,359	562
275	FLUOCINONIDE (0.05%)	Gen	8,868	$32,329	1049
276	CYMBALTA (30 MG)	SS	8,865	$794,134	94
277	METOCLOPRAMIDE HCL (10 MG)	Gen	8,859	$22,256	1243
278	LYRICA (50 MG)	SS	8,851	$629,920	114
279	DOXAZOSIN MESYLATE (4 MG)	Gen	8,815	$39,893	950
280	CILOSTAZOL (100 MG)	Gen	8,648	$81,180	631
281	ASACOL (400 MG)	SS	8,637	$1,205,659	59
282	NITROGLYCERIN PATCH (0.4MG/HR)	Gen	8,502	$73,434	676
283	COZAAR (25 MG)	SS	8,462	$316,087	226
284	CASODEX (50 MG)	BNMS	8,436	$2,652,770	23

Table VI - continued

Rank by Number of Claims	Drug and Strength	Drug Type**	Number of Claims	EPIC Payments	Rank by Payment
285	DIOVAN HCT (320MG-25MG)	SS	8,399	$577,162	130
286	SYNTHROID (88MCG)	BNMS	8,339	$98,229	563
287	CLONIDINE HCL (0.2 MG)	Gen	8,321	$31,677	1064
288	AMITRIPTYLINE HCL (10 MG)	Gen	8,295	$11,899	1641
289	LISINOPRIL-HCTZ (10-12.5MG)	Gen	8,279	$40,580	943
290	LEVOTHYROXINE SODIUM (150 MCG)	Gen	8,232	$36,234	1000
291	DILTIAZEM 24HR ER (180 MG)	Gen	8,194	$122,823	495
292	HYDROXYCHLOROQUINE SULFATE (200 MG)	Gen	8,192	$43,306	903
293	CITALOPRAM HBR (40 MG)	Gen	8,179	$21,299	1266
294	LESCOL XL (80 MG)	SS	8,082	$761,731	97
295	NIFEDIPINE ER (60 MG)	Gen	8,030	$186,412	356
296	PRAVASTATIN SODIUM (80 MG)	Gen	7,946	$64,993	728
297	HYDRALAZINE HCL (50 MG)	Gen	7,923	$83,828	622
298	GLIPIZIDE XL (10 MG)	Gen	7,881	$75,490	661
299	MUPIROCIN (2 %)	Gen	7,876	$58,148	770
300	TRAVATAN (0.004%)	SS	7,866	$309,136	230

* Table VI represents the top 300 drugs ranked by number of adjudicated claims for the program year (October 2008-September 2009) as well as the rank by EPIC payment.

** Drug Type values are BNMS='Brand Name Multi-Source', Gen='Generic,' SS='Sole Source' and Syrn='Insulin Syringe.' The indicated drug type is the type identified at the close of the program year.

EPIC Program Annual Report 2008-2009 Appendix: Table VII

Table VII
Ten Most Frequently Purchased Types of Drugs
by Therapeutic Classification*

Therapeutic Class**	Number of Claims	Percent of Claims	EPIC Payments	Number of Participants
BETA-ADRENERGIC BLOCKING AGENT	780,322	7.69%	$8,456,584	146,638
HMG-COA REDUCTASE INHIBITORS	717,024	7.08%	$30,493,147	152,200
PROTON-PUMP INHIBITORS	450,506	4.45%	$36,312,551	95,289
ANGIOTENSIN-CONVERTING ENZYME	445,270	4.40%	$2,850,530	92,004
ANTIDEPRESSANTS	371,831	3.67%	$9,778,448	66,394
ANGIOTENSIN II RECEPTOR ANTAGO	371,332	3.67%	$20,245,725	73,090
DIHYDROPYRIDINES	361,158	3.57%	$6,657,857	72,191
THYROID AGENTS	316,485	3.12%	$2,016,283	58,703
OPIATE AGONISTS	309,117	3.05%	$6,486,375	80,038
BETA-ADRENERGIC AGONISTS	285,459	2.82%	$13,862,998	46,261
Total* **	4,408,504	43.52%	$137,160,498	

* Table VII provides the percent of adjudicated claims for the program year (October 1, 2008 through September 30, 2009) as they fall into particular categories of Therapeutic Class.

** American Hospital Formulary Service® (AHFS) Pharmacologic-Therapeutic Classification.

*** This report contains the top ten drug classes; additional drug classes comprise the remainder of claims up to 100.00%.

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EPIC Program Annual Report 2008-2009 Appendix: Table VIII

Table VIII
Twenty Most Frequently Purchased Drugs*

Rank by Number of Claims	Drug and Strength	Drug Type**	Number of Claims	EPIC Payments	Rank by Payment
1	PLAVIX (75 MG)	SS	184,753	$17,234,750	1
2	HYDROCHLOROTHIAZIDE (25 MG)	Gen	173,312	$144,237	438
3	OMEPRAZOLE (20 MG)	Gen	135,790	$1,526,423	43
4	FUROSEMIDE (40 MG)	Gen	130,240	$190,832	349
5	AMLODIPINE BESYLATE (5 MG)	Gen	113,503	$346,046	213
6	NEXIUM (40 MG)	SS	109,156	$12,726,312	2
7	ALENDRONATE SODIUM (70 MG)	Gen	104,608	$596,037	123
8	LIPITOR (10 MG)	SS	103,607	$6,245,068	5
9	SIMVASTATIN (20 MG)	Gen	99,577	$391,750	190
10	FUROSEMIDE (20 MG)	Gen	98,122	$118,356	508
11	AMLODIPINE BESYLATE (10 MG)	Gen	91,162	$289,148	246
12	METOPROLOL TARTRATE (50 MG)	Gen	90,959	$156,683	411
13	SIMVASTATIN (40 MG)	Gen	89,396	$398,479	185
14	LIPITOR (20 MG)	SS	85,484	$7,326,087	4
15	SPIRIVA (18MCG)	SS	79,470	$5,929,431	7
16	METFORMIN HCL (500 MG)	Gen	79,375	$240,972	288
17	METOPROLOL TARTRATE (25 MG)	Gen	76,311	$141,290	446
18	VITAMIN D (50000 UNIT)	Gen	73,953	$516,142	145
19	FLOMAX (0.4 MG)	SS	73,896	$4,888,175	8
20	METOPROLOL SUCCINATE (50 MG)	Gen	73,570	$905,905	85
Top 20 Totals			2,066,244	$60,312,123	
Percent of Top 20 Drugs to Total Paid Claims			20.40%	15.88%	

* Table VIII lists the top 20 drugs ranked by number of adjudicated claims for the program year (October 1, 2008-September 30, 2009) as well as the percentage of the totals they represent for the year.

** Drug Type values are BNMS='Brand Name Multi-Source,' Gen='Generic and SS='Sole Source.'

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EPIC Program Annual Report 2008-2009 Appendix: Table IX

Table IX
Top Twenty Drugs Based on EPIC Payments

Rank by Payment	Drug and Strength	Drug Type**	Number of Claims	EPIC Payments	Rank by Number of Claims
1	PLAVIX (75 MG)	SS	184,753	$17,234,750	1
2	NEXIUM (40 MG)	SS	109,156	$12,726,312	6
3	PREVACID (30 MG)	SS	58,371	$7,864,413	26
4	LIPITOR (20 MG)	SS	85,484	$7,326,087	14
5	LIPITOR (10 MG)	SS	103,607	$6,245,068	8
6	ARICEPT (10 MG)	SS	59,906	$6,044,200	24
7	SPIRIVA (18MCG)	SS	79,470	$5,929,431	15
8	FLOMAX (0.4 MG)	SS	73,896	$4,888,175	19
9	ADVAIR DISKUS (250-50MCG)	SS	58,228	$4,716,712	27
10	PANTOPRAZOLE SODIUM (40 MG)	Gen	68,257	$4,674,584	22
11	LIPITOR (40 MG)	SS	52,129	$4,551,605	31
12	ACIPHEX (20 MG)	SS	25,282	$4,325,467	92
13	ZETIA (10 MG)	SS	50,316	$3,848,999	36
14	ARIMIDEX (1 MG)	SS	16,452	$3,590,424	156
15	JANUVIA (100 MG)	SS	29,500	$3,524,852	74
16	NAMENDA (10 MG)	SS	44,863	$3,481,703	44
17	PROCRIT (40000/ML)	BNMS	2,977	$3,384,295	612
18	CELEBREX (200 MG)	SS	38,155	$3,299,165	52
19	ACTONEL (35 MG)	SS	50,551	$3,294,285	34
20	LIDODERM (5%(700MG))	SS	29,109	$3,137,607	75
Top 20 Totals			1,220,462	$114,088,134	
Percent of Top 20 Drugs to Total EPIC Payments			12.05%	30.03%	

* Table IX lists the top 20 drugs ranked by EPIC Payments and number of adjudicated claims for the program year (October 1, 2008-September 30, 2009) as well as the percentage of the totals they represent for the year.

** Drug Type values are BNMS='Brand Name Multi-Source,' Gen='Generic' and SS='Sole Source.'

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EPIC Program Annual Report 2008-2009 Appendix: Table X

Table X

Distribution of Claims and Payments by Pharmacy Type*

Type of Pharmacy**	Number Active	Number of Claims	Payments to Pharmacies
Chain	2,270	6,624,849	$244,112,913
Clinical	69	122,955	$3,402,057
Independent	2,114	3,378,402	$132,109,971
Mail Order	7	2,366	$242,588
Other	3	415	$37,100
Total	4,463	10,128,987	$379,904,629

* Table X contains the number of active pharmacies, the number of claims and the sum of the payments to the pharmacies for each type of pharmacy. Comparison of this table from this program year (October 1, 2008-September 30, 2009) to the previous shows a decrease in the total number of pharmacies.

** Types of Pharmacies include: Chain='Chain'; Clinical='Alternate Dispensing' and 'Government/Federal'; Independent='Independent' and 'Franchise'; Mail Order='Mail Order'.

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EPIC Program Annual Report 2008-2009 Appendix: Table XI

Table XI

Active Pharmacies, Claims and Payments by County*

County	Number of Active Pharmacies	Number of Paid Claims	Payments to Pharmacies	Enrollment as of 09/30/2009
Albany	67	160,939	$7,899,828	4,893
Allegany	11	42,136	$1,215,213	1,385
Broome	45	184,069	$5,623,570	5,594
Cattaraugus	20	115,427	$4,046,369	3,182
Cayuga	14	65,656	$1,780,725	2,110
Chautauqua	37	199,692	$6,240,760	5,815
Chemung	22	94,425	$2,661,530	2,488
Chenango	10	56,984	$1,378,956	1,952
Clinton	20	61,562	$1,756,668	1,915
Columbia	11	49,452	$2,019,210	1,760
Cortland	11	50,637	$1,452,559	1,398
Delaware	11	53,125	$1,712,970	1,635
Dutchess	57	139,094	$4,408,404	4,096
Erie	213	1,026,031	$39,575,649	26,955
Essex	10	25,171	$741,459	920
Franklin	12	38,644	$1,245,594	1,284
Fulton	12	62,955	$2,316,915	1,865
Genesee	14	66,877	$2,920,369	2,177
Greene	10	39,502	$1,676,265	1,396
Herkimer	14	73,228	$2,042,427	2,634
Jefferson	25	103,710	$2,646,202	2,856
Lewis	4	26,882	$606,410	986
Livingston	11	59,382	$2,313,916	1,730
Madison	16	60,680	$1,857,072	1,958
Monroe	142	508,679	$19,149,371	14,057
Montgomery	13	61,221	$1,847,364	2,168
Nassau	300	765,258	$36,192,282	19,530
Niagara	47	201,090	$7,446,870	6,070
Oneida	57	260,692	$7,507,080	6,771
Onondaga	99	341,287	$10,176,919	9,642
Ontario	26	110,683	$4,074,397	2,843
Orange	74	175,886	$6,486,050	5,316
Orleans	8	35,443	$1,285,548	1,196
Oswego	27	115,299	$3,481,072	3,616
Otsego	13	53,448	$1,381,646	1,737
Putnam	22	41,198	$2,314,886	1,430
Rensselaer	30	100,201	$4,717,638	2,960
Rockland	54	135,019	$5,024,311	3,716

Table XI - continued

County	Number of Active Pharmacies	Number of Paid Claims	Payments to Pharmacies	Enrollment as of 09/30/2009
Saint Lawrence	23	84,611	$2,417,003	2,689
Saratoga	38	155,258	$5,807,142	3,842
Schenectady	36	93,639	$4,425,796	2,744
Schoharie	5	23,381	$724,854	866
Schuyler	4	16,553	$453,785	519
Seneca	6	26,541	$912,515	748
Steuben	20	90,168	$2,695,259	2,391
Suffolk	302	640,245	$30,832,544	22,228
Sullivan	15	38,409	$1,273,369	1,657
Tioga	7	28,804	$795,658	1,279
Tompkins	15	36,700	$1,036,833	1,307
Ulster	31	106,167	$3,643,954	3,709
Warren/Hamilton	19	69,307	$2,802,930	2,049
Washington	13	70,386	$2,593,570	1,912
Wayne	20	86,361	$3,253,735	2,706
Westchester	197	410,150	$15,208,824	11,711
Wyoming	7	45,246	$1,929,478	1,521
Yates	6	31,777	$1,145,618	898
Upstate Subtotal	2,353	7,815,367	$293,177,341	228,812
Bronx	310	269,146	$9,180,823	9,717
Kings	675	672,376	$25,535,566	23,195
New York	535	454,519	$16,919,297	14,143
Queens	492	752,852	$28,554,398	26,624
Richmond	80	154,108	$6,202,835	5,225
NYC Subtotal	2,092	2,303,001	$86,392,919	78,904
Out-of-State**	18	10,619	$334,369	0
EPIC Total	**4,463**	**10,128,987**	**$379,904,629**	**307,716**

* Table XI provides distribution of adjudicated claims for the counties within which the pharmacies are located for the program year (October 1, 2008 through September 30, 2009).

** 'Out-of-State,' per legislation, includes limited pharmacies bordering underserved areas of New York State and Medicare Part D Mail Order.

EPIC Program Annual Report 2008-2009 Appendix: Table XII

Table XII
Distribution of Claims and Expenditures by
Status of Medicare Part D Enrollment*

Claim Information		In Part D	Not in Part D	Total
Number of Claims		8,430,739	1,698,248	10,128,987
Total Expenditures	Total Cost of Drugs	$802,166,283	$154,370,199	$956,536,482
	less Third Party Payments	$454,581,733	$13,455,483	$468,037,216
	less Participant Copayments	$50,014,932	$14,743,661	$64,758,593
	less Deductible Payments	$34,217,076	$9,618,968	$43,836,044
	EPIC Expenditures	$263,352,542	$116,552,087	$379,904,629
Average Claim** = (Epic Expenditures ÷ Number of Claims)		$31.24	$68.63	$37.51

* Table XII outlines the difference in expenditures by status of Medicare Part D enrollment for the program year (October 1, 2008 through September 30, 2009).

** Average Claim was calculated using only participants who were enrolled in their stated category for the entirety of the program year.

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State of New York
David A. Paterson, Governor

Department of Health
Richard F. Daines, M.D, Commissioner