



Executive Summary

Plan year 2021 was the nineteenth year of operation for the University of Michigan's self-managed, self-funded Prescription Drug Plan. As with 2020, the year was largely impacted by the ongoing COVID-19 pandemic. In 2021 the plan paid \$185.7 million for prescription products, covering 93.7% of drug costs for members.

Specialty drug utilization continues to drive the increase in pharmacy spend. Despite representing less than 3% of all claims, gross total cost for specialty drugs rose 17.6% on a per-member basis in 2021, representing 52.1% of total drug costs and 55.2% of total plan cost. 2021 was the first year specialty products exceeded traditional products in total drug costs.

Active management of the plan continued in 2021. The plan's clinical staff reviewed 76 newly approved drugs and dosage forms for formulary consideration, 49 currently marketed products for formulary updates, and seven comprehensive drug classes. The clinical team also created or updated 297 prior authorization coverage policies and implemented several new clinical programs to help ensure appropriate medication utilization.

The University has remained committed to controlling rising drug costs with sound, evidence-based formulary design. Additional clinical programs, utilization management strategies, and comprehensive class reviews have allowed the plan to maintain minimal growth in overall pharmacy spend while providing high-value pharmacy services for our members. Going forward, the pharmacy benefit team will continue to leverage clinical expertise and innovative strategies to mitigate cost increases, improve member outcomes, and support University objectives.

Report Contents

2021 Cost and Utilization Metrics	3
Table 1: Cost and Utilization Metrics, 2021.	3
Table 2: Tier Utilization, 2021.	3
Plan Operations and Administration	4
Cost Management.....	4
Plan Cost	4
Table 3: Plan Costs by Active, Retiree, and LTD, 2021.....	4
Member Cost-Share and Utilization.....	6
Member Cost Share.....	6
Figure 3: Member Cost Share, 2013 – 2021.	6
Table 4: Member Copays (30-Day Supply).	6
Member Utilization	6
Figure 4: Percentage of 90-day supply claims filled at retail and mail order, 2013 – 2021.	7
Table 5: Top Trends Affecting Drug Costs, 2021.....	7
New Drug Impact.....	7
Table 6: New Branded, Non-Vaccine Products with Plan Utilization, 2021.....	7
Traditional Pharmacy	8
Top Therapeutic Classes	8
Figure 5: Plan Spend on Insulin, DPP-4, GLP-1, and SGLT2 Products, 2019 – 2021.....	8
Mail Order Pharmacy.....	8
Specialty Pharmacy.....	9
Table 7. Top Therapeutic Classes, Specialty Pharmacy Utilization and Spend, 2021.	9
Current and Future Specialty Strategies.....	10
Clinical Administration	10
Leveraging Expertise.....	10
Drug Reviews, Indications and Utilization	10
Drug Use Evaluation (DUE) Programs.....	10
Comprehensive Medication Reviews.....	11
Active Switch Programs.....	11
PGY-1 Managed Care Residency Program.....	11
2022 Priorities	12

2021 Cost and Utilization Metrics

Key performance metrics based on an average of eligible members per month are reported in Tables 1 and 2. While the University saw an increase of 1.7% in 2021 over the previous year, eligible membership has grown on average 2.5% per year for the last five years.

Table 1: Cost and Utilization Metrics, 2021.

	All Claims		Non-Specialty		Specialty	
	Cost and Utilization	Change from 2020	Cost and Utilization	Change from 2020	Cost and Utilization	Change from 2020
Claim Volume	1,065,666	5.3%	1,040,806	5%	24,860	20.8%
Utilizing Members	90,204	3.9%	81,343	-5%	3,064	14%
Total Drug Cost	\$197,936,611	9.9%	\$94,863,640	3%	\$103,072,971	17%
Plan Cost	\$185,655,860	11.2%	\$83,169,775	4.8%	\$102,486,086	17%
Member Cost	\$12,280,751	-7.1%	\$11,693,866	-7.9%	\$586,885	14.3%
Percent Member Total Cost Share	6.2%	-1.1%	12.3%	-1.5%	0.6%	0%
Total Drug Cost PMPM*	\$141.28	10%	\$67.71	3.1%	\$73.57	17.1%
Plan Cost PMPM	\$132.51	11.31%	\$59.36	4.9%	\$73.15	17.1%
Member Cost PMPM	\$8.77	-7%	\$8.35	-7.8%	\$0.42	14.4%
Average Number of Claims Per Utilizing Member Per Year	11.8	0.1%	12.8	10.5%	8.11	6%
Average Day Supply Per Claim	50	-2.9%	50.5	-2.2%	30.1	-1.8%

*PMPM = per (eligible) member per month. Costs are reflective of point-of-sale claims and are not net of rebates, retiree drug subsidy (RDS), or other discounts.

Table 2: Tier Utilization, 2021.

Drug Tier	Paid Claims	% Total Claims			% Plan Cost		
	2021	2021	2020	Change	2021	2020	Change
Tier 0 – \$0 Copay	174,726	16.4%	12.1%	4.3%	7.4%	8.8%	-1.4%
Tier 1 – Generics	801,853	75.2%	74.8%	0.5%	14.9%	17.4%	-2.5%
Tier 2 – Preferred Brands	57,909	5.4%	5.1%	0.3%	60.9%	58.4%	2.5%
Tier 3 – Non-Preferred Brands	174,726	2.9%	3.0%	-0.1%	16.8%	15.4%	1.4%

Note: Tier 0 represents generic and brand claims where the out-of-pocket cost to the member is \$0. Prior to 2013, this applied only to insulin and syringes for diabetes. In 2014, \$0 copay was also applied to preventive care drugs under the Affordable Care Act (ACA) including contraceptive products for females. Cholesterol lowering statins were added to ACA \$0 copay preventive care drugs in November 2017. Excludes 'paper' claims.

Plan Operations and Administration

Plan year 2021 was the nineteenth year of operation for the University of Michigan’s self-managed, self-funded Prescription Drug Plan. As with 2020, the year was largely impacted by the ongoing COVID-19 pandemic. The plan issued a request for proposal and, after a thorough review, hired Excelsior Solutions as the plan’s consultancy group in June 2021. The plan’s pharmacy benefit manager (PBM), Magellan Rx, completed the first contract year of the initial three-year agreement. The plan’s mail order pharmacy, Birdi, completed year two of a three-year contract extension. The plan’s PBM and mail order agreements will be up for renewal in 2023.

Plan year 2021 also was notable in that it was Dawn Parsons’ final year as manager of the plan. Parsons, who was involved with the plan’s implementation, retired at the end of 2021 after serving as plan manager since 2016. Stephen Lott, PharmD, MS, was selected as the new Plan Manager, effective January 2022. Mike Phalen, PharmD, CSP, was promoted to Lead Clinical Pharmacist. Amina Bensami, PharmD, was hired in 2021 to fill the open position created by Dr. Phalen’s promotion. Dr. Bensami had previously trained under the PDP’s PGY-1 Pharmacy Residency Program, prior to spending time with a regional health plan. Her return will create a seamless transition as the plan enters the twentieth year of operations.

Since 2015, IBM Watson, formerly Watson Health, has administered the Medicare Part D Retiree Drug Subsidy (RDS) for the drug plan. The Centers for Medicare and Medicaid Services (CMS) continues to pay this subsidy based on eligible claims. The plan received \$5.2 million from CMS in 2021.

The plan continues to be compliant with all Affordable Care Act (ACA) requirements. The ACA requires coverage of preventive care medications at no out-of-pocket cost to patients, including female contraception, smoking cessation products, breast cancer prevention, use of statins for primary prevention of cardiovascular disease, aspirin, folic acid, iron, and other supplements for high-risk patients.

Although not required by the ACA, the plan has historically also provided select insulin products at no out-of-pocket cost to members. Plan expenditures for the \$0 tier copay products in 2021 were more than \$13.8 million, including \$3.2 million in member cost-share relief. Member cost share relief included more than \$1.3 million on vaccines, \$733,000 on birth control products, \$456,000 on statins, and \$430,000 on insulins. The plan continues to actively monitor the legislative and regulatory landscape in order to be as prepared as possible to respond to any changes that may occur.

Cost Management

Plan Cost

A total of 1,065,666 prescriptions were dispensed at a plan cost of \$185.7 million in 2021, an 11.3% increase PMPM from 2020 (Table 3). Net pharmacy costs represented 19.9% of the University’s \$757 million spend on health benefit programs; an increase of 0.6% compared to 2020. Plan size continues to grow annually, with 1.2% growth in membership in 2021 compared to 2020. Plan costs by employee type are reported in Table 3. Long term disability (LTD) participants represent less than 1% of the plan member population.

Table 3: Plan Costs by Active, Retiree, and LTD, 2021.

	Plan Paid	Plan PMPM	PMPM Change from 2020	% of Plan Paid	Change in % Plan Paid from 2020
Overall	\$185.7 million	\$132.51	11.3%	-	-
Active Employees	\$123.8 million	\$103.38	11.4%	66.7%	-0.64%
Retirees	\$56.3 million	\$293.29	6.8%	30.3%	+0.83%
LTD	\$5.5 million	\$488.19	5.7%	2.9%	-0.15%

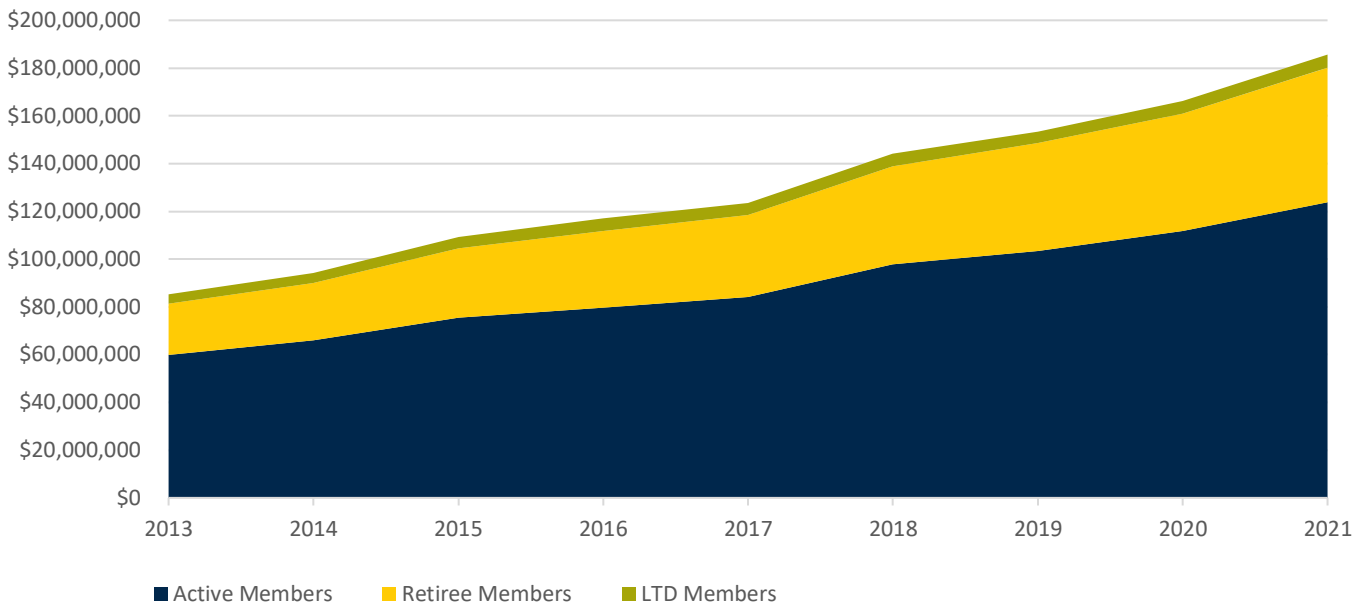


Figure 1: Plan Spend Across Actives, Retirees, and LTD members, 2013 – 2021.

The average plan cost for a 30-day prescription increased 8.8%, from \$95.97 in 2020 to \$104.45 in 2021. The aggregate discount from Average Wholesale Price (AWP) for combined specialty, retail, and 90-day retail prescriptions was -57.5%; a half-point decrease from 2020.

The average cost per brand drug increased to \$914.38 per 30-day supply, an increase of 12.2% from 2020. This increase was largely driven by cost increases and drug mix. The total drug cost for branded products in 2021 exceeded \$163 million, an increase of 15.9% compared to 2020. The quantity of day-supply dispensed for brand products increased by 3.3%. The average cost per 30-day supply of a generic product decreased to \$20 in 2021 from \$24.26 in 2020 – a 17.5% decrease.

In 2020, for the first time, the plan paid more for specialty products (\$87.6 million) than traditional products (\$79.4 million) (Figure 2). This trend continued in 2021, with specialty contributing to 55.2% of plan spend and 52.1% of total drug costs.

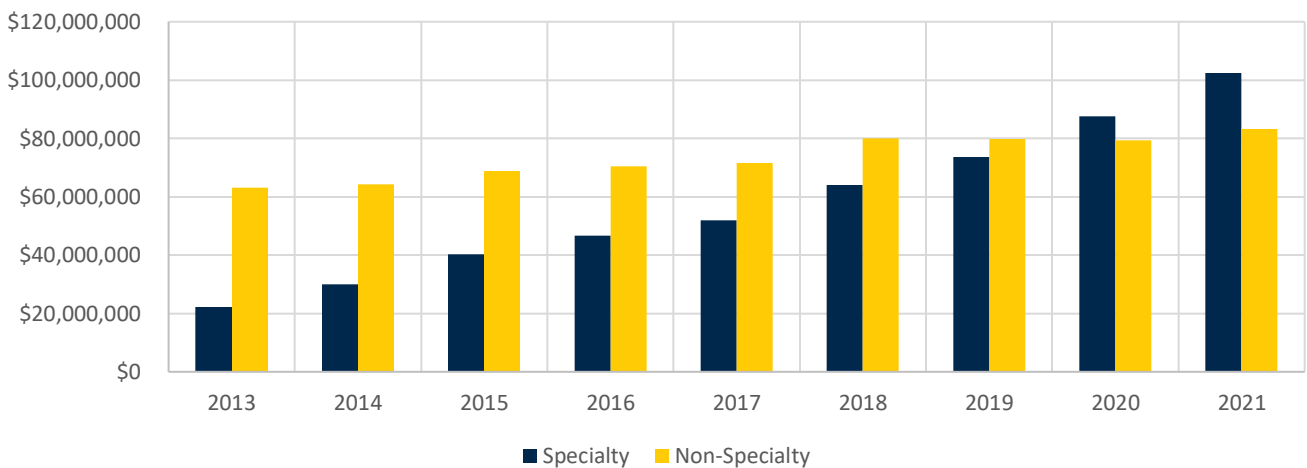


Figure 2: Plan Spend on Specialty and Traditional Prescription Drug Products, 2013 – 2021.

Member Cost-Share and Utilization

Member Cost Share

Due to a number of high-volume drugs facing generic competition, member cost-share has steadily declined since 2003, reversing course briefly in 2014 due to copay increases for generic and preferred brand tiers of drugs (Figure 3). Member cost-share decreased to 6.2% in 2021. On average, members paid \$11.52 per prescription (a decrease of 11.7% compared to 2020), and the plan paid \$174.22 (an increase of 8.8% compared to 2020). Drug plan members paid \$12.3 million in total out-of-pocket cost, a decrease of 7.1% compared to 2020. The university continues to provide value to our members with cost-share significantly lower than national values.

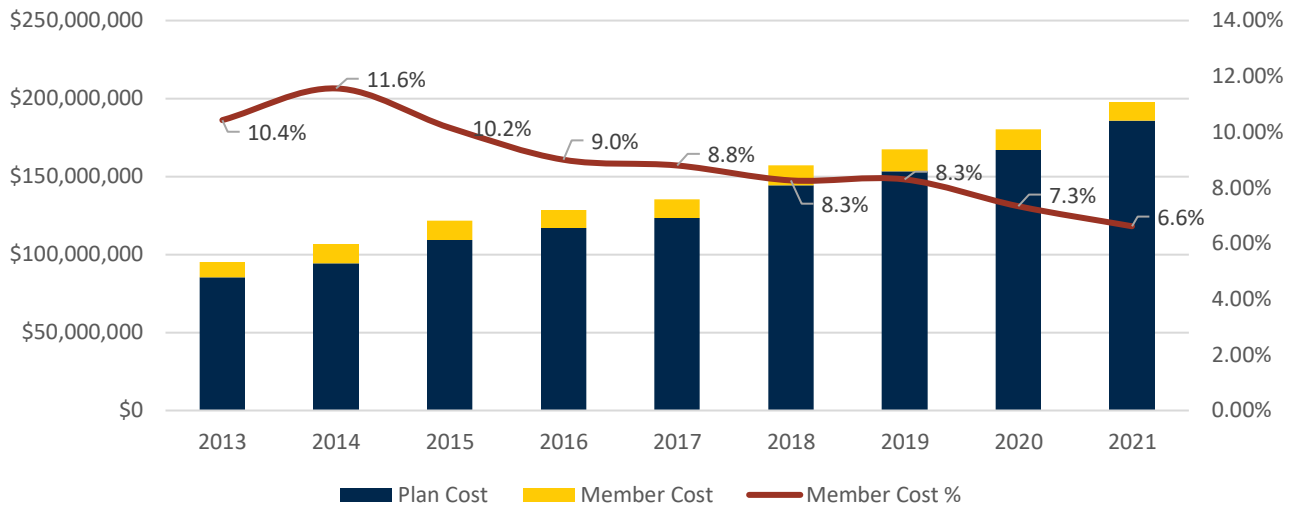


Figure 3: Member Cost Share, 2013 – 2021.

Table 4: Member Copays (30-Day Supply).

Drug Type	U-M Prescription Drug Plan	National Benchmark*
Generic	\$10	\$12
Preferred Brand	\$20	\$36
Non-Preferred Brand	\$45	\$66

*Source: 2021 KFF Employer Health Benefits Survey.

Currently, all union groups have our standard copayment structure, except for the Michigan Nurses' Association, which currently has lower copays than other plan members.

Member Utilization

In 2021, 75.9% of eligible members utilized their drug plan benefit, an increase of 2.5% compared to 2020, but roughly equivalent to most years prior. The number of eligible members increased to 118,838, a 1.7% increase over the previous year. On average, an eligible member filled approximately 12 prescriptions per year, which has not changed significantly over the last nine years. The average day supply per claim was 50, a decrease of 1.6 days per fill from 2020. This was largely due to the large increase in vaccine utilization in 2021. When prescriptions are normalized to a 30-day supply, our overall utilization rate increased from 14.9 30-day prescriptions per member in 2020 to 15.2 30-day prescriptions in 2021.

An ongoing strategic goal for the plan is to increase the day supply percentage of maintenance drugs filled for 90-day supply fills (retail 90 and mail order) for better patient adherence and reduced cost. Studies have shown that 90-day supply claims are associated with better patient adherence, and the distribution channels of 90-day retail and mail order provide the best contracted rates. To improve our 90-day fill rate on maintenance drugs, we have engaged in strategic quarterly member lettering promotions. The percent of prescriptions filled for 90-day

supplies in 2020 was 41.9%, approximately the same as seen in 2020 (Figure 4). Of all day-supply dispensed in 2021, 74.5% originated from retail 90 and mail order, 24.1% from retail 30 fills, and 1.4% from specialty fills.

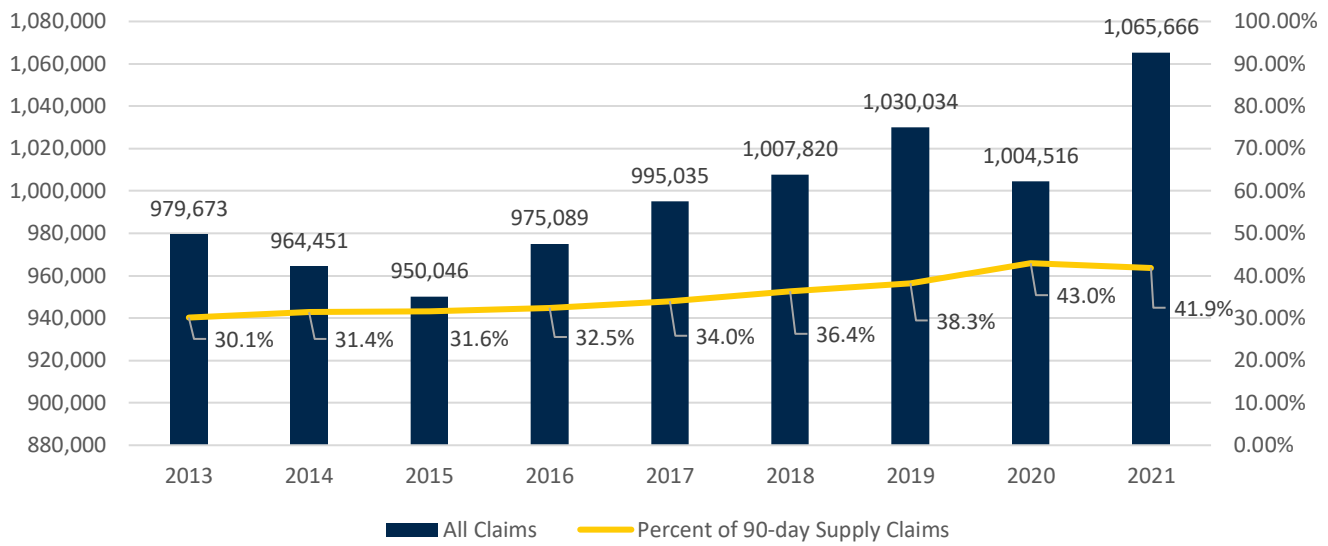


Figure 4: Percentage of 90-day supply claims filled at retail and mail order, 2013 – 2021.

Table 5: Top Trends Affecting Drug Costs, 2021.

Positive (Mitigated Trend)	Negative (Increased Trend)
<ol style="list-style-type: none"> Improved generic pricing and network management. Formulary management of high-cost generics. Increase in 90-day supply claims. Medicare Retiree Drug Subsidy. Prior authorizations, step therapy and quantity limits, ensuring appropriate use. 	<ol style="list-style-type: none"> Addition of vaccines to the pharmacy benefit. Pandemic utilization increases. Addition of more high-cost specialty drugs, more indications, and increased utilization for specialty drugs. Increased utilization of high-cost, traditional brand drugs.

The top trends influencing drug pricing remained largely the same as seen in 2020. Improved generic pricing, active formulary management, and utilization controls continued to help mitigate cost increases. Trends that have impacted costs consist of high-cost brand utilization on both the traditional and specialty categories, and COVID-19 vaccine utilization.

New Drug Impact

Of the 50 newly FDA-approved novel drug entities in 2021, 29 were approved for coverage under the pharmacy benefit. New branded products approved in 2021 contributed more than \$35,000 in plan spend (Table 6). The Pfizer-BioNTech, Moderna, and Janssen COVID-19 vaccines were also made widely available in 2021. A considerable cost was incurred in 2021 due to the administration fees associated with COVID-19 vaccinations and boosters. While many additional shots were administered by Occupational Health Services (OHS), a total of 44,619 COVID-19 vaccinations were covered by the prescription drug plan, totaling \$1.8 million.

Table 6: New Branded, Non-Vaccine Products with Plan Utilization, 2021.

Generic Name	Brand Name	Use	2021 Plan Paid
Belumosudil	Rezurock	Chronic graft-versus-host disease	\$25,020
Viloxazine	Qelbree	ADHD	\$5,256
Atogepant	Qulipta	Migraine Prevention	\$4,392
Finerenone	Kerendia	CKD associated with T2DM	\$515

Traditional Pharmacy

Top Therapeutic Classes

The top four traditional therapeutic classes for cost during 2021 included drugs to treat diabetes (\$24.1 million), anticoagulation (\$9.2 million), asthma/COPD (\$9.1 million), and psychotherapeutic drugs (\$5.2 million). The traditional class with the largest percentage increase in cost of note was anti-obesity drugs (58.4%). The plan spent \$3.8 million on anti-obesity drugs in 2021, most of which was spent on anti-obesity GLP1s, liraglutide (Saxenda, \$2.8 million) and newly approved semaglutide (Wegovy, \$860,000).

The plan spend on diabetes drug treatments increased approximately \$3.6 million (17.4%) in 2021, which is larger than the annual increases seen in 2020 and 2019 (3.8% and 4.7%, respectively). Increasing utilization in the GLP-1, SGLT2, and DPP-4 classes continues to add to plan spend (Figure 5). We anticipate continued growth in these classes going forward.

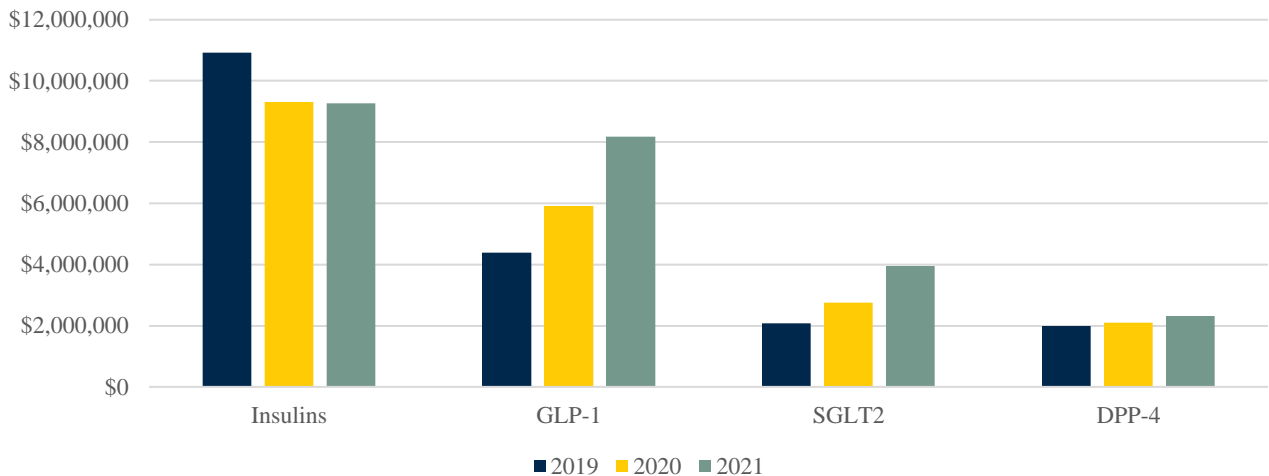


Figure 5: Plan Spend on Insulin, DPP-4, GLP-1, and SGLT2 Products, 2019 – 2021.

Plan costs for anticoagulants increased \$1.6 million in 2021, or 21.2% – a similar increase annually as seen in 2019 and 2020. This increase is largely attributed to utilization of apixaban (Eliquis), which contributed more than \$6 million to plan spend in 2021.

Plan spend for asthma/COPD products decreased by more than \$550,000 (-5.7%), and for psychotherapeutic drugs, plan spend decreased by more than \$933,000 (-15.3%). The observed decreases in plan spend on these classes can largely be attributed to improved generic rates with the plan’s PBM, Magellan Rx.

Mail Order Pharmacy

Birdi (formerly NoviXus Pharmacy Services) completed its tenth full year of service in 2021 and is the largest volume pharmacy for the plan. In 2021, 98,414 orders (9.2% of total) were dispensed via mail order with a total plan spend of \$15.1 million. Percent of claims dispensed at mail order decreased 1% and by around \$96,000 in plan spend from 2020.

On July 1, 2021, NoviXus Pharmacy Services rebranded to Birdi. In the future, Birdi plans to incorporate new tools to improve the way patients receive their mail-order prescriptions. Members consistently rate Birdi as excellent. The average speed to answer a phone call was 20 seconds. The majority of prescriptions are transmitted by e-prescribing. The average turnaround time for a prescription filled at Birdi is less than one day, even when intervention is required. In many cases, members receive their refill the day after ordering their medication.

Specialty Pharmacy

Specialty drugs, including self-administered injectables, drugs that require special monitoring, and high-cost oral drugs, are of significant concern when assessing cost drivers and future plan cost. In many cases, the new specialty products provide therapeutic advances in various clinical conditions among small groups of patients and are priced at a premium. Despite much promise for the emergence of biosimilars and lower-cost generics within this category, the majority of specialty drugs dispensed continues to be brand-name products with no generic equivalent or interchangeable biologic.

Table 7. Top Therapeutic Classes, Specialty Pharmacy Utilization and Spend, 2021.

AHFS Category	Plan Spend		Claim Count		Top Three Drugs in 2021 by Plan Spend
	2021	Change from 2020	2021	Change from 2020	
Disease-modifying Antirheumatic Agents	\$32.3 million	+15.8%	6,205	+9.3%	adalimumab (Humira) etanercept (Enbrel) tofacitinib (Xeljanz IR/XR)
Antineoplastic Agents	\$19.8 million	+20.4%	3,920	+2%	lenalidomide (Revlimid) ibrutinib (Imbruvica) palbociclib (Ibrance)
Skin and Mucous Membrane Agents	\$17.2 million	+56.6%	2,547	+41.3%	ustekinumab (Stelara) secukinumab (Cosentyx) dupilumab (Dupixent)
Antiretrovirals	\$4.6 million	-15%	1,526	+6.9%	emtricitabine/tenofovir disoproxil fumarate (Truvada) bictegravir/emtricitabine/tenofovir alafenamide (Biktarvy) elvitegravir/cobicistat/emtricitabine/tenofovir alafenamide (Genvoya)
Multiple Sclerosis	\$4.2 million	-30.4%	1,383	+1.7%	glatiramer acetate (Copaxone/Glatopa) teriflunomide (Aubagio) fingolimod (Gilenya)

Since 2013, the Michigan Medicine Specialty Pharmacy has processed most specialty medications for members, with few exceptions for limited distribution drugs that are fillable only through manufacturer-designated pharmacies. The University partners with Michigan Medicine's Specialty Pharmacy to provide high-touch, value added services for members in need of specialty pharmaceuticals. These services include, but are not limited to, personalized onboarding, financial assistance coordination, clinical pathways assessment and prescription verification, proactive refill outreach to all patients for adherence enhancement, and utilization of patient care monitoring platforms for clinical reassessment by highly trained pharmacist staff members. The Michigan Medicine Specialty Pharmacy has successfully maintained URAC accreditation since 2019, a reflection of its commitment to quality, operational, and clinical excellence.

Specialty drugs represented only 2.3% of all claims in 2021, up from 2% in 2020, yet accounted for more than 52.1% of total drug cost, up from 48.9% in 2020. A total of 24,860 specialty drug claims were paid at a plan cost of \$102.5 million, a 17% increase in cost over 2020. The average total drug cost of a specialty drug in 2021 was \$4,146 per claim, with an average day supply of 30.1 days. All five of the Plan's top specialty therapeutic classes by spend (Table 7) have seen an increase in utilization since 2020. Notably, antiretrovirals and multiple sclerosis agents decreased in plan spend annually, largely due to 2020 generic entries taking hold within each class. Conversely, larger-than-normal increases in spend and utilization were seen in the disease-modifying antirheumatic agents and the skin and mucous agents annually. These trends are being closely monitored and managed by the Plan.

Current and Future Specialty Strategies

Specialty pharmaceuticals continue to dominate the FDA approval landscape with more than half of the 2021 FDA approvals meeting this designation. Many of these newly approved specialty agents were for rare diseases with very specific treatment populations. Utilization of all new brand agents was relatively low in 2021, contributing to less than \$40,000 in plan spend (Table 6). Specialty spend has been driven by increased member utilization across existing specialty products. The Plan is aware of the challenges ahead as this trend is estimated to continue into 2022, and has shaped goals and initiatives to mitigate the impact in coming years. The growth of specialty utilization continues to elicit creativity, collaboration, and innovation within the prescription drug plan and our partners. The plan is dedicated to managing these costs while continuing to maintain our commitment to provision of evidence-based access for our membership.

The plan evaluated the clinical and economic impact for several specialty classes throughout the year, including TNF Inhibitors and HAE therapies - two of the largest spend areas in 2021. As a result of the Plan's assessment of new specialty therapies, four new medications were added to our split fill waste mitigation program in 2021; representing an increase to 40 total split fill eligible drug products. In the next five years, numerous opportunities are expected to arise in the specialty generic and biosimilar space; most notably lenalidomide (Revlimid), adalimumab (Humira), and ustekinumab (Stelara) are predicted to face generic or biosimilar market competition. The Plan is looking ahead to develop strategies to maximize the benefit of increased generic and biosimilar availability in our highest spend classes. Additional plan priorities in the specialty space include continued exploration of opportunities in tier strategy, value-and outcomes-based agreements, medical drug/pharmacy parity, new start wastage mitigation, and continued oversight and clinical management of specialty utilization.

Clinical Administration

Leveraging Expertise

The plan's clinical staff continues to leverage internal and external resources to provide sound, evidence-based recommendations for formulary additions and clinical management. These collaborations will gain importance as the number of specialty and orphan drugs come to market at an increasingly rapid pace in the future.

Consulting with specialist physicians within the university helps establish rational guidelines for the use of medications that are consistent with practices used at Michigan Medicine. We have found that by consulting with experts, particularly those who may have participated in clinical studies on drugs or disease states, we have been able to make better-informed decisions. Plan pharmacists attend the monthly Pharmacy and Therapeutic (P&T) Committee meetings and the Cancer Pharmacy Committee at Michigan Medicine, in addition to collaborating with specialists.

Drug Reviews, Indications and Utilization

The plan's clinical pharmacists review newly approved drugs and other changes each week to identify drugs that will require review by the Pharmacy Benefit Advisory Committee (PBAC). Formulary recommendations and clinical guidelines are presented to PBAC during monthly meetings. In 2021, the drug plan reviewed 76 newly approved drugs and dosage forms for formulary consideration and 49 currently marketed products for formulary updates. The drug plan also conducts periodic reviews of various drug classes for the purpose of ensuring safe, appropriate, and cost-effective utilization. These reviews incorporate professional input from the plan's clinical staff as well as subject matter experts from Michigan Medicine. In 2021, the plan developed and presented seven drug class reviews to PBAC.

In addition to new drug reviews, the team monitors the market for new, approved indications and plan utilization to assess the appropriateness of use by plan members. In 2021, the clinical team created or updated 297 prior authorization coverage policies.

Drug Use Evaluation (DUE) Programs

Quarterly drug utilization evaluations (DUEs) are conducted to assure safe and effective utilization of prescription drugs by plan members. The goal of these DUE programs is to improve the quality of care and avoid potential

complications of drug therapy. These programs look at past pharmacy claims to identify potential safety and utilization management issues. Physicians are notified via letter of any patients that have been identified using the pre-specified criteria.

In 2021, Magellan Rx conducted monthly lettering programs around migraine prophylaxis, statin therapy for members with diabetes or cardiovascular disease, asthma maintenance therapy, and concomitant opioids with benzodiazepines. In total, 3,071 letters were sent to 2,247 members. The plan continues to work with Magellan Rx on updating current programs and developing new initiatives.

Comprehensive Medication Reviews

For all members, Comprehensive Medication Reviews (CMR) are included as a covered service. This service involves a pharmacist reviewing a complete medication regimen with a member, with follow-up drug therapy recommendations to their providers. Successful CMR interventions typically result in better disease control, improved safety, and lower treatment costs. In 2021, the plan had 1,654 CMR reviews completed for our members.

Active Switch Programs

Since 2007, the plan has worked with Michigan Medicine and the University's Pharmacy Innovations and Partnerships (PIP) group to conduct provider and member intervention switch programs to move members from brand drugs to lower cost, therapeutically equivalent, in-class generics. Based on the success of these previous switch programs, the plan continues to engage with Michigan Medicine and PIP for ongoing active switch programs as opportunities arise.

In 2021, the plan started initiating a new active-switch program around insulin lispro and insulin aspart (Humalog and Novolog, respectively). These products have generic alternatives as of 2019 and 2020, respectively, that will realize plan savings and member savings for 2022. Active-switch programs for DPP-4 products and osteoporosis products remained active.

PGY-1 Managed Care Residency Program

In support of the University of Michigan's academic mission and key partnerships with the College of Pharmacy and Michigan Medicine, the Benefits Administration Office is in the sixth year of hosting an ASHP/AMCP-accredited Post-Graduate Year 1 (PGY1) Pharmacy Residency program. The residency program offers real-world learning in all aspects of pharmacy benefit management, including member support and communication, formulary management, and network and vendor management. This program underscores our commitment to education, training leaders and being a national leader in pharmacy benefits. All prior graduates of the program have successfully obtained roles within managed care or ambulatory care.

In addition to numerous contributions to the plan throughout the 2020-21 program year, Dr. Anna Brescheisen successfully presented the results of her research project – "The impact of COVID-19 on pharmacy and medical healthcare utilization from an employer's perspective" – at the 2021 AMCP Annual Conference. After completion of the program, she obtained a position as an ambulatory care pharmacist in Sitka, Alaska. The plan's resident for the 2021-22 academic year, Dr. Andrew Bjorlin, is currently researching the impact of a prophylactic calcitonin gene-related peptide inhibitor (CGRP) monitoring program based on abortive migraine medication claims data. Results of this project will be presented at both the AMCP Annual Conference and the Great Lakes Pharmacy Residency Conference in 2022.

2022 Priorities

Major initiatives targeted by the Drug Plan for 2022 include:

1. Exploring the potential implementation of an Employer Group Waiver Plan (EGWP) for Medicare-eligible members.
2. Controlling rising drug prices with active formulary management, utilization controls, and improved network rates.
3. Renewing the collaborative agreement with Michigan Medicine for the plan's exclusive specialty pharmacy arrangement.

For additional information about the Prescription Drug Plan, contact:

- Stephen Lott, PharmD, MS, Plan Manager – slott@med.umich.edu
- Michael Phalen, PharmD, CSP, Lead Clinical Pharmacist – mjphalen@med.umich.edu
- Amina Bensami, PharmD – Clinical Pharmacist Specialist – bensamia@med.umich.edu