EPIC ANNUAL REPORT

TO THE GOVERNOR AND LEGISLATURE

OCTOBER 1999 - SEPTEMBER 2000

A NEW EPIC FOR A NEW MILLENNIUM

With expanded income limits, EPIC now helps even more New York State seniors with their medicines!

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Information about EPIC is available on the Internet at the Website operated by the NYS Department of Health at:

http://www.health.state.ny.us/nysdoh/epic/faq.htm

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EXECUTIVE SUMMARY

My most sincere thanks for EPIC's new reduced rates. I am a senior who was born and raised in New York. And, thanks to EPIC I can stay in my home and community. Thank you! Thank you!

Mrs. M.
Suffolk County

Access to prescription medicines is a primary need of older New Yorkers. To address this need, Governor Pataki and the State Legislature expanded the New York Elderly Pharmaceutical Insurance Coverage (EPIC) Program as part of the 2000-2001 State budget. Higher income levels, reduced fees and co-payments were adopted to allow more seniors to participate in the program and enjoy access to prescription drugs at affordable prices. The enhancements under the EPIC Program took effect on January 1, 2001. It is anticipated that well over 200,000 seniors will qualify under the expanded program for prescription drug coverage. Last year, each participating senior saved an average of $1,700 on prescription drug costs.

This Annual Report reviews the initial response to the year's legislation. The most notable result was a 29,281 increase in enrollment between October 1, 2000 and January 1, 2001. The report also contains outreach, cost and utilization information for last program year, October 1999 through September 2000. An update on administrative activities, such as program audits, contract monitoring, and the manufacturer's rebate program is also included.

Chapter I: Program Enhancements

Governor Pataki and the State Legislature included legislation in the 2000-2001 State budget that will help many more seniors pay for their prescription medicines. As of January 1, 2001, single seniors with annual incomes up to $35,000 and married seniors with combined annual incomes up to $50,000 were eligible to join. This significant expansion is expected to increase enrollment by more than 100,000. In addition, those already enrolled saw a substantial reduction in fees and copayments.

There are now two separate EPIC plans -- a Fee Plan for seniors with lower incomes, and a new Deductible Plan for seniors with higher incomes.

- *Fee Plan* - The new Fee Plan is for seniors with incomes up to $20,000 (single) or $26,000 (married). The yearly fees range from $8 to $300 depending on the income level of the applicant.

- *Deductible Plan* – Seniors with incomes between $20,001 and $35,000 (single) or between $26,001 and $50,000 (married) are eligible. The deductibles range from $530 to $1,715 a year.

In both plans, out-of pocket expenses are capped so that seniors never have to pay more than nine percent of their income for prescription drugs. Prescription costs above this level are covered with no copayment required. In addition, the legislation allows seniors enrolled in the Fee Plan to receive immediate coverage and requires an additional rebate from manufacturers.

Chapter II: Reaching Out to Seniors

Outreach efforts at the beginning of the program year focused on promoting the 1998 legislative changes that reduced fees. Activities during the last quarter centered on letting the public know of the program expansion. During the year, over 800,000 brochures were distributed to sites frequented by the elderly and almost 400 enrollment and informational sessions were held in local communities. An additional 164 training sessions were held for local agencies that could then assist the seniors that they work with to apply for EPIC. In addition, a major television and newspaper campaign was conducted in the Spring of 2000. Outreach staff also worked with the Health Care Financing Administration, the State Office for the Aging and local offices for the aging to help seniors who experienced a reduction or termination of prescription benefits from a managed care plan.

Following the passage of the enhancements in May 2000, public inquiries to the program's Helpline increased dramatically. Total call volume increased by 25 percent, with staff responding to over 283,000 calls during the program year. To explain the changes, a letter was mailed to every senior enrolled in EPIC, to 9,300 seniors who cancelled or did not renew their coverage in 2000, and to 10,000 staff of agencies serving seniors. To inform the general public of the changes, a multi-media campaign involving newspaper and radio advertising was launched in September 2000. In addition, a variety of new promotional materials were developed. By December 31, 2000, over 500,000 copies of a new brochure and application were distributed throughout the State.

Chapter III: Enrollment Trends

During the program year, more than 40,000 seniors applied for coverage. This was the highest number of seniors that ever applied in one year and was 10 percent higher than last year when application activity was also higher than normal. And, after the end of the program year, application activity was even higher. Between October and December 2000, 36,387 applications were received due to the outreach and publicity about the new program.

As a result of the higher application activity, the number of seniors using EPIC continued to rise, increasing by more than 13,300 from last year. Enrollment was at a program high of 125,099 by September 30, 2000. The number of seniors in the moderate and low-income fee plans was nearly identical, with 48 percent of enrollees in each plan. Only four percent remained in the Deductible Plan, since this plan was not changed in 1998 when the fees were reduced. However, the new Deductible Plan should change the composition of the program as more people in the expanded income limits join. By December 31, 2000, there were 154,380 seniors enrolled. More than 14,500 had already joined the new Deductible Plan.

On September 30, 2000, 11 percent of EPIC enrollees had some form of other prescription insurance. Seniors that have better prescription insurance are not eligible for EPIC. However, if their private plan has a benefit limit, they can join after they reach that limit. More than 7,400 enrollees had insurance coverage that was not as good as EPIC. Another 6,726 enrollees had insurance that was generally better than EPIC. However, they had reached the benefit limit with the other plan and were, therefore, eligible for EPIC until the end of the calendar year.

The average EPIC enrollee was a 79 year-old widow who lived on a limited income of about $10,700 and needed multiple prescriptions to treat chronic illnesses.

Chapter IV: Trends in the Cost of Drugs

During the year, 134,500 EPIC participants purchased 4.2 million prescriptions. These medicines cost $245 million. By using EPIC, seniors saved almost $188 million at the pharmacy. After deducting participant fees and manufacturer rebates, the net cost to the State was $143 million. Even more important, savings were seen by the individual seniors enrolled in the program. The average EPIC participant enrolled for the full year purchased 37 prescriptions costing $2,230. After copayments, this senior saved $1,717 for the year. The total cost of prescriptions increased by $54 million, or 28 percent over last year. These increases were due to several factors:

- An increase in the number of seniors using the program. This year 134,507 seniors used the program, compared to 118,431 last year.

- An increase in the volume of prescriptions purchased. There were 4.2 million prescriptions purchased, up from the 3.7 million purchased last year.

- A $6.63 increase in the cost of the average prescription. The average prescription cost $58.10, up from the $51.47 reported last year.

- More seniors reached their copayment limit. Almost 25,000 enrollees received medications free for part of the year, obtaining almost 550,000 prescriptions at no cost, instead of paying a copayment.

- Marketing efforts fostered high consumer demand and awareness for new products. For example, the benefits of new anti-arthritis and cholesterol lowering medicines were heavily marketed. In response, utilization of these products sharply increased.

EPIC expenditures were largely driven by a subset of the population that used expensive drugs or a high number of prescriptions. Twelve percent of enrollees had drug costs that exceeded $4,000, though their prescription costs account for 37 percent of EPIC expenditures. Fifteen percent of the prescriptions that seniors purchased cost more than $100, over three times the rate reported five years ago.

Chapter V: Reviewing Utilization

The types of medications used by participants differed significantly from those used by the general public and other seniors. Seventy-two percent of enrollees used medications for cardiac disorders, 28 percent used drugs for gastrointestinal problems and 26 percent were treated for arthritis. Participants purchased 1.7 million generic medications. When substitution could occur, a generic drug was dispensed three out of four times. This rate was very positive, and is comparable to programs with strong generic incentives. However, program expenditures were greatly influenced by the high use of brand name drugs that were available from only one

source. Forty-six percent of the drugs purchased were sole source medications. These products accounted for 74 percent of program payments.

The Therapeutic Drug Monitoring Program protects the health and safety of participants by notifying pharmacists and physicians of potential problems with drug therapies. The program includes a prospective review system that alerts pharmacists of potentially serious drug interactions, duplicative therapies, overuse or early refill problems before the medication is dispensed. This year, the prospective system reviewed 4.2 million prescriptions and suspended just over 177,000 of these claims. As a result, 99,500 (56 percent) of these claims were not filled. In addition to protecting the health and safety of participants, this process resulted in an estimated savings of more than $1.4 million. As part of a retrospective review system, letters were mailed to 1,746 physicians notifying them of other potentially serious problems that could develop over time. Almost 40 percent of the physicians responded, with many indicating that they were unaware that their patients were taking medications prescribed by someone else. Follow-up reviews completed six months after the interventions indicated that there was a significant change in therapy for 30 percent of the cases.

Chapter VI: Program Operations

As required by legislation, a fiscal agent contractor operates specific functions of the program. Throughout the year, State staff monitored the activities of the contractor, First Health Services Corporation, to ensure that quality services were provided to seniors and pharmacies. During the year, the contractor demonstrated competence in the administration of daily program operations, especially those arranging for the implementation of the program changes. In preparation for the program enhancements, First Health expanded its staffing and purchased additional equipment. As a result, the contract was renegotiated, and is currently undergoing final approval processing. As in the past, the EPIC Panel reviewed the contract quarterly confirming that the continuation of the contract remained in the best interest of the State.

This year, 87 pharmacy audits were completed, resulting in $56,000 in payment recoveries. The audit process was enhanced through the implementation of a Verification of Benefit (VOB) process. A total of 2,400 VOB statements were mailed to participants and 83 percent were returned. This resulted in $2,500 in payment recoveries, after participants questioned the validity of some of the claims on their statements.

More than 300 manufacturers participated in the EPIC Manufacturers' Rebate Program. This resulted in the collection of $34 million in rebate revenue. The revenue was used to offset State expenditures for program benefits. State and contractor staff also worked to develop operational and contingency plans for the Year 2000 transition. Providers were contacted regarding the contingencies in the event of any problems. Software changes were performed, and extensive testing was conducted to ensure a smooth implementation. As a result, the transition to the Year 2000 was successful.

I. PROGRAM ENHANCEMENTS

Introduction

The Elderly Pharmaceutical Insurance Coverage (EPIC) program is a New York State-sponsored prescription program that provides financial assistance to low and moderate income seniors for their medications that are necessary to protect, promote and improve their health. Our vision is to reach every qualified New York State senior, by providing each with optimal prescription coverage and the best possible assistance, and to continue working to have EPIC more accessible and affordable. We value excellence, integrity, quality, customer service and teamwork.

Statement of Mission, Vision, and Values
Elderly Pharmaceutical Insurance Coverage Program

The program highlights of the last year reflect the continuing trend of increasing drug costs, the associated reduction in other prescription coverage and the resulting impact on EPIC enrollment. In response to the need for more assistance for New York State seniors with the rising cost of needed medicines, the Governor and Legislature passed legislation authorizing a major expansion to the EPIC Program.

Program Description

EPIC provides prescription drug coverage to low and moderate-income senior citizens living in New York State. The program began in October 1987 and recently completed its thirteenth year of operation. During this time, EPIC served over 343,000 seniors, helping them save more than $1 billion of their prescription costs.

EPIC provides a safety net for frail elderly that have high prescription costs, and bridges the gap for seniors that have limited coverage under other insurance plans. During this program year, a significant expansion of the EPIC program was enacted that will extend benefits to many more seniors. The expanded program, which began on January 1, 2001, is described in this chapter.

New York State residents can join EPIC if they are 65 or older and have an annual income below certain levels. Previously, these limits were $18,500 or less if the senior was single, or $24,400 or less if they were married. Those who receive Medicaid benefits or have other prescription coverage equivalent to or better than EPIC are not eligible. However, seniors with other better coverage can join EPIC for part of the year if, and when, they exceed a benefit limit with the other plan.

Prior to this year's legislation, coverage was available through a Fee Plan or Deductible Plan. Everyone that applied could join the Fee Plan once they paid an annual fee for coverage. The annual fees started at $8 for low-income seniors, and gradually increased to $280. Fees were billed in quarterly installments. Seniors with moderate incomes could join the Deductible Plan rather than paying a fee. Those enrolled in the Deductible Plan paid the full price for their prescriptions until they met an annual deductible, which ranged from $468 to $638 based on

income. Seniors in the Fee Plan and Deductible Plan enrollees who met their deductible paid only a copayment for each prescription they purchased. The copayments ranged from $3 to $23 depending upon the cost of the prescription. Under both plans, there was a limit on participants' out-of-pocket expenses. Seniors paid copayments for their prescriptions until they reached a maximum annual amount, which varied based on income and marital status. After this, EPIC covered the full price of their prescriptions for the remainder of the year.

Seniors can use EPIC at any participating pharmacy in New York State. Most community pharmacies are enrolled. Nearly all prescription drugs plus insulin and insulin syringes are covered, including both generics and brand-name drugs. The use of generics is not mandatory. However, the copayment schedule effectively provides an incentive to use a lower cost generic when one is available.

EPIC Enhancements

Chapter 57 of the Laws of 2000 included several important changes, which enhanced and greatly expanded the EPIC Program. Beginning on January 1, 2001, the fees that low and moderate-income seniors pay for coverage were reduced. In addition, seniors with higher incomes are eligible to join a new Deductible Plan designed for those with high drug costs. The copayments that seniors pay at the pharmacy were also reduced. The following summarizes the legislative changes:

- **New Income Eligibility Limits:** Single seniors with annual incomes up to $35,000, and married seniors with combined annual incomes up to $50,000 are now eligible.

- **A Revised Fee Plan for Low and Moderate Income Seniors:** The costs to join the Fee Plan were reduced so that more seniors can join. Single seniors with annual incomes up to $20,000 and married seniors with combined annual incomes up to $26,000 can now join the revised Fee Plan. The yearly fees range from $8 to $300, depending on the senior's income and marital status.

- **A New Deductible Plan for Higher Income Seniors:** This plan helps seniors at higher income levels with high drug costs. Single seniors with incomes between $20,000 and $35,000 and married seniors with incomes between $26,000 and $50,000 are eligible for the new Deductible Plan. The deductibles range from $530 to $1,715 a year, depending on income and marital status.

- **Lower Copayments:** The revised schedule includes four copayment amounts (ranging from $3 to $20) that are based on the cost of the prescription. These replace the five copayments previously used. The new copayments, on average, equate to about 20 percent of the drug cost, giving 80 percent savings to the senior.

- **Lower Copayment Maximums:** The maximum amount of copayments seniors pay each year are also lower, so that seniors' out-of-pocket expenses for prescription drugs are capped at no more than nine percent of their annual income. If a senior reaches their copayment maximum, which varies based on income level, drugs purchased by the senior for the remainder of their coverage year are provided by EPIC at no cost to the senior.

- **Immediate Coverage:** Rather than delaying coverage until seniors pay their enrollment fee, seniors in the Fee Plan now receive a bill and EPIC identification card when they are determined eligible. This reduces the enrollment time by two to four weeks.

- **Additional Manufacturers' Rebate:** In addition to the basic rebate required from participating pharmaceutical manufacturers, a rebate for manufacturer price increases in excess of inflation was required as of October 1, 2000. This rebate will be measured by comparing the increase in average manufacturer price against that of the consumer price index for urban consumers (CPI-U) since the base quarter. The fourth quarter of 1998, which will be the initial base quarter, will be incremented every two years.

EPIC Approach

As the cost of prescriptions rises at double-digit rates, many states are establishing or expanding existing senior drug programs to help seniors in the absence of a federal program. Likewise, New York is expanding access to more seniors through the EPIC enhancements. New York's approach to providing assistance to seniors is unique compared to that of other states. The cost to participate in the program (i.e., sliding income scale of fees and deductibles) serves to limit enrollment to seniors with higher than average drug costs. And, rather than provide limited benefits to only lower income seniors, EPIC provides unlimited benefits to those most in need of assistance – those who cannot afford needed prescriptions to stay healthy because of low incomes and/or high drug costs.

II. REACHING OUT TO SENIORS

EPIC is a real gift. The cost of my husband's prescriptions was so high that it was impossible to pay for them and buy our food. My pharmacist saw our plight and gave us an application. We are thankful for EPIC, and for our pharmacist's help.

Mrs. C.
Broome County

Introduction

In the beginning of the program year, outreach efforts focused on promoting the 1998 legislative changes, while continuing to increase the overall visibility of the program. Activities included outreach in local communities, training sessions for agencies working with the elderly, distribution of program materials and advertising in various media outlets. During the last quarter of the year, the focus was on publicizing the 2000 legislative changes. This chapter reviews these efforts. In addition, the outcomes of a survey of new enrollees are included.

Outreach in the Community

To inform seniors, caregivers and agencies about the benefits of participating in EPIC, 392 information and enrollment sessions attended by almost 13,000 seniors were conducted in communities throughout the State. These sessions were held in local sites such as senior centers, pharmacies and senior housing projects. At the sessions, EPIC staff was available to explain the program to seniors and help those eligible to join. Outreach representatives also provided staffing support for 46 events sponsored by the Health Care Financing Administration, the State Office for the Aging, and local offices for the aging to assist seniors who experienced a reduction or elimination of prescription benefits from a Medicare Managed Care Plan. An additional 164 training sessions, attended by 2,786 agency staff, were held for organizations working directly with seniors. These agencies were then available to assist the seniors that they work with to apply for EPIC. Information about EPIC was also distributed at 233 special events and fairs.

Distributing Program Information

Ensuring that information about the program is available in locations frequented by seniors is a primary focus of outreach activities. During the year, over 800,000 brochures were distributed to pharmacies, legislators, local offices for the aging and other organizations serving the elderly. To facilitate the access of non-English speaking elderly, information was translated into six other languages and distributed in New York City and in targeted areas upstate. In addition, information about the program was mailed to seniors using the AARP mail order pharmacy. Working with the State Office for the Aging, information was also distributed to seniors receiving assistance from the State's home energy assistance programs.

Large-scale distribution of a brochure containing the new fees and income limits began in late September. By the end of December, over 500,000 copies of the new materials were sent to individuals and to 6,700 locations frequented by the elderly throughout the State, including legislative offices, local offices for the aging, senior centers, pharmacies, home care agencies and local social services and health departments.

Advertising

To increase program visibility, advertisements were placed in a variety of media outlets. A major campaign was conducted from mid-March through mid-May of 2000 involving 24 television stations and 27 newspapers. As a result, there were 1,672 inquiries to the program's Helpline and 1,400 written requests for information. New media ads were also developed to promote the enhancements and placed in 20 newspapers in the metropolitan areas of the State. This campaign began in late September and ran through early November. New television and radio ads are now being developed for use in early 2001. In addition, the State Office for the Aging filmed an episode of its cable television show to explain the program improvements.

Outreach for a New EPIC

Outreach activities to promote the program enhancements scheduled for January 1, 2001 began in June and continued through December 2000. Between July and September, the focus of efforts was on informing local agencies and seniors of the changes and developing a variety of new promotional materials. Training of agency personnel on the enhancements began in September, as did a wide range of advertising. Enrollment events to help seniors apply began in October. The following summarizes these efforts:

- *Notifying Seniors and Agencies of the Enhancements* - During the summer, 10,000 newsletters summarizing the improvements were distributed to agencies serving the elderly. They also received the new fee and deductible schedules, along with an article to publish in local newsletters. In addition, 20,000 newsletters explaining the changes to seniors were distributed at outreach sessions, enrollment events and fairs.

- *Other Mailings* - Over 120,000 EPIC enrollees received letters telling them how the changes impacted their current coverage. Letters and new brochures were also sent to 9,664 seniors whose applications were denied because their income was too high or who canceled their benefits during 2000.

- *Training* – More than 30 seminars were held to train agency (i.e., local offices for the aging, senior centers, home care agencies, etc.) staff. The events were attended by more than 1,500 staff that work directly with seniors throughout the State. This enabled them to explain the program to seniors and to help those eligible to apply.

- *Minority Outreach Activities* - During the summer, 5,000 newsletters explaining the changes were printed in Spanish and distributed across the State. In addition, the new brochure and poster were available in Spanish by the end of September 2000. Fact sheets explaining the improvements were translated into six other languages and a separate media advertising campaign targeted to minority groups in New York City is planned for early 2001.

Helpline

EPIC continued to operate a toll-free Helpline to provide information and assistance to seniors, their families and agencies. This year, the number of calls increased significantly, with many callers requesting information about the program improvements. Total call volume increased by 25 percent, from 225,078 during the last program year to 283,660 this year. In addition, the program responded to 15,300 written requests for information. There were peaks in activity, with the number of calls increasing in March as a result of the advertising campaign and then in June due to the legislative changes. Call volume then remained above normal for the rest of year. Between July 1 and September 30, 2000, the Helpline responded to 16,200 inquiries about the legislation and received 11,400 requests for new applications. These applications were mailed to seniors by October 1. Information about the program was also available from the State Office for the Aging's toll-free Hotline.

Cost Effectiveness of Outreach

State legislation requires a yearly analysis of the cost-effectiveness of the primary outreach activities. The major activities included in this year's review were brochure distribution activities and the Spring 2000 advertising campaign. During the year, over 800,000 applications were distributed to individual seniors, and to pharmacies, local offices for the aging, senior centers and other locations frequented by seniors. It is estimated that these activities generated over 24,000 applications at a cost of $8.65 an application. The year's major advertising campaign consisted of newspaper and television ads placed between March and June of 2000. Feedback indicated that this campaign was especially effective in reaching seniors who were previously unaware of EPIC. As a result of this effort, almost 7,800 applications were received at a cost of $45 per application.

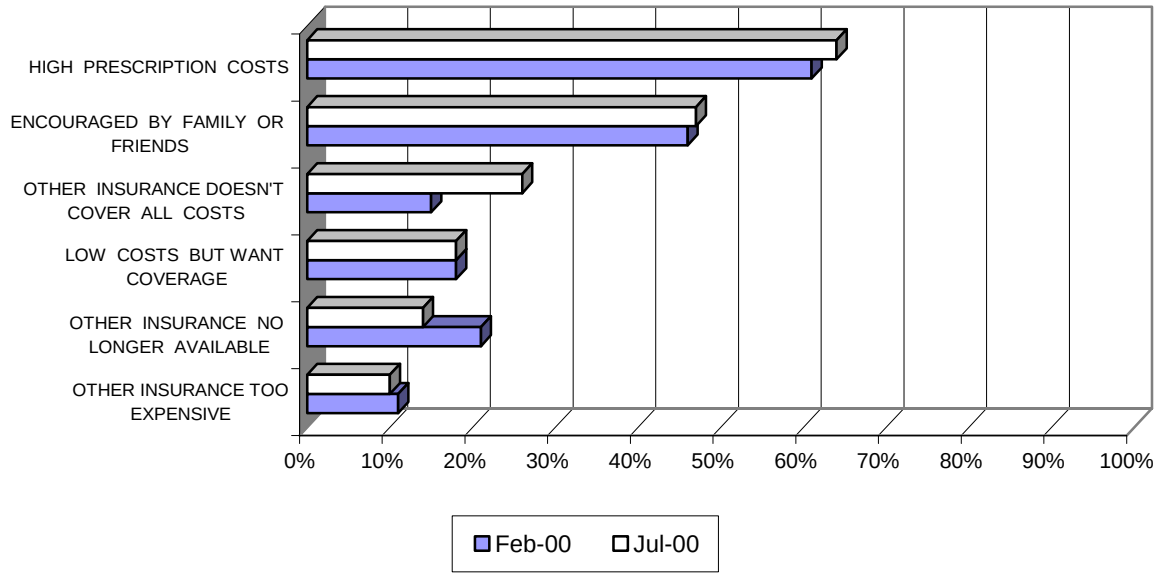
Enrollment Survey

> *It is a true gift of caring the way the application was processed. I had my card within two weeks of applying.*
>
> Mrs. M.
> Nassau County

This year**,** 4,227 new enrollees were surveyed to learn why they applied for EPIC and where they first heard about the program. In addition, seniors were requested to answer some customer-satisfaction questions and provide feedback regarding their experience with the enrollment process. The survey was conducted during two separate periods, February and July, to see if the decision to join varied at different times of the year. The response rate was very high, with 62 percent of surveys returned, and the responses between the time periods were very similar.

Seniors were first asked why they applied for EPIC. As expected, the primary reasons for joining were high drug costs (63 percent), and the encouragement of family and friends (47 percent). The availability of other insurance on the decision was also measured. As illustrated in Figure 1, 26 percent of those responding indicated that the availability of other affordable insurance played a role in their need for EPIC.

FIGURE 1
PRIMARY REASONS SENIORS APPLY FOR EPIC



As shown, there was an 11 percent increase in seniors that did not have all of their drug costs covered by other insurance between the two time periods. This was due to the fact that most plans with annual benefit limits work on a calendar year. As the year progresses, more seniors reach that limit and apply for EPIC. For example, in February, there were 2,025 enrollees who had exhausted their other benefits, as compared to 5,168 in July. Therefore, the variations in the responses to this question were anticipated.

Seniors were also asked where they heard about EPIC. Almost 85 percent heard about EPIC through friends and pharmacists. There was an increase (11 percent) in the number reporting that they heard about EPIC from television in July, due to the television advertising campaign in the spring. Other frequent sources of information were senior centers, offices for the aging and elected officials.

In terms of customer service, 99 percent of those surveyed reported being very pleased with the service. Seniors appeared to have little difficulty understanding correspondence from EPIC, and were satisfied with the application process. Fourteen percent of applicants stated that they needed some assistance in completing the EPIC application. This was not unexpected since the average age of enrollees is 79, and many were referred to EPIC by a family member who probably helped them to apply. Comments from seniors were very positive and reflected how vital the program is to improving their quality of life.

III. ENROLLMENT TRENDS

EPIC is a terrific program. I truly appreciate the quick attention given my application. The lower price for the medications is just a wonder. My many, many thanks

Mrs. L.
New York City

Introduction

With higher eligibility limits, almost 1.3 million of the State's elderly can now join EPIC. It is estimated that about 462,000 of this group could benefit from EPIC, due to high prescription costs or lack of access to private insurance. But, even before the expansion, there was a steady increase in the number of seniors applying for benefits. As a result, enrollment levels rose to 125,099 as EPIC became more visible and affordable for the elderly of the State. This chapter reviews the application and enrollment trends of this program year.

Seniors Applying for EPIC

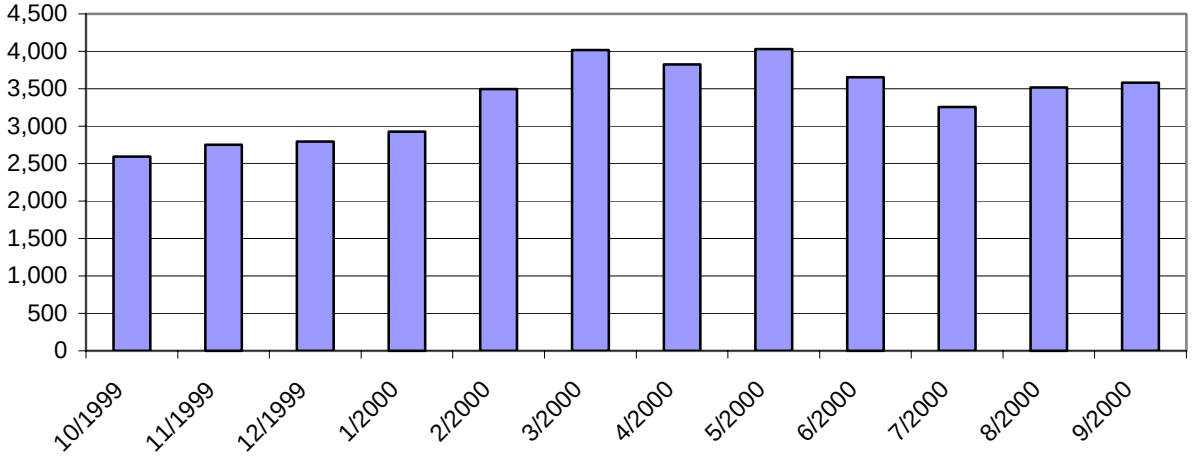
As illustrated in Figure 2, 40,447 seniors applied for benefits during the program year. This was 11 percent higher than last year when there was also a significant increase in the number applying as a result of the lower fees authorized by 1998 legislation. In addition, this year's application activity was heavily impacted by a strong outreach and media campaign that raised the overall visibility of the program. Application and enrollment activity by county is shown in Table I in the Appendix.

FIGURE 2
EPIC APPLICATION ACTIVITY

Program Year	Applications Received	Percent Change From Previous Year
94-95	26,800	+14.2%
95-96	20,679	-22.8%
96-97	19,457	-6.3%
97-98	24,648	+26.7%
98-99	36,481	+48.0%
99-00	40,447	+10.9%

The number of seniors applying on a monthly basis is shown in Figure 3. Activity that was higher than normal for the entire year, further increased between March and May as a result of a newspaper and television advertising campaign. Then, a record number of applications were received between October through December of 2000 as outreach for the expanded program intensified. Almost 36,400 seniors applied during these three months when applications were processed for seniors in the expanded income ranges, so that they could receive benefits on January 1, 2001. Seniors with incomes in the expanded ranges represented almost 50 percent of the applications received from October through December.

FIGURE 3
EPIC APPLICATIONS
OCTOBER 1999 – SEPTEMBER 2000



Changes in Enrollment

As of September 30, there were 125,099 seniors participating in EPIC. With participation levels increasing significantly in the fall of 2000, there were 154,380 enrollees on January 1, 2001, including 17,611 participants in the expanded income ranges. Figure 4 illustrates the changes in enrollment over the last eight program years.

FIGURE 4
EPIC ENROLLMENT BY PROGRAM YEAR

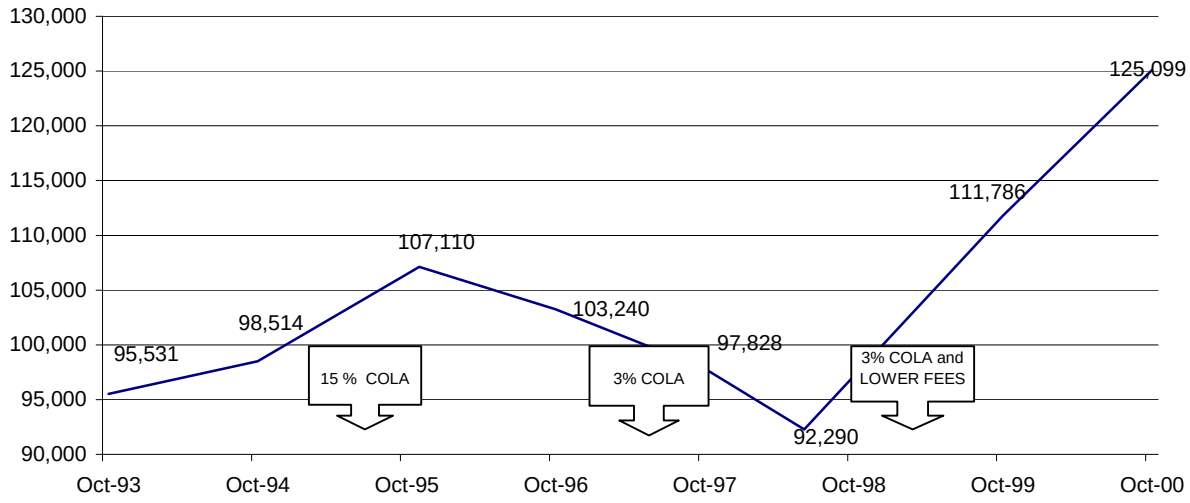
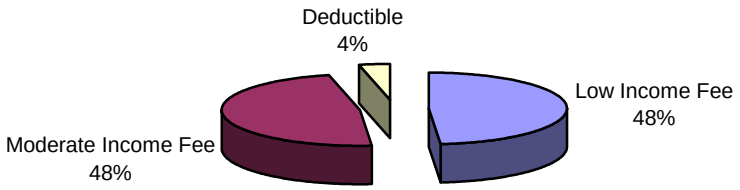


Figure 5 illustrates enrollment by program plan. On September 30, 2000, 48 percent of participants were in the Low Income Fee Plan, and 48 percent in the Moderate Income Fee Plan. The Deductible Plan remained an option for only 4 percent of the population. However, as more seniors enroll in the new program, there should be a larger number enrolling in the new Deductible Plan.

FIGURE 5
ENROLLMENT BY PROGRAM PLAN



As shown by Figure 6, total enrollment increased by 13,313 seniors during the program year. County-specific changes are shown in Table II in the Appendix. As illustrated, there was a dramatic increase in some counties including Columbia (30%), Washington (30%), Dutchess (50%), and Ulster (87%). The enrollment increases were partially due to the withdrawal or reduction of benefits by private plans, such as Medicare Health Maintenance Organizations (HMOs). About three-quarters of Medicare HMOs provide less than $1,000 in prescription drug coverage for part of the year. As a result, many seniors enrolled in these other plans looked to EPIC for partial coverage.

FIGURE 6
SENIORS ENROLLED IN EPIC

Program Year	Seniors Enrolled at Beginning of Year	Seniors Enrolled at End of Program Year	Enrollment Increase/Decrease
94-95	98,514	106,776	8,262
95-96	106,776	103,240	(3,536)
96-97	103,240	97,828	(5,412)
97-98	97,828	96,118	(1,710)
98-99	96,118	111,786	15,668
99-00	111,786	125,099	13,313

Those enrolled in EPIC had very similar characteristics to the seniors previously enrolled. The typical enrollee was a 79 year-old widow who was living on a limited annual income of $10,759. Fifty-two percent of the EPIC population was women over 75 years of age.

FIGURE 7
PORTRAIT OF EPIC'S ENROLLEES

Average Age	79
Over the age of 75	68%
Over the Age of 80	44%
Unmarried	77%
Female	79%
Minorities	11%

Seniors with Other Insurance

On September 30, 2000, there were 14,127 enrollees who also had some form of private prescription insurance. This level (11% of those enrolled) increased over the last year, as many private insurance plans decreased their benefits. A total of 7,401 seniors had other insurance that was not as good as EPIC, the remaining 6,726 seniors joined EPIC after they reached a benefit limit with another insurance plan.

EPIC's legislation states that seniors with other insurance providing equivalent or better coverage are not eligible for benefits. As a result of the new copayment schedule, equivalent or better coverage is now defined as insurance that covers 80 percent or more of the prescription cost. In many instances, seniors have other insurance that includes an annual benefit limit. Some of these plans offer better coverage than EPIC. Seniors enrolled in plans that offer better coverage may join EPIC after they reach their benefit limits. However, when their new coverage year begins under their private plan and a new annual limit is established, they are ineligible for EPIC.

On December 31, 1999, there were 2,521 enrollees with better insurance who were canceled. Of these, 1,027 (41%) seniors rejoined EPIC during the year. On average, these seniors reached their benefit limit with the other plan in a little over five months. Another 821 new applicants were denied EPIC coverage because their other insurance was better than EPIC. Seniors that were canceled for better insurance during the year were encouraged to reapply for EPIC if they reach their benefit limit or their coverage changed.

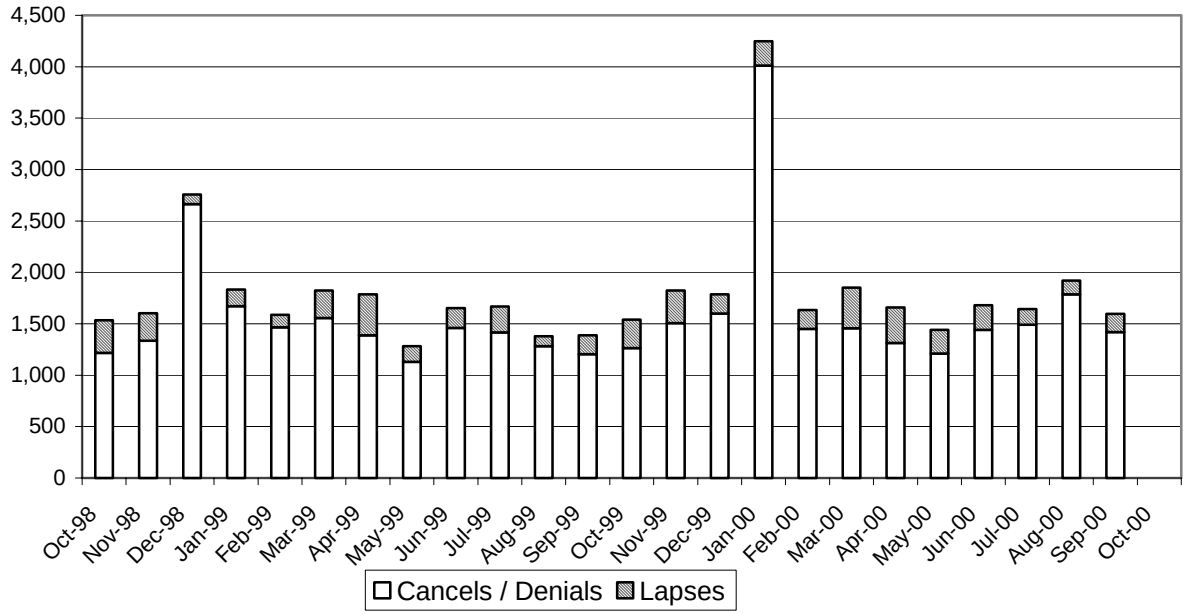
The legislation also defines EPIC as payer of last resort. Thus, pharmacies must bill any other insurer first, and then bill EPIC for the remaining amount. Because an increasing number of EPIC participants have other drug coverage, the Point of Sale system was enhanced in May 2000 to allow pharmacies to bill other insurers first. As a result, EPIC saved $162,000 during the program year. In addition, EPIC has continued to attempt to coordinate benefits with private carriers, so that retroactive recoveries can be made in instances where the other carrier was not billed as the primary insurer.

Changes in Cancellation Rate

During the program year 17,188 enrollees either canceled their benefits (14,307 seniors), or let their benefits lapse (2,881 seniors). Seniors leaving the program represented about 13 percent of those who used EPIC. Another 5,636 seniors were denied benefits since they were not eligible when they applied. The most frequent reasons for cancellation or denial continued to be death (25%), nonpayment (16%), income too high (14%), and other insurance (13%).

Figure 8 illustrates cancellations and lapses by month for the last two years. Note that there are a high number of cancellations at the beginning of each year because seniors who have other prescription benefits that begin on January 1 have to discontinue their EPIC coverage.

FIGURE 8
CANCELLATIONS, DENIALS AND LAPSES
OCTOBER 1999 – SEPTEMBER 2000



IV. TRENDS IN THE COST OF DRUGS

EPIC was a lifesaver for my mother. Without it, her medicines cost more than her income!

Mrs. A.
Plattsburgh

Introduction

Prescription drugs comprise the largest category of out-of-pocket medical costs for the elderly, accounting for over one-third of each health care dollar spent. Nationally, spending on prescription medicines is growing at an annual rate of 12 percent, double the rate of other health expenditures. This is due to the increasing price of drugs and the high demand for medications. Because of the different types of drugs purchased by enrollees, EPIC has seen an average increase of 15 percent in the cost of drugs purchased over the last five years. This chapter reviews how the cost of prescription drugs impacted EPIC operations this year.

Overview of Costs

More than 134,500 seniors used EPIC during the program year to purchase 4.2 million prescriptions. These medications cost $244.9 million. By using EPIC, enrollees saved nearly $187.8 million. After deducting participant fees and manufacturer rebates, the net cost to the State was $143.1 million. A summary of this year's statistics is shown in Figure 9.

FIGURE 9
EPIC STATISTICS FOR THIRTEENTH EPIC PROGRAM YEAR
1999-2000

Enrollment as of September 30, 2000	125,099
Seniors Active During Year	134,507
Prescriptions Purchased	4,227,434
Total Cost of Prescriptions Managed	$244.9M
Total EPIC Payments to Pharmacies	$187.8M
Fees Paid by Seniors	$ 10.7M
Rebates by Manufacturers	$ 34.0M
Net State Costs	$143.1M

How Seniors Used EPIC

The average EPIC participant enrolled for the full year purchased 37 prescriptions costing $2,230. After paying the program's copayments, these seniors each saved $1,717. Savings increased from $1,485 last year. In comparison, the average senior in the United States purchased 29 medications costing $1,205. Figure 10 illustrates the cost and savings by plan. As illustrated, the Moderate Income Fee Plan had the greatest drug cost and savings, whereas the Low Income Fee Plan had slightly less drug cost and savings. This is largely attributable to seniors in the Moderate Income Fee Plan having higher prescription costs that warrant paying the higher fees. By year's end, only 5,000 seniors were in the Deductible Plan. This program was

not changed in 1998, when fees were reduced by almost one-half. Therefore, Deductible savings remained lower, as seniors increasingly used this plan just as a safety net in case their drug costs increase. Deductible enrollees who had high prescription needs were encouraged to change to the Fee Plan during the year, and advised about the potential for additional savings if they changed plans.

FIGURE 10
EPIC AVERAGE COST OF DRUGS AND SAVINGS
BY PROGRAM TYPE

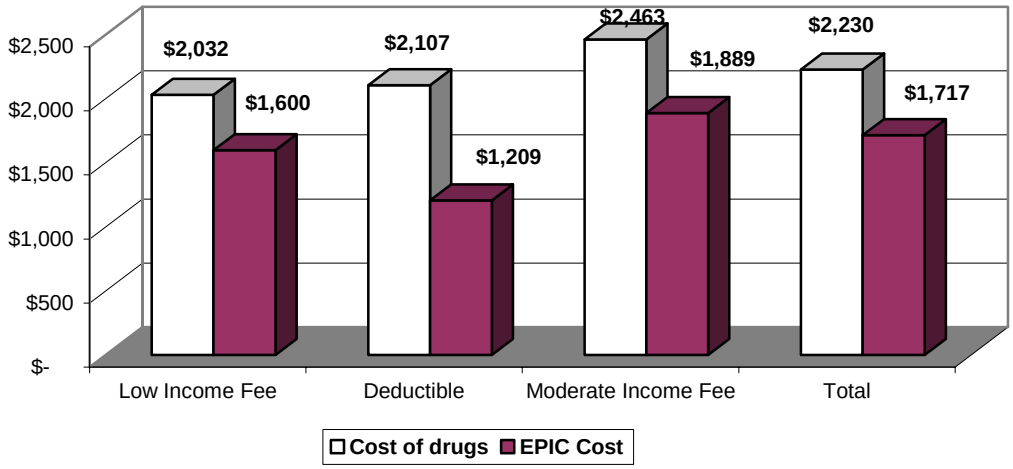
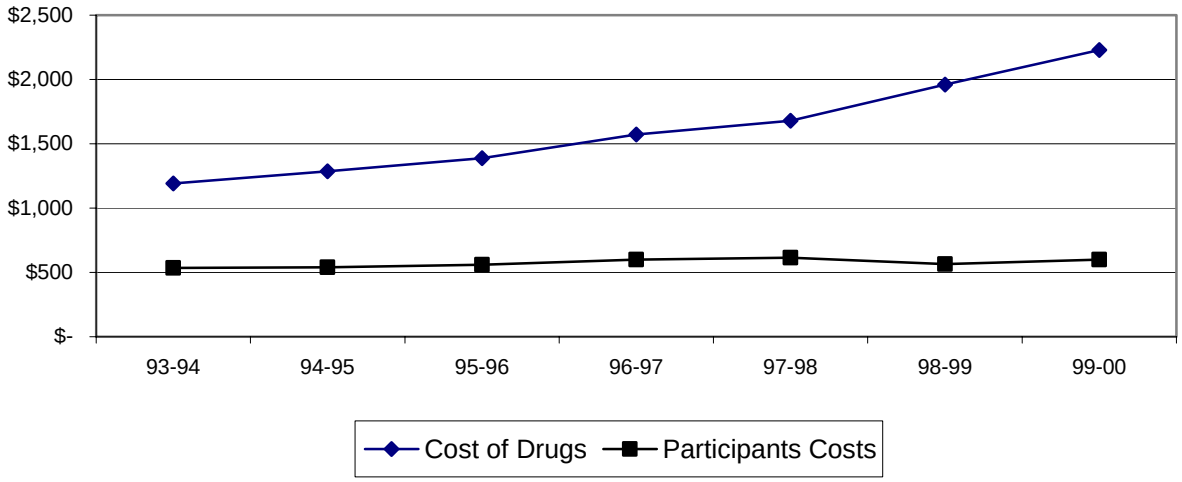


Figure 11 illustrates that the out-of-pocket costs of enrollees have remained relatively low throughout the years. As shown, the participant's share, including copayments and fees, has increased by 12 percent, from $536 in the 1994-1995 program year to $600 this year. In contrast, the total cost of drugs has almost doubled from $1,191 to $2,230.

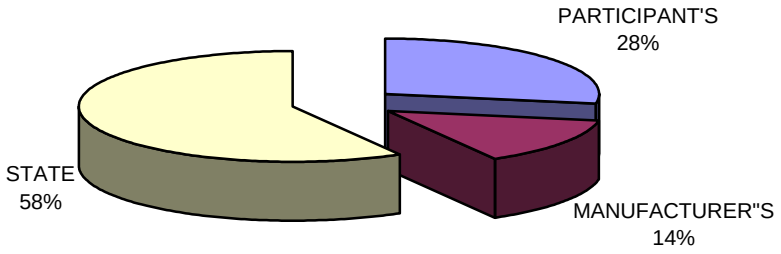
FIGURE 11
COST OF DRUGS COMPARED TO PARTICIPANT COSTS



Claims, Expenditures and Utilization

There were 4.2 million prescriptions purchased, an increase of 13 percent from last year. Payments to pharmacies increased to $187.8 million, with the State's costs reduced to $143.1 million by rebate revenue received from manufacturers and the fees and copayments paid by participants. Figure 12 illustrates the distribution of costs among the State, participants, and manufacturers.

FIGURE 12
EPIC DISTRIBUTION OF COSTS



A summary of claims, expenditures, revenue and utilization for representative years is presented in Figure13. Table III in the Appendix includes a detailed summary of expenditures and participant costs by coverage type, marital status, and income. Table IV presents the annual participant benefit statement, summarizing payments, fees, and participant savings.

FIGURE 13
CLAIMS, EXPENDITURES AND REVENUE

	ELEVENTH PROGRAM YEAR (1997-1998)	TWELFTH PROGRAM YEAR (1998-1999)	THIRTEENTH PROGRAM YEAR (1999-2000)
NUMBER OF CLAIMS:			
Copayment	3,182,056	3,660,380	4,180,915
Deductible	184,462	81,016	46,519
Total Claims	3,366,518	3,741,396	4,227,434
EXPENDITURES:			
Total Costs of Drugs	$153,799,960	$191,355,843	$244,890,243
Participant Copayments	38,438,342	46,450,166	55,166,617
Deductible Payments	6,004,617	2,973,767	1,929,351
EPIC Expenditures	$109,357,001	$141,931,910	$187,794,275
LESS REVENUE:			
Manufacturers' Rebates	$ 22,788,385	$ 27,680,918	$ 33,975,602
Participant Fees	8,792,366	8,800,114	10,699,823
Total Revenue	$ 31,580,751	36,481,032	44,675,425
NET STATE COST:	$ 77,776,250	$105,450,878	$143,118,850

COST AND UTILIZATION

PROGRAM YEAR

	FIRST 1987-1988	EIGHTH 1994-1995	TWELFTH 1998-1999	THIRTEENTH 1999-2000
Avg. EPIC Copay Claim Cost	$12.60	$25.97	$38.78	$44.91
Avg. Participant Copay Claim Cost	7.30	11.16	12.69	13.19
Total Avg. Cost Copay Claim	$19.90	$37.13	$51.47	$58.10
# of Participants Reaching Deductible	3,821	11,691	6,993	3,892
# of Participants Reaching Maximum Copay Limits	882	15,855	20,331	24,265

Increase in the Cost of Drugs

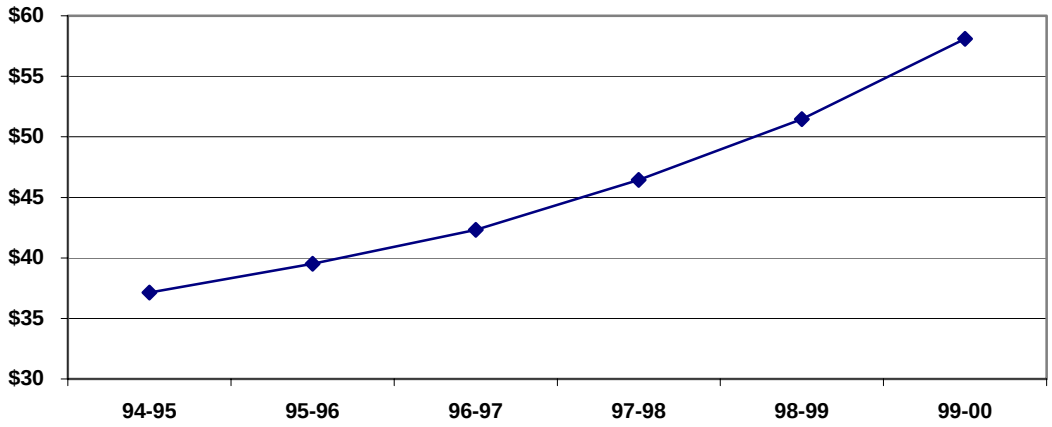
Between September 1999 and October 2000, the National Consumer Price Index (CPI) for prescription drugs increased by 3.9 percent. In contrast, the rate of increase in the price of the top 300 drugs purchased by EPIC participants was 4.6 percent. Over the last year, there was a $54 million increase in the cost of drugs purchased by participants. This was due to several factors:

- *A 14 percent increase in the number of seniors using the program.* This year, 134,507 seniors used the program compared to 118,431 last year. This is due to more seniors needing help with their prescription costs, and fewer private options to help them with these expenses. More Medicare Health Maintenance Organizations left the market, and others provided a lower level of prescription benefits. Also, more corporate plans reduced the prescription coverage offered to retirees.

- *An increase in the volume of prescriptions purchased*. As compared to last year, there were 500,000 more prescriptions purchased by enrollees. The average participant enrolled for a full year purchased 37 prescriptions, compared to the 34 purchased in the 1994-1995 program year. This increase is partially attributable to the number of new drug therapies that replaced other more costly options, such as surgeries and extended hospitalizations.

- *An increase in the cost of the average prescription purchase*. The cost of the average prescription increased by 12.9 percent, from $51.47 last year to $58.10. The average cost of prescriptions over the last five years is shown in Figure 14. As illustrated, prescription costs rose from $37.13 in the 1994-1995 program year to $58.10 this year. Part of this year's increase is due to inflation, whereas the remaining percentage is due to more expensive therapies being used. Last year, inflation increased the price of commonly used drugs by $2.37 a prescription, whereas more expensive therapies and additional quantities increased drug costs by $4.26 a prescription. This resulted in the average prescription cost going up by $6.63.

FIGURE 14
AVERAGE COST OF EPIC PRESCRIPTIONS



- *More seniors reached their co-payment limit, and received medications free for part of their enrollment year.* This year, over 24,265 participants received 548,571 prescriptions at no charge. As a result the State paid 100 percent of the cost of these drugs instead of the 73.6 percent paid for copayment claims.

- *A high use of sole-source drugs by EPIC's target population.* Seventy-four percent of program expenditures were for sole source medications. There has been a constant development of expensive innovative drugs that are improved or additional treatments for chronic diseases, such as diabetes and arthritis. For example, Aricept, a newer therapy for Alzheimers, was used by more than 6,700 enrollees. The average annual cost of treatment was $1,529. But, with EPIC, seniors were able to reduce these costs to just over $205.

- *Marketing efforts created a high consumer demand for certain products.* Some of the medications that are most frequently used by participants (such as Celebrex, Vioxx, Prilosec and Lipitor) are heavily advertised. Advertising creates an increased demand that in turn results in increased utilization.

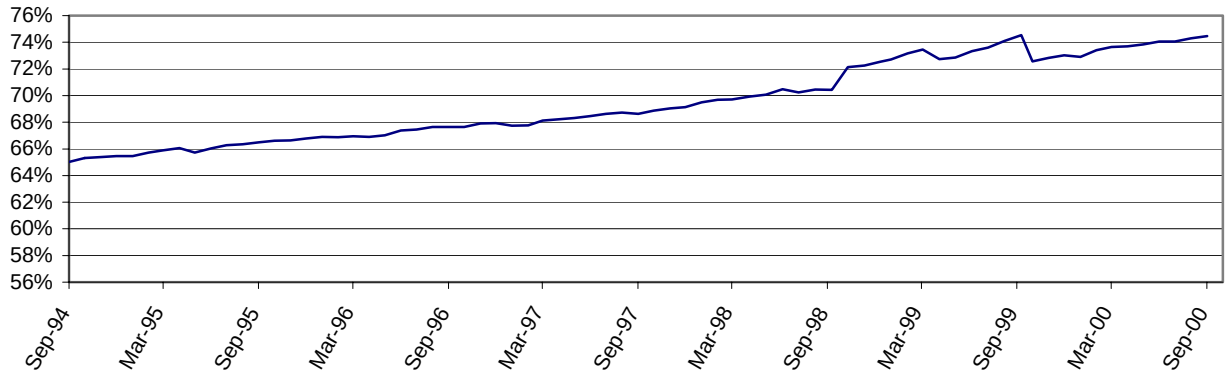
State Share of Drug Costs

Fifteen percent of the prescriptions purchased cost more than $100, a number that has more than tripled since the 1994-1995 program year. As in the past, most of these medications were used for chronic illnesses such as heart disease, arthritis, cancer, and gastrointestinal disorders.

Only a small number (4,513) of prescriptions cost more than $1,000. These are typically biotech products and chemotherapy agents, used to treat cancer. The percentage distribution of EPIC's drugs by volume and price is illustrated in Table V-A of the Appendix and a price distribution of drugs purchased by copayment bands is included in Table V-B.

The State's share of claims requiring a copayment increased from 71.5 percent last year to 73.6 percent, due to the continued increase in the cost of prescriptions. Figure 15 shows the increase in the State's share since 1994.

FIGURE 15
STATE SHARE OF COPAY CLAIMS



Seniors with High Drug Costs

Program expenditures were heavily driven by a subset of enrollees that had high utilization or required expensive medications. Seventy-three percent of seniors enrolled for a full year spent more than $1,000 on prescription drugs. Twelve percent of this group had drug costs that exceeded $4,000. Their purchases accounted for 37 percent of expenditures. Seniors with high drug costs were treated for serious illness such as cancer or transplant therapy, or received multiple prescriptions for treatment of chronic diseases such as heart disease, diabetes, and Parkinson's disease. Figure 16 illustrates the distribution of full year enrollees by drug cost.

FIGURE 16
DISTRIBUTION OF FULL YEAR ENROLLEES
BY DRUG COSTS

DRUG COSTS	NUMBER OF ENROLLEES	PERCENT OF POPULATION	PERCENT OF EXPENDITURES
Up to $1,000	25,621	27.3	5.7
$1,001 to $2,000	28,376	30.2	18.5
$2,001 to $3,000	18,269	19.5	21.2
$3,001 to $4,000	10,140	10.8	17.5
$4,001 to $5,000	5,237	5.6	12.1
Over $5,000	6,207	6.6	25.0
Totals	**93,850**	**100.0**	**100.0**

Two-Year Enrollment and Cost Projections

As required by legislation, enrollment and cost projections for the next two years are presented in Figure 17. These projections reflect the January 1, 2001 program enhancements that will significantly expand enrollment, and lower fees and copayments. The lower copayments will increase the program's share of drug costs. These program changes are expected to increase pharmacy payments to $304 million in the 2000-2001 program year and $436 million in the 2001-2002 program year. These costs will be significantly offset by manufacturers' rebates, which will be increased by the additional rebate based on the changes in prices compared to inflation as measured by the Consumer Price Index. The collection of additional rebate revenue will begin in February of 2001. Another offset to pharmacy payments is fee revenue, which will increase only slightly with enrollment due to the reduction in fees as of January 1, 2001. Both of these changes in offsetting revenue were required by the 2000 legislative changes. As a result, the net State costs based on current law are projected to be $246 million in program year 2000-2001 and $347 million in 2001-2002.

FIGURE 17
EPIC ENROLLMENT AND COST PROJECTIONS
FOR UPCOMING PROGRAM YEARS
(Dollars in Millions)

	Oct. 1999-Sept. 2000	**Oct. 2000-Sept. 2001**	**Oct. 2001-Sept. 2002**
Enrollment	125,099	208,158	235,500
Costs of Drugs	$ 244.9	$ 388.6	$ 549.1
EPIC Payments	187.8	304.2	436.2
Less Revenues			
Fees	10.7	12.5	12.7
Rebates	34.0	46.0	76.3
Total Revenues	44.7	58.5	89.0
Net State Costs	**$ 143.1**	**$ 245.7**	**$ 347.2**

Note: Projections based on EPIC legislation as of September 30, 2000.

V. REVIEWING UTILIZATION

The cost of my medicines was going through the roof. One prescription was half of my Social Security check, and I used three other drugs too. Now that I have EPIC, I am healthier. I also worry less about the future. EPIC is a great help.

Mrs. E.
Buffalo

Introduction

EPIC enrollees continue to be older and have more health problems than the general senior population. They also use more prescriptions. Most buy 37 prescriptions a year for a variety of chronic health problems, such as cardiac disorders, gastrointestional problems and cancer. These therapies assist seniors to maintain their health. However, the treatments are also expensive, with some medicines now costing over $1,000 a year. These expenses are reduced significantly with EPIC. This chapter reviews the utilization trends of this year and describes how EPIC monitors program use to protect the health and safety of participants and to ensure that State expenditures are appropriate.

Medications Most Frequently Used

The types of medications used by EPIC participants differ significantly from those used by the general population and other seniors. Table VI in the Appendix lists the 300 medications that were most frequently used this year and Table VII identifies the most frequently purchased types of drugs. As illustrated, 72 percent of participants used medications to treat cardiac problems, 28 percent for gastrointestinal problems and 26 percent to treat arthritis. This list has changed somewhat over the last five years, with the addition of cholesterol lowering medications that are now used by 28 percent of the population, antidepressants and thyroid agents. These types of drugs replaced various forms of antibiotics and potassium supplements that were more frequently used during the 1994-1995 program year.

Table VIII includes the twenty medications most frequently purchased by participants. This list shows a continuing trend with the increased use of expensive single source products such as Lipitor, a cholesterol-lowering agent, Prilosec, a drug used to treat gastrointestinal disorders and Glucophage, a diabetes treatment. The drugs on this list account for about 20 percent of the prescriptions purchased. Prevacid, an anti-ulcer drug, is new to the list, up to 18 from its previous ranking of 28. In addition, Celebrex, a nonsteroidal, anti-inflammatory drug, appears on the list for the first time, up from a ranking of 55 last year. Since Celebrex came on the market in January 1999, there has been a very steady increase in its use. During this year, over 16,000 participants purchased this new drug. The average cost per participant was about $924 a year. However, with EPIC, the annual cost to seniors was reduced to $163.

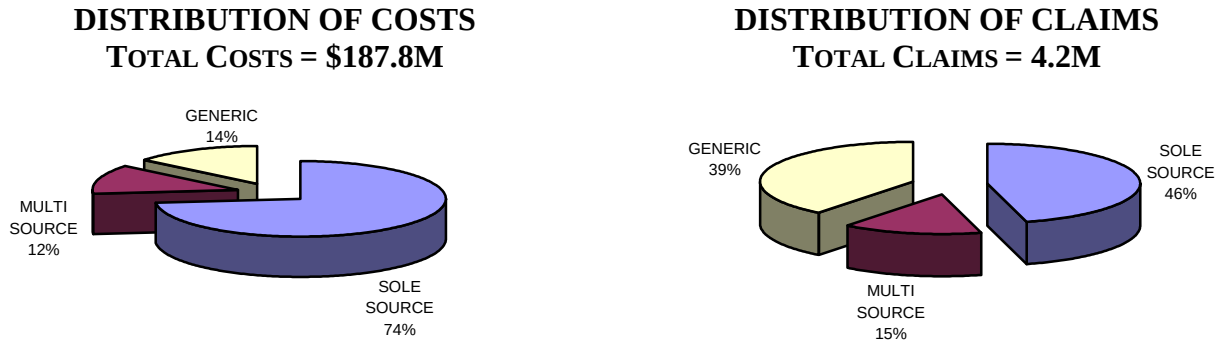
Based on dollars, rather than volume of prescriptions, Table IX lists the top twenty drugs by cost. Prilosec remains at the top of this list. Additions are Vioxx, Enbrel and Aricept. Vioxx and Enbrel are used for the treatment of arthritis and Aricept treats Alzheimer's disease. There are six cholesterol-lowering medications on this list, which were used by over 30,000 participants. Claims for these medications represented $14 million in payments to pharmacies.

An aggressive cholesterol-lowering drug therapy is now recommended for patients with coronary heart disease. In addition, the American Diabetes Association has stressed the importance of an aggressive therapy for diabetics, given the high mortality experienced by those who have a serious heart attack. These new guidelines have resulted in the increased use of cholesterol-lowering medications. For example, more than 22,500 participants used Lipitor during the program year. The average annual cost of this therapy for each participant was $840. However, with EPIC, the senior's costs were reduced to $169.

Types of Medications Used

Almost 1.7 million prescriptions for generic drugs were purchased this year. This represented 39 percent of the total prescriptions dispensed. The use of brand, multi-source products decreased from 16 to 15 percent of the total claims dispensed. However, the use of expensive sole source products increased to 46 percent of the prescriptions purchased. Figure 18 shows that 74 percent of program payments were for sole source drugs. Increases in EPIC costs were strongly driven by these products.

FIGURE 18
EPIC DISTRIBUTION OF COSTS AND CLAIMS



Under New York State's mandatory substitution law, a generic must be dispensed when a multi-source product is prescribed, unless the prescriber indicates that the brand name product is required. This year, when substitution could occur, a generic medication was dispensed three out four times. This positive rate is comparable to programs with strong generic incentives. With the increased generic availability of some commonly used drugs, this rate has continuously increased over the last five years, from 67.5 percent in the 1994 to 1995 program year to 75 percent this year. The average State cost for a generic prescription was $17.47. For brand multi-source prescriptions, the average cost was $37.56, and for sole source medications the average cost was $76.02.

Therapeutic Drug Monitoring

To ensure that medications are used appropriately, EPIC operates a Therapeutic Drug Monitoring (TDM) program. This program identifies potential drug therapy problems that are then communicated to pharmacists and prescribers. Modifications of therapy that reduce the risk of adverse reactions from medications are the frequent result. These therapy changes in turn provide a better quality of life, preventing more expensive treatments and hospitalizations.

The TDM process consists of prospective reviews (Pro-DUR) that notify pharmacists of potential therapy problems when the prescription is being filled. In addition, the retrospective system (Retro-DUR) advises prescribers of other health problems that occur with long-term use of medications. The program operates with the assistance and guidance of a Technical Advisory Group, whose members are experienced pharmacists and pharmacy educators.

Prospective Utilization Review

For the program year, 4.2 million prescriptions were processed by EPIC's on-line point-of-sale system. As illustrated by Figure 19, 177,118 prescriptions (4% of those processed) were denied due to potential therapeutic problems. Prescriptions are denied when there is a potential problem resulting from a drug interaction, therapeutic duplication, overuse or early refill. After review, the pharmacist has the option of overriding the denial if the dispensing is appropriate. This year, more than 99,500 claims were not filled following this review.

FIGURE 19
PROSPECTIVE REVIEW STATISTICS
OCTOBER 1999- SEPTEMBER 2000

Type of Review	Suspensions	Overrides	Percent of Overrides/Suspensions
Drug to Drug Interactions	11,949	10,058	85%
Therapeutic Duplication	61,044	44,814	74%
High Dose	6,796	3,938	58%
Early Refill	97,329	18,737	19%
Totals (Unduplicated)	**177,118**	**77,547**	

These up-front clinical reviews assist pharmacists in preventing unnecessary physician and hospital visits due to the adverse affects of medications. They are especially important when more than one pharmacy is involved. To estimate savings resulting from medications not being dispensed, the reviews were divided into two subsets. For the drug-to-drug, therapeutic duplication and high dose categories, 26 percent of the prescriptions were not filled following the pharmacist's review. The estimated savings resulting from not dispensing these prescriptions was $1.4 million. For the Early Refill category, it is more difficult to estimate the actual savings because the prescription may be filled at a later date. While the savings estimate for 81 percent of the claims not being dispensed is $5.1 million these claims may be filled eventually. However, it is clear that the delaying of the dispensing does result in some savings to EPIC beyond the $1.4 million from the clinical edits.

Retrospective Utilization Review

The retrospective TDM system monitors all prescriptions purchased by seniors to identify other drug therapy problems that may cause serious health complications. Following clinical reviews by pharmacists, informational letters and detailed claims profiles for selected participants are sent to prescribers. During this program year, 6,000 clinical reviews were completed. As a result, 1,746 letters were sent to prescribers on behalf of 670 participants advising them of potential problems with a drug interaction, duplicative therapies, overuse or the use of multiple pharmacies and prescribers. Almost 40 percent of prescribers responded to the information. This level of response has been fairly consistent over the life of the program. However, there was an increase this year in the number of positive comments received by prescribers who were previously unaware that their patient was taking medications prescribed by someone else. The effectiveness of the program is evaluated by performing clinical reviews six months after the initial letters are sent. This year, there was a significant change in therapy for 30 percent of the cases reviewed.

Payments to Pharmacies

Table X in the Appendix shows the distribution of claims and payments by pharmacy type and Table XI presents a summary of pharmacy claims and payments by county. Almost 3,800 pharmacies provided services to EPIC participants this year, each receiving an average payment of $49,600. Payments were made through an Electronic Funds Transfer (EFT) system, which was implemented in October 1999. The reaction of providers to this process has been very positive, since it ensures accurate and direct payment. Pharmacies received almost $187.8 million in State payments, an increase of 32 percent from last year.

Over 50 percent of active pharmacies are chain stores, 43 percent are independently operated stores, and the remainder represented institutions or mail order pharmacies. Chain stores received 51 percent of EPIC expenditures in the 1994-1995 program year. This rate has progressively increased over the last five years, reaching 59 percent during the current year. Independent pharmacies received a smaller percentage of EPIC expenditures (36 percent during this program year).

VI. PROGRAM OPERATIONS

Your service is great. We are both retired and have no pensions. So, every little bit helps. EPIC is a great program that New York State offers to seniors.

Mrs. B.
Syracuse

Introduction

This chapter provides an overview of operational activities and accomplishments. A fiscal agent performs a large portion of EPIC's operational activities. State staff monitors these efforts to ensure that quality services are provided to seniors and pharmacies. Early in the program year, an Electronic Funds Transfer process was implemented to improve the efficiency and timeliness of pharmacy reimbursements. Work during the latter part of the year focused on the implementation of the legislative changes. Pharmacy audits routinely conducted to help protect the fiscal integrity of program expenditures were enhanced by the implementation of a verification of benefit process that confirms prescriptions received by participants. The Manufacturers' Rebate Program collected $34 million and prepared to collect an additional rebate from manufacturers for price increases beyond the rate of inflation.

Services of the Contractor

As specified in legislation, a contractor secured through a competitive procurement process performs major operational functions. EPIC's current contract with First Health Services Corporation, is for a five-year term that ends September 30, 2002. The contract was renegotiated this year to compensate First Health for the additional staff and equipment resources required by the program improvements. That amendment is undergoing final processing by State agencies. Primary aspects of the contractor's responsibilities include enrollment processing for seniors and pharmacies, participant and provider helpline/customer service, claims processing, pharmacy reimbursement, outreach, and systems development. The contractor also provides support to the State operation of the manufacturer rebate and therapeutic drug monitoring programs. To ensure quality operations, specific contract performance standards have been established for each function.

State staff monitored the contractor's compliance with the performance standards through routine and special audits, with emphasis on areas directly affecting participants and pharmacy providers. First Health was compliant with nearly all contract standards this program year, with the only exception involving the Retrospective Drug Utilization Review (RetroDUR) letter production system. Technical difficulties that interrupted a timely operation during March were quickly rectified with no further action needed.

In addition to meeting the performance standards for daily program operations, First Health displayed a strong commitment to the success of the program. This was especially evident as they implemented the extensive program improvements enacted this year. Though the changes were not effective until January 1, 2001, outreach activities and other publicity related to the enhancements generated a high level of public interest, which caused First Health's operational volumes to spike during the fall of 2000. Helpline inquiries increased fourfold,

application receipts were five times normal volumes, and program mailings increased by 20 percent. Over the year, enrollment rose by nearly 10 percent. First Health did an excellent job in meeting these challenges and complying with the contract performance standards with the one noted exception.

Beyond the program enhancements, numerous improvements were made in various areas of contractor operations. In October 1999, First Health successfully implemented an Electronic Funds Transfer process. As a result, all pharmacies are now reimbursed by electronic credits to their bank accounts in lieu of receiving a check in the mail. The response from providers was very positive, with all pharmacies ultimately agreeing to the more efficient and timely process. Also noteworthy was the manner in which First Health handled an unexpected problem encountered with the transition to a new bank to process participant premium payments. The transition was required due to the discontinuance of lockbox services by the incumbent bank, with the successor bank selected through a competitive procurement. When the successor bank was unable to implement electronic processing by the required date, First Health reassigned and added staffing resources to assist with processing the payments, to ensure all payments were accurately applied in a timely fashion. First Health's proactive response prevented a negative impact on participants from potential delays in processing their payments.

As required by legislation, the contractor's financial position and level of compensation relative to its EPIC operation were reviewed by the EPIC Panel quarterly, confirming that the contract remained in the best interest of the State. The relationship of total administrative costs, largely comprised of contractor cost, to total benefits paid by EPIC was a positive 96.6 percent.

Pharmacy Audits

Pharmacy audits were performed to protect the fiscal integrity of the $187.8 million in State payments to pharmacies and to ensure compliance with the program's legislative and regulatory requirements. This year, 87 pharmacy audits were completed. Thirty-six of these audits identified exceptions that resulted in $56,000 in payment recoveries. EPIC staff also collaborated with the Attorney General's Medicaid Fraud Control Unit on two audits, one of which resulted in the termination of a pharmacy from the program.

In an ongoing effort to ensure the validity of claim reimbursements to pharmacy providers, a verification of benefits (VOB) process was developed. This process was designed to confirm prescription benefits received for a targeted sample of participants. Letters were mailed to 2,400 participants, accompanied by a statement of benefits paid, requesting that the participant verify receipt of the listed prescriptions. Over 83 percent of participants responded. Sixteen seniors identified discrepancies that resulted in recoveries from pharmacies totaling $2,500. In addition to the VOB process, audit staff contacted over 800 participants and 100 physicians to confirm appropriate authorization and dispensing of medications.

All participating pharmacies were required to provide updated information to EPIC through the biennial recertification process. In addition to routine administrative data, annual prescription volume and service levels were confirmed, which are factors in the determination of claim reimbursement rates. Adjustments to these critical items resulted in more than $200,000 in program savings.

Manufacturers' Rebate Program

Under the EPIC rebate program, pharmaceutical manufacturers agree to pay rebates in exchange for the coverage of their products. There are over 300 participating manufacturers in the program, including almost all manufacturers of drugs used by enrollees. For this program year, the rebate is computed at 11 percent of average manufacturer price (AMP) for generics, and the greater of 15.1 percent of AMP or AMP minus best price for brand name drugs. Effective October 1, 2000, an additional rebate was required on drugs with price increases exceeding the increase in the consumer price index for urban consumers (CPI-U), measured from the base quarter. The fourth quarter of 1998, which is the initial base quarter, will be incremented every two years.

During this year, $34 million in rebate revenue was collected. As shown in Figure 20, $164.9 million in rebate payments has been collected since the inception of the program in April of 1991. Revenue from rebates is used to offset the State's expenditures for program benefits. For the current program year, rebates received from manufacturers averaged $253 for each active participant.

FIGURE 20
MANUFACTURERS' REBATES

Rebate Year	Total Manufacturers' Rebate Payments	Total EPIC Provider Payments*	Rebate Percent of Provider Payments
04/91-9/91	$ 3,414,903	$ 22,233,461	15.4%
10/91-9/92	8,657,439	51,946,785	16.7%
10/92-9/93	10,185,203	60,956,002	16.7%
10/93-9/94	10,475,172	66,960,430	15.7%
10/94-9/95	11,983,530	78,647,956	15.2%
10/95-9/96**	15,514,226	89,504,584	17.3%
10/96-9/97	21,032,100	97,292,841	21.6%
10/97-9/98	21,873,606	107,458,720	20.4%
10/98-9/99	27,776,447	140,124,677	19.8%
10/99-9/00	33,975,602	186,696,133	18.2%
Program Life	$164,888,228	$901,774,598	18.3%

**Provider payments include dispensing fees.*
***New rebate formula based on total cost of drugs implemented July 1, 1996.*

Year 2000 Transition

State and contractor staff worked closely to prepare for the transition to Year 2000. Pharmacies were notified of operational and contingency plans by letter during November 1999, which outlined alternatives for the processing of claims in the event of an emergency. Computer software and hardware were upgraded and tested by First Health to ensure Year 2000 compliance. As a result of extensive efforts, the transition to Year 2000 was successful, with no disruption in services to participants or providers.

APPENDIX

TABLE I
COUNTY APPLICATION AND ENROLLMENT ACTIVITY

COUNTY	APPLICATIONS RECEIVED 10/99-9/00	APPLICATIONS RECEIVED 10/87-9/00	ENROLLMENT AS OF 9/30/00
ALBANY	688	6,465	2,310
ALLEGANY	224	1,892	711
BROOME	752	8,536	3,174
CATTARAUGUS	410	3,912	1,423
CAYUGA	310	2,651	1,031
CHAUTAUQUA	692	6,676	2,531
CHEMUNG	358	4,579	1,594
CHENANGO	244	2,281	847
CLINTON	273	2,689	1,016
COLUMBIA	380	2,318	1,013
CORTLAND	215	1,827	719
DELAWARE	235	2,368	869
DUTCHESS	956	5,041	1,752
ERIE	2,121	26,819	8,767
ESSEX	160	1,440	553
FRANKLIN	321	2,238	854
FULTON	329	3,281	1,241
GENESEE	209	1,968	775
GREENE	233	2,020	724
HERKIMER	310	3,253	1,230
JEFFERSON	364	4,077	1,538
LEWIS	92	1,196	452
LIVINGSTON	197	1,536	586
MADISON	203	2,142	810
MONROE	1,208	11,075	3,682
MONTGOMERY	295	2,921	1,136
NASSAU	2,718	23,311	6,723
NIAGARA	577	6,539	2,268
ONEIDA	924	10,259	3,688
ONONDAGA	1,109	12,288	4,568
ONTARIO	307	2,863	1,084
ORANGE	840	7,496	2,406
ORLEANS	132	1,119	403
OSWEGO	434	4,690	1,824
OTSEGO	357	2,831	1,098
PUTNAM	153	1,519	485

TABLE I CONTINUED
COUNTY APPLICATION AND ENROLLMENT ACTIVITY

COUNTY	APPLICATIONS RECEIVED 10/99-9/00	APPLICATIONS RECEIVED 10/87-9/00	ENROLLMENT AS OF 9/30/00
RENSSELAER	556	3,882	1,366
ROCKLAND	333	4,660	1,488
SARATOGA	633	4,060	1,561
SCHENECTADY	481	3,330	1,213
SCHOHARIE	136	1,111	422
SCHUYLER	73	688	227
SENECA	81	924	316
ST LAWRENCE	333	4,152	1,545
STEUBEN	338	3,347	1,292
SUFFOLK	3,388	27,084	7,546
SULLIVAN	308	2,633	836
TIOGA	145	1,752	636
TOMPKINS	163	2,009	686
ULSTER	1,302	5,015	2,000
WARREN/HAMILTON	289	2,555	1,040
WASHINGTON	386	2,164	938
WAYNE	280	2,801	1,008
WESTCHESTER	1,855	16,817	4,868
WYOMING	151	1,409	534
YATES	106	917	382
SUBTOTAL	**30,667**	**279,426**	**95,789**
NEW YORK CITY:			
BRONX	1,251	17,154	3,406
KINGS	3,132	39,241	9,819
MANHATTAN	1,659	20,825	4,993
QUEENS	3,058	37,026	9,363
RICHMOND	680	7,413	1,729
TOTAL NYC	**9,780**	**121,659**	**29,310**
STATEWIDE TOTAL	**40,447**	**401,085**	**125,099**

TABLE II
ENROLLMENT CHANGES BY COUNTY

COUNTY	ENROLLMENT AS OF 9/30/99	ENROLLMENT AS OF 9/30/00	TOTAL CHANGE	PERCENT CHANGE
ALBANY	2,123	2,310	187	8.81%
ALLEGANY	606	711	105	17.33%
BROOME	3,006	3,174	168	5.59%
CATTARAUGUS	1,248	1,423	175	14.02%
CAYUGA	911	1,031	120	13.17%
CHAUTAUQUA	2,298	2,531	233	10.14%
CHEMUNG	1,520	1,594	74	4.87%
CHENANGO	736	847	111	15.08%
CLINTON	908	1,016	108	11.89%
COLUMBIA	774	1,013	239	30.88%
CORTLAND	621	719	98	15.78%
DELAWARE	806	869	63	7.82%
DUTCHESS	1,168	1,752	584	50.00%
ERIE	8,312	8,767	455	5.47%
ESSEX	470	553	83	17.66%
FRANKLIN	714	854	140	19.61%
FULTON	1,118	1,241	123	11.00%
GENESEE	682	775	93	13.64%
GREENE	658	724	66	10.03%
HERKIMER	1,097	1,230	133	12.12%
JEFFERSON	1,460	1,538	78	5.34%
LEWIS	434	452	18	4.15%
LIVINGSTON	498	586	88	17.67%
MADISON	777	810	33	4.25%
MONROE	3,186	3,682	496	15.57%
MONTGOMERY	1,036	1,136	100	9.65%
NASSAU	5,683	6,723	1,040	18.30%
NIAGARA	2,100	2,268	168	8.00%
ONEIDA	3,457	3,688	231	6.68%
ONONDAGA	4,295	4,568	273	6.36%
ONTARIO	961	1,084	123	12.80%
ORANGE	2,114	2,406	292	13.81%
ORLEANS	343	403	60	17.49%
OSWEGO	1,722	1,824	102	5.92%
OTSEGO	943	1,098	155	16.44%
PUTNAM	455	485	30	6.59%

TABLE II CONTINUED
ENROLLMENT CHANGES BY COUNTY

COUNTY	ENROLLMENT AS OF 9/30/99	ENROLLMENT AS OF 9/30/00	TOTAL CHANGE	PERCENT CHANGE
RENSSELAER	1,114	1,366	252	22.62%
ROCKLAND	1,271	1,488	217	17.07%
SARATOGA	1,244	1,561	317	25.48%
SCHENECTADY	1,021	1,213	192	18.81%
SCHOHARIE	371	422	51	13.75%
SCHUYLER	204	227	23	11.27%
SENECA	300	316	16	5.33%
ST LAWRENCE	1,476	1,545	69	4.67%
STEUBEN	1,143	1,292	149	13.04%
SUFFOLK	6,207	7,546	1,339	21.57%
SULLIVAN	739	836	97	13.13%
TIOGA	610	636	26	4.26%
TOMPKINS	643	686	43	6.69%
ULSTER	1,065	2,000	935	87.79%
WARREN/HAMILTON	882	1,040	158	17.91%
WASHINGTON	720	938	218	30.28%
WAYNE	887	1,008	121	13.64%
WESTCHESTER	4,059	4,868	809	19.93%
WYOMING	487	534	47	9.65%
YATES	324	382	58	17.90%
SUBTOTAL	**84,007**	**95,789**	**11,782**	**14.03%**
NEW YORK CITY:				
BRONX	3,244	3,406	162	4.99%
KINGS	9,391	9,819	428	4.56%
MANHATTAN	4,711	4,993	282	5.99%
QUEENS	8,891	9,363	472	5.31%
RICHMOND	1,542	1,729	187	12.13%
TOTAL NYC	**27,779**	**29,310**	**1,531**	**5.51%**
STATEWIDE TOTAL	**111,786**	**125,099**	**13,313**	**11.91%**

TABLE III
UTILIZATION BY COVERAGE TYPE, MARITAL STATUS, AND INCOME

COVERAGE	PERCENT OF ENROLLEES	EPIC PAYMENTS	PARTICIPANT COPAYMENTS	PARTICIPANT DEDUCTIBLE PAYMENTS
COMPREHENSIVE	51.7%	$ 93,994,578	$25,966,729	$ 0
DEDUCTIBLE	5.6%	9,643,463	3,025,123	1,929,351
PREMIUM	42.7%	84,156,234	26,174,765	0
TOTAL	**100.0%**	**$187,794,275**	**$55,166,617**	**$1,929,351**
MARITAL STATUS				
SINGLE	75.0%	$140,958,042	$41,818,593	$1,230,107
MARRIED	23.1%	43,029,001	12,388,022	677,522
MARRIED LIVING APART	1.9%	3,807,232	960,002	21,722
TOTAL	**100%**	**$187,794,275**	**$55,166,617**	**$1,929,351**
ANNUAL INCOME				
$ 5,000 or Less	3.7%	$ 7,108,108	$ 1,373,119	$ 0
$ 5,001 - $ 6,000	2.3%	4,230,321	970,609	0
$ 6,001 - $ 7,000	3.5%	6,150,129	1,594,277	0
$ 7,001 - $ 8,000	5.9%	10,057,285	2,817,989	0
$ 8,001 - $ 9,000	8.9%	15,507,049	4,563,940	0
$ 9,001 - $10,000	11.1%	20,088,247	5,925,164	0
$10,001 - $11,000	10.2%	19,057,091	5,576,902	0
$11,001 - $12,000	9.0%	17,444,277	5,273,652	186,051
$12,001 - $13,000	7.5%	14,549,953	4,486,724	223,552
$13,001 - $14,000	6.7%	12,620,521	3,950,333	180,288
$14,001 - $15,000	6.0%	11,502,173	3,603,119	204,181
$15,001 - $16,000	5.3%	10,514,799	3,217,370	188,153
$16,001 - $17,000	4.7%	9,284,732	2,868,045	206,544
$17,001 - $18,000	3.9%	7,447,781	2,280,691	171,556
$18,001 - $19,000	2.5%	4,767,343	1,430,293	123,364
$19,001 - $20,000	2.0%	3,787,278	1,170,587	93,594
$20,001 - $21,000	1.7%	3,319,492	998,833	80,388
$21,001 - $22,000	1.6%	3,246,357	973,740	90,511
$22,001 - $23,000	1.5%	3,090,446	903,755	87,816
$23,001 - $24,000	1.2%	2,252,691	687,964	58,348
$24,001 - $24,400	0.9%	1,768,202	499,511	35,005
TOTAL	**100.0%**	**$187,794,275**	**$55,166,617**	**$1,929,351**

TABLE IV
PARTICIPANT BENEFITS STATEMENT

PARTICIPANT BENEFITS STATEMENT	13TH PROGRAM YEAR (Millions)	PROGRAM LIFE (Millions)
BENEFITS SUMMARY		
Payments to Pharmacies	$ 187.6	$1,004.2
Payments to Participants	.4	9.6
Total Benefits Paid	188.0	1,013.8
Plus: Savings from Repricing	21.6	98.2
Benefits in Billing Process	0.5	8.3
Less: Prior Period Benefits	(0.6)*	0
Total Benefits Provided	**209.5**	**1,120.3**
FEES AND PREMIUM SUMMARY		
Fees and Premiums Paid	10.2	100.6
Plus: Prior Year Prepaid Fees	2.2*	0
Less: Prepaid Fees	(2.5)	(20.1)
Net Revenue	**9.9**	**80.5**
NET BENEFITS SUMMARY **Net Benefits Provided** **(Total Benefits Provided - Net Revenue)**	**$199.6**	**$1,039.8**

*Prior year end accrual not used in consolidated report.

TABLE V-A
PERCENTAGE DISTRIBUTION OF DRUGS BY VOLUME AND PRICE

PRESCRIPTION COST	PERCENTAGE OF CLAIMS	CUMULATIVE PERCENTAGE OF CLAIMS
$ 0 - $ 5	4.09%	4.09%
$ 5 - $ 10	12.26%	16.36%
$ 10 - $ 15	7.81%	24.17%
$ 15 - $ 20	6.52%	30.69%
$ 20 - $ 30	11.35%	42.04%
$ 30 - $ 40	10.03%	52.07%
$ 40 - $ 50	8.48%	60.54%
$ 50 - $ 60	6.35%	66.89%
$ 60 - $ 70	7.41%	74.30%
$ 70 - $ 80	5.11%	79.41%
$ 80 - $ 90	3.20%	82.61%
$ 90 - $ 100	2.36%	84.98%
$ 100 - $ 250	13.09%	98.07%
$ 250 - $ 500	1.71%	99.78%
$ 500 - $2,500	0.22%	99.99%
$2,500 AND OVER	0.01%	100.00%

TABLE V-B
PRICE DISTRIBUTION OF DRUGS PURCHASED

	YEAR 11		YEAR 12		YEAR 13	
Up to $8	15.83%		13.85%		12.76%	
$ 8.01 - $ 13	10.41%		9.89%		8.86%	
$13.01 - $ 23	14.50%		13.77%		12.99%	
$23.01 - $ 33	12.38%		11.83%		11.07%	
$33.01 - $ 50	16.13%		15.56%		14.86%	
$50.01 - $100	20.79%	46.9%	22.84%	50.7%	24.43%	54.3%
OVER $100	9.95%		12.25%		15.02%	

TABLE VI
300 MOST FREQUENTLY PURCHASED DRUGS

	DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY PAYMENT
1	FUROSEMIDE	40mg	GEN	89,618	$ 446,846	88
2	METOPROLOL TARTRATE	50mg	GEN	53,550	667,777	52
3	PRILOSEC	20mg	SS	52,665	8,751,663	1
4	LIPITOR	10mg	SS	51,549	3,590,875	3
5	NORVASC	5mg	SS	50,391	2,369,406	9
6	FUROSEMIDE	20mg	GEN	50,147	$ 212,995	184
7	LANOXIN	125mcg	MS	43,095	256,104	159
8	GLUCOPHAGE	500mg	SS	41,763	1,550,422	15
9	HYDROCHLOROTHIAZIDE	25mg	GEN	41,347	79,726	386
10	K-DUR	20meq	SS	39,490	761,190	46
11	ATENOLOL	50mg	GEN	38,556	400,414	97
12	PROPOXYPHENE NAPSYLATE W/APAP	100-650mg	GEN	37,994	652,002	55
13	XALATAN	0.005%	SS	34,580	1,173,948	23
14	GLYBURIDE	5mg	GEN	33,005	736,316	48
15	CELEBREX	200mg	SS	32,946	3,193,940	4
16	FOSAMAX	10mg	SS	32,348	$ 2,454,221	8
17	ALBUTEROL	90mcg	GEN	30,653	450,797	86
18	PREVACID	30mg	SS	30,356	4,392,975	2
19	ATENOLOL	25mg	GEN	29,678	312,615	129
20	LANOXIN	250mcg	MS	27,635	166,782	231
21	NORVASC	10mg	SS	26,560	2,155,822	10
22	MIACALCIN	200 IU/Dose	SS	24,805	1,057,202	29
23	LIPITOR	20mg	SS	24,545	2,992,006	6
24	TRIAMTERENE W/HCTZ	25-37.5mg	GEN	23,889	218,241	181
25	PLAVIX	75mg	SS	22,862	2,550,488	7
26	DIGOXIN	125mcg	GEN	22,510	$ 82,332	377
27	HUMULIN N	100U/ml	INS	22,405	636,838	57
28	TOPROL XL	50mg	SS	22,307	397,491	100
29	COZAAR	50mg	SS	20,640	1,064,528	28
30	VASOTEC	5mg	MS	20,608	925,452	36
31	ATROVENT	18mcg	SS	20,526	614,358	61
32	VIOXX	25mg	SS	20,093	1,622,548	13
33	RANITIDINE HCL	150mg	GEN	19,998	820,244	42
34	VASOTEC	10mg	MS	19,370	1,001,536	32
35	PEPCID	20mg	SS	18,871	1,635,199	12
36	AMBIEN	10mg	SS	18,841	$ 901,364	37
37	ISOSORBIDE MONONITRATE	60mg	GEN	18,818	655,947	54
38	ZESTRIL	10mg	SS	18,752	589,549	66
39	PRAVACHOL	20mg	SS	18,746	1,675,547	11
40	ISOSORBIDE MONONITRATE	30mg	GEN	18,539	564,529	74

TABLE VI CONTINUED
300 MOST FREQUENTLY PURCHASED DRUGS

	DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY PAYMENT
41	ZOCOR	20mg	SS	18,518	$ 3,091,873	5
42	ALPHAGAN	0.2%	SS	18,283	699,523	51
43	CELEBREX	100mg	SS	17,968	1,170,115	24
44	KLOR-CON 10	10meq	GEN	17,891	168,556	228
45	ACETAMINOPHEN W/CODEINE	30-300mg	GEN	17,339	144,876	256
46	FOLIC ACID	1mg	GEN	17,007	$ 7,033	765
47	ZOLOFT	50mg	SS	16,695	1,352,527	17
48	PREMARIN	0.625mg	SS	16,206	310,402	131
49	COMBIVENT	103-18mcg	SS	16,130	447,410	87
50	INSULIN SYRINGE		INS	15,792	251,804	162
51	ZESTRIL	20mg	SS	15,790	589,241	67
52	PREDNISONE	5mg	GEN	15,619	31,121	700
53	VERAPAMIL HCL	240mg	GEN	15,588	417,167	95
54	HYDROCODONE W/ACETAMINOPHEN	5-500mg	GEN	15,455	126,532	288
55	AMBIEN	5mg	SS	14,346	556,638	76
56	POTASSIUM CHLORIDE	10meq	GEN	14,114	$ 115,040	309
57	GLUCOTROL XL	10mg	SS	13,981	397,175	101
58	COUMADIN	5mg	MS	13,890	343,146	117
59	EVISTA	60mg	SS	13,755	1,112,866	26
60	CLARITIN	10mg	SS	13,607	962,035	33
61	SEREVENT	21mcg	SS	13,504	712,855	50
62	SYNTHROID	100mcg	MS	13,409	144,978	254
63	PAXIL	20mg	SS	13,276	1,056,786	30
64	GLUCOTROL XL	5mg	SS	13,103	156,777	240
65	CIPRO	500mg	SS	13,034	753,051	47
66	TOPROL XL	100mg	SS	12,543	$ 392,917	105
67	PROCARDIA XL	30mg	SS	12,486	606,209	63
68	DETROL	2mg	SS	12,480	783,479	45
69	ACCUPRIL	20mg	SS	12,442	442,118	89
70	PENTOXIFYLLINE	400mg	GEN	12,394	353,551	114
71	ZOCOR	10mg	SS	12,204	1,072,378	27
72	ZITHROMAX	250mg	SS	12,168	268,293	146
73	TAMOXIFEN CITRATE	10mg	SS	12,134	1,166,059	25
74	SYNTHROID	50mcg	MS	12,007	119,339	302
75	DIGOXIN	250mcg	GEN	11,918	44,859	554
76	ZESTRIL	5mg	SS	11,454	$ 325,355	127
77	ALPRAZOLAM	0.25mg	GEN	11,374	182,329	214
78	COSOPT	2-0.5%	SS	11,243	619,192	60
79	SYNTHROID	75mcg	MS	11,060	113,165	314
80	HUMULIN 70/30	70-30U/ml	INS	10,891	334,649	120

TABLE VI CONTINUED
300 MOST FREQUENTLY PURCHASED DRUGS

	DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY PAYMENT
81	ULTRAM	50mg	SS	10,882	$ 522,557	80
82	COUMADIN	2mg	MS	10,862	290,639	136
83	NITROQUICK	0.4mg	GEN	10,838	39,733	601
84	SPIRONOLACTONE	25mg	GEN	10,817	123,271	297
85	VIOXX	12.5mg	SS	10,760	884,397	39
86	COUMADIN	2.5mg	MS	10,756	281,765	139
87	FUROSEMIDE	80mg	GEN	10,722	113,688	313
88	VASOTEC	20mg	MS	10,515	895,532	38
89	PREVACID	15mg	SS	10,473	$ 1,514,448	16
90	AXID	150mg	SS	10,224	953,740	34
91	GLYBURIDE	2.5mg	GEN	10,094	110,058	323
92	ACCUPRIL	10mg	SS	10,063	337,644	119
93	LEVAQUIN	500mg	SS	10,043	591,007	65
94	MECLIZINE HCL	12.5mg	GEN	9,879	61,764	454
95	PREDNISONE	10mg	GEN	9,878	27,872	755
96	MECLIZINE HCL	25mg	GEN	9,722	$ 75,678	396
97	ALLOPURINOL	300mg	GEN	9,681	95,824	343
98	PROCARDIA XL	60mg	SS	9,610	949,804	35
99	CAPTOPRIL	25mg	GEN	9,547	205,733	192
100	K-DUR	10meq	SS	9,514	105,344	328
101	POTASSIUM CHLORIDE	10meq	GEN	9,399	81,327	380
102	ALBUTEROL SULFATE	0.83mg/ml	GEN	9,351	658,761	53
103	SULFAMETHOXAZOLE/TRIMETHOPRIM	800-160mg	GEN	9,344	65,335	433
104	METOPROLOL TARTRATE	100mg	GEN	9,316	191,406	207
105	ARICEPT	5mg	SS	9,200	1,343,462	18
106	TRUSOPT	2%	SS	9,157	$ 272,302	143
107	HYDROCHLOROTHIAZIDE	50mg	GEN	9,067	27,937	754
108	ACCUPRIL	40mg	SS	9,041	327,338	126
109	CEPHALEXIN	500mg	GEN	8,973	126,520	289
110	MINITRAN	0.4mg/hr	MS	8,815	242,292	170
111	DILANTIN	100mg	MS	8,764	141,037	265
112	NITROSTAT	0.4mg	MS	8,750	65,195	435
113	ARICEPT	10mg	SS	8,450	1,180,529	22
114	PRAVACHOL	40mg	SS	8,325	1,340,937	19
115	NORVASC	2.5mg	SS	8,319	377,575	108
116	TIMOPTIC-XE	0.5%	MS	8,257	$ 194,907	201
117	MONOPRIL	10mg	SS	8,245	250,971	163
118	ISOSORBIDE DINITRATE	20mg	GEN	8,228	33,793	665
119	LIPITOR	40mg	SS	8,132	1,323,855	20
120	ALLOPURINOL	100mg	GEN	8,128	49,198	524

TABLE VI CONTINUED
300 MOST FREQUENTLY PURCHASED DRUGS

	DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY PAYMENT
121	DEMADEX	20mg	SS	8,111	$ 219,383	180
122	PAXIL	10mg	SS	8,108	573,186	72
123	PROZAC	20mg	SS	8,010	850,764	40
124	MEVACOR	20mg	SS	7,904	820,493	41
125	GEMFIBROZIL	600mg	GEN	7,892	210,005	188
126	COUMADIN	1mg	MS	7,870	$ 230,197	173
127	AMITRIPTYLINE HCL	25mg	GEN	7,868	52,197	506
128	ISOSORBIDE DINITRATE	10mg	GEN	7,800	25,560	783
129	AVAPRO	150mg	SS	7,797	328,025	124
130	VASOTEC	2.5mg	MS	7,797	252,399	161
131	GLIPIZIDE	5mg	GEN	7,796	96,903	341
132	LOTRISONE		SS	7,777	250,434	165
133	FLOMAX	0.4mg	SS	7,765	421,030	94
134	FLOVENT	110mcg	SS	7,736	386,282	106
135	TRIAMTERENE W/HCTZ	25-37.5mg	GEN	7,716	69,293	418
136	WARFARIN SODIUM	5mg	GEN	7,678	$ 129,984	278
137	HYZAAR	50-12.5mg	SS	7,670	363,236	111
138	ATENOLOL	100mg	GEN	7,662	128,094	284
139	LASIX	40mg	MS	7,443	91,499	352
140	GLUCOPHAGE	850mg	SS	7,427	486,697	82
141	IMDUR	60mg	MS	7,427	452,563	84
142	SINGULAIR	10mg	SS	7,377	630,595	59
143	CARDIZEM CD	240mg	MS	7,262	638,556	56
144	TRIMOX	500mg	GEN	7,129	38,126	615
145	CARDIZEM CD	180mg	MS	7,120	424,782	93
146	NITROGLYCERIN	0.4mg/hr	GEN	7,049	$ 186,957	212
147	AZMACORT	100mcg	SS	7,032	311,376	130
148	LORAZEPAM	0.5mg	GEN	6,999	190,607	209
149	DIOVAN	80mg	SS	6,994	281,568	140
150	CARDURA	4mg	SS	6,987	268,444	145
151	PREMPRO	0.625-2.5mg	SS	6,973	191,204	208
152	GLUCOPHAGE	1000mg	SS	6,940	539,806	79
153	ZOCOR	40mg	SS	6,922	1,186,290	21
154	AVANDIA	4mg	SS	6,911	735,746	49
155	ZOLOFT	100mg	SS	6,894	553,465	77
156	CAPTOPRIL	12.5mg	GEN	6,852	$ 125,254	291
157	CARBIDOPA/LEVODOPA	25-100mg	GEN	6,822	227,468	175
158	MINITRAN	0.2mg/hr	MS	6,678	150,591	247
159	SYNTHROID	25mcg	MS	6,631	56,792	478
160	SYNTHROID	125mcg	MS	6,593	69,915	417

TABLE VI CONTINUED
300 MOST FREQUENTLY PURCHASED DRUGS

	DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY PAYMENT
161	CARTIA XT	180mg	GEN	6,514	$ 263,005	154
162	NITROGLYCERIN	0.2mg/hr	GEN	6,456	145,365	253
163	CARTIA XT	240mg	GEN	6,443	399,149	99
164	FLOVENT	220mcg	SS	6,387	570,160	73
165	AMOXICILLIN	500mg	GEN	6,333	33,731	667
166	BETOPTIC S	0.25%	SS	6,324	$ 275,554	141
167	DIAZEPAM	5mg	GEN	6,274	44,448	559
168	NEURONTIN	300mg	SS	6,198	547,996	78
169	AMITRIPTYLINE HCL	10mg	GEN	6,162	31,812	695
170	FLONASE	50mcg	SS	6,095	225,395	178
171	OXYBUTYNIN CHLORIDE	5mg	GEN	5,943	80,895	382
172	PROSCAR	5mg	SS	5,939	577,604	70
173	CAPTOPRIL	50mg	GEN	5,926	216,285	182
174	MONOPRIL	20mg	SS	5,920	199,831	199
175	PRINIVIL	10mg	SS	5,906	193,444	204
176	WARFARIN SODIUM	2mg	GEN	5,886	$ 110,458	322
177	RELAFEN	500mg	SS	5,875	356,684	113
178	ALLEGRA	60mg	SS	5,865	245,661	169
179	CELEXA	20mg	SS	5,757	358,908	112
180	TRAZODONE HCL	50mg	GEN	5,723	60,512	463
181	ZANTAC	150mg	MS	5,704	583,407	68
182	TIMOLOL MALEATE	0.5%	GEN	5,664	100,971	336
183	ZYRTEC	10mg	SS	5,618	305,457	132
184	PROPRANOLOL HCL	20mg	GEN	5,564	38,290	611
185	PRINIVIL	20mg	SS	5,495	201,590	197
186	VERAPAMIL HCL	180mg	GEN	5,481	$ 142,799	261
187	NITRO-DUR	0.2mg/hr	MS	5,470	175,913	221
188	AMARYL	4mg	SS	5,407	171,854	224
189	GLIPIZIDE	10mg	GEN	5,375	128,007	285
190	LEVOXYL	50mcg	GEN	5,366	29,841	727
191	WARFARIN SODIUM	2.5mg	GEN	5,349	101,834	333
192	CIPRO	250mg	SS	5,324	230,071	174
193	THEOPHYLLINE ANHYDROUS	200mg	GEN	5,302	44,437	561
194	BIAXIN	500mg	SS	5,273	265,769	148
195	COLCHICINE	0.6mg	GEN	5,249	38,162	614
196	ZESTRIL	40mg	SS	5,240	$ 264,028	151
197	DITROPAN XL	5mg	SS	5,205	413,370	96
198	HYDROCODONE W/ACETAMINOPHEN	7.5-500mg	GEN	5,198	92,984	350
199	IMDUR	30mg	MS	5,189	260,154	155
200	ALPRAZOLAM	0.5mg	GEN	5,189	110,877	320

TABLE VI CONTINUED
300 MOST FREQUENTLY PURCHASED DRUGS

DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY PAYMENT
201 LEVOXYL	100mcg	GEN	5,171	$ 32,038	690
202 PREDNISOLONE ACETATE	1%	GEN	5,162	64,405	437
203 IPRATROPIUM BROMIDE	0.2mg/ml	GEN	5,134	578,093	69
204 NITRO-DUR	0.4mg/hr	MS	5,097	99,583	200
205 LOPRESSOR	50mg	MS	5,048	165,499	233
206 CLONIDINE HCL	0.1mg	GEN	5,009	$ 41,195	589
207 ADALAT CC	30mg	MS	5,001	177,682	219
208 VANCERIL	42mcg	SS	4,973	169,271	226
209 CARDIZEM CD	120mg	MS	4,970	216,214	183
210 CARDURA	2mg	SS	4,955	191,849	205
211 LORAZEPAM	1mg	GEN	4,789	193,504	203
212 METHOTREXATE	2.5mg	GEN	4,784	256,586	157
213 PROPRANOLOL HCL	10mg	GEN	4,775	27,861	756
214 KLOR-CON 8	8meq	GEN	4,755	35,079	648
215 LESCOL	20mg	SS	4,753	206,162	191
216 LOTENSIN	20mg	SS	4,734	$ 140,348	267
217 LEVOXYL	75mcg	GEN	4,718	27,023	766
218 ADALAT CC	60mg	SS	4,713	364,101	110
219 CARTIA XT	120mg	GEN	4,615	143,048	260
220 HYDROCODONE W/ACETAMINOPHEN	7.5-750mg	GEN	4,607	77,108	393
221 LOTENSIN	10mg	SS	4,554	24,746	293
222 SYNTHROID	150mcg	MS	4,529	49,633	521
223 HYDROXYZINE HCL	25mg	GEN	4,517	21,634	855
224 PROPULSID	10mg	SS	4,457	259,775	156
225 PROCARDIA XL	90mg	SS	4,360	480,996	83
226 NEURONTIN	100mg	SS	4,348	$ 133,096	272
227 POTASSIUM CHLORIDE	8meq	GEN	4,339	30,333	712
228 DYAZIDE	25-37.5mg	MS	4,313	67,636	426
229 BETAPACE	80mg	MS	4,289	632,790	58
230 PREDNISONE	1mg	GEN	4,263	39,161	605
231 QUININE SULFATE	260mg	GEN	4,249	20,385	888
232 TIMOLOL MALEATE	0.5%	GEN	4,227	83,534	373
233 THEOPHYLLINE ANHYDROUS	300mg	GEN	4,223	36,966	626
234 WARFARIN SODIUM	1mg	GEN	4,199	91,352	353
235 ALTACE	5mg	SS	4,151	156,318	242
236 ZAROXOLYN	2.5mg	SS	4,134	$ 68,847	420
237 TAMOXIFEN CITRATE	20mg	SS	4,128	560,171	75
238 RISPERDAL	1mg	SS	4,106	375,913	109
239 COUMADIN	3mg	MS	4,047	82,127	378
240 SYNTHROID	88mcg	MS	4,019	42,002	582

TABLE VI CONTINUED
300 MOST FREQUENTLY PURCHASED DRUGS

	DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY PAYMENT
241	TOBRADEX	0.3-0.1%	SS	4,013	$ 88,328	363
242	PREDNISONE	20mg	GEN	3,993	13,029	1088
243	METOCLOPRAMIDE HCL	10mg	GEN	3,960	42,393	578
244	CYCLOBENZAPRINE HCL	10mg	GEN	3,952	74,406	401
245	DIOVAN	160mg	SS	3,925	191,846	206
246	TRIAMTERENE W/HCTZ	50-75mg	GEN	3,911	$ 38,598	607
247	IMDUR	120mg	MS	3,905	341,754	118
248	CLONIDINE HCL	0.2mg	GEN	3,884	48,017	532
249	PROPRANOLOL HCL	40mg	GEN	3,883	32,084	687
250	HUMULIN R	100U/ml	INS	3,851	92,107	351
251	CLONAZEPAM	0.5mg	GEN	3,850	127,147	287
252	ACCOLATE	20mg	SS	3,835	202,212	196
253	AMIODARONE HCL	200mg	GEN	3,834	396,592	102
254	COZAAR	25mg	SS	3,822	180,893	215
255	ISOSORBIDE DINITRATE	40mg	GEN	3,818	82,576	376
256	PREMARIN	0.625mg/G	SS	3,803	$ 117,223	305
257	BUSPAR	10mg	SS	3,701	318,267	128
258	QUININE SULFATE	325mg	GEN	3,579	19,586	910
259	COUMADIN	4mg	MS	3,575	75,037	399
260	TERAZOSIN HCL	5mg	GEN	3,570	203,482	194
261	INDAPAMIDE	2.5mg	GEN	3,562	63,372	446
262	IBUPROFEN	600mg	GEN	3,561	30,190	715
263	FOSAMAX	5mg	SS	3,544	248,182	168
264	CIMETIDINE	400mg	GEN	3,542	115,141	308
265	LEVAQUIN	250mg	SS	3,511	143,655	258
266	CEPHALEXIN	250mg	GEN	3,504	$ 36,797	630
267	NASONEX	50mcg	SS	3,495	123,077	298
268	ACTOS	30mg	SS	3,408	611,079	62
269	PRINIVIL	5mg	SS	3,407	97,409	339
270	CARDIZEM CD	300mg	MS	3,372	394,105	104
271	AMARYL	2mg	SS	3,337	41,460	588
272	OCUFLOX	0.3%	SS	3,334	75,179	397
273	LESCOL	40mg	SS	3,327	144,882	255
274	LOTREL	10-5mg	SS	3,311	200,650	198
275	SYNTHROID	112mcg	MS	3,310	33,689	669
276	METHYLDOPA	250mg	GEN	3,264	$ 33,427	673
277	MACROBID	100mg	SS	3,243	71,635	410
278	ZESTORETIC	20-12.5mg	SS	3,241	123,317	296
279	ASACOL	400mg	SS	3,234	346,493	116
280	LEVOXYL	25mcg	GEN	3,234	17,061	968

TABLE VI CONTINUED
300 MOST FREQUENTLY PURCHASED DRUGS

	DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY PAYMENT
281	CILOXAN	0.3%	SS	3,232	$ 61,603	458
282	DIPYRIDAMOLE	50mg	GEN	3,229	30,182	716
283	PLENDIL	5mg	SS	3,213	114,954	310
284	NAPROXEN	500mg	GEN	3,191	76,726	394
285	TRENTAL	400mg	MS	3,186	144,831	257
286	ISOSORBIDE MONONITRATE	20mg	GEN	3,182	$ 87,475	364
287	VERAPAMIL HCL	120mg	GEN	3,177	80,455	383
288	PREMARIN	0.3mg	SS	3,134	41,155	590
289	ZOLOFT	25mg	SS	3,131	225,955	177
290	SINEMET CR	50-200mg	MS	3,090	429,745	91
291	LEVOTHROID	100mcg	GEN	3,080	15,806	993
292	LEVOTHROID	50mcg	GEN	3,078	14,794	1033
293	COREG	6.25mg	SS	3,071	281,773	138
294	AEROBID	250mcg	SS	3,047	179,750	217
295	NYSTATIN W/TRIAMCINOLONE		GEN	3,046	22,711	844
296	ACIPHEX	20mg	SS	3,034	$ 399,174	98
297	ZESTORETIC	20-25mg	SS	3,032	117,799	303
298	HYDROXYZINE HCL	10mg	GEN	3,028	11,627	1156
299	ALTACE	10mg	SS	3,027	147,335	248
300	HYTRIN	5mg	MS	3,025	266,995	147
		Top 300 Total		3,123,150	$130,154,592	
		% Top 300 Total		73.88%	69.31%	
GEN=GENERIC			116	1,196,093	$ 17,207,034	
MS=BRAND DRUG MULTI SOURCE			46	410,900	12,951,554	
SS=BRAND DRUG SOLE SOURCE			137	1,500,365	99,744,201	
INS=INSULIN			1	15,792	251,804	
			300	**3,123,150**	**$130,154,592**	

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
CARDIAC DRUGS	909,139	21.51%	$33,940,706	96,271
DIURETICS	296,437	7.01%	2,228,657	56,814
ANTICHOLESTEROL	194,855	4.61%	19,435,268	38,375
GASTROINTESTINAL DRUGS	191,599	4.53%	22,199,120	38,114
VASODILATING AGENTS	180,810	4.28%	4,911,372	29,186
ANTI-INFLAMMATORY AGENTS	132,209	3.13%	9,113,206	35,188
ANTIDEPRESSANTS	131,276	3.11%	7,314,189	24,520
ANALGESICS	125,344	2.97%	3,950,926	31,130
THYROID AGENTS	119,696	2.83%	996,710	20,488
HYPOTENSIVE AGENTS	118,317	2.80%	4,453,428	19,950
TOTAL	**2,399,682**	**56.78%**	**$108,543,582**	

TABLE VIII
TWENTY MOST FREQUENTLY PURCHASED DRUGS

DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY PAYMENT
1 FUROSEMIDE	40mg	GEN	89,618	$ 446,846	88
2 METOPROLOL TARTRATE	50mg	GEN	53,550	667,777	52
3 PRILOSEC	20mg	SS	52,665	8,751,663	1
4 LIPITOR	10mg	SS	51,549	3,590,875	3
5 NORVASC	5mg	SS	50,391	2,369,406	9
6 FUROSEMIDE	20mg	GEN	50,147	212,995	184
7 LANOXIN	125mcg	MS	43,095	256,104	159
8 GLUCOPHAGE	500mg	SS	41,763	1,550,422	15
9 HYDROCHLOROTHIAZIDE	25mg	GEN	41,347	79,726	386
10 K-DUR	20meq	SS	39,490	761,190	46
11 ATENOLOL	50mg	GEN	38,556	400,414	97
12 PROPOXYPHENE NAPSYLATE W/APAP	100-650mg	GEN	37,994	652,002	55
13 XALATAN	0.005%	SS	34,580	1173,948	23
14 GLYBURIDE	5mg	GEN	33,005	736,316	48
15 CELEBREX	200mg	SS	32,946	3,193,940	4
16 FOSAMAX	10mg	SS	32,348	2,454,221	8
17 ALBUTEROL	90mcg	GEN	30,653	450,797	86
18 PREVACID	30mg	SS	30,356	4,392,975	2
19 ATENOLOL	25mg	GEN	29,678	312,615	129
20 LANOXIN	250mcg	MS	27,635	166,782	231
TOP 20 TOTALS			**841,366**	**$32,621,014**	
% OF TOTALS			19.9%	17.4%	
SS=Sole Source			404,396	$ 3,954,235	
GEN=Generic			70,882	428,139	
MS=Multi Source			366,088	28,238,640	

TABLE IX
T0P TWENTY DRUGS BASED ON EPIC PAYMENTS

DRUG	STRENGTH	DRUG TYPE	NUMBER OF CLAIMS	EPIC PAYMENTS	RANK BY PAYMENT
PRILOSEC	20mg	SS	52,665	$ 8,751,663	1
PREVACID	30mg	SS	30,356	4,392,975	2
LIPITOR	10mg	SS	51,549	3,590,875	3
CELEBREX	200mg	SS	32,946	3,193,940	4
ZOCOR	20mg	SS	18,518	3,091,873	5
LIPITOR	20mg	SS	24,545	2,992,006	6
PLAVIX	75mg	SS	22,862	2,550,488	7
FOSAMAX	10mg	SS	32,348	2,454,221	8
NORVASC	5mg	SS	50,391	2,369,406	9
NORVASC	10mg	SS	26,560	2,155,822	10
PRAVACHOL	20mg	SS	18,746	1,675,547	11
PEPCID	20mg	SS	18,871	1,635,199	12
VIOXX	25mg	SS	20,093	1,622,548	13
ENBREL	25mg	SS	1,562	1,590,866	14
GLUCOPHAGE	500mg	SS	41,763	1,550,422	15
PREVACID	15mg	SS	10,473	1,514,448	16
ZOLOFT	50mg	SS	16,695	1,352,527	17
ARICEPT	5mg	SS	9,200	1,343,462	18
PRAVACHOL	40mg	SS	8,325	1,340,937	19
LIPITOR	40mg	SS	8,132	1,323,855	20
TOP 20 TOTALS			**496,600**	**$50,493,080**	
% OF TOTALS			11.75%	26.89%	

TABLE X
DISTRIBUTION OF CLAIMS AND PAYMENTS BY PHARMACY TYPE

TYPE	NUMBER ACTIVE	NUMBER OF CLAIMS	PAYMENTS TO PHARMACIES
CHAIN	2,028	2,646,227	$110,385,219
INDEPENDENT	1,615	1,334,071	67,990,610
INSTITUTION	112	185,788	6,588,156
OTHER	28	16,444	840,868
MAIL ORDER	1	44,904	1,989,422
TOTAL	**3,784**	**4,227,434**	**$187,794,275**

TABLE XI
ACTIVE PHARMACIES, CLAIMS, AND PAYMENTS BY COUNTY

COUNTY	NUMBER OF PHARMACIES ENROLLED	NUMBER OF PAID CLAIMS	PAYMENTS TO PHARMACIES
ALBANY	62	86,359	$3,759,348
ALLEGANY	12	22,290	852,668
BROOME	44	101,322	4,041,669
CATTARAUGUS	20	54,726	2,174,367
CAYUGA	10	32,058	1,108,154
CHAUTAUQUA	33	98,465	4,226,705
CHEMUNG	19	56,857	2,415,273
CHENANGO	12	30,928	1,134,181
CLINTON	18	38,961	1,766,426
COLUMBIA	10	30,729	1,108,331
CORTLAND	13	34,669	1,167,125
DELAWARE	13	28,719	1,255,777
DUTCHESS	57	57,367	2,560,286
ERIE	221	337,332	11,298,632
ESSEX	11	15,389	635,074
FRANKLIN	9	27,867	1,201,287
FULTON	15	48,201	1,906,930
GENESEE	12	29,210	1,028,356
GREENE	11	22,989	1,009,660
HERKIMER	15	41,708	1,579,126
JEFFERSON	22	59,662	2,092,597
LEWIS	4	15,634	637,871
LIVINGSTON	13	17,917	756,724
MADISON	15	26,770	1,155,859
MONROE	140	135,690	5,653,702
MONTGOMERY	15	41,631	1,622,049
NASSAU	285	231,708	12,020,851
NIAGARA	46	76,250	2,681,641
ONEIDA	56	146,901	6,115,721
ONONDAGA	99	176,079	6,703,025
ONTARIO	21	39,453	1,702,461
ORANGE	60	84,646	3,920,316
ORLEANS	8	13,011	488,998
OSWEGO	28	60,299	2,462,927
OTSEGO	15	33,133	1,217,387
PUTNAM	18	10,357	490,738

TABLE XI CONTINUED
ACTIVE PHARMACIES, CLAIMS, AND PAYMENTS BY COUNTY

COUNTY	NUMBER OF PHARMACIES ENROLLED	NUMBER OF PAID CLAIMS	PAYMENTS TO PHARMACIES
RENSSELAER	39	51,094	2,220,562
ROCKLAND	57	48,777	2,864,760
ST. LAWRENCE	21	62,023	2,365,561
SARATOGA	36	54,387	2,213,742
SCHENECTAD	45	80,975	3,418,947
SCHOHARIE	5	13,358	567,951
SCHUYLER	3	9,363	429,526
SENECA	5	10,661	458,176
STEUBEN	21	51,090	2,081,376
SUFFOLK	273	218,350	11,453,331
SULLIVAN	13	19,943	916,515
TIOGA	6	12,730	496,119
TOMPKINS	13	21,461	824,908
ULSTER	33	53,217	2,441,778
WARREN/HAMILTON	19	33,728	1,427,979
WASHINGTON	15	29,481	1,196,630
WAYNE	17	34,848	1,599,504
WESTCHESTER	184	147,235	7,262,036
WYOMING	7	15,377	591,064
YATES	5	11,458	511,981
SUB-TOTALS	**2,279**	**3,344,841**	**$141,294,689**
NEW YORK CITY:			
BRONX	201	89,863	$4,474,334
KINGS	460	301,325	15,749,737
NEW YORK	395	151,272	8,868,130
QUEENS	376	276,589	14,397,762
RICHMOND	65	53,607	2,649,608
TOTAL NYC	**1,497**	**872,655**	**$ 46,139,572**
OUT OF STATE	8	9,938	360,014
TOTAL	**3,784**	**4,227,434**	**$187,794,275**

EPIC STAFF

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Assistant Director
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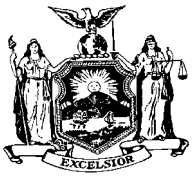

State of New York

George E. Pataki, Governor

Department of Health ***State Office for the Aging***