

in this issue...

- Prescription Drug Compliance and Cost Reduction
- OCI Supports Make-A-Wish Foundation
- OCI Passes SAS 70 Audit
- Employee Spotlight

OCI insight

Turning History Into ForesightSM

SPRING 2011

Prescription Drug Compliance and Cost Reduction

The rising cost of prescription drugs has created a ripple effect that reaches all sectors of the American healthcare industry. The demand for prescription drugs is increasing significantly - from 1999 to 2009, the number of prescription drugs purchased in the U.S. increased by 39%, while the population grew by only 9%. Prompted by this alarming trend, OCI wanted to determine whether health plans could be designed with incentives that help control spiraling drug costs.

OCI studied the compliance rates of those who were enrolled in a medical/drug plan for one large employer. OCI analyzed non-compliance within two dimensions - whether the means by which employees acquire their prescriptions impacts compliance, and the cost savings if employees were more compliant with generic prescriptions drug use, versus name-brand. Rather than studying all drugs, OCI focused on the four most frequently used maintenance drugs - anti-depressants, anti-diabetics, anti-hyperlipidemics, and cardiovascular drugs. Findings include:

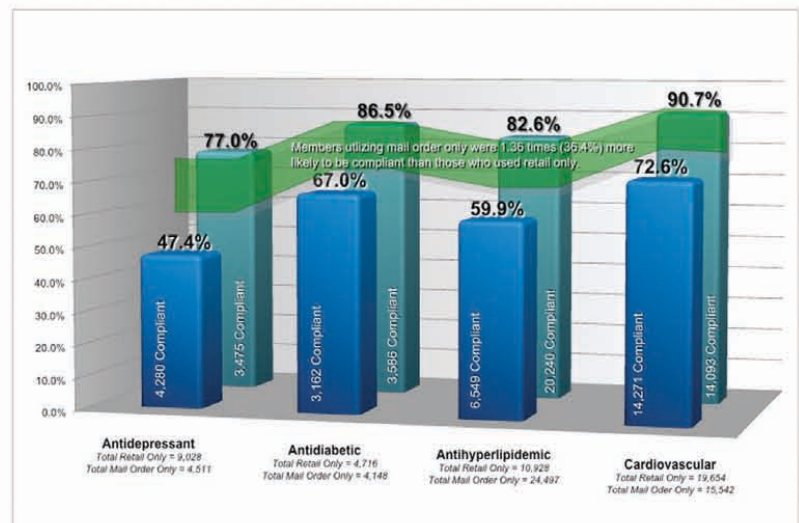
- Employees who used mail order to fill their prescriptions were 36.4% more likely to be compliant than those who used retail only
- Employees who only used mail order were 90.7% compliant in the use of cardiovascular drugs, and 85.6% compliant in the use of anti-diabetic drugs

The question then arises, does compliance reduce costs? OCI's study demonstrated that the answer is YES... Drug costs rose for more compliant employees because they were filling their prescriptions more regularly. But that increase was offset by reduced medical costs.

- When employees had the generic option, those who chose brand name drugs had an average cost that was 5.1 times higher than those who chose a generic equivalent
- When employees had the generic option, they still chose brand name drugs 13% of the time. This cost the employer about \$139.6 million over a 2-year time span
- Adjusting the benefit plan to encourage the selection of a generic equivalent could save the employer an estimated \$112 million over 2 years, a savings of nearly 81%

OCI concluded that employers can control their prescription drug costs by improving compliance and promoting the use of equivalent and generic prescriptions drugs. The question lies in how to manage compliance and drug type selection. OCI's study suggests the best possible scenario is a program that encourages employees to fill their prescriptions with generic drugs via mail order. That particular design offers the highest possible compliance and the lowest total health cost.

To read the full whitepaper on this study, *The Impact of Prescription Compliance on Cost Reduction*, please visit www.oci.com



Please send any feedback or newsletter suggestions to insight@oci.com.

For more information on OCI please call us at 800.678.6613.



OCI GIVES BACK

Recently, OCI participated as a sponsor of the Make-A-Wish Foundation of Colorado by contributing \$1,000 to Rock Canyon High School's (RCHS) Wish Week 2011 fund drive. As most know, the Make A-Wish Foundation exists to fund and grant wishes to children with life-threatening medical conditions.

As part of the Kids For Wish Kids program, RCHS had raised \$15,000 the previous year, and was able to fund wishes for three kids in Colorado. In 2011, the RCHS Wish Week goal was to exceed last year's amount and achieve \$20,000 in order to be able to grant wishes for four children.

By the end of the RCHS's Wish Week 2011 drive, and with OCI's help in covering fund drive expenses, the students raised just over \$40,000 - enough to grant *seven* wishes!

Rock Canyon High School's Wish Week shattered the high school Kids for Wish Kids record of \$20,000! OCI is proud to have participated in the program and is grateful to RCHS students for their incredible, record-breaking efforts.

For more information on the Make-A-Wish Foundation, visit www.wishcolorado.org.



Rock Canyon High School Students

OCI PASSES 5th CONSECUTIVE SAS 70 AUDIT

Data security is the foundation for many organizations. Companies often undergo formal audits conducted by third parties to ensure that their processes and controls are secure. OCI successfully completed the SAS 70 audit for its 5th consecutive year. This was a Type II Audit, which involves assessing and testing information technology general controls related to data processing, transmission and application hosting processes at OCI. OCI's audit was conducted by Ernst & Young.

Conducting an audit may sound rather daunting, but in the long run it will strengthen your processes and mitigate security risks. In this issue, we've included some tips from our Director of IT, Richard Gancze, to help you get started.

Going to RIMS?

Contact us today to set up a
FREE Demo in Booth #643

Visit OCI at **Booth #643** to
register for a chance to win an
iPad!



Audit Preparation Tips

1. Migrate to a Type II Audit

Complete a Type I or pre-assessment audit first. This will help the service organization ensure that the internal controls are effective and in place.

2. Be your own auditor

Conduct internal audits of the controls, identify problem areas and correct them. This will help ensure that the controls are operating effectively.

3. Proof

Maintain evidentiary material during the audit period. The auditor will need proof.

4. Stay up to date on industry knowledge

On June 15, 2011 the SSAE Audit is set to supersede SAS 70 audits. Service organizations must be aware of the differences between the two audits, and what the new audit entails.

Employee Spotlight

Jennifer Downey
Implementation Specialist



Current Role: Manage service implementations for new and existing clients. I'm primarily responsible for the implementation of our newest product, LeaveXpert. In this role, I work closely with clients, account executives, and technical resources to ensure all services are delivered according to design and quality standards within specified timelines and budgets.

Why I like working at OCI: The people - I enjoy our ability to collaborate and have fun while accomplishing our goals.

Background: Previously at OCI, I served as an Account Representative, where my primary responsibility was providing technical/customer support for our clients. While I was an AR, I completed my MBA.

One thing people normally wouldn't know about me: I have a fear of heights.

If I could have a super power it would be: The ability to observe the future to see what tomorrow brings.

When I'm not at work I like to: Spend time with my friends and family.

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First Group

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GENEX Services, Inc.

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Save The Date for OCI's Next FREE Webinar:

Understanding the Impact of Data Integration

**April 19, 2011
1:00 PM MT**

Email solutions@oci.com for more
information.

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