

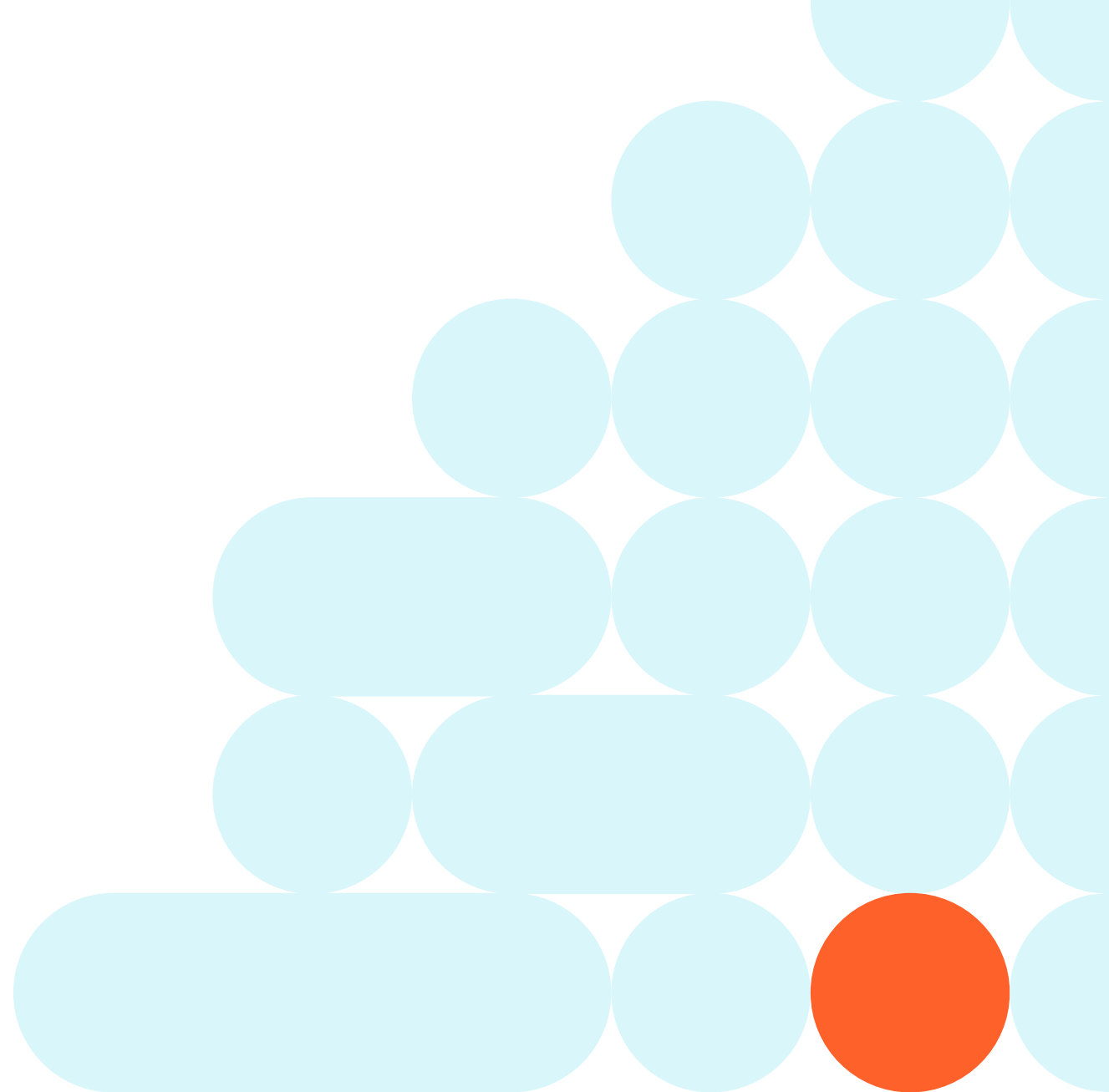


School Employees Health Benefits Program

State of New Jersey
Division of Pensions & Benefits

Pharmacy Trend Update
Jan-Dec 2025 vs Jan-Dec 2024

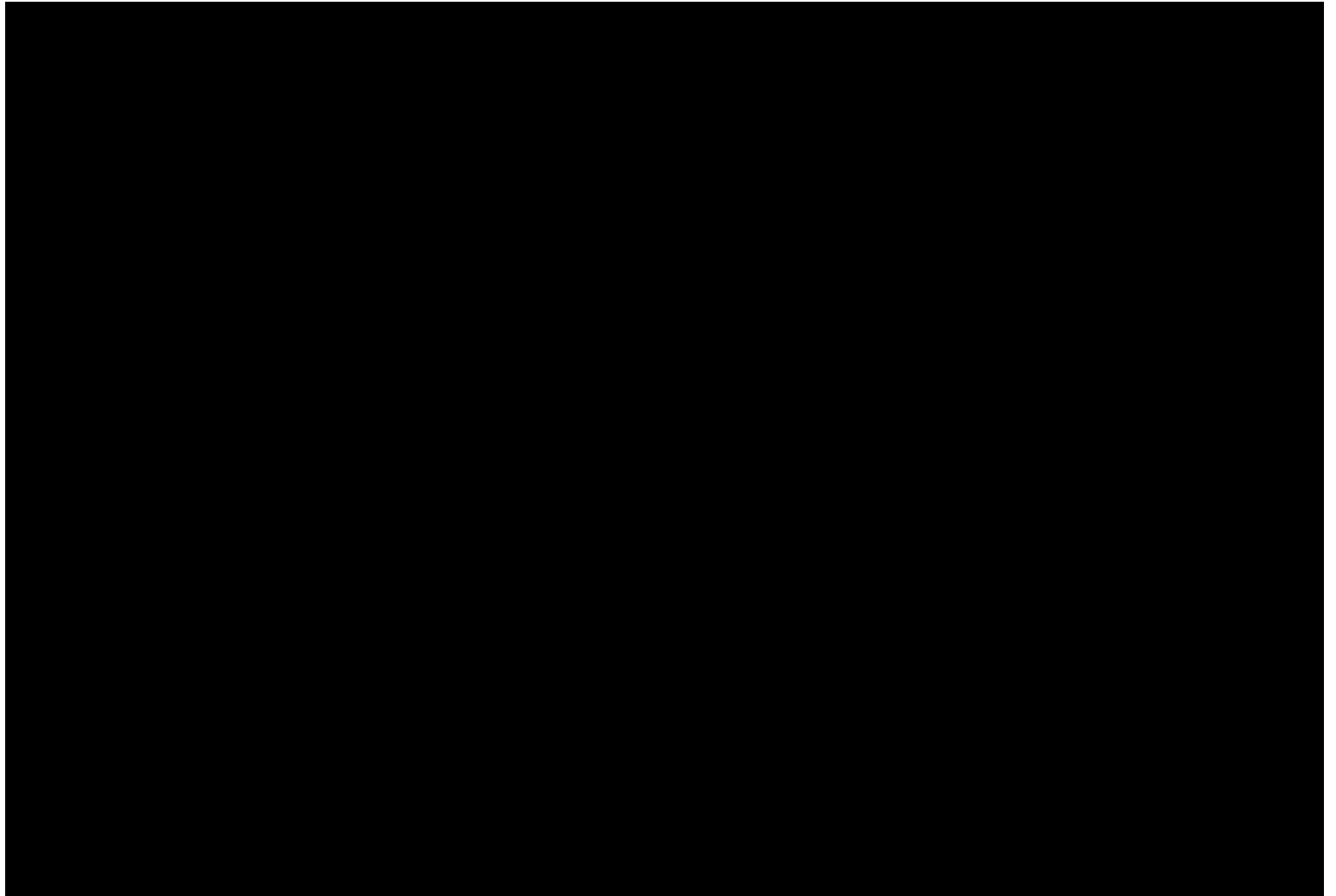
May 4, 2026



Agenda

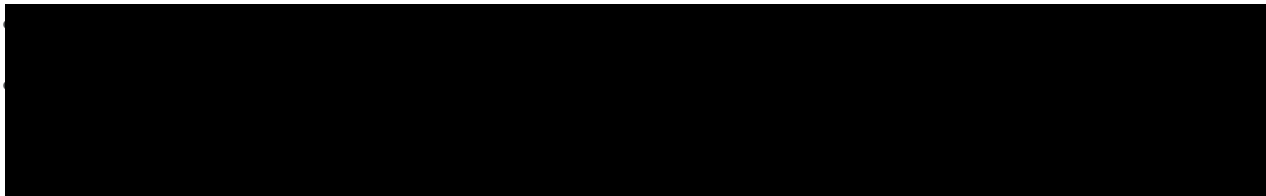
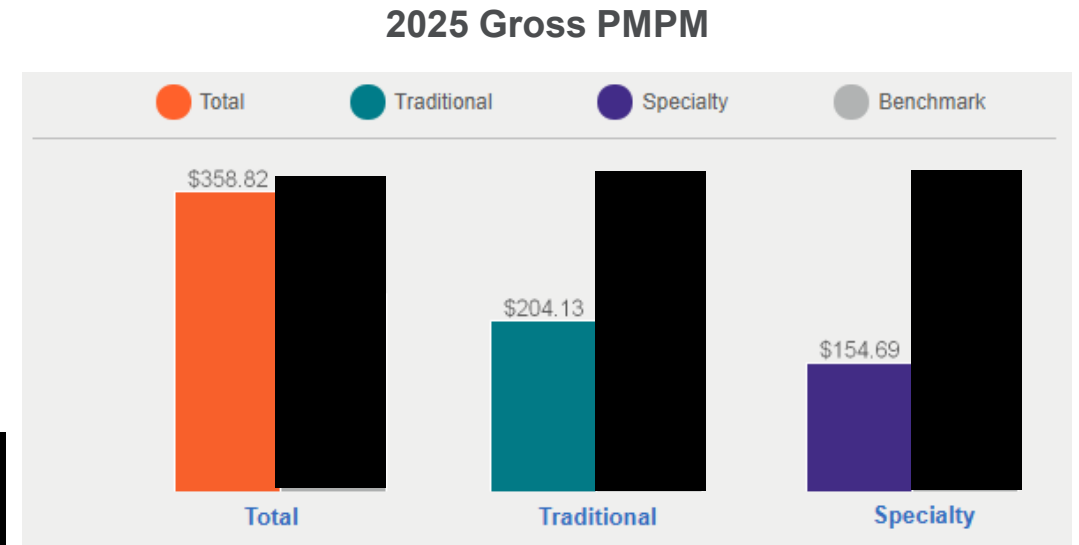
1. Introductions
2. Commercial Review
3. Biosimilar Update
4. GLP-1 Update
5. EGWP Review
6. Drug Pipeline Update
7. Appendix

Optum Rx Attendees



Commercial Spend

| | | |
|---|---|---|
| Total Rx CURRENT 1,604,264 PREVIOUS 1,590,321 PERCENT CHANGE 0.9% | Total plan paid CURRENT \$572,576,809 PREVIOUS \$481,227,493 PERCENT CHANGE 19.0% | Utilizers CURRENT 124,383 PREVIOUS 127,384 PERCENT CHANGE -2.4% |
|---|---|---|



Net financial PMPM performance

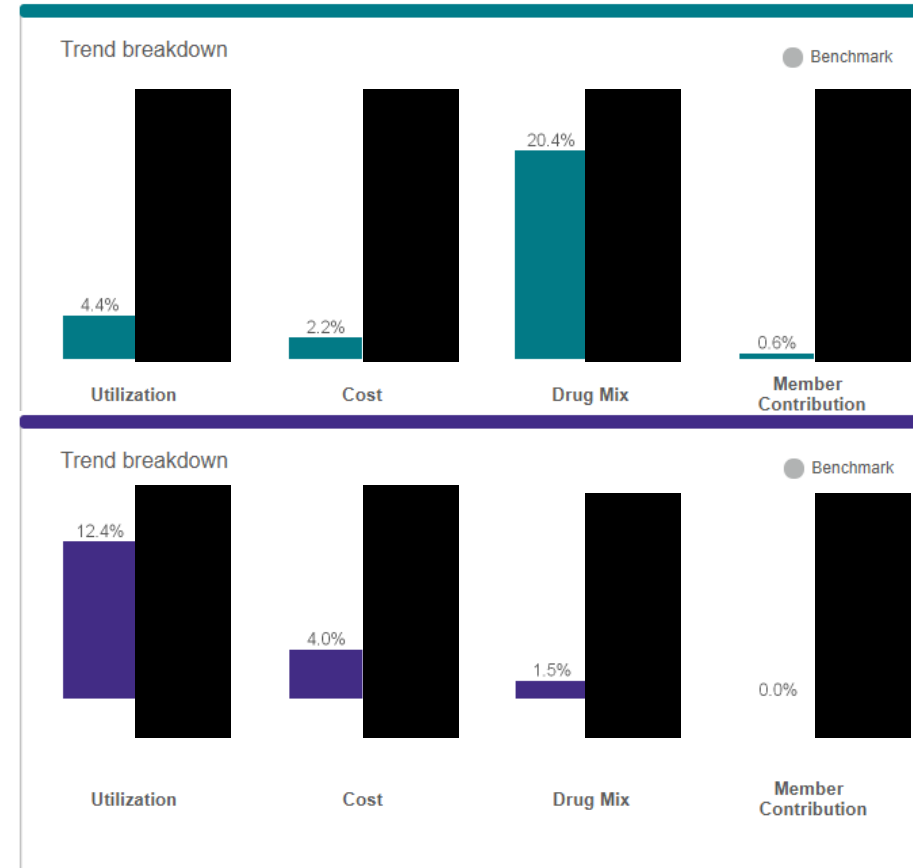
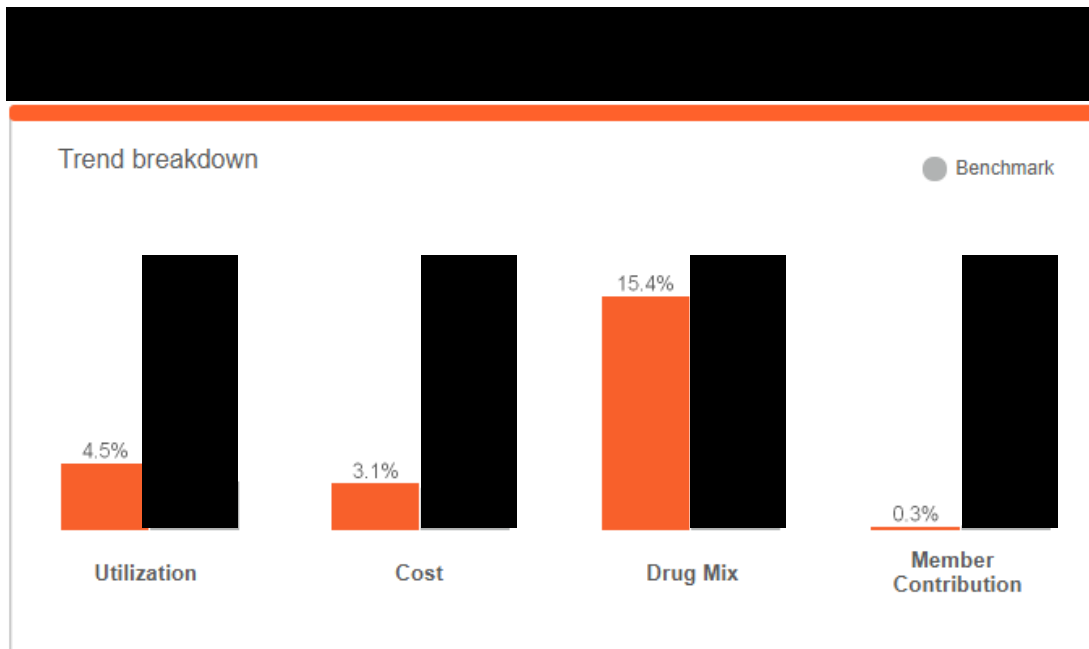
| | Drug cost | Member Paid | Plan Paid | Rebates | Net plan paid |
|-------------|-----------|-------------|-----------|------------|---------------|
| Traditional | \$211.01 | \$6.88 | \$204.13 | [Redacted] | [Redacted] |
| Specialty | \$156.59 | \$1.90 | \$154.69 | [Redacted] | [Redacted] |
| Total | \$367.60 | \$8.78 | \$358.82 | [Redacted] | [Redacted] |

Commercial Trend

Total Gross Trend

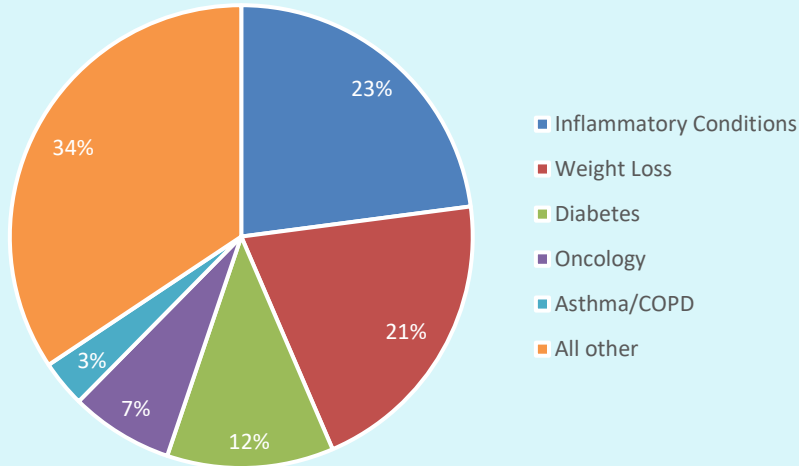


- SEHBP pharmacy trend was driven by utilization and drug mix within the following disease states: inflammatory conditions, weight loss, diabetes, and oncology.
- Rebates offset gross costs by 39% resulting in a net YoY trend of 19.2%.



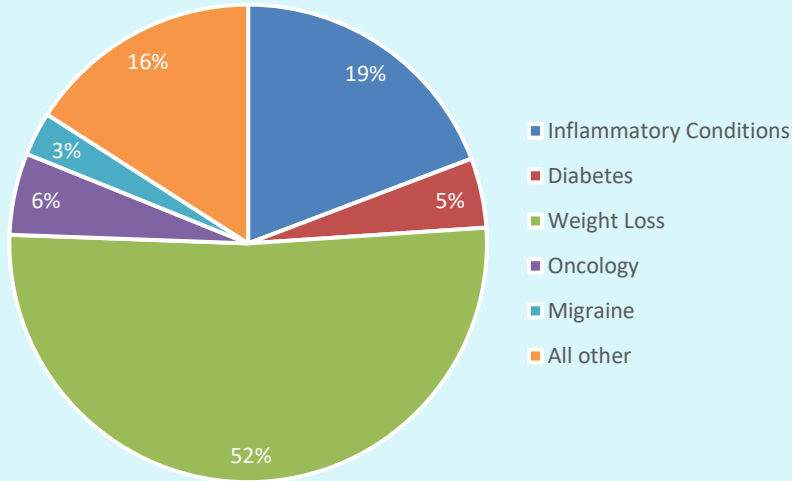
Top Disease States – Commercial

Spend



% of overall gross spend

Trend



Portion of 23.3% overall trend

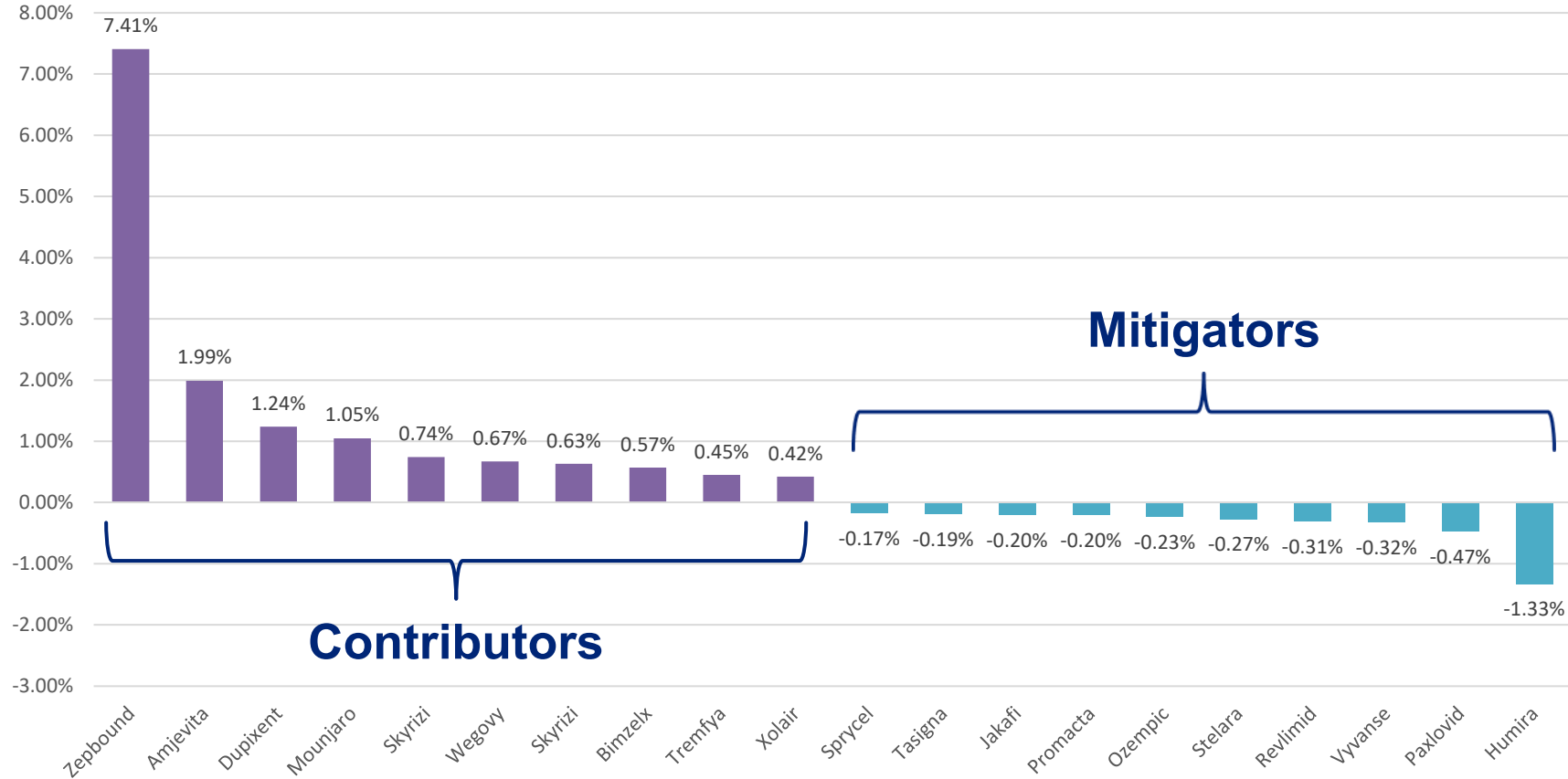
| | Top by gross spend (PMPM, before rebates) | Top by impact to trend (23.3% overall) | Trend |
|-------------------------|---|--|-------|
| Inflammatory Conditions | \$82.23 | 4.48% | 18.9% |
| Weight Loss | \$74.01 | 12.03% | 89.8% |
| Diabetes | \$41.78 | 1.10% | 8.3% |
| Oncology | \$25.86 | 1.29% | 16.9% |
| Asthma/COPD | \$11.70 | 0.1% | 14.9% |
| Migraine | \$9.17 | 0.69% | 27.9% |

Bolded represent top 5

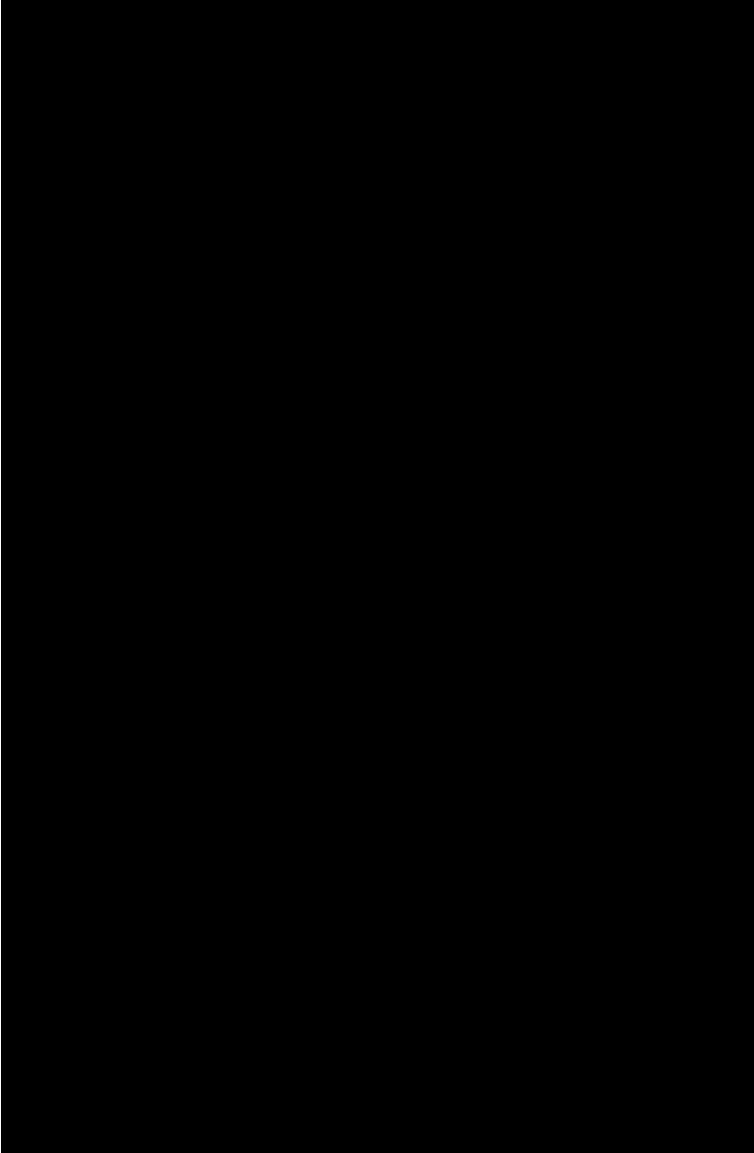
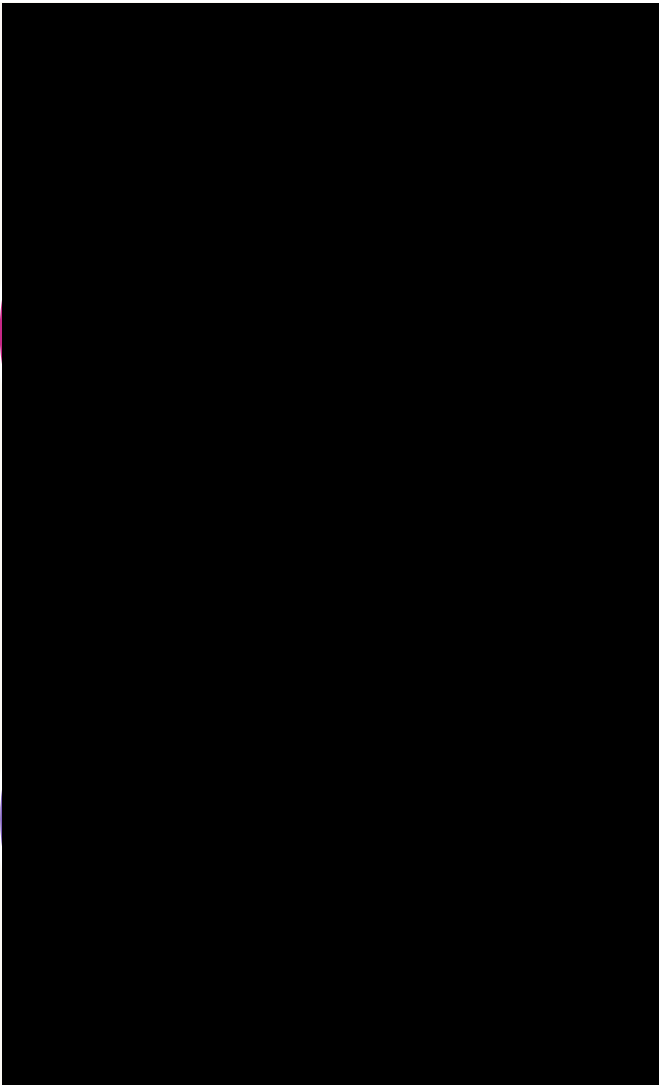
Top Drugs – Commercial

| Rank | Drug Name | Therapy Class | Plan Paid PMPM CP | Total Plan Paid CP | Total Plan Paid PP | Utilizers CP | Utilizers PP | RXs CP | RXs PP | PMPM Trend | Top Driver |
|------|-------------|------------------------------|-------------------|--------------------|--------------------|--------------|--------------|--------|--------|------------|-------------|
| 1 | ZEPBOUND | GLP-1 Anti-Obesity | \$38.66 | \$61,691,175 | \$15,937,965 | 8,103 | 3,054 | 53,677 | 14,557 | 301.0% | Utilization |
| 2 | WEGOVY | GLP-1 Anti-Obesity | \$35.02 | \$55,890,700 | \$47,586,960 | 5,733 | 5,457 | 38,825 | 32,686 | 21.7% | Utilization |
| 3 | MOUNJARO | GLP-1 Diabetes | \$14.40 | \$22,977,722 | \$15,692,130 | 2,631 | 1,935 | 17,215 | 11,959 | 51.7% | Utilization |
| 4 | DUPIXENT | Chronic Inflammatory Disease | \$11.41 | \$18,204,208 | \$14,322,675 | 604 | 490 | 4,514 | 3,824 | 31.7% | Utilization |
| 5 | OZEMPIC | GLP-1 Diabetes | \$10.86 | \$17,321,899 | \$18,898,753 | 2,223 | 2,520 | 12,349 | 12,975 | -5.0% | Utilization |
| 6 | SKYRIZI PEN | Chronic Inflammatory Disease | \$7.73 | \$12,336,690 | \$8,622,774 | 181 | 131 | 582 | 435 | 48.2% | Utilization |
| 7 | STELARA | Chronic Inflammatory Disease | \$5.93 | \$9,456,312 | \$16,143,546 | 112 | 135 | 364 | 668 | -39.3% | Utilization |
| 8 | HUMIRA PEN | Chronic Inflammatory Disease | \$5.49 | \$8,728,489 | \$20,890,969 | 198 | 301 | 773 | 2,069 | -57.3% | Utilization |
| 9 | TREMFYA | Chronic Inflammatory Disease | \$5.34 | \$7,357,162 | \$5,685,593 | 139 | 86 | 597 | 443 | 55.2% | Utilization |
| 10 | AMJEVITA | Chronic Inflammatory Disease | \$5.33 | \$7,354,276 | \$-- | 240 | 1 | 1,192 | 6 | 21,991.5% | Utilization |

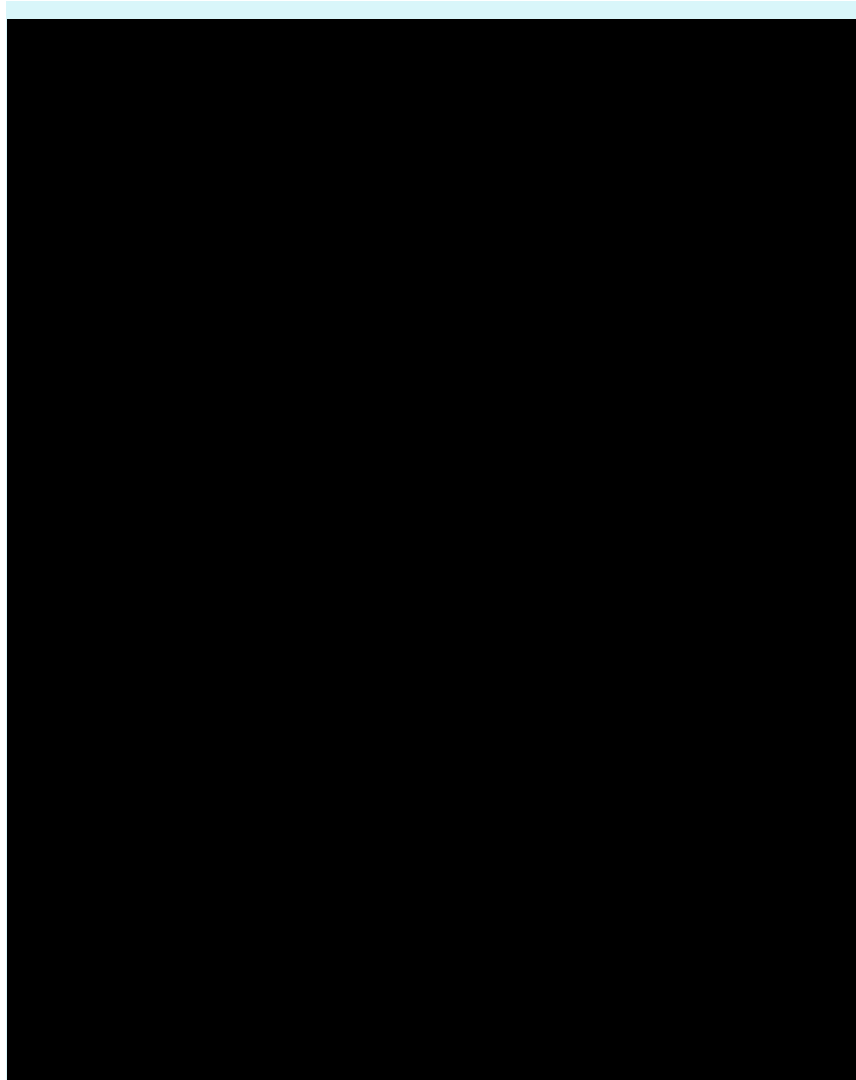
Top Contributors & Mitigators to Trend Drug Level Net Cost PMPM Impacts to Trend in 2025



Biosimilar usage YTD 2025



Updated Zepbound/Wegovy pricing mitigates net trend in Q4



Specialty High-Cost Utilizers

Reporting Date Range: Jan-Dec 2025 vs Jan-Dec 2024

LOCAL EDUCATION

Total high cost utilizers: 178

4.4% of utilizers have an average Plan Paid per month that exceeds \$16,500

\$51.6M or 20.8% of specialty spend was driven by high-cost utilizers

| Rank | Primary Drug | Primary Diagnosis | # of Drugs | Total Plan Paid 2025 |
|------|----------------------|------------------------------------|------------|----------------------|
| 1 | EKTERLY/ ORLADEYO | HAE | 21 | \$1,361,039 |
| 2 | TRIKAFTA | Cystic Fibrosis | 31 | \$616,018 |
| 3 | IDIHIFA | Acute Myeloid Leukemia | 7 | \$597,691 |
| 4 | PROMACTA | Chronic Immune Thrombocytopenia | 6 | \$562,901 |
| 5 | ORLADEYO | HAE | 14 | \$555,707 |

| High Cost Utilizers |
|--------------------------------|
| CURRENT 178 |
| PREVIOUS 145 |
| PERCENT CHANGE 22.8% |

| Percentage of Cost |
|--------------------------------|
| CURRENT 20.8% |
| PREVIOUS 18.8% |
| PERCENT CHANGE 10.5% |

| Avg Plan Paid per utilizer |
|-------------------------------|
| CURRENT \$24,163 |
| PREVIOUS \$23,559 |
| PERCENT CHANGE 2.6% |

| Disease State | High-Cost Total Spend | High-Cost Utilizers | Avg Plan Paid per Utilizer per Month |
|-------------------------|-----------------------|---------------------|--------------------------------------|
| Oncology | \$20,340,839 | 78 | \$21,731.67 |
| Inflammatory Conditions | \$10,195,927 | 38 | \$22,359.49 |
| Cystic Fibrosis | \$3,411,361 | 10 | \$28,428.00 |
| Endocrine and Metabolic | \$2,519,406 | 9 | \$23,327.83 |
| Sleep Disorders | \$2,435,838 | 10 | \$20,298.65 |
| All other | \$12,709,613 | 50 | \$21,182.69 |

EGWP Spend

| | |
|----------------|-----------|
| Total Rx | |
| CURRENT | 4,136,911 |
| PREVIOUS | 4,047,457 |
| PERCENT CHANGE | 2.2% |

| | |
|-----------------|-----------------|
| Total plan paid | |
| CURRENT | \$1,343,958,651 |
| PREVIOUS | \$1,178,243,878 |
| PERCENT CHANGE | 14.1% |

| | |
|----------------|---------|
| Utilizers | |
| CURRENT | 142,856 |
| PREVIOUS | 141,472 |
| PERCENT CHANGE | 1.0% |



2025 Gross PMPM

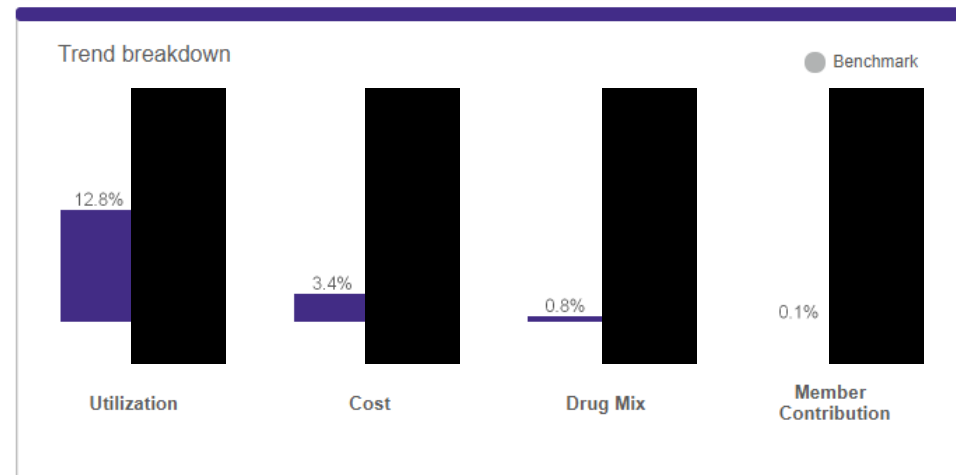
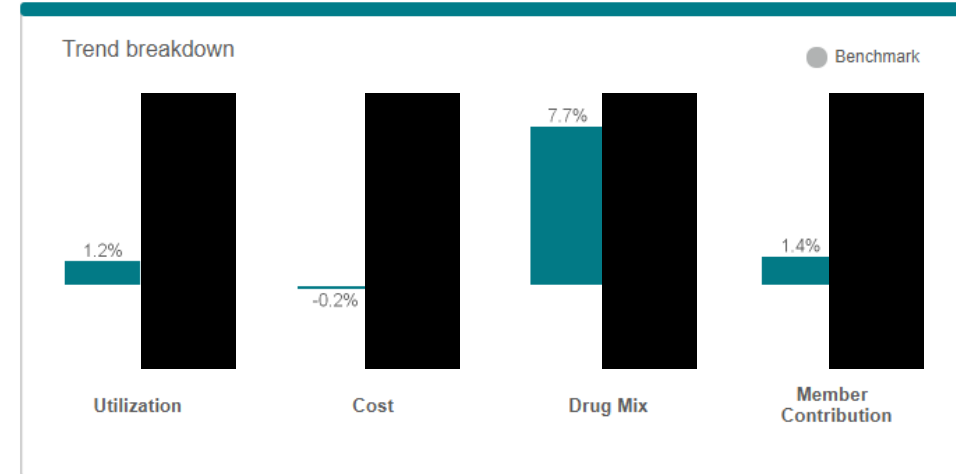
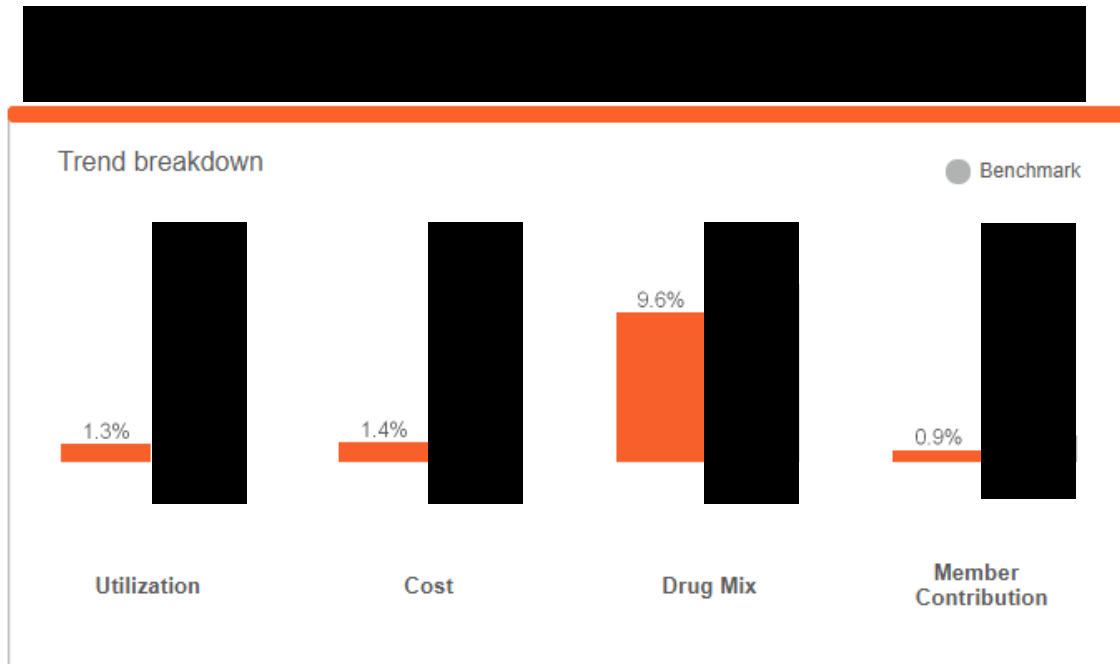


EGWP Trend

Total Gross Trend

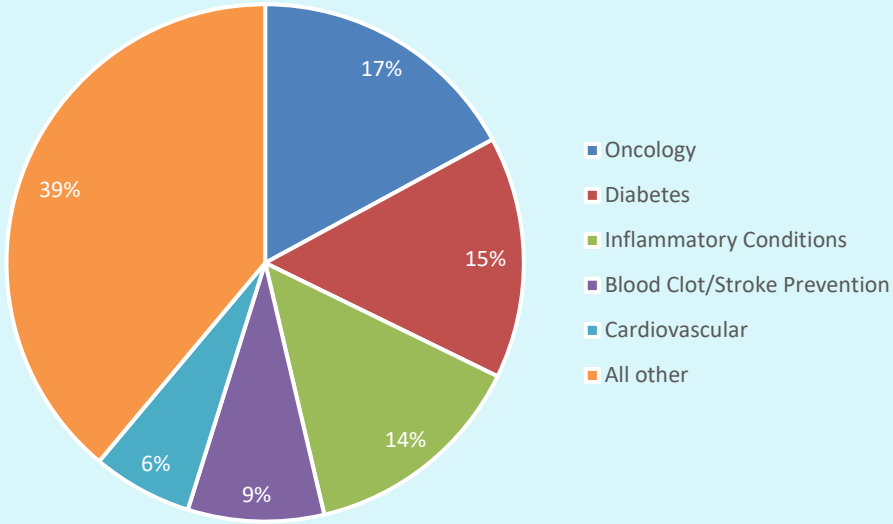


- SEHBP EGWP pharmacy trend was under Optum's EGWP benchmark by 1.4%
- Rebates and federal subsidies offset gross costs by 61.8% resulting in a negative net YoY trend of -7.4%



Top Disease States – EGWP

Spend



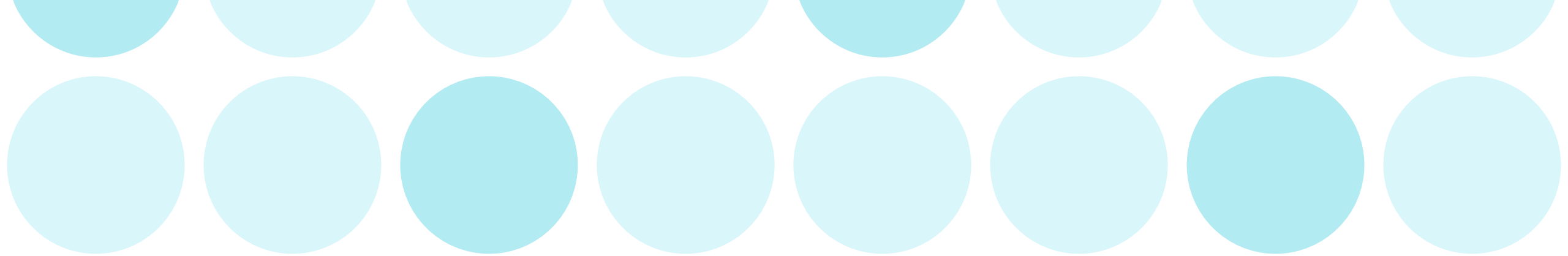
% of overall spend

| | Top by spend (PMPM, before rebates) | Top by impact to trend (ranked) | Trend |
|-------------------------------|-------------------------------------|---------------------------------|--------|
| Oncology | \$135.24 | 3 | 10.3% |
| Diabetes | \$119.84 | 4 | 10.5% |
| Inflammatory Conditions | \$111.63 | 1 | 19.5% |
| Blood Clot/ Stroke Prevention | \$67.34 | 5 | 7.8% |
| Cardiovascular | \$49.51 | | 6.4% |
| Weight Loss | \$24.44 | 2 | 118.0% |

Bolded represent top 5

Top Drugs – EGWP

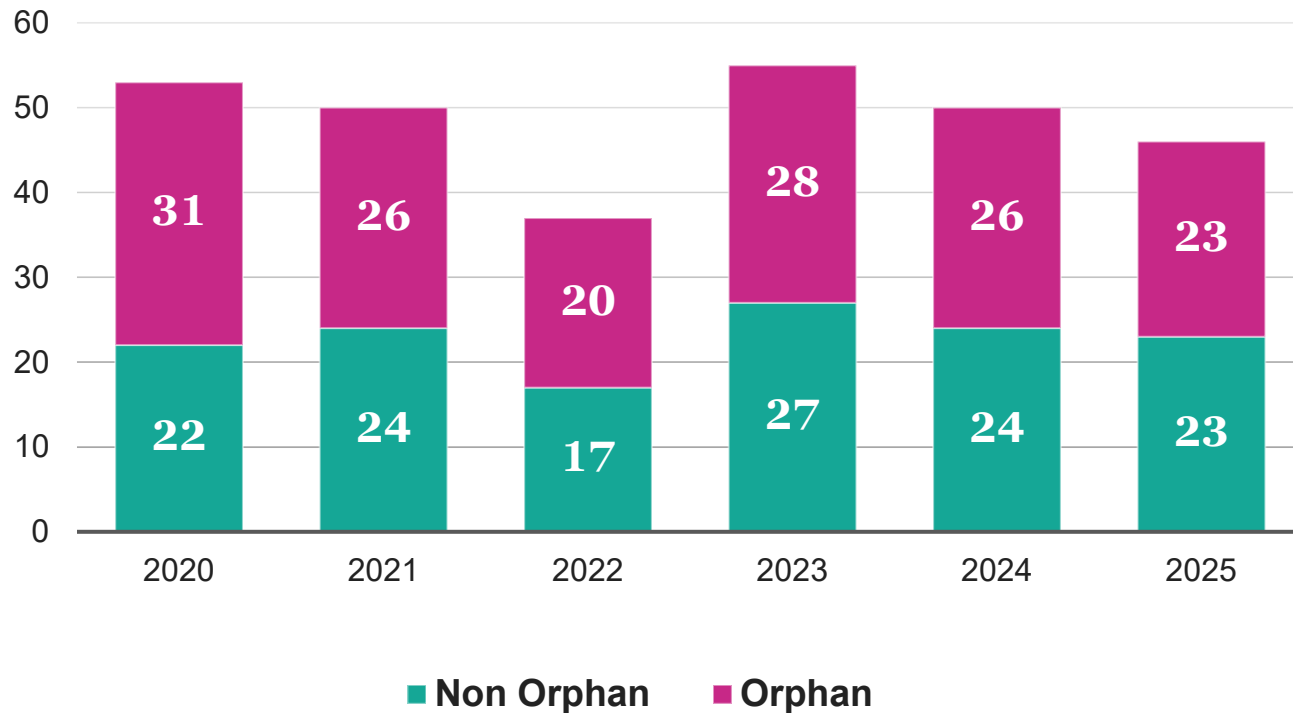
| Rank | Drug Name | Therapy Class | Plan Paid PMPM CP | Total Plan Paid CP | Total Plan Paid PP | Utilizers CP | Utilizers PP | RXs CP | RXs PP | PMPM Trend | Top Driver |
|------|------------|------------------------------|-------------------|--------------------|--------------------|--------------|--------------|--------|--------|------------|-------------|
| 1 | ELIQUIS | Oral Anticoagulants | \$50.43 | \$85,626,608 | \$76,327,791 | 16,665 | 15,219 | 75,923 | 69,357 | 11.4% | Utilization |
| 2 | OZEMPIC | GLP-1 Diabetes | \$27.24 | \$46,254,806 | \$41,017,456 | 5,211 | 5,252 | 26,991 | 24,180 | 12.0% | Utilization |
| 3 | MOUNJARO | GLP-1 Diabetes | \$26.01 | \$44,163,341 | \$24,783,398 | 4,684 | 3,013 | 27,944 | 16,614 | 76.9% | Utilization |
| 4 | VYNDAMAX | Transthyretin Stabilizers | \$21.04 | \$35,723,402 | \$31,199,990 | 170 | 152 | 1,640 | 1,416 | 13.7% | Utilization |
| 5 | JARDIANCE | SGLT-2 Inhibitors Combos | \$17.77 | \$30,168,524 | \$23,312,024 | 5,759 | 4,776 | 22,600 | 18,313 | 28.5% | Utilization |
| 6 | FARXIGA | SGLT-2 Inhibitors Combos | \$16.41 | \$27,860,434 | \$23,843,058 | 5,494 | 5,033 | 22,087 | 19,914 | 16.0% | Utilization |
| 7 | DUPIXENT | Chronic Inflammatory Disease | \$14.76 | \$25,054,490 | \$17,130,864 | 787 | 580 | 6,484 | 4,589 | 45.2% | Utilization |
| 8 | WEGOVY | GLP-1 Anti-Obesity | \$14.00 | \$23,775,172 | \$18,003,272 | 2,345 | 2,338 | 14,904 | 11,494 | 31.1% | Utilization |
| 9 | XARELTO | Oral Anticoagulants | \$13.52 | \$22,962,603 | \$23,750,636 | 4,424 | 4,715 | 18,795 | 20,581 | -4.0% | Utilization |
| 10 | HUMIRA PEN | Chronic Inflammatory Disease | \$13.47 | \$22,873,591 | \$22,442,502 | 320 | 329 | 2,977 | 2,898 | 1.2% | Utilization |



Pipeline updates

2026 forecast marked by familiar themes, select breakouts

Novel FDA drug approvals by year and orphan drug status¹



Outlook for 2026²

58 novel drugs have been either approved or submitted to the FDA for approval for 2026

69% are specialty drugs
(76% in 2025)

41% have orphan designation
(50% in 2025)

31% are oncology drugs
(33% in 2025)

1. New Drugs at FDA: CDER's New Molecular Entities and New Therapeutic Biological Products
2. Optum Rx Pipeline Database, March 11, 2026

2026 categories with impactful anticipated approvals



Diabetes mellitus, type II

Awikli (insulin icodec)^

First once weekly long-acting insulin
(3/28/2026)

Orforglipron**

Oral GLP-1 without dietary restrictions
(2H 2026)

Insulin efsitora alfa^

Once weekly long-acting insulin
(3Q 2026)



Infectious disease

Bulevirtide

First drug for hepatitis delta virus
(3/22/2026)

Doravirine/islatravir

Additional option for HIV treatment
(4/28/2026)

Ensitrelvir

First COVID-19 post-exposure prophylaxis drug
(6/16/2026)



Dyslipidemia / hypercholesterolemia

Enlicitide*

First oral PCSK-9 inhibitor (2H 2026)

Tryngolza (olezarsen)^

New indication and novel mechanism for severe hypertriglyceridemia
(6/2026)



Chronic inflammatory

Sotyktu

New indication for psoriatic arthritis
(Approved 3/9/2026)

Icetrokinra^

First oral IL-23 antagonist; most effective oral agent for plaque psoriasis
(3/2026)



Behavioral health

Auvelity

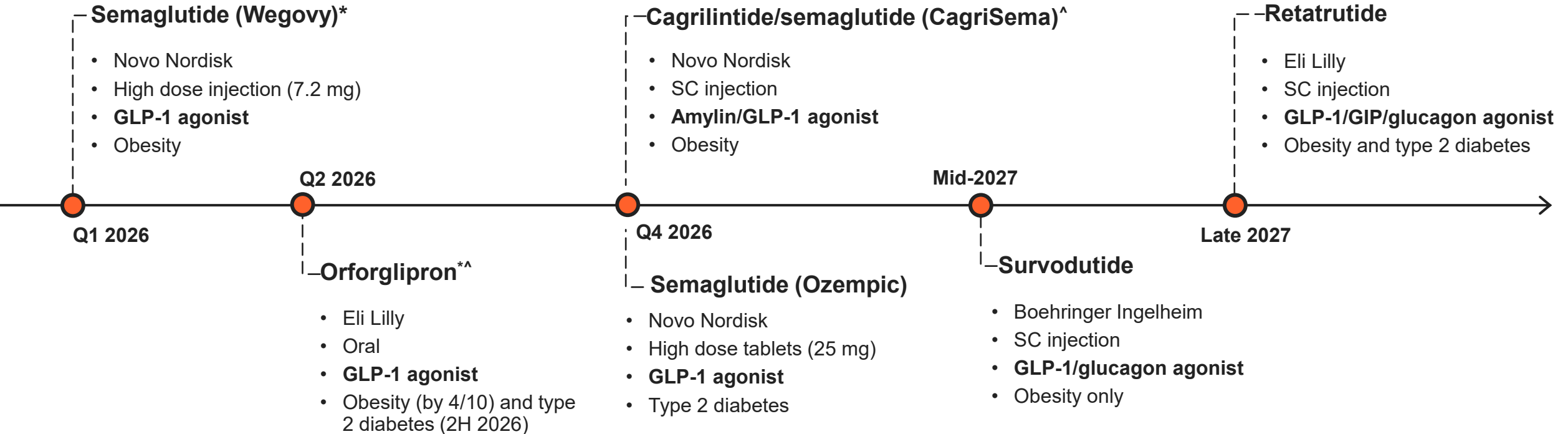
New indication for Alzheimer's disease agitation
(4/30/2026)

Cytisinicline

Additional option for smoking cessation
(6/20/2026)

Oral GLP-1s are in – combos and triple-agonists ahead

Diabetes and obesity GLP-1 new drug pipeline 2026 – 2027

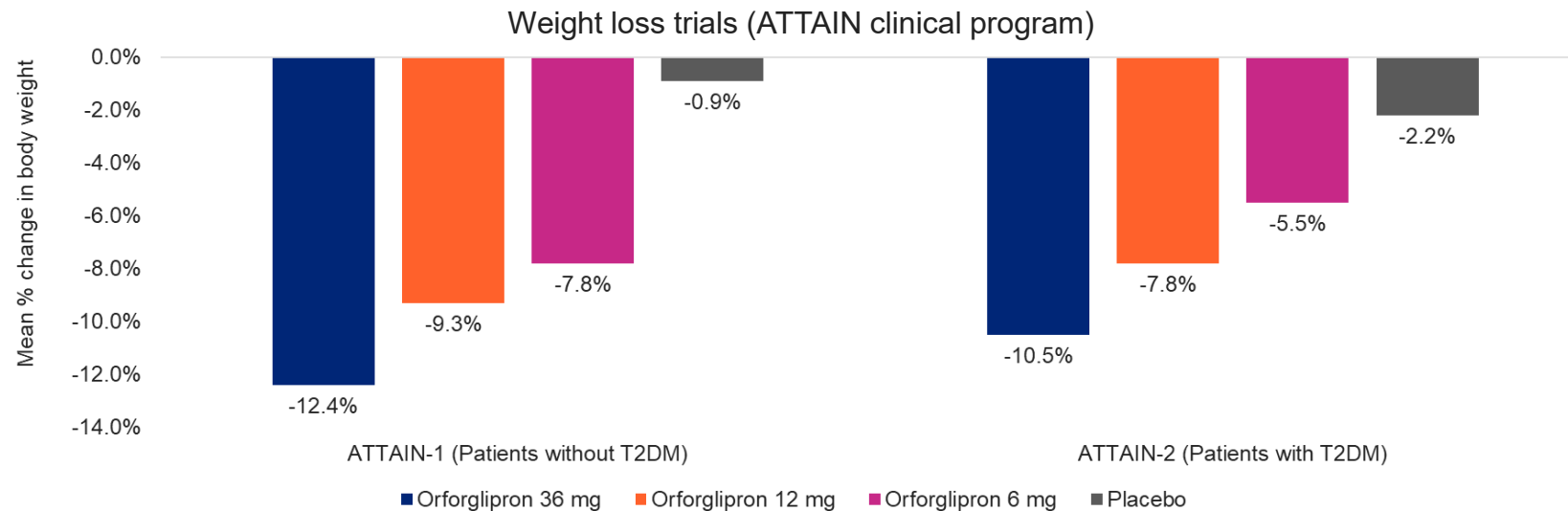


*National Priority Review Voucher
^Optum Rx First Mover

Orforglipron for chronic weight management

New drug: FDA approval decision expected by April 10 via National Priority Review

Key insight: Over 70% of people in the U.S. are either overweight or obese. Oral orforglipron demonstrated a statistically significant reduction in body weight vs. placebo. Orforglipron would be the second oral weight loss GLP-1 receptor agonist.



What it means

Would be the second oral GLP-1 indicated for weight loss, but the first without dietary restrictions

A new GLP option but not likely to bring a new population of utilizers

Similar reductions in body weight as oral Wegovy but less than injectable tirzepatide (Zepbound)

Also in development for type 2 diabetes with potential approval in 2H 2026

Appendix



Pharmacy Trend Overview

- Pharmacy trend is measured by the Plan's Year-over-Year (YoY) Per Member Per Month (PMPM) costs.
- Optum Rx measures four primary Drug Trend drivers to help identify areas of opportunity and make appropriate trend mitigation recommendations:
 - Utilization
 - Cost
 - Drug Mix
 - Member Contribution
- Traditional and Specialty Drug Trend is measured separately to determine the primary trend drivers for each category of drugs.
- Disease states and top drugs are ranked and reviewed by spend and contribution to trend.

Key Performance Indicators – State of New Jersey Quarterly Review

SEHBP

| Q4 2025 | Q4 2024 | YOY % Change |
|--|--|---|
| <p>\$326.18 Plan Paid PMPM SEHBP Actives</p> | <p>\$264.19 Plan Paid PMPM SEHBP Actives</p> | <p>23.5% SEHBP Actives</p> |
| <p>\$453.81 Plan Paid PMPM SEHBP Early Retirees</p> | <p>\$375.81 Plan Paid PMPM SEHBP Early Retirees</p> | <p>20.8% Plan Paid PMPM SEHBP Early Retirees</p> |
| <p>\$791.53 Plan Paid PMPM SEHBP EGWP Retirees</p> | <p>\$698.92 Plan Paid PMPM SEHBP EGWP Retirees</p> | <p>13.3% Plan Paid PMPM SEHBP EGWP Retirees</p> |



Optum Rx[®]

Thank you