

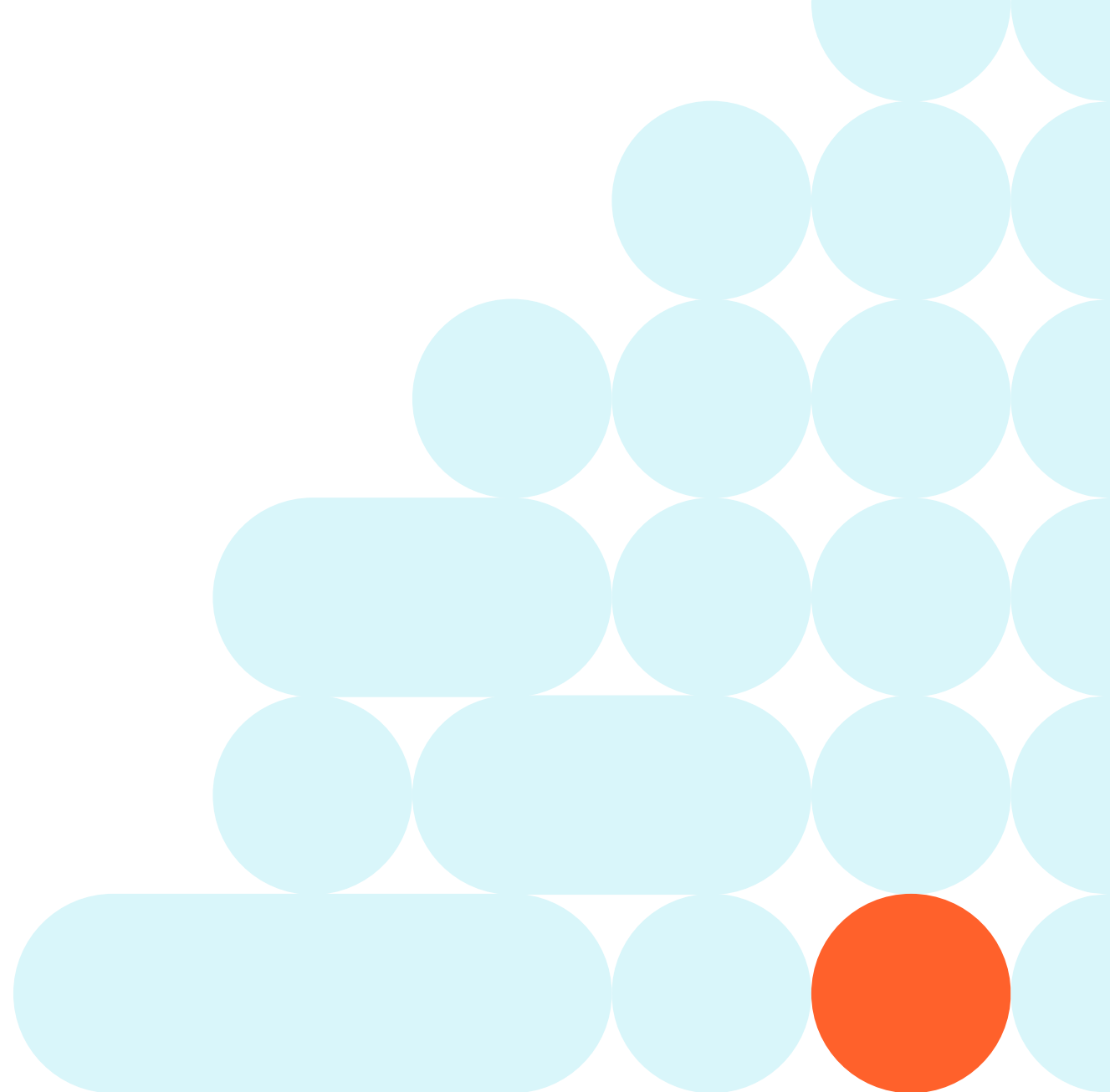


State Health Benefits Program

State of New Jersey
Division of Pensions & Benefits

Pharmacy Trend Update
Jan-Jun 2026 vs Jan-Jun 2025

September 9, 2026



Agenda

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

Optum Rx Attendees



Commercial Spend

Total Rx's

CURRENT

1,790,336

PREVIOUS

1,941,584

PERCENT CHANGE

-7.8%

Total plan paid

CURRENT

\$691,409,492

PREVIOUS

\$659,475,994

PERCENT CHANGE

4.8%

Utilizers

CURRENT

232,492

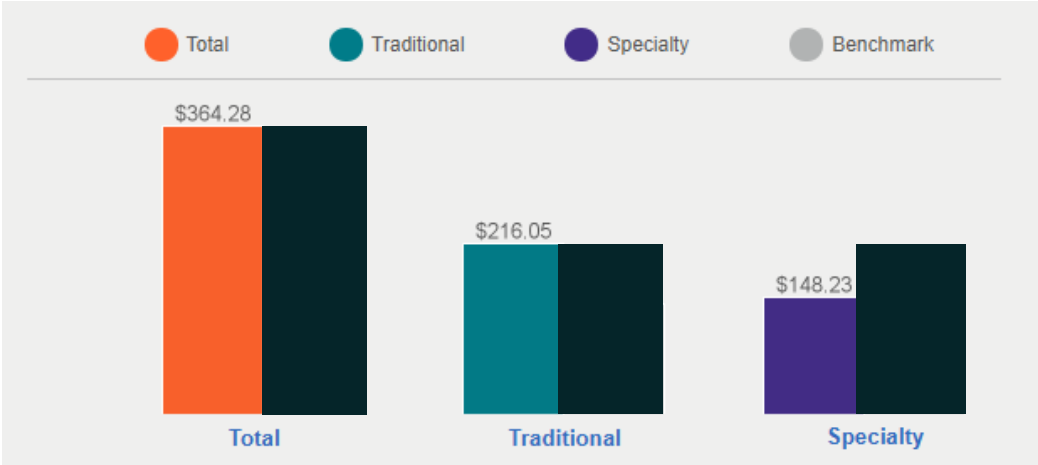
PREVIOUS

257,866

PERCENT CHANGE

-9.8%

Q2 2026 Gross PMPM

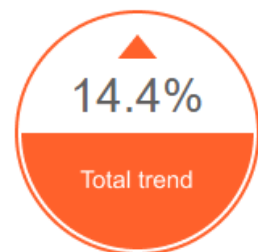


Net financial PMPM performance

	Drug cost	Member Paid	Plan Paid	Rebates	Net plan paid
Traditional	\$227.89	\$11.84	\$216.05		
Specialty	\$152.63	\$4.40	\$148.23		
Total	\$380.52	\$16.24	\$364.28		

Commercial Trend

Total Gross Trend



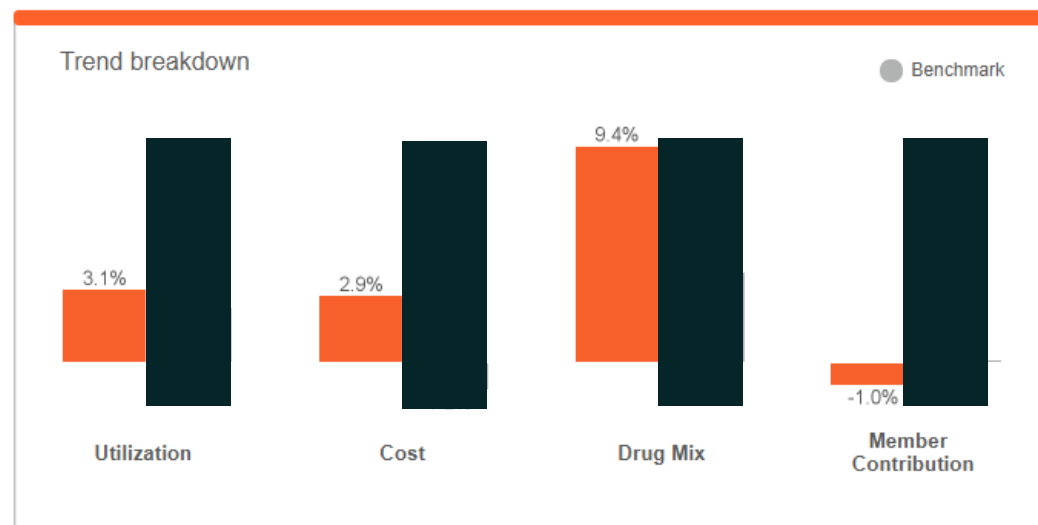
+9.2% over benchmark



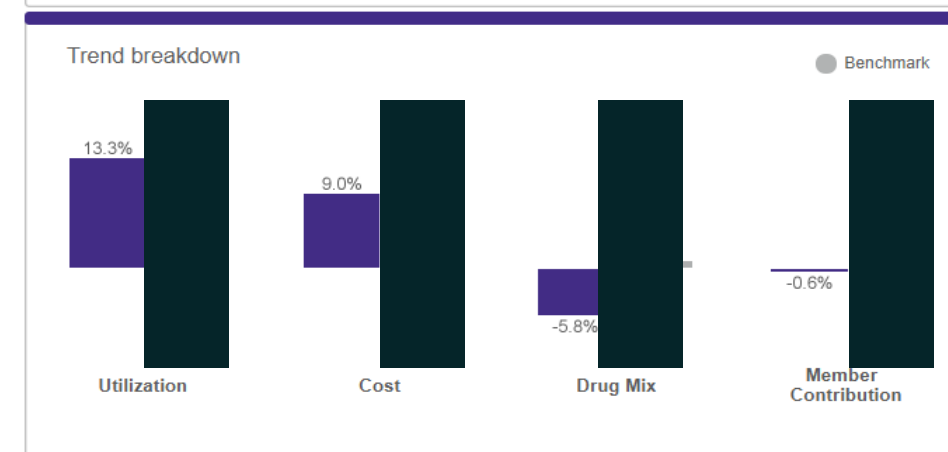
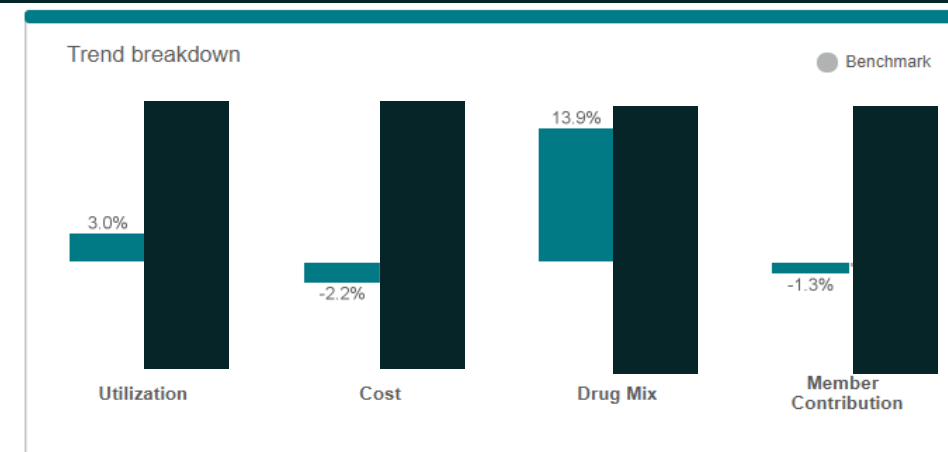
+21.5% over benchmark



-3.9% under benchmark



- SHBP pharmacy trend was driven primarily by drug mix with drug cost and utilization as secondary drivers within the following disease states: weight loss, inflammatory conditions, diabetes, and oncology.



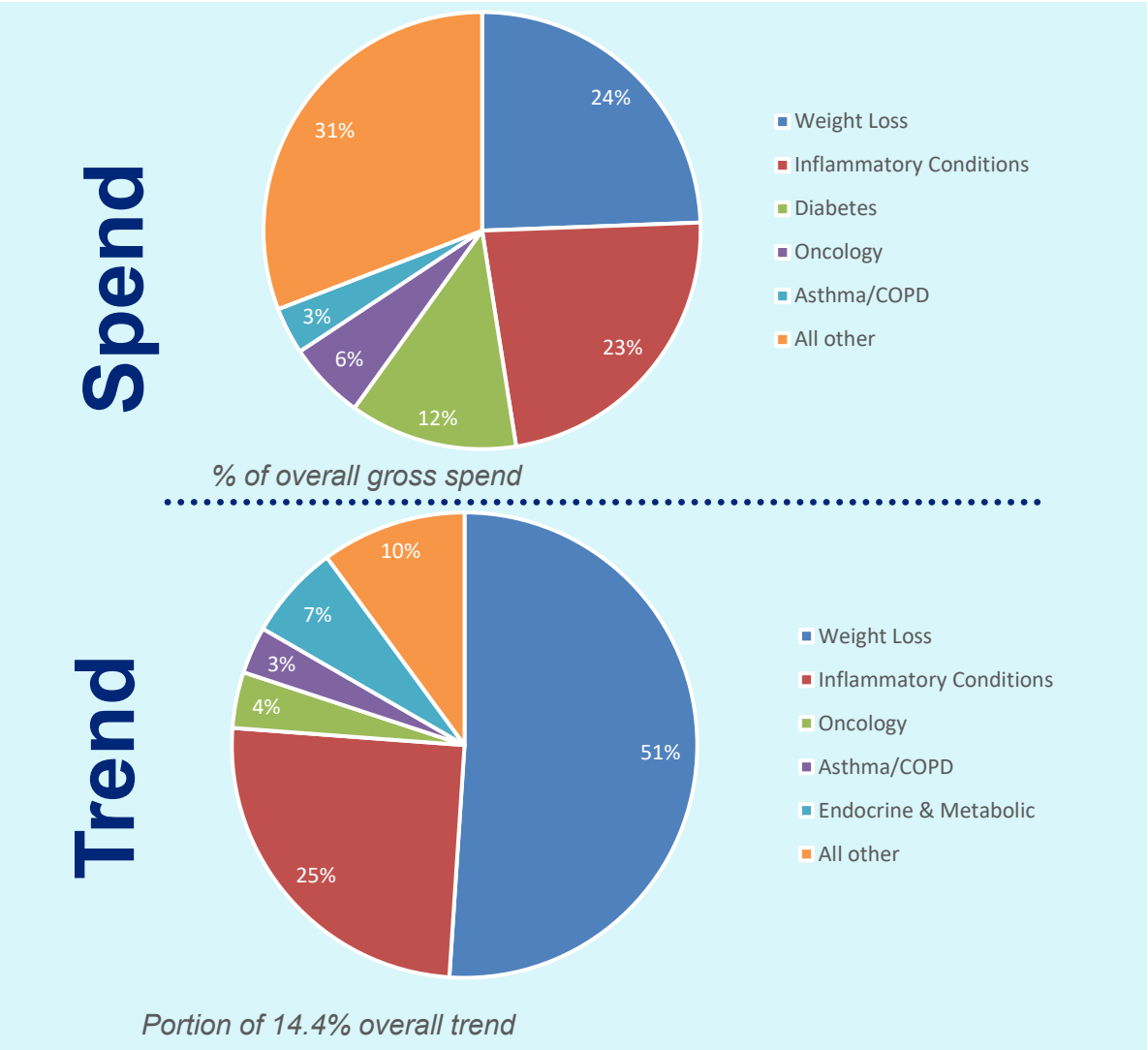
Key Statistics Trend by Group

Description	Jan 26 - Jun 26			
	State		Local Government	
	Active	Early Retiree	Active	Early Retiree
Average Eligible Members	202,629	29,338	62,898	21,470
Total Utilizers	144,357	23,889	47,163	18,291
Percent Total Utilizers	71.2%	81.4%	75.0%	85.2%
Total Plan Paid	\$411,822,539	\$83,786,092	\$135,583,645	\$60,217,216
Total Rx's	1,058,127	218,290	358,772	155,147
Plan Paid PMPM	\$338.73	\$475.98	\$359.27	\$467.46
Member Paid Share	3.9%	3.7%	5.8%	4.0%
Description	Jan 25 - Jun 25			
	State		Local Government	
	Active	Early Retiree	Active	Early Retiree
Average Eligible Members	202,338	30,728	83,699	28,355
Total Utilizers	143,222	24,655	61,817	22,958
Percent Total Utilizers	70.8%	80.2%	73.9%	81.0%
Total Plan Paid	\$363,792,528	\$77,291,561	\$156,056,810	\$68,445,562
Total Rx's	1,077,205	230,482	479,767	203,389
Plan Paid PMPM	\$299.66	\$419.22	\$310.75	\$402.31
Member Paid Share	3.2%	3.9%	2.9%	4.0%

Year-over-Year Change			
State		Local Government	
Active	Early Retiree	Active	Early Retiree
0.1%	-4.5%	-24.9%	-24.3%
0.8%	-3.1%	-23.7%	-20.3%
0.5%	1.2%	1.1%	4.2%
13.2%	8.4%	-13.1%	-12.0%
-1.8%	-5.3%	-25.2%	-23.7%
13.0%	13.5%	15.6%	16.2%
16.0%	-3.8%	128.5%	2.9%

- Significant reduction in Local Government membership resulted in a decline in utilization and spend.
- Shift to high-deductible/coinsurance plans led to an increase in member cost share for Local Government.
- Member cost share increased in the State Active population due to the ndGLP-1 copay change and member migration to lower cost plan options.

Top Disease States – Commercial



	Top by gross spend (PMPM, before rebates)		Top by impact to trend (14.4% overall)	Trend
Weight Loss	\$88.93		7.35%	35.9%
Inflammatory Conditions	\$84.13		3.62%	15.7%
Diabetes	\$45.26		-0.48%	-3.3%
Oncology	\$20.94		0.56%	9.2%
Asthma/COPD	\$12.64		0.47%	12.3%
Endocrine & Metabolic	\$6.06		0.95%	98.0%
HIV	\$9.19		0.32%	12.5%

Bolded represent top 5

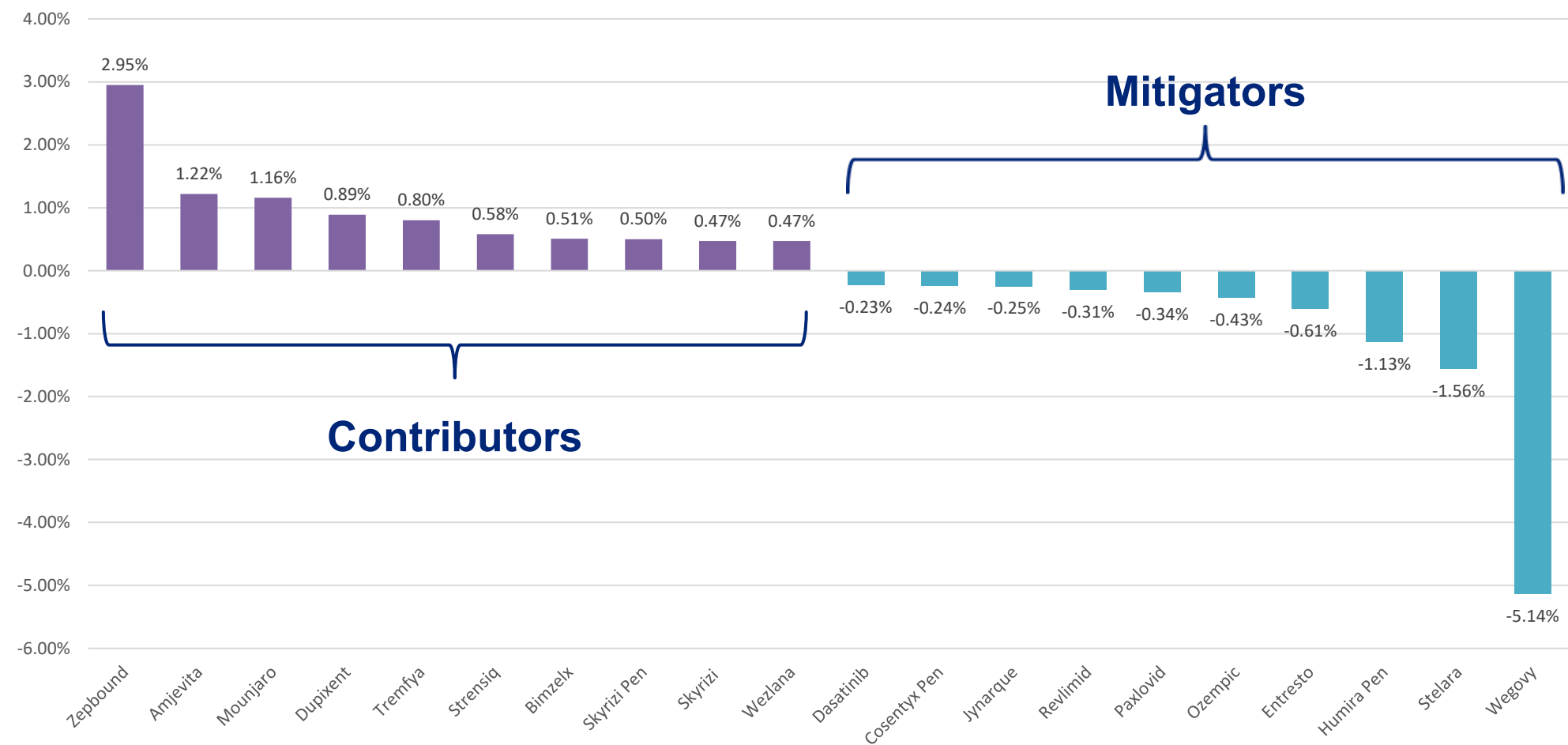
Source: Jan-Jun 2026 vs. Jan-Jun 2025; Total Plan Paid PMPM before Rebates; SONJ Commercial iQPR

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	\$54.37	\$103,193,760	\$57,466,615	21,966	12,959	87,493	50,452	95.8%	Utilization
2	WEGOVY	GLP-1 Anti-Obesity	\$33.92	\$64,387,857	\$77,143,749	12,480	13,388	43,829	53,822	-8.8%%	Utilization
3	MOUNJARO	GLP-1 Diabetes	\$21.70	\$41,191,142	\$32,054,759	7,802	6,469	27,511	23,448	40.1%	Utilization
4	DUPIXENT	Chronic Inflammatory Disease	\$11.99	\$22,765,243	\$20,388,171	1,286	1,183	5,268	5,209	22.4%	Utilization
5	OZEMPIC	GLP-1 Diabetes	\$10.80	\$20,503,271	\$26,438,458	4,606	5,878	13,226	18,687	-15.2%	Utilization
6	AMJEVITA	Chronic Inflammatory Disease	\$10.45	\$19,826,066	\$3,507,840	519	170	2,307	492	496.6%	Utilization
7	SKYRIZI PEN	Chronic Inflammatory Disease	\$8.42	\$15,974,184	\$12,921,846	365	310	711	612	34.7%	Utilization
8	WEZLANA	Chronic Inflammatory Disease	\$6.95	\$13,191,975	\$2,112,134	179	51	569	76	541.2%	Utilization
9	TREMFYA	Chronic Inflammatory Disease	\$6.17	\$11,706,605	\$8,075,155	272	220	819	608	56.5%	Cost
10	SKYRIZI	Chronic Inflammatory Disease	\$5.71	\$10,831,941	\$8,240,320	187	150	478	385	49.9%	Utilization

Top Contributors & Mitigators to Trend

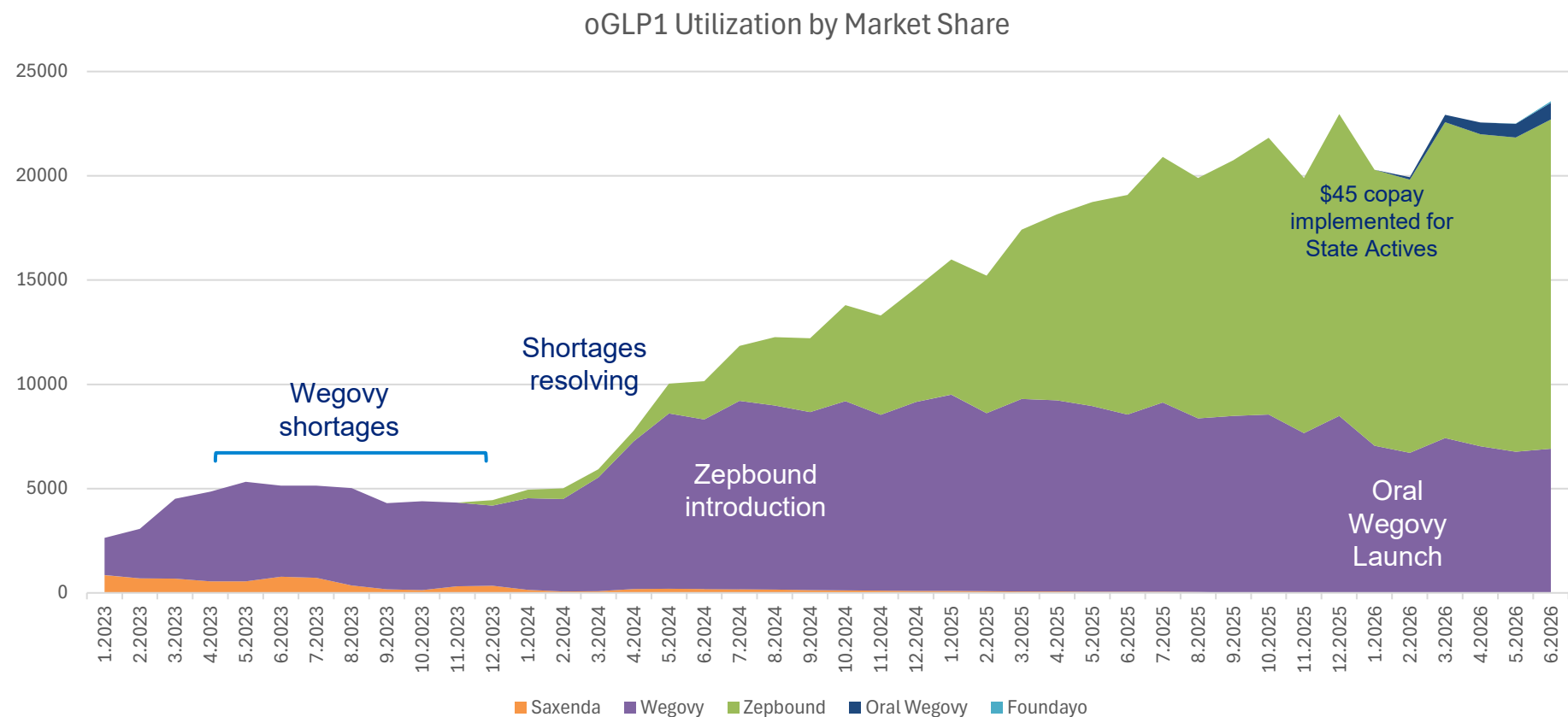
Drug Level Net Cost PMPM Impacts to Trend in 1H 2026



Non-Diabetic GLP-1/GIP utilization by market share

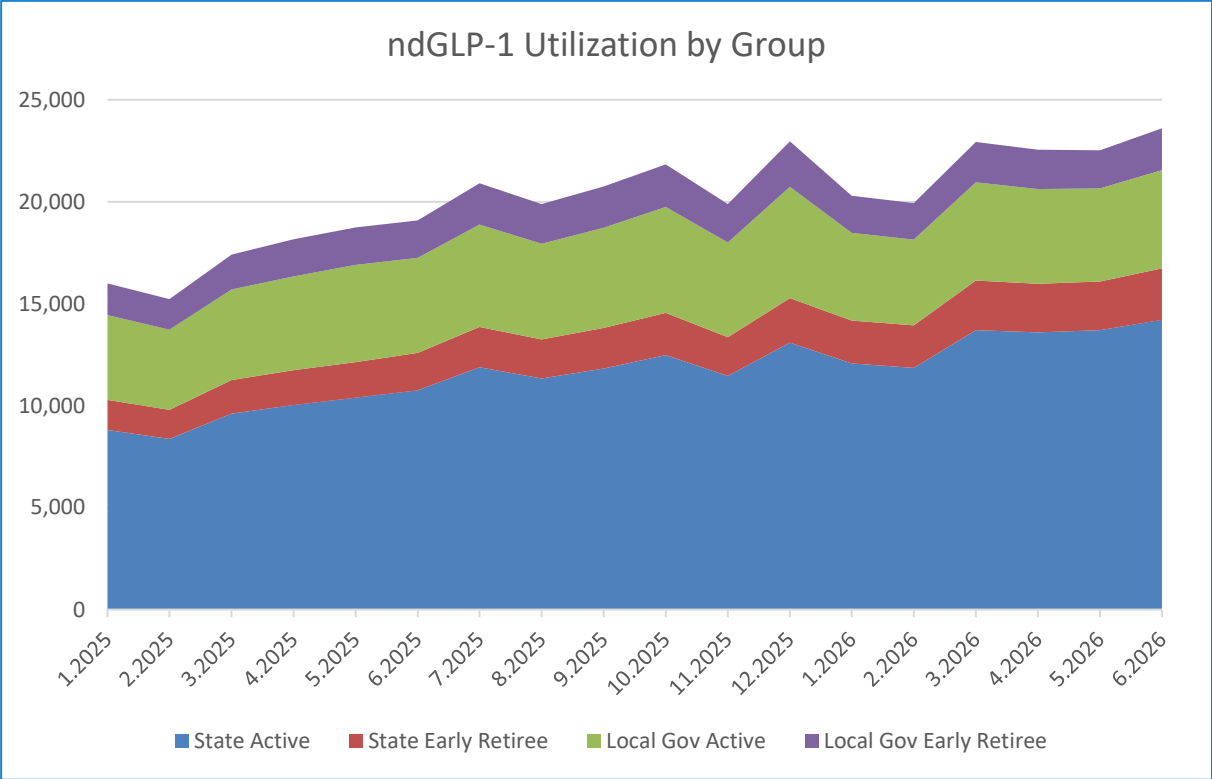
Non-Diabetic GLP-1/GIP Monthly Claim Volume

State of New Jersey SHBP Commercial



- Wegovy utilization decreasing – Q2 trend is (-8.8%)
- Category growth due to new utilization of Zepbound
- 6.5% of Utilizers are considered New Starts each month
- 25% increase in New Starts attributed to Oral Wegovy
- Three times as many utilizers starting on Zepbound each month versus Wegovy
- 33.8% of members discontinue within 1 year

Non-diabetic GLP-1 Utilization by Group



Prevalence (Utilizers/1K)			
State Active	State Early Retiree	Local Gov Active	Local Gov Early Retiree
82.45	98.43	89.91	110.14

Specialty High-Cost Utilizers

Reporting Date Range: Jan-Jun 2026 vs Jan-Jun 2025
SHBP

Total high cost utilizers: 514

6.9% of utilizers have an average Plan Paid per month that exceeds \$16,500

\$78.9M or 27.7% of specialty spend was driven by high-cost utilizers

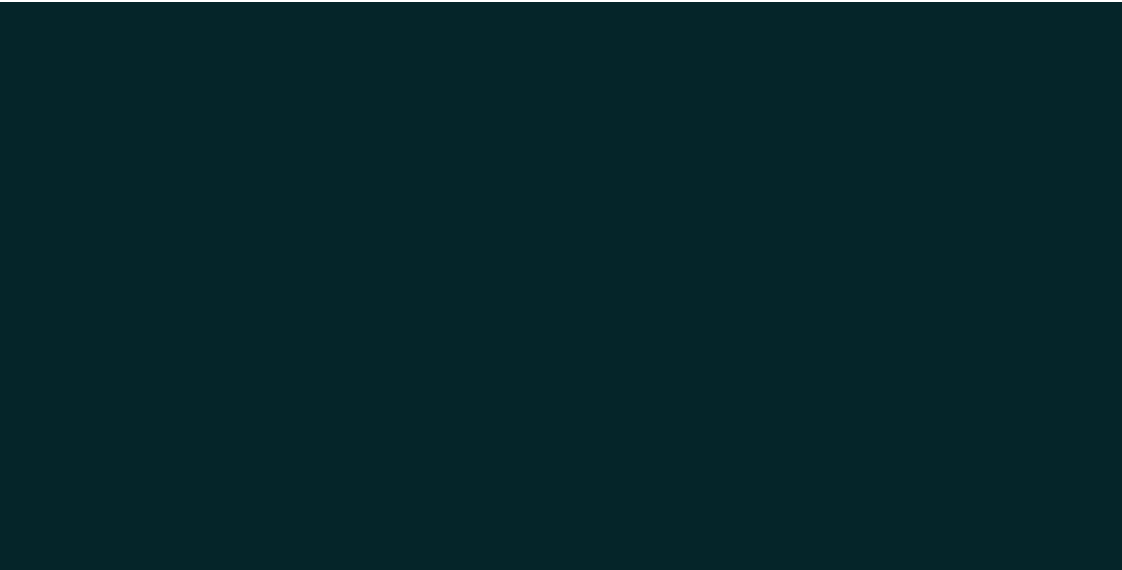
Rank	Primary Drug	Primary Diagnosis	# of Drugs	Total Plan Paid 2026
1	STRENSIQ	Hypophosphatasia	6	\$537,299
2	STRENSIQ	Hypophosphatasia	3	\$431,891
3	STRENSIQ	Hypophosphatasia	4	\$393,077
4	STRENSIQ	Hypophosphatasia	1	\$387,463
5	TVYASO	Pulmonary Arterial Hypertension	6	\$382,810

High Cost Utilizers	Percentage of Cost	Avg Plan Paid per utilizer
CURRENT 514	CURRENT 27.7%	CURRENT \$25,597
PREVIOUS 443	PREVIOUS 25.0%	PREVIOUS \$24,904
PERCENT CHANGE 16.0%	PERCENT CHANGE 10.6%	PERCENT CHANGE 2.8%

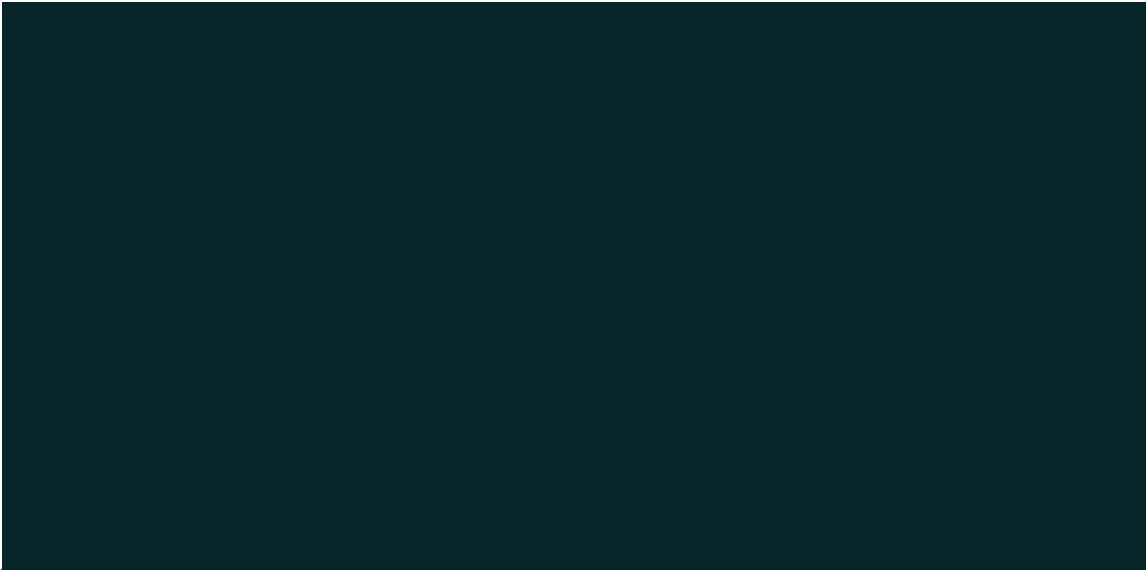
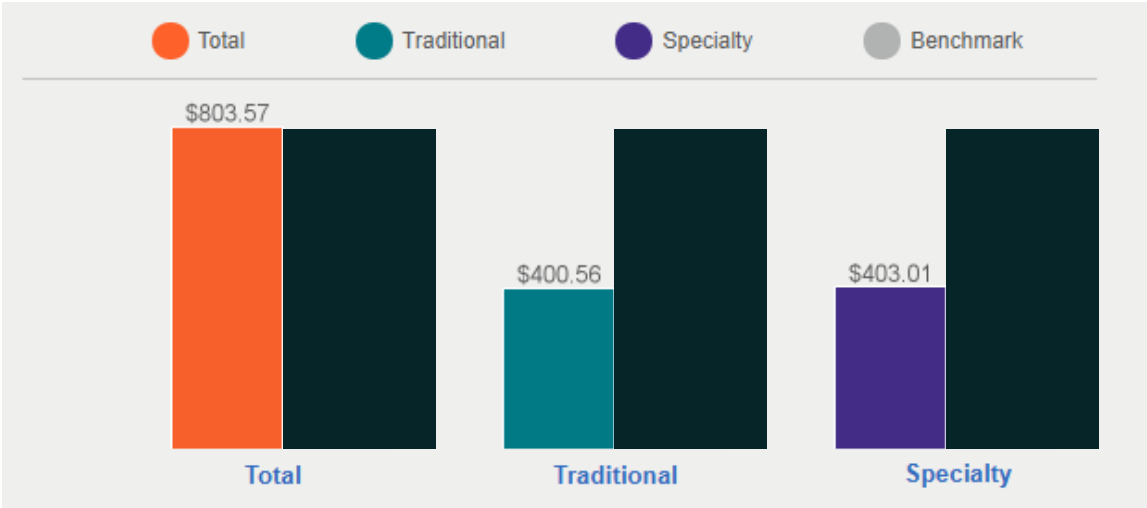
Disease State	High-Cost Total Spend	High-Cost Utilizers	Avg Plan Paid per Utilizer per Month
Oncology	\$22,696,405	178	\$21,251.32
Inflammatory Conditions	\$19,401,968	152	\$21,274.09
Endocrine and Metabolic	\$8,880,245	31	\$47,743.25
Cystic Fibrosis	\$5,007,171	31	\$26,920.27
Sleep Disorders	\$4,496,713	36	\$20,818.12
All other	\$18,457,710	134	\$22,957.35

EGWP Spend

Total Rx's	Total plan paid	Utilizers
CURRENT	CURRENT	CURRENT
1,274,239	\$406,869,886	83,432
PREVIOUS	PREVIOUS	PREVIOUS
1,354,399	\$425,085,248	87,415
PERCENT CHANGE	PERCENT CHANGE	PERCENT CHANGE
-5.9%	-4.3%	-4.6%

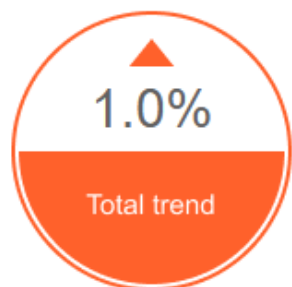


Q2 2026 Gross PMPM



EGWP Trend

Total Gross Trend



+4.5% over benchmark

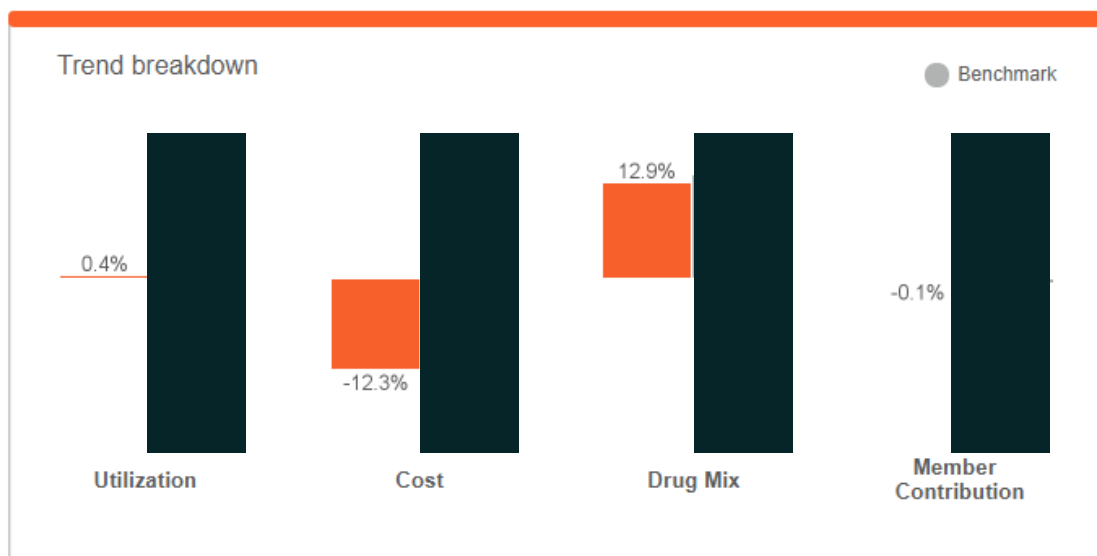
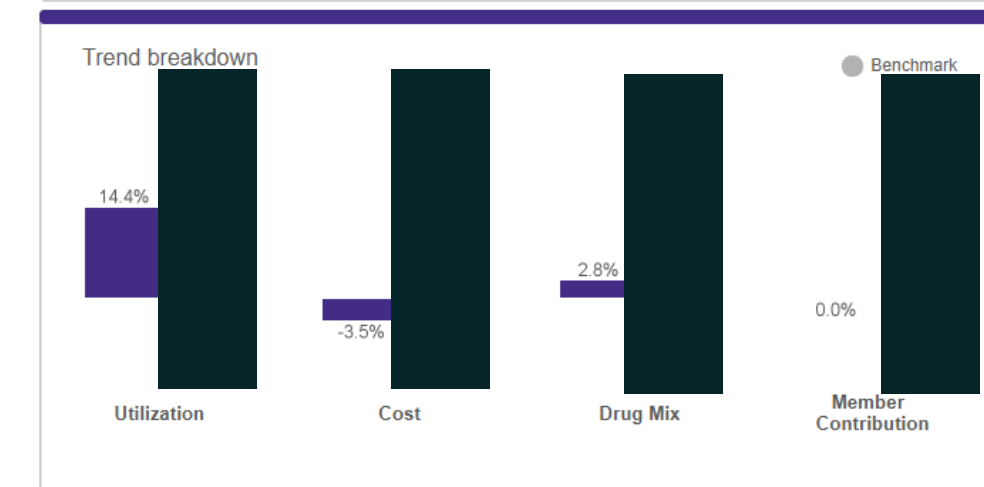
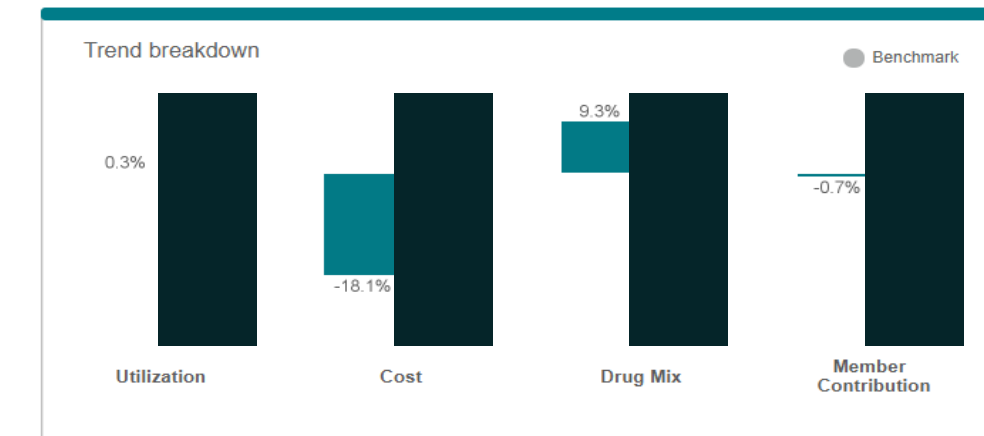


+7.7% over benchmark



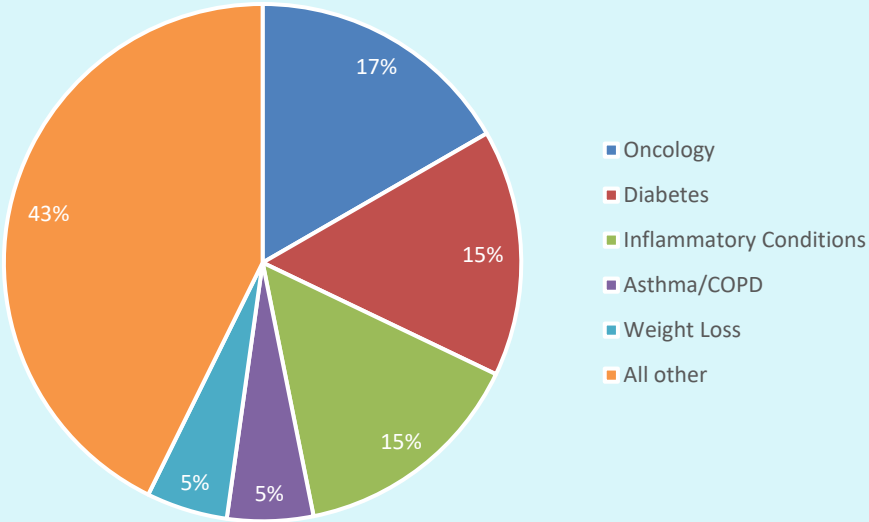
+0.8% over benchmark

- SHBP EGWP pharmacy trend was 1% YoY driven primarily by drug mix, with drug cost mitigating overall trend by over 12%.



Top Disease States – EGWP

Spend



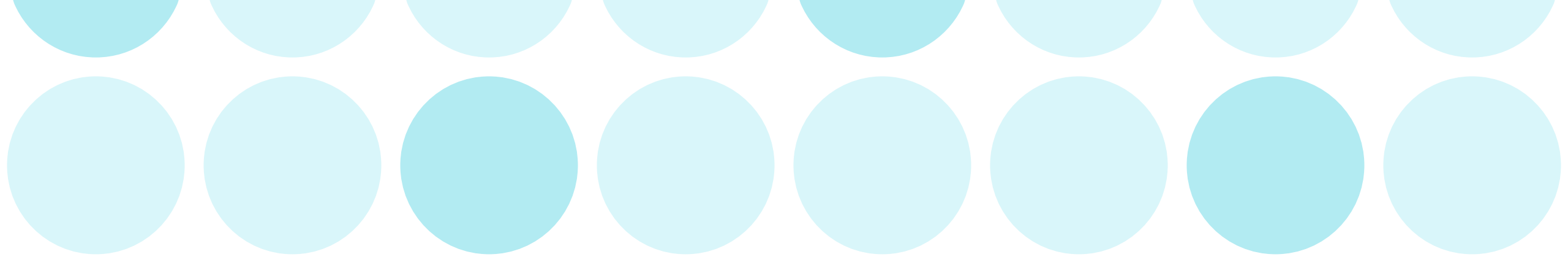
% of overall spend

	Top by gross spend (PMPM, before rebates)	Top by impact to trend (ranked)	Trend
Oncology	\$134.01	2	7.7%
Diabetes	\$123.94		-14.1%
Inflammatory Conditions	\$118.45	3	7.5%
Asthma/COPD	\$43.22	4	12.6%
Weight Loss	\$40.76	1	105.0%
Respiratory, Misc	\$12.60	5	59.7%

Bolded represent top 5

Top Drugs – EGWP

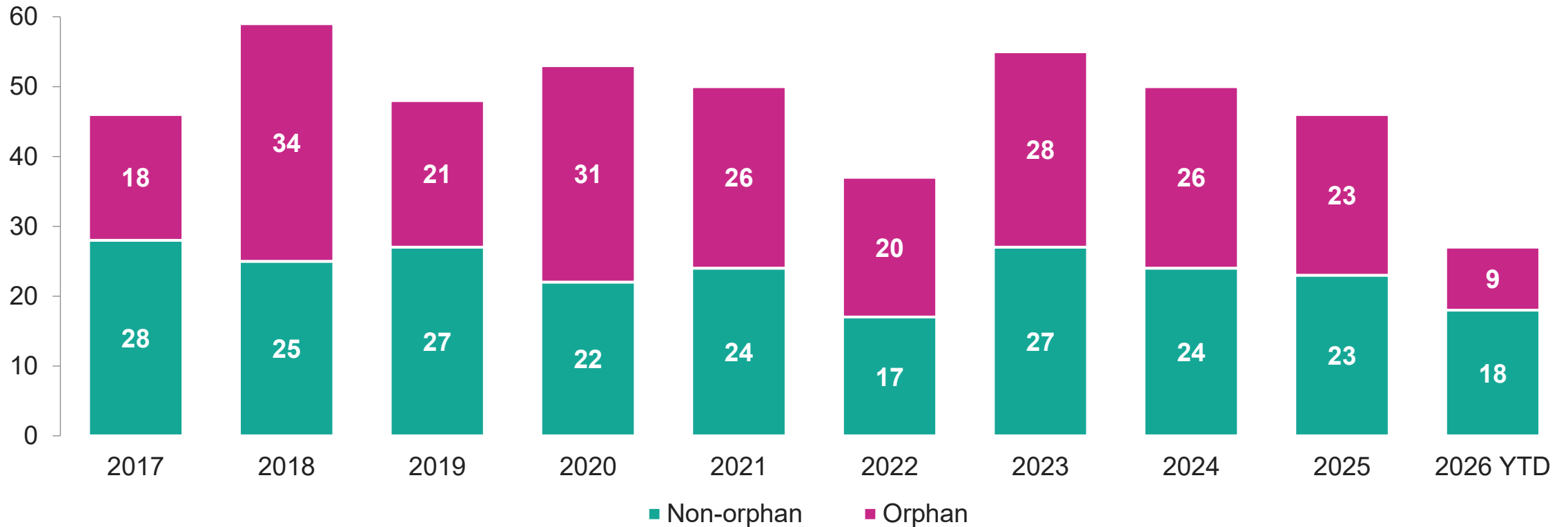
Rank	Drug Name	Therapy Class	Plan Paid PMPM CP	Total Plan Paid CP	Total Plan Paid PP	Utilizers CP	Utilizers PP	RXs CP	RXs PP	PMPM Trend	Top Driver
1	MOUNJARO	GLP-1 Diabetes	\$42.60	\$21,567,665	\$14,462,789	3,857	2,699	12,494	9,275	57.1%	Utilization
2	OZEMPIC	GLP-1 Diabetes	\$33.13	\$16,775,946	\$17,813,429	3,426	3,608	9,492	10,781	-0.3%	Utilization
3	ZEPBOUND	GLP-1 Anti-Obesity	\$22.15	\$11,217,506	\$2,675,595	2,256	736	8,443	2,222	338.8%	Utilization
4	ELIQUIS	Oral Anticoagulants	\$20.49	\$10,375,181	\$24,474,809	8,718	8,588	21,471	22,610	-55.2%	Cost
5	DUPIXENT	Chronic Inflammatory Disease	\$18.72	\$9,481,005	\$7,597,612	501	404	2,330	1,967	31.9%	Utilization
6	VYNDAMAX	Transthyretin Stabilizers	\$18.64	\$9,439,410	\$7,708,574	80	67	410	352	28.9%	Utilization
7	WEGOVY	GLP-1 Anti-Obesity	\$18.10	\$9,165,767	\$7,559,907	1,664	1,174	5,534	4,934	28.0%	Utilization
8	HUMIRA PEN	Chronic Inflammatory Disease	\$13.15	\$6,658,113	\$8,193,756	175	204	849	1,030	-13.7%	Utilization
9	TRELEGY ELIPTA	Inhaled Asthma/COPD Combo	\$13.15	\$6,657,952	\$6,767,771	2,387	2,360	6,054	6,340	3.9%	Cost
10	REPATHA SURECLICK	PCSK9 Inhibitors	\$10.55	\$5,342,192	\$3,923,370	1,949	1,390	4,619	3,627	43.7%	Utilization



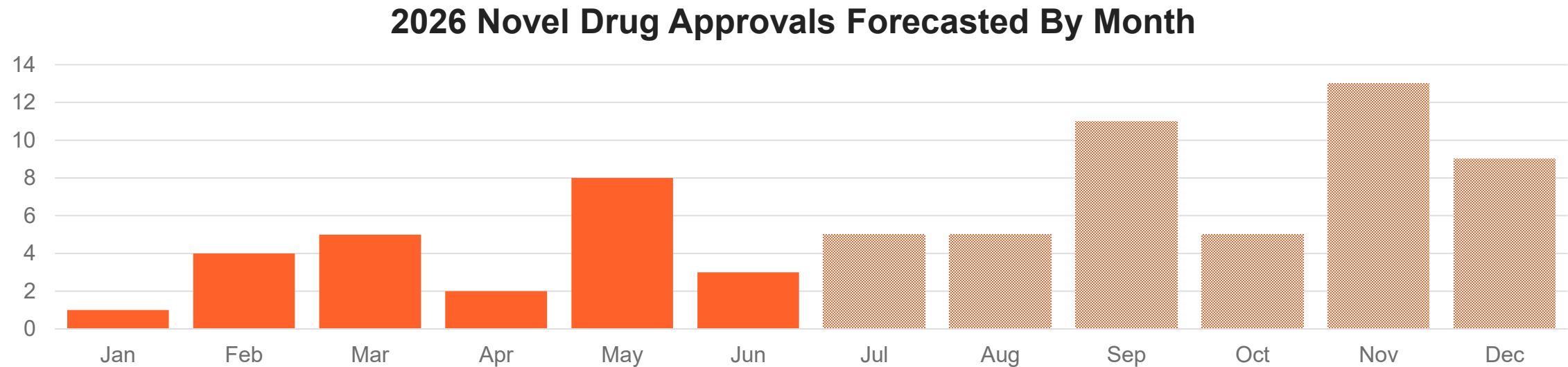
Pipeline updates

2026 pipeline forecast marked by familiar themes

~70 novel drugs have been filed for FDA approval and have decisions expected in 2026

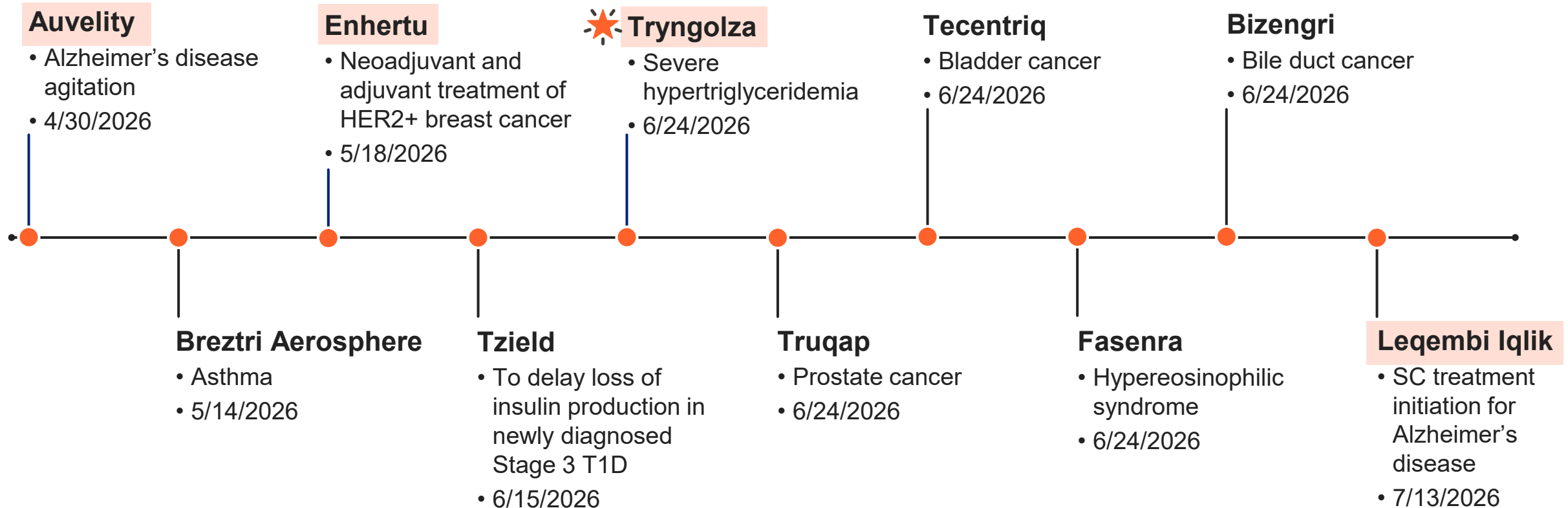


Novel drug approvals forecasted for 2026: volume expected to spike in 2nd half



The FDA’s Center for Drug Evaluation and Research (CDER) approved **23 novel drugs in the first half 2026**; **48 additional novel drugs have** potential approvals by the end of the year

New and expanded indications continue to influence spend and trend by increasing the eligible population



Key drugs currently under FDA review

3Q 2026	4Q 2026
Bictegravir/lenacapavir – HIV Brepocitinib* – Dermatomyositis Camizestrant – Breast cancer Denecimig* – Hemophilia A Ianalumab – Sjogren's disease Iberdomide* – Multiple myeloma Insulin efsitora alfa – Type 2 diabetes Oveporexton* – Narcolepsy Rusfertide* – Polycythemia vera Tavapadon – Parkinson's disease Tiratricol* – Monocarboxylate transporter 8 deficiency Zilurgisertib* – Fibrodysplasia ossificans progressiva <i>Apitegromab* – Spinal muscular atrophy</i> <i>Bevacizumab – Wet AMD</i> <i>Deramioce* – Duchenne muscular dystrophy</i> <i>DTX-401* – Glycogen storage disease</i> <i>Garetosmab* – Fibrodysplasia ossificans progressiva</i> <i>UX-111* – Mucopolysaccharidosis IIIa</i> <i>Vusolimogene oderparepvec – Melanoma</i>	Asundexian – Stroke prevention Bepirovirsen – Chronic hepatitis B Bezuclastinib* – GI stromal tumors/mastocytosis Cagrilintide/semaglutide – Weight loss Cemdisiran* – Generalized myasthenia gravis Foundayo (orforglipron)† – Type 2 diabetes Gefurulimab* – Generalized myasthenia gravis Giredestrant – Breast cancer Lorundrostat – Hypertension Neladalkib – Non-small cell lung cancer Povetacicept – IgA nephropathy Relacorilant*† – Hypercortisolism Relutrigine* – Encephalopathies Ribitol* – Limb-girdle muscular dystrophy type 2 Saroglitazar – Primary biliary cholangitis Tirabrutinib* – Primary CNS lymphoma Varegacestat* – Desmoid tumors Venglustat* – Gaucher disease type 3/Fabry disease Zanzalintinib – Colorectal cancer <i>Adrabetadex* – Niemann-Pick disease type C</i> <i>Anitocabtagene autoleucel* – Multiple myeloma</i> <i>Ifinatamab deruxtecan* – Small cell lung cancer</i> <i>INO-3107* – Recurrent respiratory papillomatosis</i> <i>Ivonescimab* – Non-small cell lung cancer</i> <i>Imsidolimab* – Generalized pustular psoriasis</i>

Pharmacy Benefit
 Medical Benefit

* = Orphan Drug
 † = New Indication for Existing Drug

Recent generic launches bring competition in diabetes and inflammatory conditions

Drug	Generic Manufacturer	Dose/Formulation	Therapeutic Use	Launch Date
Edarbi (azilsartan)	Wilshire*, Lupin §	All tablet strengths	Hypertension	4/28/2026, 6/17/2026
Astagraf XL (tacrolimus)	Amneal	All extended-release capsule strengths	Prophylaxis of organ rejection in kidney transplant	5/4/2026
 Januvia (sitagliptin)	Apotex, Sandoz, Teva	All tablet strengths	Diabetes	5/28/2026
Janumet (sitagliptin/metformin)	Apotex, Sandoz	All tablet strengths	Diabetes	5/28/2026
 Xeljanz (tofacitinib)	Hikma, Sun, Novadoz (soln) Breckenridge, Zydus, Macleods, Novadoz, Aurobindo, Apotex (tab)	All tablet and oral solution strengths	Inflammatory conditions	6/3/2026
 Xeljanz XR (tofacitinib)	Aurobindo, Ajanta, Dexcel, Apotex, Zydus (11 mg) Zydus (22 mg) §	All extended-release tablet strengths	Inflammatory conditions	6/3/2026

• Authorized brand alternative
§ Exclusive launch

Additional first-time generic launches, including specialty drugs, drive meaningful savings



Drug	Generic Manufacturer	Dose/Formulation	Therapeutic Use	Launch Date
Opsumit (macitentan)	10+ manufacturers	All tablet strengths	Pulmonary arterial hypertension	6/8/2026
Myrbetriq Granules (mirabegron)	Ascend/Alkem	All oral suspension strengths	Neurogenic detrusor overactivity	6/11/2026
Bosulif (bosutinib)	Dr. Reddy's (400 mg) § Alembic (100 mg, 500 mg)	All tablet strengths	Chronic myeloid leukemia	6/13/2026
Injectafer (ferric carboxymaltose)	Viatis	100 mg/2 mL, 750 mg/15 mL injection	Iron deficiency anemia	7/10/2026
Rhofade (oxymetazoline)	Sun §	All cream strengths	Rosacea	7/20/2026

• Authorized brand alternative

§ Exclusive launch

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

SHBP		Q2 2025		YOY % Change	
Plan Paid PMPM	Q2 2026				
		\$343.60 Plan Paid PMPM SHBP Actives		\$300.02 Plan Paid PMPM SHBP Actives	
		\$472.38 Plan Paid PMPM SHBP Early Retirees		\$407.81 Plan Paid PMPM SHBP Early Retirees	
		\$803.57 Plan Paid PMPM SHBP EGWP Retirees		\$795.40 Plan Paid PMPM SHBP EGWP Retirees	
		\$338.73 State Active PMPM	\$359.27 LG Active PMPM	14.3% State Active	16.4% LG Active
		\$475.98 State ER PMPM	\$467.46 LG ER PMPM	14.4% State ER	17.2% LG ER
		\$796.20 State EGWP PMPM	\$822.83 LG EGWP PMPM	1.0% State EGWP	1.5% LG EGWP



Optum Rx[®]

Thank you