



# Pharmacy Benefit Programs

## Reducing costs and supporting better health

Our pharmacy benefit programs range from those based on the U.S. Food and Drug Administration (FDA) guidelines to innovative initiatives. We provide you with a wide range of programs that help to promote appropriate use, reduce costs and ultimately, improve health status.

### **PDL Programs**

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- Refill and Save
- Multiple Copay

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- ValueMax<sup>SM</sup>
- My Rx Choices<sup>®</sup>
- Mail Advantage<sup>SM</sup>

# Prescription Drug List (PDL) Programs

Engaging members to promote better medication choices and adherence.

## Exclude at Launch

We carefully evaluate medications as they come to market to determine if they add any value or simply add cost. If those newly launched high-cost medications meet certain criteria, we promptly exclude them from benefit coverage. By taking this proactive approach, we are able to quickly respond to new medication launches – managing your benefit responsibly, minimizing member disruption and eliminating unnecessary costs.

## Strategic Exclusions

We continuously evaluate medications that are priced at a premium, but fail to offer additional health care value over their therapeutic equivalent alternatives. We do not make the decision to exclude a medication from benefit coverage lightly and only do so when the medication meets our pre-defined criteria. For example, we may exclude a medication when it is therapeutically equivalent to another covered prescription or over-the-counter (OTC) medication that either:

- contains the same active ingredient, or
- contains a modified version of the active ingredient.

Strategic Exclusions can then be leveraged to negotiate lower costs for other medications within the same therapeutic class to reduce the overall class costs and promote the use of lower-cost medications.



**Nine branded medications make up the Growth Hormones class. They all contain the same active ingredient (somatropin) and are therapeutically equivalent to one another. We excluded four of the more expensive medications, maintaining the remaining four in Tier 2 with one in Tier 3.**





## Refill and Save

This first-of-its-kind program encourages members with certain chronic disease states to comply with their treatment regimen. It rewards members with a \$20 discount (\$50 at mail) on their copayment for timely prescription refills on select medications. Actively engaged members are better able to remain adherent and manage their condition.



**Members who refill their eligible prescription on time receive a \$20 discount on their copay. That's \$240 in savings per year.**

## Multiple Copay

Pharmaceutical companies have increased package sizes in certain classes, resulting in increased cost without increased consumer need. Based on claims data, we can determine average refill rates. In some instances, packages are so large they contain more than 30 days worth of medication. The Multiple Copay Program helps realign the benefit of one copayment per 30-day supply by applying an additional copayment where appropriate. This program is currently applied to several medications that treat acne, dermatitis and rosacea.



**30-day supply = 1 copay**



**60-day supply = 2 copays**

**Currently, members may pay just one copay for an unnecessarily larger and more costly medication. With the Multiple Copay Program, members can choose to pay the extra copay or seek a lower-cost option.**

# Clinical Programs

Encouraging appropriate medication use to promote safety and reduce waste.

## ProgressionRx (Step Therapy)

ProgressionRx helps curb the cost of medications and lower the total costs in categories where clinically similar, more cost-effective medications are available. The program directs members to a lower-cost medication (known as Step 1) before progressing to a higher-cost alternative (known as Step 2). Members currently using a Step 2 medication will be grandfathered and therefore are unaffected by this program.<sup>1</sup>



**ProgressionRx currently includes 14 medications in five therapeutic classes.**

## Supply Limits

Supply Limits help address safety concerns and minimize waste by setting limits on the amount of medication that can be dispensed for one month (i.e. 30-day supply for one month) or one copayment (i.e. 30-day supply for one copayment). These limits are carefully considered by our National Pharmacy and Therapeutics (P&T) Committee and are based on guidelines included in FDA labeling, dosing recommendations and medical literature.

**Prices of migraine headache medications continue to climb – up almost 40% as manufacturers increase package sizes. As a result, supply limits for all migraine medications were reduced to four tablets per copayment.**

## Notification

Notification requires physicians to provide additional prescribing information to verify benefit coverage. This ensures they are prescribing the medication for a covered condition.

For example, Nuvigil is used to treat excessive daytime drowsiness (EDD) for specific sleep disorders. Nuvigil may also be prescribed off-label for ADHD (attention deficit hyperactivity disorder) though there are several lower-cost, Tier 1 generic options available to treat that condition. Notification helps promote safety and may help reduce costs.

## High Narcotic Utilization

This program identifies and monitors members who may be inappropriately using narcotics (pain medications) and/or seeking them from several physicians, other prescribers, and pharmacies. Patient-specific prescription information is provided to those physicians who prescribed the narcotics. This information helps them review medication use and promote coordination of care.

**2010 annual review reveals the program continues to demonstrate success with a 41% decrease in total number of prescriptions and a 50% decrease in the number of prescribers<sup>2</sup>.**

1. Members currently taking one of the Sleep Aid or Seizure Step 2 medications included in the program will not be grandfathered, but may request a physician coverage review.

2. Information based on UnitedHealthcare claims data comparison between 2009 pre-mailing period and 2010 post-mailing period.

# Specialty Pharmacy Program

Improving health outcomes and lowering costs through total condition management.

The Specialty Pharmacy Program provides total care coordination for members with chronic and complex conditions that are often life-threatening or debilitating. Since these conditions require expensive medications and treatment, a more comprehensive approach to treatment can result in significant cost savings. Through our standard program, members are directed to a specialty pharmacy within the Designated Specialty Pharmacy Network and provided support through clinical management programs.

## Personalized Care Management

Our comprehensive approach to care management helps members be more engaged in their care. This can lead to increased adherence, better health decisions and lower health care costs.



**The program created a 50% increase in adherence for oral oncology patients<sup>3</sup>. This results in fewer emergency room visits, less hospitalization, reduced drug waste and lower total health care costs.**

3. Oncology savings information based on UnitedHealthcare study using UnitedHealthcare claims data from fully insured commercial membership on actual experience participating in the Specialty Pharmacy Program, 2008.



# Pharmacy Network Programs

Directing members to more cost-effective options.



## Limited Medications Through Mail Order

This program restricts coverage of short-term use medications to retail pharmacies. This reduces the possibility of wasted medication that is caused by 90-day mail-order fills. This program impacts very few members since it includes just five medications that are typically not filled through mail order due to the condition they treat.

## Select Designated Pharmacy

The Select Designated Pharmacy Program restricts benefit coverage at network retail pharmacies and directs members who are currently taking a select high-cost, Tier 3 medication to choose one of three more cost-effective options. Each option has a different savings potential, but the member must choose one to continue receiving network benefits. A member taking a medication with a \$50 copay could:



Member Options

| 1  | 2  | 3                            |
|--|--|------------------------------|
| Fill current prescription through the mail-order pharmacy. | Switch to a lower-cost option and fill at a retail pharmacy. | Save the most by doing both. |
|  |  |                              |
| <b>Save \$8 per month</b>                                  | <b>Save \$40 per month</b>                                   | <b>Save \$42 per month</b>   |

The medications targeted in this program only represent 2% of all retail prescriptions – but members have saved an average of \$300 per year.<sup>4</sup>

4. Member savings based on data from fully insured plan results in 34 states participating in the program from Feb. 1 through May 31, 2010.

## Direct Communication Programs

Promoting lower-cost options with mailings and phone calls.

### Half Tablet

The Half Tablet Program is an easy way to save money by splitting select pills in half. When members choose to split their pills, they get a new prescription for half the quantity and double the dosage, resulting in their current dosage when split. The result is up to 50% in additional savings for you and your employees.

#### Current Prescription



#### Half Tablet



Split each 40mg tablet into two 20mg doses.

Participating members can **save up to \$300 each year.**<sup>5</sup>

### ValueMax

ValueMax is a direct communication campaign that identifies members taking higher-tier medications and informs them of lower-cost, higher-value medications. Lower-cost alternatives include brand and generic options, as well as over-the-counter medications.

There is often more than one medication to treat a given condition. ValueMax notifies employees of their lower-cost options.



### My Rx Choices

My Rx Choices is an online tool available on myuhc.com that helps members easily find lower-cost medication options. Members can price medications by individual pharmacies and find less-expensive brand and generic medication options.

### Mail Advantage

For some maintenance medications (those taken on a long-term basis), the mail-order pharmacy may be more cost-effective and convenient for members. With customized letters and outbound phone calls, the Mail Advantage Program drives savings by encouraging members to use the mail-order pharmacy for their maintenance medications

5. Savings results may vary based on member medication cost and plan design.



## Comprehensive member engagement



Letters



Customer Care Center



At the Pharmacy



myuhc.com

From letters highlighting savings to extensive online information and one-on-one support through the Customer Care Center, we provide members with the tools and information they need to help them better manage their pharmacy benefit.

**For more information about these programs, please contact your UnitedHealthcare representative or broker.**



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