



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

- Exclude at Launch
- Strategic Exclusions
- Refill and Save
- Multiple Copay

Clinical and Utilization Management Programs

- Step Therapy
- Supply Limits
- Notification/Prior Authorization
- High Narcotic Utilization

Specialty Pharmacy Program

Network Programs

- Limited Medications Through Mail Service
- Select Designated Pharmacy

Direct Communication Programs

- Half Tablet
- ValueMax
- The Mail Service Pharmacy
- Manage my Prescriptions

Prescription Drug List (PDL) Programs

Engaging members to promote better medication choices and adherence.

Exclude at Launch

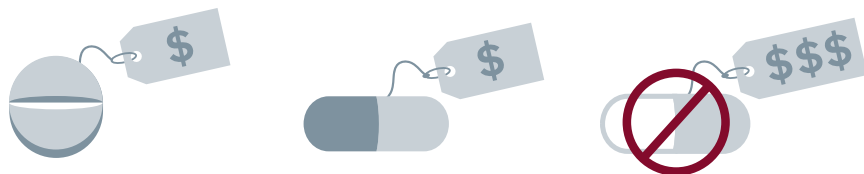
We carefully evaluate medications as they come to market to determine if they add any value or simply add cost. If those newly launched high-cost medications meet certain criteria, we promptly exclude them from benefit coverage until formally reviewed by our National Pharmacy Therapeutics and PDL Management committees. 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 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.



Scan this code with your mobile device to view a short video clip on our Prescription Drug List.





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 (approximately \$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 1-months worth of medication. The Multiple Copay Program helps realign the benefit of one copayment per 1-month supply by applying an additional copayment where appropriate. This program is currently applied to several medications that treat acne, dermatitis and rosacea.



1-month supply = 1 copay



2-month supply = 2 copays

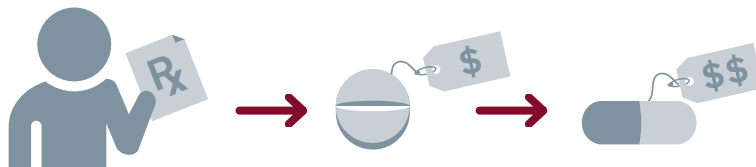
Currently, members may pay just one copay for an unnecessarily larger and more costly package size. With the Multiple Copay Program, members can choose to pay the extra copay or seek a lower-cost option.

Clinical and Utilization Management Programs

Encouraging appropriate medication use to promote safety and reduce waste.

Step Therapy

Step Therapy 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 providing coverage for a higher-cost alternative (known as Step 2). Members currently using a Step 2 medication may be grandfathered and therefore are unaffected by this program.²



Member prescribed Rx

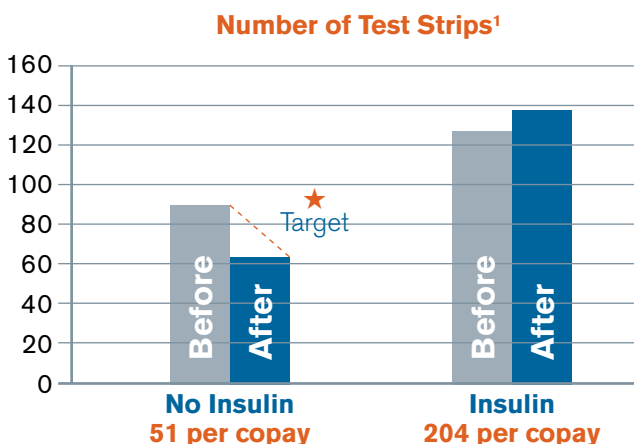
Try Step 1 Rx first

Step 2 Rx covered

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. 1-month supply for one month) or one copayment (i.e. 1-month 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, medical literature and our claims data.

Reducing waste with supply limits for members not on insulin without affecting members on insulin.



4

1. Quantity limits based on an automated look back into member claims history. This is not a guarantee. Individual plan results may vary.
2. 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 coverage review.
3. Information based on UnitedHealthcare claims data evaluating change in utilization based on mailings in 2011.

Notification/Prior Authorization

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

For example, Actiq is used to treat cancer pain. Actiq may also be prescribed off-label for migraines though it is not approved for this use. Notification/Prior Authorization 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 filled at numerous 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.

Recent annual review reveals the program continues to demonstrate success with a 42% decrease in total number of prescriptions and a 48% decrease in the number of prescribers.³

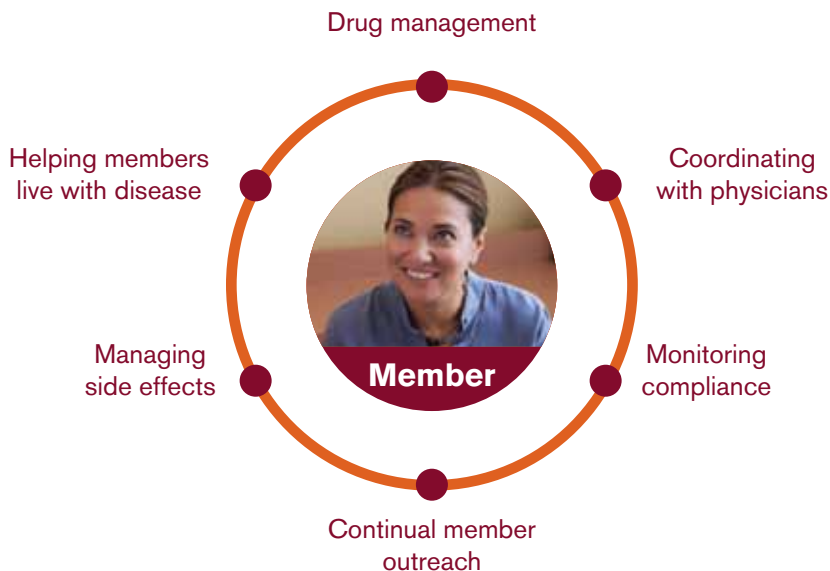
Specialty Pharmacy Program

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 patients³. 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 date 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 Service


This program restricts coverage of short-term use medications to retail pharmacies. This reduces the possibility of wasted medication that is caused by 3-month mail service fills. This program impacts very few members since it includes just a handful of medications that are typically not filled through mail service 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.
		
Save \$8 per month	Save \$40 per month	Save \$42 per month

The medications targeted in this program only represent 2% of all retail prescriptions - but members have **saved an average of \$300 per year⁴**.



Scan this code with your mobile device to view a short video clip on the program.

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-to-Member 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 medications in half. When members choose to split their pills, they get a new prescription for half the quantity and double the strength, 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.

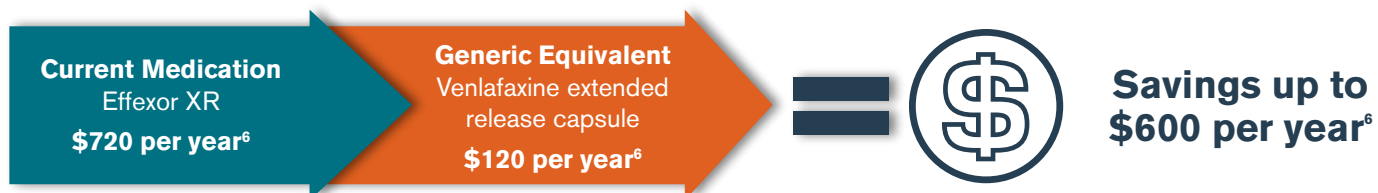
Participating members can save up to \$300 each year⁵.

ValueMax

ValueMax is a letter campaign that identifies members taking higher-tier medications and informs them of lower-cost, high-value medications. Lower-cost alternatives include brand and generic options.

There is often more than one medication to treat a given condition.

ValueMax notifies employees of their lower-cost options.



The Mail Service Pharmacy

For some maintenance medications (those taken on a long-term basis), the mail service pharmacy may be more cost-effective and convenient for members. With customized letters and outbound phone calls, the mail service drives savings by encouraging members to use the mail service pharmacy for their maintenance medications.⁷

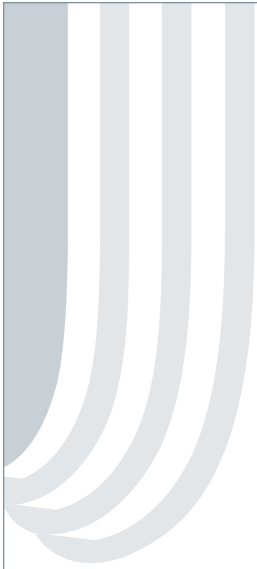
Price a Medication

The "Manage my Prescriptions" tool lets members search for medications before buying them at the pharmacy. Pricing will include costs for mail service and participating retail pharmacies and displays the cost based on their specific benefit plan.

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

6. Potential savings estimate do not take into consideration any deductibles or other expenses that may apply. Potential savings estimates are based on a 1-month supply for retail or a three month supply for mail service. Actual savings may vary.

7. OptumRx™ Mail Service Pharmacy will be the mail order pharmacy for new business after Jan. 1, 2013, and for current UnitedHealthcare customers after their transition to OptumRx pharmacy benefit services in 2013.



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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All PEPM savings noted are based on our commercial membership who implemented the programs and are not guarantees. Actual savings may vary.

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