Total Condition Management: 

Better Outcomes, Lower Costs 

The Specialty Pharmacy Program

While the average monthly cost of the top three specialty medication classes is $2,500, it is critical to look beyond just the cost of the medication and focus instead on the total cost of care. This has been our core objective for many years, and we have led the industry in implementing strategies that are tailored to individual members while significantly lowering costs.

While specialty medications only account for 1% of all medication use, they account for 30% of medication costs under the pharmacy benefit. Even with the growth of specialty medications, we have proven results showing we can help lower specialty benefit costs while providing a high level of health care management.
Lifeline Medications
Specialty medications treat some of the most complex and life threatening diseases. They can enhance quality of life, and for some people, extend their life. However, these medications come at a high price due to the development time and effort required to create them for a relatively small number of people. Adding to the high cost are biologics – specialty medications created from human proteins to treat diseases at the cellular level.

Due to the nature of the conditions they treat, these medications are often injected, infused or inhaled, as well as taken orally. That’s why it’s important to provide medical or pharmacy benefit coverage that best supports the member’s treatment needs. This flexibility is critical given each medication’s unique requirements, the individual’s condition and cost management considerations.

Specialty Pharmacy Program Conditions

- Allergic Asthma
- Anemia
- Arthritis/Crohn’s Disease
- Cancer
- Cystic Fibrosis
- Endocrine Disorder
- Enzyme Deficiency
- Excess Iron
- Growth Hormone Deficiency
- Hemophilia
- Hepatitis B
- Hepatitis C
- Hereditary Angioedema
- HIV/AIDS
- Immune Deficiency
- Infertility
- Multiple Sclerosis
- Muscle Spasms
- Neutropenia
- Osteoporosis
- Parkinson’s Disease
- Psoriasis
- Pulmonary Arterial Hypertension (PAH)
- Respiratory Synctial Virus (RSV)
- Thrombocytopenia
- Transplant
- Vaccines

Extremely rare conditions may not be listed.
Personalized Care Management

Specialty conditions often times require a higher level of care and oversight given their complexity. Members with a specialty condition often face many challenges including:

- complicated, multiple medication regimens and higher cost share burdens
- unpleasant and sometimes severe side effects
- additional medical conditions
- emotional strain and anxiety

Effectively managing these issues requires support focused around the patient and their disease(s), not simply medication management. We tailor our programs and services to specific medical conditions, addressing the complicated issues that can lead to physical and emotional hardships. Programs are coordinated between clinical pharmacists, OptumHealth nurses and physicians to keep individuals on track with the most appropriate medication therapy and care regimen.

Failure to remain adherent to treatment can quickly cascade into a series of setbacks and medical emergencies. To address these problems or identify health improvement opportunities more quickly, we align clinical strategies, programs and care coordination across the services delivered by all UnitedHealthcare companies.
The Specialty Pharmacy Program Experience

What can your employees expect from the Specialty Pharmacy Program? A **seamless transition, a caring team and ongoing expert support.** New and newly diagnosed members utilizing pharmacy benefit medications will automatically receive a letter explaining the Specialty Pharmacy Program and detailing their next steps. Both pharmacy benefit and medical benefit members have access to our network of providers staffed with pharmacists focused on specialty medications. We also offer a web site, [uhcspecialtyrx.com](http://uhcspecialtyrx.com), that explains UnitedHealthcare’s Specialty Pharmacy Program, connects members with their specialty pharmacy or home health care provider and provides information on specialty conditions, medications and clinical programs.

A Member Oncology Story – Mary

**Medication management**
During the first clinical counseling call, Mary learns about all her medications, side effects and support programs. The specialty pharmacist identifies a harmful interaction between her oncology and seizure medications.

**Coordinating with physicians**
The specialty pharmacist consults with Mary and the physician to adjust dosing of her seizure medication.

**Monitoring compliance**
The specialty pharmacist notices Mary’s blood test was not completed and Mary complained of extreme fatigue. The blood work showed Mary has anemia. Her physician adjusts her therapy to lessen the risk of heart attack.
While each member’s needs vary depending on the type and stage of their condition, our specialty pharmacy program provides the resources and support they need to get the right help from the right place at the right time. One woman’s experience in our program is shown below and highlights potential touchpoints that are common with many specialty conditions.

**RESULTS: $19,606 in oncology program savings (per member, 1st year)**

- Fewer ER visits
- Less hospitalizations
- Reduced medication waste

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**Continual member outreach**

Mary receives counseling calls every two weeks during the first months of therapy to help support adherence.

During a counseling call, the specialty pharmacist screens Mary for depression, connects her to OptumHealth Behavioral Solutions and informs her physician.

**Managing side effects**

On a follow-up call, Mary says she is experiencing severe nausea from her medications. The specialty pharmacist contacts Mary’s physician to notify her of the problem.

**Helping members live with disease**

With ongoing monitoring and tailored programs, Mary has better support to live with this complicated disease.

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* Based on 2009 UnitedHealthcare claims data.
Total Care Management = Better Health, Lower Costs

In the table below, you may see an increase in pharmacy costs due to increased compliance with therapy. However, you’ll see an even greater decrease in medical costs due to a reduction in doctor visits, lab tests, emergency room visits and hospitalizations.

<table>
<thead>
<tr>
<th>Adherence improvement</th>
<th>Multiple Sclerosis</th>
<th>HIV</th>
<th>Anemia</th>
<th>HepC</th>
<th>Rheumatoid Arthritis</th>
<th>Transplant</th>
<th>Neutropenia</th>
<th>Oral Oncology</th>
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</thead>
<tbody>
<tr>
<td>19%</td>
<td>15%</td>
<td>32%</td>
<td>17%</td>
<td>16%</td>
<td>28%</td>
<td>53%</td>
<td>50%</td>
<td></td>
</tr>
</tbody>
</table>

| Pharmacy savings      | ($1,773)          | ($1,810) | ($1,806) | $1,297 | $4,015 | ($346) | $2,582 | ($3,322) |
| Medical savings       | $891              | $1,257   | $3,382  | $3,780 | $22,928 | $12,644 | $15,804 | $22,928   |

Total Savings (per user, 1st year) | ($882) | ($553) | $1,576 | $5,077 | $5,174 | $12,298 | $18,386 | $19,606 |

Results: $3.10 PEPM savings across 8 specialty conditions

A Closer Look at Medical Benefit Management

To be the most effective, you must manage specialty medications under both the pharmacy and medical benefits. Managing certain medications under the pharmacy benefit can be wasteful or damaging to physician relationships. We don’t have to choose where we cover a medication based on capabilities – we choose based on a combined network, clinical and benefit model that is ideal for that particular medication.

Medications need to be covered under the medical benefit if they require:

- Physician or nurse assisted administration
- More intense physician oversight and support
- Faster access
- Less disruption to members and physicians

* All savings information shown here is based on UnitedHealthcare study using UnitedHealthcare claims data from fully insured commercial membership on actual experience participating in the Specialty Pharmacy Program, 2008.
** PEPM (Per Employee Per Month) savings applies to ASO customers only. This potential savings amount is not guaranteed. Actual savings amount may vary.
Savings From Mary’s Story

<table>
<thead>
<tr>
<th>Oral Oncology Pharmacy Savings</th>
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<tbody>
<tr>
<td>Increased specialty Rx use</td>
<td>($11,942)</td>
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<tr>
<td>Reduced drug waste</td>
<td>$6,857</td>
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<td>Network savings</td>
<td>$1,763</td>
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<td>Savings</td>
<td>($3,322)</td>
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<table>
<thead>
<tr>
<th>Oral Oncology Medical Savings</th>
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<tr>
<td>Office visits</td>
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<tr>
<td>ER visits</td>
<td>$36</td>
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<tr>
<td>Outpatient hospital cost</td>
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<td>Inpatient hospital cost</td>
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<td>Other medical costs</td>
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<tr>
<td>Savings</td>
<td>$22,928</td>
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Industry Leading Specialty Drug Cost Trends*

We have the ability and the incentive to manage total health care costs for long-term value.

Managing specialty medications under the medical benefit:

- **Lowest physician network costs**
  Our contracted physician drug reimbursement rates are 12% below the industry average and our 2009 physician drug reimbursement trend was less than 1%.

- **Better clinical management**
  We promote appropriate use and limit waste through drug policies and protocols for physicians who are administering medications in their offices for their patients.

- **Directing physicians to lower-cost medications**
  Only UnitedHealthcare has implemented clinical policies for higher-value medications and incented their use through increased reimbursement to providers and physicians.

- **Integrated reporting**
  We have proven that our integrated approach works by providing in-depth data showing savings by disease state and total cost impact across both benefits.

By fully integrating and aligning our pharmacy benefit and medical benefit strategies, our Specialty Pharmacy Program focuses on the total cost of care while helping to improve the quality of life of your employees.
Please contact your UnitedHealthcare broker or representative for more information about the Specialty Pharmacy Program for the pharmacy benefit.