

A photograph of three business professionals in a meeting. A woman with blonde hair is on the left, a woman with dark curly hair is in the center, and a man with glasses is on the right. They are all smiling and looking at each other. There are laptops on the table in front of them.

Pharmacy Benefit Update

Jan. 1, 2017 Prescription Drug List & Benefit Plan Updates

On the Agenda

- Decision Summary
- Management Strategies
 - Diabetes
 - Specialty Conditions
 - Hemophilia
 - Multiple Sclerosis
 - Pain Management
 - Prescription Emollients
- Additional Update
- Communication Plan
- Action Items

Advantage & Traditional PDL Decision Summary for 1.1.2017

Key Changes

Diabetes:

- UnitedHealthcare will be one of the market leaders in the long-acting insulin space due to the speed to act on a market event – the launch of a follow-on biologic for Lantus.
- **Basaglar will be covered on Tier 1**, Lantus will move from Tier 3 to excluded, and Levemir will move from Tier 1 to Tier 2.

Specialty:

- **Hemophilia:** Based on the **expanded number of products available** to treat Hemophilia that contain the same active ingredient, we are able to lower overall costs.
 - Three products currently excluded from the benefit will be covered in Tier 2
 - One product moves from Tier 2 to benefit exclusion
 - Several products have no change in coverage
- **Multiple Sclerosis:** By leveraging our utilization management capabilities we are able to lower overall costs, while **providing broader access** to these medications. Plegridy will have new benefit coverage, and Aubagio and Gilenya will no longer require Step Therapy.

Pain Management:

- **Aggressive drug marketing of opioids** to physicians has fueled over prescribing.
- The high utilization of OxyContin has generated criticism including written warnings from FDA for misleading advertisements¹.
- Utilization Management programs are being revised to **align with Centers for Disease Control and Prevention (CDC)** recommendations.
- Two medications will be excluded from coverage including Butrans and Oxycontin. Xtampza ER will have new benefit coverage in Tier 3.

1. U.S. Food and Drug Administration: Warning Letters: 2003.

Other Noteworthy Changes:

- **Neutropenia:** Neupogen will be excluded in favor of Zarxio, the Neupogen biosimilar
- **Prescription Emollients:** Implementing exclusions for several prescription products given availability of OTC moisturizers such as Aquaphor
- **Oral Contraceptives – Reversing brand over generic strategy:** Several generic options move to Tier 1 and equivalent branded products move to Tier 3

January 1, 2017 Decision Summary



Decisions	UnitedHealthcare PDL	
	Advantage	Traditional
2 > 1 Down-Tiers	4	4
2 > 3 Up-Tiers (3-tier plans)	8	11
3 > 4 Up-tiers (4-tier plans)	17	12
3 New Tier Placements (previously excluded from coverage)	3	3
X Strategic Exclusions ¹	8	8
X Continued Exclusions (previously excluded at launch)	10	10
X Bulk Ingredient Exclusions	9	9
SL New / Revised Supply Limits ¹	10	10
MN Medical Necessity ¹	8	8
STEP Step Therapy ¹	2	2
N Notification ¹	0	0

¹ Applies to customers who implement Exclusions, Step Therapy, Medical Necessity, Notification or Supply Limits.

Diabetes

Market leading insulin therapy will have new coverage on Tier 1.

22 million
people had diabetes in
2014¹

\$245 billion
Annual cost of
diabetes expenditures
in US²



X Lantus



1 Basaglar

Members currently paying a Tier 3 copay for Lantus will be able to receive Basaglar, with the same active ingredient, in Tier 1.

Basaglar and Lantus contain the same active ingredient - insulin glargine

Other Decisions

- X** Tresiba FlexTouch (effective 1/1/2017)
- 1 > 2** Levemir, Levemir FlexTouch, Levemir FlexPen

To allow members additional time to transition, this change will be effective April 1, 2017

1. Centers for Disease Control and Prevention, National Center for Health Statistics, Division of Health Interview Statistics, data from the National Health Interview Survey. (2014) Division of Diabetes translation 2. Centers for Disease Control & Prevention. (2014). [National Diabetes Statistics Report, 2014.](#)

Specialty – Hemophilia

One of the first health plans to create a preferred product strategy within this category. Working with specialty pharmacies for a smooth member transition for this limited population.

20,000
Americans
affected¹

1.04
prevalence per
10K lives

\$160,000
average annual
cost of drug
therapy²

Product	Current PDL Tier	1/1/2017 PDL Tier
Advate	Tier 2	Tier ¼
Adynovate	EAL*	Excl.
Eloctate	Tier 3	Tier 3
Helixate FS	Tier 2	Excl.
Kogenate FS	Tier 2	Tier 2
Kovaltry	EAL*	Tier 2
Novoeight	Excl.	Tier 2
Nuwiq	EAL*	Tier 2
Recombinate	Tier 2	Tier 3
Xyntha	Tier 2	Tier 3

*Exclude at Launch



These four preferred products will be available in Tier 2

Other Decisions

New Benefit Coverage

- 2** Kovaltry
- 2** Novoeight
- 2** Nuwiq

Exclusion

- X** Adynovate
- X** Helixate FS

Uptiers

- 2 > 3** **MN** Advate
- 2 > 3** **MN** Recombinate
- 2 > 3** **MN** Xyntha

All Factor VIII products above have the same active ingredient.

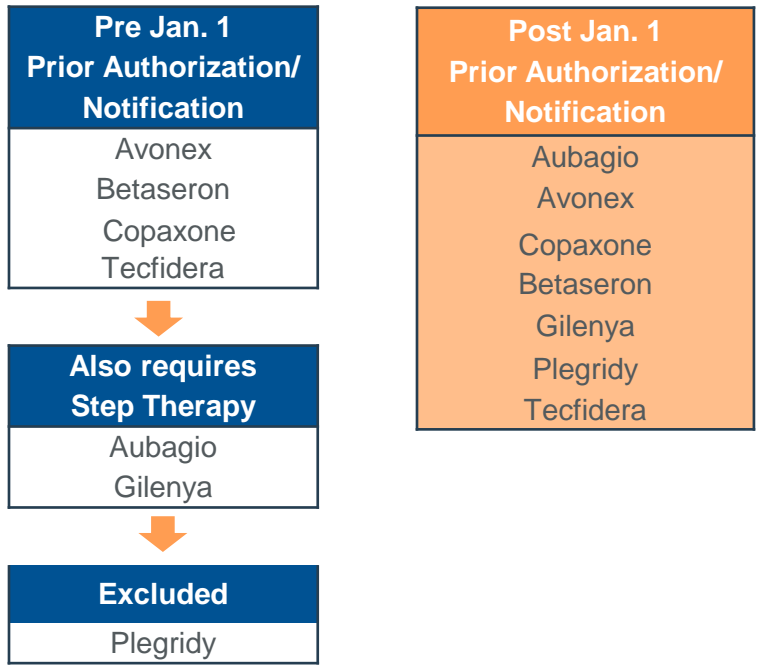
Factor IX Decision

- X** Ixinity

1. "Hemophilia Data & Statistics" Center for Disease Control and Prevention, 2. "An Actuarial Study of Hemophilia; Implications for Commercial and Medicaid Managed Care Plans" Milliman, Inc.: October 24, 2013.

Specialty – Multiple Sclerosis

Leveraging drug management strategies, we are now able to offer coverage of all therapies without Step Therapy.



Evaluation of the category provided UnitedHealthcare with an opportunity to leverage utilization management programs to enhance value while providing greater access for members.

Other Specialty Decisions

Neutropenia

- 2 Zarxio
- X Granix
- X Neupogen

HIV

- 2 > 3 Complera
- 2 > 3 Truvada
- X Viamune (Brand Only)
- X nevirapine extended-release (generic Viamune XR)

Oncology

- 1 imatinib (generic Gleevec)
- X Gleevec
- STEP Tasigna
- MN Sprycel

Inflammatory Conditions

- 3 MN Taltz

Multiple Sclerosis

- 3 Plegridy

Transplant

- X Envarsus XR

Pain Management

Aggressive drug marketing of opioids to physicians fueled over prescribing.

1 in 4

Patients receiving long-term opioid therapy struggle with addiction¹

Nearly **two million** Americans abused prescription opioid pain relievers in 2014²

Responding to the Market Need:

UnitedHealthcare is invested in reducing the abuse of opioids, while ensuring the safe and effective treatment of pain.

- 1 in 15 patients prescribed opioids for short-term surgical pain will become long term users³.
- An estimated 20% of patients with non-cancer or chronic/acute pain receive an opioid prescription².
- Evidence does not support the benefit from long-term treatment of chronic non-cancer pain².
- Risk is minimized if opioids are used for a limited duration and at reduced doses².



Actions we are taking to comply with CDC changes posted March 2016:

- Supply Limits for select opioids and strengths will be decreased if higher than doses recommended in the CDC guidelines
- Modifying prior authorization criteria

1. Banta-Green CJ, Merrill JO, Doyle SR, Boudreau DM, Calsyn DA. Opioid use behaviors, mental health and pain—development of a typology of chronic pain patients. Drug Alcohol Depend 2009;104:34–42. "Injury Prevention & Control: Opioid Overdose Data & Statistics" Center for Disease Control and Prevention 2. www.cdc.gov 3. Alam A, Gomes T, Zheng H, Mamdani MM, Juurlink DN, Bell CM. Long-term analgesic use after low-risk surgery: a retrospective cohort study. Arch Intern Med. 2012;172: 425–430.

Pain Management

Pain management is a crowded class with multiple brand and generic options that can vary dramatically in cost. Many new products coming to market often have the same active ingredients.



- Leveraging competition we are able to **lower the overall category costs**.
- The **spend in the pain management** category is driven by increased utilization, new drugs to market, and inflation.

Additional Decisions

Opioids

- Oxaydo
- 3 Belbuca
- Butrans
- oxycodone extended-release (OxyContin authorized generic)

Migraines/other pain relief

- Zecuity
- Zembrace SymTouch
- Onzetra Xsail
- Sumavel DosePro
- Vivlodex

Prescription emollients

Prescription emollients are skin moisturizers. Manufacturers have tried to market these as prescription products, despite the availability of **over-the-counter** alternatives.

Average cost of emollients prescription: \$270

Lower cost options include:

- OTC Aquaphor
- OTC Eucerin
- OTC Lubriderm
- OTC Vaseline



Over-the-counter(OTC) options available for \$10 result in a **savings of up to \$400** per prescription.

Exclusions:

- Alevecyn Antipruritic Gel, Sg & Dermal Spray
- Atopiclair
- Atrapro Antipruritic Hydrogel, Atrapro Dermal Spray, Atrapro Cp
- Aurstat Anti-Itch Hydrogel
- Carrasyn Hydrogel Wound Dressing
- Ceracade
- Diab, Diab F.D.G. Freeze-Dried
- Eleton, Eleton Twinpack
- Emulsion Sb
- Enty
- Epiceram
- Genadur
- HPR, HPR Plus, HPR Plus Hydrogel,
- HPR Plus/MB Hydrogel
- Hylatopic, Hylatopic Plus
- Kendall Amorphous Hydrogel Wound Dressing
- MB Hydrogel
- Microcyn
- Neosalus, Neosalus Cp
- Nivatopic Plus
- PR Cream
- Presera
- Pruclair
- Prumyx
- Radiagel
- RadiaPlexRX
- SilvaSorb
- Spectragel
- Therahoney
- Tropazone
- Vacustim
- Vascuderm, Vascuderm Hydrogel Wound Dressing
- Zanabin Antipruritic Hydrogel

Advantage & Traditional PDLs

Additional Updates

Additional Exclusions

Exclusions X

Therapeutic Category	Tier	Medication
Acne	X	Epiduo Forte
Glaucoma	X	bimatoprost 0.03% (generic Lumigan)
High Blood Pressure	X	Prestalia
Skin Conditions	X	Neo-Synalar Cream
Stroke & Heart Attack Prevention	X	Durlaza (OTC equivalent exclusion)

Exclusions X

Therapeutic Category	Tier	Medication
Oral Contraceptives	X	Ortho Tri-Cyclen Lo (Brand only)

Non-FDA Approved Medications

Therapeutic Category	Tier	Medication
Pain	X	Cyclobenzaprine Comfort Pac
	X	DermacinRx
	X	Ibuprofen Comfort Pac
	X	IC 400
	X	IC 800
	X	Leva Set
	X	Lidocaine/Prilocaine
	X	LP Lite Pak
	X	Meloxicam Comfort Pac
Skin Conditions	X	Celacyn
	X	Lactic Acid (Brand and generic)
	X	Lactic Acid Racemic
	X	Regenecare

Additional Tier Changes

New Benefit Coverage

Therapeutic Category	Tier	Medication
Acne	3	Aczone 7.5%
Elevated Potassium Levels	3	Veltassa
Inflammatory Bowel Disease	2	Uceris Foam

Downtiers

Therapeutic Category	Tier	Medication
Oral Contraceptives	3 ▶ 1	Tri-Estarylla, Tri-Linyah Tri-Previfem, Tri-Sprintec, Trinessa (generics for Ortho Tri-Cyclen)
	3 ▶ 1	Alyacen 7/7/7, Cyclofem 7/7/7, Dasetta 7/7/7, Necon 7/7/7, Nortrel 7/7/7, Pirmella 7/7/7 (generics for Ortho Novum 7/7/7)
	3 ▶ 1	Camila, Deblitane, Errin, Heather, Jencycla, Jolivette, Lyza, Nora BE, Norlyroc, Sharobel (generics for Ortho Micronor, Nor-QD)
	3 ▶ 1	Estarylla, Mono-Linyah, MonoNessa, Previfem, Sprintec (generics for Ortho Cyclen)

Up-tiers

Therapeutic Category	Tier	Medication
Oral Contraceptives	1 ▶ 3	Ortho Tri-Cyclen
	1 ▶ 3	Ortho Novum 7/7/7
	1 ▶ 3	Ortho Micronor
	1 ▶ 3	Ortho Cyclen
	1 ▶ 3	Nor-QD
Seizures	2 ▶ 3	carbamazepine extended-release tablet (generic Tegretol XR)
	1 ▶ 2	divalproex extended-release (generic Depakote ER)
Skin Conditions	2 ▶ 3	Fluoroplex 1%

4 Tier Updates

Therapeutic Category	Tier	Medication
Acne	4	Aczone 7.5%
Cancer	3 ▶ 4	Sprycel
Hemophilia	2 ▶ 4	Advate
	2 ▶ 4	Recombinate
	2 ▶ 4	Xyntha, Xyntha Solofuse
HIV	2 ▶ 4	Complera
	2 ▶ 4	Truvada
Inflammatory Conditions	4 ▶ 3	Cosentyx
	4	Taltz
Multiple Sclerosis	4 ▶ 3	Aubagio
Oral Contraceptives	1 ▶ 4	Ortho Tri-Cyclen
	1 ▶ 4	Ortho Novum 7/7/7
	1 ▶ 4	Ortho Micronor
	1 ▶ 4	Ortho Cyclen
	1 ▶ 4	Nor-QD
Skin Conditions	2 ▶ 4	Fluoroplex 1%



For customers with a 4-Tier benefit design, these medications are being down-tiered, up-tiered, or have new benefit coverage.

Traditional PDL

Uptier

Therapeutic Category	Change	Medication
Asthma	1 ▶ 2	Ventolin HFA
	3 ▶ 4	Zyflo
	3 ▶ 4	Zyflo CR
	3 ▶ 4	Dulera
Hereditary Angioedema	3 ▶ 4	Ruconest
Opioid Induced Constipation	2 ▶ 3	Relistor *
Oral Contraceptives	3 ▶ 4	Ortho Tri-Cyclen
	3 ▶ 4	Ortho Novum 7/7/7
	3 ▶ 4	Ortho Cyclen
Pain	3 ▶ 4	Lazanda
Skin Conditions	3 ▶ 4	Cordran Cream, Lotion, Ointment

* Moving to Tier 4 for customers with 4-Tier plans.

Multiple Copay

The Multiple Copay Program requires a member to pay an additional copayment since the package contains more medication than typically used for a one month supply.

Therapeutic Category	Tier	Medication
Skin Conditions	3	Cordran Cream
	3	Cordran Lotion
	3	Cordran Ointment



We only up-tier medications on the Traditional PDL on January 1.

Clinical Program Updates



STEP Step Therapy*

Members will need to try a lower-cost medication first, before a higher-cost medication may be covered.

New Step Therapy		
Therapeutic Category	Medication Name	Step 1 Medication
Cancer	Tasigna	Step 1 – imatinib (generic Gleevec)
Skin Conditions	Cordran	Step 1 – fluocinolone acetonide 0.025% ointment (generic Synalar)

Clinical Program Updates

SL Revised Supply Limits¹

Establishes the maximum quantity of drug that is covered per copayment or in a specified timeframe. The following medications will have revised supply limits.

Therapeutic Class	Medication
Pain ¹	Avinza 120 mg
	Embeda 100 mg/4 mg, 50 mg/2 mg, 60 mg/2.4 mg, 80 mg/3.2 mg
	Exalgo 12 mg, 32 mg
	Hysingla ER 100 mg, 120 mg
	Kadian 50 mg, 60 mg, 70 mg, 80 mg, 100 mg, 130 mg, 150 mg, 200 mg
	MS Contin 60 mg, 100 mg, 200 mg
	Nucynta ER 150 mg, 200 mg, 250 mg
	Opana ER 30 mg, 40 mg
	OxyContin 40 mg, 60 mg, 80 mg
	Xtampza ER 36 mg

MN Medical Necessity

Evaluates the clinical appropriateness of a condition being treated, type of medication, frequency, and duration.

New Medical Necessity	
Therapeutic Class	Medication
Cancer	Sprycel
Hemophilia	Advate
	Adynovate
	Helixate
	Recombinate
	Xyntha
Xyntha Solofuse	
Inflammatory Conditions	Taltz
Revised Medical Necessity	
Therapeutic Class	Medication
Pain ¹	Avinza
	Embeda
	Exalgo
	Hysingla ER
	Kadian
	MS Contin (brand only)
	Nucynta ER
	Opana ER
	OxyContin
	Xtampza ER
Zohydro ER	

¹ Supply Limits (SL) and Prior Authorization are revised to align with CDC recommendations

Compounds

X Additional products used to formulate compound medications are being excluded for fully-insured customers, as well as self-funded customers who opted into the exclusion program.

Bulk Chemical Ingredients

- Stera base
- Copasil
- Duloxetine powder
- Collagenase
- Carnosine L
- Arbutin Alpha
- Fluoxetine HCl powder
- Nourisil

Compounding Kits

- First BXN-Mouthwash Compounding Kit



Bulk Chemical/ Prior Authorization Threshold

Conducting a review of bulk compound claims when exceeding \$50 ensures all ingredients included in the compound are covered under the plan and are being used for an FDA approved indication.

Communication Plan

Comprehensive Communication Plan



Audience	Timing	Communications
Brokers and Consultants	August-September	<ul style="list-style-type: none"> • PDL Updates Recording • UnitedHealthcare Broker Portal • <i>Connections</i> eNewsletters • Training Tools and Materials
Clients	August-September	<ul style="list-style-type: none"> • Webcast and Recording • <i>Connections</i> eNewsletters • PDL Report • 1:1 Meetings • Websites: UHC.com/pharmacy
Members	November-December	<ul style="list-style-type: none"> • Notification Letters • PDL Summary • Prescription Drug Lists
Physicians	November-December	<ul style="list-style-type: none"> • Physician PDL • Physician Letters • <i>Network Bulletin</i> eNewsletter • Outreach to Medical Societies • Web Portal
Pharmacists	December	<ul style="list-style-type: none"> • Point-of-Sale (POS) Messaging • Call Center • eNewsletter



Member Communications

Members letters mailed December 1, 2016



Member Letters

Mailed to impacted members 30-60 days prior to the update.



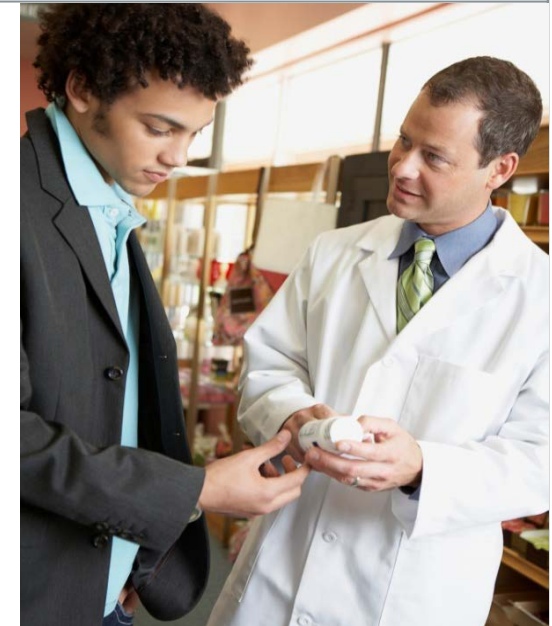
PDL Summary

These flyers can be used by clients to communicate updates to employees and can also be found on UHC.com/pharmacy.




Prescription Drug Lists (PDLs)

Electronic and printed PDLs are updated twice a year. *UnitedHealthcare PDLs are available on the pharmacy pre-login page on myuhc.com.*



Ongoing Member Support

- Online at myuhc.com
- Member Call Center
- Direct Campaigns
- Pharmacist Point-of-Sale Messaging
- HealthCareLane.com

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- 1 Familiarize yourself with the [January 1 Pharmacy Benefit Updates](#) and contact your UnitedHealthcare representative with any questions
 - 2 Use PDL Update flyers on UHC.com/pharmacy to inform your employees about Jan.1, 2017 pharmacy benefit updates
 - 3 Notify your UnitedHealthcare representative if you would like to cover any of the excluded medications by [Sept. 28](#).

Sept.
28

These PDL changes and benefit updates do not apply to legacy PacifiCare, non-integrated OptumRx, or Medicare/Medicaid businesses. Changes will not apply where prohibited by law. You may need to add language to your Summary Plan Description (SPD) in order to implement some updates. Ask your UnitedHealthcare representative if you need assistance updating your SPD.

Questions?

Thank you!

Appendix

Decisions Definition Key

Key	Decision	Definition
2 > 1	Down-tiers	Down-tiers refer to medications that move to a lower tier, which can occur at any time throughout the year to provide members with immediate cost savings.
2 > 3	Up-tiers	Up-tiers refer to medications that move to a higher tier because they offer less health care value (either clinically and/or financially) than similar medications in their therapeutic classes.
3	New Benefit Coverage	New tier placements occur for medications that have been previously excluded at launch, but now offer sufficient health care value to have a tier placement.
X	Exclusions	We do not make the decision to exclude medications from benefit coverage lightly. A medication is only excluded when it offers no clinical value over other options in its class and its exclusion can be leveraged to achieve significant savings for our clients while preserving affordable choices for members. Multiple Product Packaging Exclusions are medications that contain two or more already available medications (packaged together), most are available generically or over-the counter.
X	Continued Exclusions (previously excluded at launch)	These exclusions will have little to no member impact since the medication has been excluded at launch.
STEP	Step Therapy	Step Therapy directs members to try a lower-cost medication (known as Step 1) before progressing to a higher-cost alternative (known as Step 2).
SL	Supply Limits	Supply Limits establish the maximum quantity of drug that is covered per payment or in a specified timeframe.
MN	Prior Authorization/ Medical Necessity	Evaluates the clinical appropriateness of a medication in terms of condition being treated, type of medication, frequency, and duration.
N	Notification	Notification requires physicians provide additional clinical information to verify member benefit coverage.