

Advantage PDL

Effective 1/1/2016

Estimated Members Impacted: 1,839

Estimated Savings: \$217,600

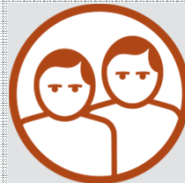
Drug Cost: Perception vs. Reality

Thousands of drugs available and new drugs launching each week – however, not all add value



MARKETPLACE

\$20 Billion¹ in member and physician marketing by drug companies.



REALITY

Members and physicians may not realize actual cost.



ACTION

Our goal is to help members and physicians better understand their options and make better decisions.

1. Congressional Budget Office brief, Dec 2009 issue

Prescription Drug Lists



We offer two Prescription Drug Lists (PDLs) to meet your needs:

Advantage PDL: offers increased value and savings by guiding members to the highest value medications.

Traditional PDL: offers more traditional strategies while still maintaining a strong focus on reducing costs.

| PDL Capability | Advantage PDL | Traditional PDL |
|---|---------------|-----------------|
| Placement of brand name drugs in any tier | ✓ | ✓ |
| Placement of generic drugs in any tier | ✓ | ✗* |
| Down-tiers (drugs decreasing in cost) can be made at any time | ✓ | ✓ |
| Timing of up-tiers (drugs increasing in cost) | Jan 1 & Jul 1 | Jan 1 Only* |

*A low-cost option (Tier 1) is always available. In certain situations, when a generic launches, it may be placed in a higher tier or its brand may be down-tiered.

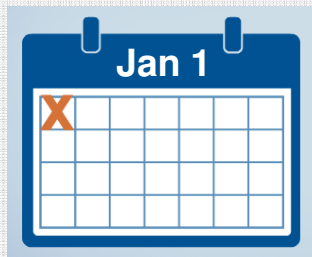
Advantage PDL Capabilities

Highest Value in Lowest Tier

- **Brands in Tier 1**
When brands offer the best overall health care value or few to no generics are available in class.
- **High-Cost Generics in Higher Tiers**
When generics cost more than their brand counterparts as well as other class alternatives.

Responsive to Market Changes

- **Up-Tiers on both January 1 and July 1**
Ability to quickly respond to market trends, price changes, and new clinical information for better value, lower cost exposure, and more savings.



Estimated \$2.55 PMPM potential savings¹

The Advantage PDL offers increased value and savings by guiding members to the highest value medications.

1. Savings information based on five national accounts on the Traditional PDL using 2009 and 2010 claims data. This is not a guarantee. Individual plan savings can vary.

Prescription Drug List Tier Placement

Our standard Prescription Drug List (PDL) has three tiers and aligns tier placement and copay value with the overall health care value of the drug.

Tier 1



Lowest Cost

Tier 2



Midrange Cost

Tier 3



Highest Cost



Making the highest-value medications more affordable for your employees

Medications can move to any tier so that the highest value drugs are always the most affordable.

Brands in Tier 1

Placing brands in Tier 1 can help improve adherence to important drug therapies when no generics are available.

Class Examples

1

Diabetes: Accu-check + OneTouch
multiple brand test strips and insulin products

2

Asthma: Inhalers
four medications

3

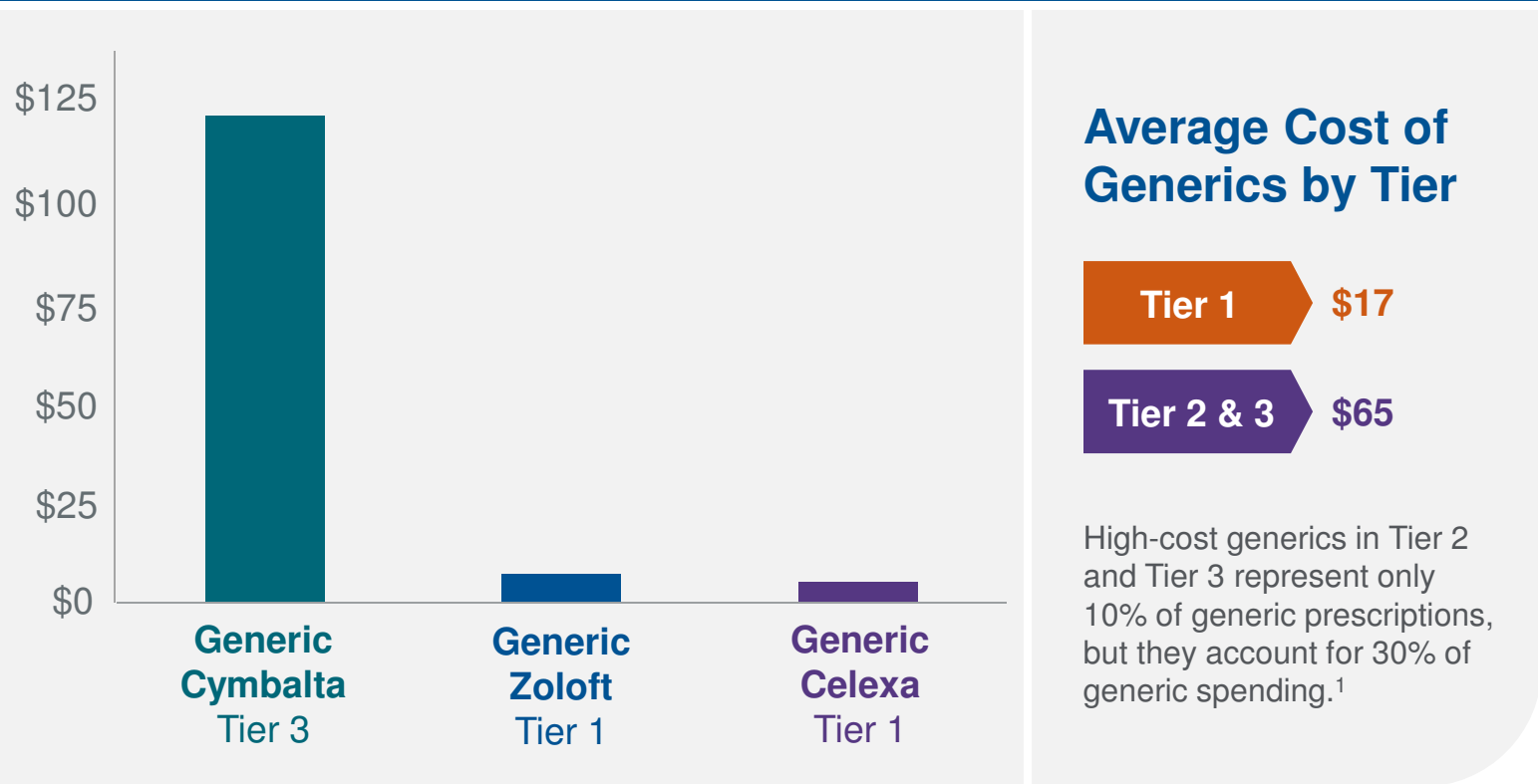
Pain: Duragesic
offers better value than its high-cost generic



Increased adherence may reduce hospital stays and ER visits, minimizing the impact on medical costs.

High-Cost Generics: Cymbalta®

Not all generics are available at low costs which is why we place them in tiers based on their overall value.



1. Savings information based on UnitedHealthcare fully insured membership.

2014 Generic Examples

With the number of patents expiring, generic launches are increasing and crowding classes.

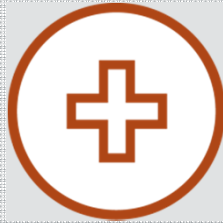
| Therapeutic Class | Medication Name | Tier Placement | Launch Date |
|---------------------------------------|---|----------------|-------------|
| Contraceptive | Lomedia 24 FE (generic Loestrin 24 FE) | Tier 3 | 3/18/2014 |
| Dermatitis | clocortolone (generic Cloderm) | Tier 3 | 3/6/2014 |
| High Blood Pressure | telmisartan (generic Micardis) | Tier 2 | 1/22/2014 |
| High Blood Pressure | telmisartan/hydrochlorothiazide (generic Micardis HCT) | Tier 2 | 3/18/2014 |
| HIV | nevirapine extended-release (generic Viramune XR) | Tier 2 | 4/23/2014 |
| Lipid/Cholesterol Lowering | omega-3-acid ethyl esters (generic Lovaza) | Tier 3 | 4/23/2014 |
| Osteoporosis/Breast Cancer Prevention | raloxifene (generic Evista) | Tier 2 | 4/17/2014 |
| Pain | morphine sulfate capsule, extended-release capsule (generic Avinza) | Tier 3 | 4/18/2013 |
| Psoriasis | betamethasone/calcipotriene (generic Taclonex) | Tier 3 | 5/2/2013 |
| Sleep aid | eszopiclone (generic Lunesta) | Tier 3 | 4/30/2014 |
| Transplant | mycophenolic acid (generic Myfortic) | Tier 2 | 1/30/2014 |
| Transplant | sirolimus (generic Rapamune) | Tier 2 | 1/30/2014 |

On our Advantage Prescription Drug List, we have the ability to place any drug in any tier, based on its overall health care value.

Please note generic medications excluded from benefit coverage for UnitedHealthcare fully insured membership are not noted.

Leveraging Capabilities

We carefully consider all options including the impact to members and the resulting cost savings before making a final decision.



Positive Member Benefit

- Down Tier
- New Tier Placements
- Refill and Save



Minimal Member Impact

- Exclude at Launch
- Supply Limits
- Notification / Prior Authorization



Member Action / Physician Involvement

- Up-Tier
- Strategic Exclusion