



The Advantage Prescription Drug List

Promoting high-value medications

The pharmaceutical industry is constantly changing and becoming increasingly complex. Overall pharmacy costs continue to rise despite the growing number of generics. Innovative strategies found in our Advantage Prescription Drug List (PDL) are necessary to better manage total health care costs and provide affordable access to prescription medications.

The Advantage PDL promotes medications with the greatest overall health care value, regardless of brand or generic status. This aligns the cost share level with the overall health care value of the medication and makes the highest-value medications more affordable for your employees.

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**Generics are not
always less
expensive than brands**

**A new drug is
not necessarily
a better drug**

**Cost does not
always equal value**



Determining total health care value

As an integrated benefits provider, we leverage one of the largest integrated medical, lab and pharmacy databases. We know how physicians are prescribing medications, how members are using medications, and how our PDL changes may impact medical costs. To determine total health care value, our PDL Management Committee, comprised of members in the highest levels of clinical, medical, and business leadership within UnitedHealth Group, examines:

- ▶ **Clinical Value:** A medication's effectiveness and safety relative to its therapeutic class. Medications are evaluated by our National Pharmacy and Therapeutics Committee, comprised of both internal and external clinical experts, including physicians and pharmacists.
- ▶ **Medication Cost:** The total cost, including rebates, utilization, and overall therapy cost.
- ▶ **Health Care Cost:** A medication's impact on health care related costs such as hospital stays and workplace productivity.

Finally, we align our PDL decisions with our clinical and disease management programs. As an integrated medical and pharmacy benefit provider, we will not make decisions that positively impact pharmacy costs at the expense of total health care costs.

Learn the facts

Fact: Generics are not always less expensive than brands.

While generic drugs are usually less expensive than brand medications, it is a common misperception that they are always the lowest-cost option. On the Advantage PDL, high-cost generics may be placed in a higher tier; and though they only represent 7% of generic prescriptions, they account for 31% of generic spending.¹

Fact: A new drug is not necessarily a better drug.

Manufacturers occasionally make slight modifications to medications (like offering a different dosage form or combining two medications to make a new one) in order to obtain new patents and charge a premium. These medications can add unnecessary costs into the health care system and offer no additional clinical value.

Fact: Cost does not always equal value.

Many drugs provide similar clinical results, but costs vary significantly. Preference for higher-cost drugs is influenced by approximately \$20 billion² in consumer and physician advertising by pharmaceutical manufacturers.

¹ Information based on UnitedHealthcare claims data from self-funded membership on the Advantage PDL, April 2012.

² Congressional Budget Office brief, Dec. 2009 issue.

Any drug, any tier

With the Advantage PDL, we can place any drug in any tier based on its overall health care value. This approach is different in the industry as most Pharmacy Benefit Managers (PBMs) automatically place all generics in the lowest tier and brands in higher tiers regardless of value.

Brands in Tier 1

We place certain brand-name medications into Tier 1 when they offer the best overall health care value or no generics are available. This makes treatment affordable and improves adherence.

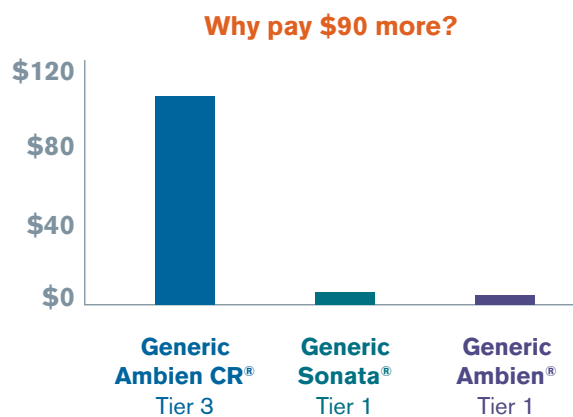
Asthma Class – Four asthma inhaler medications in Tier 1.

Diabetes Class– Multiple brand test strips and insulin products in Tier 1.

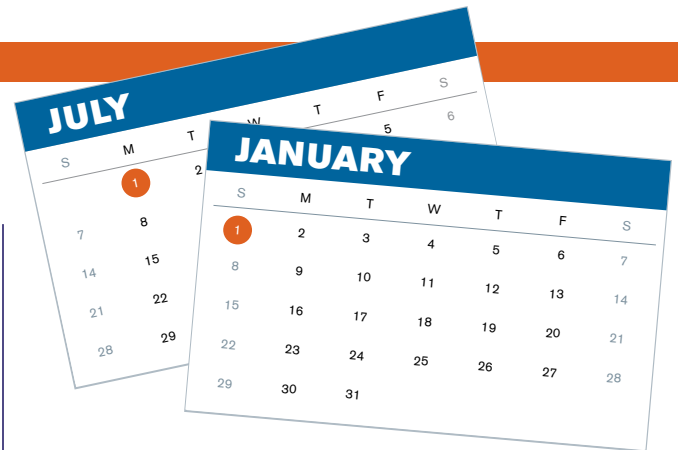
High-cost generics in higher tiers

Why should high-cost generics be placed into the lowest-cost tier when they cost more than alternative brands or generics? With the Advantage PDL, they aren't.

Case study





Used as a sleep aid, generic Ambien CR launched at a significant price premium to clinically similar, lower tier generic alternatives and was placed in Tier 3.



Responsive to market changes

The Advantage PDL allows us to quickly respond to market trends, price changes, and new clinical information by making changes twice a year, January 1 and July 1. For example, when a medication's price increases in the middle of the year, we are able to react promptly by making a mid-year up-tier. This helps us manage your pharmacy benefit responsibly – providing more affordable options for your employees and reducing excess costs for you.

Quicker response means better value

<p>Twice a Year More Savings</p> 	<p>VS.</p>	<p>Once a Year Less Savings</p> 
<p>The Advantage PDL quickly responds with up-tiers twice a year: January 1 and July 1.</p>		<p>Other PDLs respond just once a year typically January 1.</p>

Helping members make better decisions

We provide members with the information, tools, and support they need to make better health care decisions.



myuhc.com[®]: Members can search for medications before buying them at the pharmacy with the Price a Medication tool.



Direct campaigns: Members are informed of lower-cost, higher-value prescriptions and over-the-counter (OTC) medications.



At the pharmacy: A computer messaging system alerts pharmacists to dispense the lowest-cost medication, which could be a brand or generic.



Member services: Members can call the Customer Care Center for more information on lower-cost options and to learn more about their benefit plan.



Personal health support: Our OptumHealth[®] nurses have access to each member's eSync[™] Personal Action Plan to provide personal, proactive health care management.



Scan this code with your mobile device to view a short video clip and learn more about the Prescription Drug List.

Please contact your UnitedHealthcare representative or broker for more information.



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