

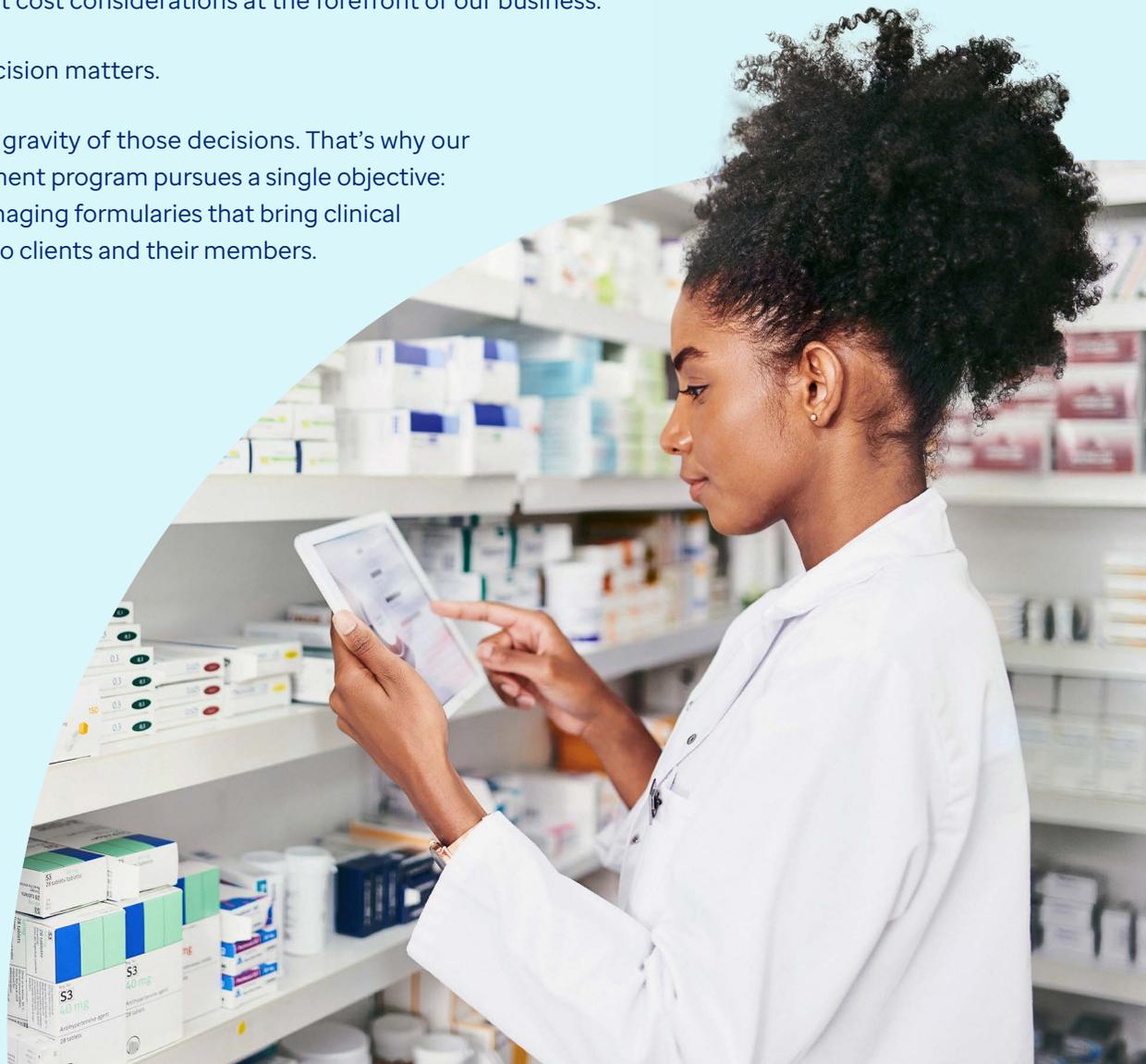
# Quality, access and affordability

Deliver it all with smart formulary management

Formularies are the backbone of effective – and cost-effective – pharmacy care services. They help support the care quality, medication access, and consumer and client cost considerations at the forefront of our business.

Every formulary decision matters.

We understand the gravity of those decisions. That's why our formulary management program pursues a single objective: developing and managing formularies that bring clinical and financial value to clients and their members.



## Smart formulary management

We understand how decisions affect [redacted] and [redacted] so, we follow these key principles:

- Provide access to clinically appropriate and equitable products within a therapeutic class
- Provide early notice to members when there are formulary changes that affect them, so they can talk with their prescriber about optimal therapy choice
- Offer ancillary opportunities for cost reduction, such as point-of-sale discounts
- Evaluate formularies regularly for additional cost-savings opportunities
- Support healthy competition in the drug market through adoption of lower-cost market alternatives
- Provide ease of access to medications via our pharmacy networks

### Smart formulary management

Three key groups develop and maintain Optum Rx® standard formulary offerings:

Optum Rx-employed clinical pharmacists

Independent, practicing physicians and pharmacists in

Optum Rx-employed experts in key areas such as clinical and formulary services, clinical consulting, account management, industry relations, formulary operations and finance

## Rigorous reviews lead to stronger formularies

### Clinical services review

The Clinical Services team starts by monitoring important developments in drug therapy, conducting evidence-based reviews of the medical literature, published data from clinical trials, treatment guidelines, U.S. Food and Drug Administration (FDA) reviews and other available data to develop a comprehensive drug monograph or class review. The team then provides a drug designation recommendation to the P&T Committee for review and deliberation.

In addition, the Clinical Services team 1) develops and reviews new and updated utilization management programs, as well as formulary management programs, and 2) provides the P&T Committee pipeline information on brand, generic and biosimilar medications.

### P&T review

Once the clinical team provides its analysis of a medication being considered for formulary placement, the P&T Committee evaluates its clinical merits:

- Does it have a unique therapeutic benefit?
- How does its safety and efficacy compare to other medications?
- Do its benefits outweigh its risk?

Based on its analysis of the evidence, the committee reviews and approves utilization management policies and assigns appropriate [redacted] to each medication to help guide the FMC's decisions on formulary placement.

## FMC review

With clinical merit established and P&T designation in hand, the FMC then evaluates whether the medication 1) meets the objectives of a specific formulary, and 2) warrants utilization management strategies that have been approved by the P&T Committee. These clinical criteria outweigh any economic considerations.

In addition to the drug classification designations, FMC will also consider financial and other information including:

- Brand and generic pipeline information
- Current utilization and potential disruption impacts
- Unique operational considerations
- Analyses of net cost of the medication and its clinical alternatives, as well as its effect on overall drug spend
- Member and plan cost-share
- Pharmacoeconomic evidence on how the medication affects medical cost and quality

The FMC's recommendations will always be consistent with the P&T Committee's drug designations and other clinical requirements. Once the FMC has decided on the formulary structure for the Optum Rx national formularies, the P&T Committee will review those decisions for any clinical concerns as required by law or as determined by FMC.

## Formulary options

Methodical, detailed processes drive every decision on the composition of our formularies –the Select and Premium formularies – as well as our Optum Rx® Vigilant Drug Program® exclusion strategy.

Each formulary is designed to offer clients and their members a specific balance between drug choice and cost savings:

**Select formulary** – An open formulary that delivers savings by preferring more cost-effective products through tiering and utilization management strategies.

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**Premium formulary** – An open formulary that delivers savings through exclusion and utilization management strategies in select classes to maximize rebates.

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**Premium Value formulary** – A closed formulary that focuses on the lowest overall-net-cost alternatives agnostic to rebates.



### Access to our formularies helps you:

- Drive toward lower total cost of care by focusing on clinically appropriate, economic therapies and strategies that are meaningful to you and your members
- Ensure you are market competitive, and up to date with evolving market needs
- Meet your priorities on savings and member choice
- Provide member access to comprehensive pharmaceutical products
- Offer additional products and services aimed at member choice, affordability and access

## Designed with you in mind

At Optum Rx, methodical, evidence-based decisions help drive effective formulary management of pharmacy care, quality and cost.

## About Optum Rx

Optum Rx is a pharmacy care services company helping clients and more than 60 million members achieve better health outcomes and lower overall costs through innovative prescription drug benefits services.



## Let's get started

For more information, contact your Optum Rx representative or email us at [optumrx@optum.com](mailto:optumrx@optum.com) to see how our formulary management can help you strengthen pharmacy care services and reduce spend.

