EXPRESS SCRIPTS®

Advanced Utilization Management Teamsters Local 338

Clinical Program Overview and Recommendations

Utilization Management Philosophy

1

Do you want your members to take **medications** for conditions for which they are **approved**?

2

Do you want your members to take medications that achieve **meaningful clinical outcomes** while **costing less money** for the member and the plan?

3

Do you want your members to take **medications** in the **proper approved quantity**?

Protect your plan from future unknowns

Prior Authorization (PA) - FDA approved therapy

Prior authorization is a program that monitors certain prescription drugs and their costs to get you the medication you require while monitoring your safety and reducing costs.

Similar to healthcare plans that approve a medical procedure before it's done to ensure the necessity of the test, if you're prescribed a certain medication, that drug may need a —prior authorization.

- Designed to drive savings and patient safety
- Highly focused on the appropriate prescribing of Specialty Medications, other high-cost medications and controlled substances.
  - Medications with the highest potential for inappropriate use
  - Offers review services 24-hours a day. Express-Scripts will contact the physician for the review or the member will receive a prenotification explaining how to initiate the prior authorization review.
  - Expands on the plans Prior Authorization Programs in place today. (PCSK9 specialty cholesterol medications, Hepatitis C medications, and some Oncology medications that require testing prior to approval). Large specialty pipeline and recommended key strategy to expand upon.

The average PA program saves $400 per intervention annually

Prior Authorization – sample template member letter

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You may need to talk with your doctor about your prescriptions.

<<Patient Name Prefix>> <<Patient First Name>> <<Patient Last Name>>
<<Street Address>
<<City>> <<State>> <<Zip>>

<<Month Year>>

Dear <<Patient Name Prefix>> <<Patient First Name>> <<Patient Last Name>>:

We're writing because **you need to take action** if you want the following medication(s) to be covered under your plan:

<<Drug name>>	<<Drug name>>
<<Drug name>>	<<Drug name>>

<Client Name and >Express Scripts, the company chosen to manage your prescription benefit, want<s> you to know about an important change. Beginning **<<Effective Date>>,** your plan's coverage for the above medication(s) will change, and Express Scripts will need to review the prescription with your doctor ***before*** it can be filled and covered under your prescription benefit. During this review, your doctor can provide us with more detailed information on your prescription so we can make sure its use falls within your plan's rules. These rules are based on FDA-approved prescribing and safety information, clinical guidelines and uses that are considered reasonable, safe and effective.

If you're taking the above medication(s) and want it to be covered by your plan, **here's what you can do to help make sure your medication is reviewed:**

1) Please ask your doctor to call Express Scripts at 800.417.1764 to arrange a review.
2) Let your doctor know we're available Monday-Friday, from 8 a.m. to 9 p.m., Eastern Time.

If your doctor doesn't call and get approval, you'll be responsible for the full cost of the medication(s). So, please have your doctor contact us on or after <<Effective Date>>.

Thank you for your assistance. If you're no longer taking the medication(s) listed above, or no longer eligible under this plan, please disregard this letter.

Sincerely,

Andrew R. Behm

Andrew R. Behm, Doctor of Pharmacy
Vice President of Pharmacy Services
Express Scripts

Step Therapy (ST) – more affordable treatment

Step therapy is a program for people who take prescription drugs regularly to treat a medical condition, such as arthritis, asthma or high blood pressure. It allows you and your family to receive a more affordable treatment you need and helps your organization continue with prescription-drug coverage.

Step Therapy reduces waste by promoting the use of Generics.

In step therapy, drugs are grouped in categories, based on treatment and cost:
Front-line drugs — the first step — are generic and sometimes lower-cost brand drugs proven to be safe, effective and affordable. In most cases, you should try these drugs first because they usually provide the same health benefit as a more expensive drug, at a lower cost.

Back-up drugs — Step 2 and step 3 drugs — are brand-name drugs that generally are necessary for only a small number of patients. Back-up drugs are the most expensive option

Similar to healthcare plans that approve a medical procedure before it's done to ensure the necessity of the test, if you're prescribed a certain medication, that drug may need a —prior authorization.

Step Therapy – sample template member letter

Preferred Step Therapy Pre-Notification

Co-Branded Logo

EXPRESS SCRIPTS®

<Date>

<Member First and Last Name>
<Member Address 1>
<Member Address 2>
<Member Address 3>
<Member City State, Zip>

<Member First Name>: Avoid Paying More for Your Medication

Dear <Member First and Last Name>:

<Client Name and >Express Scripts, the company chosen to manage your prescription-drug benefit, want<s> you to know about an important change. **As of <effective date>, the medication you currently take, (<current brand-name drug>), will no longer be covered and will cost you more.** There are similar medications preferred by your plan that are covered at a lower copayment.

You'll save when you choose a preferred generic or lower-cost brand medication instead of the costlier brand-name medication you currently take.<*> Your preferred drugs work just as well for most people and they typically cost a lot less. Why pay more if you don't get more?

Start saving today – it's easy!

(1) Share this letter with your doctor and ask if one of the preferred alternatives listed to the right could work for you.

(2) If a preferred alternative is appropriate, your doctor can write a new prescription, indicating that it will replace your prescription for <current brand-name drug>.

(3) Fill your new prescription for a safe, effective preferred drug and avoid paying the full cost of your current medication.

<* In certain states, controlled substances such as sleep aids may only be available in supplies of up to 30 days, and prescriptions for these medications may not be faxed. If you live in one of those states, please call the number on your member ID card to obtain the mailing address for your prescriptions.>

(Continued)

Take Action Today!

Your current medication will no longer be covered and will cost you more as of <effective date> unless you try or have already tried a preferred alternative.

Non-Preferred Drug You Currently Take:

<CURRENT BRAND-NAME DRUG>

Preferred Alternatives — To Save You Money

<PREFERRED ALTERNATIVE #1>
<PREFERRED ALTERNATIVE #2>
<PREFERRED ALTERNATIVE #3>
<PREFERRED ALTERNATIVE #4>
<PREFERRED ALTERNATIVE #5>
<PREFERRED ALTERNATIVE #6>
<PREFERRED ALTERNATIVE #7>
<PREFERRED ALTERNATIVE #8>
<PREFERRED ALTERNATIVE #9>
<PREFERRED ALTERNATIVE #10>

If your doctor and you agree that the preferred medications are not right for you, your doctor may request a coverage review by calling <800.417.1764> on or after <effective date>.

If you have questions, please call the number on your member ID card. And your doctor can call <*800.417..*> with any questions. We look forward to helping you save!

Sincerely,

Andrew R. Behm

Andrew R. Behm, Doctor of Pharmacy
Pharmacy Director
Express Scripts

P.S. Millions of people save on prescription drugs by choosing safe, effective, lower-cost alternatives. You can, too! Get more information and compare drug prices at Express-Scripts.com.

Drug Quantity Management (DQM)
Reduce prescription waste

- Aligns the dispensed quantity of prescription medication with FDA-approved dosage guidelines
- Ensures that the most cost-effective product strength is dispensed
- Helps reduce waste in the pharmacy benefit.

DQM provides a minimum return on investment of 3:1

2015 Advantage Plus Package – robust offering

Total Estimated Net Plan Cost Savings $32,733

Total Member Impact: 120
Estimated Net Plan PMPM savings: $3.39
Program Cost $0.90 PMPM (Includes NYLHCA coalition $0.30 PMPM discount)

UM Program	Estimated Member Impact	Description	Estimated Net Plan Cost Savings
Step Therapy	46	Promotes the safe and effective use of a more cost effective therapeutic alternative medication.	$12,724
Prior Authorization	51	Encourages use of clinically effective, front-line medications	$10,918
Drug Quantity Management	23	Aligns dispensing quantity with FDA-approved dosage guidelines and other evidence	$7,164

Savings estimates without grandfathering.
Implementation may result in adjustments to the rebate arrangement.
Savings are net of program cost and rebates.

2015 Unlimited Package - full offering with all available programs

Total Estimated Net Plan Cost Savings $36,992

Total Member Impact: 150
Estimated Net Plan PMPM savings: $3.83
Program Cost $1.15PMPM (Includes NYLHCA coalition $0.30 PMPM discount)

UM Program	Estimated Member Impact	Description	Estimated Net Plan Cost Savings
Step Therapy	62	Promotes the safe and effective use of a more cost effective therapeutic alternative medication.	$17,203
Prior Authorization	65	Encourages use of clinically effective, front-line medications	$13,108
Drug Quantity Management	23	Aligns dispensing quantity with FDA-approved dosage guidelines and other evidence	$7,164

Savings estimates without grandfathering.
Implementation may result in adjustments to the rebate arrangement.
Savings are net of program cost and rebates.

Fraud, Waste & Abuse Services

Fraud Analytics | Special Investigations

Member and Physician Fraud and Abuse

- Unusual prescribing patterns
- Excessive utilization behavior
- Rising prescription drug costs

Abuse costs
$41,000
in medical claims
for every $1,000
in prescription
claims*

Healthcare Fraud Costs an Average of
$72 Billion Annually

* Research from WellPoint, Inc. Dec. 2007. Average 41:1 medical to pharmacy cost ratio. http://www.insurancefraud.org/downloads/drugDiversion.pdf

Enhanced Fraud, Waste and Abuse Program

The industry's most comprehensive solution

Analyze	Investigate	Consult
Advanced analytics proactively identify abusers	**SIU consisting of former law enforcement and clinical professionals**	**Communicate outcomes & implement interventions**
▪ Relationships, patterns, & scenarios ▪ Identify and review outliers ▪ Flag suspicions for investigative review	▪ Gather and review evidence ▪ Leverage industry-leading investigative expertise ▪ Generate actionable investigative report	▪ Collaborate to review medical cost opportunities ▪ Ensure ongoing case collaboration ▪ Share best practices to mitigate risk

Possible Outcomes from Express Scripts Referrals

Line of Business	ESI Action (with Client Approval)	Client Action
Commercial	• Restrict Member Rx to limited prescribers • Restrict Member Rx to a single pharmacy • Issue new ID card (ID Theft) • Reverse claims when appropriate • Collaborate on medical/law enforcement investigations	• Refer member to health plan • Case Management and/or EAP • Terminate member's benefits • Refer to law enforcement • Prosecute

Examples of Common Interventions		
Drug Seeking Behavior		• Implement member restriction • Collaborate with medical vendor
Identity Theft		• Issue new member ID number • Refer to law enforcement
Fraudulent Prescriptions		• Refer to law enforcement

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