

Optum Rx[®]

The innovation blueprint

Using a framework for sustained innovation, Optum Rx is creating new solutions for the biggest challenges in pharmacy care services



Innovation is inherently a balancing act. You must solve for the problems of today while keeping an eye fixed on the horizon and planning for the challenges tomorrow.



That's why when it comes to creating offerings for pharmacy care services, Optum Rx has developed a measured, systemic approach to innovation. This rigorous process enables Optum Rx to identify and develop the solutions most likely to have the biggest impact on clients and their members. It also dovetails with the Optum Rx mission of helping make the health system work better for everyone.

While the need for innovative solutions has never been greater, so too is the array of tools that innovators have to work with. Yet, simply bolting on the latest technological trend to an existing product isn't sufficient. Getting past the "shiny stuff" is essential before beginning the exacting work of creating high-quality solutions that make a difference not just for Optum Rx members and clients but the industry as a whole.

"We need to be diligent for the sake of our clients and consumers," says Sid Sahni, SVP Strategy & Innovation, Optum Rx. **"We need to be sure that we are vetting new technologies appropriately and actually bringing forth solutions that make a real difference and have the necessary clinical backing as opposed to getting caught up in the latest hype."**

The Optum Rx focus on quality and affordability means that of the

 **~ 200**
solutions now in development

 **40-50**
will come to market

 **12-18**
in the coming months

"The Optum Rx approach to innovation is very deliberate, very methodical, and focused on creating outcomes."

Sid Sahni,
SVP Strategy &
Innovation, Optum Rx



The framework

Part of our disciplined approach to innovation entails making hard choices about which projects will take priority when it comes to timing and investment. To help sharpen our focus, **we partner with clients, and conduct extensive market and consumer research to determine where innovation is needed most.**

As a result, we have identified **five key areas** where we have the greatest opportunity to meet the immediate needs of clients and consumers through high-quality, differentiated product and services offerings.



Improving **consumer affordability** and experience

Creating a modern and seamless ecosystem for consumers and providers that reduces friction and simplifies engagement while also increasing awareness of lower cost options.



Controlling **specialty** drug costs

Providing appropriate access to therapies and enabling patients to benefit from these advancements while managing their costs - whether the drug is covered on the pharmacy or medical benefit.



Transforming pharmacy benefit management

Advancing the PBM industry by pursuing new ways of driving to lowest net drug cost and price transparency, including novel formulary designs, pricing models and contract innovations.



Managing **total cost of care** and helping people get well

Assisting members in improving their health through programs focused on medication adherence, safety, and condition-specific support in areas like oncology and behavioral health.



Advancing **emerging frontiers**

Leveraging advances in all areas of emerging science, such as artificial intelligence and machine learning (AI/ML) and digital therapeutics.

In the following pages we'll look at each of these 5 areas through examples of recent innovations designed to meet client and member needs.

Improving consumer affordability and experience



The challenge:

Enable a universal view of drug prices and provide the lowest price for members on or off-benefit

The innovation:

Optum Rx Price Edge

As pharmacy discount cards become an increasingly common way to find potential prescription drug savings, members need a way to compare on and off-benefit prices and plan sponsors need a consolidated view of pharmacy data.

Optum Rx Price Edge delivers a new level of price transparency and value to members. The free-to-use tool scans benefit member cost share and off-benefit pricing and automatically incorporates the lower price for the member. Price Edge also helps plan sponsors retain claim history to monitor drug utilization and for use in clinical programs.

The challenge:

Give members a pharmacy experience mirroring best practices from other industries

The innovation:

Best-in-class website and mobile app

Online shopping and mobile apps have forever redefined notions of convenience and customer service. Why should the pharmacy be any different?

Built for today's digital lifestyle, our website and mobile app have streamlined self-service functionality enabling members to view drug benefit details and personalized information to manage their prescriptions. Our precision pricing tool uses real-time data to help users know medication pricing ahead of time as well as benefit-specific information including prior authorization details.

→ When using Price Edge, members save an average **\$47 per non-covered script.**¹

Controlling specialty drug costs



The challenge:

Ultra-expensive drugs are becoming increasingly common

The innovation:

Specialty and gene therapy risk protection models

The average specialty drug now costs many times more than what a traditional branded non-specialty drug costs. Even a small population of members utilizing specialty drugs can account for an outsized proportion of overall costs for a plan sponsor. Moreover, with interventions such as [gene therapies now costing up to \\$4 million per dose](#), it's apparent that a total rethink of how we pay for these types of medicines is needed.²

Risk protection models are designed to support a future with an increasing number of high-cost drugs. Similar to how fire insurance protects your home, our risk protection models help mitigate volatility by replacing the costs associated with a one-time catastrophic claim with a manageable, predictable per member per month (PMPM) fee for plan sponsors.

The challenge:

Add rigor to the use of Specialty drugs to reduce costs

The innovation:

Optum Rx Specialty Standards

While it's easy to conflate innovation with digital technology, sometime people are the central to the equation. The Optum Rx Specialty Standards program leverages the expertise of Specialty Ambassadors within Optum. Ambassadors are integrated into the member experience, reaching out to those impacted by high out of pocket events or available for members with questions regarding their specialty benefits.

Given the cost of specialty medications, optimizing dispensing and oversupply prevention is vital. With the help of the Specialty Standards program, members can be alerted to the presence of preferred lower-cost products.

→ Specialty Standards leads to ROI for plan sponsors and **\$1.50 PMPM savings.**³

Transforming pharmacy benefit management



The challenge:

Historic reimbursement models meet an evolving industry

The innovation:

Optum Rx Cost Made Clear™

In traditional PBM pricing, the price a retail pharmacy pays can differ from the price billed to a client. To give plan sponsors more choices, Optum Rx introduced new [Cost Made Clear transparent pricing models](#) that expand payment options beyond our traditional payment solution.

These new models use a simple admin fee for member care and support, benefit setup and administration, client consultation, formulary design, clinical expertise, and safe and affordable medication access. Thus, they offer increased transparency, simply the pharmacy benefit, and better align incentives across the supply chain.

The challenge:

Covering expensive weight loss medications

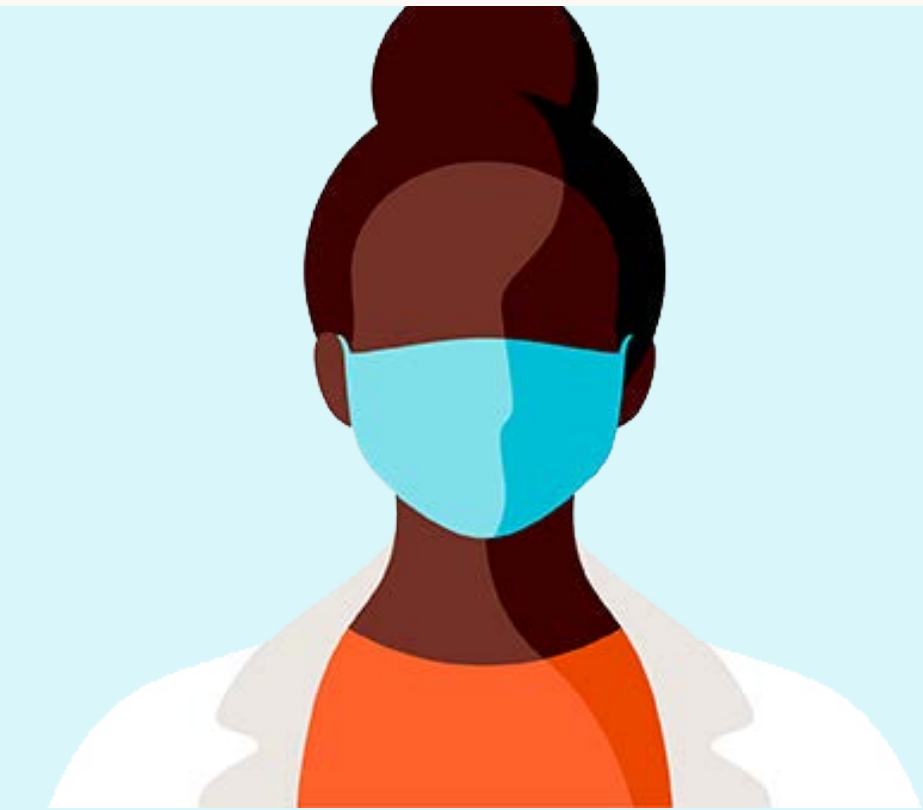
The innovation:

Optum Rx Weight Engage

A new class of anti-obesity medications known as GLP-1 agonists are exhibiting double-digit weight loss in many patients. However, at a price of over \$1000 per month, their cost is giving some plan sponsors pause.⁴

[Optum Rx Weight Engage](#) is a comprehensive strategy to optimize coverage and maximize the value of GLP-1 drugs.. The program integrates two key features. First, it includes medical necessity standards to control utilization, so the drugs are only used by those who meet the criteria defined by the plan. Second, weight engage features member support programs which support the behavior change needed to achieve and sustain the weight loss.

Managing cost of care and helping people get well



The challenge:

Help members taking multiple medications

The innovation:

Optum Rx Polypharmacy Value Management

Polypharmacy means that one person is taking multiple medications at the same time. In many cases, there may be sound clinical reasons for taking each of those medications.

The [Optum Rx Polypharmacy Value Management](#) program uses the extensive Optum Rx case management infrastructure to identify members taking five or more chronic medications – including three or more within 20 targeted, clinically supported drug classes. Once members are identified, we then engage with them and, in concert with our pharmacists and their physicians, discuss their options and take action. By adjusting medication regimens for those members, this program helps reduce the cost of unnecessary prescriptions while lowering the potential health risk of adverse medical events.

The challenge:

Give everyone a fair opportunity to be healthy

The innovation:

Optum Rx health equity initiatives

A host of economic, social, environmental, and cultural obstacles have long impeded care for certain patient populations. Given the scope of the challenge, it requires a purposeful effort not only to take into consideration each person's unique needs but also to address the foundation of these health inequities.

Optum Rx has developed an [array of innovations](#) aimed at mitigating health disparities. This includes dedicated analytics, engagement and activation methodologies to identify potential health inequities for members who have certain health conditions, and patient-specific financial assistance for those struggling to afford certain expensive medications.

→ Plan sponsors opting for Polypharmacy Value Management see **an average savings of \$1,260 per successful intervention.**⁵

Advancing emerging frontiers

The challenge:

Give plan sponsors and members new options for expensive biologic drugs

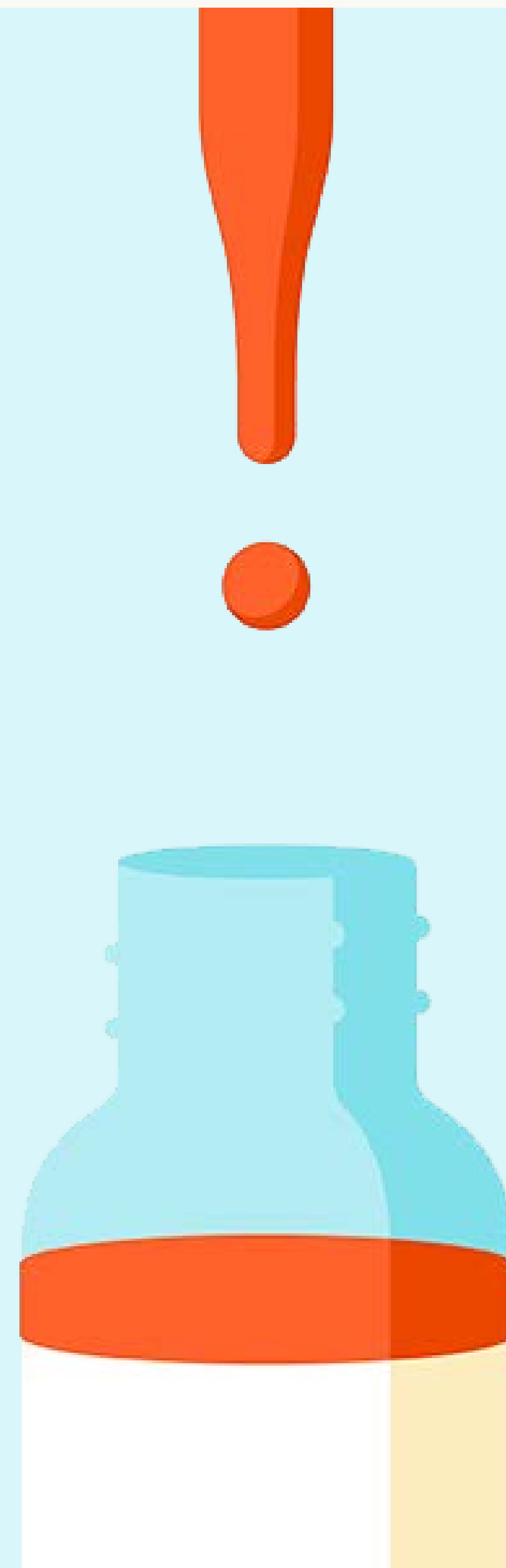
The innovation:

Optum Rx biosimilar strategies

Biologic drugs are some of the popular and expensive prescription medicines in the market. Unlike small molecule drugs made through chemical synthesis, biologics are large molecules and have complex manufacturing requirements. Much as generic drugs offer competition to small-molecule drugs, biosimilars are intended to offer an alternative to branded biologics. To gain FDA approval, a biosimilar must demonstrate that it has no clinically meaningful differences when compared to the reference biologic drug it is intended to replace.

To help spur adoption and help plan sponsors and member realize the saving associated with biosimilars, we first developed a clear set of biosimilar guiding principles. This included maintaining clinical quality of care, flexibility and choice and ensuring stability of supply from the biosimilar manufacturers we evaluated. As a result,

Optum Rx was the first pharmacy services company to announce the addition of a Humira biosimilar to its formulary at parity with the original product and the first to include both the high-list and low-list price options. We will continue evaluating the addition of new entrants to market. Members will experience the same or lower out-of-pocket expenses and Optum Rx pharmacists are ready to support patients with questions about treatment options.



Making the blueprint work for you

Innovation is a core value of our company. Our approach isn't about designing one new app to fix health care. It's about employing a systemic approach to offer the most innovative pharmacy benefit solutions and ultimately better connect a disconnected health system so that it works better for the people it was created to serve.



If you want to dig a little deeper about how we're **innovating to meet pharmacy's challenges** – today and tomorrow – check out this [on-demand webinar](#) featuring Sid Sahni.



Stay informed on pharmacy trends, industry news, and Optum Rx innovations. You can also visit optum.com/optumrx.

References

1. Optum Rx internal analysis using 2023 metrics | 2. Deehan M. [Seaport pharma firm launches world's most expensive medicine](#). Axios. Mar. 2024 | 3. Optum Rx 2023 internal analysis | 4. Eli Lilly. [How much should I expect to pay for Mounjaro?](#) | 5. Optum Rx internal analysis of 2022-2023 program results

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