

**Retiree Health Plan Advisory Board
Modernization Subcommittee Meeting Agenda**

Date: August 19, 2021
Time: 01:00 pm – 04:30 pm
Location: Video Tele-Conference
Teleconference: [Join meeting](#)
Audio Only: (650) 479-3207 Access Code: 177 971 3003
Password: U2HjPcte22 (8245 5728 from phones)
Committee Members: Cammy Taylor, Judy Salo, Joelle Hall, G. Nanette Thompson

[OnlinePublicNotices](#)

- 1:00 pm Call to Order – Cammy Taylor, Modernization Subcommittee Chair**
- Roll Call and Introductions
 - Approval of Agenda
 - Ethics Disclosure
- 1:05 pm Public Comment Period Communications Update
Proposal Overviews**
- Preventive Care
 - Specialty Medications Prior Authorization
- 1:40 pm Working Session on Pharmacy Prior Authorizations: Financial Considerations**
- 2:45 pm Break**
- 2:50 pm Public Comment**
- 4:30 pm Adjourn**



AlaskaCare Defined Benefit Retiree Health Plan

Proposed Benefit Additions in 2022

Join the Conversation!

Your AlaskaCare health benefits are getting even better—the Division of Retirement and Benefits is proposing the following updates to your health plan, effective January 1, 2022:

- **Addition of coverage for preventive care services**

Preventive care and recommended screenings are important tools to keep you and your family healthy and on the go. If you use a network doctor, preventive care screenings will be covered at no cost to you!

- **Addition of prior authorization for specialty medications**

Specialty medications are high-cost or complex medications that can have severe side effects if taken incorrectly. Prior authorizations check to make sure specialty medications are being used safely and effectively. Specialty medications will still be covered by the plan, and your costs for your medication will stay the same.

Learn More at [AlaskaCare.gov/RetireeUpdate](https://www.alaskacare.gov/RetireeUpdate)



P.O. Box 110203
Juneau, AK 99811-0203

Get More Information

- Join us for a Retiree Townhall Event on Wednesday, September 1, 2021 at 10 a.m. AK time to learn about the benefit additions
- Visit AlaskaCare.gov/RetireeUpdate

We Want to Hear from You!

- Through September 3, 2021, send your comments to:
 - ~ Alaska Department of Administration
Division of Retirement and Benefits
P.O. Box 110203
Juneau, AK 99811-0203
 - ~ doa.drb.alaskacare.retiree.plan@alaska.gov
- Participate in the AlaskaCare Retiree Health Plan Advisory Board Meeting on September 9, 2021
Meeting Information: AlaskaCare.gov/RHPAB

Proposed Benefit Additions in 2022

Expanded Coverage, Same Great Health Plan



Your AlaskaCare health benefits are getting even better—the Division of Retirement and Benefits (Division) is proposing to add coverage for preventive care services and prior authorization for specialty medications, effective January 1, 2022.

Preventive Care Services


Preventive care and recommended screenings are important tools to keep you and your family healthy.


What types of preventive services will be covered?


Coverage for preventive services will be based on those recommendations by the U.S. Preventive Services Task Force (USPSTF) and other governmental advisory groups and may include additional services as outlined in the AlaskaCare Third-Party Administrator's clinical guidelines. These guidelines will change over time as they are updated to reflect the most current research and evidence.

Covered services include:

- | | |
|--|---|
| <ul style="list-style-type: none">• Vaccinations• Mammograms, Pap Smears• Women's Health Services• Annual Adult Wellness Visits | <ul style="list-style-type: none">• Annual Child Wellness Visits• Colorectal Cancer Screenings• Lung Cancer Screenings• Prostate Cancer Screenings |
|--|---|

 **Did You Know?**
Medicare covers most preventive services at 100%. Approximately 21,000 retiree plan members are under the age of 65 and not yet eligible for Medicare.

 **Will I Get Silver Sneakers?**
No. Silver Sneakers is only available to people who are covered by a participating Medicare Advantage or Medicare Supplement Insurance plan. The Division is working to evaluate if any similar programs could be offered to retirees in the future.

 **How Much Will I Have to Pay?**
If you see a network doctor, preventive care screenings will be covered 100%, at no cost to you!
If you see an out-of-network doctor, you will have to meet your deductible, and then the plan will pay 80% of covered charges. The out-of-pocket maximum will not apply.
If you do not have a network doctor in your area, you may contact Aetna to pre-certify use of an out-of-network provider for preventive services. If approved, the plan will pay as though you used a network doctor and will cover 100% of covered charges.

Learn More at [AlaskaCare.gov/RetireeUpdate](https://alaskacare.gov/RetireeUpdate)



Join the Conversation at a Special Townhall Event!

Wednesday, September 1, 2021 at 10 a.m.

Join us to learn more about the proposed addition of preventive coverage and specialty medication prior authorization and what it means for you!

Retirees will be called when the event starts. Just answer the phone to participate!

Make sure we have your number! Pre-register online: [Alaskacare.gov](https://alaskacare.gov).

Alaska Department of Administration | Division of Retirement and Benefits

PO Box 110203 Juneau, AK 99811-0203 | (907) 465-4460 | Toll Free (800) 821-2251 | doa.drb.benefits@alaska.gov

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Specialty Medication Prior Authorization

Prior Authorization Promotes Safe and Effective Use of Specialty Medications



Why Use Prior Authorizations?

Prior authorization is a pre-approval process that checks to make sure drugs are being used safely and effectively. Before you fill your specialty medication prescription, the prior authorization process will verify your drug is medically necessary, appropriately prescribed, and meets FDA and other clinical guidelines for the condition being treated.

Specialty drugs remain the fastest-growing area of pharmacy spend, making up 1% of prescriptions, but accounting for nearly 40% of total drug spend in the AlaskaCare plan in 2020.



What is a Specialty Medication?

Specialty medications are prescribed to treat chronic, complex or rare conditions such as cancer, rheumatoid arthritis and hepatitis C, and can have severe side effects if taken incorrectly.

Specialty medications:

- Have special storage, temperature, and handling requirements
- Are given by infusion, injection or taken orally
- Need to be taken on a strict schedule
- Cost more than regular medications
- Require close patient monitoring and ongoing support



How Will This Impact Me?

About 1% of total prescriptions are for a specialty medication that would require prior authorization.

- If you need to get a prior authorization for any of your medications OptumRx will send you a letter with details and next steps in Fall 2021.
- Typically, your doctor will submit the prior authorization request and any relevant clinical information for you, and there is nothing you need to do.
- **Your prescription drug coverage is not changing**—Specialty medications will still be covered by the plan, and your costs for your medication will stay the same.



Streamlined Review

Providers may submit prior authorization requests electronically, over the phone, or by mail. The prior authorization process is designed with expediency in mind. Most prior authorizations are completed within 72 hours. Physicians can use an electronic platform called Pre-Check my script for real-time information and authorizations.



Evidence-Based Standards

Specialty medications requiring prior authorization typically have limited FDA-approved uses, are used for conditions that require special diagnostic confirmation, or have a high potential to be prescribed for off-label uses where appropriateness and efficacy are not well established. Prior Authorization ensures you're getting the right drug at the right time.



Service

Prior authorizations remain in place for 3-36 months depending on the medication. OptumRx will proactively reach out to your physician when the prior authorization needs renewed. Optum Specialty Pharmacy provides support services around the clock.

Did you know?

- Prior Authorization is a standard process that is in place in almost all government retiree health plans.
- The price of a drug is **not** one of the criteria used to review use of a medication during the prior authorization process.


Join us at the next Retiree Health Plan Advisory Board (RHPAB) public meeting!
Wednesday, September 9, 2021 | 9 a.m. Thursday, November 4, 2021 | 9 a.m.

Visit the Online Public Notices or [AlaskaCare.gov/RHPAB](https://www.alaskacare.gov/RHPAB) to download agendas and minutes of all RHPAB meetings.

A lot of people are talking about prior authorizations and what it means.

Get the facts straight from us!

<p>What is prior authorization?</p>	<p>Prior authorization is a pre-approval process guided by rigorous clinical standards for intensive, high-cost medical procedures. Prior authorization for specialty medications:</p> <ol style="list-style-type: none"> 1. Ensures the therapy meets FDA guidelines for the condition being treated. 2. Ensures providers follow nationally recognized care criteria when prescribing medication. 3. Requires the prescriber to provide documentation in support of the clinical criteria specific to that medication prior to the medication being dispensed. <p>Prior authorization for specialty drugs is a pharmacy management process that reviews certain medications against clinical, evidence-based standards including those established by the FDA to promote safe and effective use of those medications.</p>
<p>Is my drug coverage changing?</p>	<p>There is no change to coverage for prescription medications that are prescribed under the terms outlined in the plan booklet. The plan will continue to cover medically necessary and clinically appropriate prescription drugs. There is no change to member copayments which will remain \$8 for brand medications, \$4 for generic medications, and \$0 for medications filled through mail order.</p>
<p>How will I know if my drug is a specialty medication?</p>	<p>Only about 1% of covered prescriptions are specialty medications. You can review the OptumRX Specialty Pharmacy Drug List (Alaska.gov/drb/pdf/SpecialtyDrugListBrochure-07012021.pdf) to see if any of your current medications are specialty drugs that may require a prior authorization. Please note this list may change over time and may be updated prior to January 1, 2022. If your drug appears on this list, you do not currently need to obtain a prior authorization prior to filling your prescription. This list is for informational purposes only. If this proposal is adopted, and if any of your medications require a prior authorization after January 1, 2022, you will receive a notification letter with detailed information 60 days in advance.</p>
<p>Will I be notified if my prescription needs a prior authorization?</p>	<p>Yes. Members will receive a notification letter 60 days in advance of January 1, 2022, advising their medication requires prior authorization review. Once you have an approved prior authorization in place, when it nears expiration, OptumRx will proactively initiate outreach to your prescriber to obtain information necessary to extend or renew the authorization.</p>
<p>Why would a prescription need a prior authorization?</p>	<p>Some medications should be reviewed for coverage because:</p> <ol style="list-style-type: none"> 1. They're only approved for, and effective in, treating specific illnesses. 2. They may be inappropriately prescribed for conditions for which effectiveness has not been demonstrated. 3. They may have dispensing and prescribing requirements specific to a patient's age, gender, other medication usage, or clinical condition.
<p>Why are you considering this?</p>	<p>Specialty medications are a relatively new type of treatment that has grown substantially over the last few years. In 2020, specialty medications accounted for about 1% of all prescriptions covered by the AlaskaCare retiree plan but cost \$110 million in covered plan expenses. A single prescription can cost as much as \$160K or more annually.</p> <p>Similar to how the Plan requires precertification for certain intensive, complex, and high-cost medical services, prior authorization is a common tool used by pharmacy plans to ensure appropriate use.</p> <p>Growth of specialty medication is expected to continue as new medications are developed and the conditions they are used to treat expand. Implementing a prior authorization process for the medications ensures that they are being used for indications approved by the FDA and align with guidelines established by national clinical specialist groups.</p>

Proposal Title	Expanded Preventive Coverage (R007)	
Health Plan Affected	Defined Benefit Retiree Plan	
Proposed Effective Date	January 1 st , 2022	
Reviewed By	Retiree Health Plan Advisory Board	
Review Date	August 5, 2021	

1) Background

The AlaskaCare Defined Benefit Retiree Health Plan (Plan) provides benefits necessary for the diagnosis and treatment of an injury or disease, but outside of a few specific services (mammograms, Prostate-Specific Antigen testing, and Pap smears), the Plan does not provide coverage for preventive care. The Plan is exempt from federal requirements mandating coverage for most preventive services.

Most active employee plans include coverage for preventive services, as does Medicare (which becomes primary for members at age 65). When retirees and their dependents enter the Plan, they are often surprised and frustrated by the absence of coverage for most preventive services. The lack of Plan coverage for most preventive benefits may result in members without other coverage foregoing recommended age-specific vaccinations, screenings, and other preventive services.

2) Objectives

- a) Support members in maintaining their health.
- b) Promote high-value care.
- c) Increase accessibility to patient care for non-emergency health episodes.

3) Summary of Proposed Change

The Division of Retirement and Benefits proposes adding the full suite of evidence-based preventive services in alignment with the Affordable Care Act (ACA) and the AlaskaCare Third Party Administrator’s (TPA) clinical coverage standards. Clinical coverage standards regarding preventive care are subject to change and are updated periodically. The current TPA (Aetna) follows the ACA requirements for coverage of preventive care services, though in some cases, at the recommendation of expert groups outside those defined by the ACA, Aetna’s coverage may be broader than the ACA requirements.

Preventive care would be covered with the following cost sharing provisions:


In-Network	Out-of-Network*
Deductible does not apply. 100% coinsurance.	\$150 deductible applies. 80% coinsurance. Not subject to the individual out-of-pocket maximum.

**If use of out-of-network provider is pre-certified, in-network cost sharing provisions apply.*

Covered preventive services include, but are not limited to, mammograms, Pap smears, prostate cancer screenings, vaccinations, wellness visits, colorectal cancer screenings, and lung cancer screenings. The specific services covered by the Plan will change over time as the recommendations are updated to reflect the most current research and evidence.

4) Actuarial and Financial Impacts of Proposed Change

The proposed change would increase the actuarial value of the Plan by 0.50%. The annual anticipated fiscal impact of this change is estimated to be approximately \$3,350,000 in additional claims costs. This change is anticipated to increase the healthcare Accrued Actuarial Liability associated with the Plan by approximately \$28.6 million.

Proposal Title	Specialty Medication Prior Authorizations (R020)	
Health Plan Affected	Defined Benefit Retiree Plan	
Proposed Effective Date	January 1 st , 2022	
Reviewed By	Retiree Health Plan Advisory Board	
Review Date	August 19, 2021	

1) Background

The AlaskaCare Defined Benefit Retiree Health Plan (Plan) provides coverage for outpatient drugs for treatment of illness, disease, or injury if dispensed upon prescription of a provider acting within the scope of their license. Similar to Plan requirements for precertification for certain intensive, complex, or high-cost medical services, the Plan currently includes provisions that allow for a prior authorization review of certain medications to evaluate if the person utilizing the medication meets the medical necessity guidelines and clinical criteria established by the FDA and other evidence-based resources for safe and effective use.

Specialty medications are typically highly complex, high-cost, or high-touch drugs that often must be administered in a very specific manner. Many specialty medications are prescribed to treat chronic conditions, meaning that utilizers are likely to use that medication for a long time. In 2020, specialty costs for less than 1% of prescriptions (associated with 3.7% of utilizers) made up 37%, or \$110 million, of the total Plan prescription drug spend.

Currently the Plan does not have a prior authorization process in place for specialty medications. In a review of over 60 public health plans, the AlaskaCare retiree plan was the only plan without this process in place. As a result, the Plan’s Pharmacy Benefit Manager (OptumRx) does not have a means to receive and review the information necessary (e.g., basic diagnostic information) to ensure the patient meets the specific FDA and clinical criteria associated with the specialty medication.

2) Objectives

- a) Promote safe and effective use of medications in accordance with evidence-based clinical standards.
- b) Employ prudent pharmacy management strategies to curtail unnecessary or unsafe medication utilization.

3) Summary of Proposed Change

Prior authorization requires prescribers to provide patient-specific medication treatment information for review prior to approval and dispensing to the patient. This review ensures that a prescription drug is appropriately prescribed, meets FDA and other clinical guidelines for the condition being treated, and is eligible for coverage.

The Division proposes implementing prior authorization requirements for specialty medications through OptumRx’s specialty prior authorization program. Prescribers would need to provide certain clinical data to OptumRx for a review prior to approval for coverage. In most cases these reviews are completed within 72 hours and prescribers can submit the request electronically. A list of specialty medications requiring prior authorization is available here: [OptumRx Specialty Pharmacy Drug List](#).

4) Actuarial and Financial Impacts of Proposed Change

This proposal will not result in a change to members’ cost share for their covered prescriptions, nor will it remove coverage for any drugs currently being covered by the plan. Therefore, implementing prior authorizations for specialty medications will not have an impact on the actuarial value of the Plan.

Savings accrue to the Plan via increased drug manufacturer rebates associated with implementing prior authorizations, denials of medication due to inappropriate use of the drug, abandoned prior authorization requests, and alternative prescriptions being dispensed.

The preliminary anticipated financial impact to the plan associated with implementing prior authorizations is a reduction in costs of approximately \$12.3 million for 2022, and a \$172.2 million reduction in the healthcare Accrued Actuarial Liability associated with the Plan under review.



Proposal Title	Specialty Medication Prior Authorizations (R020)
Health Plan Affected	Defined Benefit Retiree Plan
Proposed Effective Date	January 1 st , 2022
Reviewed By	Retiree Health Plan Advisory Board
Review Date	August 19, 2021

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1) Background

Specialty Medications

Specialty medications are typically highly complex, high-cost, or high-touch drugs that often require very specialized storage protocols or must be administered in a very specific manner. Specialty drugs:^{1,2}

- May be prescribed for a person with a complex or chronic medical condition, defined as a physical, behavioral, or developmental condition that may have no known cure, is progressive, and/or is debilitating or fatal if left untreated or under-treated;
- Treat rare or orphan disease³ indications;
- Require additional patient education, adherence, and support beyond traditional dispensing activities;
- Are oral, injectable, inhalable, or infusible drugs;
- Have a high monthly cost (e.g., more than \$1,000 for a 30-day supply)^{4,5}
- Have unique storage or shipment requirements, such as refrigeration; and
- Are not typically stocked at retail pharmacies.

Many specialty medications are prescribed to treat chronic conditions, meaning that utilizers are likely to use that medication for a long time.

Specialty Medications as a Cost Driver

Specialty medications are one of the largest rising cost drivers in pharmaceutical spend. In the United States in 2008, specialty medications accounted for just over 20% of pharmaceutical spend; by 2023, that percentage is expected to climb to over 50%.⁶

In the AlaskaCare Defined Benefit Retiree Health Plan (Plan), specialty medication use has grown along with its percentage of overall cost. In 2014, specialty medications accounted for 0.7% of total prescriptions and 19% of total Plan pharmacy cost (or \$33.5M out of \$176.7M).⁷ In 2020, specialty costs for less than 1% of prescriptions (associated with 3.7% of members utilizers the prescription drug plan, or 3.0% of total Plan members) made up 37%, or \$110 million of the total Plan prescription drug spend.

¹ Pharmaceutical Care Management Association. "What is a Specialty Drug?" <https://www.pcmanet.org/pcma-cardstack/what-is-a-specialty-drug/>

² See Attachment B: Characteristics of specialty medications, OptumRx Specialty Pharmacy Drug List, July 1, 2021, page 2.

³ Affecting fewer than 200,000 people

⁴ See Attachment B: Characteristics of specialty medications, OptumRx Specialty Pharmacy Drug List, July 1, 2021, page 2.

⁵ Medicare defines drugs with a 30-day equivalent negotiated price of \$670 or more as a specialty drug. https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/2021%20mtm%20and%20specialty%20thresholds%20final%20part%20d%20bidding%2005.22.2020_8.pdf

⁶ The Global Use of Medicine in 2019 and Outlook to 2023: Forecasts and Areas to Watch. IQVIA Institute. https://www.iqvia.com/-/media/iqvia/pdfs/institute-reports/the-global-use-of-medicine-in-2019-and-outlook-to-2023.pdf?_ga=1626801058214

⁷ 2014 4th Quarter AlaskaCare Retiree Health Plan Report, pages 32-33.

[R020_PharmacyPriorAuthorizations_Proposal_ReviewDRAFT_for8.19.21.docxR020_SpecialtyMedicationPriorAuthorizations_Proposal_202108](#)

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The Plan's costs for specialty medications increased \$21 million from 2019 to 2020 (24%), due to increased prescriptions and utilization of higher cost medications.⁸

Specialty Medication Spend in the AlaskaCare Retiree Plan

Though specialty drug claims account for less than 1% of all AlaskaCare retiree Plan pharmacy claims in 2020, the \$110 million in Plan costs associated with those prescriptions totaled 37% of the total pharmacy spend. In 2020:⁹

- 60,677 AlaskaCare retiree Plan members filled prescriptions through the Plan's prescription drug benefit.
- 2,272 individuals (3.7% of all utilizers) filled 10,923 prescriptions for specialty medications.
- Those specialty prescriptions represent less than 1% of the overall 1,380,472 total prescriptions filled by all utilizers.

These medications can have high costs per utilizer, as evidenced by table 1 below.

Table 1. AlaskaCare Top 5 Specialty Medications for Chronic Conditions, 2020¹⁰

Specialty Drug	Average Cost per 30 Day Supply per Individual Utilizer	Average Cost Annually per Individual Utilizer	Total Utilizers in 2020	<u>Average Annual Total Spend*</u>
Humira Pen	\$9,570	\$114,841	166	<u>\$19,063,606</u>
Xeljanz XR	\$9,476	\$113,715	74	<u>\$8,414,910</u>
Enbrel Sureclick	\$10,017	\$120,213	59	<u>\$7,092,567</u>
Jakafi	\$13,369	\$160,439	16	<u>\$2,567,024</u>
Revlimid	\$16,061	\$192,743	60	<u>\$11,564,580</u>

**Assumes utilizers used the medication for the duration of 2020*

AlaskaCare Retiree Plan Coverage Provisions

The Plan provides coverage for outpatient prescription drugs for the treatment of an illness, disease, or injury if dispensed upon prescription of a provider acting within the scope of their license.¹¹ *Section 4.5 Medical Necessity* under the Prescription Drugs section of the Plan states:

“To be covered under the plan prescription drugs must be medically necessary and clinically appropriate. This provision does not require the use of generic drugs.

The plan will cover some drugs only if prescribed for certain uses, or durations. Certain medications have specific dispensing limitation for quantity, age, gender and maximum dose. Determination of medical necessity will be based on recommendations by the federal Food and Drug Administration (FDA), combined with the pharmacy benefit managers standard coverage policies designed to ensure the medication prescribed is safe and effective. For this reason, some prescription medications may

⁸ See Attachment A: OptumRx Presentation, *Retiree Plan Specialty Prior Authorization Opportunity*. June 18, 2021, page 5.

⁹ *Ibid*, page 8.

¹⁰ *Ibid*, page 4.

¹¹ AlaskaCare Retiree Insurance Information Booklet, January 2021. *Section 4. Prescription Drugs*.

<http://doa.alaska.gov/drb/pdf/ghlb/retiree/AlaskaCareDBRetireeBooklet2021.pdf>

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be subject to prior authorization to determine that the requested prescription drug is medically necessary.

The prior authorization ensures you are getting the most appropriate care and will occur in the best setting. This helps produce improved health outcomes and lower health care costs by reducing duplication, waste, and unnecessary treatments.”¹²

Prior authorization for prescription drugs is a pharmacy management process that reviews certain medications against clinical, evidence-based standards including those established by the FDA to promote safe and effective use of those medications. Similar to how most medical plans (including the AlaskaCare Defined Benefit Retiree Health Plan) require precertification for certain intensive, complex, and high-cost medical services, prior authorization is a common tool used by pharmacy plans to review dispensation of many different types of medications, including specialty medications.

The Division of Retirement and Benefits (Division) contracts with a Pharmacy Benefit Manager (PBM) – currently OptumRx – to process AlaskaCare prescription drug claims in accordance with the Plan and to apply any appropriate pharmacy management processes.

The prior authorization pharmacy management process is a critical tool for evaluating if the person utilizing a specialty medication meets the medical necessity guidelines outlined by the Plan and established by the FDA and other entities. Without the prior authorization process, the PBM does not have an alternative means to receive and review the information necessary to ensure the patient receiving the medication meets these criteria, including basic diagnostic information.

Currently the Plan does not have this prior authorization process in place for specialty medications. As the use of, and indications for, specialty medications increase, the need for the prior authorization process is becoming acute.

2) Objectives

- a) Promote safe and effective use of medications in accordance with evidence-based clinical standards.
- b) Employ prudent pharmacy management strategies to curtail unnecessary or unsafe utilization of high-cost medications.

3) Summary of Proposed Change

Prior authorization requires prescribers to provide patient-specific medication treatment information for review prior to approval and dispensing to the patient. This review ensures that a prescription drug is medically necessary, appropriately prescribed, meets FDA and other clinical guidelines for the condition being treated, and is therefore eligible for coverage by the Plan. By following clinical standards with use of evidence-based guideline criteria, the prior authorization process promotes safe and effective use of these medications.

¹² AlaskaCare Retiree Insurance Information Booklet, January 2021. *Section 4.5 Medical Necessity.*

<http://doa.alaska.gov/drb/pdf/ghlb/retiree/AlaskaCareDBRetireeBooklet2021.pdf>

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The Division proposes implementing prior authorization requirements for specialty medications. To do so, the Plan would adopt OptumRx's specialty prior authorization program. Under the proposed program, before the Plan would provide coverage for certain specialty medications, OptumRx must receive and approve a prior authorization for the medication.

Prior Authorization Process

Providers may submit prior authorization requests electronically, over the phone, or by mail. The prior authorization process is designed with expediency in mind.

Real Time: When appropriate, electronically submitted prior authorizations may be approved in real time through an automated system. Many providers (both in and out of network) have access to OptumRx's PreCheck MyScript tool, an integrated add-on to commonly used Electronic Medical Record (EMR) systems that provides real-time, patient specific drug cost and coverage details. Use of PreCheck MyScript can help ensure that prior authorizations are submitted and approved before the member initiates a prescription fill.

72 Hours: OptumRx processes and provides notice of prior authorization determinations within 72 hours. Initial determination notices may be provided verbally to expedite processing of the prescription, and a written follow-up notice will be mailed within three calendar days. Members can also monitor the status of a prior authorization request on the OptumRx secure portal or mobile app.

24 Hours: Expedited requests are processed, and determination notice is provided within 24 hours.

Because health plans commonly include prior authorization requirements for specialty medications, most clinicians are familiar with the process and are prepared to submit a prior authorization request before the member fills the prescription.

If a required prior authorization is not submitted prior to the member attempting to fill the prescription, when the pharmacy processes the prescription, they will receive a message at the point-of-sale indicating that prior authorization is required. The pharmacy typically notifies the prescribing physician, who is then responsible for submitting the prior authorization request and any associated required additional information.

Once the prior authorization has been submitted, OptumRx will review the prescription against clinical criteria specific to the drug and to the member's condition to ensure safe and effective use of the medication. Members will have the ability to access the clinical criteria specific to their specialty medication [via](#) the OptumRx online member portal, or by calling OptumRx customer service.

- If the prior authorization request meets the clinical criteria, it will be approved, and the prescription may be filled.
- If more information is needed, OptumRx will reach out to the prescribing provider.
- If the information provided does not meet clinical criteria, coverage for the prescription will be denied, and information regarding the specific clinical criteria that was not met will be provided to the member.
 - The member may appeal this decision through the AlaskaCare appeals process, or they may work with their prescriber to obtain a different prescription.

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- The member's prescriber may provide additional clinical information to OptumRx to support use of the medication by the member, or they may request a peer-to-peer discussion with an OptumRx clinical pharmacist to discuss the member's individual condition and circumstances.

Prior authorization approvals are typically valid for 3-36 months, depending on the medication. OptumRx identifies approved prior authorizations for prescriptions expiring within 30 days and will proactively reach out to the prescriber to request any information needed to extend the prior authorization.

If members are unsure if their current medication or any new prescriptions require a prior authorization, they may call OptumRx, consult the Plan's formulary¹³ (list of prescribed medications), or review the current OptumRx Specialty Pharmacy Drug List (see attachment B) to determine if their drug is subject to prior authorization.

Development of Prior Authorization Clinical Criteria

Every PBM has a process for reviewing and aggregating clinical guidelines to establish the clinical criteria used to evaluate prior authorization requests. This proposal contemplates the use of OptumRx's clinical criteria. However, if the plan transitions to a different PBM in the future, that PBM's clinical criteria would be used to evaluate any prior authorizations in effect at that time.

At OptumRx, prior authorization criteria are reviewed and approved by the OptumRx Pharmacy & Therapeutics (P&T) Committee. The P&T Committee is an independent, multi-specialty and nationally represented group of physicians and pharmacists. The P&T Committee evaluates medications based on scientific evidence to find their place in therapy. Quarterly meetings are held to evaluate, review, and make clinical recommendations. Industry, clinical, and company standards govern the P&T Committee's review, consideration, and recommendation processes. The committee considers:

- U.S. Food and Drug Administration (FDA) approved indications
- Manufacturer's package labeling instructions
- Well-accepted and/or published clinical recommendations (ex: American Hospital Formulary Service Drug Information; DRUGDEX; National Comprehensive Cancer Network Drugs and Biologics Compendium; Clinical Pharmacology; major peer reviewed medical journals such as the American Journal of Medicine)

Based on this information, the P&T Committee evaluates whether a drug has a unique therapeutic benefit, comparable safety and efficacy, or whether risk of harm outweighs the benefits. The P&T Committee complies with national quality standards including those provided by the Centers for Medicare & Medicaid Services (CMS), the National Committee for Quality Assurance (NCQA), and the Utilization Review Accreditation Commission (URAC®). After thorough clinical review of prior authorization guidelines is complete, the P&T Committee approves the utilization management criteria.

Actuarial Impact | **Neutral**

Financial Impact | **Annual Cost Reduction \$12.3M (preliminary)**

Member Impact | **Low**

Operational Impact (DRB) | **Neutral**

¹³ AlaskaCare formularies are available online: <http://doa.alaska.gov/dr/askacare/optumrx.html>

Operational Impact (TPA) | Minimal

4) Impacts

Actuarial Impact | Neutral Pending

Analysis of any actuarial impact associated with implementing prior authorizations for specialty medications is under review and development. This proposal will not result in a change to members' cost share for their covered prescriptions, nor will it remove coverage for any class or drug covered by the plan. Therefore, implementing prior authorizations for specialty medications will not have an impact on the actuarial value of the Plan.¹⁴

Financial Impact | Annual Cost Reduction \$12.3M (preliminary) Savings: Pending
Cost Saving Potential

Prior authorization is a core component of prudent pharmacy plan management. Medications requiring prior authorization typically have limited FDA-approved uses, are used for conditions that require special diagnostic confirmation, or have a high potential to be prescribed for off-label uses where appropriateness and efficacy are not well established. If left unmanaged without requiring prior authorization, these medications can significantly increase plan costs.

Prior authorizations review medications to ensure safe and effective use. Though cost of the drug is not one of the criteria used to review use of a medication during the prior authorization process, implementation of the prior authorization program is anticipated to bring annual incidental savings to the plan. Plan savings associated with prior authorizations typically fall into three-four general categories:¹⁵

1. Increased Drug Rebates: The Plan will be eligible to receive increased drug rebates that are provided to plans that adopt prior authorizations. The more favorable rebates are provided regardless of the outcome of any prior authorization requests.
2. Drug Not Approved: Some prior authorization requests are not approved because the drug is not appropriate for the member's condition, or because it has been prescribed in a manner contrary to evidence-based guidelines. For example, Xyrem is an orphan drug that is FDA approved to treat narcolepsy but is not covered for chronic fatigue syndrome or fibromyalgia. A prior authorization review would ensure that it has been prescribed to treat an appropriate condition. If an alternative prescription is not written, the cost of the drug is considered savings to the Plan.
3. Alternative Drug Prescribed: Some prior authorization requests result in the prescribing physician writing a prescription for an alternative medication. Alternative drugs are not always specialty medications and may not necessarily require a prior authorization. If a prior authorization request results in dispensation of an alternative drug in this instance, the difference between the cost of the original medication and the cost of the alternative medication is considered savings to the Plan.

¹⁴ OptumRx Retiree Plan Specialty Prior Authorization Program – Focus on Actuarial and Financial Impact for the Retiree Plan, Segal Consulting memo dated August 10, 2021. (Attachment D).

¹⁵ OptumRx Presentation, Retiree Plan Specialty Prior Authorization Opportunity. June 18, 2021.

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3.4. Prescription Abandoned: Some prior authorization requests are abandoned (~~additional requested information is not provided~~) by the provider or by the member. Examples of abandoned outcomes include the member switching to a non-medication treatment option (e.g., light therapy for psoriasis), the doctor not responding to the prior authorization request from the pharmacy, or the member not taking any action to pursue the prior authorization or fill the prescription. In ~~these~~ instances, the cost of the drug associated with the abandoned prior authorization is considered savings to the plan.

Please note that the annual and long-term cost impacts projected below are preliminary estimates and represent the higher end of projected cost savings. Further analysis is ongoing, and future iterations of this proposal may include refined savings projections.

Annual & Long-Term Cost Impact-Projected Annual Cost Impact

The anticipated financial impact to the plan associated with implementing prior authorizations is under review and further development. The financial impact analysis is based on initial savings estimates provided by OptumRx, which were further refined by Segal to account for prescribing and utilization patterns specific to the Plan.

Based on Segal Consulting’s preliminary retiree medical and pharmacy claims projection of \$617,000,000 for 2022, the anticipated fiscal impact of this change in 2022 is estimated to be an overall reduction in costs of approximately \$12,300,000.¹⁶

Implementing a prior authorization program for specialty medications is anticipated to have an impact on prescription drug claims costs, manufacturer drug rebates, and federal subsidies provided to the Plan through the AlaskaCare enhanced Employer Group Waiver Program (EGWP) Medicare Part D prescription drug plan. The EGWP subsidies are anticipated to reduce by approximately \$4,000,000, but this reduction will be more than offset by the savings associated with claims costs and increased drug rebates.

The projected claims savings are largely due to alternative, more clinically appropriate drugs being prescribed, though some reviews may result in no medications being prescribed. Based on the initial estimates, the anticipated claims savings for 2022 are \$11,100,000.

Adding prior authorization requirements enables OptumRx to access more advantageous drug manufacturer rebate terms for certain drugs. Any increased drug rebates associated with the implementation of specialty medication prior authorizations are available to the Plan regardless of whether or not the prior authorization review results in an alternative medication being dispensed. The anticipated rebate increases for 2022 are expected to be \$5,200,000.

Table 2. Projected 2022 Savings Detail¹⁷

<u>Financial Impact</u>	<u>Non-EGWP</u>	<u>EGWP</u>	<u>Total</u>
<u>2022 Claims Savings</u>	<u>\$3,400,00</u>	<u>\$7,700,000</u>	<u>\$11,100,000</u>
<u>2022 Rebates Changes</u>	<u>\$3,600,000</u>	<u>\$1,600,000</u>	<u>\$5,200,000</u>
<u>2022 EGWP Changes</u>	<u>N/A</u>	<u>(\$4,000,000)</u>	<u>(\$4,000,000)</u>

¹⁶ OptumRx Retiree Plan Specialty Prior Authorization Program – Focus on Actuarial and Financial Impact for the Retiree Plan, Segal Consulting memo dated August 10, 2021. (Attachment D).

¹⁷ Ibid.

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Total Savings	\$7,000,000	\$5,300,000	\$12,300,000
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Projected Long-Term Cost Impact

The annual cost decrease associated with the proposed prior authorizations may have long-term impacts to the healthcare Actuarial Accrued Liability (AAL)¹⁸ and to the Additional State Contributions (ASC)¹⁹ associated with the Plan.

To estimate the long-term financial impacts, Buck consulting considered the estimated 2022 decreases and projected future annual cost decreases using the June 30, 2020 valuation assumptions. Based on these estimates, the AAL may decrease by approximately \$172.2 million, and the ASC for Fiscal Year (FY) 2023 is likely to decrease by approximately \$1.7 million.²⁰

The ASC provides payment assistance to participating employers' Actuarially Determined Contribution (ADC). The ADC is determined by adding the "Normal Cost"²¹ to the amount needed to offset the amortization of any existing unfunded accrued liability over a period of 25 years.

The illustrative decrease to the FY23 ASC is associated with the Normal Cost only. The current overfunded status²² of the retiree health care liabilities has eliminated the immediate need for amortization payments to offset any health care unfunded liability. It is important to note the that long-term funded status of the trusts is subject to change in response to market volatility and many other factors.

If the retiree health care liabilities were not overfunded, in accordance with the Alaska Retirement Management Board's (ARMB) current funding policy, the total illustrative decrease in the FY23 ASC would be approximately \$12.8 million.²³

Member Impact | **Low**

Implementation of prior authorizations for specialty medications will impact a small portion of Plan members. As previously discussed, out of 60,677 members who filled prescription medications in 2020, only 3.7%, or 2,272 individuals, filled prescriptions for specialty medications that would be subject to prior authorization.

¹⁸ AAL: The excess of the present value of a pension fund's total liability for future benefits and fund expenses over the present value of future normal costs for those benefits.

¹⁹ Employer contributions to retirement payments were capped in FY08. Since then, the state makes additional assistance contributions to help cover the accrued unfunded liability associated with participating employers.

²⁰ Impact of Potential Change in Prior Authorization of Specialty Medications for AlaskaCare Retiree Health Plan, Buck Consulting, August 16, 2021.

²¹ The normal cost represents the present value of benefits earned by active employees during the current year. The employer normal cost equals the total normal cost of the plan reduced by employee contributions.

²² Due in part to the savings realized as a result of the 2019 implementation of the enhanced Employer Group Waiver Program (EGWP) group Medicare Part D prescription drug program, the retiree health care liabilities are currently overfunded. The Division's 2020 draft Actuarial Valuation Reports for the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) indicate that the PERS actuarial funded ratio is 113.5% and the TRS actuarial funded ratio is 121.4%.

²³ Impact of Potential Change in Prior Authorization of Specialty Medications for AlaskaCare Retiree Health Plan, Buck Consulting, August 16, 2021.

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Utilizers of specialty medications (or their providers) will be required to seek prior authorization. Members may contact OptumRx, review individualized information about their prescriptions on the OptumRx.com member portal, or consult the current OptumRx Specialty Pharmacy Drug List (see attachment B) to determine if any of their current medications are specialty medications that are subject to prior authorization. Medications on the list that require a prior authorization are indicated with a “PA” designation after the drug name.

Members who are currently utilizing specialty medications will be notified 60 days in advance of prior authorizations going into effect that a medication they are using will be subject to prior authorization. These members will be advised to speak with their provider, so that the provider is aware of the need to submit a prior authorization. Their provider will then initiate the prior authorization through the process described above in section 3.

Members who receive a new prescription for a specialty medication after prior authorizations are implemented will need to work with their prescriber to obtain the relevant prior authorization.

Because most health plans include a requirement for prior authorization for specialty medications, most providers are familiar with the process and are prepared to submit the necessary request and documentation before the member attempts to fill their prescription. In most cases, prior authorization is a process that occurs between the provider and OptumRx, and the member should not have to be heavily involved in the process.

There is no change to coverage for prescription medications that are prescribed under the terms outlined in the Plan booklet. The plan will continue to cover medically necessary and clinically appropriate prescription drugs.

Operational Impact (DRB) | **Neutral**

To implement this change, the Division will need work with OptumRx to ensure that the prior authorization process is correctly implemented, including auditing and verifying the set-up, creating and executing a member and provider communication campaign, and preparing both the Division and OptumRx’s member services centers to assist members with questions related to prior authorizations.

Operational Impact (TPA) | **Minimal**

Prior authorizations for specialty medications are a common plan feature and are included in nearly all commercial and self-insured plans administered by OptumRx. OptumRx has a robust prior authorization department that is already prepared to process any requests, and their member services staff are well versed in the program.

5) Proposal Recommendations

DRB Recommendation

Insert the Division recommendation here when final.

RHPAB Board Recommendation

Insert the RHPAB recommendation here when final along with any appropriate comments.

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Description	Date
Reviewed by Modernization Subcommittee	06/18/2021, 07/28/2021, <u>08/19/2021</u>
Reviewed by RHPAB	<u>11/05/2020</u> , 08/05/2021

Documents attached include:

Attachment	Document Name
A	OptumRx Presentation, <i>Retiree Plan Specialty Prior Authorization Opportunity</i> , June 18, 2021.
B	OptumRx Specialty Pharmacy Drug List, July 1, 2021
C	OptumRx Presentation, <i>Specialty Prior Authorization</i> , July 28, 2021.
<u>D</u>	<u><i>OptumRx Retiree Plan Specialty Prior Authorization Program – Focus on Actuarial and Financial Impact for the Retiree Plan</i>, Segal Consulting, August 10, 2021</u>
<u>E</u>	<u><i>Impact of Potential Change in Prior Authorization of Specialty Medications for AlaskaCare Retiree Health Plan</i>, Buck Consulting, August 16, 2021.</u>

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Memorandum

To: Ajay Desai, Director, Division of Retirement and Benefits

From: Richard Ward, FSA, FCA, MAAA

Date: August 10, 2021

Re: OptumRx Retiree Plan Specialty Prior Authorization Program – Focus on Actuarial and Financial Impact for the Retiree Plan

The AlaskaCare Retiree program currently provides coverage for both Pre-Medicare and Medicare Retirees. The Pre-Medicare program is currently being administered through OptumRx. The Medicare Part D (prescription drug coverage) program provides coverage through an Employer Group Waiver Plan (EGWP) administered by OptumRx. Under the EGWP AlaskaCare covers all approved Medicare Part D drugs, plus additional medications through the “wrap” coverage. For approved medications the Plan applies general pharmacy benefit provisions, such as copays, to determine any portion of the costs that are the member’s responsibility. Below is a table outlining the current benefits offered under the Plan:

Deductibles		
Annual individual / family unit deductible	\$150 / up to 3x per family	
Coinsurance		
Most medical expenses	80%	
Most medical expenses after out-of-pocket limit is satisfied	100%	
Second surgical opinions, Preoperative testing, Outpatient testing/surgery (No deductible applies)	100%	
Out-of-Pocket Limit		
Annual individual out-of-pocket limit <ul style="list-style-type: none"> • Applies after the deductible is satisfied • Expenses paid at a coinsurance rate other than 80% do not apply against the out-of-pocket limit 	\$800	
Benefit Maximums		
Individual lifetime maximum (LTM) <ul style="list-style-type: none"> • Prescription drug expenses do not apply against the LTM 	\$2,000,000	
Individual limit per benefit year on substance abuse treatment without precertification. Subject to change every three years	\$12,715	
Individual lifetime maximum on substance abuse treatment without precertification. Subject to change every three years	\$25,430	
Prescription Drugs		Up to 90 Day or 100 Unit Supply
	Generic	Brand Name
Network pharmacy copayment	\$4	\$8
Mail order copayment	\$0	\$0

A change is currently being considered to add additional oversight to specialty medications for members with coverage in the EGWP and non-EGWP plans. Specialty medications continue to be a growing portion of a program's pharmacy spend. While these medications can be highly effective, they also represent some of the most costly medications on the market. Additionally, specialty medications may be more or less effective for certain members, and in an effort to ensure the right individuals receive these medications, many plans have implemented evidenced-based guidelines for approval. These guidelines can help promote safe and effective use of specialty medications, while mitigating the potential for waste in a high dollar medication category.

The OptumRx Specialty Prior Authorization program would implement evidenced-based review aspects before specialty medications are dispensed. These specialty medications would be reviewed for the specific therapeutic benefit, dosage recommended, and effectiveness given the retiree's need(s) and/or other potential medication usage. OptumRx will then render a clinical coverage determination for the specific drug and dosage under review.

Actuarial Value

The Department of Administration is considering implementing a prior authorization program to help manage specialty medications. While this program does introduce changes that promote safe and effective usage of specialty medications to help manage costs, it does not impact the retiree's cost for that medication. This change also does not remove any drugs currently being covered by AlaskaCare. Due to these factors implementation of this program would not impact the actuarial value.

Financial Impact

Based on the most recent retiree medical and pharmacy claims projection of \$617,000,000 for 2022, the projected financial impact for 2022 pharmacy claims would be a reduction of roughly \$12,300,000 (or 2.0% of total projected costs).

OptumRx performed initial analysis on the impact to claims costs, rebates and EGWP subsidies, which were then refined by Segal. The primary refinement was to adjust for the OptumRx analysis being based on general market and book-of-business data and assumptions. The Segal analysis accounts for prescribing and utilization patterns in the AlaskaCare program.

Projected claims savings are due primarily to the PA program resulting in more clinically appropriate drugs being prescribed, as well as some reviews resulting in no medications being dispensed.

Implementing the PA program will affect drug manufacturer rebates. Changes in the prescribed medication may change the rebate associated with the prescription, but the introduction of utilization management also enables OptumRx to access more favorable rebate terms in some manufacturer contracts. These increased rebates are available regardless of whether or not the PA review results in a change in the medication.

For both the EGWP and the non-EGWP plans, this is primarily driven by medications in the anti-inflammatory class. The expected increase in rebates from these enhanced contract terms will more than offset any decreases in rebates from PA reviews that change the initial prescription.

The chart below provides a breakout of the total projected savings in detail:

	Non-EGWP	EGWP	Total
2022 Claims Savings	\$3,400,000	\$7,700,000	\$11,100,000
2022 Rebates Changes*	\$3,600,000	\$1,600,000	\$5,200,000
2022 EGWP Changes	N/A	-\$4,000,000	-\$4,000,000
Total Savings	\$7,000,000	\$5,300,000	\$12,300,000

* The change in earned rebates is shown and should be a reasonable indication of the annual impact over the long term. However, should there be a shortfall in the actual rebates compared to the levels guaranteed by OptumRx, then these amounts would be offset by the shortfall.

Additional Notes

The data used for this analysis was reviewed, but not audited, and found to be sufficient and credible.

The above projection is an estimate of future cost and is based on information available to Segal at the time the projection was made. Segal has not audited the information provided. A projection is not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, change in demographics, overall inflation rates and claims volatility. Projection of retiree costs takes into account only the dollar value of providing benefits for current retirees during the period referred to in the projection. It does not reflect the present value of any future retiree benefits for active, disabled, or terminated employees during a period other than that which is referred to in the projection, nor does it reflect any anticipated increase in the number of those eligible for retiree benefits, or any changes that may occur in the nature of benefits over time.

The Coronavirus (COVID-19) pandemic is rapidly evolving and will likely impact the 2021 US economy and health plan claims projections for most Health Plan Sponsors. As a result, projections could be significantly altered by emerging events. At this point, it is unclear what the impact will be for Health Plan Sponsors. Segal continues to develop and review plan cost adjustment factors and reports to apply to both short-term and long-term financial projections. Additionally, the potential for federal or state fiscal relief is also not contemplated in these budget projections.

cc: Emily Ricci, Division of Retirement and Benefits
Betsy Wood, Division of Retirement and Benefits
Andrea Mueca, Division of Retirement and Benefits
Noel Cruse, Segal
Kautook Vyas, Segal
Amy Jimenez, Segal
Eric Miller, Segal
Quentin Gunn, Segal

Retiree Plan Specialty Prior Authorization Opportunity



Addressing rising costs and improving outcomes

RISING PRESCRIPTION COSTS



Up to \$600B
projected drug spend in the
U.S by 2023¹

AFFORDABILITY

ADVERSE DRUG EVENTS



Risk of an adverse drug event
increases by
7-10%
with each additional medication²

SAFETY

SPECIALTY DRUG INCREASE



More than 2x
specialty medication growth
rate vs. other drugs³

ACCESS

Specialty medications dominate spend

COST

8% year over year growth **\$505B** in spend by 2023¹

>10% increase in utilization in past four years¹

~\$52K/year per medication²

COMPLEXITY

Specialty patients

Take ~10 different medications over the course of a year³

Manage ~7 conditions at a time³

Retiree Plan Specialty Drug Costs Per Rx

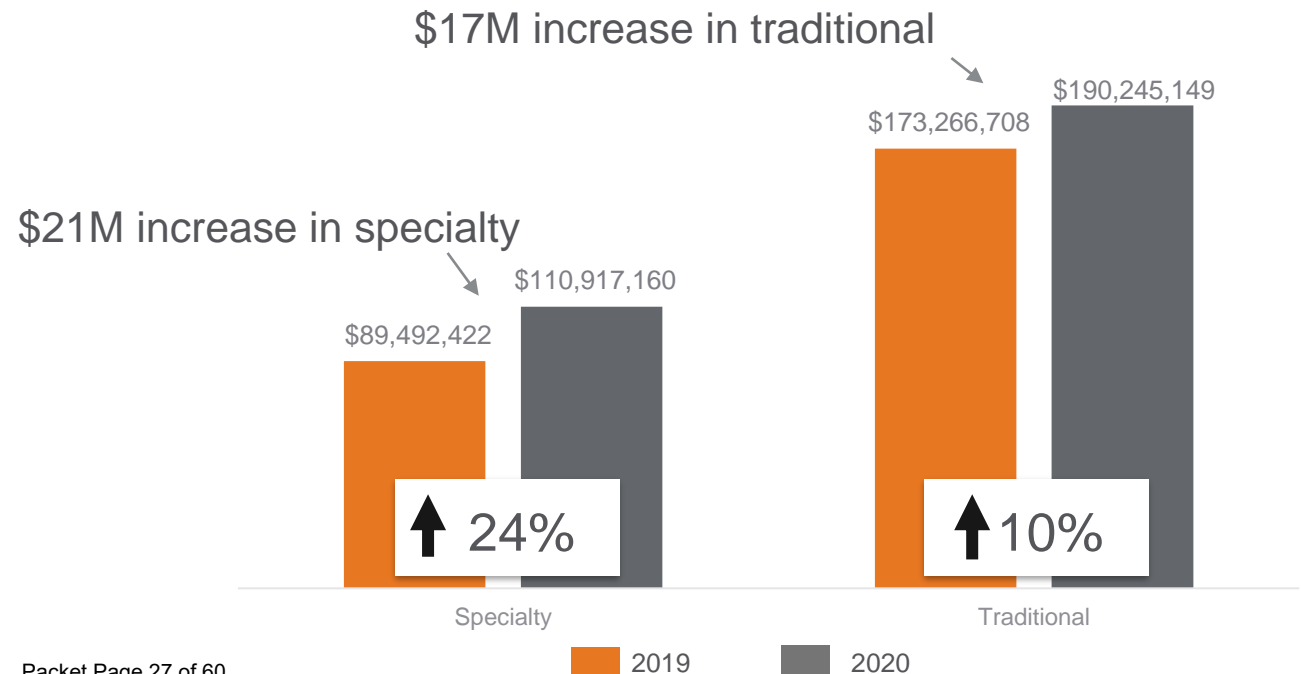
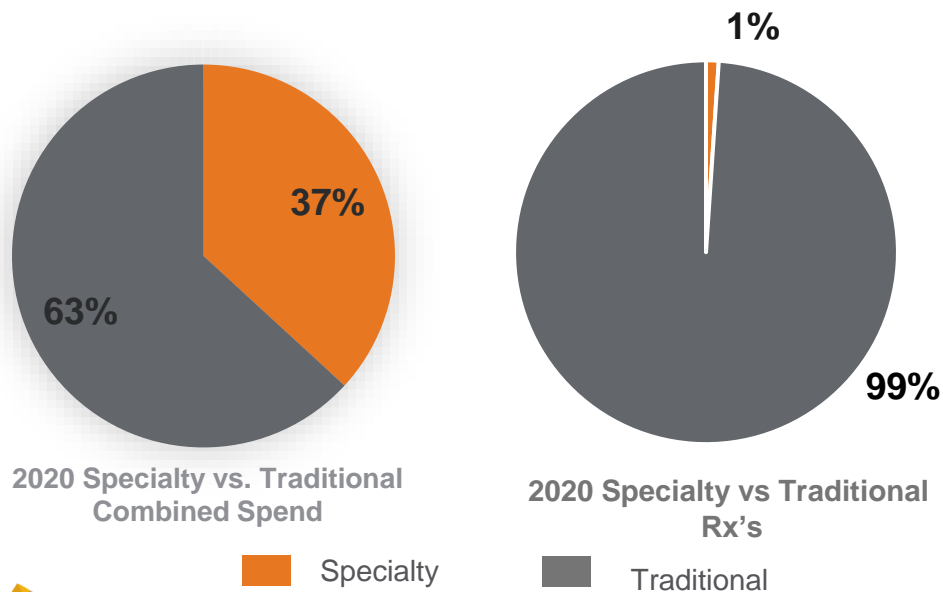
Specialty medications for chronic conditions

Specialty Drug	Average Cost Per 30 Day Supply <u>Per Utilizer</u>	Average Cost Annually <u>Per Utilizer</u>	Total Number of Utilizers in 2020
Humira Pen	\$9,570	\$114,841	166
Xeljanz XR	\$9,476	\$113,715	74
Enbrel Sureclick	\$10,017	\$120,213	59
Jakafi	\$13,369	\$160,439	16
Revlimid	\$16,061	\$192,743	60

Retiree Specialty Medication Increases

2019 to 2020

- Specialty medication represented 37% of combined retiree total pharmacy spend, or **\$110 M in 2020**
- This was an increase from **\$89M, or 34.1%, in 2019**. This was driven by an increase in specialty Rx's and more costly specialty medications.
- Specialty Rx's represent 1% of the total Rx's.



What is prior authorization?

A pre-approval process guided by rigorous clinical standards similar to AlaskaCare medical review process for intensive, high-cost medical procedures.



THE RIGHT DRUG AT THE RIGHT TIME

Your physician provides specific information to OptumRx clinicians to review and compare to evidence-based criteria and clinical standards for the drug



SAFETY

The process promotes safe and effective use of high-cost medications
Better health outcomes along with prudent plan management preserves health trust funds



RETIREE EXPERIENCE

Prior Authorization decisions are communicated to you and your physician
OptumRx Specialty prior authorization approval rate is 72-77%

How does OptumRx develop prior authorization?

OptumRx National Pharmacy & Therapeutics Committee

Independent, multi-specialty and nationally represented group of physicians and pharmacists that provides evidence-based review and appraisal of new and existing medications and their place in therapy.

Multi Specialty



- Internal Medicine
- Epidemiology
- Cardiovascular
- Geriatrics
- Pediatrics
- Endocrinology
- Rheumatology
- Pain Medicine
- Hematology/Oncology

Nationally Represented



- Northeast
- Southeast
- Midwest
- West
- Southwest

Responsibilities



- Appraisal of new and existing drugs and drug classes
- Utilization management (prior authorization) program review
- Oversight of clinical programs

Determinations



- Unique therapeutic benefit
- Comparable safety and efficacy
- Risk of harm outweighs the benefit

Retiree Plan – Specialty Prior Authorization Savings Opportunity

Estimated annual savings (based on Jan 2020 – Dec 2020 data)

- A total of 60,677 retirees utilized the prescription drug plan in 2020. **2,272 retirees, 3.7% of all utilizers, utilized a specialty medication**
- Specialty Rx's totaled 10,923, less than 1%, of the overall 1,380,472 prescriptions
- In 2020 **specialty costs increased \$21M, or 24%**

	Total Annual Estimated Savings	Estimated Annual PMPM Savings
Over 65 Retiree	\$8,996,142	\$17.85
Under 65 Retiree	\$4,015,741	\$12.87
Combined Retiree	\$ 13,011,883	\$ 15.95

Retiree Plan

A look at the top 5 specialty classes prior authorization opportunity

	Anti-Inflammatory Biologic Agents	Multiple Sclerosis	Pulmonary Hypertension	Pulmonary Fibrosis	Oncology – Oral Agents
Commonly Used Medications (full drug listing in appendix)	Stelara,, Humira, Taltz, Cosentyx, Xeljanz, Cimzia, Enbrel, Otezla	Tecfidera, Ocrevus, Gilenya, Aubagio, Copaxone, Avonex	Uptravi, Adempas, Orenitram, Letairis, Opsumit	Ofev, Esbriet	Revlimid, Jakafi, Zejula, Calquence, Alecensa, Ninlaro, Idhifa
Utilizers	787	169	83	40	561
Actual Plan Paid	\$35,548,336	\$8,863,490	\$4,135,856	\$2,996,883	\$36,967,233
Average Cost Per Rx in Class	\$8,745	\$10,862	\$9,070	\$11,395	\$12,510
Estimated Plan Reduction	\$3,520,828	\$688,392	\$574,123	\$519,530	\$3,876,799

Prior Authorization Savings

What's considered in the savings calculation?

- Some prior authorization requests are not approved because use of the medication is not appropriate and does not meet evidence-based criteria. Actiq prescribed for migraines demonstrates a medication that may not be approved based on criteria. Commonly used drugs and approval rates*:
 - Humira PA approval rate 86%
 - Revlimid PA approval rate 94%
 - Tecfidera PA approval rate 85%
 - Stelara PA approval rate 65%
- Some prior authorization requests result in the physician writing a prescription for an alternative drug. The difference between the cost of the original medication and the alternative is considered savings.
- Some prior authorization requests are abandoned by the physician or patient. The cost of the drug associated with the abandoned prior authorization is considered savings.

Example: Actiq®



COVERED
for cancer pain

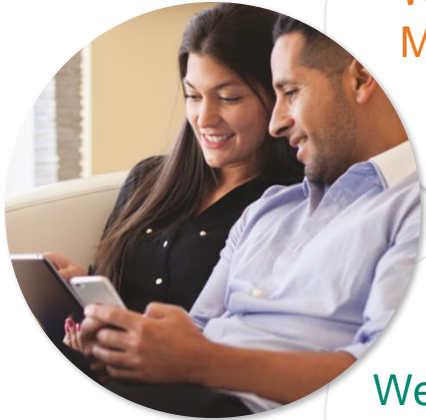
FDA-approved for treating cancer-related pain in members already taking opioid medication around-the-clock



NOT COVERED
for migraines

Contraindicated in the management of acute or post-operative pain including migraines

Enhance the member and provider experience with sophisticated digital tools



We support Members by:

- Giving them **control** to **initiate or check the status** of a PA request through our **website** and **mobile app**
- Offering **MyScript Finder** to look up **details, costs** and **formulary-driven lower-cost alternatives**
- **Providing clinical rationale** and next steps if they experience a denial

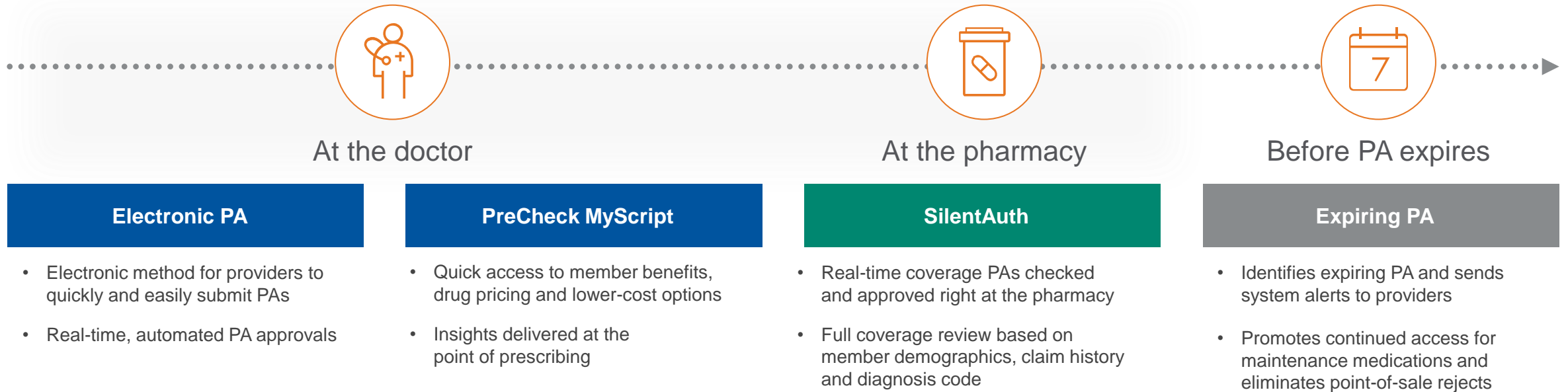
We support Physicians by:

- The use of our **provider portal** allows providers to **check PA status**
- Offering the **PreCheck MyScript®** tool to **initiate authorizations** and give **formulary-driven alternatives** in **real-time**. In 2020, 12,597 physicians treating AlaskaCare retirees utilized **PreCheck MyScript®**.

Prescriber experience and tools

Faster prescribing, better communication, continued access

Prior authorization (PA) capabilities work together to improve the provider and member experience



Member experience

Prior authorization review is needed to ensure appropriate and effective medication use for the member's specific condition

Member receives notification letter 60 days in advance advising their medication will be subject to prior authorization



Member discusses the medication subject to prior authorization with their prescriber



Prescriber initiates prior authorization with OptumRx in one of three methods: electronic, phone or mail submission



Coverage is approved* and member can fill at their preferred pharmacy



Coverage Determinations

OptumRx will provide notice of the coverage decision within 24 hours after receiving an expedited request or 72 hours after receiving a standard request. The initial notice may be provided verbally so long as a written follow-up notice is mailed to the enrollee within 3 calendar days of the verbal notification.

Expiring Prior Authorizations

OptumRx identifies approved prior authorizations for prescriptions expiring within 30 days and initiates outreach to prescriber to extend prior authorization proactively, taking the member out the middle.

Clinical criteria is not met for coverage approval and member and prescriber are notified in writing with decision rationale and next steps for reconsideration

Provider writes new prescription for alternative medication or proceeds with next steps for reconsideration through OptumRx

*Approvals are valid for 3-36 months depending on medication



Retiree Journey: Barbara's story

Prior authorization promotes safe and effective medication use



Barbara, age 61 diagnosed with multiple sclerosis



Electronic Prior Authorization (ePA) saves time and avoids unnecessary delays.



Barbara can check real-time status through our website and mobile app.

1

Barbara is prescribed **Gilenya** by her physician and the pharmacy receives her electronic prescription.

2

The pharmacy processes the prescription and **receives a utilization management message indicating "prior authorization (PA) required."**

3

The pharmacy notifies Barbara's physician that a PA is required and the **physician submits an ePA to OptumRx.**

4

The PA request **meets clinical criteria and is auto-approved** with no additional information required.

5

Barbara's physician is notified of the PA approval.

The **pharmacy re-submits the claim to OptumRx and the claim is approved.**

Barbara receives PA approval notification via letter from OptumRx.

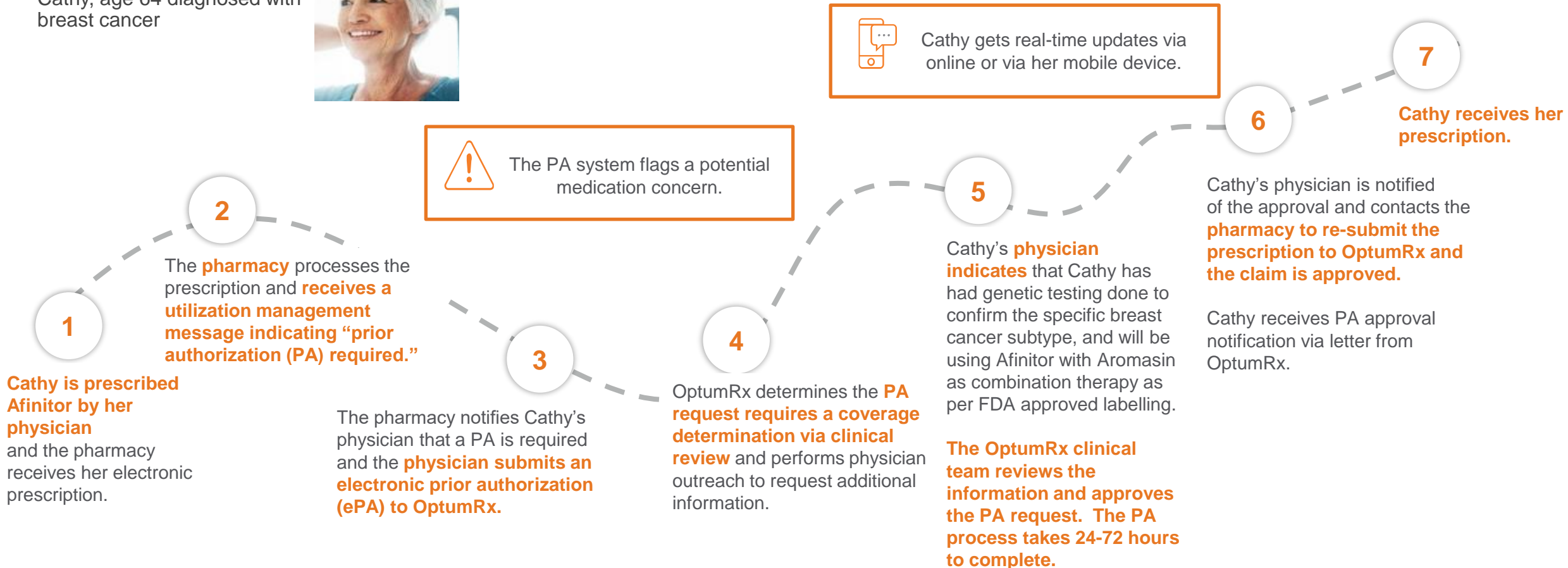
6

Barbara receives her prescription.

Retiree Journey: Cathy's story

Clinical rigor helps to ensure members receive the right medications

Cathy, age 64 diagnosed with breast cancer



Specialty Management Savings Opportunity Summary

- ✓ A total of 60,677 retirees utilized the prescription drug plan in 2020. Retirees who filled for a specialty medication represented 2,272, or 3.7%, of that total.
- ✓ Specialty Rx's totaled 10,923, or less than 1%, of the overall 1,380,472 prescriptions
- ✓ Specialty represented 37% of the total retiree pharmacy spend
- ✓ Retiree plan specialty costs increased \$21M in 2020, or 24%, based on increased Rx's and higher cost specialty medications being utilized
- ✓ Implementing specialty prior authorization would save an estimated **\$13M**

Appendix



Top 5 Specialty Class Prior Authorization Opportunities

Medication list

	Anti-Inflammatory Biologic Agents	Multiple Sclerosis	Pulmonary Hypertension	Pulmonary Fibrosis	Oncology – Oral Agents
Medications	Actemra, Avsola, Cimzia, Cosentyx, Enbrel, Enbrel Mini, Entyvio, Humira, Ilumya, Inflectra, Kevzara, Kineret, Olumiant, Orencia, Otezla, Renflexis, Remicade, Rinvoq, Siliq, Simponi, Simponi Aria, Skyrizi, Stelara, Taltz, Tremfya, Xeljanz, Xeljanz XR	Ampyra, Avonex, Aubagio, Bafiertam, Betaseron, Extavia, Copaxone, Gilenya, Glatopa, Lemtrada, Mavenclad, Mayzent, Novantrone, Ocrevus, Plegridy, Rebif, Tecfidera, Tysabri, Vumerity, Zeposia	Adcirca, Adempas, Alyq, Flolan, Letairis, Opsumit, Orenitram, Remodulin, Revatio, Tracleer, Tyvaso, Uptravi, Veletri, Ventavis	Esbriet, Ofev	Afinitor, Afinitor Disperz, Alecensa, Alunbrig, Ayvakit, Balversa, Bosulif, Braftovi, Brukinsa, Cabometyx, Calquence, Caprelsa, Cometriq, Copiktra, Cotellic, Daurismo, Erivedge, Erleada, Farydak, Gilotrif, Gleevec, Ibrance, Iclusig, IDHIFA, Imbruvica, Inlyta, Inrebic, Iressa, Jakafi, Kisqali, Kisqali Femara, Koselugo, Lenvima, Lonsurf, Lorbrina, Lynparza, Mekinist, Mektovi, Nerlynx, Nexavar, Ninlara, Nubeqa, Odomzo, Pemazyre, Piqray, Pomalyst, Qinlock, Retevmo, Revlimid, Rozlytrek, Rubraca, Rydapt, Sprycel, Stivarga, Sutent, Tabrecta, Tafinlar, Tagrisso, Talzenna, Tarceva, Targretin, Tassigna, Tazverik, Temodar, Thalomid, Tibsovo, Tukysa, Turalio, Tykerb, Venclexta, Verzenio, Vitakvi, Vizimpro, Votrient, Xalkori, Xeloda, Xospata, Xpovio, Xtandi, Yonsa, Zejula, Zelboraf, Zolanza, Zydelig, Zykadia, Zytiga

Non-EGWP (Under 65) Retiree Plan

A look at the top 5 specialty classes with prior authorization opportunity (Jan 2020 – Dec 2020)

	Anti-Inflammatory Biologic Agents	Multiple Sclerosis	Pulmonary Hypertension	Osteoporosis	Oncology – Oral Agents
Example Medications (full drug listing in appendix)	Stelara,, Humira, Taltz, Cosentyx, Xeljanz, Cimzia, Enbrel, Otezla	Tecfidera, Ocrevus, Gilenya, Aubagio, Copaxone, Avonex	Uptravi, Adempas, Orenitram, Letairis, Opsumit	Forteo, Prolia, Xgeva, Tymlos, Evenity	Revlimid, Jakafi, Zejula, Calquence, Alecensa, Ninlaro, Idhifa
Utilizers	307	79	5	75	121
Actual Plan Paid	\$13,405,897	\$3,954,684	\$1,290,256	\$634,985	\$5,948,179
Actual Plan Paid per Rx	\$8,004	\$10,894	\$26,332	\$3,097	\$10,273
Estimated Plan Reduction	\$1,147,215	\$302,200	\$123,803	\$202,747	\$725,076

EGWP (Over 65) Retiree Plan

A look at the top 5 specialty classes with prior authorization opportunity (Jan 2020 – Dec 2020)

	Anti-Inflammatory Biologic Agents	Multiple Sclerosis	Pulmonary Hypertension	Pulmonary Fibrosis	Oncology – Oral Agents
Example Medications (full drug listing in appendix)	Cimzia, Cosentyx, Enbrel, Humira, Skyrizi, Stelara, Taltz, Tremfya, Xeljanz	Copaxone, Gilenya, Ocrevus, Rebif, Tecfidera, Tysabri	Letairis, Revatio, Tracleer, Tyvaso, Upravi	Ofev, Esbriet	Bosulif, Gleevec, Ibrance, Imbruvica, Jakafi, Mekinist, Revlimid, Sprycel, Tagrisso, Tassigna, Verzenio, Xospata
Utilizers	480	90	78	34	440
Actual Plan Paid	\$22,142,439	\$4,908,806	\$2,845,600	\$2,661,737	\$31,019,054
Actual Plan Paid per Rx	\$9,135	\$10,836	\$6,992	\$11,137	\$13,050
Estimated Plan Reduction	\$2,373,613	\$386,192	\$450,320	\$455,586	\$3,151,723

Specialty pharmacy drug list

July 1, 2021



Optum® Specialty Pharmacy provides specialty medication support through your pharmacy benefits with OptumRx. Optum Specialty Pharmacy provides comprehensive support services, including access to pharmacists around the clock, for high-cost oral and injectable medications used to treat rare and complex conditions. In addition, your medications will be shipped to you at no extra cost.

Characteristics of specialty medications

Specialty medications are often drugs you take by mouth or inject. For a medication to be filled through Optum Specialty Pharmacy, it must be at least one of the following:

High-priced

- Can cost more than \$1,000/30 day supply.

Complex

- Drug imitates compounds found in the body.
- Part of a specialty drug class.

High-touch

- Special shipping or handling like refrigeration.
- Needs a doctor or pharmacist to measure how well it works for you.
- Special steps to follow as you take.

Specialty pharmacy drug list

Adult incontinence

Solesta

Ammonia detoxicants

Ravicti ^{PA}

Anemia

Aranesp ^{PA}

Epogen ^{PA}

Mircera ^{PA}

Procrit ^{PA}

Reblozyl ^{PA}

Retacrit ^{PA}

Antibacterials

Arikayce ^{PA}

Anticoagulation

Arixtra

Fragmin

Lovenox

Anticovulsants

Diacomit ^{PA}

Epidiolex ^{PA}

Fintepla ^{PA}

Anti-gout agent

Krystexxa ^{PA}

Antihyperlipidemic

Evkeeza

Juxtapid ^{PA}

Anti-infective

Daraprim ^{PA}

Prevymis

Asthma

Cinqair ^{PA}

Fasenra ^{PA}

Nucala ^{PA}

Xolair ^{PA}

Cardiovascular

Northera ^{PA}

Vyndamax ^{PA}

Vyndaqel ^{PA}

Central nervous system agents

Austedo ^{PA}

Brineura ^{PA}

Enspryng ^{PA}

Firdapse ^{PA}

Hetlioz ^{PA}

Ingrezza ^{PA}

Radicava ^{PA}

Ruzurgi ^{PA}

Sabril ^{PA}

Tiglutik ^{PA}

Uplizna ^{PA}

Xenazine ^{PA}

Chemotherapy protectant

Elitek

Cystic fibrosis

Bethkis

Cayston ^{PA}

Kalydeco ^{PA}

Kitabis pak

Orkambi ^{PA}

Pulmozyme ^{PA}

Symdeko ^{PA}

Tobi

Tobi Podhalr

Tobramycin

Trikafta ^{PA}

Dermatologic

Scenesse ^{PA}

Diagnostic

Acthrel

Duchenne muscular dystrophy

Amondys 45

Emflaza ^{PA}

Endocrine

Bynfezia Pen ^{PA}

Chenodal ^{PA}

Crysvita ^{PA}

Cuprimine ^{PA}

Cystadane

Depen Titra

Egrifta ^{PA}

Firmagon ^{PA}

Imcivree

Isturisa ^{PA}

Jynarque

Korlym ^{PA}

Kuvan ^{PA}

Lupaneta ^{PA}

Lupron Depot ^{PA}

Makena ^{PA}

Myalept ^{PA}

Mycopssa ^{PA}

Natpara ^{PA}

Nityr ^{PA}

Parsabiv

Procysbi ^{PA}

Samsca

Sandostatin ^{PA}

Signifor ^{PA}

Somatuline ^{PA}

Somavert ^{PA}

Supprelin LA ^{PA}

Syprine ^{PA}

Tepezza ^{PA}

Thiola

Thyrogen ^{PA}

Triptodur ^{PA}

Xuriden ^{PA}

Enzyme therapy

Aldurazyme ^{PA}

Aralast NP ^{PA}

Buphenyl

Carbaglu

Cerdelga ^{PA}

Cerezyme ^{PA}

Cholbam ^{PA}

Cystagon

Elaprase ^{PA}

Elelyso ^{PA}

Fabrazyme ^{PA}

Galafold ^{PA}

Givlaari ^{PA}

Glassia ^{PA}

Kanuma ^{PA}

Lumizyme ^{PA}

Mepsevii ^{PA}

Naglazyme ^{PA}

Onpattro ^{PA}

Orfadin ^{PA}

Palynziq ^{PA}

Prolastin-C ^{PA}

Revcovi ^{PA}

Specialty pharmacy drug list

Strensiq^{PA}
 Sucraid
 Tegsedi^{PA}
 Vimizim^{PA}
 Vpriv^{PA}
 Zavesca^{PA}
 Zemaira^{PA}

Gastrointestinal agents

Gattex^{PA}
 Ocaliva^{PA}
 Xermelo^{PA}

Gene therapy

Zolgensma^{PA}

Growth hormone deficiency

Genotropin^{PA}
 Humatrope^{PA}
 Increlex^{PA}
 Norditropin^{PA}
 Nutropin AQ^{PA}
 Omnitrope^{PA}
 Saizen^{PA}
 Serostim^{PA}
 Zomacton^{PA}
 Zorbtive^{PA}

Hematological agents

Adakveo^{PA}
 Cablivi^{PA}
 Doptelet^{PA}
 Fibryga
 Mozobil^{PA}
 Mulpleta^{PA}
 Nplate^{PA}
 Oxbryta^{PA}

Panhematin
 Promacta^{PA}
 Riastap
 Soliris^{PA}
 Tavalisse^{PA}
 Thrombat III
 Ultomiris^{PA}

Hemophilia

Advate
 Adynovate
 Afstyla
 Alphanate
 Alphanine SD
 Alprolix
 Benefix
 Ceprotin
 Coagadex
 Corifact
 Elocate
 Esperoct
 Feiba
 Helixate FS
 Hemlibra
 Hemofil M
 Humate-P
 Idelvion
 Ixinity
 Jivi
 Koate
 Koate-DVI
 Kogenate FS
 Kovaltry
 Mononine
 Novoeight
 Novoseven RT
 Nuwiq
 Obizur

Profilnine
 Rebinyn
 Recombinate
 Rixubis
 Sevenfact
 Tretten
 Vonvendi
 Wilate
 Xyntha

Hepatitis B

Baraclude
 Epiriv HBV
 Hepsera
 Vemlidy

Hepatitis C

Eplclusa^{PA}
 Harvoni^{PA}
 Ledip-Sofosb^{PA}
 Mavyret^{PA}
 Pegasys^{PA}
 Peg-Intron^{PA}
 Ribavirin
 Sofos/Velpat^{PA}
 Sovaldi^{PA}
 Technivie
 Viekira^{PA}
 Vosevi^{PA}
 Zepatier^{PA}

Hereditary angioedema

Berinert^{PA}
 Cinryze^{PA}
 Firazyr^{PA}
 Haegarda^{PA}
 Kalbitor^{PA}
 Orladeyo

Ruconest^{PA}
 Takhzyro^{PA}

Immune globulin

Asceniv^{PA}
 Bivigam^{PA}
 Carimune NF^{PA}
 Cutaquig^{PA}
 Cuvitru^{PA}
 Cytogam^{PA}
 Flebogamma^{PA}
 Gamastan S/D^{PA}
 Gammagard^{PA}
 Gammaked^{PA}
 Gammaplex^{PA}
 Gamunex-C^{PA}
 Hizentra^{PA}
 Hyperrho S/D
 Hyqvia^{PA}
 Micrhogam
 Octagam^{PA}
 Panzyga^{PA}
 Privigen^{PA}
 Rhogam
 Winrho SDF
 Xembify^{PA}

Immunological agents

Actimmune^{PA}
 Arcalyst^{PA}
 Benlysta^{PA}
 Gamifant^{PA}
 Illaris^{PA}
 Lemtrada^{PA}
 Lupkynis

Palforzia ^{PA}

Infertility

Cetrotide ^{PA}
Follistim AQ ^{PA}
Ganirelix ^{PA}
Gonal-F ^{PA}
HCG ^{PA}
Menopur ^{PA}
Novarel ^{PA}
Ovidrel
Pregnyl ^{PA}

Inflammatory conditions

Actemra ^{PA}
Avsola ^{PA}
Cimzia ^{PA}
Cosentyx ^{PA}
Dupixent ^{PA}
Enbrel ^{PA}
Entyvio ^{PA}
H.P.Acthar ^{PA}
Humira ^{PA}
Ilumya ^{PA}
Inflectra ^{PA}
Kevzara ^{PA}
Kineret ^{PA}
Olumiant ^{PA}
Orencia ^{PA}
Otezla ^{PA}
Remicade ^{PA}
Renflexis ^{PA}
Ridaura
Rinvoq ^{PA}
Siliq ^{PA}
Simponi ^{PA}
Skyrizi
Stelara ^{PA}

Taltz ^{PA}
Tremfya ^{PA}
Xeljanz ^{PA}

Metabolic agents

Nulibry

Metabolic bone disease

Reclast

Mood disorder

Spavato ^{PA}
Zulresso ^{PA}

Multiple sclerosis

Ampyra ^{PA}
Aubagio ^{PA}
Avonex ^{PA}
Bafiertam ^{PA}
Betaseron ^{PA}
Copaxone ^{PA}
Extavia ^{PA}
Gilenya ^{PA}
Kesimpta ^{PA}
Mavenclad ^{PA}
Mayzent ^{PA}
Ocrevus ^{PA}
Plegridy ^{PA}
Ponvory
Rebif ^{PA}
Tecfidera ^{PA}
Tysabri ^{PA}
Vumerity ^{PA}
Zeposia ^{PA}

Musculoskeletal agents

Botox Cosmet ^{PA}
Evrysti ^{PA}

Exondys 51 ^{PA}
Spinraza ^{PA}
Viltepso
Vyondys 53
Xiaflex ^{PA}

Narcolepsy

Wakix ^{PA}
Xyrem ^{PA}
Xywav ^{PA}

Neurological agents

Botox ^{PA}
Dysport ^{PA}
Myobloc ^{PA}
Xeomin ^{PA}

Neutropenia

Fulphila ^{PA}
Granix ^{PA}
Leukine ^{PA}
Neulasta ^{PA}
Neupogen ^{PA}
Nivestym ^{PA}
Nyvepria
Udenyca ^{PA}
Zarxio ^{PA}
Ziextenzo ^{PA}

Oncology - injectable

Abecma
Abraxane
Adcetris ^{PA}
Adriamycin
Adrucil
Alferon N
Alimta
Aliqopa ^{PA}

Alkeran
Arranon
Arzerra ^{PA}
Asparlas
Avastin ^{PA}
Bavencio ^{PA}
Beleodaq ^{PA}
Belrapzo ^{PA}
Bendamustine ^{PA}
BendeKa ^{PA}
Besponsa ^{PA}
Bicnu
Blenrep ^{PA}
Bleomycin
Blinicyto ^{PA}
Bortezomib ^{PA}
Busulfex
Breyanzi
Campath
Camptosar
Carboplatin
Cisplatin Injectable
Cladribine
Clolar
Cosela
Cosmegen
Cyclophosphamide
Cyramza ^{PA}
Cytarabine
Dacogen ^{PA}
Danyelza
Darzalex ^{PA}
Daunorubicin
Docetaxel
Doxil
Doxorubicin
Eligard ^{PA}
Ellence
Elzonris ^{PA}

Specialty pharmacy drug list

Empliciti ^{PA}	Libtayo ^{PA}	Tecentriq ^{PA}	Balversa ^{PA}
Enhertu ^{PA}	Lumoxiti ^{PA}	Temodar ^{PA}	Bosulif ^{PA}
Erbix ^{PA}	Lupron Depot ^{PA}	Tepadina	Braftovi ^{PA}
Erwinaze	Margenza	Thiotepa	Brukina ^{PA}
Etopophos	Marqibo	Tice BCG	Cabometyx ^{PA}
Etoposide Injectable	Mesnex	Torisel	Calquence ^{PA}
Evomela	Mitomycin Injectable	Totect	Caprelsa ^{PA}
Faslodex	Monjuvi ^{PA}	Trazimera ^{PA}	Cometriq ^{PA}
Fensolvi ^{PA}	Mvasi ^{PA}	Treanda	Copiktra ^{PA}
Fludarabine	Mylotarg ^{PA}	Trelstar mix ^{PA}	Cotellic ^{PA}
Fluorouracil Injectable	Navelbine	Trisenox	Daurismo ^{PA}
Foloty ^{PA}	Nipent	Trodely ^{PA}	Erivedge ^{PA}
Fusilev	Ogivri ^{PA}	Truxima ^{PA}	Erleada ^{PA}
Gazyva ^{PA}	Oncaspar	Unituxin ^{PA}	Etoposide Capsule
Halaven ^{PA}	Onivyde	Valstar	Farydak ^{PA}
Herceptin ^{PA}	Ontruzant ^{PA}	Vantas ^{PA}	Fotivda
Herzuma ^{PA}	Opdivo ^{PA}	Vectibix	Gavreto ^{PA}
Hycamtin	Padcev ^{PA}	Velcade ^{PA}	Gilotrif ^{PA}
Idamycin PFS	Pamidronate	Vidaza	Gleevec ^{PA}
Ifex	Paraplatin	Vinblastine Injectable	Gleostine
Ifosfamide	Pepaxto	Vyxeos ^{PA}	Hycamtin
Imfinzi ^{PA}	Perjeta ^{PA}	Xgeva ^{PA}	Ibrance ^{PA}
Imlygic	Phesgo ^{PA}	Yervoy ^{PA}	Iclusig ^{PA}
Infugem	Photofrin	Yescarta ^{PA}	Idhifa ^{PA}
Intron A ^{PA}	Polivy ^{PA}	Yondelis	Imbruvica ^{PA}
Istodax OVR ^{PA}	Portrazza ^{PA}	Zaltrap ^{PA}	Inlyta ^{PA}
Ixempra kit	Poteligeo ^{PA}	Zanosar	Inqovi ^{PA}
Jelmyto	Proleukin	Zepzelca ^{PA}	Inrebic ^{PA}
Jevtana ^{PA}	Provenge ^{PA}	Zevalin	Iressa ^{PA}
Kadcyla ^{PA}	Riabni	Zinecard	Jakafi ^{PA}
Kanjinti ^{PA}	Rituxan ^{PA}	Zirabev ^{PA}	Kisqali ^{PA}
Kepivance	Romidepsin ^{PA}	Zoladex	Koselugo ^{PA}
Keytruda ^{PA}	Ruxience ^{PA}		Lenvima ^{PA}
Khapzory ^{PA}	Sarclisa ^{PA}	Oncology - oral	Lonsurf ^{PA}
Kymriah ^{PA}	Sylatron ^{PA}	Afinitor ^{PA}	Lorbrena ^{PA}
Kyprolis ^{PA}	Sylvant ^{PA}	Alecensa ^{PA}	Lynparza ^{PA}
Lartruvo ^{PA}	Synribo ^{PA}	Alkeran	Matulane
Leuprolide Injectable ^{PA}	Taxotere	Alunbrig ^{PA}	Mekinist ^{PA}
Levoleucovor	Tecartus ^{PA}	Ayvakit ^{PA}	Mektovi ^{PA}

Mesnex
Nerlynx ^{PA}
Nexavar ^{PA}
Nilandron
Ninlaro ^{PA}
Nubeqa ^{PA}
Odomzo ^{PA}
Onureg ^{PA}
Orgovyx
Pemazyre ^{PA}
Piqray ^{PA}
Pomalyst ^{PA}
Purixan
Qinlock ^{PA}
Retevmo ^{PA}
Revlimid ^{PA}
Rozlytrek ^{PA}
Rubraca ^{PA}
Rydapt ^{PA}
Sprycel ^{PA}
Stivarga ^{PA}
Sutent ^{PA}
Tabloid
Tabrecta ^{PA}
Tafinlar ^{PA}
Tagrisso ^{PA}
Talzenna ^{PA}
Tarceva ^{PA}
Targretin ^{PA}
Tasigna ^{PA}
Tazverik ^{PA}
Temodar ^{PA}
Tepmetko
Thalomid ^{PA}
Tibsovo ^{PA}
Tukysa ^{PA}
Turalio ^{PA}
Tykerb ^{PA}
Ukoniq
Venclexta ^{PA}

Verzenio ^{PA}
Vitrakvi ^{PA}
Vizimpro ^{PA}
Votrient ^{PA}
Xalkori ^{PA}
Xeloda ^{PA}
Xospata ^{PA}
Xpovio ^{PA}
Xtandi ^{PA}
Yonsa ^{PA}
Zejula ^{PA}
Zelboraf ^{PA}
Zolinza ^{PA}
Zydelig ^{PA}
Zykadia ^{PA}
Zytiga ^{PA}

Oncology - topical

Targretin Gel ^{PA}
Valchlor ^{PA}

Ophthalmic agents

Beovu ^{PA}
Bevacizumab
Cystadrops ^{PA}
Cystaran ^{PA}
Dextenza
Eylea ^{PA}
Iluvien
Jetrea
Keveyis ^{PA}
Lucentis ^{PA}
Luxtorna ^{PA}
Macugen ^{PA}
Oxervate ^{PA}
Ozurdex
Retisert
Visudyne
Yutiq

Opioid antagonists

Sublocade

Osteoarthritis

Durolane ^{PA}
Euflexxa ^{PA}
Gel-one ^{PA}
Gelsyn-3 ^{PA}
Genvisc 850 ^{PA}
Hymovis ^{PA}
Monovisc ^{PA}
Orthovisc ^{PA}
Sodium Hyalu ^{PA}
Supartz ^{PA}
Synvisc ^{PA}
Triluron ^{PA}
Trivisc ^{PA}
Visco-3 ^{PA}

Osteoporosis

Evenity ^{PA}
Forteo ^{PA}
Prolia ^{PA}
Teriparatide ^{PA}
Tymlos ^{PA}

Pain management

Prialt

Parkinson's disease

Apokyn ^{PA}
Inbrija ^{PA}
Kynmobi ^{PA}

Pulmonary fibrosis

Esbriet ^{PA}

Ofev ^{PA}

Pulmonary hypertension

Adcirca ^{PA}
Adempas ^{PA}
Flolan ^{PA}
Letairis ^{PA}
Opsumit ^{PA}
Orenitram ^{PA}
Remodulin ^{PA}
Revatio ^{PA}
Tracleer ^{PA}
Tyvaso ^{PA}
Uptravi ^{PA}
Veletri ^{PA}
Ventavis ^{PA}

RSV

Synagis ^{PA}

Substance abuse treatment

Vivitrol

Transplant

Astagraf XL
Atgam
Cellcept
Cellcept IV
Envarsus XR
Myfortic
Neoral
Nulojix ^{PA}
Prograf
Rapamune
Sandimmune
Zortress ^{PA}

About OptumRx

OptumRx specializes in the delivery, clinical management and affordability of prescription medications and consumer health products. Our high-quality, integrated services deliver optimal member outcomes, superior savings and outstanding customer service. We are an Optum® company — a leading provider of integrated health services. Learn more at [optum.com](https://www.optum.com).

To fill a prescription for a specialty medication on this list, please call **1-855-427-4682** or visit specialty.optumrx.com

This specialty pharmacy drug list may not be a complete list of all specialty medications; this list can change at any time without notice.

Non-specialty alternatives may be a recommended first-line therapy to treat your condition. Please consult your doctor.



OptumRx specializes in the delivery, clinical management and affordability of prescription medications and consumer health products. We are an Optum® company — a leading provider of integrated health services. Learn more at [optum.com/optumrx](https://www.optum.com/optumrx).

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Specialty Prior Authorization

July 28, 2021



Prior Authorization vs. Step Therapy



Prior-Authorization

- A review by OptumRx on behalf of your plan to ensure a prescription drug is medically necessary.
- Ensures therapy meets FDA guidelines for the condition being treated.
- Ensures providers follow nationally recognized care criteria when prescribing medication.
- Requires the prescriber to provide documentation in support of the PA criteria prior to medication being dispensed.



Step Therapy

- Requires a patient try one or more lower cost, preferred medications to treat a health condition.
- Ensures therapy follows cost and clinical guidelines.

Why Prior Authorization for Specialty Medications?

- Achieves improved quality of member care by using evidence-based criteria to promote appropriate use of certain specialty medications
 - Reduces inappropriate use of high-cost specialty medications



FIDUCIARY RESPONSIBILITY

Health plans have a responsibility to ensure services provided align with the terms of the plan and are medically necessary.



SAFETY

Adverse drug events are the most common cause of medicinal harm for patients.



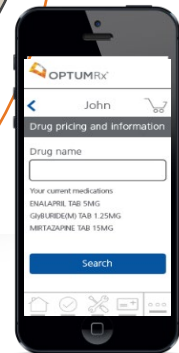
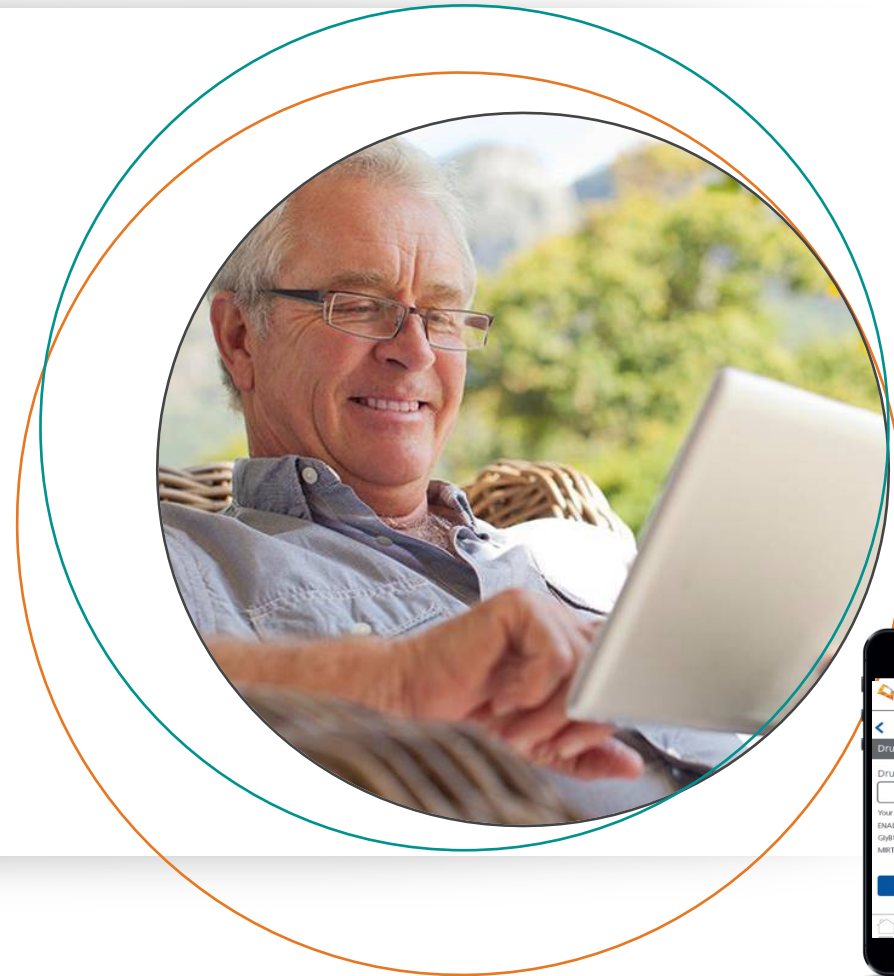
STANDARD PLAN MANAGEMENT

OptumRx administers Prior Authorization for 55 million members.*

*Includes 221K EGWP retirees from the State of New Jersey.
*98.4% (60 out of 61) Public Sector clients with coverage for specialty medications have Prior Authorization review.

Accessibility to the OptumRx Specialty PA Criteria

- ✓ Specialty Prior Authorization criteria will be located on the OptumRx member portal.
- ✓ Retirees will have the ability to access the criteria specific to their specialty medication directly from the member portal at www.optumrx.com or by calling OptumRx Customer Service.



Visibility to your Prior Authorization

Conveniently monitor PAs

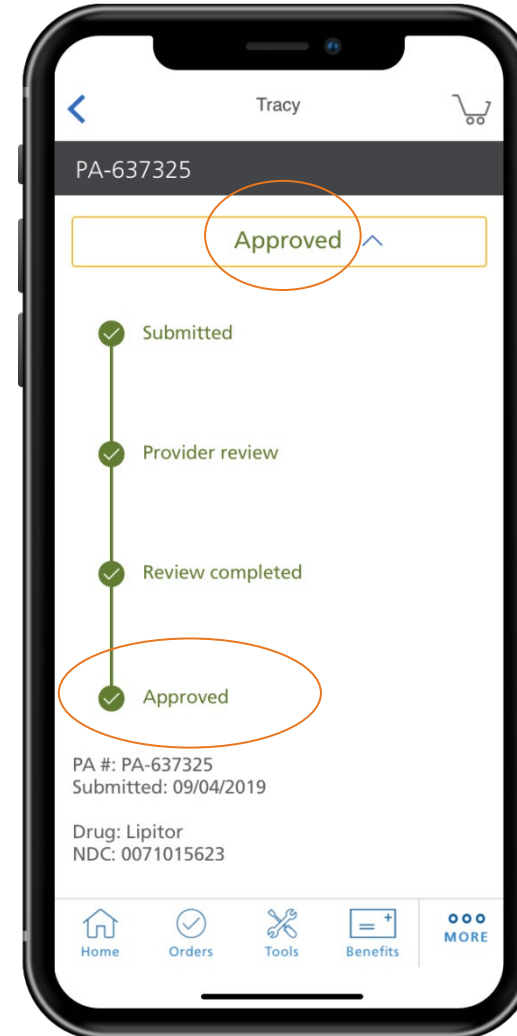
Track a PA status at anytime

PA alerts eliminate surprises

Members know before they arrive at the pharmacy or need to call their doctor's office and can take immediate action

Proactive notification

Messages member with immediate actions they can take without having to call customer service



Prior Authorization

Promoting appropriate and effective medication use

Some medications should be reviewed for coverage because

- They're only approved for, and effective in, treating specific illnesses
- They're high cost and may be prescribed for conditions for which appropriateness and effectiveness have not been well-established

If left unmanaged without requiring prior authorization, these medications can significantly increase plan costs.

Example: Xyrem[®]

Annual Cost \$159.6K



COVERED
for narcolepsy

FDA-approved for treating narcolepsy with or without cataplexy



NOT COVERED
for chronic fatigue syndrome or fibromyalgia

Not FDA-approved or sufficient clinical and safety evidence to support use in these conditions

Prior Authorization Criteria: Xyrem

Product Name: <u>Xyrem</u>	
Diagnosis	Narcolepsy with Cataplexy (Narcolepsy Type 1) [2, 3, A, C, D]
Approval Length	6 month(s)
Therapy Stage	Initial Authorization
Guideline Type	Prior Authorization
<p>Approval Criteria</p> <p>1 - Diagnosis of narcolepsy as confirmed by sleep study (unless the prescriber provides justification confirming that a sleep study would not be feasible)</p> <p style="text-align: center;">AND</p> <p>2 - Symptoms of cataplexy are present</p> <p style="text-align: center;">AND</p> <p>3 - Symptoms of excessive daytime sleepiness (e.g., irrepensible need to sleep or daytime lapses into sleep) are present</p> <p style="text-align: center;">AND</p> <p>4 - Prescribed by or in consultation with one of the following:</p> <ul style="list-style-type: none"> • Neurologist • Psychiatrist • Sleep Medicine Specialist 	

References:

- 1.Xyrem Prescribing Information. Jazz Pharmaceuticals, Inc. Palo Alto, CA. October 2018.
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Prior Authorization

Promoting appropriate and effective medication use

Example: Humira®

Annual Cost \$114.8K



COVERED

for RA, PJIA, PsA, AS,
CD, UC, Plaque
Psoriasis, Hydradenitis
Suppurativa, UV

FDA-approved for treating
rheumatoid arthritis, polyarticular
juvenile idiopathic arthritis,
psoriatic arthritis, ankylosing
spondylitis, crohn's disease,
ulcerative colitis, plaque
psoriasis, hidradenitis
suppurativa, and uveitis



NOT COVERED

for Behcet's Disease,
Sarcoidosis

Not FDA-approved or
sufficient clinical and safety
evidence to support use in
these conditions

Prior Authorization Criteria: Humira

Product Name: Humira	
Diagnosis	Rheumatoid Arthritis (RA)
Approval Length	12 month(s)
Therapy Stage	Initial Authorization
Guideline Type	Prior Authorization
Approval Criteria	
1 - Diagnosis of moderately to severely active RA	
AND	
2 - Prescribed by or in consultation with a rheumatologist	
AND	
3 - Trial and failure, contraindication, or intolerance to one non-biologic disease-modifying antirheumatic drug (DMARD) [e.g., methotrexate (Rheumatrex/Trexall), Arava (leflunomide), Azulfidine (sulfasalazine)] [2]	

Trial & Failure:

This criteria is for a patient with a moderately to severely active disease state. Based on nationally accepted treatment guidelines, patients with this diagnosis are started on a conventional treatment regimen until the disease progresses or the conventional treatment is unsuccessful for the patient. The patient then progresses to a biologic as a last line of therapy. Biologics are more aggressive therapies with greater side-effects. This approach is in accordance with the patient selection for clinical trials by the manufacturer and submitted to the FDA for approval of the drug.

Prior Authorization Criteria: Humira

Product Name: Humira	
Diagnosis	Crohn's disease
Approval Length	12 month(s)
Therapy Stage	Initial Authorization
Guideline Type	Prior Authorization
<p>Approval Criteria</p> <p>1 - Diagnosis of moderately to severely active Crohn's disease [7, 8, B]</p> <p style="text-align: center;">AND</p> <p>2 - Trial and failure, contraindication, or intolerance to one of the following conventional therapies: [7]</p> <ul style="list-style-type: none"> • 6-mercaptopurine (Purinethol) • azathioprine (Imuran) • corticosteroids (e.g., prednisone, methylprednisolone) • methotrexate (Rheumatrex, Trexall) <p style="text-align: center;">AND</p> <p>3 - Prescribed by or in consultation with a gastroenterologist</p>	

References:

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