



Singing Songs from Drug Commercials?

FERMA Conference 2024



United
Healthcare

Presenters

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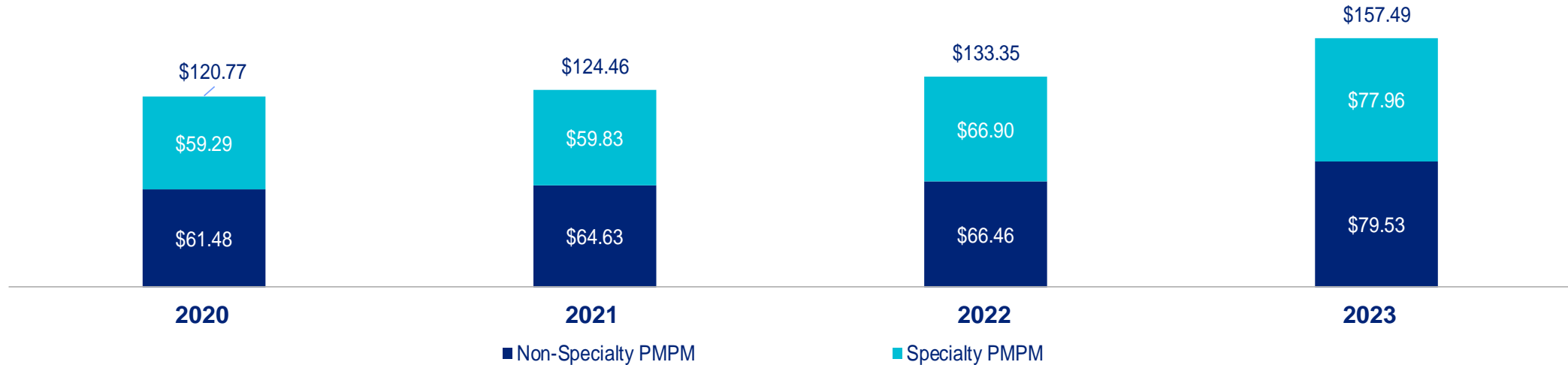
Regional Account Executive, East Region

UnitedHealthcare, OptumRx



Pharmacy Historical Performance

Avg Pharmacy Paid PMPM Trend over 3 periods is 9.4%
which is -4.1% less than the Norm



Pharmacy Paid PMPM Trend	2021	2022	2023	Average
Client	3.1%	7.1%	18.1%	9.4%
Norm	7.1%	16.6%	16.7%	13.5%

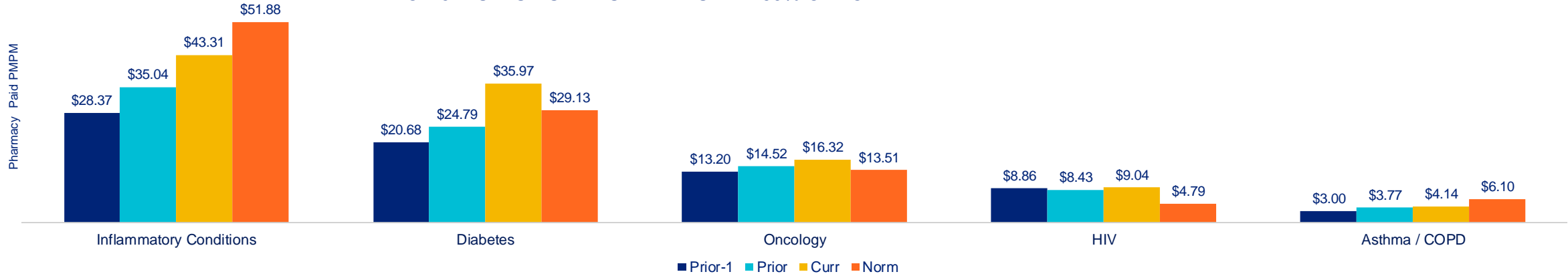
Average Book of Business Increase is 13.5% for the past 3 years



Pharmacy Top Disease States

The top 5 disease states remain the same year-over-year
Compared to the norm, HIV and Asthma/COPD switch places

TOP 5 DISEASE STATES REPRESENT 69% OF TOTAL PLAN PAID



Drug Class	% of Plan Paid	Current PMPM	PMPM Change	% Change	Plan Cost/Rx	Utilizers per 1,000		
						Client	% Change	Norm
Inflammatory Conditions	27.5%	\$43.31	\$8.27	23.6%	\$5,623	14.1	10.2%	15.1
Diabetes	22.8%	\$35.97	\$11.18	45.1%	\$450	84.1	9.7%	73.4
Oncology	10.4%	\$16.32	\$1.80	12.4%	\$1,998	17.7	-1.9%	15.5
HIV	5.7%	\$9.04	\$0.61	7.3%	\$2,693	5.8	12.9%	4.6
Asthma / COPD	2.6%	\$4.14	\$0.36	9.6%	\$122	107.9	-2.8%	116.0
Subtotal	69.1%	\$108.79	\$22.23	25.7%	\$817	229.6	2.7%	n/a
Total	100.0%	\$157.49	\$24.14	18.1%	\$145	811.8	-3.2%	n/a

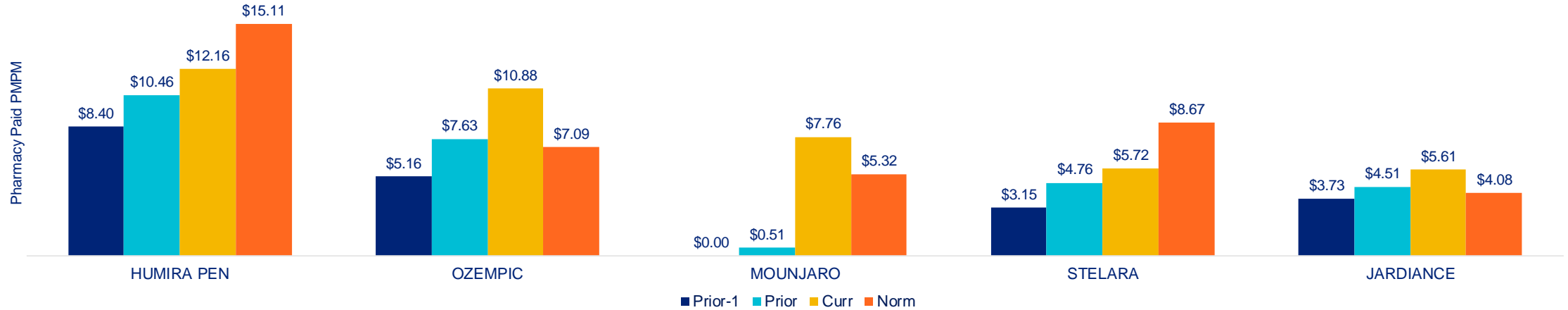


Pharmacy Top Drugs

Mounjaro moves into the top 5 (new drug in 2023), pushing Dupixent out of the top 5, to #6

Compared to the norm, Dupixent remains in the top 5, and Jardiance is #6

TOP 5 DRUGS REPRESENT 27% OF TOTAL PLAN PAID AND 3% OF TOTAL PRESCRIPTIONS



Drug Name	Disease State	% of Plan Paid	Current PMPM	PMPM Change	% Change	Plan Cost/Rx	Utilizers per 1,000		
							Client	% Change	Norm
HUMIRA PEN	INFLAMMATORY CONDITIONS	7.7%	\$12.16	\$1.70	16.2%	\$8,231	1.9	-9.8%	2.6
OZEMPIC	DIABETES	6.9%	\$10.88	\$3.25	42.6%	\$952	21.0	33.2%	14.5
MOUNJARO	DIABETES	4.9%	\$7.76	\$7.25	1428.1%	\$1,005	14.0	294.3%	9.6
STELARA	INFLAMMATORY CONDITIONS	3.6%	\$5.72	\$0.96	20.1%	\$24,204	0.6	-8.6%	0.7
JARDIANCE	DIABETES	3.6%	\$5.61	\$1.11	24.6%	\$623	15.7	15.7%	11.4
Subtotal	n/a	26.8%	\$42.13	\$14.26	51.2%	\$1,410	53.2	49.3%	n/a
Total	n/a	100.0%	\$157.49	\$24.14	18.1%	\$145	811.8	-3.2%	n/a



10 drugs poised to be best-sellers in 2024

1. Keytruda (Merck) — \$27.2 billion (CANCER)
2. Ozempic (Novo Nordisk) — \$16.1 billion (DIABETES)
3. Dupixent (Sanofi) — \$13.5 billion (INFLAMATION)
4. Eliquis (Bristol Myers Squibb) — \$13.3 billion (BLOOD THINNER)
5. Biktarvy (Gilead) — \$12.6 billion (HIV)
6. Darzalex (Johnson & Johnson) — \$12 billion – (WHITE BLOOD CELLS) *
7. Opdivo (Bristol Myers Squibb/Ono Pharmaceutical) — \$11.3 billion (Cancer)
8. Comimaty (Pfizer/BioNTech) — \$10.8 billion (COVID-19)
9. Gardasil (Merck/CSL) — \$10 billion (HPV vaccine)
10. Skyrizi (AbbVie) — \$9.9 billion (INFLAMATION)

(Worldwide Sales Predictions - [beckershospitalreview.com](https://www.beckershospitalreview.com))



How Many Countries Allow Direct to Consumer Advertising for Prescription Drugs?



How Many Countries Allow Direct to Consumer Advertising for Prescription Drugs?

Prescription Drug Advertising

From Approval to Your Screen

Direct to consumer advertising is when drug companies push messaging directly to your TV, social media, or other form of advertising. This is widely used in pharmaceutical advertising, including drug commercials, but ultimately a prescription is needed from a health care professional to get the drug.

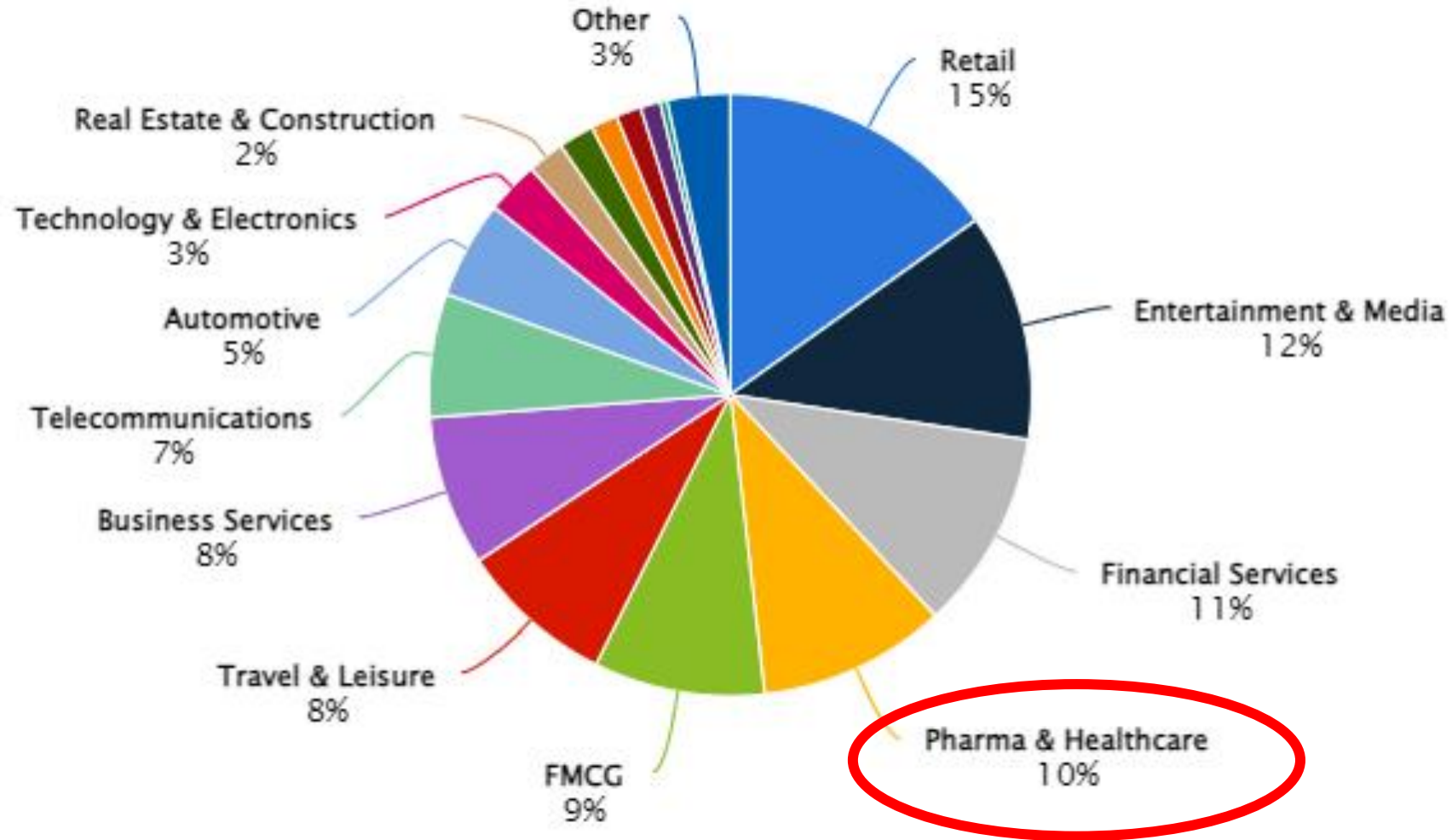
Ad Requirement	Authority	Problem
Depending on the type of ad, information must include: <ul style="list-style-type: none"> Accurate risks and benefits. Must not be misleading or false. FDA approved use of drug. Most significant risks from taking drug. Print ads must direct consumers where to report negative side effects. 	“Except in unusual instances, we cannot require drug companies to submit ads for approval before they are used. Drug companies must only submit their ads to us when they first appear in public. This means that the public may see ads that violate the law before we can stop the ad from appearing or seek corrections to the ad.” – FDA, 2015	<ul style="list-style-type: none"> US and New Zealand are the only two countries that allow drug manufacturers to market prescription drugs directly to the public. The FDA does not review prescription drug advertisements prior to airing, leaving accuracy and compliance in the hands of the drug manufacturer. Loopholes exist allowing drugs that may have incomplete safety profiles to be aired to your television. One study found that among cancer drugs the average time from accelerated approval to indicating the drug needed to be withdrawn was 46 months.

2

https://www.floridahealth.gov/_documents/PHIC_drug-advert-factsheet4.pdf?utm_medium=email&utm_source=govdelivery#:~:text=US%20and%20New%20Zealand%20are,drugs%20directly%20to%20the%20p%20ublic.&text=The%20FDA%20does%20not%20review,hands%20of%20the%20drug%20manufacturer.



Commercial Spending – May 2024



Source: Statista Market Insights



FMCG(s) - Fast-moving consumer goods (FMCGs) are products that sell quickly at relatively low cost. FMCGs have a short shelf life because of high consumer demand (e.g., soft drinks and confections) or because they are perishable (e.g., meat, dairy products, and baked goods). They are bought often, consumed rapidly, priced low, and sold in large quantities.

Pharmacy and Medical Specialty Drug Spend



Total Specialty Paid PMPM

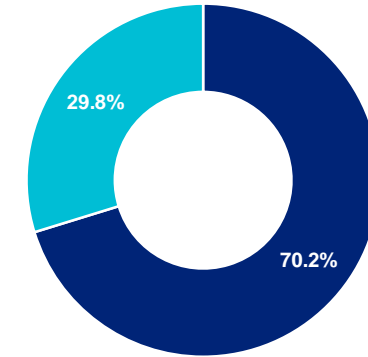
\$111.43

8.0%

Norm \$130.78



Specialty Breakdown



■ Client Pharmacy % ■ Client Medical %
 Pharmacy Norm 65.9% Medical Norm 34.1%

Top 5 Conditions Represent 80.4% of the Total Specialty Drug Spend

Top Combined Specialty Conditions

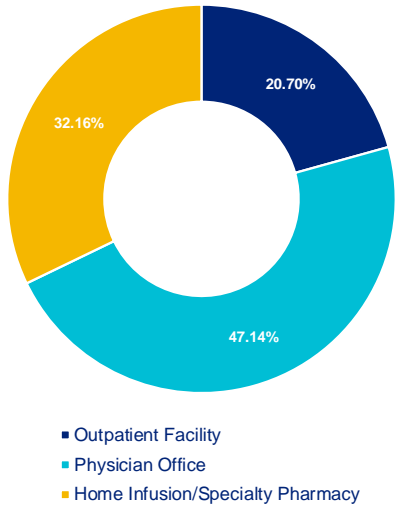
Condition	Total	Pharmacy	Medical	Total Utilizers per 1,000	Top Drug	Top Drug % of Spend
INFLAMMATORY CONDITIONS	\$45.13 ▲19.7% Norm \$55.73	\$41.17 ▲22.6% Norm \$49.64	\$3.96 ▼-4.2% Norm \$6.09	12.3 ▲9.2% Norm 13.5	HUMIRA PEN	10.7%
ONCOLOGY	\$29.49 ▲7.6% Norm \$31.02	\$16.75 ▲22.3% Norm \$13.22	\$12.74 ▼-7.0% Norm \$17.80	7.7 ▼-7.7% Norm 8.4	KEYTRUDA	2.6%
ENDOCRINE	\$6.49 ▼-25.7% Norm \$2.89	\$3.02 ▼-8.2% Norm \$0.72	\$3.48 ▼-36.3% Norm \$2.17	0.7 ▼-13.5% Norm 0.7	TEPEZZA	2.1%
MULTIPLE SCLEROSIS	\$4.60 ▼-7.9% Norm \$8.66	\$2.54 ▼-20.8% Norm \$4.55	\$2.06 ▲15.5% Norm \$4.11	1.1 ▲6.2% Norm 1.7	OCREVUS	1.8%
GROWTH HORMONE DEFICIENCY	\$3.86 ▲29.7% Norm \$1.04	\$3.86 ▲29.7% Norm \$1.04	\$0.00 ▼0.0% Norm \$0.00	0.9 ▲19.6% Norm 0.3	NUTROPIN AQ NUSPIN 10	1.4%

Timeframe: Current: Nov-22 thru Oct-23 & Prior: Nov-21 thru Oct-22

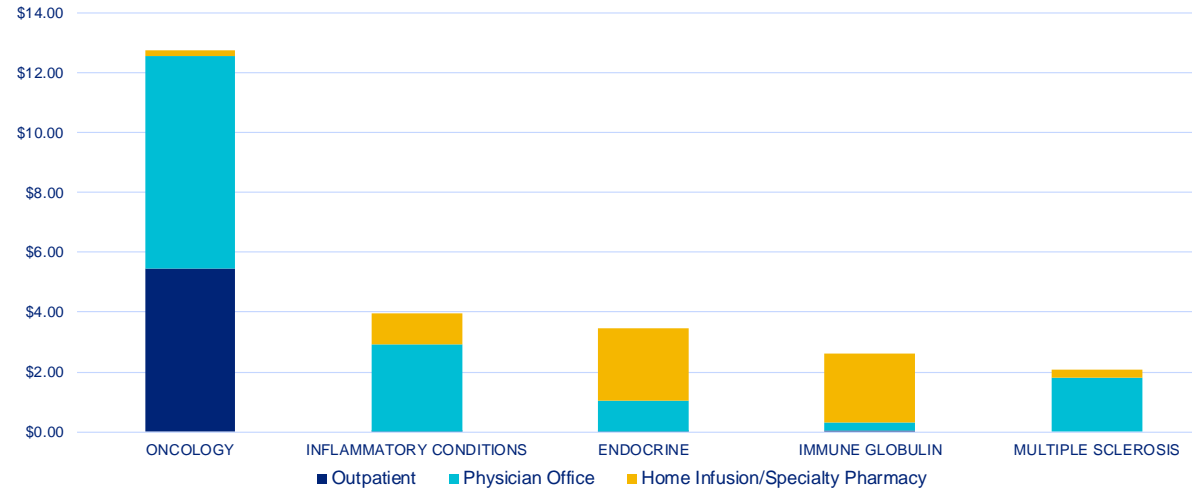


Medical Specialty by Site of Service

% Spend by Site of Service



Top 5 Medical Specialty Conditions



Programs available to manage Medical Specialty Spend:

- Drug Policies / Claim Edits
- Review at Launch
- Supply Limits
- Med Nec / Preferred Product
- Biosimilar Steerage
- Site of Service Redirection
- Med Sourcing / Expansion
- Cancer Guidance Program

Condition	Medical Specialty Paid PMPM			Percent of Medical Specialty Paid PMPM		
	Outpatient	Physician Office	Home Infusion/SP	Outpatient	Physician Office	Home Infusion/SP
Oncology	\$5.45	\$7.12	\$0.18	42.8%	55.9%	1.4%
Inflammatory Conditions	\$0.01	\$2.89	\$1.05	0.4%	73.0%	26.6%
Endocrine	\$0.02	\$1.03	\$2.43	0.5%	29.7%	69.8%
Immune Globulin	\$0.06	\$0.26	\$2.29	2.3%	9.8%	87.8%
Multiple Sclerosis	\$0.00	\$1.80	\$0.26	0.0%	87.6%	12.4%

Timeframe: & Benchmarks



Biosimilars currently in the market

	Cancer			Cancer support		Anemia	Inflammatory			Diabetes	Macular Degeneration
Innovator	Herceptin®	Avastin®	Rituxan®	Neupogen®	Neulasta®	Epogen® / Procrit®	Remicade®*	Humira®	Actemra®	Lantus®	Lucentis®
Biosimilars ¹	Kanjinti®	Mvasi®	Truxima®	Zarxio®	Udenyca®	Retacrit®	Avsola®	Amjevita®	Tyenne®	Rezvoglar™	Cimerli™
	Trazimera®	AlymSYS®	Ruxience®	Granix®	Fulphila®		Inflectra®	Cyltezo®		insulin glargine-yfgn	Byooviz® ²
	Ogivri®	Vegzelma®	Riabni®	Nivestym®	Fylnetra®		Renflexis®	Hadlima™			
	Herzuma®	Zirabev®		Releuko®	Nyvepria™			adalimumab-adaz (unbranded Hyrimoz®)		Semglee®	
	Ontruzant®				Stimufend®			Abrilada®			

Non-Preferred product

Preferred product

UnitedHealthcare uses utilization management strategies (e.g., prior authorization or exclusions) to prefer select drugs

Humira®

Amjevita®

Cyltezo®

Hadlima™

adalimumab-adaz (unbranded Hyrimoz®)

Abrilada®

Hyrimoz®

Hulio®

Idacio®

Yuflyma®

Yusimry™

adalimumb-aacf (unbranded Idacio)

adalimumab-adbm (unbranded Cyltezo)

adalimumab-fkjp (unbranded Hulio)

Humira remains covered in parity with select/preferred biosimilar products

preferred biosimilar changes in 9/1 PDL updates

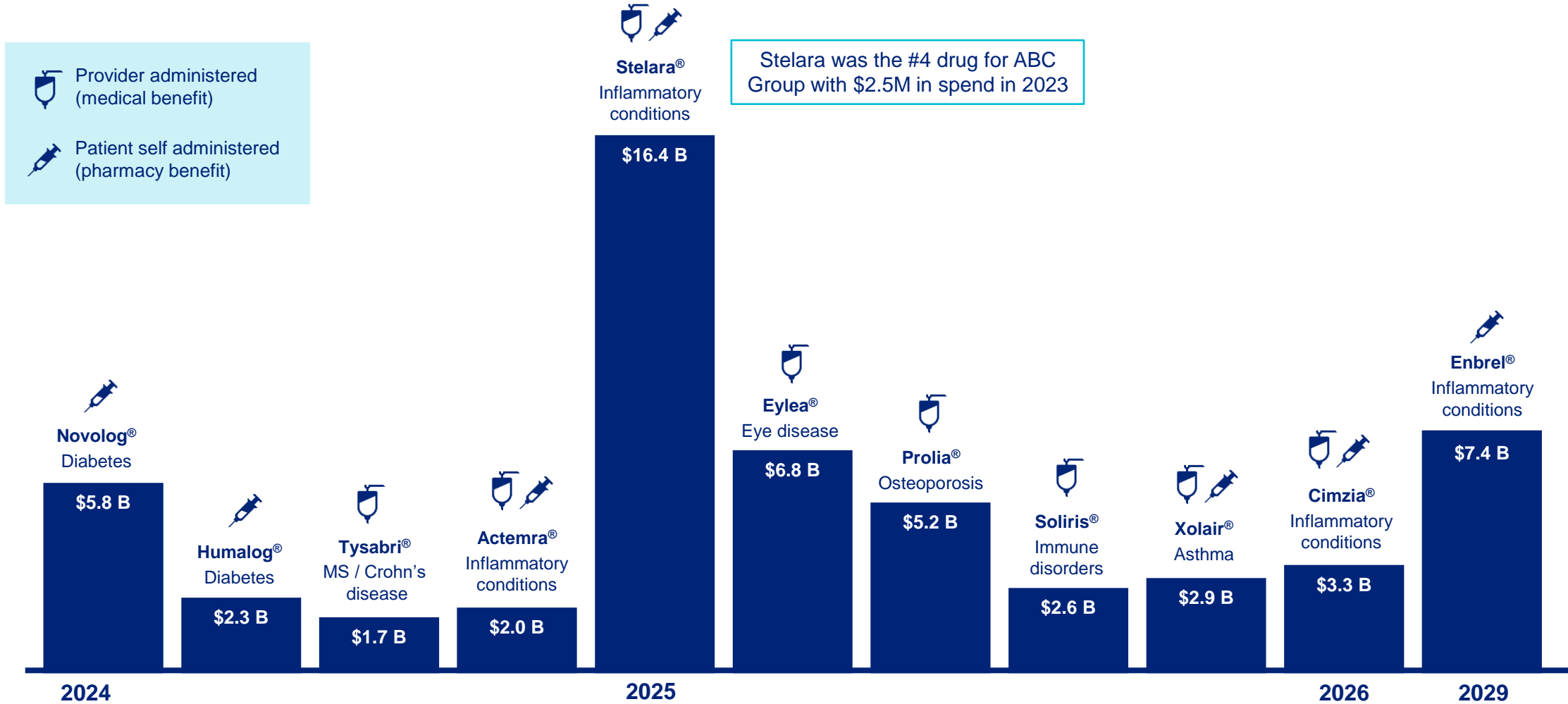
¹ IPD Analytics. Cortellis™ Competitive Intelligence. Accessed 4/15/24.

² Drug has strategic exclusion, since there are therapeutically equivalent alternatives available at lower cost.



Biosimilar competition: Future state

Biosimilars will provide alternatives to blockbuster drugs across several classes



* Blockbuster drugs experienced 2022 sales of \$1B+ in the U.S. Forecast based on UnitedHealthcare internal analysis. January 2024.

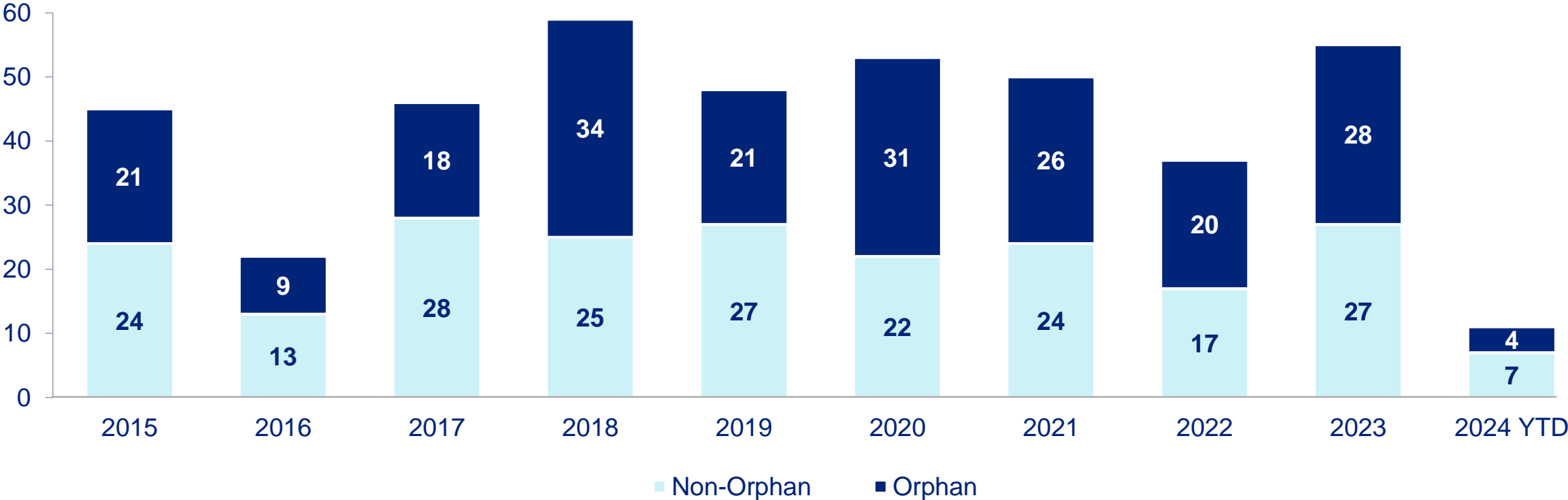


FDA approving more novel drugs

Orphan drugs predominated for the fourth consecutive year

FDA Novel Drug Approvals by Year*

New molecular entities approved by FDA's Center for Drug Evaluation and Research

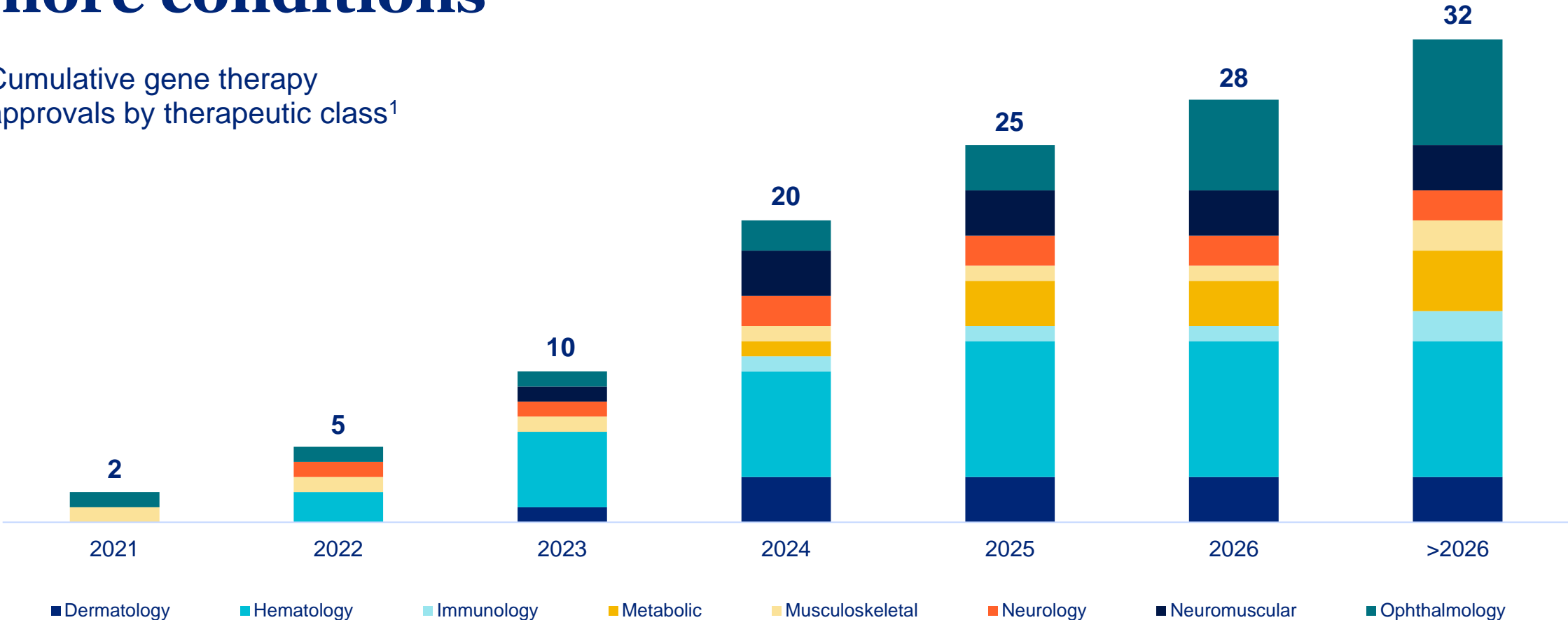


* Does not include new indications, vaccines, blood products, or cell and gene therapy products



Gene therapy shows clinical promise across more conditions

Cumulative gene therapy approvals by therapeutic class¹



¹ Forecast based on UnitedHealthcare internal analysis. July 2023



Claim risk rises with more plan members and more available gene therapies



FDA is expected to approve 3–10 new therapies per year



Therapies are forecasted to cost \$2M+ on average



Members	Probability of at least one gene therapy claim ¹				
	2025	2026	2027	2028	2029
500	0.4%	0.6%	1.2%	1.6%	2.0%
1,000	0.7%	1.3%	2.4%	3.2%	3.9%
2,500	1.8%	3.2%	5.8%	7.9%	9.4%
5,000	3.6%	6.2%	11.3%	15.1%	18.0%
7,500	5.4%	9.2%	16.4%	21.8%	25.7%
10,000	7.1%	12.1%	21.2%	27.9%	32.7%
15,000	10.5%	17.5%	30.1%	38.8%	44.8%
20,000	13.7%	22.7%	38.0%	48.1%	54.7%
35,000	22.7%	36.2%	56.6%	68.2%	75.0%
50,000	30.8%	47.4%	69.7%	80.6%	86.2%
75,000	42.4%	61.8%	83.3%	91.4%	94.9%
100,000	52.1%	72.3%	90.8%	96.2%	98.1%
250,000	84.1%	96.0%	99.7%	100.0%	100.0%

¹ Forecast based on Optum internal analysis. July 2023

*Member Count Trended at 3%



GLP-1s coverage today

Common Class of Ingredient



Diabetes GLP-1s:

Examples: Mounjaro¹ (tirzepatide); Ozempic (semaglutide); Victoza (liraglutide)

- **FDA labeled and approved for treatment of Type 2 diabetes**
- Prior Authorization in place requiring diagnosis of diabetes
 - Confirming appropriate use through requirement of diabetes diagnosis documentation
- Trend drivers

Weight loss GLP-1s:

Examples: Saxenda (liraglutide); Wegovy (semaglutide); Zepbound (tirzepatide)

- **FDA labeled for weight loss**
- ASO group coverage, ~35% of members have access
- Fully Insured does not standardly cover today
- Coverage recommended with Prior Authorization
- Trend drivers

Cardiovascular GLP-1s:

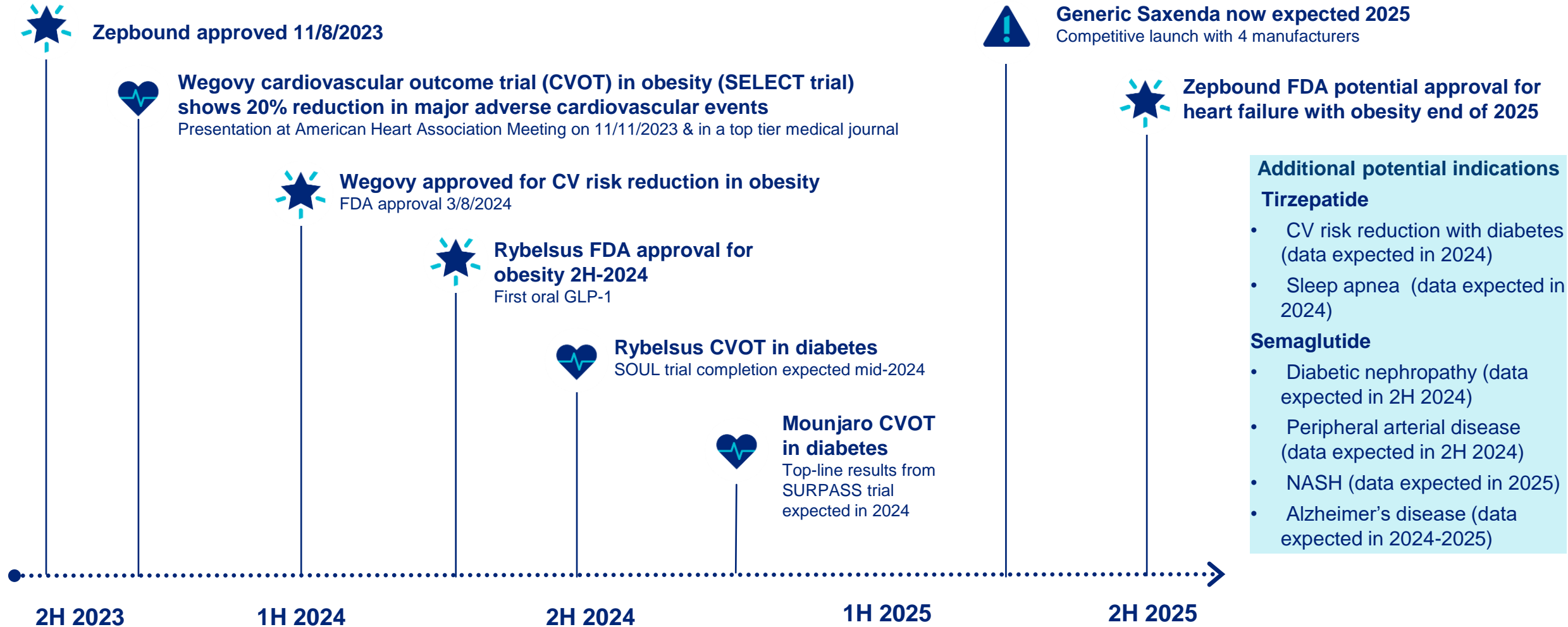
Examples: Wegovy (semaglutide)

- **FDA labeled for secondary prevention of cardiovascular disease**
- The SELECT study evaluated individuals with a prior heart attack, stroke or symptomatic peripheral artery disease and who were overweight or obese. The study demonstrated that these patients saw a reduction in their chance of a second cardiovascular event while taking Wegovy.
- Coverage provided with Prior Authorization

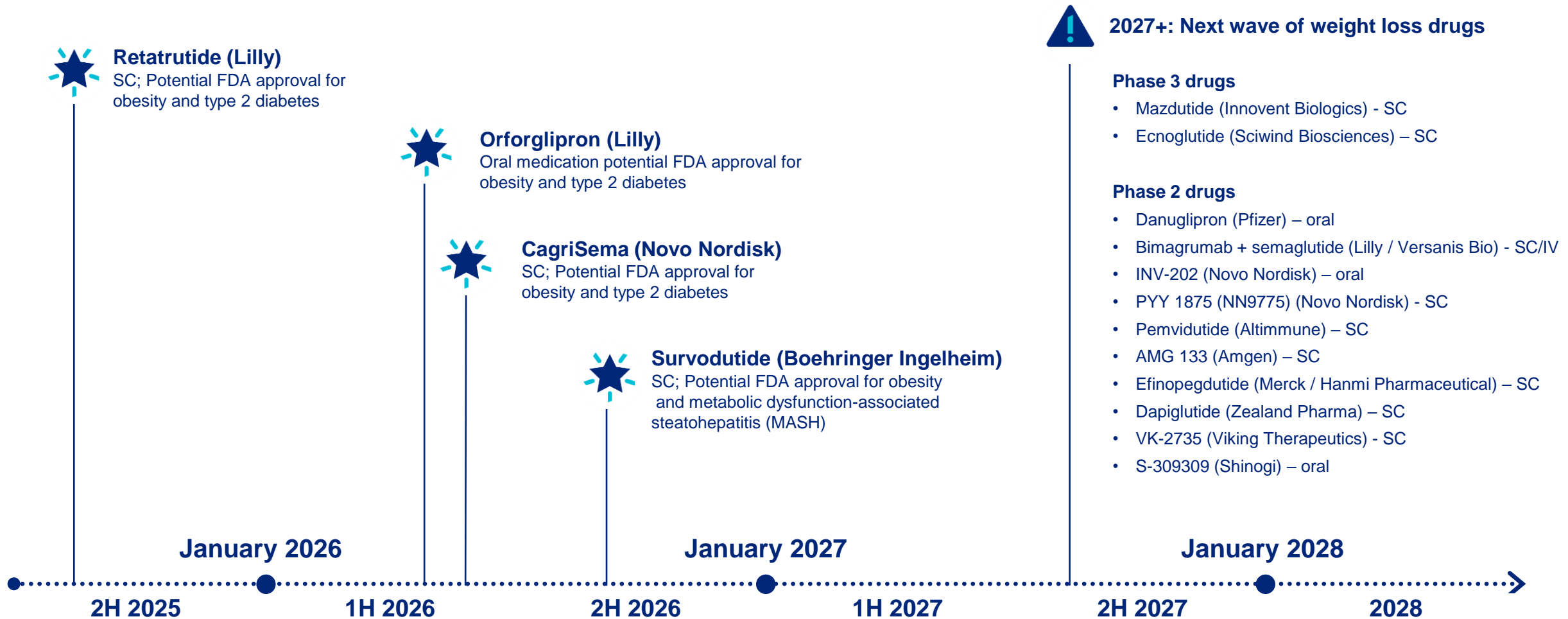
1. Mounjaro & Zepbound are a GLP-1/GIP agonist, also called incretin mimetics 2. Wegovy for CV is the same for WL.



Key events in weight loss and GLP-1 agonist category



Upcoming key events in weight loss and GLP-1 agonist category



Do GLP-1s help to lower overall costs for members?



GLP-1 Utilizers

851

Continuously-enrolled GLP-1 Utilizers

69% Females

82% Employees

55% Gen X



**1 in 5
No longer Taking
GLP-1**

**5 months before
quitting**



Medical/RX Costs



13% Higher medical PMPM



26% Higher Pharmacy PMPM

\$670K Cost Impact

There is no conclusive evidence that the drugs are leading to medical cost reductions

Data exams continuously enrolled ABC Company members who took a GLP-1 medication in the prior period 4/2022 – 3/2023 and are still on the plan 4/2023 – 3/2024



Weight loss, Diabetes Drug AD Spending Tops \$1 billion (cnbc.com)

MediaRadar compiled ad spending from national TV broadcasts, print publications, newspapers and websites, podcasts and social media platforms from Jan. 1, 2022, to Feb. 29, 2024.

The firm identified six weight loss and diabetes drugs that drove ad spending last year:

1. Ozempic - injection for Type 2 diabetes (\$208 M)
2. Wegovy — an injection for obesity (\$263 M)
3. Rybelsus — a pill for Type 2 diabetes (\$199 M)
4. Mounjaro — an injection for Type 2 diabetes (\$139 M)
5. Jardiance — pill for Type 2 diabetes (\$148 M)
6. Farxiga — a pill for Type 2 diabetes (\$68 M)

Spending on prescription drug ads in the U.S. 2023–2024

Millions of dollars



Source: MediaRadar





Thank You!