The Promise of Medicare Advantage
A look at programs, values and needs, and how pharma should think
Transforming Pharmacy Services for America’s Seniors

We are privileged to serve nearly **one in five** Medicare beneficiaries and are the **largest business dedicated** to the **health** and **well-being** of **seniors** and other **Medicare beneficiaries**, and serving **CMS** and other benefit sponsors.

- **Benefits Management**
  ~ $30 billion
  *In Allowed Rx spend Managed*

- **Specialty Pharmacy**
  ~ $7 billion
  *In Specialty spend Managed*

- **Prescription Access**
  ~ 65K
  *Pharmacies*

**8.5M Part D Customers**

**~ 320 million scripts managed**

*Within an expanding market*

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**Medicare Population**

- 2014: ~45,000
- 2015: ~50,000
- 2016: ~55,000
- 2017: ~60,000
- 2018: ~65,000
- 2019: ~70,000
- 2020: ~75,000

- **Adds**: Red line
- **Deaths**: Blue line
- **Eligibles**: Green line
Medicare Advantage Value Proposition

Individual Consumer Engagement and Relationships for Personalized Care

Local Community Based Approach Engaging Consumers and Care Providers

Stars – 80% in 4 Star Plans by 2018

A Distinctive Consumer Experience

The Optum Advantage

Better Health
Higher Satisfaction
Lower Cost

Sustainable Value

Aligned, Engaged and Supported Care Providers
# Clinical Quality

- Clinical care model
- Engaged with key care providers
- Local focus, leveraging national capabilities

# Health Plan Operations

- Operations
- Customer loyalty

# Member Satisfaction

- Satisfaction 22%
- Operations 25%

## Quality Measures

<table>
<thead>
<tr>
<th>Quality Measures</th>
<th>Medicare Advantage Health Plan (Part C)</th>
<th>Prescription Drug Plan (Part D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staying Healthy: How often members got various screening tests, vaccines, and other check-ups that help them stay healthy</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Managing Chronic (Long-Term) Conditions: How often members with different conditions got certain tests and treatments that help them manage their conditions</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Member Satisfaction: Member feedback about health plan responsiveness and care</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Member Complaints &amp; Appeals: How often members filed a complaint against the plan; appeals fairness and timeliness; audit findings (Part D)</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Customer Service: How well the plan handles calls from members</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Drug Pricing &amp; Patient: How well the drug plan prices prescriptions and provides updated information on the Medicare website, and how often members with certain medical conditions get prescription drugs that are considered safer and clinically recommended for their condition.</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
### Consumer Engagement Model
**Using NPS to Drive Product Design & Growth**

What our members say about their Medicare benefits –

The following 5 strategic drivers have the greatest impact in moving our NPS score

<table>
<thead>
<tr>
<th>Drivers of NPS</th>
<th>Members’ Top Pain Points</th>
<th>Drivers of NPS</th>
<th>Members’ Top Pain Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Costs</strong></td>
<td><strong>My Financials</strong></td>
<td><strong>Access to Doctors &amp;</strong></td>
<td><strong>My Healthcare</strong></td>
</tr>
<tr>
<td></td>
<td>▪ I want to know what to expect for costs</td>
<td><strong>Care</strong></td>
<td>▪ I want to see my doctor and specialist</td>
</tr>
<tr>
<td></td>
<td>▪ I had to pay more than I expected</td>
<td></td>
<td>▪ I am confused as to what doctors, tests and treatments are covered</td>
</tr>
<tr>
<td></td>
<td>▪ I seem to be paying more every year</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Prescriptions</strong></td>
<td><strong>My Drugs</strong></td>
<td><strong>Plan Features</strong></td>
<td><strong>My Benefits</strong></td>
</tr>
<tr>
<td></td>
<td>▪ I thought I was covered for my drugs</td>
<td></td>
<td>▪ I expect something valuable in return for my business</td>
</tr>
<tr>
<td></td>
<td>▪ I was surprised at the cost of my prescriptions</td>
<td></td>
<td>▪ I want to be rewarded for staying healthy</td>
</tr>
<tr>
<td><strong>Makes My Plan Easy</strong></td>
<td><strong>My Time</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ I am confused how the plan works for me</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ I had to call customer service multiple times</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ I’d like a simpler website</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Evolving Rx Quality Approaches to Meet Consumer Needs

**CURRENT**

**FUTURE**

**Evolving Programs** based on heightened expectations for quality

**Member, Pharmacy & Physician-based Interventions**
- Big Data – Stratification & Prioritization
- Real-Time Alerts to Gaps in Care
- Consumer Engagement – Education, Facilitation and Support
- Demonstrated Improvement through Quality Measure Interventions

Incentive Alignment, Consumer-Centric Approach, and Technology Enablement
- Cost Transparency and Outcome Based Incentives
- Migrating from Customer Service to Health System Navigation
- Addressing each Person, not each Measure
- **Health Care Guarantees!**

...addressed by **UHC & Optum strengths & capabilities** that continue to evolve

**Data Infrastructure & Tools**

**Care Coordination**

**Cost Transparency & Incentive Alignment**

**Proactive Customer Service & Navigation**

**Scaled Capabilities**

**Interactive Systems**

**Best-in-class Mobile & Online Capabilities**

**Structured and Aligned Networks**
Questions/Discussion – Pharma as Part of the Solution

Our mission is to help people live healthier lives.