



Part D - Beneficiary Access and Affordability

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Disclaimer

The following slides are intended to provide a discussion of the speaker's views on the topic presented and are not intended to provide legal or regulatory advice. Should you have questions or need specific advice you should contact your legal counsel

Why Medicare is Important



AstraZeneca believes that discovering, developing and marketing good medicines isn't good enough if patients can't obtain them

Medicare Part D: Game Changing Event



- For Beneficiaries → Comprehensive way to access medicines
 - Higher than expected enrollment
 - Month over month increases in prescriptions

Today's Environment



The Bright Side

- Robust menu of plan offerings

The Not So Bright Side

- Potentially sub-optimal decision-making in choosing a plan
 - E.g., due to lack of understanding

CMS Plan Finder Tool



Plan Information – Medicare.gov PrescriptionDrugPlanFinder			
Plan Information	Plan "X"	Plan "Y"	Plan "Z"
Your Total Annual Drug Plan Cost	\$4,104	\$2,825	\$6,773
Fixed Cost Details:			
Monthly Prescription Drug Premium	\$25.03/month	\$58.46/month	\$42.88/month
Deductible	\$0.00	\$0.00	\$0.00
Your Monthly Drug Costs after you have met your deductible but before your total drug costs reach the Initial Coverage Limit			
Total Monthly Cost	\$167.00	\$176.98	\$316.01
Your Monthly Drug Costs after your total drug costs reach the initial coverage limit but before your total out of pocket expense equals \$3,600.00			
Total Monthly Cost	\$759.44	\$176.98	\$707.50
Your Monthly Drug Costs after your total out of pocket expenses equal \$3,600.00 <small>Arimidex TAB 1mg \$12.32 \$11.86 \$11.58 Crestor TAB 10mg \$5.00 \$5.00 \$84.73 Nexium CAP 40mg \$7.25 \$6.90 \$134.88 Seroquel TAB 300mg \$12.22 \$11.76 \$11.49 Toprol XL TAB 50mg \$5.00 \$5.00 \$5.00</small>			
Total Monthly Cost	\$41.79	\$40.52	\$247.68

Source: medicare.gov Prescription Drug Plan Finder

Today's Environment



The Bright Side

- Robust menu of plan offerings
- Enrollment success

The Not so Bright Side

- Potentially sub-optimal decision-making in choosing a plan
- Many hard-to-reach beneficiaries didn't enroll

Addressing Multiple Attitudes, Needs



Segment	Reachability/ Openness to Info
Misinformed (<i>Non-Enrollee</i>)	Unknown
Don't Want/Don't Need (<i>Non-Enrollee</i>)	Low reachability/ Less open (Low interest—unless health/need changes)

Today's Environment



The Bright Side

- Robust menu of plan offerings
- Enrollment success
- Enrollees generally happy

The Not so Bright Side

- Potentially sub-optimal decision-making in choosing a plan
- Many hard-to-reach didn't enroll
- Some don't think they're saving money



How Are Medicare Patients Feeling About Their Part D Coverage?

Study	Date	Part D Sample Size	% Satisfied with Their Plan	% Spending Less on Rx	Considering Plan Switch
Health Strategies Group (N=441)	5/06	441	82 – 91%	52%	N/a
Kaiser Family (N=623)	6/06	623	81%	41%	11%
Smart Revenue (Wal-Mart)(N=87)	8/06	87	62%	43%	3%
AHIP (N=300)	9/06	300	69%*	58%**	N/a
JD Power (N=3,400)	9/06	3,400	75%	32%	47%

* “Given your experience with the new benefit, would you recommend that other seniors sign up?”

**“Are you saving money compared to what you spent before you enrolled...?”

Addressing Multiple Attitudes, Needs



Segment	Reachability/ Openness
Worried/Wary- Gap (<i>Enrollee</i>)	Moderate to strong reachability/more open (Already actively searching)
Cautiously Optimistic (<i>Enrollee</i>)	Moderate reachability/more open (Active search likely)

Part D (Non-LIS) Patients' Monthly Rx Utilization is Lower and Out-of-Pocket Costs are Higher Than the Control Group – Why???

Some Part D patients may be enrolled in plans that do not favorably cover their drugs or may lack awareness of exceptions process

Patient Rx Group	Avg. Rxs/ Month Non-LIS	Avg. Rxs/ Month > 65 Control Group	OOP Spend Non-LIS	OOP Spend > 65 Control Group
#1	5.9	6.3	\$207	\$100
#2	4.6	4.6	\$170	\$90
#3	4.9	5.4	\$168	\$93
#4	4.3	4.6	\$123	\$74

Source: IMS analysis performed for AZ, 2Q2006 data, 9//06

Where Do We Go From Here?

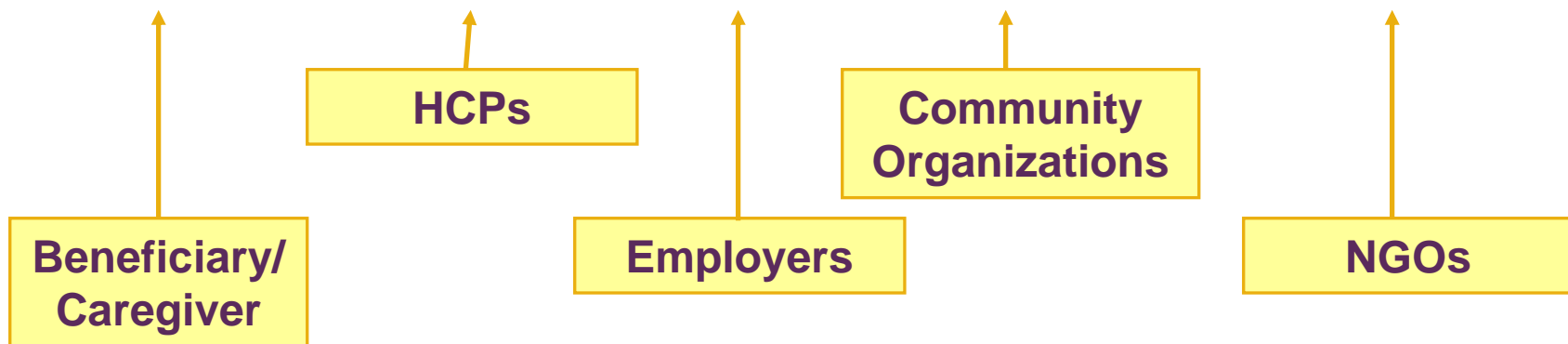


- Tools to help people make more informed decisions
- Strategies to reach the hard-to-reach
- Solutions for those at risk of discontinuing medicines because of financial challenges

Our Approach: Ongoing Principals

GOAL

To empower patients to access prescription and healthcare benefits that are provided through MMA and to make the choice that is right for them.



Decision Tools:

Medicare Plan Finder Tip Sheet

1. Go to **www.medicare.gov** and click on “Find and Compare Plans.”
2. Choose whether you want to do a “Personalized plan search” or a “general plan search.”
3. The Prescription Drug Plan Finder will list all the plans in your area.
4. Select 3 or 4 possible plans from the Prescription Drug Plan finder.
5. Contact each plan to receive more information. Some questions for consideration in determining if a plan is right for you include:
 - How is the plan’s customer service?
 - Are plan representatives courteous and helpful/responsive in answering your questions?
 - Are there restrictions on the medications you are or may be taking?
 - Can you get your drugs if you travel part of the year?
 - Is mail order available if you want it?

Strategies to reach the hard-to-reach

Relationship with Community Organizations

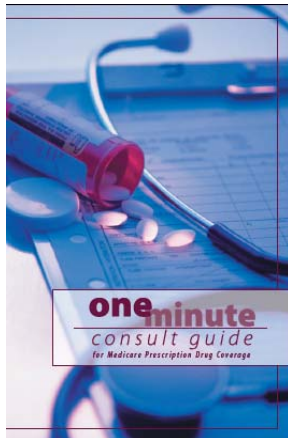
- Ongoing relationship with NCOA
- Exploring new relationships

Strategies to reach the hard-to-reach

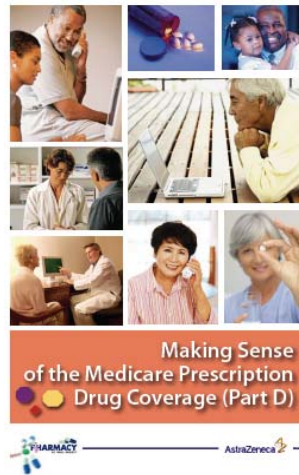


- Technology Support
 - Provide informational resources/training
 - Facilitate MMM community
- Demonstration project on strategies to reach low income beneficiaries
- Web enhancements
 - Online community development
 - Usability enhancement and click path targets
 - Architecture rebuild to appeal to different segments

Strategies to reach the hard-to-reach



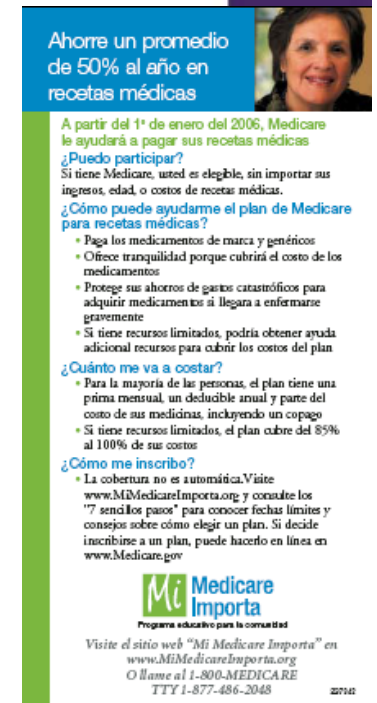
1-Minute Consult guide with tri-fold consumer piece



Part D Consumer Guide

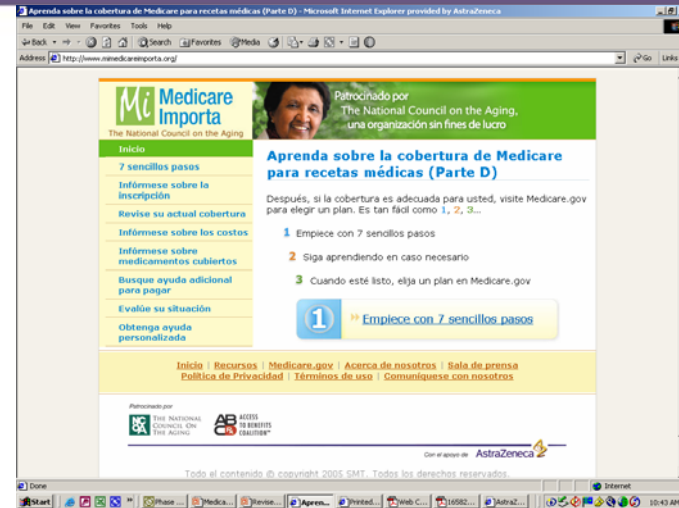


English/Spanish Web Card for Consumers

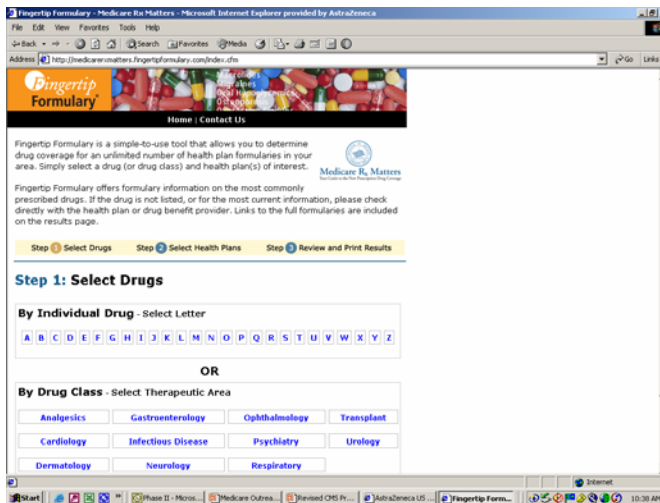


Consumer & HC Professionals Tools

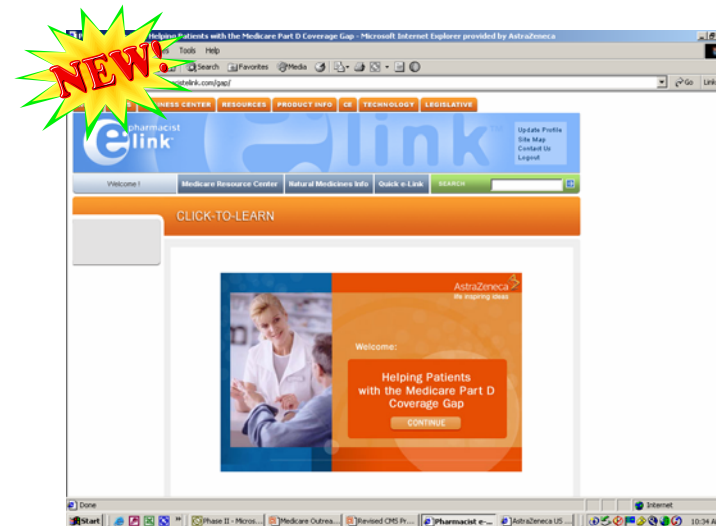
Strategies to reach the hard-to-reach



English/Spanish Part D Consumer Websites



Formulary website for Pharmacists



Pharmacist website on Part D coverage gap



Solutions for Those at Risk of Discontinuing Rxs

What can consumers do about general financial hardships due to high Rx costs?

- Identify the plan that best meets their needs
 - Plans that don't cover all the enrollee's drugs at preferred copay levels may have higher total annual costs
- Sign up for LIS, SPAP, VA - if eligible
- Manufacturer PAPs
- Charitable organizations
- Discuss possible changes in medication with their physicians

Where Do We Go From Here?



Keep the patient experience top of mind

The Patient Perspective



Market Research indicates:

- People want to plan
- People want predictability
- Fear of embarrassment
- Initial satisfaction could decline if individuals are still faced with financial hardship

Challenge of Scarce Resources

- When health care costs rise and budgets tighten, *putting patients first requires complex foresight*
- How can we balance competing public purposes?

“The preponderance of published medical literature and clinical guidelines compels the expansion of pharmaceutical use among Americans, at the same time that private and public health plans seek to restrict such use.”

J.D. Kleinke, Health Affairs
January/February 2004

Where Do We Go From Here?



- Keep the patient experience top of mind
- Continued outreach & education to beneficiaries on how to optimize the benefit
- Plan designs to meet customer needs - e.g. coverage gap options
- Ongoing support for enrollees:
 - Long-term customer satisfaction,
 - Improved health outcomes
 - Simplify communications, standardized terminology
 - Seek coordination of patient assistance programs

Questions?