Hepatitis C is a deadly disease, but R&D is moving rapidly. Two new drugs were released in 2011; now even more are on the way.

An elusive virus
Hepatitis C has at least six genetic variations that respond differently to drug therapies. A recently approved test quickly identifies virus types, so doctors can create personalized treatment plans for improved clinical outcomes.

Big changes for Hepatitis C treatments

Hepatitis C: prevalent, costly
Hepatitis C virus infection is the most common chronic blood-borne infection in the United States, with approximately 3.2 million people infected. Until recently, Hepatitis C has been difficult to treat and nearly impossible to cure with existing therapies.

For every 100 people infected with the Hepatitis C virus:

- 75-85 will develop chronic infection
- 60-70 will develop chronic liver disease
- 5-20 will develop cirrhosis
- 1-5 will die of cirrhosis or liver cancer

U.S. annual cost to treat with traditional therapies:

$9,000,000,000,000
Benefit implications

Estimated U.S. patients seeking treatment

<table>
<thead>
<tr>
<th>Current</th>
<th>With new drugs</th>
</tr>
</thead>
<tbody>
<tr>
<td>85,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

76% increase

Cost-benefit analysis

Each new wave of drugs gets more expensive. Can these drugs really be cost-effective?

The answer is yes.

We can expect significantly lower total costs as more patients are cleared of the Hepatitis C virus.

Also, multiple studies show that new drugs are cost effective in quality-of-life terms.

Cost per course of medication

Treating Hepatitis C can be cost-effective

- Greater efficacy
- Shorter treatment durations
- Increased competition

Rising costs

<table>
<thead>
<tr>
<th>Traditional therapy</th>
<th>Current</th>
<th>$20,000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In Development</td>
<td>$70,000</td>
</tr>
<tr>
<td></td>
<td>In Development</td>
<td>$100,000(?)</td>
</tr>
</tbody>
</table>

Contact Us:
866-386-3408
resourcecenter@optum.com

How to manage

New specialty treatments for Hepatitis C require intensive management and member support:

- **Notification**: requires that only patients who can benefit from certain drugs receive coverage.
- **Tiering**
- **Supply limits**
- **Specialty Pharmacy support**: ongoing education, adherence and clinical management programs help members stay on their medications.
- **Protection** from drug price inflation.

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www.optum.com

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