

JANUARY 2019 FORMULARY STRATEGY

Cigna Pharmacy Management®

January 2019 formulary changes - Affected drug classes

Attention deficient hyperactivity disorder (ADHD)	Anticonvulsants	Topical acne	Cholesterol • PCSK9 • Statins	Topical antivirals
Opioids	HIV/AIDS	Proton pump inhibitors (PPI)	Inflammatory conditions	Vitamin D supplements

As part of our ongoing commitment to provide affordable and quality health care coverage, we regularly review and update our formularies.¹

Our low-net drug cost approach challenges drug manufacturers to rethink traditional pricing and deliver affordable brand-drug options to our clients and customers. This includes removing certain high-priced, low-value drugs – regardless of incentives or rebates.

This proven strategy, combined with effective utilization management (UM) programs, drives lower costs and promotes the use of clinically appropriate alternatives. Effective UM programs also help protect against potentially harmful, ineffective or unnecessary drug treatments. In fact, Cigna Pharmacy Management reports a **0% drug trend result for 2017**.²

These efforts help us deliver an average \$42 per member per year (PMPY) savings to our clients, while improving the health of our customers.³

Summary of January 1, 2019 formulary changes

1. Moving tiers for some drugs – some drugs will move from non-preferred to preferred-brand tiers and some from preferred to non-preferred brand tiers.
2. Removing drugs that have a clinically appropriate or over-the-counter (OTC) alternative.⁴
3. UM requirements applied to more drugs – prior authorization (PA), age of use and quantity limits.
4. For clients who have mandatory generics or member pay difference logic, customers will see higher out-of-pocket costs for certain branded drugs.
5. **We will expand our drug lists and, in some cases, reduce cost for certain drugs used for conditions such as HIV, chronic stomach acid (PPI) and inflammatory (Crohn's and ulcerative colitis).**

January 1, 2019 formulary changes - Areas of focus



- › Drugs **priced inappropriately** compared with identical or near-identical products.
- › Drugs used for conditions where other **more cost-effective options** are available.
- › Drugs benefiting from **UM strategies** to promote proper and safe use.

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Affected drug classes and strategy

Below are specific examples of drug classes targeted as part of our 1/1/19 formulary change process. These highlights do not reflect the entire list of Cigna's formulary changes. For drug-specific changes, please request a 1/1/19 formulary change flyer.

ADHD

The ADHD drug class has many generic drug options, making this class optimal to promote affordability for clients and customers.

- › We will remove certain drugs from the formulary and expand UM programs to help reduce inappropriate use of high-cost dose forms and improve generic use.⁴
- › We will apply age limits on individuals 13 years or older on certain branded drugs. This helps discourage inappropriate and/or unnecessary prescribing of oral disintegrating tablets, liquids, etc.

Anticonvulsants

Anticonvulsants are primarily used to treat seizure disorders. In this class, we are focused on increasing the use of generic alternatives. We will remove certain brands that have alternatives containing similar or near-similar ingredients. Customers using these brand drugs for a non-seizure disorder, such as to prevent headaches, will be educated on generic options to discuss with their health care provider.

- › For brand-name drugs with no or limited alternatives, we will require PA for coverage. Minors under age 18 will not be affected.
- › This management strategy is supported with Cigna Rx Claim Connect, a program that lets us look at pharmacy and medical data for seamless PA review. We can recognize the customers who don't require PA - those known to have seizure disorders and those under age 18.

Topical acne

The topical acne drug class has many generic drug options, helping to drive client and customer affordability. Due to availability of multiple OTC and generic prescription alternatives, we will remove all branded topical acne treatments from major formularies.⁴

High cholesterol

PCSK9 is a class of specialty drugs used to manage high cholesterol, where traditional statins may not be effective or tolerated. They are self-injected once or twice a month.

- › **Repatha** - For all our formularies, this will be the exclusive PCSK9 injectable drug. It will have the same preferred-brand status across formularies, and will continue to be subject to PA.
- › **Praluent** - We will remove this drug from all major formularies. A medical necessity review is required to approve coverage.⁴
- › **Livalo** - This is a relatively low-potency statin drug. More affordable generic options are available. We will remove this drug from Standard/Performance formularies.⁴

Topical antivirals

Research shows that topical antiviral therapy provides little clinical value to treat herpes, when compared with oral therapies.⁵ We will remove topical antiviral drugs from all major formularies.⁴ We will encourage use of oral therapies through cost tiering. If a topical antiviral cream is deemed medically necessary to treat herpes, quantity limits will apply.

Opioids - Transmucosal immediate-release fentanyl (TIRF)

TIRFs are a highly-potent, immediate-release class of opioid. They are used primarily for cancer patients. In some instances, they are prescribed for non-cancer uses as well.

- › We will expand current PA requirements for this class.
- › In an effort to promote safety, we are working with physicians and customers to find other safer pain alternatives. Through the use of Cigna Rx Claim Connect, customers taking TIRF for cancer are excluded.

HIV/AIDS

Our approach with this drug class strives to align better clinical outcomes with ease of adherence. We took multiple steps to accomplish these goals.

- › Many drug therapies that are now recommended, due to lower pill burden or effective mechanisms of action, will move to preferred brand.
- › Some drugs in this class will move to non-preferred or not covered unless medically necessary.⁴ Some examples include drugs with an excess pill burden or those shown to demonstrate HIV resistance.
- › We will remove some brand drugs that have alternatives containing similar or near-similar ingredients. In these instances, we offer no grandfathering.

Inflammatory conditions

In recent years, drugs in this class have evolved in terms of treatment options and the way they work. The result is better options/choices for customers and physicians. Also, a more crowded drug class allows for better contracting opportunities.

- › **Entyvio** – This newly added drug offers an additional coverage option under the medical benefit for treatment of Crohn’s disease and ulcerative colitis. Like other drugs in this class, PA will apply. This drug will be in a preferred position for the treatment of Crohn’s and ulcerative colitis. We will actively manage site of administration to help reduce associated costs.

PPI

This highly utilized drug class has significant generic and OTC options. For those with difficulty or inability to swallow, there is still a need for a brand alternative in a unique dosage form.

- › **Nexium Powder Pack** will be added to the preferred-brand tier on all formularies. This positive change will solve demand needs. It adds coverage for plans using the Value and Advantage formularies, which currently exclude coverage for PPI drugs.

Vitamin D supplements

Vitamin D supplements are currently listed on the Patient Protection and Affordable Care Act (PPACA) preventive drug list – at zero (\$0) cost for 65+-year-old customers. Starting 1/1/19, Cigna will remove them from this list because the U.S. Preventive Service Task Force has changed its original recommendation to include them. Vitamin D supplements are not on any of Cigna’s current formularies (Standard/Performance, Value/Advantage or Legacy) because many are available OTC.

What you should know about cost savings and disruption

- › **Clients with Standard, Value, Advantage or Performance drug lists** may see a savings of approximately 1% to 3%, or \$1 to \$3 per member per month.⁶ Those moving from Standard or Performance to a Value or Advantage drug list may see a savings of 4% to 6%, or \$3.50 to \$5.50, per member per month.⁶
- › Approximately 50,000 customers will be affected by these changes – less than 0.05% of our customer base.⁷

Customer communications

We will send letters and emails to affected customers in early October 2018. We will send reminder notifications in mid-November and again in January 2019. Other materials are available at your request, such as customer flyers, formularies, etc.

Health care professional communications

To build awareness and help providers talk to patients, we will:

- › Send a letter to affected providers that outlines key formulary changes.
- › Provide a posting on our provider portal.
- › Share a newsletter article.

Drug costs (under the medical and pharmacy benefit) are the number one driver of health care costs for an employer.⁸ Our priority is to maintain affordability for our clients and customers now and in the future. We will continue to make enhancements to our formularies to help drive sustainable cost savings and improve customer health outcomes.

1. In accordance with Texas and Louisiana state law, changes made to Cigna’s drug list during the plan year may not apply until your plan renewal date. To find out if these state mandates apply to your plan, please contact your Cigna representative.
2. January 2018 Cigna pharmacy benefit trend analysis includes pharmacy cost trends for our commercial group Book of Business, calculated using aggregate BoB plan payments, net of customer cost-share and manufacturer rebates that Cigna shares with clients per contract. Utilization under our individual and family plan (IFP) and the Legacy and client-specific drug lists were excluded from this trend analysis.
3. For Cigna formularies that use low net drug cost approach. Cigna National Book of Business pricing analysis 2017 shows \$42 per member per year savings for clients with 500 employees or more. Individual client/customer results will vary and are not guaranteed.
4. If a customer and/or prescriber believes any of the products that will no longer be covered as preferred options are medically necessary, then Cigna will review requests for a medical necessity exception.
5. Cochrane Database of Systematic Reviews, R Heslop, H Roberts, D Flower, V Jordan, August 2016.
6. Cigna National Book of Business January 2019 formulary savings analysis. Individual client/customer results will vary and are not guaranteed.
7. Cigna National Book of Business estimate of customers disrupted by 1/1/19 formulary changes.
8. Cigna National Book of Business national study 2017. Projection compares the following health care spend for medical service categories: Drugs and Biologics, Inpatient Facility, Outpatient Facility, Professional Services, Other Medical Services.



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