

Formulary Management Strategy Program

The CVS Caremark Formulary Management Strategy was adopted to meet the challenges presented by drug companies who were attempting to preserve market share and margin by going outside the standard supply chain. Drug manufacturers were reaching out to consumers directly with copay cards and coupons to reduce or eliminate member copays for branded drugs, potentially reducing the member's incentive to use lower-cost alternatives such as generic and preferred formulary brand products.

To counter the above and allow CVS Caremark the ability to help manage drug spend through appropriate use and selection of drug therapies and to negotiate with drug manufacturers for the lowest net cost for formulary brand products, the Formulary Management Strategy was initiated. This strategy impacts certain brand name drugs and products by requiring prior authorization before the drug may be dispensed. The prior authorization process requires physician documentation to demonstrate the medical necessity for the member to receive a specific brand name drug and/or product. Failure to demonstrate medical necessity results in the drug not being covered by the prescription drug plan. If the drug is not covered by the plan, insureds may purchase the drug at 100 percent of the retail cost. These non-formulary brand name drugs and products fall within drug classes that offer multiple, lower cost generics and/or brand alternatives. CVS Caremark will communicate with those insureds who currently take one or more of these non-formulary brand name drugs.

If the member's physician requests that the member remain on any of these brand name drugs without providing documented medical necessity (and approval by CVS Caremark), the drug will not be covered by the university's prescription drug plan and the member would be responsible for the full cost of the drug. If medical necessity is documented and approved, the member would pay the brand non-formulary copay (third tier) which is currently \$52 for a 30 day supply.

Check the list of [drugs impacted](#) by the Formulary Management Strategy Program. If you are currently using one of the drugs, ask your doctor to choose one of the generic or brand formulary considerations.

Step Therapy Program

A preferred drug step therapy program encourages the use of a preferred drug prior to the utilization of a non-preferred drug. The preferred drug is a well-supported treatment option and represents the use of a clinically and cost-effective drug for a given condition. An established evidence-based protocol must be met before a non-preferred drug will be covered.

Generally, members are required to try a generic or preferred brand drug before a non-preferred brand is dispensed and paid for by the plan. If the preferred drug is an option for you but you continue to use the non-preferred drug, your prescription may not be covered by the plan and you will pay the full cost.

Check the list of [drugs impacted](#) by the step therapy program.

Step Therapy Program for Specialty Drugs

The step therapy program for specialty drugs is similar to the step therapy program noted above as it requires insureds to try a preferred brand drug before the non-preferred brand drug can be dispensed. This program impacts users of prescription drugs in the Tumor Necrosis Factor (TNF) and Multiple Sclerosis drug class. An established evidence-based protocol must be met before a non-preferred specialty drug will be covered.

Check the list of [drugs impacted](#) by the step therapy program.