

## CVS Caremark Preferred Drug List Change

CVS Caremark recently announced a new strategy that will impact the preferred drug list utilized by insureds enrolled in the Caremark prescription drug plan. A preferred drug list is a list of drugs recommended by CVS Caremark to be afforded more favorable coverage than other non-preferred drugs. CVS Caremark and other pharmacy benefit managers routinely utilize preferred drug lists for their pharmacy benefit plan sponsor customers as a tool to promote utilization of the most clinically effective and cost effective pharmaceutical products. CVS Caremark and other pharmacy benefit managers change the products on their preferred drug list from time to time based on a number of factors including clinical information and cost effectiveness.

Traditionally, preferred drug list changes consist of movement of certain drugs from a preferred coverage tier to a non-preferred coverage tier, or vice versa. Such changes are typically adopted by employers and the copay associated with the drugs is modified in accordance with the coverage levels for preferred and non-preferred drugs as determined by the benefit plan sponsor.

Recent market dynamics, such as drug company coupons, have blunted the effectiveness of preferred drug lists as a tool for managing prescription drug utilization. As a result, effective April 1, 2012, CVS Caremark has embarked upon a new strategy that will incorporate access restrictions for certain prescription drugs and products.

## CVS Caremark Preferred Drug List Change

Effective April 1, 2012, a total of 34 non-formulary brand drugs and products will be subject to prior authorization. This will require physician documentation demonstrating the medical necessity for the member to receive this specific brand name drug and/or product. **Failure to demonstrate medical necessity will result in the drug not being covered by the prescription drug plan.** If the drug is not covered by the plan, insureds may however, purchase the drug at 100 percent of the retail cost. These 34 non-formulary brand name drugs and products are typically higher cost products within drug classes that offer multiple, lower cost generics and/or brand alternatives. CVS Caremark will communicate in mid February with those insureds who currently take one or more of these 34 non-formulary brand name drugs. **Insureds are advised to be pro-active and consult with their physician as soon as possible (prior to April 1, 2012) if the lower cost alternatives would be acceptable.**

If the insured's physician requests that the member remain on any of these 34 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 insured would be responsible for the full cost of the drug. If medical necessity is documented and approved, the insured would pay the Brand Non-Formulary copay (third tier) which is currently \$52 for a 30 day supply.

## Summary

- Effective April 1, 2012, the preferred drug list will include medication access restrictions for 34 prescription drugs and products.
- Drug companies are working to influence member behavior directly through couponing and other copay assistance.
- A total of 34 non-formulary brand drugs and products will be subject to prior authorization which will require physician documentation demonstrating the medical necessity for the member to receive this specific brand name drug or product.
- Failure to demonstrate medical necessity will result in the drug not being covered by the prescription drug plan
- If medical necessity is documented and approved, the insured would pay the Brand Non-Formulary copay (third tier) which is currently \$52 for a 30 day supply.
- This new Caremark formulary strategy was established to maximize generic utilization. The 34 excluded drugs are high-cost products within drug classes that offer multiple, lower-cost generic and/or brand alternatives.
- CVS Caremark will work with insureds to proactively transition to a generic or preferred brand alternative.

Please call your Campus Benefits Office should you have any questions regarding this prescription drug formulary change.

[List of non-formulary brand drugs and products, their drug class and lower cost alternatives.](#)