

In today's dynamic marketplace, effective formulary management continues to be the cornerstone of cost containment.

On August 1, we announced our 2018 Standard Control Formulary, which included several key, targeted changes to help payors better manage costs, while ensuring plan member access to clinically appropriate therapy. To further manage costs for specialty medications, your plan has also adopted the Advanced Control Specialty Formulary™.

Today we are providing details about additional changes to several high impact therapy classes including autoimmune conditions and hepatitis C. In addition, we are providing new additions to our hyperinflation list, which will be effective January 1, 2018.

## **The changes to autoimmune and hepatitis C agents expand member access to preferred drugs and provide greater choice for prescribers.**

### **Autoimmune**

Autoimmune agents are used to treat conditions such as rheumatoid arthritis, ulcerative colitis, psoriasis, and Crohn's disease.

This is a dynamic therapy class with multiple new drugs coming to market. Autoimmune agents were the highest specialty trend driver inclusive of rebates in the first quarter of 2017.\*

Given the high launch price, year-over-year inflation and significant trend impact of these drugs, careful management that balances patient access with cost control is critical. Our formulary placement and removal decisions for autoimmune agents are based on extensive member and prescriber experience with comparable moves across other formularies.

In addition, existing drugs are increasingly obtaining multiple supplemental indications, and the cost is the same regardless of the drugs' efficacy in treating different conditions.



### **In 2017, Autoimmune Agents:**

- Are the **#1 driver** of specialty drug trend\*
- Account for **five of the top 20** brand drug drivers of trend\*
- Are expected to be **the fastest growing drug class** over the next five years<sup>1</sup>

Effective January 1, 2018, our 2018 Advanced Control Specialty Formulary expands the indication-based approach, launched last year for psoriasis, to offer a more precise management strategy across this rapidly growing therapy class. An indication-based approach manages utilization for specific drugs used to treat particular diagnoses or conditions – and the value it delivers to an individual patient – rather than managing formulary placement at a therapy class level. Members will continue to have access to numerous preferred drug options and our clinical approach also provides continued access, when appropriate, for members currently on a given therapy.

### 2018 Advanced Control Specialty Formulary Changes: Autoimmune Agents

Indication	2017 Formulary Preferred Agents	2018 Formulary Preferred Agents	2018 Formulary Removals <sup>†</sup>
Ankylosing Spondylitis	Enbrel, Humira	Cosentyx, Enbrel, Humira	Cimzia, Simponi
Crohn's Disease	Humira	Cimzia <sup>‡</sup> , Humira	Entyvio, Stelara
Psoriasis	Humira, Stelara, Taltz	Humira, Stelara <sup>‡</sup> , Taltz <sup>‡</sup>	Cosentyx, Enbrel, Otezla
Psoriatic Arthritis	Enbrel, Humira	Cosentyx, Enbrel, Humira, Otezla	Cimzia, Orencia SC & IV/Orencia ClickJect, Simponi, Stelara
Rheumatoid Arthritis	Enbrel, Humira	Enbrel, Humira, Kevzara, Orencia/Orencia ClickJect (SubQ)	Actemra, Cimzia, Kineret, Orencia IV, Simponi, Xeljanz/XR
Ulcerative Colitis	Humira	Humira, Simponi <sup>‡</sup>	Entyvio
All Other	Enbrel, Humira	Enbrel, Humira	Actemra, Kineret, Orencia SC & IV/Orencia ClickJect

<sup>†</sup> Other drugs in the auto-immune class that are not FDA-approved for the given indication would also not be covered.

<sup>‡</sup> After failure of Humira.

### Hepatitis C

Our 2018 formulary strategy for hepatitis C is consistent with our current approach and maintains member access to several preferred therapies. Members will have expanded access to preferred hepatitis C drugs with the addition of Vosevi, which has recently been approved for previous treatment failures. Vosevi will be available as a preferred option October 1, 2017.

## Hyperinflation

Although price inflation has moderated slightly, brand inflation continues to be the biggest driver of trend. Brand inflation contributed a 7.5 percentage point increase to trend for our commercial book of business in the first half of 2017.<sup>2</sup> In addition to the cost increases seen in most drugs, some branded medications see extreme – even triple-digit – price surges. In 2017, we implemented a hyperinflation management component to our Standard Control Formulary to help address such significant price inflation and help control costs for clients and their members. To date, this strategy resulted in 29 drugs being removed from our Standard Control Formulary.

We monitor and review hyperinflationary drugs and implement formulary changes on a quarterly basis to minimize the cost impact of these drugs.

Effective January 1, 2018, the following drugs will be removed from our formulary under our hyperinflation criteria\*\*:

- Primlev (241.1% inflation)
- Sprix (796.5% inflation)
- Stendra (156.6% inflation)

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**Formulary management is a critical component of cost management in the rapidly evolving pharmaceutical marketplace,** and we remain committed to continually innovating our strategy to help reduce pharmacy costs for clients and members, while ensuring clinical integrity and access. We remove drugs only when clinically appropriate, lower-cost (often generic) alternatives are available.

**Your CVS Health Account Team will be contacting you to discuss our 2018 formulary strategy and provide more information about our range of formulary innovations.**

\*Based on CVS Caremark commercial book-of-business data

\*\*Hyperinflation percentages reflect three year inflation rates

**Sources:**

1. <https://www.fool.com/investing/2016/12/10/the-3-fastest-growing-drug-classes-over-the-next-5.aspx>
2. CVS Health Enterprise Analytics, 2017.

## 2018 Advanced Control Specialty Formulary Removals and Updates

Class	Products
Antiandrogens	XTANDI <sup>P</sup>
Antilipemics, PCSK9 Inhibitors	PRALUENT <sup>P</sup>
Antivirals, Hepatitis C	MAVYRET <sup>R</sup>
Autoimmune Agents	REMICADE <sup>P</sup>
Calcium Regulators, Miscellaneous	PROLIA <sup>P</sup>
Crohn's Disease & Ulcerative Colitis	ENTYVIO <sup>R</sup>
Fertility Regulators, Follicle-Stimulating Hormone	FOLLISTIM AQ <sup>R</sup> , GONAL-F <sup>P</sup>
Gaucher Disease	ELELYSO <sup>R</sup>
Hematopoietic Growth Factors	PROCRIT <sup>P</sup>
Multiple Sclerosis	AVONEX <sup>NP</sup> , PLEGRIDY <sup>NP</sup>
Osteoarthritis, Viscosupplements	HYALGAN <sup>R</sup>
Pulmonary Arterial Hypertension, Endothelin Receptor Antagonists	OPSUMIT <sup>P</sup>

**NP = Non Preferred drug being added back    P = Preferred drug being added back    R = Removal**