

For brokers and producers only

Date: November 12, 2020

Markets: All (except Medicare Supplement)

2021 Pharmacy Management Strategy

Together with CVS Caremark, our pharmacy benefit manager, we continuously monitor the marketplace and adjust our formularies to address rising drug cost trends. With these adjustments, drugs may move to a different tier or may no longer be covered. In addition, there may be changes to prescription guideline requirements, including prior authorization, step therapy and quantity limits.

All Drug Lists are now available on the Drug Search page on www.carefirst.com/rx (ACA Small Group/Consumer Direct and 51+ fully-insured) and www.carefirst.com/rxgroup (self-insured) for the 2021 plan year. Formulary impact information is available on page 2.

Overview of Key Pharmacy Management Updates

Benefit Changes:

Enhanced Diabetes Cost-Share Benefit

- **Current:** There is no cap for insulin copay.
- **Change 1/1/21:** CareFirst will cap the insulin product at a maximum copay of \$50 per month for fully insured plans in all jurisdictions. Self-insured groups may opt into this benefit.
- **Why:** To comply with the Virginia state mandate and proactively expand this enhanced benefit to all CareFirst jurisdictions.
- **Impact:** For 2021, preferred insulin products will have a \$0 copay per month based on plan benefit. Non-preferred insulin products will have a maximum \$50 copay per month based on plan benefit.

New Formulary Offering:

Formulary 4

- **Current:** 51+ fully insured groups have Formulary 3 and self-insured groups may select either Formulary 1, 2 or 3.
- **Change 1/1/21:** Offer Formulary 4 as an option for 51+ fully insured and self-insured groups.
- **Why:** Accounts are looking to reduce pharmacy costs. This will provide an additional option for groups looking to save on premiums.
- **Impact:** On average, 10-12% of members are negatively impacted by moving from CareFirst Formulary 3 to CareFirst Formulary 4*
- For more information on Formulary 4, read the [November 12 Broker News article](#).

* Figures may vary based on an account's benefit design and drug utilization.

Formulary Changes:

Diabetic Test Strips				
<ul style="list-style-type: none"> • Current: Accu-Chek test strips are the preferred product for Formulary 1, 2, 3 and 4. • Change 1/1/21: For Formulary 2, 3 and 4: OneTouch Verio and OneTouch Ultra will be the preferred test strips. Accu-Chek will be removed from those formularies. • Why: Savings initiative. • Impact: Beginning January 1, 2021, OneTouch test strips are the preferred products. However, members who had a prescription filled for Accu-Chek test strip between July 1 and December 31, 2020 will be able to continue their existing therapy. • A reference document outlining the OneTouch options for new accounts/members will be available soon. 				
Formulary 1	Formulary 2	Formulary 3	Formulary 4	Exchange
	X	X	X	

Tier 1 Strategy				
<ul style="list-style-type: none"> • Current: Doxycycline monohydrate (40 mg delayed-release capsules) is covered on Formulary 1, 2, 3 and 4. • Change 1/1/21: For Formulary 2, 3 and 4, CareFirst will remove doxycycline monohydrate 40 mg delayed-release capsules as part of the Tier 1 strategy. The brand-name product, Oracea, will be the covered product. • Why: Savings initiative. • Impact: Based on claims data from April to September 2020, approximately 400 members will be impacted by this initiative. Members will be able to obtain the brand-name product, Oracea, at the same cost share as the generic product. 				
Formulary 1	Formulary 2	Formulary 3	Formulary 4	Exchange
	X	X	X	

Summary of 2020 – 2021 Disruption by Formulary:

Formulary	Segment	2020 Drugs Covered*	2021 Drugs Covered*0.61	2021 Negative Disruption (Member impact)^	2021 Negative Disruption (Rx impact)^
Formulary 1	Self-insured (ASO)	1,642 products covered	1,621 products covered	0.04%	0.01%
Formulary 2	Self-insured (ASO), Grandfathered risk, FEHBP	1,461 products covered	1,421 products covered	3.13%	0.69%
Formulary 3	51+ fully insured (Risk), Self-insured (ASO)	1,412 products covered	1,409 products covered	3.43%	0.98%

Formulary 4	51+ fully insured (Risk), Self-insured (ASO), FEHBP	1,142 products covered	1,061 products covered	2.25%	0.61%
Exchange	Consumer Direct, 2-50 fully insured	1,364 products covered	1,307 products covered	0.61%	0.26%

** Drugs identified via GPI-10, which means the drug strength and route of administration were all rolled under one drug count; 2020 drugs covered are based on 9/1/2020 data.*

^ Percentage represents the formulary changes and does not take into consideration the various benefit structures.

For more information

If you have any questions, please contact your broker sales representative.