

At CVS Health, we remain committed to helping our clients provide a comprehensive, high quality prescription benefit at a sustainable cost.

The pharmaceutical landscape today is characterized by escalating costs for existing brand drugs and new drugs coming to market at ever-higher prices. We have long been the leader in bringing innovative, effective strategies to market to help our clients better manage spend.

That continues today. Our focus remains on developing forward-looking, industry-leading solutions to ensure our clients get the most value for the investment they are making in their prescription drug benefit.

Formulary management is the cornerstone of cost containment

Autoimmune

Our 2018 Advanced Control Formulary™ management strategy expands the indication-based approach, launched last year for psoriasis, to help address cost drivers for other autoimmune agents in this rapidly growing therapy class.

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

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.



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 years¹

The expansion of our indication-based management approach to additional autoimmune agents, effective January 1, 2018, will offer a more precise management strategy across this therapy class. An indication-based approach manages utilization for specific drugs used to treat particular diagnoses or conditions – and the value delivered to an individual patient – rather than managing formulary placement at a therapy class level. Plan 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.

Our 2018 formulary strategy expands access to preferred therapies within the autoimmune class

2018 Advanced Control Formulary Changes: Autoimmune Agents

Indication	2017 Formulary Preferred Agents	2018 Formulary Preferred Agents	2018 Formulary Removals [†]
Ankylosing Spondylitis	Enbrel, Humira	Cosentyx, Enbrel, Humira	Cimzia, Simponi
Crohn's Disease	Humira	Cimzia [‡] , Humira	Entyvio, Stelara
Psoriasis	Humira, Stelara, Taltz	Humira, Stelara [‡] , Taltz [‡]	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 [‡]	Entyvio
All Other	Enbrel, Humira	Enbrel, Humira	Actemra, Kineret, Orencia SC & IV/Orencia ClickJect

[†] Other drugs in the auto-immune class that are not FDA-approved for the given indication would also not be covered.

[‡] 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.

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. Our targeted approach strives for minimum member disruption.

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.

CVS Health Continues to be the market leader in formulary innovation

In 2012, we were the first to **remove drugs** from our formulary. In 2015, we were the first to introduce **new-to-market drug evaluations**. In 2016, we **added specialty class reviews**, and in 2017 we **introduced biosimilar preference, hyperinflation management, and indication-based formulary approaches**.

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

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 Formulary Removals and Updates

Class	Products
Antiandrogens	XTANDI ^P
Antibacterials, Tetracyclines	DORYX ^R , DORYX MPC ^R , MONODOX ^R
Antilipemics, Cholesterol Absorption Inhibitors	ZETIA ^R
Antilipemics, PCSK9 Inhibitors	PRALUENT ^P
Antivirals, Hepatitis C	MAVYRET ^R
Asthma and COPD, Steroid/ Beta Agonist Combinations	DULERA ^R , SYMBICORT ^P
Autoimmune Agents	REMICADE ^P
Calcium Regulators, Miscellaneous	PROLIA ^P
Chronic Obstructive Pulmonary Disease (COPD), Anticholinergics	INCRUSE ELLIPTA ^P
Crohn's Disease & Ulcerative Colitis	ENTYVIO ^R
Depression and/or Schizophrenia, Atypical Antipsychotics	SEROQUEL XR ^R
Depression, Selective Norepinephrine Reuptake Inhibitors	EFFEXOR XR ^R
Diabetes, Sodium-Glucose Co-transporter 2 (SGLT2) Inhibitors and combination products	JARDIANCE ^R , SYNJARDY ^R , SYNJARDY XR ^R INVOKANA ^P , INVOKAMET/ INVOKAMET XR ^P
Fertility Regulators, Follicle-Stimulating Hormone	FOLLISTIM AQ ^R , GONAL-F ^P
Gaucher Disease	ELELYSO ^R
Hematopoietic Growth Factors	PROCRIT ^P
High Blood Pressure, Angiotensin II Receptor Antagonists (ARB) and Combinations	BENICAR ^R , BENICAR HCT ^R
Multiple Sclerosis	AVONEX ^{NP} , PLEGRIDY ^{NP}
Narcolepsy Wakefulness Promoters	NUVIGIL ^R
Opioid Dependence	ZUBSOLV ^P
Osteoarthritis, Viscosupplements	HYALGAN ^R
Pain, Nonsteroidal Anti-inflammatory Drugs (NSAIDs)	SPRIX ^R , ZIPSOR ^R , ZORVOLEX ^R
Pain, Opioid Agonists	FENTORA ^R
Pain, Opioid Analgesics	PRIMLEV ^R
Pain, Opioid Partial Agonists	BUTRANS ^R
Pain, Transmucosal Immediate-release Fentanyl	ABSTRAL ^P
Postherpetic Neuralgia	GRALISE ^P , HORIZANT ^R
Pulmonary Arterial Hypertension, Endothelin Receptor Antagonists	OPSUMIT ^P
Testosterone Replacement, Androgens	ANDROGEL 1.62% ^P

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

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