



At Cigna, we aim to protect our clients and customers from unnecessary costs when clinically appropriate lower cost alternatives are available. Which is why we have ongoing monitoring of egregious drug pricing, and initiate formulary and utilization management changes.

Our formulary changes effective July 1, 2017 reflect our ongoing commitment to actively manage our formularies to protect against hyper-inflated drug prices.

Types of changes customers could experience

- Drug **moving tiers** to non-preferred brand (one drug) or **quantity limits** applied
- Drugs being **removed from the formulary** (not covered without a medical necessity exception approval)

Customer Communication

Impacted customers whose drug(s) are no longer covered, changing tiers or will have new utilization management edits applied on July 1, 2017 will receive a letter 90-days in advance. The letter will suggest an alternative and they will be advised to talk to their doctor about changing prescriptions.

What you should know about cost savings and employee disruption:

- As measured across all of our clients' utilization, we expect this strategy will significantly contribute to reduced claims cost in 2017 and beyond.²
- We expect less than 1% of our customers will be affected.²
- There will be a “**medical necessity**” **exceptions process** in place for customers who have exhausted drug alternatives and must use a non-formulary (not covered) drug.

Below are details of the July 1, 2017 formulary changes you can expect:¹

High cost drugs

Cigna's low net drug cost strategy removes drugs with significant inflation or that are inappropriately priced compared to lower cost covered options with similar outcomes. We take this approach because it's in your best interest and the best interest of our customers regardless of incentives offered by the drug manufacturer. Maintaining a disciplined low net cost drug strategy to manage branded drugs is key to curbing pharmacy trend for our clients. **Last year, we implemented a formulary strategy that decreased pharmacy trend (on average) by a full –2% - 3%.²**

Here is a sample of four drugs that will be removed from our formulary. As you can see, the cost of the alternative is significantly lower than that of the brand named drug.³

Brand Drug	Cost per Rx	Cost of alternative Rx	Alternative Rx
Omeclamox-pak	\$1,754	\$230	amoxicillin, clarithromycin and omeprazole or generic prevpac
Edecrin	\$1,194	\$7	furosemide
Levorphanol tabs	\$4,207	\$110	morphine extended release
Naprelan	\$813	\$10	naproxen

Our priority is to maintain affordability for our clients and customers. We will continue to make enhancements to our formularies to help drive sustainable cost savings and improve customer health outcomes.

Should you have any questions, please contact your Cigna Client Manager.

1. In accordance with Texas and Louisiana state law, customers with affected benefit plans who receive coverage for medications that are removed from the prescription drug list during the plan year will continue to have those medications covered at the same benefit level until their plan renewal date. To find out if these state mandates apply to your plan, please call Customer Service.
2. Cigna's national book of business estimate of customers disrupted by 7/1/17 formulary changes. Savings may not always be achieved – actual savings will vary by client.
3. Cigna national book of business pricing analysis 2016. For illustrative purposes only. Actual costs may vary.

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