

# MANAGE YOUR DRUG COSTS WITHOUT COMPROMISING QUALITY AND ACCESS

HIGHMARK PROGRESSIVE FORMULARY



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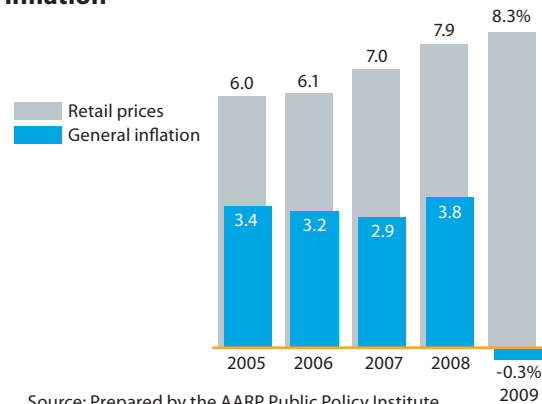
# THE PROGRESSIVE FORMULARY CAN SUBSTANTIALLY REDUCE YOUR PRESCRIPTION DRUG COSTS



## TAKE CONTROL OF INCREASING PRESCRIPTION DRUG COSTS

Prescription drug costs continue to increase, particularly the cost of brand-name drugs.\* In fact, prices for the 15 best-selling brand drugs rose by much higher rates in 2010 than they did in each of the last five years. In 2010, double-digit price increases occurred in two-thirds of the brand drugs – well above that year’s 1.6 percent inflation rate.

### Percent change in brand-name drug prices compared to inflation



Source: Prepared by the AARP Public Policy Institute and the PRIME Institute, University of Minnesota, based on data from Thomson Reuters MarketScan® Research Databases.

Encouraging the use of generics and lower-cost brand-name drugs can help lower your prescription costs. For example, currently a 30-day supply of the same supply of the average generic drug costs \$25 to \$30 while the average brand drug costs \$185 to \$190. Highmark has created a new “Progressive” formulary to help you balance your company’s financial objectives along with maintaining ample prescription drug coverage for employees. Your employees will still have access to high-quality prescription drug benefits, and your company can save money in prescription drug costs.

\*Data from Thomson Reuters MarketScan

## SIGNIFICANT SAVINGS

The Progressive formulary can substantially reduce your prescription drug costs without adversely affecting access or quality. We estimate pharmacy care cost savings of 10 to 15 percent over our Comprehensive formulary due to shifts in utilization from brand to generic products.

### How the Formulary Works:

Designed in response to the significant cost increases for the best-selling brand-name drugs, the Progressive formulary features:

- The same major therapeutic categories as our existing Comprehensive formulary
- Each therapeutic category contains either a generic equivalent (a generic with the same chemical composition as the brand) or a generic alternative (a generic with a different chemical composition as the brand)
- If a generic equivalent or a generic alternative does not exist for a therapeutic category, then the lowest cost brand-name drug usually is included

The pharmacy benefit designs that are coupled with the new Progressive formulary should include appropriate controls to strongly encourage your employees to use generic and brand drugs that are on the formulary. For example, the following four-tier design is recommended for use with the Progressive formulary:

Formulary Generic Drugs	\$8 Copayment
Formulary Brand Drugs	\$45 Copayment
Non-Formulary Generic Drugs	\$95 Copayment
Non-Formulary Brand Drugs	
Formulary Specialty Drugs	25% Coinsurance with a \$200 maximum
Non-Formulary Specialty Drugs	

With this benefit design, members still have the option of purchasing non-formulary generic and non-formulary brand drugs, but their cost-share will be greater.

## THE PROGRESSIVE FORMULARY MAKES SENSE

If your employees pay a fixed copayment for their prescription drugs, they may be unaware of how much prescription drugs actually cost – particularly brand-name drugs. By choosing the Progressive formulary, you can give them a clear incentive to inquire about lower cost drug alternatives without negatively affecting their access to quality prescription drug coverage.

Industry experience has shown a willingness of members to change to a lower-cost drug rather than choosing not to fill the higher cost prescription. That’s important because appropriate use of prescription drugs can be a key component of a comprehensive strategy of providing access to quality care and controlling overall medical costs.

The Progressive formulary can substantially reduce your prescription drug costs without adversely affecting access or quality. It is clinically sound.

To learn more about how the Progressive formulary can help you reduce your prescription drug costs, please contact your client manager.