THE FORMULARY

The purpose of Coventry Health Care’s formulary is to encourage use of the most cost-effective drugs. The formulary is necessary because the cost of prescription drugs, especially specialty drugs, is rising faster than other health care costs. Some of the reasons for this trend include:

- More advertising for newer high-cost drugs
- An aging population that uses more drugs
- The high cost of research and development for new drugs

Without a formulary, Coventry Health Care members would end up paying more for health care coverage, due, in part, to rising drug costs. Our formulary allows us to continue providing cost-effective pharmacy benefits.

Coventry formularies are developed and maintained by a committee of doctors and pharmacists. The Pharmacy & Therapeutics (P&T) Committee studies new drugs and new information for existing drugs. They keep up-to-date on the newest developments in medicine, and they continually improve our formularies based on the latest research, including the following (where applicable):

- Drug labeling
- Clinical outcome studies from peer-reviewed published medical literature
- Standard drug reference compendia
- Regulatory status
- Evidence-based guidelines published by medical associations, government agencies or national commissions
- Views of professionals in relevant clinical areas
- Other related factors

Our P&T Committee determines how drugs will be covered on the formulary based on the following criteria:

- **Efficacy:** Preferred drugs must be as good as, or superior to, other currently available alternatives for most of the population.
- **Safety:** Preferred drugs must be as safe as, or safer than, other currently available alternatives.
- **Health Outcomes (when available):** Preference is given to drugs which have been shown to improve overall health outcomes.
- **Drug interactions:** Preferred drugs must have similar or less potential for drug interactions compared to other currently available alternatives.
- **Pharmacokinetics:** Consideration is given to drugs with evidence showing that less frequent dosing increases patient compliance and outcomes.

Continued on next page
• **Contraindications:** Consideration is given to drugs that do not have factors which would restrict their use to specific patient populations.

• **Cost:** When two or more drugs produce similar clinical results, cost is taken into account in determining whether a drug makes it onto our formulary. **Note:** Formulary decisions are based on cost differences only after safety, effectiveness, possible side effects, and therapeutic need have been established.

• **Generic availability:** Decisions to add generics to the formulary are based on safety, cost, established equivalence to the brand name, and compliance with existing drug contracts.

Comments and suggestions on the formulary are welcomed and should be directed to Coventry’s Pharmacy department. Doctors may submit a written request to have a medication added to the formulary by submitting a written request to the attention of Coventry’s P&T Committee. At a minimum, written requests should include:

- Advantages and disadvantages of the drug compared to current formulary alternatives
- Indications for use, efficacy and a review of side effects

We do not require that doctors only prescribe preferred formulary drugs. However, members may save time and money if a prescribed drug is on the Coventry formulary. In most cases, there are at least two formulary alternatives to choose from.

You can find the formulary, including any restrictions and preferences, as both a printable document and a searchable database on our website. The formulary applies only to outpatient prescription medications dispensed by participating pharmacies. It does not apply to inpatient medications or the medications obtained from and/or administered by doctors. Unless exceptions are noted, all dosage forms (e.g., tablet, capsule, liquid, topical) and strengths of a formulary drug are included.

While new drugs may be added to the formulary throughout the year, we try to remove them only twice a year (generally January 1 and July 1). A summary of the most recent formulary changes can be found on our website. In addition to the drug limitations and restrictions called out in the formulary, certain classes of drugs (such as those for cosmetic uses or smoking cessation) may not be covered. Members should then refer to their benefit documents, or call Customer Service at the number on their ID card, to determine which drugs are excluded under their benefit plan.

Depending on the patient’s prescription drug benefit (example: closed formulary), doctors may request an exception to the formulary. In fact, doctors can request a coverage exception for any drug that he/she considers to be medically necessary by following the steps outlined under the section of this document entitled “Process for Requesting a Medication Coverage Exception.”

**PRIOR AUTHORIZATION**

One of Coventry Health Care’s tools to help manage rising prescription drug costs is to require prior approval, or authorization, before drugs are covered. Drugs which require prior authorization are often not suggested as the first-line treatment option, and/or may have limited diagnoses for which they are recommended. Prior authorization may also be required for drugs that are very expensive. The prior authorization program helps to ensure that drugs are used in a safe, appropriate and cost-effective manner.
Our P&T Committee determines which drugs require prior authorization and the criteria for coverage. Drugs that require prior authorization will be denied at the member’s pharmacy until the health plan has reviewed the necessary clinical information provided by the doctor and approved coverage.

**STEP THERAPY**

Step therapy is a form of prior authorization. It involves an electronic review of a member’s drug history to ensure that appropriate generic or first-line drugs have been tried already. If the member has already tried the preferred drug(s), the claim will process as normal with the appropriate copayment. If the preferred drug(s) are NOT in the member’s drug history, the claim will reject at the pharmacy and the doctor will need to provide additional clinical information to the health plan for further review.

*Which drugs require prior authorization or step therapy?*

You can identify drugs that require prior authorization or step therapy by referring to our printable formulary document, online searchable formulary, or prior authorization or step therapy lists. Each of these resources is available on our website. Prior authorization and step therapy criteria and specific coverage request forms can also be found on our website.

**QUANTITY LIMITS**

Our P&T Committee may restrict the quantity of a drug that is covered under the pharmacy benefit. Quantity limits are required for multiple reasons. For example, it may be more cost-effective to take one pill to reach the required daily dosage rather than two lower strength pills. Other drugs have quantity limits to ensure that a prescribed dosage has been studied and determined to be safe and effective. A list of drugs that have quantity limits is also available on our website.

**GENERIC SUBSTITUTION/THERAPEUTIC INTERCHANGE**

Depending on a member’s benefit plan, generic substitution may be required for brand-name drugs where the U.S. Food and Drug Administration has determined that the generic is equivalent to the brand. However, this requirement is based on the availability of the generic and state regulations regarding drug product selection. If a doctor states that the brand is required, or a member requests the brand when a generic equivalent is available, the member may have to pay a higher out-of-pocket amount based on his/her benefit plan. Generic substitution is not required for brand drugs when slight differences in blood levels have been determined to cause reduced safety and/or efficacy (narrow therapeutic index drugs). Examples may include: Dilantin®, Tegretol®, Coumadin®, Lanoxin®, theophylline, and Synthroid®.

Coventry health plans may offer a three-month program that waives copays as an incentive for members to switch to a preferred generic or over-the-counter drug. This program (Value Program) is a voluntary therapeutic interchange opportunity that may help members save money. If a member’s health plan and employer group participate in this program, they will receive a letter after the first time they fill any eligible nonpreferred drug. This letter will offer three months for $0 copay if the member chooses to contact your doctor and get a new prescription for the preferred alternative. The list of Value Program Select Target drugs, including the preferred alternatives, is available on our website.

*Continued on next page*
SPECIALTY DRUGS

Specialty drugs are defined by the health plan. They are typically high-cost drugs, including, but not limited to, the oral, topical, inhaled, inserted or implanted, and injected routes of administration. Characteristics of specialty drugs are:

- Used to treat and/or diagnose rare and complex diseases
- Require close clinical monitoring and management
- Frequently require special handling
- May have limited access or distribution

Specialty drugs require prior authorization and are subject to quantity limits, unless otherwise indicated. Refer to the formulary to identify specialty drugs and to determine if prior authorization and/or quantity limits apply. The formulary is available on our website. Coventry has contracted with Aetna Specialty Pharmacy® to provide most of our specialty drugs. Once authorization has been approved, a doctor can call a prescription in to Aetna Specialty Pharmacy at 866-782-2779. Members should refer to their health plan documents or call our Customer Service department with any questions regarding specialty drug coverage.

PROCESS FOR REQUESTING A MEDICATION COVERAGE EXCEPTION

A doctor, or their appointed representative, can request a medication coverage exception on behalf of a patient who is a Coventry member by:

1. **Calling** the Pharmacy Call Center at 877-215-4098. The Call Center will ask a number of clinical questions, and depending on the answers provided, coverage will either be approved or the caller will be given the opportunity to fax in additional information for further clinical review.

2. **Faxing** a letter of medical necessity, or the applicable prior authorization request form, to the Pharmacy Call Center at 877-554-9139. You can obtain prior authorization request forms on our website or by calling your Provider Relations representative.

3. **Mailing** all clinical information related to the request to the attention of the Pharmacy Department at the member’s Coventry Health Plan.

Doctors should include the following information with all requests for medication coverage:

- Patient’s name
- Patient’s date of birth
- Patient’s member ID number
- Doctor’s name and phone number
- Name, strength and dosing schedule for the drug being requested
- Diagnosis for which the drug is being requested
- Any necessary supporting documentation (i.e., progress notes, laboratory results, published literature supporting safety/efficacy, etc.)
- All drugs previously tried for the diagnosis being treated and the reason for the failure

Continued on next page
PHARMACY BENEFIT INFORMATION

Coventry members can get personalized, real-time prescription drug pricing information, by visiting My Online Services℠ on our website. They can easily complete the following actions on My Online Services℠:

- Determine their financial responsibility for a drug, based on their pharmacy benefit
- Initiate the exceptions process for drugs that have restrictions
- Order a refill for an existing, unexpired mail-order prescription
- Find the location of an in-network pharmacy
- Conduct a pharmacy proximity search based on ZIP code
- Determine potential drug-drug interactions
- Determine a drug’s common side effects and significant risks
- Determine the availability of generic substitutes

Doctors should call their Provider Relations representative with any questions related to Coventry’s pharmacy benefits.