

Cigna's low net drug cost approach positions clients for better pharmacy plan performance

Comparison to recent study on egregiously priced drugs

October, 2020

Overview/Background

Cigna's low net drug cost formulary strategy challenges drug makers to rethink their pricing strategy. The approach results in a clinically sound formulary that uses techniques like removing certain high-priced, low-value drugs and the use of utilization management (UM) to help ensure savings, safety and proper use – and we do this regardless of drug maker incentives.¹

During this time of heightened concern about drug prices and transparency, customer savings and a clinically sound formulary should be main considerations for clients as they assess the success and performance of a their pharmacy benefit.

Since 2016, this approach yielded a decreased overall pharmacy cost trend of 23%.²

Wasteful drug comparison

A recent Bloomberg article [U.S. Employers Eye Cutting Wasteful Drugs worth \\$6 Billion](#) (9/14/2020) highlights a report from Pacific Business Group on Health and researchers from Johns Hopkins University. The report identifies 49 medications - many egregiously priced - with less expensive alternatives that could be cut from the formularies covered by employers.³ This paper compares Cigna's formulary approach to that list of high-cost, low-value drugs.

Summary of findings

Cigna took action against 40 of the 49 drugs from the recommended list either through benefit exclusion, not covered, moved to higher customer cost-share or managed with UM.⁴ The small amount of drugs not managed are generic products or would likely pose high customer disruption.

Examples of high-cost, low-value drugs with viable covered alternatives⁵

Drug	Cost per Rx	Cost of covered alternative Rx
Duexis (arthritis)	\$1,972	\$19
Jublia (toenail fungus)	\$757	\$14
Solodyn (antibiotic)	\$1,208	\$247
Cambia (acute migraine)	\$808	\$26
Lumigan (glaucoma)	\$220	\$20

We manage high-cost, low-value drugs on your behalf

Removing certain drugs from a formulary is a bold move, but it's a necessary one.¹ Our proven strategy helps clients and customers **lower pharmacy claims costs now and in the future.**

Together, all the way.[®]



Offered by: Cigna Health and Life Insurance Company, Connecticut General Life Insurance Company or their affiliates.



1. If a customer and/or prescriber believes any of the products that will no longer be covered as preferred options are medically necessary, then Cigna will review requests for a medical necessity exception. 2. Savings from 2016 – 2021 for formularies that use low net drug cost approach, uses average client pricing. Management inclusive of both ingredient cost and rebate improvements, excludes global business. 3. Bloomberg, John Tozzi, September 14, 2020, *Employers Eye Cutting Wasteful Drugs Worth \$6 Billion*. 4. Cigna comparison to guidebook produced through a collaboration of the Johns Hopkins Drug Access, September 2020. 5. Cigna's formulary analysis of non-formulary branded drugs compared to covered viable alternatives, September 2020.

Product availability may vary by plan type and location and is subject to change. All Cigna products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation.