

January 1, 2023 Annual Update

Intended for: Consultants, brokers,
commercial and health plan employers
using the Elixir standardized formularies



Elixir Drug Management Philosophy

Proactive Drug Management

Reduce unnecessary spend with a focus on improving member care

Balanced Formulary Strategy

Safe, effective and affordable medications for members while maintaining or improving the quality of care and limiting financial exposure

Utilization Management

Evidence based clinical strategy to guide the right patient to the right therapy

2023 Notable Updates



- ✓ Overall < 1% member disruption; Individualized client disruption can be evaluated
- ✓ Enhanced utilization management in high spend diabetes agents to avoid off-label utilization
- ✓ Minimize plan spend by incorporating broad coverage of biosimilars
- ✓ Newly FDA approved generic equivalents and cost-effective preferred therapies in place of high-priced drug therapies
- ✓ Optimized utilization management edits as a result of latest clinical guidelines and best practices

Formulary Update Summary

	National Ex	Select Ex
Positive Tier Change Providing cost savings to our members	37 products	37 products
Negative Tier Change Move up a tier because the drug demonstrated less value (clinically or financially) against other drugs in the class	3 products	1 product
Exclusions Occurs when there is no clinical value over other drugs in the class. Strategy provides savings to our clients while maintaining choice for members	None	12 products

Drug Management Strategy

Drug Management Strategy	New Strategy (Restricted Access)	Removed Strategy (Improved Access)
Prior Authorization Appropriate use of Medication	Adlyxin, Byetta, Bydureon, Mounjaro, Ozempic, Rybelsus, Trulicity, Victoza	Uceris
Specialty High-cost drugs that require a specialty pharmacy, for rare indications, have significant side effect profiles, need complex patient counseling and training.	None	12 specialty generics available
Non-Essential Drug High-cost drugs which have safe, clinically effective and lower cost alternatives	Once a drug is determined as non-essential the drug will be added to the NED list and there will be no exception to coverage.	None
Medical Only Safeguard for medications that should be processed under the medical benefit	5 products	None

Affordable Care Act Out-of-Pocket (OOP) Maximum Limit Changes

The Patient Protection and Affordable Care Act (PPACA) requires limits for consumer spending on in-network essential health benefits. These are known as out-of-pocket maximum limits and apply to all non-grandfathered plans. Changes for 2023 are as follows:

	2022 ACA OOP Maximums	2023 ACA OOP Maximums
Individual	\$8,700	\$9,100
Family	\$17,400	\$18,200

Highlights of Medication Rule Changes

- **Removal of Aspirin for cardiovascular disease prevention:** The United States Preventive Services Task Force (USPSTF) has lowered the recommendation for the use of aspirin to prevent cardiovascular disease in adults aged 40-59 to a Level C. Aspirin for this indication is no longer eligible for zero cost-share through Elixir's Affordable Care Act offering.
- **Addition of Phexxi to contraception coverage**

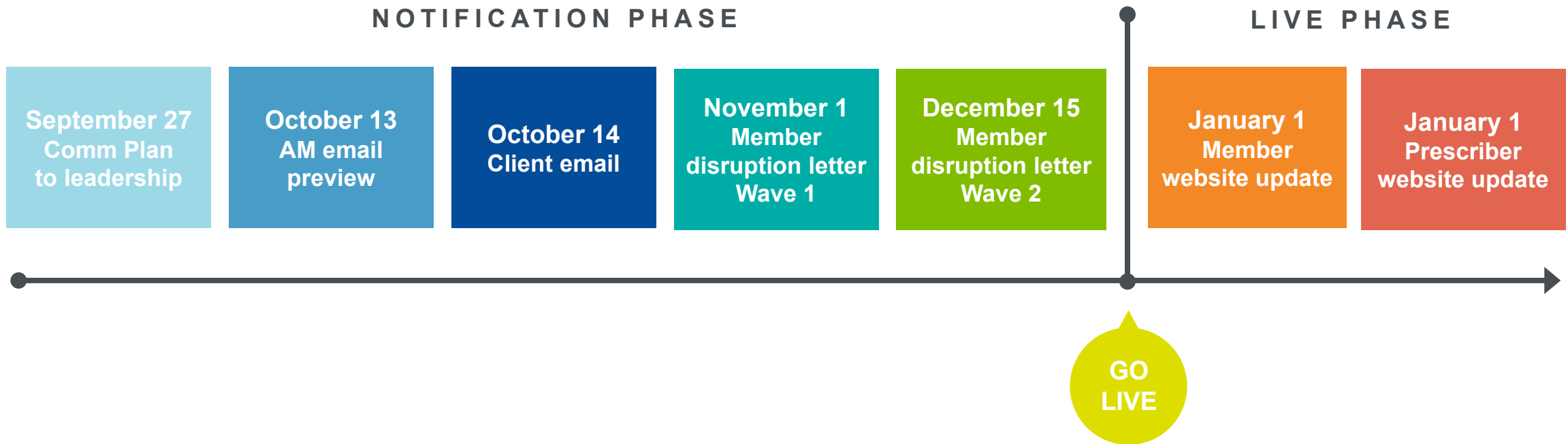
IRS Limits for High Deductible Health Plans

High Deductible Health Plans (HDHP) offer solutions for employers to contain rising health care costs by requiring members to meet a high deductible before plan benefits become available. However, the need to meet that high deductible can cause members to forgo taking medications that can prevent serious health conditions which increase long term health care costs. By applying a preventive drug list to the HDHP plan design, employers can allow members access to preventive drug products, as defined by IRS guidance, at low or zero dollar copays prior to meeting their deductible.

	2022 HDHP Maximums	2023 HDHP Maximums
Individual	\$7,050	\$7,500
Family	\$14,100	\$15,000

NO CHANGES TO THE 2023 OFFERING OUTSIDE OF IRS LIMITS

January 1, 2023 Disruption Timeline



FAQ

1. How does a plan optimize formulary savings?

As your PBM, Elixir negotiates with drug manufacturers to provide savings on high-cost medications. The trade relations team in conjunction with the clinical team analyzes each drug class to find the right mix of clinical and manufacturer rebates. This approach allows Elixir to maintain a competitive net cost option while ensuring that an appropriate clinical alternative is always available on all formularies. In order to be most effective, we manage certain drug categories with exclusions, step therapies, or copay tiering. Using effective formulary management, we are able to pass on higher rebate value to our clients. This approach is visible in our National Ex and Select EX formularies. Clients opting into the National Ex or Select Ex formularies will be provided a detailed analysis of formulary disruption. Please read the FAQs below to understand the services Elixir provides to disrupted members.

2. With more drug exclusions, won't member disruption increase?

Drugs are typically excluded from a formulary because they are high in cost, have generic alternatives, or contain lower cost brand drugs that treat the same condition. Whenever there are drug exclusions, there is potential member disruption. However, it is important to note that disruption does not necessarily equal dissatisfaction, as long as communication plans are in place. Elixir proactively notifies members using excluded medications of therapeutically equivalent formulary alternatives. Many times the recommended alternative may lead to a lower member copay as well.

3. What if a member does not want to switch from the drug that is now being excluded?

A team of pharmacists at Elixir work to ensure an appropriate clinical alternative is always available. We encourage a member to speak to a pharmacist or their prescriber about the alternative medications to get comfortable with the switch. If the prescriber feels the switch is inappropriate then they can submit a prior authorization.

FAQ

4. Will we ‘grandfather’ or allow any members currently taking an excluded medication to continue with their treatment?

Patients that are taking medications to treat complex conditions, such as the following will be grandfathered

- Oncology
- Inflammatory conditions (e.g. rheumatoid arthritis, Crohn’s disease, psoriasis, etc.)
- Multiple Sclerosis
- Hematologic conditions
- Hepatitis C Antivirals

Grandfathering allows for patients that are stabilized on difficult disease states to continue their therapy. New to therapy patients will still have access to excluded drugs via the non-formulary exception (NFE) process.

5. Will we communicate changes to doctors/providers?

Disrupted members will receive a 60 day written notification about changes to their drug therapy. The letter will list preferred alternatives so that the member can consult with their providers. Elixir also conducts automated outbound calls where the member has the option to talk to an Elixir representative and initiate an exception process with their provider.

The logo for Elixir features the word "elixir" in a blue, lowercase, sans-serif font. The letter "i" is replaced by a cluster of five circles: two green circles and three blue circles, arranged in a pattern that suggests a molecular structure or a cluster of particles.

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