

# C.M. SMITH AGENCY, INC.

## **PRESCRIPTION DRUG TIERING CHANGES**

Our January 2006 Newsletter highlighted the marketplace push to generic drugs. As more prescription drugs continue to come off patent, there will be more generics available to members. In 2007, 42 blockbuster drugs will come off patent. In fact, some highly utilized brand name allergy medications will lose patent protection in early 2007.

This is important to note because when generics become available, it is typical to see prescription drug vendors review their formularies and make “up-tiering” and “down-tiering” changes, sometimes as often as quarterly.

As a general rule, prescription drug vendors release advance alerts to members who will be affected by formulary tiering changes. Most prescription drug vendors have useful web tools to help members learn about generic equivalents. As we all know, generics can provide fairly substantial financial relief to members.

We urge you to keep an eye on the reference literature released by the vendors for the most up to date information regarding your prescription drug coverage.

*C.M. Smith Agency, Inc. is not a law firm and therefore we are not able to give legal advice. You should consult with legal counsel if you have specific questions on this subject matter.*