

February 2008

Dear Valued Benefits Administrator:

I am writing to tell you about some changes we are making to the Select Drug Program® formulary, to notify you of an over-the-counter exclusion that will be applied to Zyrtec® and Zyrtec-D 12 Hour®, and to provide you with information about a prior-authorization requirement that will soon apply to the medication Altabax™.

CHANGES TO THE FORMULARY AND SAFE-PRESCRIBING PROCEDURES

Our formulary is the key to the Select Drug Program. The formulary includes all generic drugs and a defined list of brand drugs — all of which have been selected for their medical effectiveness, safety, and value.

To ensure the continued effectiveness of the drugs on our formulary and our procedures for safe prescribing, the Pharmacy and Therapeutics Committee conducts regular reviews. The Pharmacy and Therapeutics Committee is primarily composed of practicing physicians and pharmacists in this area. As a result of the committee's recent reviews, we're implementing the enclosed list of changes. They include:

- additions of generic drugs to the formulary;
- additions and deletions of brand drugs to or from the formulary;
- additions to our list of drugs that require a physician to obtain prior authorization.

Please note: The brand drugs being removed will now be covered at the highest non-formulary cost-sharing level.

ALTABAX PRIOR AUTHORIZATION

Effective April 1, 2008, Altabax, which is a topical antibiotic, will require prior authorization. The purpose of prior authorization is to ensure that drugs are medically necessary and are being used appropriately. However, anyone taking Altabax immediately prior to the effective date may continue to receive it without obtaining prior authorization until May 31, 2008. After that date, the prior-authorization requirement will apply for any new prescriptions or refills.

OVER-THE-COUNTER EXCLUSIONS

Effective April 1, 2008, Zyrtec and Zyrtec-D 12 Hour, which are non-sedating antihistamines, will no longer be covered under prescription drug benefits because they are available over-the-counter. Over-the-counter drugs are standard exclusions from all Independence Blue Cross prescription drug programs. Zyrtec and Zyrtec-D 12 Hour can now be obtained over the counter at the retail cost of the medication.

COMMUNICATING TO MEMBERS

All members with Select Drug Program coverage will receive notification about these changes in the spring issue of *Update* magazine. Members who are directly affected by the changes detailed above will receive a letter with additional information and instructions.

In addition, we will send members who have filled a prescription for Zyrtec or Zyrtec-D 12 Hour within the past 12 months a \$5 coupon, courtesy of McNeil Consumer Healthcare. We hope that this will ease their transition to purchasing Zyrtec and Zyrtec-D 12 Hour over-the-counter.

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We will urge members who are affected by the removal of a drug to contact their doctor to discuss formulary alternatives, including the use of generic drugs. If a doctor decides a formulary medication is appropriate, the member will need to ask for a new prescription for the formulary medication.

If you have questions, please contact your Independence Blue Cross account executive, independent broker, consultant, or association administrator.

Thank you for selecting Independence Blue Cross as your health insurance company. We value your business and remain committed to providing you access to quality health care at the lowest possible cost.

Sincerely,

A handwritten signature in black ink that reads "Bill Haggett". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right.

William F. Haggett
Chief Marketing Executive

Enclosures