

From: Dorne Hawxhurst
Sent: Tuesday, May 01, 2018 7:23 AM
Subject: PHARMACY PLAN CHANGES (with 2018 Pharmacy Lists)

Below is an email from Lisa Fitzpatrick explaining important changes to the pharmacy benefits in 2017. In the meantime, the Aetna's pharmacy lists have been updated.

Here are the links for 2018:

- 2018 Aetna Pharmacy Drug Guide
http://doa.alaska.gov/drb/benefits/materials/2018_AetnaDrugGuide.pdf
- Aetna's 2018 Pharmacy Drug Exclusion Guide
http://doa.alaska.gov/drb/benefits/materials/2018_ExclusionDrugList.pdf

Best regards,
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From: Lisa Fitzpatrick
Sent: Monday, May 01, 2017 5:24 PM
To: Everyone-dl
Subject: PHARMACY PLAN CHANGES

Hello everyone,

Recently, we've heard from a number of employees who have had sticker shock when ordering prescription drugs or otherwise run into problems. The purpose of this email is to remind everyone that the January 2017 plan booklet contains significant changes to the plan's prescription benefits program, most of which are discussed below. By taking the time to familiarize yourself with them, you may be able to realize cost-savings.

SUMMARY OF PHARMACY PLAN CHANGES

Effective January 1, 2017, the state moved to a three-tier pharmacy structure. Depending on the type/tier of prescription drug you've been prescribed and the place you purchase it, you may now find a significant change in the amount you will pay. (Attached is a document that contains charts taken from the 2016 and 2017 plan booklets which illustrate the changes in payment amounts and structure.) This three-tier pharmacy structure is explained further below.

Another significant pharmacy plan change pertains to the coinsurance amount applicable to a 90 day drug supply. Plan members looking to fill a 90 day prescription at a retail network pharmacy are now required to pay coinsurance in an amount equivalent to what the employee would pay if filling three separate 30 day prescriptions. However, most drugs that can be ordered in a 90 day supply from

Aetna's mail order pharmacy are subject to only one copayment. As with so many things health insurance related, when filling a prescription, it can pay to crunch the numbers.

THE THREE-TIER PHARMACY STRUCTURE

In the past, the plan recognized only two categories of prescription drugs, i.e., generic and brand name. Now there are three categories or "tiers" of drug types:

- o generic prescription drugs, also referred to as Tier 1 drugs;
- o preferred brand name prescription drugs, or Tier 2 drugs; and
- o non-preferred brand name prescription drugs or Tier 3 drugs.

HOW TO DETERMINE THE TIER OF THE DRUG YOU HAVE BEEN PRESCRIBED

To learn whether a medication you are taking is Tier 1, 2 or 3, you can search *Aetna's 2017 Aetna Pharmacy Drug Guide* which you can find using the following link:

https://fm.formularynavigator.com/MemberPages/pdf/2017AetnaPremierPlusThreeTierOpenFormulary_9839_Full_0.pdf

In this guide/drug formulary, drugs are grouped by therapeutic purpose and next to each drug name is the drug's "status" or "tier." In the last column are codes pertinent to the particular drug such as whether it is a specialty medication or whether it requires pre-authorization. (The codes used are explained at page 16 of the guide/drug formulary.)

USING A RETAIL PHARMACY

As a general rule, the tier structure reflects relative drug costs. In other words, Tier 1 drugs are expected to cost less than Tier 2 and 3 drugs and Tier 2 drugs are expected to cost less than Tier 3 drugs. However, actual drug cost is not the only consideration in the tier structure. When purchasing drugs at a retail pharmacy, Tier 1 drugs are likely to cost you less, not just because Tier 1 drugs generally cost less, but because the plan pays a greater percentage of the cost of Tier 1 drugs versus Tier 2 & 3 drugs. Furthermore, the maximum you will be required to pay for a Tier 1 drug is less. Attached is a chart explaining the payment structure. In summary, though:

- For **Tier 1** drugs, you pay the **actual cost** of the drug if it is **less than \$10**. For drugs costing **more than \$10, you pay 20%** of the cost of the drug up to a **maximum** "coinsurance" payment of **\$50**.
- For **Tier 2** drugs, you pay the **actual cost** of the drug if it is **less than \$25**. For drugs costing **more than \$25, you pay 25%** of the cost of the drug up to a **maximum** "coinsurance" payment of **\$50**.
- For **Tier 3** drugs, you pay the **actual cost** of the drug if it is **less than \$80**. For drugs costing **more than \$80, you pay 35%** of the cost of the drug up to a **maximum** "coinsurance" payment of **\$150**.

USING AETNA'S MAIL ORDER PHARMACY

While the same tier concept applies, when using Aetna's mail order pharmacy, different rules apply.

For a 30 up to a 90 day supply of a drug, you pay a flat fee/copayment, again, depending on the tier of drug:

- For **Tier 1** drugs, the copayment is a flat fee of **\$20**;
- For **Tier 2** drugs, the copayment is a flat fee of **\$50**; and
- For **Tier 3** drugs, the copayment is a flat fee of **\$100**.

If the drug should happen to cost less than the applicable flat fee/copayment, however, you only pay the actual cost of the drug.

PLEASE NOTE: We have been told by **Aetna** that its **mail order pharmacy is unable to coordinate benefits**. Therefore, if you have coverage under more than one pharmacy plan – even if it is another AlaskaCare Plan – you will have to submit a paper claim to secure reimbursement of your copayment.

MEDICAL EXCEPTION FOR TIER 3/NON-PREFERRED BRAND-NAME DRUGS:

If you have a medical need for a non-preferred brand-name drug, we want to alert you to a provision in the plan booklet whereby your doctor can apply for an “exception” to have your Tier 3 medication treated as a Tier 2/preferred brand-name medication in order to lower the cost to you. That language, found at pages 79-80, reads:

If you have a medical need for a non-preferred brand-name drug, your doctor can ask for a medical exception. If the exception is granted, the drug will be subject to preferred brand-name drug cost sharing. Exceptions granted as a result of a medical exception shall be based on individual case by case medical necessity determinations and do not apply or extend to other covered persons.

According to DRB, your doctor can either request a medical exception in writing or use this phone number to make the request: **855-240-0535**.

2017 EXCLUSIONS DRUG LIST

According to DRB's webpage, even though a drug may be listed in Aetna's 2017 Aetna Pharmacy Drug Guide, some drugs nonetheless are not covered by the AlaskaCare Plan. To learn whether a drug you have been prescribed is NOT covered by the plan, please see the attached 2017 Exclusions Drug List from Aetna. This list includes “covered alternatives” for the excluded drugs(s). Please note that this list is periodically updated.

SPECIALTY DRUGS

“Specialty drugs” seem to be presenting some unique problems. To help you navigate in this area, we'll pass on a few things we've been told.

- Specialty medications often are not available through a retail pharmacy. They seem to be purchased most frequently using one of the following “Specialty Pharmacies”: Aetna (ASRx), Costco, or Diplomat. (NOTE: Although Aetna’s DocFind indicates that it is the only specialty pharmacy, that is not the case.)
- When ordering from one of the above specialty pharmacies, **mail order copayment rates apply**. If you are told otherwise, be sure first to get a call reference number and then let us know. We can help you elevate the problem to DRB or Aetna’s pharmacy management team. (Again, a reminder that for Tier 3 specialty drugs, you may qualify for a “medical exception” to have the drug covered as a Tier 2 preferred brand-name drug which will save you \$50.)
- Typically, specialty drugs tend to be very expensive. Because of their high cost, they are initially dispensed in a 30 day supply while it is determined if the drug is appropriate. You may therefore run into difficulty getting a 90 day supply of a prescription at the outset. If, on the other hand, you have been on a specialty medication for a period of time and are having difficulties getting a 90 day prescription filled, please let us know as several folks have run into this problem.

MISCELLANEOUS PHARMACY INFORMATION

- **FINDING A NETWORK RETAIL PHARMACY**

If you need to find a retail network pharmacy, you can always use the DocFind tool available on DRB’s AlaskaCare webpage. <http://doa.alaska.gov/drb/alaskacare/> Eventually, the tool will bring you to a *Pharmacy Directory* link. The *Pharmacy Directory* will then prompt you to “select a plan” from a drop-down menu. Plan members should choose the **“Aetna National Pharmacy Network (most common).”**

- **COMPARISON SHOPPING**

Given the rise in copayment/coinsurance you now must pay and the fact that there can be significant variances in cost depending on which local network retail pharmacy you use, you may wish to give more careful study to which retail pharmacy you choose and/or whether to fill your prescription by mail order. To help you crunch the numbers, there is a “drug estimator” tool available through the Aetna Navigator page which can be very helpful in doing comparison shopping. (You need to have an online account with Aetna before you can access this tool.) To find the “drug estimator,” log in to the Aetna Navigator. In the column on the upper left side of the page, click on the link captioned, “Estimate Drug Costs.” From that point forward, you can just follow the prompts. This tool can also help you determine whether it’s more cost-effective to fill your prescription by mail-order.

- **DRUG MANUFACTURER RESOURCES**

We have been told by employees that at least two drug manufacturers offer programs that may be of assistance to you. (There may be additional programs out there and we encourage you to let us know should you learn of others.)

- **Synthroid** is a Tier 3 drug. While you may qualify for a “medical exception” to have it approved as a Tier 2 drug and in order to lower your copayment to \$50 using the mail order program, according to one of your colleagues, you can also order a 90-day supply directly from Synthroid.com at a cost of \$75. Just be aware that if you purchase it through the manufacturer, the cost will not apply to your pharmacy plan out-of-pocket maximum.
- **Gilenya** is a Tier 2 specialty medication. We have been told by one of your colleagues that Gilenya offers a copayment assistance program which can cover the entire \$50 mail order copayment. To learn more, you should contact Gilenya directly.

At the end of the day, to avoid unexpected costs and surprises, we encourage everyone to look at the plan booklet itself and to look at the information posted on the AlaskaCare Plan page to understand more about these prescription benefit changes. Below are links to both:

<http://doa.alaska.gov/drb/pdf/ghlb/akcare/SelectBenefitsEmployeeBooklet2017.pdf>

<http://doa.alaska.gov/drb/benefits/employee/openenrollment/2017/rx-benefits.html>

Once again, if you are having difficulties getting prescriptions filled and paid correctly, do let us know so we can bring these problems to the attention of DRB and Aetna’s pharmacy management team.

Thank you.

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