

SPECIAL BULLETIN - DRUG BENEFIT TRANSITION

PLEASE READ CAREFULLY

On January 1, 2011 the East End Health Plan changed its Prescription Benefit Manager from **CVS/Caremark** to **ProAct**. While there were many reasons for the change, the Trustees believe that this change will result in our members continuing to receive comprehensive benefits in the most cost effective manner through improved customer service and lower costs.

The Trustees are well aware of the issues that many of our members have experienced in the transition to our new Prescription Drug Benefit Manager and sincerely apologize for any difficulty or disruption in service that may have occurred. It was not the intent of the EEHP or ProAct to change the benefit structure provided by the Plan in any way.

The Trustees expect the Third Party Administrators that they engage to administer the plan as outlined in our Plan Document, and when there is a question about the benefits to seek guidance from them. Therefore, it should be noted that **ProAct** was administering the Plan as provided for in the Plan document. They did not deviate from that Plan structure and were administering the drug benefit correctly.

That being said, a special meeting of the Trustees was held to address the issues that surfaced during the transition and to develop a plan to resolve them. The purpose of this Bulletin is to provide information regarding the two primary issues that were identified and the action the Trustees have taken to resolve them. The two primary issues that were identified during the first months of the transition were:

1. Allowing a 90-day prescription to be filled at the local pharmacy at the retail co-pay.
2. Differences in the Formulary co-pay tiers between CVS/Caremark and ProAct

90-Day Retail Prescriptions

The first issue that was identified was that CVS/Caremark had allowed prescriptions for up to a 90-day supply to be filled at the retail pharmacies.

For a number of years the EEHP has been operating with the understanding, in accordance with the Plan Document, that the prescriptions filled at the local retail pharmacy were at a maximum of a 30-day supply, and if a member needed a 90-day supply, that these prescriptions would be filled through the mail order service. This is the direction that the Trustees provided ProAct in administering the drug benefit.

As claims started to come into ProAct in early January we realized that there was a problem with the way Caremark had been administering our Plan by allowing a 90-day prescription to be filled at the local pharmacy at the retail co-pay.

Since the Trustees made a commitment that there were no changes in the drug benefit and only the administrator of the benefit was changing, the Trustees, working with ProAct implemented an interim solution. This was programmed into the benefit structure by ProAct on 1/20/2011 and provided for members that, in the past, had received a 90-day prescription at the retail pharmacy to continue to receive it at the local Pharmacy **at the mail order co-pay.**

This interim benefit structure will remain in effect **only until June 30, 2011**. As of July 1, 2011 all prescriptions that are filled at a local retail pharmacy **will be filled for only a 30-day supply** and the member will pay the retail co-pay for each 30-day prescription that they receive. **As of July 1, 2011, if a member wants to receive a 90-day fill, they will have to utilize the Mail Order Program** for their prescriptions. To utilize the Mail Order Program for a 90-day supply of maintenance medicines, please ask your district's Health Plan Coordinator for a Mail Order Form, or go online to www.healthdirectpharmacy.com and sign up for the Mail Order Program. As an alternative you may contact **ProAct's Health Direct Pharmacy Services** at 1-866-287-9885 for assistance. Utilizing the mail order service for maintenance medication provides a financial benefit by lowering the costs for the member as well as for the Plan as a whole.

Formulary Changes Resulting in Co-Pay Changes

In the attached Bulletin there is a description of a Formulary and how it works. The Formulary is the list of drugs that a Prescription Benefit Manager (PBM) considers either preferred or non-preferred. A preferred brand name drug carries a lower co-pay than a non-preferred brand name drug. This drug list changes periodically, usually every calendar year quarter and can vary from one PBM to another. This was the case with CVS/Caremark and ProAct.

While the majority of the drugs that are classified by each of the PBMs as preferred and non-preferred are exactly the same (meaning that there are no co-payment differences for the enrollees of the EEHP), it materialized that more differences existed between the two companies classification of drugs than expected.

This difference in Formulary classification is the primary reason why some of the EEHP members experienced a difference in co-payment for their prescription drugs as of January 1st. The differences that our members experienced were lower co-pays in some cases, and higher co-pays in others. We heard only from the members that experienced a higher cost.

As a result of the higher difference in co-pay, many of the members contacted ProAct and were able to easily work with them to identify an equivalent drug that they could take so that their co-pay would not change from what they were paying prior to January 1, 2011. Also, there were some instances where the enrollee was able to identify a generic drug that was equivalent to their medication that resulted in them paying a significantly lower co-payment. **No changes were made to the prescribed drug without the approval of both the member and their doctor.**

In those cases where an equivalent drug that you and your doctor approve cannot be found, the Trustees have authorized a onetime exception so that you will pay the same co-pay for that prescription that you paid prior to January 1, 2011. In these cases you should contact ProAct at 1-888-219-6886 and they will process your prescription co-pay as a preferred brand name drug. This gives you an opportunity to discuss the prescribed drug with your doctor and consider an alternative prescription drug. **If you stay on the same prescription after this onetime exception, the non-preferred brand name drug co-pay will apply on all future refills.**

Two other points we would like you to be aware of:

1. If you are taking a specialty drug (high cost drug, limited shelf life drug, dependency drug) a maximum 30-day supply will be provided regardless if you fill it at the Local Pharmacy or through the mail order service.
2. If your Doctor writes a prescription as DAW (dispense as written) for a brand name drug when a generic drug is available, you will be responsible for the non-preferred brand name drug co-pay **plus** the cost difference between the brand name drug and the generic drug.

For your reference the Prescription Drug Co-Pays are:

	Retail Pharmacy (30-Day Supply)	Mail Order Service (90-Day Supply)
Generic Brand Drug	\$2.00	\$2.00
Preferred Brand Name Drug	\$20.00	\$25.00
Non-Preferred Brand Name Drug	\$40.00	\$50.00

ProAct Customer Service

We have received a tremendous amount of positive feedback from enrollees, doctors and pharmacists regarding ProAct's ability to work one on one with our members. When an issue arises regarding your prescription, either you or your pharmacist may contact ProAct. They have real time capabilities to review the prescription that is being filled and the ability to work directly with you, your doctor and your pharmacist to ensure you receive the best medicine at the lowest out-of-pocket cost. Again, the ProAct Help Desk telephone number is **1-888-219-6886**.