

RIT Prescription Drug Coverage



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Today's Agenda



- General Information
- Plan Designs
- Medco By Mail
- Retail Generics Programs
- Diabetic Coverage
- Controlling Prescription Drug Costs



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General Information



- RIT's prescription drug coverage is a separate, self-funded, managed RIT Prescription Drug Plan, administered by Medco, a Pharmacy Benefit Manager (PBM)
- You are automatically enrolled if you enroll in the following medical plans:
 - POS A and POS B – same prescription drug plan
 - POS C – different prescription drug plan
 - POS B No Drug – no prescription drug coverage (except for medications administered in a hospital or injected in a doctors office)



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General Information (cont'd)



- You will have two ID cards: one for medical, one for RIT Rx
- Cannot purchase this coverage separately
- The published employee contribution amounts are a combined amount – include medical and Rx
- Payslip currently shows two separate contribution amounts (medical and Rx); beginning in 2010, it will be one combined amount



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General Information (cont'd)



- There is a three-tier plan design with copays for POS A, B and C (there is a deductible for POS C before the copay applies)
- 3-Tier plan design
 - Tier 1: generic
 - Tier 2: formulary or preferred brand
 - Tier 3: non-formulary or non-preferred brand



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What is the Formulary?



- A formulary is a select list (tier 2) of drugs approved by an independent national committee made up of Medical Doctors and Pharmacists (not Medco and not RIT); list changes periodically
- Drugs are selected for effectiveness and cost
- Preferred alternatives are designated
- The patient's physician always decides



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Prescription Drug Coverage With POS A and POS B



Tier	RETAIL 30-day supply up to 3 fills	RETAIL 30-day supply 4 th fill and after	MEDCO BY MAIL 90-day supply
Tier 1: Generic Drugs	\$10	\$25	\$25
Tier 2: Brand Name Formulary Drugs	\$25	\$62.50	\$62.50
Tier 3: Brand Name Non- Formulary Drugs	\$40	\$100	\$100

NOTE: You will pay the **lesser** of the copay or the actual cost of the drug.



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Prescription Drug Coverage With POS C



- You pay the \$250 deductible, then copays for the rest of the year

Tier	RETAIL 30-day supply up to 3 fills	RETAIL 30-day supply 4 th fill and after	MEDCO BY MAIL 90-day supply
Tier 1: Generic Drugs	\$10	\$25	\$25
Tier 2: Brand Name Formulary Drugs	\$50	\$125	\$125
Tier 3: Brand Name Non-Formulary Drugs	\$100	\$250	\$250

NOTE: You will pay the **lesser** of the copay or the actual cost of the drug.



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POS C Rx Example 1



Deductible Remaining		\$250
■ 1/15	\$4 Rx	\$246
■ 2/15	\$4 Rx	\$242
■ 3/15	\$4 Rx	\$238
■ 4/15	\$4 Rx	\$234
■ 5/15	\$4 Rx	\$230
■ 6/15	\$4 Rx	\$226



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POC Rx Drug Example 2



Date	Drug Cost	Amount Paid	Deductible Remaining
			\$250
1/15	\$12 (Tier 1)	\$12 (deductible)	\$238
1/28	\$220 (Tier 3)	\$220 (deductible)	\$18
2/15	\$12 (Tier 1)	\$12 (deductible)	\$6
2/28	\$220 (Tier 3)	\$100 (deductible and copay)	\$0
3/15	\$12 (Tier 1)	\$10 (copay)	\$0
3/28	\$220 (Tier 3)	\$100 (copay)	\$0



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Retail vs Medco By Mail



- Use retail pharmacy for short-term or acute medications (e.g., antibiotic)
 - Purchase up to a 30-day supply (cannot purchase a larger quantity)
- Use Medco By Mail for maintenance medications – something you take regularly for an ongoing medical condition (e.g., cholesterol lowering, blood pressure, etc.)
 - Purchase a 90-day supply
 - You save money



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Retail Refill Allowance (RRA) Maintenance Medications



- RRA applies with 4th refill at retail – copay for a 30-day supply will be equal to 90-day mail-order copay
 - Encourage greater use of mail-order
- Does not affect acute care medications such as antibiotics taken for short-term infections
- Does not apply to medications that cannot be filled by mail order (e.g., some controlled substances)
- Change in dose starts clock again



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Medco By Mail for Maintenance Medications



- Quality Control Features – better statistics than the retail pharmacy
- Convenient refill process (phone, online, automatic)
- Package is not marked “drugs”
- Medco uses the manufacturer’s guidelines when sending medication (e.g., special handling, temperature, cushioning, etc.)



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How to Start Medco By Mail



- Two ways to begin Medco By Mail
 - Obtain hard copy prescription from your doctor to send into Medco with form found on Medco website (www.medco.com) or in welcome packet, OR
 - Ask your doctor to call **1 888 EASYRX1 (1 888 327-9791)** for instructions on how to fax the prescription. Your doctor must have your Member ID number (which is on your Medco ID card) to fax your prescription



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Using Medco By Mail for a New Medication



- For a new medication, ask your doctor to write two prescriptions
 - One for a 30-day supply that you will have filled at the retail pharmacy to make sure it works for you (e.g., no side effects)
 - The other for a 90-day supply plus refills for up to 1 year to use after you know the new medication works for you



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Generics Program at Retail



- Kmart, Target, Walmart and Wegmans have a generics program; others may as well
- They have their own list of eligible generic medications
 - Covered only in certain dosage quantity
- You will always pay the cost of the drug at the pharmacy or the RIT prescription drug copay, whichever is less



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Generics Program at Retail (cont'd)

- If you purchase a 90-day supply at retail, it will be rejected at Medco (the plan only covers up to a 30-day supply at retail)
 - Contact Medco to have the medication added to your health record
 - If you participate in POS C, the 90-day supply purchase will not count toward your deductible; you should consider purchasing the 30-day supply



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If You (or Your Family Member) Are Diabetic

- Diabetic medications and supplies have been covered under RIT's medical plans, not RIT's prescription drug coverage
 - Originally, this was due to New York State law requiring that insured medical plans cover diabetic medications and supplies, but we became self-insured in 2009, but delayed the move
- Beginning January 2010, coverage for diabetic medications and supplies will be covered under the prescription drug coverage with Medco (POS A, B and C)
 - We did not make this change until 2010 because we wanted to understand how people would be impacted
 - We did not get any data on individual people



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Diabetic Coverage



- About 210 people are affected (out of about almost 3,000 employees and pre-Medicare retirees who have coverage)
- Some people will pay less, some about the same and some will pay more at the retail pharmacy
 - Most of this increase is eliminated by using Medco By Mail due to the discounted copays
- For those who will pay more, the average cost increase is about **\$34 per year**



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Diabetic Coverage (cont'd)



- If you or a family member are diabetic, Excellus BCBS is sending letters on RIT's behalf to reinforce the information that was in the open enrollment newsletter
 - We do not know who the people are
- For planning purposes (e.g., Beneflex), you can determine which tier your medication is in on the Medco website at <http://www.medcohealth.com/medco/consumer/druglistdirect/entryPage.jsp?0&formid=00037&prefaltid=00022>.



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More About the Prescription Drug Coverage



- All your prescription drugs are in the Medco system whether you purchase at various retail pharmacies or Medco By Mail
 - If you purchase the 90-day generic supply at a retail pharmacy, it will not be in your health record unless you contact Medco directly
- If an FDA-approved generic is available and you choose (or your doctor prescribes) a brand medication, you pay the difference
- Can fill Rx at a non-participating pharmacy, but:
 - You have to pay whole cost and get reimbursed (form on HR website), and
 - You pay more if higher cost than network pharmacy



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Medco Services and Website



- 24 hours a day, 7 days a week access to customer service and registered pharmacists
- Specialty pharmacists for help with managing chronic conditions (e.g., diabetes)
- Medco website (www.medco.com)
 - Locate pharmacies
 - Access plan benefit information
 - Price and compare drug costs
 - Determine copays
 - Review drug coverage
 - Order prescriptions
 - From refills and renewals to new prescription requests
 - Sign up for e-mail reminders and automatic refills
 - E-mail Medco pharmacists



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Cost Control Features



- RIT's plan is designed to control costs which saves employees and RIT money
 - Step therapy – start with the most cost-effective and safest drug therapy and progressing to other more costly or risky therapy, only if necessary
 - Pre-authorization – prior approval required before dispensing medication
 - Pay the difference in cost for a brand name medication when a generic is available
 - Generic substitution – unless the doctor writes “DAW” (dispense as written), a medication will be filled as a generic, if available, instead of a brand name
 - Mail order – because Medco can purchase in large volume, there is significant cost savings with mail order; savings shared with plan and participant



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Controlling Your Rx Costs



- Use generic drugs whenever possible
 - Over 77% of prescription drugs have generic available
 - Many common drugs will have generic in next year or two
 - Programs at several retail pharmacies (Target, Walmart, Wegmans, etc.)
- If no generic available, use brand drugs on Medco's formulary (tier 2)
- Order your medications from Medco's mail-order pharmacy, Medco By Mail



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RIT's Prescription Costs



- Medco actively manages RIT's plan
 - Makes recommendations to RIT on plan design
- With our plan design and the choices employees make, RIT's cost increases have been significantly lower than the Rochester or national average
- In the past few years
 - the Rochester and national increase has been 11-18%
 - The RIT increase has been 5% or lower



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Questions?



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