



# PEEHIP

## Quarterly



Vol. 3 No. 2

PUBLIC EDUCATION EMPLOYEES' HEALTH INSURANCE PLAN

June 2007

## New PEEHIP Policies Effective October 1, 2007

### Prescription Drug Changes

#### 30-day Supply Limitation

The quantity level limit for covered medications under the PEEHIP hospital medical prescription drug plan will be limited to a 30-day supply after paying the appropriate co-payment. Maintenance medications will be limited to a 90-day supply subject to the co-payment. Currently, the quantity level limit is a 34-day supply for one co-payment or a 102-day supply for approved maintenance medications for one co-payment.

The prescription drug co-payments will remain \$5 for generic medications, \$30 for formulary or preferred medications, and \$50 for non-formulary or non-preferred medications.

#### Co-payment of \$0 for Members on Brand Name Proton Pump Inhibitor Medications

PEEHIP covered members who have taken brand name Proton Pump Inhibitor medications such as Nexium, Prevacid, Protonix, Aciphex and Zegerid within the past 130 days will be offered a \$0 co-payment for four months if they are willing to try the therapeutically equivalent generic drug, **Omeprazole**. This program will save members money in co-payments and will reduce the drug costs to PEEHIP if the member decides to continue the therapeutically equivalent generic medication. Eligible members will receive a letter in the mail within the next few months.

### Expansion of the Step Therapy Program

The PEEHIP Board approved two new drug classes to be included in the Step Therapy drug program. Step Therapy is organized in a series of "steps" with your doctor approving your medications every step of the way. The first step drugs are usually the therapeutically equivalent generic drugs, and the second step drugs are generally the brand name drugs.

The expansion of the PEEHIP Step Therapy program will apply to new prescriptions written on or after October 1, 2007. Prescription drugs that have not been purchased in over 130 days are considered new prescriptions and will be subject to the Step Therapy program. Anyone who is currently on the brand name medications will be grandfathered in and will not be subject to the Step Therapy process if there has not been more than a 130-day lapse in the purchase dates.

Drug classes and examples of the medications that will be part of the expansion of the PEEHIP Step Therapy program on October 1, 2007 include:

**1) Beta Blocker Medications:** These drugs are used for high blood pressure and heart disease. Members with new prescriptions will be required to try a drug in the first step list before a second step drug can be covered. As always, if your health care provider determines that you need the brand name medication for medical reasons, the provider can request a prior authorization override by calling the Express Scripts prior authorization line at 800-347-5841.

*(Continued on page 2)*

## Open Enrollment and Insurance Premium Rate Information

**T**he PEEHIP Board voted to keep the out-of-pocket premium rates for active and retired members at the same level as the premium rates for the 2006-2007 plan year. Members who retired on or after October 1, 2005, may experience rate adjustments because their premiums are subject to the sliding scale where the premiums are based on their years of service and the cost of the insurance program.

Active members who are not tobacco users will continue to pay \$2 per month for single hospital medical coverage and \$134.00 per month for family hospital medical coverage. The \$717.00 monthly allocation amount that is currently funded by the Education Trust Fund (ETF) for each active employee will increase to \$775.00 per employee, per month effective October 1, 2007, contingent upon the passage of the ETF budget.

The 2007-2008 Open Enrollment Packet will be mailed to all active and retired members in late June. The Open Enrollment Packet includes forms that allow members to add new types of coverage, dependent coverage, change coverage types or begin combining allocations. The Open Enrollment period will begin **July 1, 2007**, and end **August 31, 2007**, for changes to be effective October 1, 2007. Members have until September 10, 2007, to make open enrollment changes through the online Member Services process. All open enrollment forms must be postmarked no later than August 31, 2007, for the PEEHIP office to accept the request.

If you do not wish to make changes to your PEEHIP coverage, you **do not** need to complete the open enrollment application. You will automatically remain enrolled in the same or existing plan(s), and your monthly premium will continue to be deducted from your paycheck.

**Exception:** Members who want to participate in the PEEHIP Flexible Spending Accounts, the Federal Poverty Level Premium Discount program and the PEEHIP CHIP plan are required to re-enroll each year. These three programs do not automatically renew each year without a new application.

(Continued from page 1)

## **Beta Blocker Step Therapy - High Blood Pressure**

**First-step Drugs (Generic Only):** Acebutolol, Atenolol, Betaxolol, Bisoprolol, Labetalol, Metoprolol Tartrate, Nadolol, Pindolol, Propranolol, Timolol, Atenolol/Chlorthalidone, Bisoprolol/hydrochlorothiazide, Metoprolol/hydrochlorothiazide, Propranolol/hydrochlorothiazide, Metoprolol Succinate ER 25mg, nadolol/bendroflumethiazide (generic).

**Second-step Drugs (Brand Name Only):** **Toprol XL, Coreg**, Coreg CR, Cartrol, **Levatol, Inderal LA**, InnoPran XL, Sectral, Tenormin, Kerlone, Zebeta, Normodyne and Trandate, Lopressor, Corgard, Inderal, Blocadren, Tenoretic, Ziac, Lopressor HCT, Corzide, Inderide, Timolide.

**(Bold indicates preferred brands.)**

**2) Sedative Hypnotic Medications:** These drugs are used for insomnia. A commonly used sleep medication, Ambien, is one of the top ten most expensive drugs in PEEHIP. The brand name Ambien now has an FDA-approved, chemically equivalent generic drug, **Zolpidem**, that became available in late April, 2007. The Step Therapy program will require members to try the first step drug, Zolpidem, before any second step sedative hypnotic medications will be approved.

## **Sedative Hypnotics Step Therapy - Insomnia**

**First-line Drugs:** Zolpidem (Generic for Ambien)

**Second-line Drugs (Brand Name Only):** Ambien, Ambien CR, Sonata, **Rozerem** <65 years of age\*, Lunesta.

**(Bold indicates preferred brands.)**

\*Rozerem will be covered for members age 65 or older. For those under the age of 65, the Step Therapy will apply. Rozerem does not have addictive effects nor does it impair memory or body movement functioning (i.e. motor functioning). This is of particular importance for elderly individuals with insomnia--especially those individuals who have memory impairment such as dementia or Alzheimer's disease or who have impaired muscle or motor functioning from arthritis or other conditions that cause difficulties in walking or body movement).

## **Sedative Hypnotic Quantity Level Limit (QLL)**

In addition to the Step Therapy program for the sedative hypnotic medications, the quantity level limit will change to a 15-day supply per 30 days for Ambien CR, Estazolam, Flurazepam, Lunesta, Quazepam, Rozerem, Sonata, Temazepam, Triazolam, and Zolpidem. Sedative hypnotic drugs are effective for short-term treatment of acute insomnia but are not recommended for long-term use.

The purpose of this change is to allow coverage of a sufficient quantity of tablets per month for intermittent use and to promote the safety and quality of life for members with chronic insomnia. Members who request more than 15 tablets per 30 days of any one sedative hypnotic or combination of sedative hypnotics may attempt a prior authorization for approved medical conditions.

## **Prior Authorization Requirements**

New prescriptions for the following medications will require prior authorizations from the physician before the medications will be covered by PEEHIP. This prior authorization process is necessary to prevent members from using the medications for non-FDA-approved indications. These drugs will only be covered for the

FDA-approved medical conditions and will not be approved for such off-label conditions as weight loss and to enhance athletic performance.

New prescriptions for the following medications will require a Prior Authorization: **Provigil, Topamax and Zonegran, Forteo, Erythropoietins (Aranesp, Epogen, Procrit).**

## **New Vaccination Coverage**

PEEHIP will provide 50% coverage for the **Zostavax** and the **Gardasil** vaccinations on October 1, 2007. The Zostavax vaccination is used to reduce and protect against the risk of Shingles and will be covered at 50% for members age 60 and older. The Gardasil vaccination is used to protect against four types of genital human papillomavirus types of which two types can cause cervical cancer. These vaccinations will require the member to pay a 50% co-insurance amount.

## **Tobacco Surcharge**

The monthly tobacco premium for a covered member or spouse will increase to \$22.00 per month on October 1, 2007. The PEEHIP Board also approved a tobacco surcharge policy that will raise the tobacco premium each year by the same percentage increase as the medical inflation rate.

## **Nurse Practitioner/Nurse Midwife Program**

The PEEHIP Board will allow coverage for Nurse Practitioners and Nurse Midwives if the provider is part of the new PEEHIP approved PPO network. The approved PPO network will consist of Nurse Practitioners and Nurse Midwives who are located in rural areas of the state and will allow members in small towns to have close access to medical services. Members will continue to pay a \$20 co-payment for an office visit when using these approved providers.

## **Worksite Wellness Program**

The PEEHIP Board renewed the Weight Watchers at Work Program and changed the criteria to allow more members to become eligible to participate in the program. Beginning October 1, 2007, members who have a body mass index of 25 or more will be eligible to participate in the program. The body mass index requirement was previously set at 30.

The member's cost is \$85.00 for a 15-week program with PEEHIP paying the remaining \$85.00. PEEHIP will pay its \$85.00 share provided the member attends at least 12 of the 15 sessions. Members may be required to pay a higher amount if they do not complete the entire Weight Watchers program.

## **HMO Changes**

The Viva Health Plan HMO will continue as an option for active employees and non-Medicare eligible retirees. The Viva HMO option will **not be** available to retired members who are Medicare eligible or to retired members who have Medicare eligible dependents. Medicare eligible retired members or dependents who are currently enrolled in the Viva HMO will need to enroll in the PEEHIP hospital medical plan during the open enrollment period for an October 1, 2007, effective date in order to have a Medicare supplemental plan. Members who will be affected by this change will be mailed a letter and enrollment application during the open enrollment period.

## Mandatory Generic Prescription Drugs Reminder

**A**ct 2002-266 requires pharmacies to fill prescriptions with the generic equivalent medication unless the prescribing physician indicates in his or her handwriting on the prescription “medically necessary,” “dispense as written,” or “do not substitute.” This law was passed in 2002 and became effective on June 1, 2002.

PEEHIP has learned that in some cases the pharmacy may be filling the prescription and then seeking physician authorization of medical necessity. This action is a violation of the statutory provision. You must insist on the generic equivalent medication. If the pharmacy does not wish to fill the prescription with the generic medication, take your prescription elsewhere and notify PEEHIP of the offending pharmacy.

Generics have all been approved by the FDA and are therapeutically equivalent to the brand name medication. The co-payment for generics is only \$5.00. Generic medications save PEEHIP from the escalating cost of prescription drugs. These savings keep your health insurance plan affordable.

## *June 5th - Vote “YES” on Amendments 1 and 2!*

Amendment 1 will provide funds to recruit more industry to Alabama. Amendment 2 establishes trust funds for education employees and state employees for retiree health care benefits. The following excerpts are from an April 16 article that describes how Alabama is one of the states taking the lead in addressing rising health care costs for retirees.

### Pre-funded Health Plans

#### **Doug Halonen, *Pensions and Investments***

Many states and local governments are taking steps to pre-fund health benefits for their retirees.

The move is being spurred by the Governmental Accounting Standards Board’s Statement 45 — a new requirement that state and local governments begin including in annual financial statements the actuarial valuations of their overall post-employment benefits for fiscal years beginning after Dec. 15, 2006. In the past, agencies only had to list what they actually paid out in benefits on a “pay-as-you-go” basis.

To prevent bond ratings from plummeting under the weight of the huge new liabilities, some states and local governments — including California, Maryland, South Carolina, Georgia, Nevada, **Alabama** and New York City — have launched or have proposed new investment trusts to pre-fund the obligations. Many other governments are considering following suit.

New York City created an OPEB trust last year, contributing \$1 billion to the effort with plans to add \$1.5 billion over the next two years.

Elsewhere:

◆ The **Alabama Legislature** in March approved a bill to create a pair of OPEB trusts to help pay health-care costs of retired teachers and state employees, according to Marcus H. Reynolds, Jr., deputy director of the Retirement Systems of Alabama, Montgomery, which oversees \$26 billion in state pension assets.

The state teachers trust has been funded with a \$200 million surplus from the teachers’ existing Public Education Employees’ Health Insurance Plan. Funding for the state employees trust has yet to be determined, according to Mr. Reynolds.

The OPEB trusts will be overseen by the same board members that currently oversee the teachers’ and state employees’ pension and health insurance funds, respectively, Mr. Reynolds said. “Everybody will just have a little bigger job,” he said.

Mr. Reynolds said the assets in the trust fund would be generally invested the same way state pension plan assets are, but without an allocation for real estate and other alternative investments. “It will be plain vanilla stocks and bonds,” Mr. Reynolds said.

◆ The \$235.5 billion California Public Employees’ Retirement System, Sacramento, on March 1 announced a plan to allow all public employers in the state that contract for employee health benefits with CalPERS to contribute to a trust fund that will be invested for OPEBs.

◆ In Nevada, pending legislation would earmark \$25 million to an OPEB trust, with investment responsibility given to

the \$19.5 billion Public Employees’ Retirement System of Nevada, Carson City.

◆ Maryland has already set aside \$200 million for an OPEB trust, according to Robin Sabatini, chief of staff of the Maryland Department of Budget and Management.

◆ As part of his proposed fiscal 2008 budget, South Carolina Gov. Mark Sanford proposed to set aside \$439 million for an OPEB trust to help pre-fund the state’s \$9 billion liability, but the state’s House of Representatives cut that to \$200 million, according to Joel Sawyer, Mr. Sanford’s press secretary. “It’s anybody’s guess what the Senate will do,” Mr. Sawyer said.

◆ Georgia Gov. Sonny Perdue in his fiscal 2008 budget proposed setting aside \$100 million for an OPEB trust, according to Bert Brantley, the governor’s press secretary. “The governor has said that the earlier we can start, the easier it’s going to be to ensure that those commitments are met down the line,” Mr. Brantley said.

◆ One state already pre-funding its OPEB obligations is Ohio, which has been doing so since 1974, according to Scott Streator, director of health for the \$77.6 billion Ohio Public Employees’ Retirement System, Columbus, which includes \$12.8 billion in the state’s health care trust. Under OPERS, public employers contribute 13.77% to 13.85% of their payroll into the state pension system each year; 5% of that contribution goes to the health care fund, Mr. Streator said.

## Student War Duty Extension

**O**n March 5, 2007, the PEEHIP Board of Control approved insurance coverage beyond age 25 for student dependents who have been called to active duty and had to interrupt their college education. If the student dependent is over age 25 when returning from active duty military service or turns age 25 while completing college after returning from active duty, the student has the length of time equal to the time that was served in active duty to remain on the PEEHIP insurance coverage.

To be eligible for this extension, the student dependent must have been a dependent on the PEEHIP insurance policy at the time he or she was called to active duty and must return to school within 30 days of returning home from active duty.

Documents Necessary When Requesting the Student Extension:

1. A copy of the DD 214 Form from the United States Armed Forces
2. A copy of the college/university student verification form showing full-time student status
3. A PEEHIP status change form requesting to add the student dependent to the PEEHIP insurance coverage. The PEEHIP status change form can be downloaded from our website at [www.rsa.state.al.us](http://www.rsa.state.al.us).

## Be Healthy

Blue Cross and Blue Shield of Alabama and PEEHIP want you to be as healthy as you can be. That is why the Be Healthy Web site was created. **BeHealthy.com** provides PEEHIP members with personalized information and tools to help take control of their health.

At **BeHealthy.com**, customizing the site to fit your needs is easy. Just complete the health assessment tool, HealthQuotient. The site will then be tailored to fit your personal health needs and provide you with informative health tools based on your assessment.

PEEHIP members can use the Be Healthy web site as their personal resource for health and wellness information. You will have access to health tools and trackers, the latest news and information about health topics, medications and more – all customized for you. And since this web site is powered by **WebMD**, a respected source of online medical information, you can rest assured that this is a resource you can depend on for the most up-to-date, comprehensive health information.

Taking advantage of all the Be Healthy web site has to offer is easy.

1. Go to [www.behealthy.com](http://www.behealthy.com).
2. Sign in using your CustomerAccess ID and password. *(If you are not currently a CustomerAccess user, you will need to register for this service. Click "Register Now for CustomerAccess.")*
3. Access an array of health resources customized for you.

### PUBLIC EDUCATION EMPLOYEES' HEALTH INSURANCE PLAN

135 South Union Street  
Post Office Box 302150  
Montgomery, AL 36130-2150

[www.rsa.state.al.us](http://www.rsa.state.al.us)

Phone: 334-832-4140

800-214-2158

Fax: 334-240-3230

E-mail: [peehipinfo@rsa.state.al.us](mailto:peehipinfo@rsa.state.al.us)



## Helpful Information for PEEHIP Prescription Drug Plan

### Patient Contact Center

Available 24 hours for members with questions about the PEEHIP Prescription Drug Plan.

**Phone:** 866-243-2125

### Prior Authorization

Pharmacists and Physicians may contact Express Scripts by phone at the toll-free PEEHIP-exclusive number, or by faxing in a completed Prior Authorization form. Call 800-347-5841 for a Prior Authorization form. Drugs that require Prior Authorization and Step Therapy can be found on the Preferred Drug List or by calling Express Scripts.

**Phone:** 800-347-5841 **Fax:** 800-357-9577

### Pharmacy Help Desk

Available 24 hours a day, 7 days a week to assist Pharmacists with PEEHIP questions

**Phone:** 800-235-4357

### CuraScript Specialty Pharmacy

After the first fill of a specialty medication, PEEHIP members will be contacted by CuraScript to enroll in the PEEHIP Specialty Drug Program which coordinates patient care and refills through the CuraScript Specialty Pharmacy.

**Phone:** 866-848-9870 **Fax:** 888-773-7386

### Websites

**Express Scripts** [www.express-scripts.com](http://www.express-scripts.com)

### **PEEHIP**

<http://www.rsa.state.al.us/PEEHIP/peehip.htm>