



PEEHIP's New Wellness Program Web Page

Illness costs money but good health is free, so take action to adopt a healthier lifestyle!

Check out the new "Wellness Program and Information" web page on the PEEHIP Web site at www.rsa-al.gov/PEEHIP/wellness.html. The main purpose of health promotion is to encourage individuals to take preventive measures to avert the onset or worsening of an illness or disease and to adopt healthier lifestyles. You will find links to a wide range of health promotion initiatives to encompass individual preferences and needs, from simple health promotion newsletters to employee health screening tools.

Mandatory Generic Prescription Drug Reminder

Alabama law 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" or "dispense as written" or "do not substitute." This law was passed in 2002 pursuant to Act 266 and became effective on June 1, 2002. **The copayment for generic medications is only \$5.** Generics are approved by the FDA and save PEEHIP from the escalating cost of prescription drugs. These cost savings help keep your health insurance plan affordable.

PEEHIP's current generic fill rate (GFR) is 69.0%! Historical performance has shown that PEEHIP's GFR went from 46.5% in 2004 to its current 69.0% as of the end of 2008! Over this course of time, the **total savings to our members has been \$26.5 million and to PEEHIP \$90.5 million.**

Disease Management

As the claims administrator for the PEEHIP hospital medical component of your health care plan, Blue Cross and Blue Shield of Alabama (BCBS) offers PEEHIP members state-of-the-art programs to help better manage and improve your quality of life. One such program is the Disease Management Program that improves outcomes and elevates quality of care. It focuses on chronic conditions that are sometimes debilitating, but can be managed through early intervention and awareness of appropriate treatment and lifestyle changes.

The Disease Management program focuses on five common chronic diseases:

- ◆ Asthma (Adult and Pediatric)
- ◆ Chronic Obstructive Pulmonary Disease or COPD
- ◆ Congestive Heart Failure
- ◆ Coronary Artery Disease
- ◆ Diabetes (Types I and II)

You, or a covered dependent, may be identified by BCBS as a potential participant for this program if diagnosed with any of these conditions. Identified members will receive a letter through the mail from BCBS explaining the program along with a form to complete if you would like to participate. A registered nurse will provide a health assessment for all participants and develop a patient profile. All participants have access to the toll-free nurse line 24 hours a day, 7 days a week. Participants are encouraged to focus on a healthier lifestyle and to take measures to manage their condition more effectively. There is no cost and participation is completely voluntary and confidential. To learn more about this program, go to www.bcbsal.org/peehip1/ and log in to **myBlueCross**, then click "Health & Wellness."

Authorized Generics, Branded Generics, and True Generics

What is the difference and why does it matter?

There are two scenarios where a medication labeled with a generic name may not be considered a generic product for purposes of the **\$5 copayment** under the PEEHIP Prescription Drug Plan. These medications are called **Authorized Generics or Branded Generics**.

Authorized Generics

When a drug is developed by a company and approved by the FDA, it is given a brand name and a generic name. The brand company is given patent protection, which prevents other companies from selling generic equivalents of the brand drug until the patent expires. Because the brand company already has FDA approval, it can re-label its brand drug and market and sell it under its authorized generic product name during the period before the patent expires. Thus, an authorized generic is merely a brand product marketed and sold under its generic name with no other generic competition from multiple generic manufacturers. Authorized generics are usually designated as **non-formulary brand drugs** (non-preferred drugs) or **formulary brand drugs** by PEEHIP and carry a **\$50 or \$30 copayment, respectively**. These designations are the result of an algorithm developed by PEEHIP's prescription drug claims administrator, Express Scripts, Inc., which uses such factors as the **drug's price, its patent protection, and the availability of other less expensive therapeutic alternative drugs**. Some authorized generics are thirteen times more costly than a true generic. An authorized generic costs you more in terms of a higher copayment and costs PEEHIP more than a true generic.

Branded Generics

Although branded generics are marketed and sold after the patent expires on the brand product, these FDA-approved drugs have little or no other generic competition. A branded generic on the market can discourage multiple potential generic manufacturers, causing fewer or no companies to compete. Without the competition of other generic companies to drive the price down, branded generic drug prices usually do not achieve the affordability that is associated with a true generic drug. Like authorized generics, branded generics are usually designated as **non-formulary brand drugs** (non-preferred drugs) or **formulary brand drugs** by PEEHIP as a result of factors such as the **drug's price and the availability of other less expensive therapeutic alternative drugs** in determining these designations. Branded generics cost you more in terms of a **higher copayment of \$50 or \$30, respectively**, and cost PEEHIP more than a true generic.

True Generics

A **true generic** is a medication sold under a generic name **after** the brand company's patent expires and is available to consumers at a lower cost than the brand drug due to several reasons. The patent expiration removes the patent holder's monopoly on the drug sales allowing other companies to sell generic versions which helps drive the price down. Also, it costs less to bring the drug to market since drug makers do not develop a generic drug from scratch. These factors contribute to the cost of true generic drugs being less expensive. True generics are FDA-approved and are safe and effective. The FDA requires generic drugs to have the same quality, strength, purity and stability as brand-name drugs and must perform chemically identical to the brand-name version. **True generics** not only help reduce costs to PEEHIP, but also reduce costs to you in terms of the **lowest copayment of \$5**. The use of true generics helps keep the cost down for everyone and adds value to your health care dollar!

The table below summarizes the points given above to help distinguish between a true generic, authorized generic, and a branded generic.

Critical Factors	True Generic	Authorized Generic	Branded Generic
Patent Expired	Yes	No	Yes
Generic Competition (<i>multiple companies</i>)	Yes	No	No/Yes*
Competitive Generic Pricing	Yes	No/Yes*	No

**Varies case by case*



Why can't I get a 90-day supply of my maintenance medication?

The PEEHIP maintenance drug benefit is only applicable to a set list of maintenance medications already established by PEEHIP. Due to the high cost of claims and coverage, the PEEHIP maintenance drug benefit is not being expanded at this time. **No new drugs can be added to the**

PEEHIP maintenance drug list. If your medication is not on this list, you can only get a 30-day supply with each fill.

We understand there are medications that you cannot get a 90-day supply even though the medication was prescribed by your doctor to be taken on a continuous basis to manage a chronic or long-term condition. Examples of such medications include **Janumet** and **Januvia**. These medications do not qualify for the PEEHIP maintenance drug benefit because they are not on the already established maintenance benefit list. However, PEEHIP will continue to provide coverage for a 30-day supply of **Janumet** and **Januvia** at the applicable monthly copayments.

To find out if the PEEHIP maintenance drug benefit is applicable to your medication, please check the PEEHIP Maintenance List which can be viewed and/or downloaded from the PEEHIP Pharmacy Benefits Web page at www.rsa-al.gov/PEEHIP/pharm-benefits.html. If your medication is on this list, you can get a 90-day supply with each refill after the first fill which is limited to a 30-day supply, and as long as no more than 130 days lapse between fills and the prescription is written as a 90-day prescription.

Medicare Part B – Coverage of Certain Drugs and Supplies

Medicare Part B is a Medicare benefit that helps cover doctors' services, outpatient care, and **some prescription drugs and supplies** when they are medically necessary. Medicare Part B also covers some other medical services that Medicare Part A does not cover such as some of the services of physical and occupational therapists, and some home health care. A person may receive a Medicare Part B benefit by paying his or her monthly Medicare Part B premium and annual deductible.

The **drugs and supplies** covered under Medicare Part B can include but are not limited to those within the following categories: **Diabetes Supplies** (such as blood glucose test strips, lancets and blood glucose monitors); **Oral Anti-Cancer medications; Respiratory medications; and Immunosuppressants.** **These Medicare Part B medications and supplies are not covered under the PEEHIP prescription drug benefit for Medicare eligible members.** On May 1, 2009, PEEHIP will be updating the prescription drug plan to ensure that all Medicare Part B covered medications are excluded from coverage under the PEEHIP prescription drug benefit but will be covered under Medicare Part B. All members who have received one or more of the Medicare Part B covered medications during the period of October 1, 2008, through March 25, 2009, were mailed a letter prior to May 1, 2009, notifying them of this update.

Medicare Part B drugs and supplies should be filed with Medicare Part B. When using a participating Medicare retail pharmacy, it is important to present your Medicare card to the retail pharmacist and tell the pharmacist that the claim should be processed under Medicare. You may be asked to sign an assignment of benefits (AOB) form to give the pharmacy permission to submit your claims to Medicare. Once a member has reached his or her Medicare Part B annual deductible of \$135, the medications covered under Medicare Part B are covered at 80%. PEEHIP will reimburse the member for the 20% coinsurance amount when the member files the appropriate claims for reimbursement with Blue Cross Blue Shield of Alabama under the major medical benefit of his or her PEEHIP plan. PEEHIP does not pay for any of the Medicare Part B deductible.

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