



Medicare GenerationRx Update

In 2013, Medicare-eligible retirees and their Medicare-eligible dependents were enrolled in PEEHIP's Medicare GenerationRx prescription drug program. Soon, these members will receive documents required by the Centers for Medicare and Medicaid Services (CMS). **There is no action to take to stay enrolled for 2014. If you plan on staying enrolled, please continue to use your current Medicare GenerationRx ID card. A new ID card will NOT be sent for the 2014 plan year.** If you have questions, please call the Medicare GenerationRx Member Services toll-free number at 877.633.7943, 24 hours per day, 365 days per year. (TTY only, call 711).

What information will I receive from Medicare GenerationRx? You will receive five or six documents from Medicare GenerationRx. Please see the documents listed below along with a short summary of each.

- ◆ **Annual Notice of Changes for 2014** – A summary of changes to your benefits and costs, which will take effect on January 1, 2014.
- ◆ **Evidence of Coverage** – The legal, detailed description

of your benefits and costs for 2014 if you are enrolled as a member of Medicare GenerationRx. It also explains the rights and rules you need to follow when using your coverage for prescription drugs.

- ◆ **List of Covered Drugs** – This is a copy of the Medicare GenerationRx Formulary. The List of Covered Drugs tells you what drugs are covered by the plan. It also lets you know if there are any rules that restrict coverage for a drug.
- ◆ **HIPAA Privacy Practices** – The HIPAA Privacy Practices document explains your right to be informed of the privacy practices of our health plan, as well as the right to be informed of your privacy rights with respect to your personal health information.
- ◆ **Fraud, Waste and Abuse** – Information on Fraud, Waste and Abuse and how you can report any incidences.
- ◆ **LIS Rider** – **This document will only be sent to those beneficiaries that receive assistance under Medicare's Extra Help Program.** It summarizes the Extra Help benefits you can expect to receive for 2014. ■

Health FSA Use-It-or-Lose It Rule Modified

PEEHIP's Flex Board Adopts the \$500 Carryover Provision

The Department of Treasury recently issued changes to health Flexible Spending Accounts (FSAs) that affect the current "use-it-or-lose-it" rule and your PEEHIP Health FSA. As an alternative to the current health FSA grace period provision, a new carryover provision has been established that allows up to \$500 of unused funds remaining in a health FSA at the end of a plan year to be carried over and used in the following plan year for covered health FSA eligible expenses.

The Public Education Flex Employees' Benefits Board met on December 2, 2013, and voted to adopt the new carryover provision. This means that beginning with the October

1, 2013, plan year, you can roll over up to \$500 of unused funds remaining in your health FSA at the end of the plan year September 30, 2014, and carry over the funds for covered health FSA eligible expenses in the next plan year. The carryover limit will apply to all plan participants.

Because the carryover provision is an **alternative** to the grace-period provision, PEEHIP will cancel the grace-period provision at the same time the new carryover provision is effective. Even though the grace-period provision will be canceled, the "use-it-or-lose it" rule still applies to the carryover provision. **Therefore, any unused amounts in excess of \$500 remaining in your health FSA at the end of the**

plan year will be lost. However, the run-out period for the plan year is still permitted, allowing plan participants 105 days at the end of the plan year to file claims for reimbursement.

Please note the new carryover provision does not affect the maximum contribution amount you can make to your health FSA. For plan year 2014, the maximum contribution amount is \$2,500.

If you have any questions about your PEEHIP Health FSA, please call BCBS at 800.213.7930. ■

See PEEHIP Benefit and Policy Changes on Page 2.

Changes in PEEHIP Benefits and Policies

The PEEHIP Board of Control met on December 2, 2013, and approved the following benefit changes:

1. Certified Registered Nurse Anesthesiologists (CRNA) & Anesthesiologist Assistants (AA)

Beginning January 1, 2014, the PEEHIP Hospital Medical plan will cover in-network CRNAs and AAs to the extent these providers are acting under appropriate supervision and within their state license.

2. PEEHIP Supplemental Hospital Medical Plan

An annual maximum amount paid from the **PEEHIP Supplemental Hospital Medical Plan** will be limited to \$6,250 for individual and \$12,500 for family coverage. Members who enroll in a Marketplace (Exchange) plan for their primary coverage cannot enroll in PEEHIP's Supplemental Plan. Members enrolled in high deductible plans with deductibles greater than \$1,250 for individual or \$2,500 for family are also not eligible for the PEEHIP Supplemental Plan. These benefit changes are effective January 1, 2014.

3. PEEHIP Pharmacy Network Update

Walgreens Retail Pharmacy (Walgreens) continues to be a higher-cost provider of generic medications than other pharmacies participating in the PEEHIP pharmacy network. The rates on generic medications charged by Walgreens are not competitive with its pharmacy peers. On two previous occasions, PEEHIP raised the generic drug copayments for prescriptions filled at Walgreens in an attempt to neutralize the financial impact to PEEHIP:

- ◆ On August 1, 2011, the Walgreens generic copayment was increased to \$7.00 and \$14.00 for a 30-day and 90-day supply, respectively.
- ◆ On October 1, 2013, the copay for generic drugs filled at Walgreens was further increased to \$10 and \$20 for a 30-day and 90-day supply, respectively.

Another copay increase would be too steep and unaffordable for our members. PEEHIP is already operating on a very strained budget. For the plan to absorb additional costs would cause more premium and copayment increases to all our members. These added costs result in profits to Walgreens at the expense of PEEHIP and our members.

In line with PEEHIP's commitment to the efficient management of its Pharmacy benefit, the PEEHIP Board of Control on December 2, 2013, unanimously approved a resolution authorizing PEEHIP's pharmacy benefits manager (MedImpact) to negotiate a contract with Walgreens at acceptable rates to continue Walgreens' participation in the PEEHIP retail pharmacy network.

After lengthy negotiations, price concessions have been made and will be implemented effective January 2, 2014, to allow Walgreens to remain in the PEEHIP retail pharmacy network.

4. Compounded Medications Containing Bulk Chemical Powders

At the December 2, 2013, PEEHIP Board meeting, formulary changes for select ingredients found in compounded medications were approved and will become effective **January 1, 2014**. A compounded medication is prepared by the pharmacy and is comprised of more than one ingredient. The formulary changes described below will apply to PEEHIP's commercial benefit for non-Medicare eligible members as well as the EGWP Wrap benefit for Medicare eligible members.



ALL Kids Three-Month Waiting Period Eliminated

ALL Kids will be implementing a policy change effective January 1, 2014, that could potentially impact current PEEHIP covered dependent children who might otherwise be eligible for ALL Kids. Specifically, the three-month waiting period before a child can be enrolled in ALL Kids if other health insurance under an employer sponsored group health insurance plan is voluntarily terminated will be eliminated. Requirements under the Affordable Care Act have led to this policy change. A child will continue to be ineligible for ALL Kids if they are currently covered by other health insurance, but the three-month waiting period will be eliminated effective January 1, 2014.

Changes continued from page 2

Prior Authorization

The bulk chemical powder ingredients below found in compounded medications will be added to the Prior Authorization Drug Program. **A letter will be mailed prior to January 1, 2014, to all members currently utilizing these drugs and the members' prescribing physicians.** Your doctor's office may call the Prior Authorization toll-free phone and fax numbers 800.347.5841 and 877.606.0728, respectively, to request a Prior Authorization review.

| | |
|-----------------|--------------|
| alprostadil | gabapentin |
| baclofen | ketamine |
| colistimethate | ketoprofen |
| cyclobenzaprine | progesterone |
| diclofenac | sumatriptan |
| flurbiprofen | testosterone |
| fluticasone | tobramycin |

Coverage Exclusions

The bulk chemical powder ingredients below found in compounded medications will be excluded from coverage because they are primarily used to treat conditions excluded from the PEEHIP benefit.

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|------------------------|
| alpha lipoic acid |
| betamethasone |
| betamethasone acetate |
| betamethasone sod phos |
| betamethasone valerate |

| |
|--------------------------|
| coenzyme Q-10 |
| collagenase |
| D-Ribose |
| hyaluronic acid sod salt |
| hydroquinone |
| methylcobalamin |
| methyltetrahydrofolate |
| minoxidil |
| tamoxifen citrate |
| tranilast |
| trentinoin acid |

5. Other Prescription Drug Changes

The PEEHIP Board approved changes to the PEEHIP Formulary Drug List, and the Step Therapy, Prior Authorization, and Quantity Level Limit Programs, for an April 1, 2014, effective date. These changes will be explained in the February 2014 *PEEHIP Advisor*. ■

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Public Education Employees' Health Insurance Plan

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Fax: 877.517.0021, 334.517.7001



Scale Back Alabama School Program

The 2014 competition is starting soon!

Now in its eighth year, Scale Back Alabama is a statewide, weight-loss contest that encourages Alabama to get healthy and have fun while doing it. The 2013 campaign drew nearly 30,000 people in almost every county. The total statewide weight loss since the beginning of the contest is more than one million pounds! The Scale Back Alabama school program also had impressive numbers with 91 schools and over 2000 school personnel participating last year.

The campaign is geared toward adults and is primarily operated with the help of local employers (companies with 10 employees or more), schools, hospitals and health departments. Each organization appoints one person to serve as the coordinator for the contest, and individuals compete on teams of four to win the chance at cash prizes. There is no charge for participating in the program. The program kicks off on January 16, 2014, and teams weigh in during the week of January 18-24, 2014.

The Scale Back Alabama School program is an additional component of Scale Back Alabama that gives school personnel the opportunity to be healthy role models for their students and for the school to be entered into a drawing to possibly win nutrition and physical activity oriented prizes.

Becoming a Scale Back Alabama School is easy.

- ◆ Go to www.scalebackalabama.com for instructions on signing up for Scale Back Alabama. Your school will need a coordinator to get started.
- ◆ All schools (K-12) participating in Scale Back Alabama will automatically be enrolled in the Scale Back Alabama School program. Students are not allowed to participate and weight loss for students is not being encouraged.
- ◆ Scale Back Alabama Schools receive special recognition and are entered into a school drawing for prizes that promote good nutrition and physical activity habits for the students. These prizes are in addition to the team and individual drawings for cash prizes.

It's a win-win for the schools. School personnel work to achieve a healthier lifestyle while their students cheer them on and learn the importance of healthy habits.

Scale Back Alabama is a joint project of the Alabama Department of Public Health and the Alabama Hospital Association with generous underwriting from Blue Cross Blue Shield of Alabama.

For more information, contact Molly Killman at 334.206.5646 or Molly.killman@adph.state.al.us. ■

Important Scale Back Alabama 2014 Dates

January 16

Statewide Contest Kickoff

January 18 - 24

Team Registration/Weigh-in Week

March 8 - 18

Voting for Team Name Contest

March 19

Announcement of Team Name Contest Winner

April 5 - 11

Participant weigh-out week

April 25

Ending date and announcement of winners & prizes