

# Prescription Drugs: Balancing Coverage and Cost



Our prescription benefits balance quality and cost control by focusing on the effectiveness of a drug, not brand names or bottom lines.

## Four Tiers of Prescription Drug Coverage

Covered prescriptions are divided into tiers. Our tiered formulary encourages members to use cost-effective prescriptions that still provide the treatments they need:

- **Tier 1** Low-cost generic drugs
- **Tier 2** Higher cost generic and preferred brand name drugs
- **Tier 3** Non-preferred brand name drugs
- **Tier 4** Specialty drugs

## Four Levels of Copayments

Copayment amounts are determined by a covered drug's tier. Higher tiers have higher copayments.

### Generic Drugs

*Our prescription program actively promotes the use of generic drugs, which have the same active ingredients as their brand-name equivalents. All generic drugs have been approved by the U.S. Food and Drug Administration.*

### Prescription Drug Costs

*Prescription drugs remain one of the largest cost drivers of health insurance. The growth of drug costs is expected to exceed the growth of costs for both hospital care and other professional services through 2019\*. Our pharmacy program optimizes your pharmacy spending while ensuring high-quality pharmacy access for your employees.*

### Preventive Prescriptions

*Prescribed over-the-counter aspirin, folic acid, iron supplements, and smoking cessation medications purchased at a retail pharmacy are covered at 100% according to federal guidelines.*

### Appropriate Utilization, Lower Costs

Our programs encourage appropriate utilization, which reduces costs for both employers and members. These programs are available as medically appropriate.

What it is	What it does
<b>Over-the-Counter (OTC)</b> Certain drugs that have an OTC equivalent are excluded.	<i>Encourages members to take cost-effective, but clinically proven alternatives.</i>
<b>Prior Authorization</b> Providers must request approval for designated drugs.	<i>Ensures that members receive the appropriate medication.</i>
<b>Dose Optimization</b> Members can get double strength tablets and take one a day (instead of two).	<i>Added convenience for members.</i>
<b>Half-Tab</b> Members receive double strength tablets and use a provided pill splitter to cut the pill in half.	<i>Reduces out-of-pocket expenses for members and overall drug costs for companies.</i>

\*Truffer et al. "Health Spending Projections Through 2019: The Recession's Impact Continues" Health Affairs, February 2010.

## Specialty Drug Program

Specialty drugs treat chronic or long-term conditions such as cancer, HIV/AIDS, hepatitis C, multiple sclerosis, and others. These drugs usually have no lower-cost alternatives. Our program ensures that members receive the right specialty drug and that they follow their prescription regimen.

### Specialty Management

*We work directly with members who are taking specialty drugs with side effects that discourage use. In doing so, we empower them to continue taking their prescription, which helps ensure better outcomes.*



## National Access to Prescriptions

Prescriptions covered in the first three tiers can be filled at any in-network pharmacy, including:

- At over 56,000 pharmacies across the United States
- Through CVS Caremark's mail order service, which can provide up to a 90-day supply of most drugs

Specialty drugs must be purchased at one of two participating specialty pharmacies.

- Caremark Specialty Pharmacy Services
- Village Fertility Pharmacy

***To learn more about our pharmacy program, visit [BCBSRI.com](http://BCBSRI.com) or talk to your BCBSRI account representative or broker today!***



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11/11 IER-10912