



## STATE HEALTH BENEFIT PLAN (SHBP) MEDICARE ADVANTAGE (MA) PHARMACY UPDATE

Beginning January 1, 2010, retirees who have Medicare will need to enroll in one of the Medicare Advantage MA options offered by SHBP in order to continue receiving the state contribution to their health care coverage. The numerous questions we have received regarding the pharmacy benefits indicate a lot of confusion in the community, so we have compiled these Frequently Asked Questions (FAQ's) for you.

**Q: Why did SHBP decide to offer a mail order option to retirees?**

**A:** The Centers for Medicare and Medicaid Services (CMS) requires that all MA plans with pharmacy coverage include any pharmacy willing to participate in that plan. This includes mail order pharmacies. The standard MA plans that both CIGNA and UHC have filed with CMS include an option for you to save an additional co-payment if you utilize mail order. The MA plan offered by SHBP in 2009 already have this mail-order option, and there is no change to the mail order option in 2010. The mail order option means that you can either:

1. Pay 3 co-pays for a 90-day supply at your retail pharmacy, **OR**
2. Reduce your out of pocket costs and pay only 2 co-pays for a 90 day supply if you choose to get your prescriptions through the mail.

**Q: I heard I would be required to buy my prescriptions through the mail. Is this true?**

**A: This is not true.** The mail-order option provides an *additional choice*. If you are more comfortable getting your prescriptions from your local pharmacist; certainly you may continue to do so. The mail order option is an added benefit for your convenience that may reduce your out of pocket costs for prescription drugs. Please refer to your 2010 Decision Guide, for a full list of value added benefits in the SHBP MA plans such as no deductible or doughnut hole for prescriptions and allowances for hearing aids and eyeglasses.

NOTE: some retail pharmacies with UnitedHealthcare may be able to charge a lower co-pay under the Terms and Conditions of their contract.

**Q: If the mail order co-pay incentive were removed, how would this impact me?**

**A:** Removing the co-pay incentive may cost you more money because it adds another co-pay. How much depends on which type of drugs you take:

- For Tier-1 drugs (\$10 per month) it would cost you approximately \$40 more per script per year
- For Tier-2 drugs (\$25 per month) it would cost you approximately \$100 more per script per year
- For Tier-3 drugs(\$50 per month) it would cost you approximately \$200 more per script per year

Over the course of a year, depending on your mix of drugs, the removal of the co-pay incentive could cost you between \$40-\$200 per script per year for any drugs you have been able or willing to get through the mail. This is because without the co-pay incentive you would have to pay 3 co-pays for mail order for a 90 day prescription instead of 2 co-pays.

**Q: Will drugs covered under my Medicare Part D plan be covered under the new MA plans?**

**A:** The MA plans offered by SHBP are customized for our retirees and include many added benefits. No one else but SHBP retirees will have this plan. All drug classes covered under a Medicare Part D plan and SHBP's plans are covered under the customized SHBP Medicare Advantage Plans.

**Q: How common is it for employers to offer a mail order option?**

**A:** Having a co-pay incentive to use mail order is considered an industry best practice because it saves money for the employees, retirees, and the employer. These savings help keep your premiums down. Lower costs also help the citizens of Georgia who pay for approximately 75 percent of our benefit costs through their taxes.

**Q: Will my quality of care be hurt if I use mail order?**

**A:** CIGNA and UHC both have rigid quality controls on the delivery of medication as well as safety edits including drug interactions through data analysis and monitoring. Most industry experts and peer-reviewed publications report better quality, medication compliance and cost control with mail-order programs.