SECTION 9 PHARMACY

Prescription Drug Benefit Administration

The administration of pharmacy benefits at Health Alliance is carried out in conjunction with OptumRx®, a pharmacy benefit management (PBM) company. This collaborative effort is overseen and managed by the Pharmacy Department at Health Alliance.

Activities of this department include:

- Pharmacy network development and maintenance
- Third-party claims processor relations, contract development and management
- Manufacturer discount contracting
- Pharmacy and Therapeutics (P&T) Committee support
- Drug formulary coordination and management
- Review and make coverage determination of drug requests
- Assistance in improving quality measures related to medications
- Embedded pharmacy resources within Population Health
- Pharmacy utilization reporting and physician support
- Medical Directors Committee and administrative support
- Collaborative Department Support

Drug Formulary

Our drug formularies at Health Alliance are designed to help manage the rising costs of prescription medications. They provide physicians with a reference to cost-effective medical treatment and are created with the guidance of physicians and pharmacists from most specialties. The P&T Committee meets six times annually to evaluate patients' needs, efficacy, and cost-effectiveness to determine the formulary choices. Evaluations will be based on information from peer reviewed medical reference, primary literature and standard of practice guidelines. Decisions from the P&T meeting are communicated to all physicians in our electronic newsletter, Informed.

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Health Alliance has restricted formularies. This means that some products will not be available without completing a request for medical necessity. A request for medical necessity requires a provider to document why a medication is needed over all other formulary options.

The use of generic and over-the-counter products is highly recommended when applicable. Low-cost therapies will have few or no prior authorization requirements, while high-cost medications may have several.

These tools ensure that our members can afford the medications they receive and that we can offer affordable, high-quality pharmacy care to your patients.

To view the Health Alliance drug formularies online, go to HealthAlliance.org/Pharmacy.

Pharmacy Copayments

A member will pay applicable cost share unless one of the following conditions applies:

1. In most cases, a prescription written for a product with an OTC equivalent will not be covered. The pharmacy will direct the member to the OTC product. There are some exceptions to this policy.
2. For most plans, the member's pharmacy benefit design charges a Dispense as Written (DAW) difference fee when a brand name drug is chosen over a more cost-effective generic for a majority of the therapeutic classes. Criteria for coverage to override the Mandatory Generic Drug Policy requires documented allergic reaction to the generic drug. Normal side effects or lack of efficacy for the medication in question are not considered allergic reactions. Generic substitution requirements may vary slightly for self-funded plans.

Unless otherwise noted, all dosage forms of the listed drug products are covered. Please review those classes that you frequently use to determine which product formulations offer the best treatment choices. Some products listed also have other limitations to their use.

Members can request to have a non-preferred brand drug covered at the preferred brand copayment if certain criteria are met, such as documentation of trial and failure of every formulary agent in the same therapeutic class or documentation of allergic reactions or contraindications to every formulary agent in the same therapeutic class. Agents that are the only drug entity in a therapeutic class as well as specialty medications are not eligible for reduction in copayment. In most cases, members will have a higher copay with a tier-lowering reduction compared to formulary alternative on a lower tier. We ask providers to consider all therapeutic options prior to a tier-lowering request.

Excluded or Non-Reimbursable Products

Member certificates of coverage state that drug products are covered only for indicated use. Approved indications include the labeled instructions (FDA approved) and other indications that are medically accepted as standard for practice in the medical community as determined by physicians on the P&T Committee.

For questions on products excluded from coverage, please see the Health Alliance policy Excluded Drug List at Provider.HealthAlliance.org.

Proper Indication

The medication must have an indication that would benefit patients in an ambulatory/outpatient setting.

Efficacy

The medication must be clearly proven effective in the outpatient population. It must also offer a distinct advantage over existing products in the same therapeutic category. These advantages must include, but are not limited to:

- Distinct or unique therapeutic feature
- Greater efficacy compared to other products in the same therapeutic category that can be clearly shown in clinical trials
- Improved dosing schedule, decrease in adverse effects or fewer contraindications which clearly show superiority over existing products
- Cost savings over products in the same therapeutic category.

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Mail Order

Health Alliance offers mail order service through OptumRx® Home Delivery formost members on covered maintenance medications. For your patient to take advantage of mail order services for maintenance drugs, please write a prescription for the maximum day supply for all maintenance medications.

90 Day Supply Options

Reduce the number of times your patients have to visit the pharmacy with our two convenient options. They can choose our mail-order benefit and receive a 90-day supply of their medications right at their doorstep, with a reduced copay. Alternatively, if they prefer to pick up their medications in person, they can visit any pharmacy within our network and get a 90-day supply for just three copays.

High Cost Medical Drug Policy

Health Alliance maintains a list of high-cost medical drugs on the Pharmacy page of the website. https://www.healthalliance.org/documents/745 You can obtain specialty medications from either of the following two Specialty Pharmacies:

Carle

Fax: (217) 355-6789

Phone: (217) 383-8700

OptumRx®

Enrollment Form: https://healthalliance.org/pharmacy/optum

Provider Phone: (855) 427-4682

Fax: (877) 342-4596