Pharmacy Benefits

Prescription Drug Benefit Administration
Health Alliance administers pharmacy benefits in conjunction with OptumRx, a pharmacy benefit management company. This function is coordinated 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
- Monitoring/auditing
- Pharmacy & Therapeutics Committee support
- Medicare Part D Formularies coordination and management
- Review and make coverage determinations for 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
- Pharmacy Medicare STARS Ratings Evaluation and Enhancement
- Collaborative Department Support Risk Adjustment Department
    - Utilization Management Department
    - Care Coordination
    - Quality Department
    - Claims Department
    - Customer Solutions

Prescription Plan Options
Health Alliance offers several Medicare plans that include prescription drug coverage.

Beneficiaries with low incomes, who live in long-term care facilities or who have access to Indian/Tribal/Urban (Indian Health Service) facilities may have different out-of-pocket drug costs. Contact Health Alliance for details.

Medicare Part D Formularies
The Health Alliance Part D Formularies were created to assist in the management of ever-increasing costs of prescription medications. The use of formularies to provide physicians with a reference for cost-effective medical treatment has been used successfully in health insurance organizations throughout the country.

The Medicare Part D Formularies were created under the guidance of physicians and pharmacists representing most specialties. The Pharmacy and Therapeutics Committee (P&T) evaluates the need of patients, use of products and cost-effectiveness as factors to determine the formulary choices. In all cases, available bioequivalence data supply and therapeutic activity are considered.

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The P&T Committee meets on a regular basis to evaluate the changing needs of physicians and patients. We urge you to provide recommendations for improvement of the Medicare Part D Formulary and its contents. It is our belief that the Medicare Part D Formulary can enhance your ability to provide quality, cost-effective care to your Health Alliance patients.

The use of products on the Medicare Part D Formularies is encouraged as a method to provide quality care at a lower cost. If a pharmacist receives a prescription for a Tier 4 drug, the prescription will be assessed at the highest copayment* tier, e.g., 50%.

The use of generic and lower cost alternatives is highly recommended when applicable. Over-the-counter (OTC) products may sometimes be recommended; however, they are not covered under the part D benefit.

To reach the Health Alliance Pharmacy Department, please call (800) 851-3379, option 4. To view our formulary online, visit HealthAllianceMedicare.org/Pharmacy.

**Beneficiaries who qualify for extra help with their prescription costs through State or Federal programs may have different copayment amounts.*

Changes to the Medicare Part D Formularies
There are currently several thousand medications, combinations of medications and dosage forms available in the United States. Inclusion of all of the products would compromise the ability of the formulary to control cost and optimize patient care.

The P&T Committee can add/change a product with a majority vote. A product may be tabled for the next meeting if more information is needed.

The additions/changes of drugs to the formulary will be based on a comparative efficacy, pharmacoeconomic data and drug-specific parameters such as side effect profiles, pharmacokinetics and contraindications. Evaluations will be based on information from peer-reviewed medical references, primary literature and standard of practice guidelines. Cost will be considered a major factor in making additions/changes to the formulary when little or no difference exists in comparative and drug specific parameters. Specific considerations are listed below:

Proper Indication
The medication must have an indication that would benefit patients in an ambulatory/outpatient setting. The formulary is separated into five tiers: Tier 1, Tier 2, Tier 3, Tier 4 and Tier 5. Tier 1 drugs require the lowest copayment because they are the most cost-effective. Unless excluded by Medicare or not on the Health Alliance Formulary, specialty medications are listed on the formulary as Tier 5.

Efficacy

The medication must be clearly proven as 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 against 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

Information

Decisions from the P&T meeting will be communicated to all physicians in our electronic newsletter *Informed*. You can view our Medicare Part D Formularies at HealthAllianceMedicare.org/Pharmacy.

General Exclusions of the Medicare Part D Formularies

The following are not covered:

A. Over-the-counter (OTC) medications or their equivalents

B. Drug products not listed in the Medicare Part D Formulary or specifically listed as not covered

B. Any drug products used for cosmetic purposes

C. Experimental drug products or any drug product used in an experimental manner

E. Foreign drugs or drugs not approved by the United States FDA

F. Anorexics or drugs for weight loss or gain

G. Fertility agents

H. Agents for hair growth

I. Agents for symptomatic relief from cough and colds

J. Prescription vitamins and minerals (except prenatal vitamins and fluoride preparations)

K. Outpatient drugs for which the manufacturer seeks to require that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee as a condition of sale

L. Medical supplies and items not considered drugs

M. Erectile dysfunction drugs

Voluntary Pharmacy Programs

You can help your patients save money on prescription drugs by encouraging participation in our voluntary pharmacy programs. If you have any questions, or want to verify a beneficiary's eligibility for any of the following programs, please contact the Health Alliance Pharmacy Department at (800) 851-3379, option 4.

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Health Alliance voluntary pharmacy programs offer convenience and savings. **Please note: Not all Health Alliance plans include the following programs. Please contact Health Alliance Member Services to verify eligibility.**

Mail-Order Convenience

Most members with a pharmacy benefit can receive home delivery of prescription drugs with the Health Alliance mail-order program. Members can use specific mail-order pharmacies to offer additional cost savings. Please contact the Pharmacy Department at (800) 851-3379, option 4, for more information on participating mail-order options. For your patients to take full advantage of mail-order services, please write a prescription for the maximum day supply of medication.

Online Prescription Assistance

Members can view their actual pharmacy claims and copayment information specific to their plans on our website. They can also compare cost and drug information for similar medications.

Members can sign-up for a Pharmacy member account through Hally® health on the plan website and then log in to connect to their drug benefits.

From there, members can:

- See the cost of filling a prescription.
- Review drug information, such as side effects and interactions.
- Get an estimation of when they will go into the Gap phase.
- View lower tiered alternatives when applicable.
- Identify drugs that require utilization management, such as prior authorization, step therapy and quantity limits.