

Blue Shield Report

A Newsletter for
Professional Providers and
their Staff Members

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Questions:

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Prescription Drugs Move to Three-Tier Copay Benefit

Costs for prescription drugs continue to rise at double-digit rates. Blue Cross and Blue Shield of Kansas is working to find ways to keep drug coverage affordable for members, including educating members on the safety of using generic medications. Effective January 1, 2003, a number of Blue Cross Blue Shield of Kansas members will begin using a three-tier copay benefit. This plan design was added as a way to help manage costs while allowing a choice for members and physicians to select the most appropriate medications for each individual. Members will be responsible for the lowest level of copay when utilizing generics, a higher copay for formulary brand-name drugs and the highest level of copay for non-formulary drugs.



Blue Cross and Blue Shield of Kansas will utilize the Prime Therapeutics National formulary, which will be printed and distributed to physicians and members. The formulary may also be accessed on the Prime Therapeutics Web site, www.primetherapeutics.com. Members are encouraged to take their Preferred Medication List (formulary) to each office visit to assist you in prescribing a formulary medication, when appropriate. Additions to the formulary will occur quarterly. Deletions from the formulary will occur annually, except as new generic drugs become available. When a generic becomes available for a formulary brand-name drug, the brand-name drug may immediately move to non-formulary status at the highest level of copayment. This plan design still allows for member choice, as no drug is excluded from payment based on formulary status.

The following table illustrates the prescription benefits available from Blue Cross and Blue Shield of Kansas. There are four different plans available with varying levels of copayment. The coinsurance option utilizes “the greater of” logic in determining member copay.

	Tier 1: Generic Copay	Tier 2: Formulary Brand Copay	Tier 3: Non-formulary Brand Copay
Option 1	\$5	\$15	\$30
Option 2	\$10	\$20	\$40
Option 3	\$15	\$30	\$45
Option 4	\$10 or 20% coinsurance	\$20 or 20% coinsurance	\$40 or 20% coinsurance

BCBSKS uses the Prime Therapeutics National Pharmacy and Therapeutics (P & T) Committee to make formulary decisions. A Kansas physician, along with other practicing physicians and pharmacists, reviews scientific literature and reports, consults with other healthcare professionals and uses their expertise to determine which medications should be added to and deleted from the formulary. Prescription drugs are selected for inclusion on the formulary based on safety, clinical effectiveness, uniqueness and cost factors. The goal of the formulary is to assist in maintaining the quality of patient care and containing the cost of prescription drugs.

We understand a formulary drug may not always be the appropriate therapy for your patient. No drug will be denied based on formulary status, but the patient will be responsible for the highest level of copay when a non-formulary brand is used. There will not be a formulary exceptions process.

We appreciate your cooperation in our effort to provide a quality, cost-effective prescription drug program to our members and your patients. Please contact us if you have questions regarding the formulary or the three-tier benefit.