

RegenceRx[®] Provider Basics

Introduction to RegenceRx[®]

RegenceRx[®] offers a wide variety of services devoted to keeping our providers and members better informed about prescription benefits. This section will give you a general overview of Regence Pharmacy Services. In it you will find information regarding:

- General descriptions of prescription benefit plan designs
- Background on our Preferred Medication List (PML) or formulary
- General information on the coverage of specific medications, such as generics, injectables and over-the-counter (OTC) medications
- Instructions on submitting prior authorization requests
- Descriptions of RegenceRx provider services
- Basics on RegenceRx special member programs

Prescription Benefits – General Information

Only through a general understanding of how benefit plans operate can a provider and member work together to make the most informed choices about the medications that are prescribed. Obviously, not all pharmacy plans cover the same medications or cover the same medications in the same way. The price your patient pays will depend on the pharmacy plan they belong to, as well as the medication you prescribe. Three of the most commonly purchased plans are outlined below.

Three-Tier Rx Benefits

A three-tier prescription benefit is designed to give members choices about which medications they use while balancing costs. A three-tier Rx benefit does this by breaking prescription medications into three categories: generic, formulary/brand-name and non-formulary. In general, generic medications are in the first tier (lowest copayment), brand-name medications in the second, and non-formulary products in the third (highest copayment).

Open Rx Benefits

An open prescription benefit is designed to give members the most choice over which medications they use and is the least restrictive about which medications are available. For the most part, it does not attempt to control costs or change utilization habits. While our formulary remains a guide to

the most efficient or cost-effective medications, under an open Rx benefit plan design any prescription medication is available to members at either their generic or brand copayment.

Closed Rx Benefits

A closed prescription benefit is designed to be simple to use, keep members' out-of-pocket expenses low, and control costs by promoting clinically sound medications. To do this, the closed Rx benefit plan design breaks prescription medications into two categories: generic and formulary/brand-name. Generics generally cost the least; brand medications have a higher copayment and non-formulary medications are not covered. Because it's the most economical of the benefit plans, a closed Rx benefit is also the most restrictive.

Preferred Medication List (PML)/Formulary

The Preferred Medication List (PML) is a guide to which medications are covered and at what copayment or coinsurance level. **As a general rule, our members will experience the highest out-of-pocket costs when a prescription is written and filled for a medication not on the PML.** Sometimes called a formulary, the PML is a list of prescription medications that are encouraged by RegenceRx, based on scientific evaluation of their safety, effectiveness, value and overall impact on health outcomes.

Selection of PML/Formulary Medications

Before a medication is added to our PML, RegenceRx pharmacists perform an extensive evaluation, involving clinical reviews by our pharmacists and physicians, practicing specialists and others in the medical community. We look beyond a manufacturer's claims, press releases, news reports, and even beyond U.S. Food and Drug Administration (FDA) recommendations, for information that is truly scientific and evidence based. Then RegenceRx pharmacists give recommendations to an independent committee of physicians and pharmacists who make the final formulary decisions they think make the most sense for their patients. We respect and abide by their advice. The PML is updated throughout the year to reflect the new products available on the market. At least one or more medications are available on the PML for each condition that is a covered benefit.

Originally developed by RegenceRx, this "evidence-based" clinical review process has been adopted by the Academy of Managed Care Pharmacy for all of its members' formulary review decisions. We believe this meticulous process results in the safest, most cost-effective medication

options for our members. RegenceRx is committed to identifying medications that provide significant value, while excluding products that cost more without improving treatment.

Where to find the PML/Formulary

The most current version of the PML can be found on the RegenceRx Web site at **www.regencerox.com**. This printer-friendly online version is available in alphabetical or therapeutic class formats. You can also download a Personal Digital Assistant (PDA) version at **www.epocrates.com**. If you are unable to access the internet and need a paper copy of the PML for your office, please contact Customer Service at 1 (800) 643-5918.

Non-Formulary Medications

Any medication not listed on the PML is non-formulary. If your patient has a three-tier prescription benefit, non-formulary medications are only available at the highest copayment. If your patient has a closed formulary benefit, non-formulary medications are only available at the member's expense.

Coverage for Specific Medications

Coverage of any specific medication depends on the member's individual prescription benefit plan. If your patients have questions on their prescription coverage, refer them to the Customer Service phone number listed on the back of their Regence member card. Information covering some of the most common questions regarding prescription benefits for specific medications is listed below.

Generic Medications

One of the simplest things you can do to help your patients save on prescription expenses is to prescribe generics whenever possible. Marketing firms want consumers to mistakenly believe that generics are somehow of inferior quality. In fact, the FDA requires that generics meet the same strict standards of safety and effectiveness as the equivalent brand-name drug. The generic may be a different shape or color than the more expensive brand-name, but the active ingredients inside are the same. We encourage our members to ask their providers if therapeutic generic alternatives are an option for their prescription needs. We also encourage providers to consider generic alternatives for their patients where appropriate. Such generic medications will usually result in significant out-of-pocket savings for your patients. In support of this "save with generics" philosophy, we offer the Generic Incentive Program, giving your patients taking specified generic medications the chance to receive

up to a 30-day supply at no cost. For more information on this program, please see the Special Member Programs section below.

Injectable and High-Cost Specialty Medications

Prescription benefit coverage of injectables and other high-cost specialty medications depends on several factors: the specific medication, location of its administration (by the patient, in the provider's office, or some other ambulatory setting), and the benefit plan itself. If you have patients on high-cost injectable, oral, or inhalation medications for chronic conditions, we encourage you to go to **www.regencerx.com** to learn more about the RegenceRx Specialty and Injectable Medication Program and to download a detailed provider manual. To obtain a copy of this manual for your office, you may also contact Customer Service at 1 (800) 643-5918. A brief description of the program follows below.

RegenceRx Specialty and Injectable Medication Program

The RegenceRx Specialty and Injectable Medication Program, administered in conjunction with McKesson Specialty Pharmacy, focuses on the medical management of individuals requiring high-cost specialty and injectable medications for chronic conditions such as: multiple sclerosis, growth hormone deficiency, hepatitis, rheumatoid arthritis, oncology, organ transplant, infertility and HIV. This program offers an extensive support system provided by a dedicated team of pharmacists, nurses and patient care specialists trained to assist people with these chronic conditions.

McKesson Specialty Pharmacy can provide medications directly to a member for self-injection or to a physician's office for administration to a specific member.* Depending on the benefit plan, obtaining prescriptions for these high-cost injectable medications through McKesson Specialty Pharmacy may result in a significant cost savings for your patients. Providers may enroll members in this program for specialty and self-injectable medications. For more information on the program, including a detailed provider manual and a list of common specialty and

* Generally, medications administered in a provider's office or ambulatory clinic setting are not covered on the retail drug benefit. Instead, these medications are usually covered under the member's medical benefits. Providers administering medications in their offices or in the ambulatory clinic setting may obtain such medications and supplies directly from McKesson Specialty Pharmacy. When the medication and supplies are obtained directly from McKesson, the provider should only bill for the administration fee, as McKesson Specialty Pharmacy will bill the plan directly for the medication and supplies. Providers may also choose to purchase the medication from their contracted vendors as office stock and submit a claim for reimbursement after the medication has been administered.

injectable medications offered by McKesson, please refer to www.regencerx.com. You may also contact McKesson Specialty Pharmacy directly at 1 (888) 456-7274. If you have questions regarding coverage of a particular medication, please contact Customer Service at 1 (800) 643-5918.

Insulin and Diabetic Supplies

Insulin is covered on all retail drug plans. Diabetic supplies are also covered on most plans, though a prescription is required. Examples of covered supplies include: insulin pens, needles and syringes, blood glucose monitoring strips and lancets. Some plans have a dollar limit on pharmacy benefits, while other plans may place limits on the number of glucose test strips a patient may receive each month. If you have questions on coverage for insulin or diabetic supplies for a particular patient, please contact Customer Service at 1 (800) 643-5918 for assistance.

Over-the-Counter Medications

Non-prescription/over-the-counter (OTC) medications are not covered by most plans. Exceptions to this include our Prilosec OTC[®] special member program, which is discussed below.

Vitamins and Mineral Supplements

Generic prenatal vitamins are covered on all plans. All other vitamins and mineral supplements are usually benefit exclusions.

Prior Authorization & Quantity Level Limits

Some medications may require prior authorization in order to be covered under your patient's pharmacy benefit plan. Some medications may also have limits on the quantities that can be covered. RegenceRx has implemented prior authorization and quantity level limits for select medications in order to promote their appropriate use, while deterring unproven or experimental usages.

Medications Requiring Prior Authorization

Non-formulary medications must be approved for members on closed formulary plans. We require that the member have tried and failed formulary alternatives first. Other medications requiring prior authorization include those that may be prone to overuse or present potential safety issues, medications that have limited uses based on scientific studies or FDA approval and medications that may be prescribed for conditions

which are not covered or that require diagnostic tests to ensure medical benefit. Finally, prior authorization may also be required for some medications with less expensive options. A list of medications requiring prior authorization can be found at www.regencerox.com. This list also includes medications with set quantity limits.

As with the RegenceRx Preferred Medication List (PML)/Formulary selection process, the determination whether to require prior authorization or set quantity limits on a particular medication is only made after RegenceRx pharmacists have performed an extensive evidence-based clinical review. Similar to the formulary process, our pharmacists make recommendations to a committee of physicians and pharmacists who then approve the medical policy and criteria for each medication. The medical policy and criteria for those medications requiring prior authorization may be found at www.regencerox.com.

Submitting a Prior Authorization Request

Prior Authorization requests may be submitted via mail, fax, or online. Prior Authorization forms can be downloaded from www.regencerox.com. Please be sure they are filled out completely, clearly and accurately. Failure to do so may delay the request. **Certain medications require that corresponding chart notes be faxed with the form.** If you have any questions or require assistance submitting a prior authorization request for a specific member, please contact 1 (800) 643-5918..

RegenceRx Provider Services

RegenceRx has developed a variety of services specifically designed with physicians and other health care professionals in mind. These services are intended to offer the latest clinical information on prescription medications and to suggest possible therapeutic alternatives. In addition, RegenceRx has developed online tools to help you understand the potential costs of prescription medications and minimize your patients' out-of-pocket expenses.

RegenceRx Website

Our website, www.regencerox.com, offers information about prescription benefits and medications to both our members and providers. By clicking on the link in the upper right hand corner of the home page labeled "For Physicians," you will be directed to the RegenceRx provider home page. From here, you can research medications, use physician resources, download forms, get patient handouts on specific health issues and obtain detailed information about our special member programs. All of the

resources listed below can be easily accessed from the *Provider Web Site*.

ConsumerRx[®]

At RegenceRx, we encourage our members to play an active role in their health care. We believe the better informed our members are, the more successful their treatment is likely to be. We encourage our members to engage in an open discussion with their providers about important medical issues that affect them directly—generic alternatives, possible side effects, how to properly take medications and when to expect health improvements. To make sure your patients have the best available information, we developed educational summaries for a variety of medication classes that we've called ConsumerRx[®]. They cover a wide variety of topics including allergy treatment, antidepressants, asthma, diabetes, flu, growth hormones, heartburn, migraine, pain and sleep medications and cholesterol-lowering statins. We hope you will use these handouts to help your patients better understand their medication options. ConsumerRx handouts can be found at www.regencerox.com.

PhysicianRxSM Summaries

The PhysicianRxSM educational summaries are designed to help physicians and other health care professionals better understand our evidence-based medication choices. These summaries offer references that explain how we formed our conclusions, information about generic medications, as well as other money-saving tips for your patients. The PhysicianRx summaries are available on our Web site at www.regencerox.com.

Therapeutic Class ReviewSM Summaries

In addition to PhysicianRx summaries, we also offer executive summaries from our Therapeutic Class ReviewSM process. The full reviews are used by our Pharmacy and Therapeutics Committee in making formulary decisions. Therapeutic Class Reviews Summaries include the following information:

- Reason for the review
- Scientific evidence
- Product review of the class
- Available therapeutic alternatives
- Market analysis and promotional efforts
- References
- Pharmacy and Therapeutics Committee conclusion

Therapeutic Class Reviews Summaries for the most recently analyzed medications (2005 to current) are available at www.regencrx.com.

MDeNews™ Electronic Newsletter

Pharmacy Services offers an electronic newsletter for physicians and other health care professionals available by subscription. MDeNews™ is a quarterly update containing clinical pharmacy reviews of recently published trials, RegenceRx Pharmacy and Therapeutics Committee decisions, Medication Policy updates and information on newly available generic medications.

Sign up to receive the quarterly electronic newsletter MDeNews by sending an e-mail to MDeNews@regence.com. Please include: (1) provider name; (2) provider e-mail address; and (3) contact phone number. You may also request the newsletter by contacting 1 (877) 356-7763 and leaving the above information.

RxPrice Guide

The RxPrice Guide is an online tool that gives pricing information to assist in understanding the cost of prescriptions. *The RxPrice Guide* permits providers to research medications and determine whether it is a brand or generic. In addition, the guide indicates whether the medication is a preferred or non-preferred and if it's under any formulary restrictions. Finally, the RxPrice Guide will display the total average cost[†] for the medication and give potential alternatives, including generic options. *The RxPrice Guide* is available at www.regencrx.com.

RegenceRx Special Member Programs

RegenceRx has created several special programs to offer your patients information, cost savings and new ways to manage how their prescription dollars are spent. Providers can suggest these programs to eligible patients where appropriate.[‡] These special programs are briefly described below. More information on any specific program can be found at www.regencrx.com.

[†] The *Average Cost/Rx* displayed by the *RxPrice Guide* on-line tool reflects the total allowed charges(s) for all prescriptions of the same medication, strength and form divided by the total number of claims for that medication. The price the member will actually pay may vary depending on the strength and quantity of medication purchased and the member's particular prescription benefit plan.

[‡] For a complete list of eligibility requirements for any special member program, please see www.regencrx.com.

Blood Glucose Meter Program

RegenceRx offers all members with diabetes the opportunity to receive a new Bayer Ascensia® blood glucose meter of their choice at no cost. A new meter can be shipped directly to the patient's home or office. All your patients need to do to request their free meter is contact the toll free number for Direct Meter Shipment at 1 (888) 787-0233. Members can also request a free training video about using this meter. A comparison of the different types of Bayer Ascensia blood glucose meters available to our members can be found at www.regencerox.com. The Bayer Ascensia meters are the only formulary choice for blood glucose meters. Other brands of meters and test strips are non-formulary. If your patients have questions when they start using the new meter, they can also contact the Bayer Customer Service Help Line at 1 (800) 348-8100, 24 hours a day, seven days a week, or visit Bayer's Web site at <http://www.ascensia.com>. For specific copayment or coinsurance information on other brands of blood glucose meters and test strips, members should contact the phone number on the back of their Regence member card.

Generic Incentive Program

Under this program, eligible members taking specified generic medications may receive up to a 30-day supply at no cost. Twenty-three generic medications are currently part of the Generic Incentive Program, which is designed to demonstrate that less expensive generics can be just as medically effective as brand-name medications. Previously, members only received samples of branded medications supplied to their physicians by pharmaceutical manufacturers. With this program, your patients can try a month's supply of a generic with no initial financial obligation and enjoy long-term benefit in the form of lower copayments. A complete list of Generic Incentive Program medications can be found at www.regencerox.com.

Half-Tablet Program

Some medications come in different strengths that are all similarly priced. The Half-Tablet Program allows your patients to cut specified higher-strength tablets in two, doubling their supply and saving up to six copayments per year. Taking advantage of this program is simple. Patients need only to ask you to change their current prescription to a double-strength tablet, which when split can provide them their usual daily dosage. Providers can recommend this voluntary program to eligible patients as a cost savings measure where appropriate. A list of medications included in this program can be found at

www.regencerox.com. Eligible medications have been carefully chosen to ensure they can be safely split (based on once-a-day usage and the physical formulation of the tablet). In addition, RegenceRx will cover the cost of one tablet splitter a year for participants.

Prilosec OTC[®] Program

RegenceRx offers prescription coverage of Prilosec OTC[®] at the member's generic copayment. We treat this over-the-counter product as a generic to encourage its use instead of more expensive prescription products that have no proven additional benefit. Prilosec OTC will be covered when you write a prescription for Prilosec OTC or when you give the patient's pharmacist a verbal authorization to dispense it.

Information on Other Patient Assistance Programs

The RegenceRx Web site provides links to a variety of patient assistance resources. If you have patients with limited means who are facing overwhelming expenses for prescription medications, we encourage you to help them explore the available assistance options. These include sources of financial assistance, as well as free-of-charge medications supplied directly from the pharmaceutical manufacturers.

Additional Notes for Providers

Drug Enforcement Administration (DEA) Number and Claim Adjudication

When pharmacists transmit prescriptions electronically, the provider's DEA number is transmitted, not the provider name. In order for the correct provider to be associated with the prescription, it is very important that the pharmacy have the correct provider DEA number.

Days Supply

Retail prescription benefits typically range from 30 to 34 days per copayment, dependent on the group contract. Where a member's prescription benefit includes a mail order option, typically a 90-day supply is allowed. Some additional quantity limits per month or per copayment may apply for select medications. See the PML/Formulary—discussed above—for details.

Mail Order

Some RegenceRx members may have the option of receiving their prescriptions through the mail via Postal Prescription Service or Walgreens Healthcare Plus. Ordering prescriptions by mail is simple.

Members with this benefit should send an order form along with a newly written prescription and the mail order copayment to the address listed on the mail order service form. The member should allow up to two weeks for delivery. Additional information on mail order prescription benefits, including extra mail order forms, can be found on our website at **www.regencerx.com**. If your patients have questions whether they qualify for mail order benefits, please refer them to the Customer Service number found on the back of their Regence member cards.

Contacting RegenceRx

By Mail:

RegenceRx
100 Southwest Market Street
P.O. Box 1271
Portland, OR, 97207

By Phone / Customer Service:

Regence BlueCross BlueShield of Oregon: 1 (800) 722-5086

Customer Service:

When your patients have questions on their prescription benefits, please have them contact the number on the back of their Regence member card.

The TTY line for people with hearing impairments is 1 (800) 382-1003.