

Drug Plan Rider

Percentage/Copayment Option



This “Drug Plan Rider: Percentage/Copayment Option” replaces any previous information you may have received about your drug plan benefit, either in your Blue Cross and Blue Shield of New Mexico (BCBSNM) Member Certificate or benefit booklet, or by endorsement or amendment. This also includes information provided to members in the *2009 Drug Plan Benefit Changes for Fully Insured Plans* endorsement.

BY:

A handwritten signature in cursive script that reads "Elizabeth A. Watrin".

Elizabeth A. Watrin
President
Blue Cross and Blue Shield of New Mexico

Definitions

Brand-name drug — A drug that is available from only one source, or when available from multiple sources, is protected with a patent.

Enteral nutritional product — A product designed to provide calories, protein, and essential micronutrients by the enteral route (i.e., by the gastrointestinal tract, which includes the stomach and small intestine only).

Generic drug — The chemical equivalent of a brand-name prescription drug. According to United States Food and Drug Administration (FDA) regulations, brand-name and generic drugs must meet the same standards for safety, purity, strength, and quality. A generic drug is usually available from multiple sources and is not protected by a patent.

Genetic inborn errors of metabolism — A rare, inherited disorder that is present at birth; if untreated, results in mental retardation or death, and requires that the affected person consume special medical foods.

Maintenance medications — Prescription drugs that are taken regularly to treat a chronic health condition such as high blood pressure or diabetes.

Participating pharmacy — A retail supplier that has contracted with BCBSNM or its authorized representative to dispense covered prescription drugs and medicines, insulin, diabetic supplies, and nutritional products to Plan members, and that has contractually accepted the terms and conditions as set forth by BCBSNM and/or its authorized representative. Some participating pharmacies are contracted with BCBSNM to provide specialty pharmacy drugs to Plan members; these pharmacies are called “specialty pharmacy providers” and some drugs must be dispensed by these specially contracted pharmacy providers in order to be covered (see below).

Prescription drugs, medicines, and devices — Those that are taken at the direction and under the supervision of a provider, that require a prescription before being dispensed, and are labeled as such on their packages. All drugs, medicines, and devices must be approved by the FDA, and must not be experimental or investigational. (See the “Experimental, Investigational, or Unproven Services” exclusion in your benefit booklet.)

Special medical foods — Nutritional substances in any form that are consumed or administered internally under the supervision of a physician, specifically processed or formulated to be distinct in one or more nutrients present in natural food; intended for the medical and nutritional management of patients with limited capacity to metabolize ordinary foodstuffs or certain nutrients contained in ordinary foodstuffs or who have other specific nutrient requirements as established by medical evaluation; and essential to optimize growth, health, and metabolic homeostasis.

Specialty pharmacy drugs — Specialty pharmacy drugs must meet at least two of the following criteria: a) they are high cost, b) they are for use in limited patient populations or indications, c) they are typically self-injected, d) they have limited availability, require special dispensing, or delivery and/or patient support is required and, therefore, they are difficult to obtain via traditional pharmacy channels, e) complex reimbursement procedures are required, and/or f) a considerable portion of the use and costs are frequently generated through office-based medical claims.

Covered Medications and Other Items — This drug plan rider covers the following drugs, supplies, and other products **only when dispensed by a participating pharmacy** under the Retail Pharmacy Program or Specialty Pharmacy Program (unless required as the result of an emergency, as defined in your benefit booklet) **or ordered through the Mail Order Service:**

- prescription drugs and medicines (includes prescriptive oral agents for controlling blood sugar levels and prescription contraceptive medications), insulin, glucagon, and prescription contraceptive devices purchased from a participating pharmacy, unless listed as an exclusion (**Note:** Prescription contraceptive devices fitted or inserted by, and purchased directly from, a physician are payable under the “Family Planning” benefit, if any, of your health care plan.)
- specialty pharmacy drugs (such as, but not limited to, self-administered injectable drugs such as growth hormone, Copaxone, Avonex) (Most injectable drugs require **prior approval** from BCBSNM. Some self-administered drugs, whether injectable or not, are identified as specialty pharmacy drugs and may have to be acquired through a participating specialty pharmacy provider in order to be covered.)
- insulin needles, syringes, and diabetic supplies (e.g., glucagon emergency kits, autolets, lancets, lancet devices, blood glucose and visual reading urine and ketone test strips) (There is a separate copayment for each item purchased. These items are not covered as a supply or medical equipment expense under your medical/surgical plan benefit booklet.)
- nonprescription enteral nutritional products and special medical foods only when either: 1) delivered through a medically necessary enteral access tube that has been surgically placed (e.g., gastrostomy, jejunostomy) or 2) meeting the definition of special medical foods used to treat and to compensate for the metabolic abnormality of members with genetic inborn errors of metabolism in order to maintain their adequate nutritional status (Benefits for these non-prescription nutritional products, which includes both enteral products and special medical foods, are subject to a **50 percent copayment** and must be **prior-approved** by BCBSNM.)
- if your health care plan offers maternity coverage, two 90-day courses of **prior-approved** treatment with FDA-approved prescription drugs to assist you with quitting tobacco use or smoking (Starting any course of prescription drug therapy counts as one entire course of drug therapy – even if you discontinue or fail to complete the course. Therefore, if you purchase a one-month supply of a prescription drug for smoking cessation and do not continue the drug beyond one month, you will have used up one entire 90-day course of treatment with the 30-day supply.)

Prior Approval — Certain prescription drugs, injectable medications, and specialty pharmacy drugs may require prior approval from BCBSNM. A list of drugs requiring prior approval is available on the BCBSNM Web site at www.bcbsnm.com. Your physician can request the necessary prior approval.

Member Percentages and Out-of-Pocket Limit — For covered prescription drugs (including specialty pharmacy drugs), insulin, diabetic supplies, enteral nutritional products, and special medical foods, you pay a percentage amount, not to exceed the actual retail price, for each prescription filled or item purchased (not to exceed supply limitations described on the next page). Percentage amounts are **not** subject to the regular Plan deductible or out-of-pocket limit provisions. However, percentage amounts under this rider *are* subject to a separate **\$2,500 out-of-pocket limit** per calendar year, which includes all percentage amounts for nutritional products, retail pharmacy, and mail-order purchases. Once your percentage amount reaches the \$2,500 out-of-pocket limit, items covered under this rider will be payable at 100 percent of the covered charge for the rest of the calendar year.

When the percentage amount for an item purchased under the drug plan is greater than the covered charge for the supply being purchased from a participating pharmacy, you pay the **lesser** of: 1) your percentage amount, or 2) the pharmacy’s retail price. For claims submitted to the drug plan administrator for reimbursement, you are paid the **lesser** of: 1) the sum of the drug ingredient cost, the dispensing fee that would be payable to a participating pharmacy, and any sales tax minus the applicable percentage amount, or 2) the pharmacy’s retail price minus the applicable percentage amount.

Retail Pharmacy and Specialty Pharmacy Programs

All items covered under this provision of the rider must be purchased from a participating retail pharmacy. **Some drugs must be purchased from a participating specialty pharmacy provider in order to be covered.** (See your provider directory, call Customer Service for a list of participating pharmacies and specialty pharmacy providers, or visit the BCBSNM Web site at www.bcbsnm.com.) **You must present your BCBSNM health care plan identification (ID) card to the pharmacist at the time of purchase to receive this benefit.** (You do not receive a separate drug plan ID

card; use your health care plan ID card to receive all medical/surgical and drug plan rider services covered under your Plan.)

You can use your ID card to purchase covered items only for yourself and covered family members. When coverage for you or a family member ends under this health care plan, the ID card may not be used to purchase drugs or other items for the terminated member(s). If you do not have your ID card with you or if you purchase covered drugs or other items from a nonparticipating provider in an emergency, you must pay for the purchase in full and then submit a claim directly to the BCBSNM drug plan administrator. (You should have received the address of the administrator among the materials you received upon enrollment. If you did not, call Customer Service for the address and a claim form or visit the BCBSNM Web site at www.bcbsnm.com.) If you are leaving the country or need an extended supply of medication, call Customer Service at least **two weeks** before you intend to leave. (Extended supplies or vacation overrides are not available through the Mail Order Service and may be approved through the Retail Pharmacy Program only. In some cases, you may be asked to provide proof of continued enrollment eligibility under the Retail Pharmacy Program.)

When you need to fill a prescription, simply go to a participating pharmacy and show the pharmacist your member ID card and pay the necessary percentage amount. The percentage amounts you pay under the **Retail Pharmacy and Specialty Pharmacy Programs** are as follows:

Type of Retail Pharmacy/Specialty Pharmacy Prescription	Percentage of Covered Charge	Minimum Percentage Amount	Maximum Percentage Amount
Generic Drug	25%	\$20	\$75
Brand-Name Drug	50%	\$40	\$125
Nonprescription Enteral Nutritional Products and Special Medical Foods: (Limited to a 30-day supply during any 30-day period; brand-name or generic requires prior approval.)	50% of covered charges		

Supply Limitations — During any 30-day period, for each percentage amount listed above, you can obtain up to a 30-day supply or 180 units (e.g., pills), whichever is less, of a single prescription drug or other item covered under this rider. If more than 180 units are needed to reach a 30-day supply, prior approval is required. For oral contraceptives the supply is limited to one menstrual cycle (normally 28 days). For commercially packaged items (such as an inhaler, a tube of ointment, or a blister pack of tablets or capsules), you will pay the applicable percentage amount for a 30-day supply (usually one packaged item).

Minimums and Maximums — The following is an example of how the minimum and maximum percentage amounts work when you purchase a generic drug through the Retail Pharmacy Program:

- **Medication A** costs less than \$20. You pay the actual retail cost of the prescription.
- **Medication B** costs \$40. Since 25% is less than \$20, you pay the minimum percentage amount of \$20.
- **Medication C** costs \$120. Since 25% is greater than \$20 and less than \$75, you pay 25% (or \$30)
- **Medication D** costs \$700. Since 25% is greater than \$75, you pay the maximum percentage amount of \$75.

Filing Claims — Claims for items covered under the drug plan must be sent to the drug plan administrator — **not** to BCBSNM. If not included in your enrollment materials, you can obtain the name and address of the administrator and the necessary claim forms from a Customer Service representative or on the BCBSNM Web site.

Mail Order Service

Except for supply limitations and nutritional products, all items that are covered under the Mail Order Service are the same items that are covered under the Retail Pharmacy/Specialty Pharmacy Programs and are subject to the same limitations and exclusions. **Items covered through a specialty pharmacy provider are not covered through the Mail Order Service.** To use the Mail Order Service, follow the instructions outlined in the materials provided to you in your enrollment packet. (If you do not have this information, call a Customer Service representative.) **Note:** Prescription drugs and other items may **not** be mailed outside the United States. Extended supplies or vacation overrides required when you are outside the country may be approved through the Retail Pharmacy Program only.

The Mail Order Service offers you the convenience of home delivery at a lower cost, per 30-day supply, than what you would pay through the retail pharmacy. The percentage amount you pay for up to a 90-day supply of medication through the **Mail Order Service** is as follows (on next page):

Type of Mail Order Service Prescription	Percentage of Covered Charge	Minimum Percentage Amount	Maximum Percentage Amount
Generic Drug	25%	\$40	\$150
Brand-Name Drug	50%	\$80	\$250

Supply Limitations — During any 90-day period, for each percentage amount listed above, you can obtain up to a 90-day supply or 540 units (e.g., pills), whichever is less, of a single prescription drug or other item covered under the Mail Order Service portion of this rider. If less than a 90-day supply is ordered, percentage amounts will still apply. If more than 540 units are needed to reach a 90-day supply, **prior approval** is required. For commercially packaged items (such as an inhaler, a tube of ointment, or a blister pack of tablets or capsules), you will pay the applicable percentage amount for a 90-day supply (usually three packaged items).

Minimums and Maximums — The following is an example of how the minimum and maximum percentage amounts work when you purchase a generic drug through the Mail Order Service:

- **Medication A** costs less than \$40. You pay the actual cost of the prescription.
- **Medication B** costs \$50. Since 25% is less than \$40, you pay the minimum percentage amount of \$40.
- **Medication C** costs \$175. Since 25% is greater than \$40 and less than \$175, you pay 25% (or \$75)
- **Medication D** costs \$700. Since 25% is greater than \$150, you pay the maximum percentage amount of \$150.

Exclusions — This Plan does **not** cover:

- nonprescription and over-the-counter drugs unless specifically listed as covered, including herbal or homeopathic preparations, and nonprescription items for smoking and tobacco use cessation such as nicotine patches and nicotine gum, or prescription drugs that have over-the-counter equivalents
- non-commercially available compounded medications, regardless of whether or not one or more ingredients in the compound requires a prescription (Non-commercially available compounds are those made by mixing or reconstituting ingredients in a manner or ratio that is inconsistent with United States Food and Drug Administration-approved indications provided by the ingredients’ manufacturers.)
- prescriptions or other covered items purchased from a nonparticipating pharmacy, nonparticipating specialty pharmacy provider, or other provider unless eligible for benefits in an emergency situation (as defined in your benefit booklet or Member Certificate)
- refills before the normal period of use has expired, in excess of the number specified by the physician, or requested more than one year following the physician’s original order date (Prescriptions cannot be refilled until at least 75 percent of the previously dispensed supply will have been exhausted according to the physician’s instructions. Call Customer Service for instructions on obtaining a greater supply if you are leaving home for more than a 30-day period of time.)
- replacement of drugs or other items that have been lost, stolen, destroyed, or misplaced
- infertility medications
- drugs or other items intended for smoking cessation if your Plan does not offer maternity benefits
- drugs or other items intended for the treatment of sexual or erectile dysfunction
- therapeutic devices or appliances, including support garments and other nonmedicinal substances
- medications or preparations used for cosmetic purposes (such as preparations to promote hair growth or medicated cosmetics), including tretinoin (sold under such brand names as Retin-A) for cosmetic purposes
- nonprescription enteral nutritional products that are taken by mouth or delivered through a temporary naso-enteric tube (e.g., nasogastric, nasoduodenal, or nasojejunal tube), unless the patient meets criteria for genetic inborn errors of metabolism and the product is **prior-approved** by BCSNM or that have not been prior-approved by BCBSNM
- shipping, handling, or delivery charges
- prescription drugs required for international travel or work
- appetite suppressants or diet aids; weight reduction drugs; food or diet supplements and medication prescribed for body building or similar purposes

Note: Prescription contraceptive devices are payable under your medical/surgical plan benefit booklet in the “Family Planning” provision of the “Covered Services” section.