What You Need to Know about the New Mexico Health Connections Formulary and Pharmacy Benefit: Important Information – PLEASE READ

INTRODUCTION

New Mexico Health Connections (NMHC) uses a pharmacy benefit manager named OptumRx®. OptumRx utilizes a Pharmacy and Therapeutics Committee (P & T Committee), made up of practicing physicians, pharmacists, and nurses to help ensure that our formulary is medically sound and that it supports patient health. This committee reviews and evaluates medications on the formulary based on safety and efficacy to help maintain clinical integrity in all therapeutic categories.

The P&T Committee meets at least four (4) times per year to determine if changes to the formulary are needed. Sometimes changes are needed due to pharmaceutical supply issues, drugs being removed from the market, new drugs coming to market, drugs moving from brand to generic, or other pharmaceutical issues. The changes generally reflect overall improvement in availability of new pharmaceutical agents and improved access to existing medications as well as removal of newly deemed less effective medications relative to other consumer choices or removal of cost-prohibitive medications where more affordable yet clinically equivalent options are available. The Formulary is updated twice a year.

FORMULARY DESIGN

NMHC and OptumRx have chosen a *closed* formulary structure for our standard Essential Health Benefits Formulary. The formulary structure features generics, preferred, and non-preferred brand-name drugs, specialty drugs, and ACA (Affordable Care Act) preventive drugs. A closed formulary limits coverage to only those products listed in these levels. Products not listed on the formulary are generally not covered.

- **Generic drugs**: Most generic drugs are listed under "GENERIC." Drugs listed under "GENERIC" have the same active ingredient as the brand-name versions, but at a lower cost.
- **Preferred drugs or preferred brand drugs**: Drugs listed under "PREFERRED" include preferred brand name drugs that will generally have lower copayments than non-preferred brand name drugs. NOTE: Brand-name drugs may become non-formulary if a generic version becomes available.
- **Non-preferred brand drugs**: Drugs listed under "NON PREFERRED" generally have higher copayments than preferred brand-name drugs.
- **Specialty drugs**: Drugs listed under "SPECIALTY" generally have the highest copayment and cost. Specialty drugs are prescription medications that are sometimes used to treat complex and chronic conditions. They may require special monitoring or handling.
- **ACA preventive drugs**: Drugs listed under "PREVENTIVE" may have coverage and no copayment when healthcare reform requirements are met for age, gender, and/or risk factors.

In addition to the categories of drugs described above, NMHC also provides coverage for a group of drugs that are called **Zero-Dollar Generic Drugs***. These drugs are prescribed for common chronic conditions and have a $0 copay on many of our plan designs. Please see the table labeled "$0 Copay Medications for NMHC Members" at the end of the formulary document for a list of the Zero-Dollar Generic Drugs. The elimination of copays for these commonly-prescribed products may promote consistent use and improve health outcomes. Please contact Customer Service at 1-855-769-6642 to determine if your plan provides Zero-Dollar Generic Drug coverage. **NMHC offers medications at a $0 copay for many chronic conditions on **most** plans (excluded plans are Care Connect HDHP Bronze, Care Connect HDHP Silver, and Care Connect Catastrophic). The $0 copay applies to generic medications received from a participating pharmacy for the following chronic conditions: asthma, bipolar disorder, chronic obstructive pulmonary disease, congestive heart failure, coronary artery disease, depression, diabetes, hypercholesterolemia, and hypertension; the $0 copay also applies to oral*

chemotherapy medications. Please refer to the Formulary on www.mynmhc.org/Formulary.aspx for a complete listing of $0 copay medications for NMHC members.

REASONABLE MEDICAL MANAGEMENT

OptumRx's formulary also uses medical and utilization management functions to determine whether a prescription is medically necessary. These industry-recognized and accepted management functions include but are not limited to quantity limits, step therapy, and prior authorization, and help OptumRx and its clients determine whether the prescribed medication was prescribed in accordance with generally accepted medical practice standards, is clinically appropriate, and confirm that the prescribed medication is not more costly than an alternative product that is as likely to produce therapeutically equivalent results.

As recommended by the United States Department of Labor, OptumRx's reasonable medical and utilization management functions apply to ACA preventive drugs.

Following are some **Important Pharmacy Terms Related to Reasonable Medical Management**.

Generic Substitutions

A generic drug is a chemically and pharmaceutically equivalent (equal) version of a brand-name drug whose patent has expired. A generic drug meets the same FDA standard for bio-equivalency that brand-name drugs must meet. But a generic drug is usually costs less. Your pharmacist will substitute a generic drug for you automatically when one is available, even if your provider writes a prescription for the brand drug. If the generic drug does not meet your needs, your provider can start a pharmacy exception. You may then receive the brand drug, depending on the drug's clinical criteria and if NMHC approves the exception.

Therapeutic Interchange

Many drugs work the same way and have the same benefits. Therapeutic interchange is the practice of substituting one drug for another (a therapeutic alternative) when both drugs have the same therapeutic effects. This substituted drug is called the therapeutic alternative. When you get your prescription filled, your pharmacist will tell you if a therapeutic alternative has been made for you. The pharmacist can do this only with your provider's approval.

Step Therapy

Step therapy is the practice of treating a patient first with the least-costly drug. If that drug does not work for the patient, the provider will prescribe higher-cost drugs or therapies, if medically necessary. Step therapy applies only to certain drugs. NMHC has criteria for step therapy that helps to decrease the practice of prescribing the most costly drug when a less costly drug may work just as well. OptumRx will need information from your provider if there is a medical reason that you can't complete all of the "steps" in the process before moving to the more costly drug.

OptumRx has implemented automated processing of step therapy drugs to reduce the burden on providers and allow more immediate access to necessary medications. This means that it's possible that a drug designated as "step therapy" will process without the need for additional information IF the prerequisite drug is found in your prescription claim history.

Prior Authorization

Prior authorization (PA) is the process of obtaining approval from your health plan before receiving services. We try to minimize the number of medications needing a PA. But we can't eliminate them completely. During prior authorization, we determine if: The member is eligible, the medication is covered and on the formulary, and the medication is medically necessary.

A PA is usually needed for costly and over-utilized medications. It helps us make sure that the care you receive is of the highest standards. A PA also ensures that care costs are well managed and that the health plan can support your care for special needs. Although many types of drugs may require PA, almost all drugs that are categorized as "specialty" drugs will require a PA for use.

What if my PA isn't approved?
Remember: A PA is not always approved. You and your provider will receive written notice about our decision. Each notice will include your options and appeal rights. To learn more, please review the Prior Approval section in your NMHC member handbook.

USING THE FORMULARY TO HELP CONTAIN COSTS

NMHC is one of many health plans that uses the OptumRx formulary to help manage the overall cost of providing prescription drug benefits. This formulary offers a wide range of medications from which to choose. We realize that the formulary may not include every drug from every manufacturer. However, choosing a generic or preferred drug when it is appropriate can provide access to the necessary medications to stay healthy, at a more affordable cost.

SAVING ON OUT-OF-POCKET COSTS

NMHC sets the copayments for each formulary drug status which include preferred generic, generic, preferred brand-name, non-preferred brand-name, and specialty medications. Copayments and deductibles for preventive products follow healthcare reform rules. Health plans often design prescription drug plans to encourage the use of generic and preferred brand-name drugs. Choosing non-preferred drugs (or specialty drugs) may mean paying higher out-of-pocket expenses (such as coinsurance, copayments, and deductible amounts) or not receiving coverage at all. Patients may also pay less for generic drugs. Specific terms of coverage are listed in the Summary of Benefits and Coverage and the Evidence of Coverage Handbook, including plan Limitations and Exclusions.

CONSULTING THE PRESCRIBER'S OFFICE WHEN APPROPRIATE

When employers and other benefit sponsors design their prescription drug plans, they may choose to provide coverage only for certain medications, time periods, doses, quantities, or for specific conditions (e.g., they may exclude coverage for medications for unapproved, unproven, or cosmetic indications). When coverage for medications is provided based on use or quantity, OptumRx may contact your prescriber's office for additional information to determine whether coverage is available under your plan. Patients who are unsure whether these coverage rules apply for a particular medication should contact OptumRx Member Services to determine specific coverage requirements.

SPECIALTY PHARMACY (BriovaRx®)

Most specialty drugs will be supplied by BriovaRx Specialty Pharmacy, exclusively. Most specialty drugs require prior authorization (PA) for use. Once a specialty drug PA is approved by OptumRx, providers will need to supply a prescription to BriovaRx Specialty Pharmacy directly. Members may call **BriovaRx** at **1-866-618-6741** with questions about their approved specialty medications. Although BriovaRx Specialty Pharmacy supplies specialty pharmacy medications by mail, it is not the designated mail order pharmacy for NMHC members. Please see the "Mail Order Prescriptions" section below for more information.

MAIL-ORDER PRESCRIPTIONS

NMHC members may receive prescriptions through mail order. OptumRx Home Delivery is the mail order provider for NMHC. Home Delivery is a convenient way to receive your medications without the need to make a trip to your local pharmacy. OptumRx Home Delivery can fill most routine maintenance medications, within the limits of State and Federal laws. Members may call **OptumRx Home Delivery** at **1-800-763-0044** with questions about mail order. Use of OptumRx Home Delivery will require completion of a mail order form (which is found on the NMHC website) and may require new prescriptions from your provider. OptumRx Home Delivery provides a 90-day supply of medication. The cost (3 copayments for a 90-day supply) is the same as the cost of obtaining a 3-month supply at a retail pharmacy. OptumRx Home Delivery does not provide Specialty Pharmacy medications by mail.

EXCLUSIONS

Some medications are not covered benefits for NMHC members. Though not an exhaustive list, examples include weight-loss drugs, products used for cosmetic purposes, drugs used to treat sexual dysfunction, drugs used to treat infertility, and drugs excluded by federal regulation. Please see the NMHC Member Handbook for additional details about excluded drugs.