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

INTRODUCTION

True Health New Mexico uses a pharmacy benefit manager named CVS/Caremark™. There are **two different formularies**: one for members on large group plans and one for members on small group plans. True Health New Mexico uses a Pharmacy and Therapeutics Committee (P&T Committee) made up of practicing physicians, pharmacists, and nurses to help ensure that our formularies are medically sound and support patient health. This committee reviews and evaluates medications on the formularies 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 formulary changes 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 formularies are updated regularly.

FORMULARY DESIGN

True Health New Mexico has selected a *closed* formulary structure for large and small group plans. The formulary structure for large and small group plans features generics, preferred and non-preferred brand-name drugs, specialty drugs, and Affordable Care Act (ACA) 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.

When you need a prescription medication, you and your doctor can choose from five different levels of the formulary. These are Preferred Generics – Tier 1, Generics – Tier 2, Preferred Brands – Tier 3, Non-Preferred Brands – Tier 4, Preferred Specialty – Tier 5, and Non-Preferred Specialty – Tier 6. Each level has a different copayment. This gives you and your doctor the freedom to choose the medication that is right for you. At the same time, this will help you to better budget your healthcare dollars.

Preferred Generic Medications – Tier 1 have the lowest copayment/coinsurance. Generic drugs offer the same level of safety and quality as their brand-name equivalents. They have the same amount of active ingredients as brand-name medications. You are required to use a generic version of the drug if one is available. **Refer to the "generic drugs" section of your Summary of Benefits and Coverage for your plan's cost-share amount.**

Generic Medications – Tier 2 have the same copayment/coinsurance as Tier 1. Generic drugs offer the same level of safety and quality as their brand-name equivalents. They have the same amount of active ingredients as brand-name medications. You are required to use a generic version of the drug if one is available. **Refer to the "generic drugs" section of your Summary of Benefits and Coverage for your plan's cost-share amount.**

Preferred-Brand Medications – Tier 3 have the middle level copayment/coinsurance. These drugs are brand medications and "preferred" because of their value and effectiveness. **Refer to the "preferred-brand drugs" section of your Summary of Benefits and Coverage for your plan's cost-share amount.**

Non-Preferred Brand Medications – Tier 4 have a higher copayment/coinsurance level. These medications are brand drugs that are more expensive and have similar effectiveness as Tier 3 medications. This tier may also include higher-

cost generic medications. **Refer to the "non-preferred-brand drugs" section of your Summary of Benefits and Coverage for your plan's cost-share amount.**

Preferred Specialty Medications – Tier 5 have a higher copayment/coinsurance level. These also include Specialty medications, which usually treat complex and rare conditions. These drugs can be high-cost medications and biologicals, regardless of how they are administered (injectable, oral, transdermal, or inhalant).

- **Plans effective 1/1/2018 or after:** Refer to the "preferred specialty drugs" section of your Summary of Benefits and Coverage for your plan's cost-share amount.
- **Plans effective prior to 1/1/2018:** Refer to the "specialty drugs" section of your Summary of Benefits and Coverage for your plan's cost-share amount.

Non-Preferred Specialty Medications – Tier 6 have the highest copayment/coinsurance level. These also include Specialty medications, which usually treat complex and rare conditions. These drugs can be high-cost medications and biologicals, regardless of how they are administered (injectable, oral, transdermal, or inhalant), and have similar effectiveness as Tier 5.

- **Plans effective 1/1/2018 or after:** Refer to the "non-preferred specialty drugs" section of your Summary of Benefits and Coverage for your plan's cost-share amount.
- **Plans effective prior to 1/1/2018:** Refer to the "specialty drugs" section of your Summary of Benefits and Coverage for your plan's cost-share amount.
- **Orally Administered Anti-Cancer Medications:** Coverage of these medications are subject to the same **Prior Authorization** requirements as intravenously administered injected cancer medications covered by the Plan. Orally administered medications cannot cost more than an intravenously injected equivalent. Intravenously injected medications cannot cost more than orally administered medications.
- **$0 Generics for Several Chronic Conditions:** Generic drug coverage at no cost for hypertension, depression, bipolar disorder, chronic obstructive pulmonary disease, coronary artery disease, hypercholesterolemia, diabetes, congestive heart failure, and asthma. This does not apply to all plans; please refer to your Summary of Benefits and Coverage for your specific plan benefits.
- **Non-Formulary Medications** may be covered if the formulary medications do not work for you. If you require a Non-Formulary medication, your doctor may request coverage for the Tier 4 (Traditional Drugs) or Tier 6 (Non-Preferred Specialty Drugs) copayment by making a request for a coverage exception.
- **$0 Preventive Medications:** Coverage of preventive services without cost-sharing requirements for aspirin, folic acid, tobacco cessation, contraceptives, and other treatments as defined by the Affordable Care Act

In addition to the categories of drugs described above, True Health New Mexico 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 document labeled "True Health $0 Generic Drug List" posted on the True Health New Mexico website for information about generic drugs that are covered at no cost to members. The elimination of copays for these commonly prescribed products may promote consistent use and improve health outcomes. Please call Customer Service at 1-855-769-6642 to determine if your plan provides Zero-Dollar Generic Drug coverage.

REASONABLE MEDICAL MANAGEMENT

True Health New Mexico's formularies also use 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 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, True Health New Mexico's reasonable medical and utilization management functions apply to ACA preventive drugs.

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-name drug, depending on the drug's clinical criteria and if True Health New Mexico Pharmacy Services 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. True Health New Mexico 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. True Health New Mexico 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.

True Health New Mexico 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.

How does the PA process work?

If your provider determines that you need access to a drug that is not on a True Health New Mexico formulary, a PA may be submitted for review. You or your provider may begin the PA process by submitting a **Drug Prior Authorization Request Form** to True Health New Mexico Pharmacy Services. This form is found on the True Health New Mexico website at www.truehealthnewmexico.com/forms 2.aspx.

Once completed, the form may be faxed to True Health New Mexico Pharmacy Services at 1-866-718-7938 for review. Providers also can call True Health Pharmacy Services directly at 1-866-823-1606 to request a PA.

True Health New Mexico Pharmacy Services processes PA requests according to the urgency of the situation. Medically urgent requests are usually processed within 24 hours of receipt. Standard requests are usually processed within 72 hours of receipt. There may be situations in which these decision time frames are extended in order to allow providers sufficient time to supply necessary clinical information.

Once a decision about your PA request is made, you will be notified. For denials, you will be notified by phone within one day and by letter within one day after the telephone notice. If the request is approved, you will receive a letter, which is mailed within one day of the date of the decision.

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 True Health New Mexico member handbook (Evidence of Coverage).

USING THE FORMULARY TO HELP CONTAIN COSTS

The True Health New Mexico formularies offer a wide range of medications from which to choose. We realize that the formularies 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

True Health New Mexico sets the copayments for each formulary drug status, which include preferred generic, generic, preferred brand-name, non-preferred brand-name, and preferred and non-preferred specialty medications. 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 member handbook (Evidence of Coverage), including plan limitations and exclusions.

FORMULARY ALTERNATIVES

True Health New Mexico members can use the Formulary Alternatives Lists for True Health New Mexico members that is posted on the www.truehealthnewmexico.com/Formulary.aspx to help you find lower-cost alternatives to commonly prescribed drugs. Depending on your benefit, some generic alternatives may cost less than the lowest True Health New Mexico generic member cost-share.

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, True Health New Mexico Pharmacy Services 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 True Health New Mexico to determine specific coverage requirements.

SPECIALTY PHARMACY (CVS SPECIALTY)

Most specialty drugs will be supplied exclusively by CVS Specialty Pharmacy. Most specialty drugs require prior authorization (PA) for use. Once a specialty drug PA is approved by True Health New Mexico Pharmacy Services, providers will need to supply a prescription to CVS Specialty Pharmacy directly. Members may call CVS Specialty at 1-800-237-2767 with questions about their approved specialty medications. Although CVS Specialty Pharmacy supplies specialty pharmacy medications by mail, it is not the designated mail order pharmacy for those True Health New Mexico members who have a benefit for mail order. Please see the *Mail-Order Prescriptions* section below for more information.

MAIL-ORDER PRESCRIPTIONS

Some True Health New Mexico members may be able to receive prescriptions through mail order. CVS/caremark Mail Service is the mail-order provider for True Health New Mexico. Mail order is a convenient way to receive your medications without the need to make a trip to your local pharmacy. CVS/caremark Mail Service can fill most routine maintenance medications, within the limits of state and federal laws. Members may call CVS/caremark Mail Service at 1-

866-341-8561 with questions about mail order. Use of CVS/caremark Mail Service will require completion of a mail-order form, which you can find on our website at www.truehealthnewmexico.com/Formulary.aspx, and may require new prescriptions from your provider. CVS/caremark Mail Service provides a ninety (90)-day supply of medication. The cost (three [3] copayments for a ninety [90]-day supply) is the same as the cost of obtaining a three (3)-month supply at a retail pharmacy. CVS/caremark Mail Service does not provide Specialty Pharmacy medications by mail.

EXCLUSIONS

Some medications are not covered benefits for True Health New Mexico 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 your True Health New Mexico member handbook (Evidence of Coverage) for additional details about excluded drugs.

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