

Chapter 10:

Prescription Benefits and Drug Formulary

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BCBSAZ Health Choice Pathway (may also be referred to as the Plan) is a Medicare Advantage Special Needs Plan (D-SNP) with Medicare Part D Prescription Drug Coverage. Medicare Part D drugs covered by BCBSAZ Health Choice Pathway are found on our Comprehensive Formulary. The Formulary Drug List as well as criteria for drug coverage can be found on the Plan website at <https://www.healthchoicepathway.com/>. Additionally, your Provider Performance Representatives can provide a Formulary book for your office.

10.0 PRESCRIPTION DRUG BENEFIT

Medications are covered by Medicare in numerous categories. Some medications are covered under Medicare Part A and/or B, and some medications are covered under Medicare Part D. Medicare Part D coverage is commonly referred to as the outpatient prescription benefit. The list of drugs covered by BCBSAZ Health Choice Pathway Medicare Part D Benefit is known as our Formulary Drug list.

If drugs are covered under Medicare Part A or Part B, they are in most instances not covered under Medicare Part D. Therefore, drugs covered under Medicare Part B will not be found on the Formulary Drug List.

Examples of Medicare Part B drugs include but are not limited to:

- Drugs usually not self-administered by patients and injected with physician services;
- Drugs used with durable medical equipment (e.g. nebulizers, blood glucose testing meters);
- Clotting factors self-administered by patients with hemophilia;
- Immunosuppressive drugs in patients whose organ transplant was covered by Medicare;
- Antigens;
- Certain oral anti-cancer drugs and anti-nausea drugs;
- Certain drugs used during dialysis;
- Intravenous immune globulin for the treatment of primary immune deficiency diseases.
- Insulin administered via a pump

BCBSAZ Health Choice Pathway outpatient prescription drug benefit covers drugs not otherwise excluded from Medicare Part D coverage.

Drugs not covered by Medicare Part D and therefore not considered Part D drugs include:

- nonprescription Over-the-Counter (OTC) drugs*;
- drugs used for anorexia, weight loss, or weight gain;
- drugs used to promote fertility;
- drugs used for cosmetic purposes, hair growth or erectile dysfunction;
- drugs used for the symptomatic relief of cough or colds; and,
- Prescription vitamins and mineral products, except prenatal vitamins and fluoride.

* In 2024 under the supplemental benefit package, BCBSAZ Health Choice Pathway offers a combined OTC (over-the-counter) and Healthy Food/Produce benefit of up to \$600 every three months. Interested members should call the Member Services phone number on their card for additional information.

10.1 FORMULARY (List of Medications)

The BCBSAZ Health Choice Pathway formulary lists all Part D drugs covered by the Plan. We will generally cover the drug as long as the drug is medically necessary, the prescription is filled at a network pharmacy, and other coverage rules are followed. For certain prescription drugs, we have additional requirements for coverage or limits on coverage.

The drugs on the formulary are selected by a CMS compliant Pharmacy and Therapeutics (P&T) Committee which consists of medical and pharmacy providers. The P&T Committee selects Part D eligible prescription drugs necessary to meet the clinical needs of our members and comply with Medicare's formulary requirements. Not all Part D eligible drugs are covered by BCBSAZ Health Choice Pathway based on P&T Committee decisions.

Per Medicare regulation, BCBSAZ Health Choice Pathway covers Part D drugs for "medically-accepted" indications, approved by the FDA. Coverage of off-label uses of a prescription drug can only occur in very specific situations. We may cover the off-label use only in cases where the use is supported by Part D approved compendia (DrugDex, AHFS-DI). If the use is not supported by one of these compendia, then the drug would not be covered by our plan.

Brand and generic drugs are included on the formulary. A generic drug has the same active-ingredient(s) as the brand-name drug. Generic drugs usually cost less than brand-name drugs and are rated by the Food and Drug Administration (FDA) to be as safe and as effective as brand-name drugs.

The BCBSAZ Health Choice Pathway Formulary has a single (1) drug tier for all covered drugs.

BCBSAZ Health Choice Pathway formulary medications may be subject to utilization management tools such as Prior Authorization, Step Therapy and/or Quantity Limits. The utilization management tools serve as additional requirements for coverage or limits on coverage.

These requirements and limits ensure that our BCBSAZ Health Choice Pathway members use these drugs in the most effective way.

A team of doctors and pharmacists developed, and the P&T Committee approved, requirements and limits to help provide quality coverage to our enrollees.

10.2 PRIOR AUTHORIZATION

BCBSAZ Health Choice Pathway requires Prior Authorization for certain drugs. This means the Plan needs to review and approve a Coverage Determination request before the enrollee can fill the prescription. Coverage Determinations may be requested by the provider, member, or the member's documented appointed representative. We will not cover prescriptions for certain drugs unless they have been authorized.

BCBSAZ Health Choice Pathway' Prior Authorization criteria include use for Part D eligible "medically accepted" indications, approved by the FDA and/or supported by Part D approved compendia such as American Hospital Formulary Service Drug Information and DRUGDEX Information System. If the use is not supported by one of these compendia, then the drug would not be covered.

BCBSAZ Health Choice providers have the ability to submit Pharmacy Prior Authorizations to us online through your secure provider portal or by visiting directly PromptPA portal: <https://healthchoice.promptpa.com> *System Requirements: Web browser (i.e. Internet Explorer 9 or higher). Dispensing pharmacies are not valid submitters of a Coverage Determination.

In order to submit an online request, please be prepared with the patient's date of birth and BCBSAZ Health Choice ID number.

Clinical information submitted via the PromptPA Portal will be transmitted securely into the Plan's Pharmacy Coverage Determination system for review by a BCBSAZ Health Choice Pharmacist or Medical Director.

10.3 STEP THERAPY

BCBSAZ Health Choice Pathway may require providers to try one drug to treat a member's medical condition before covering another drug for that condition. For example, if Drug A and Drug B both treat a specific medical condition, we may require the provider to prescribe Drug A first. If Drug A does not work for the enrollee, then we will cover Drug B.

10.4 QUANTITY LIMITS

For certain drugs, we limit the amount of the drug that we will cover per prescription or for a defined period. Providers, Members, or Appointed representatives must request an exception to the limit via the Coverage Determination process for BCBSAZ Health Choice Pathway to cover quantities above the listed amounts on the formulary.

10.5 FORMULARY EXCEPTION REQUESTS

Providers may, but are not required to, use the BCBSAZ Health Choice Pathway Pharmacy Medication Prior Authorization/Exception Request Form located on the website to request formulary exceptions for enrollees. Requests may also be submitted online through your secure provider portal, directly via PromptPA at <https://healthchoice.promptpa.com>, or you can also contact Member Services. The exception request must include documentation of medical necessity. Formulary exception requests may include non-formulary medications, exceptions to Prior Authorization or Step Therapy criteria, or exceptions to quantity limits based on enrollee medical necessity.

If the Plan approves the exception request, the approval is valid through the end of the current benefit year so long as the plan provider continues to prescribe the drug and the member continues to be eligible under BCBSAZ Health Choice Pathway. A shorter approval duration may be granted if the medication in question has been approved by the FDA for only a limited duration of therapy (example: acute use antibiotics).

BCBSAZ Health Choice Pathway enrollees may request an exception to the formulary or a utilization management criteria. When an enrollee requests an exception, a provider's supporting medical documentation is needed to appropriately process the request or coverage determination.

10.6 PHARMACY APPEALS (REDETERMINATIONS)

Within 60 calendar days from the notice of denial of the initial Coverage Determination request, the member, appointed representative, or provider may submit a request for appeal (redetermination) to BCBSAZ Health Choice Pathway. A request may be made orally, in writing, or via the online coverage determination portal (PromptPA). A specific form is not required for submission of a redetermination request.

10.7 FORMULARY CHANGES

The Medicare Part D program allows BCBSAZ Health Choice Pathway to make changes in our prescription drug formulary list at any time during the calendar year. Changes to our formulary within a plan year can be found on the BCBSAZ Health Choice Pathway website under Members > Prescription Drug Information > Formulary Change Notice.

The Formulary Change Notice is posted at least 30 days prior to a negative change. Additionally, the most up to date copy of the formulary and utilization management tools (e.g. Prior Authorization Criteria, Step Therapy Criteria, and Quantity Limits) are found on the website.

If BCBSAZ Health Choice Pathway removes a drug from the formulary, adds prior authorization, quantity limit, and/or step therapy restrictions on a drug, and an enrollee is taking the drug affected by the change, we will notify the enrollee of the change at least 30 days before the date that the change becomes effective. If we do not notify the enrollee of the change in advance, we will give a 30-day supply of the drug when the member requests a refill of the drug.

However, if a drug is removed because the drug has been recalled from the market, we will not give 30-day notice before removing the drug or give a 30-day supply of the drug when a refill is requested. Instead, we will remove the drug from our formulary immediately and BCBSAZ Health Choice Pathway enrollees and providers will be notified about the change as soon as possible.

Immediately after receiving the 30-day notice or supply, providers and enrollees should work with BCBSAZ Health Choice Pathway to either switch to a formulary alternative drug or request a formulary exception (which is a type of coverage determination). The provider should request a formulary exception if the provider determines that the drug being removed is needed and none of the drugs on formulary are medically appropriate for the member.

10.8 TRANSITION POLICY

New enrollees in our plan may be taking drugs that are not on our formulary or that are subjected to certain restrictions, such as prior authorization or step therapy. Therefore, new enrollees have access to a 31-day transition supply of the specific drug within the first 90 days of their enrollment. If the new enrollee is in a long-term care facility up to a 34-day transition supply will be provided. Additionally, enrollees that experience a change in level of care or a formulary change from one year to another have access to a transition fill of their drug. When a transition fill occurs the enrollee and prescriber will get letters explaining next steps needed to continue coverage of the drug. BCBSAZ Health Choice Pathway enrollees should talk to their doctors to decide if they can switch to an appropriate drug that we cover or request a formulary exception (which is a type of coverage determination) in order to get coverage for the drug.

Please note that the transition policy applies only to those drugs that are “Part D eligible” and are filled at a network pharmacy. Some drugs that may be covered under the Part B benefit are not eligible for Transition, in addition to some drugs that are frequently prescribed for non-FDA indications.

The transition policy cannot be used to obtain non-Part D drugs or drugs out-of-network.

10.9 DRUG MANAGEMENT PROGRAMS

Generic Substitution

When there is a generic version of a brand-name drug available our network pharmacies will automatically give the generic version unless the provider has provided documentation to Health Choice Pathway and the dispensing pharmacy that the member must take the brand-name drug.

10.10 DRUG UTILIZATION REVIEW

BCBSAZ Health Choice Pathway conducts drug utilization review on our Health Choice Pathway enrollees to make sure they are receiving safe and appropriate care. We conduct drug utilization review each time prescriptions are filled by an enrollee and on a retrospective basis.

During the review, we look for medication problems such as:

- Possible medication errors
- Unnecessary duplicate drugs being taken to treat the same medical condition
- Drug over or under utilization
- Drugs inappropriate because of age or gender
- Harmful Drug- Drug or Drug- Disease interactions
- Drug allergies
- Drug dosage errors

If the Plan identifies a medication problem during our drug utilization review, we will work with the provider to correct the problem.

10.11 MEDICATION THERAPY MANAGEMENT PROGRAMS

BCBSAZ Health Choice Pathway offers a medication therapy management (MTM) program at no additional cost for enrollees who have multiple medical conditions, or who are taking many prescription drugs, or who have high drug costs. These programs were developed by a team of pharmacists and doctors. BCBSAZ Health Choice Pathway uses the medication therapy management program to help enrollees use medications more appropriately.

The program provides the enrollee the opportunity to talk with a pharmacist and create a medication action plan. The MTM program helps our enrollees to use drugs appropriately by encouraging adherence with chronic medications, identifying gaps in care, and preventing adverse drug outcomes. As part of the MTM program's regular Targeted Medication Reviews (TMR), prescribers will occasionally be contacted to review potential care gaps or medication conflicts, with a request to take action as the prescriber deems appropriate. These reviews may include information about a member's prescriptions from multiple prescribers in order to provide important context for the prescriber's review.

MTM program criteria include presence of two (2) or more medical conditions (e.g. diabetes, osteoporosis, CHF, anticoagulation, COPD, Asthma, ESRD, MS, HIV, Disabling Mental Illness) , who are regularly taking six (6) or more Part D medications, and who have drug costs greater than \$1,332 per quarter (three-month period of time). All At-Risk-Beneficiaries (ARBs) identified through the Plan’s Drug Management Program (DMP) are also automatically included in the MTM program.

If you serve BCBSAZ Health Choice Pathway enrollees who meet the criteria, your patients will automatically be invited to participate in the medication therapy management program. BCBSAZ Health Choice Pathway will send your patient information about the program including information about how to access the program.

10.12 PHARMACY NETWORK

The BCBSAZ Health Choice Pathway pharmacy network directory can be viewed on our website at <https://www.healthchoicepathway.com/>.

A network pharmacy is a pharmacy at which enrollees can get Part D prescription drug benefits. We call them “network pharmacies” because they are contracted with the plan PBM to be a part of the Part D network used by the Plan. In most cases, prescriptions are covered only if they are filled at one of our network pharmacies.

BCBSAZ Health Choice Pathway enrollees may switch to a different network pharmacy at any time. Providers must either provide a new prescription written or have the previous pharmacy transfer the existing prescription to the new pharmacy if any refills remain.

BCBSAZ Health Choice Pathway will pay for prescriptions at non-network pharmacies under certain circumstances as described in the BCBSAZ Health Choice Pathway Evidence of Coverage.

10.13 RETAIL PHARMACY NETWORK

BCBSAZ Health Choice Pathway retail pharmacy network consists of chain and independent pharmacies in Arizona and throughout the United States. Enrollees can fill prescriptions for most medications (up to a 100-day supply) at our retail pharmacies.

When writing a prescription for an extended day supply of a medication the prescription should most commonly be written for a 100-day supply. Formulary drugs which are NOT available in extended days’ supply are noted on the Plan Formulary with a specified quantity limit in the Requirements/Limits column.

10.14 MAIL ORDER PHARMACY

BCBSAZ Health Choice Pathway enrollees can use our network mail order pharmacy to get up to a 100-day supply of medication.

CVS Caremark Mail Service phone: 1 (800) 378-5697 or Fax: 1(800)378-0323

If the provider is going to send a prescription to the mail order pharmacy, please make sure the enrollee has registered with the mail order pharmacy.

10.15 SPECIALTY PHARMACY

Specialty drugs are expensive medications that exceed a cost threshold for a 1-month supply which is predetermined by CMS. In 2024, in order to be considered Specialty, a drug must have an ingredient cost of \$950 for a 30-day supply. This Specialty cost threshold will remain the same in 2025. Enrollees may acquire their specialty medication from any network pharmacy that carries specialty medications.

Many of the specialty drugs on our formulary require prior authorization. BCBSAZ Health Choice Pathway staff will coordinate the provision of these approved medications to your patients.

10.16 HOME INFUSION PHARMACY

BCBSAZ Health Choice Pathway covers home infusion therapy under the Part D benefit if:

- The prescription drug is on the BCBSAZ Health Choice Pathway formulary, or a formulary exception has been granted for the prescription drug; and
- BCBSAZ Health Choice Pathway has approved the prescription for home infusion therapy; and
- The prescription is written by an authorized prescriber.

Please refer to the Pharmacy Directory to find a home infusion pharmacy provider or contact your Provider Performance Representative or contact Member Services.

10.17 LONG TERM CARE PHARMACY

In some cases residents of a long-term care facility may access their prescription drugs through the facility's long-term care pharmacy or another network long-term care pharmacy.

Please refer to the Pharmacy Directory to find out what long-term care pharmacies are part of the network. Contact your Provider Performance Representative for assistance.

Medications administered to members while admitted inpatient to a Skilled Nursing Facility are covered under the Part A benefit (unless exhausted) and may not be billed under the Pharmacy (Part D) benefit.

10.18 INDIAN HEALTH SERVICES/TRIBAL/URBAN INDIAN HEALTH PROGRAM (I/T/U) PHARMACY

Native Americans and Alaska Natives have access to Indian Health Service/Tribal/Urban Indian Health Program (I/T/U) Pharmacies through the BCBSAZ Health Choice Pathway pharmacy network. Members other than Native Americans and Alaskan Natives may be able to access these pharmacies under limited circumstances (e.g. emergencies).

Please refer to the Pharmacy Directory to find an I/T/U pharmacy. Contact your Provider Services Performance for assistance.

10.19 EXTRA HELP WITH MEDICARE PART D BENEFIT AVAILABLE FOR ENROLLEES

Medicare provides “extra help” to pay prescription drug costs for people who meet specific income and resources limits. Resources include savings and stocks, but not home or car. If an enrollee qualifies, he/she will get help paying for a Part D plan’s monthly premium, yearly deductible and prescription drug co-payments.

Most BCBSAZ Health Choice Pathway enrollees qualify for extra help since they are eligible for Medicaid (AHCCCS) or get Supplemental Security Income benefits. Qualification for ‘extra help’ is not automatic upon enrollment in BCBSAZ Health Choice Pathway. Members must contact Social Security to apply for the ‘Low Income Subsidy’ program.

BCBSAZ Health Choice Pathway enrollees do not have a Part D premium or deductible and pay a specific generic drug or brand drug co-pay based on their subsidy level. The specific prescription drug co-pay is the same for a 30 or 100-day supply of medication. Writing prescriptions for chronic medications for a 100-day supply instead of a 30-day supply will decrease an enrollee’s drug costs and may potentially increase patient adherence to their prescribed therapy.

The amount of extra help BCBSAZ Health Choice Pathway enrollees get depends on their income and resources.

In 2023, the Plan was approved to offer Value Based Insurance Design (VBID) benefits to plan members. In 2023, any BCBSAZ Health Choice Pathway enrollee who qualifies for ‘extra help’ will have zero-dollar co-pays on all formulary medications while they qualify for extra help.

If the provider believes an enrollee may qualify, have the enrollee call Social Security at (800) 772-1213, visit <https://www.ssa.gov/> on the web, or apply at your State Medical Assistance (Medicaid) office. TTY users should call (800) 325-0778.