

## **MEMORANDUM**

**To:** BCS Individual Medical Participants  
**From:** Edmund C. Stafford, ARM, Director, Life/Health Ins. Operations & Mktg.  
**Date:** January 21, 2010  
**Re:** Drug Card Protocol

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Starting January 1, 2010, new drug card copay levels were put on the MDA's endorsed medical product underwritten by BCS Life of Illinois. This was part of the individual medical plan repositioning that enabled your 2010 rates to remain stable and not increase over your 2009 rates.

The new drug cards have built into them several protocols that insure prescriptions are delivered to the insured at the lowest possible cost, while at the same time providing the most appropriate medication for the condition diagnosed. They include prior authorization, step therapy, and maximum allowable cost. These protocols only affect certain medications, and are very common in today's insurance industry. Your physician should be familiar with how to handle them.

**Prior Authorization.** Certain clinical criteria must be met before certain drugs are covered. Your doctor should call the BCBSM pharmacy help desk to request prior authorization for these drugs.

**Step Therapy.** Requires that you have tried an alternative therapy first, or that your doctor has clinical documentation on why you cannot take the alternative therapy. Step therapy may include select over-the-counter products.

**Maximum Allowable Cost.** This initiative caps reimbursement for certain commonly prescribed drugs when a generic is available. If you choose to use a name brand medication when a generic medication is available, then the copay of the drug will be increased by the difference in cost between the generic drug and the non-formulary cost.

For example, if the generic drug is \$100 retail and the name-brand is \$300, the difference of \$200 will be added to the copay of \$80, for a total of \$280. This extra cost will not be incurred if the generic is used. If your physician would prefer you to use a name brand drug rather than the generic, the physician must contact BCBSM and provide clinical evidence that the generic is not appropriate.

Remember, the cost of medication is continually increasing, and these protocols will help keep this inflationary pressure to a minimum. To view your medications on the custom formulary list, please visit the Blue Cross Web site at:

[http://www.bcbsm.com/member/prescription\\_drugs/custom\\_formulary.shtml](http://www.bcbsm.com/member/prescription_drugs/custom_formulary.shtml).

If you have questions, please call us at (800) 860-2272. Thank you.