

PUBLIC EMPLOYEES'
PEBB
BENEFIT BOARD

Participants' Newsletter: Special 2006 Prescription Drug Issue

Spring 2006

Know How Your Rx Plan Works
The Bottom Line on Prescription Benefits

The Benefit Board redesigned the prescription drug plan for 2006. So, the next time you get a prescription, it's more important than ever to know if the drug is a generic, a preferred brand or a non-preferred brand. You may even want to take this newsletter with you the next time you see your healthcare provider.

You don't want an unpleasant surprise at the pharmacy check out or when you're billed by the mail-order company. You can save yourself time, trouble and dollars by ensuring the medication your provider prescribes is on your plan's formulary. Ask the provider to check the formulary online or on paper and prescribe a generic or therapeutic equivalent if one is available.

How the Retail Rx Benefit Works

The Benefit Board designed the 2006 prescription drug plan with incentives that encourage members to work with their providers to ensure they're getting value for their healthcare dollars.

In the PPO plans that are also available to full-time active state employees, members pay only \$5 for generic drugs (down from \$10 in

2005), and they pay the same \$15 copay for preferred brand drugs (drugs on each plan's formulary) as they did in 2005.

In the lower-cost PPO plans available only to part-time employees and retirees, members pay \$10 for generic drugs. They pay 20 percent of the cost for preferred brand drugs.

Members in both types of plans who choose to use *non-preferred brand drugs not on the formulary*, pay the greater of \$50 or 50% of the cost of the drug.

If the non-preferred drug also has a generic equivalent available (one with the same active ingredient), members will also pay the difference between the cost of the drug and the generic version. If this is the case for one of your prescriptions, you pay as follows:

1. The greater of a \$50 copayment or 50% of the cost of the brand-name drug, *plus*
2. the difference between the generic drug cost and the brand-name drug cost, *but*
3. no more than the cost of the brand-name drug.



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Prescription Drugs Is Newer Better?

You hear it at the tag end of what seems like every other TV ad:

**“Ask your doctor if
[insert drug name here]
is right for you.”**

Drug makers use savvy advertising to coax consumers into asking doctors for the newest version of drugs for many common conditions. But “newer” may not always mean “better.”

Q Don't drug makers have to prove their new product is better than what's already available?

A No. The Food and Drug Administration (FDA) must approve new drugs before they can be marketed. But the FDA only requires that the drug works better than a placebo (sugar pill), not better than other remedies already on the market. So, claims that the new version is better are largely unproven.

Q If it's not better, why did my doctor give me samples and a prescription?

A A drug company representative may have left those samples on his or her last visit. It's their job to influence prescribing patterns by physicians, to encourage them to prescribe their company's brand-name drugs, which are often much more expensive than existing alternatives. Called “detailers,” these drug company employees often leave

behind samples that your doctor can give you when prescribing the new drug. This gives you a short-term cost benefit. But, if you will be taking the drug for a while, your savings will evaporate with higher copayments or coinsurance when you get refills

Q Don't the older versions of drugs cause side-effects?

A All drugs have side-effects, including all new drugs. In the case of drugs with a history of use, doctors and pharmacists have gained deeper knowledge about how doses, use patterns, and drug combinations can be adjusted to meet individual needs and responses.

Q How do I find out if the new drug is better than the older versions?

A Several groups report the results of evidence-based reviews of research on drug safety and effectiveness. The reviews look at the results of the most rigorous research designed with controls that keep out bias and compare drugs head-to-head. In most major drug classes, evidence fails to show that one drug is superior to another for effectiveness or safety.

Here are three sources that report results of evidence-based reviews:

- Oregon's Health Resources Commission at oregon.gov/DAS/OHPPR/ORRX/HRC/evidence_based_reports.shtml
- AARP online at: www.aarp.org/health/comparedrugs

- Consumer Reports online at: www.crbestbuydrugs.org.

For the Exceptions

Because each person is different, the Board asked each of the PPO plans to establish an exceptions process. If your doctor can provide evidence that you cannot tolerate the alternatives or they have not worked in your treatment, he or she can ask the plan to consider an exception in your case.

Approval of exception requests is not automatic. In each of the plans, teams made up of doctors and pharmacists review individual requests. Their evidence-based reviews take into account alternative medications that are found to be no less effective or safe than the non-preferred brand, along with the patient's specific circumstances provided by the prescribing physician. If the exception request is approved, you will be able to purchase the non-preferred brand drug at the preferred brand copayment or coinsurance level. The goal is to ensure that all PEBB members are receiving value through the prescription drug plan design.

So the next time your physician prescribes a new drug, **ask if an alternative may be right for you.**

Regence Part-time and Retiree Plan Members Please Note: If the plan grants an exception for you, the copay or coinsurance for a preferred brand drug will apply to your deductible.

Know How Your Rx Plan Works

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How the Mail-order Rx Benefit Works

Over the last several years, PEBB was able to renew contracts that offered significant discounts for prescription drugs supplied through mail order. But during that time frame, prescription drug costs increased to a point that erased the discounts. By 2005, the program was running at a deficit.

So, for 2006, member copayment and coinsurance costs for mail order more than doubled. Mail order still remains as a convenience to members, especially those on long-term maintenance treatments.

In the PPO plans that are also available to full-time active state employees, members pay \$12.50 for a 90-day supply of generic drugs by mail order. They pay \$37.50 for

preferred brand drugs.

They pay the greater of \$125 or 50 percent of the cost of a 90-day supply of a non-preferred brand drug. If they choose a non-preferred brand drug that has a generic version, they will also pay the difference in cost between the generic and non-preferred brand version (but never more than the actual cost of the drug).

In the lower-cost PPO plans available only to part-time employees and retirees, members pay \$25 for a 90-day supply of generic drugs by mail order. They pay \$62.50 for preferred brand drugs.

They pay \$125 for a 90-day supply of non-preferred brand drugs. If they choose a non-preferred brand drug that has a generic version, they will also pay the difference in cost between the generic and non-preferred brand version (but never more than the actual cost of the drug).

Member Gets Lower Dose, Lower Cost

Here's how one PEBB member is benefiting from the 2006 prescription drug plan design.

"I had my annual physical with my primary care doc today. As soon as she saw the Regence letter I had in my hand about alternatives to a medication I take [sent in December to PEBB members taking non-preferred brand medications], she reacted negatively. Apparently I was not the first patient to show up with such a letter.

However after she looked at it she indicated that, with this particular medication, the alternatives recommended were good ones. So we agreed to make a switch to a less expensive one, which also requires a lower dose.

So for me, thanks to PEBB for pointing out the alternatives that were available and getting me to discuss this with my doc. It has resulted in both a lower dose and a lower cost to me and my insurance provider."

Public Meetings

The Benefit Board and its subcommittees usually meet monthly. Times and locations are subject to change. For schedules, please check the Meetings section of the PEBB Web site:

oregon.gov/das/pebb/meetings.shtml

PPO Plan Rx Coverage		Part-time & Retiree PPO Plan Rx Coverage	
Retail	34-day supply	Retail	34-day supply
Generic	\$5	Generic	\$10
Preferred Brand	\$15	Preferred Brand	20%
Non-preferred Brand	Greater of \$50 or 50%, plus*	Non-preferred Brand	Greater of \$50 or 50%, plus*
Mail Order	90-Day Supply	Mail Order	90-Day Supply
Generic	\$12.50	Generic	\$25
Preferred Brand	\$37.50	Preferred Brand	\$62.50
Non-preferred Brand	Greater of \$125 or 50%, plus*	Non-preferred Brand	\$125, plus*

* Plus the difference in cost between non-preferred brand and generic version if the generic version has the same active ingredient.

BenefitHelp Solutions

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PEBB Resources

PEBB

www.oregon.gov/das/pebb

Salem: (503) 373-1102

Statewide: (800) 788-0520

BenefitHelp Solutions

(Third-party Administrator)

www.benefithelpsolutions.com

(800) 556-3137

Kaiser Permanente

(Medical & Dental Plans)

<http://my.kp.org/nw/pebb>

Portland: (503) 813-2000

Outside Portland: (800) 813-2000

TTY: (800) 735-2900

The ODS Companies

(Dental Plans)

www.odscompanies.com/members

Portland: (503) 265-5680

Outside Portland (877) 277-7280

Providence Choice

(Medical Plan)

www.providence.org/resources/pebb

Portland: (503) 574-6620

Outside Portland: (800) 423-9470

Regence BlueCross BlueShield

(Medical Plans)

www.or.regence.com/pebb

Portland: (503) 220-3849

Outside Portland: (800) 826-9813

Samaritan Select

(Medical Plans)

www.samaritanselect.com

Corvallis area: (541) 768-6900

Outside Corvallis area: (800) 569-4616

The Standard Insurance Company

(Life Plans)

www.standard.com

Life Benefits (800) 242-1888

Disability Benefits (800) 842-1707

VSP

(Routine Vision Services except Kaiser)

www.vsp.com

(800) 877-7195

Willamette Dental

(Dental Plan)

www.willamettedental.com

Portland: (503) 644-6444, Option 8

Statewide: (800) 460-7644, Option 8

UnumProvident

(Long Term Care Plans)

www.unumprovident.com/enroll/pebb

(800) 227-4165

PEBB Mission

To provide a high quality plan of health and other benefits that are affordable to both the employee and the state.