



Generic: once a brand name drug's patent expires, generics can be made to increase competition and reduce cost. Generics are tested by the FDA in the same manner as a brand name drug. In the USA, only A-Rated generics are allowed to be dispensed to the public.



Formulary Brand: these are brand-name drugs (some with and some without a generic equivalent) that are listed on a pharmacy benefit manager's (PBM) preferred drug listing. These lists are developed by clinicians – pharmacists and physicians to ensure all conditions are covered. These lists allow a PBM to negotiate a better price with a pharmaceutical company when there is more than one drug in the same classification produced by different pharmaceutical companies.



Non-Formulary Brand: these are brand-name drugs (some with and some without a generic equivalent) that are NOT listed on a pharmacy benefit manager's (PBM) preferred drug listing. Many of these medications have a similar formulary brand or generic equivalent that can be used by the patient.



Specialty Drug: A designation of pharmaceuticals that are classified as high-cost, high complexity and/or high touch. Specialty drugs are often biologics—"drugs derived from living cells" that are injectable or infused.

PBMs are reviewed regularly to ensure they are not only meeting the cost metrics but patient satisfaction as well. PBMs would lose business if they did not meet the needs of the patients and their doctors as well as manage cost.

■ Home Delivery Incentive

- Maintenance Drugs are those medications that a patient will be taking for 90 days or more.
- The Home Delivery Incentive allows a member to receive up to two fills at the retail store. This allows the member a full 60 days to get the prescription set-up with the mail order program. The third fill of the medication must come from Mail Order rather than Retail or the medication is NOT covered.
- Mail Order (Home Delivery) reduces the cost of medication for the plan AND for the member. The member pays less for a 90-supply of medication from Mail Order then obtaining the same medication at retail.
- Plus, the member has the convenience of the medication being sent directly to their home.

■ Generic Incentive

- When obtaining a prescription for a brand name drug – if a therapeutically generic equivalent is available and the member still wants the brand name drug, the member will pay the associated copay PLUS the difference in cost between the generic and the brand name drug.
- A generic equivalent means that a drug has an identical amount of the same active chemical ingredients in the same dosage form, that meets applicable standards of strength, quality and purity according to the FDA meaning, it will provide comparable therapeutic results.
- Not all drugs have a generic equivalent.

NEW PLAN PROVISIONS EFFECTIVE 1/1/23