Community CCRxSM PDP
2011 Plan Year – Town Hall Call

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Manager of Pharmacy Relations
Topics for Today’s Program

- 2011 Medicare Part D Updates
- 2011 Community CCRx℠ Bid Results
- 2011 PDP Plan Design
- 2011 Formulary Updates
- Other 2011 Updates
- Medicare Advantage Plans
- CMS Compliance & Community CCRx℠ Tools
Medicare Part D Updates

- Plan Consolidation
  - Discontinue all PrescribaRx plans.
    - Current PrescribaRx Gold members → Community CCRx Choice (PDP)
    - Current PrescribaRx Bronze members → Community CCRx Basic (PDP)
  - Discontinue Community CCRx Gold PDP Plan
    - All Community CCRx Gold (PDP) members → Community CCRx Choice (PDP)
  - In 2011: Two Community CCRx PDP plans
    - Community CCRx Basic (PDP)
    - Community CCRx Choice (PDP)
  - Members do not need to re-enroll, but will be automatically moved
Medicare Part D Updates

• De Minimis – returns for 2011
  – $2.00 De Minimis
  – If over benchmark, BUT within $2.00, plans will retain dual beneficiaries
  – No new auto-assignees
  – Voluntary enrollees only

• Means Testing – new for 2011
  – Government can determine if a beneficiary can afford to pay a higher premium
    • Individuals: income > $85,000 or
    • Couples: combined income > $170,000
  – Administered by the government, independent of the plan
Medicare Part D Updates

- **Donut Hole Closure Begins**
  - Eligible brand name drugs
    - 50% discount in the coverage gap
      - Applied to negotiated price
      - Dispensing fee added after discount is applied
      - Pharmacy receives 100% of negotiated price
    - Only applies to drugs
  - Generic drugs
    - Reduces co-insurance to 93% of negotiated price
  - Both scenarios – automatic at time of adjudication
Community CCRx Bid Results

- Premiums determined from annual Part D plan sponsor bids

- Universal American bid all 34 Medicare regions
  - Community CCRx is below benchmark in 29 of 34 regions

- Bid is based on drug cost
  - Drug cost = reimbursement – rebates + administrative costs

- CMS testing to validate bids

- Low income subsidy membership based on results of the bid
2011 Plan Design

- Discontinue Community CCRx Gold PDP plan
  - Community CCRx Gold (PDP) members → Community CCRx Choice (PDP)

- Discontinue all PrescribaRx PDP plans
  - PrescribaRx Gold members → Community CCRx Choice (PDP)
  - PrescribaRx Bronze members → Community CCRx Basic (PDP)

- Universal American will only offer two PDP plans:
  - Community CCRx Basic (PDP) and Community CCRx Choice (PDP)

- 2011 Tier Design:
  - Tier 1 - Generic/Preferred Brand Drugs
  - Tier 2 - Preferred Brand/Non-Preferred Generic Drugs
  - Tier 3 - Non-Preferred Brand Drugs/Non-Preferred Generic Drugs
  - Tier 4 - Specialty Drugs
## 2011 Plan Design – Community CCRx Basic (PDP)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deductible:</strong></td>
<td>$310</td>
<td>$310</td>
</tr>
<tr>
<td><strong>Initial Coverage</strong></td>
<td>$2,830</td>
<td>$2,840</td>
</tr>
<tr>
<td><strong>Cost Sharing:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 Day/90 Day Supply</td>
<td>$0 Generic</td>
<td>$2/$6 Tier 1</td>
</tr>
<tr>
<td></td>
<td>25%-30% Preferred Brand</td>
<td>28% - 32% coinsurance</td>
</tr>
<tr>
<td></td>
<td>50%-75% Non-Preferred Brand</td>
<td>Tier 2 55% - 71%</td>
</tr>
<tr>
<td></td>
<td>N/A Specialty Tier</td>
<td>coinsurance Tier 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25% Tier 4</td>
</tr>
<tr>
<td><strong>Coverage in Gap:</strong></td>
<td>None</td>
<td>93% of Generics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A Discount on Brand Drugs</td>
</tr>
<tr>
<td><strong>TrOOP:</strong></td>
<td>$4,550</td>
<td>$4,550</td>
</tr>
<tr>
<td><strong>Catastrophic Cost Sharing:</strong></td>
<td>Max. of 5% or $2.50 (Generics)</td>
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</tr>
<tr>
<td></td>
<td>Max of 5% or $6.30 (Brands)</td>
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*For non-LIS members only. LIS members will be covered in the Coverage Gap through the Extra Help program.

Tier 1 – Generic/Preferred Brand Drugs, Tier 2 – Preferred Brand/Non-Preferred Generic Drugs
Tier 3 – Non-preferred Generic/Non-preferred Brand Drugs, Tier 4 – Specialty Drugs
# 2011 Plan Design – Community CCRx Choice (PDP)

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<tr>
<td><strong>Deductible:</strong></td>
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<td>Initial Coverage: $2,840</td>
</tr>
<tr>
<td><strong>Cost Sharing:</strong></td>
<td>$5/$15 Generic</td>
<td>$0 Tier 1</td>
</tr>
<tr>
<td>30 Day/90 Day Supply</td>
<td>$35/$105Preferred Brand</td>
<td>$35/$105 Tier 2</td>
</tr>
<tr>
<td></td>
<td>$65/$195 Non-Preferred Brand</td>
<td>$65/$195 Tier 3</td>
</tr>
<tr>
<td></td>
<td>29% Specialty Drugs</td>
<td>33% Tier 4</td>
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<tr>
<td><strong>Coverage in Gap:</strong></td>
<td>None</td>
<td>Coverage Gap</td>
</tr>
<tr>
<td></td>
<td></td>
<td>93% of Generics</td>
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<tr>
<td></td>
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Tier 1 – Generic/Preferred Brand Drugs, Tier 2 – Preferred Brand/Non-Preferred Generic Drugs
Tier 3 – Non-preferred Generic/Non-preferred Brand Drugs, Tier 4 – Specialty Drugs
2011 Formulary Tier Changes

• LIPITOR® and CRESTOR® available for $0 to $4 per month*
  - Community CCRx will include LIPITOR and CRESTOR on Tier 1 of the 2011 formulary. This means Community CCRx patients will pay $0 to $2 per month* for these cholesterol lowering medications. Patients with an MA-PD plan “powered by CCRx” will pay $0 to $4 per month*
  - Community CCRx Basic (PDP) – $310 deductible must be met before benefit coverage begins.

* This low copay is for each 30-day supply during the Initial Coverage Stage
# 2011 Formulary Tier Changes

<table>
<thead>
<tr>
<th>Drug</th>
<th>2010 Tier</th>
<th>2011 Tier</th>
<th>Drug</th>
<th>2010 Tier</th>
<th>2011 Tier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amlodipine/Benazepril*</td>
<td>Generic</td>
<td>Tier 2</td>
<td>Lipitor</td>
<td>Preferred Brand</td>
<td>Tier 1</td>
</tr>
<tr>
<td>Antara</td>
<td>Non-Preferred Brand</td>
<td>Tier 2</td>
<td>Lovenox</td>
<td>Preferred Brand</td>
<td>Tier 3/Tier 4</td>
</tr>
<tr>
<td>Bupropion/Budeprion XL*</td>
<td>Generic</td>
<td>Tier 2</td>
<td>Oxcarbazepine*</td>
<td>Generic</td>
<td>Tier 2</td>
</tr>
<tr>
<td>Crestor</td>
<td>Preferred Brand</td>
<td>Tier 1</td>
<td>Risperidone dispersible tablet, soln*</td>
<td>Generic</td>
<td>Tier 2</td>
</tr>
<tr>
<td>Fentanyl patch*</td>
<td>Generic</td>
<td>Tier 2</td>
<td>Seroquel</td>
<td>Preferred Brand</td>
<td>Tier 3</td>
</tr>
<tr>
<td>Invega ER</td>
<td>Non-Preferred Brand</td>
<td>Tier 2</td>
<td>Sumatriptan tablets, injectable, nasal soln*</td>
<td>Generic</td>
<td>Tier 2</td>
</tr>
</tbody>
</table>

*Single source generics have been moved to a higher tier
# 2011 Formulary Deletions

<table>
<thead>
<tr>
<th>Deletion</th>
<th>Alternative(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avelox</td>
<td>Levaquin (Tier 2)</td>
</tr>
<tr>
<td>Brimonidine 0.15%</td>
<td>Brimonidine 0.2%, Alphagan P 0.15% (Tier 2)</td>
</tr>
<tr>
<td>Carbatrol</td>
<td>Carbamazepine ER (Tier 1)</td>
</tr>
<tr>
<td>Kadian</td>
<td>Morphine Sulfate ER, Embeda, Opana ER (Tier 2), Avinza (Tier 3)</td>
</tr>
<tr>
<td>Nitroglycerin SL tab*</td>
<td>Nitrostat (Tier 3)</td>
</tr>
<tr>
<td>Piroxicam</td>
<td>Etodolac, Nabumetone, Meloxicam, Ibuprofen (Tier 1)</td>
</tr>
<tr>
<td>Pancreatic Enzymes (Creon*, Pancrease*, Pancrelipase*, Ultrase*)</td>
<td>Creon (reformulated), Zenpep (Tier 2)</td>
</tr>
<tr>
<td>Relion, Relion 70/30</td>
<td>Novolin, Humulin, Novolog, Humalog (Tier 2)</td>
</tr>
<tr>
<td>Provigil</td>
<td>Nuvigil (Tier 3)</td>
</tr>
<tr>
<td>Pulmicort Flexhaler</td>
<td>Asmanex, Flovent Diskus/HFA, QVAR (Tier 2), Alvesco (Tier 3)</td>
</tr>
<tr>
<td>Sular</td>
<td>Amlodipine, Felodipine, Nifedipine ER (Tier 1)</td>
</tr>
<tr>
<td>Xyzal</td>
<td>Fexofenodine (Tier 1)</td>
</tr>
<tr>
<td>Zegerid packets</td>
<td>Nexium packets (Tier 2)</td>
</tr>
</tbody>
</table>

*Drugs excluded from coverage and cannot be provided through the exception process
2011 Formulary Step Therapy

Drugs Removed from Step Therapy Requirement

- Abilify
- AVINza
- Invega
Transition Fills

- Medicare Part D beneficiaries eligible to receive a transition supply:
  - New enrollees (includes individuals that switch plans and newly eligible beneficiaries) at the beginning of a contract year
  - Existing enrollees who have an unplanned transition and change in treatment settings due to a change in level of care
  - Enrollees residing in long-term care (LTC) facilities
  - In some cases, existing enrollees affected by formulary changes from one contract year to the next.

- Outpatient / Retail setting
  - Eligible for a one-time, 30-day supply within the first 90 days of enrollment. Multiple fills allowed up to a total of 30 days supply.

- Long term care setting
  - Eligible for a 34-day supply with multiple refills as necessary, up to a 93-day supply.

- Transition extensions
  - Evaluated on a case-by-case basis.
Helping Your Patients Through the Transition Process

- **Notify** the member of the temporary nature of the transition fill.

- **Assist** the member by identifying formulary alternatives and/or by providing the prescriber with a form to initiate the exception process.
  - Formulary alternatives, request forms and criteria may be accessed using the Drug Search tool at [www.mhrx.com](http://www.mhrx.com)
  - Automated IVR: 866-316-6049

- **Check** the status of a submitted exception request
  - Prior Authorization Status Search tool at [www.mhrx.com](http://www.mhrx.com)
  - Automated IVR: 866-316-6049
Other 2011 Updates

- Mail Order – **no mail order** for Community CCRx in 2011
- 2011 Medication Therapy Management Program
- Incentive Program – look for details in November
- Claims Processing
  - Move from NCPDP version 5.1 to version D.0
  - Contact software vendor now – mandatory as of January 1, 2012
Medicare Advantage Prescription Drug Plans (MA-PD)

- Patient care management at pharmacy impacts medical outcomes and costs

- Network PFFS, HMO and PPO products
  - MAPD plans offer the Community CCRx Part D benefit

- HMO – 7 markets in 4 states
  - Indiana (new!), Oklahoma, Texas, Wisconsin

- PPO – 40 markets in 16 states

- Enrollment period
  - 2010 Annual Enrollment Period: November 15th – December 31st, 2010
  - 2011 Annual Enrollment Period: October 15th – December 7th, 2011
CMS Requirements

• Fraud Waste & Abuse
  – Training
  – Increased CMS focus
  – More information available at www.mhrx.com

• Audits
  – CMS → Plans
  – Plans → Pharmacies
  – Audit Click-To-Learn: www.pharmacistelink.com/audits
CMS Requirements

PROVIDERS CAN:

- Distribute CMS-approved Plan Finder information.
- Display promotional materials that announce your relationship with a plan.
- Make available printed information provided by a plan sponsor to your patients, as long as there is no “ranking,” “highlighting” or comparison of specific plans.
- Provide contact information for any plan which a beneficiary expresses an interest and requests such contact information from you.
- Make available PDP marketing materials and enrollment applications.
- Use direct mail and/or e-mail to announce a new plan affiliation – but only once.
- Provide information and assistance to your patients in applying for the low income subsidy.

For additional information, see the Medicare Marketing Guidelines, available at: http://www.cms.hhs.gov/ManagedCareMarketing/Downloads/R91MCM.pdf
CMS Requirements

PROVIDERS CANNOT:

- Direct, urge, persuade, steer or offer inducements to join a particular plan.
- Compare plan benefits against other health plans, unless the materials were written or approved by CMS.
- Make available PDP enrollment forms at the counter.
- Collect or accept Medicare enrollment applications of any kind.
- Offer sales or appointment forms.
- Mail marketing materials on behalf of a plan.
- Make available third party sales or plan promotional materials that are not CMS-approved.
- Expect or accept compensation for conducting enrollment or marketing activities.
- Suggest that a particular plan is approved, endorsed or authorized by Medicare.
- Make or distribute plan information, including PDP enrollment forms, during health screenings.

For additional information, see the Medicare Marketing Guidelines, available at: http://www.cms.hhs.gov/ManagedCareMarketing/Downloads/R91MCM.pdf
Pharmacy Education Kits

- Started to arrive in stores around 10/1
  - Medicare Marketing officially began on 10/1

- Kits include:
  - 2011 CCRx Plan Comparison Guide - Tear sheets
  - Cover letter with CMS guidelines - News & Updates Flyer
  - Calendar with Marketing dates - Town hall flyer
  - Formulary flyer

- Will receive a 2nd mailing with 10 Community CCRx Enrollment Kits mid October

- Request a kit or additional Pre-Enrollment packets:
  - Email: experts@mhrx.com
  - Call: 866-684-3057
  - Online: (www.mhrx.com)
Agent Engagement Program

- Agents are compliant, reliable and knowledgeable
  - Part D
  - MA-PD
- In-store agent activities must be registered with CMS
  - Formal
  - Informal
- In-store agent opportunities - pending certified agent availability in certain regions
- Medicare Tear-Away sheets from Pharmacy Education Kit
Online Resources

- Website: www.mhrx.com
  - 2011 Formularies
  - Drug Search
    - Formulary status, alternatives, forms
  - Prior Authorization Status Search
    - Status of submitted exception requests
  - Pharmacy Scorecards
  - Fraud Waste and Abuse Module
  - Pharmacy Communications
    - Payer sheet
Community CCRx℠ PDP
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Thank You for your continued Support!

Questions?

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Scott Luther: sluther@UniversalAmerican.com