

Prescription Drug Plan Design

Your Benefit Board designed the prescription drug benefit in the PPO plans to encourage members and providers to consider whether the medicine being prescribed is equally effective as others and at less cost.

Members in the full-time PPO plans have a co-pay of only \$5 when using an available generic medication that is equally as effective as a drug on the plan's lists of preferred-brand medications. Members who select a preferred-brand medication have more responsibility for the cost, paying \$15. Members who choose a brand drug not on the list of preferred brands – a non-preferred brand – have an even greater portion of the cost as their responsibility.

How does the non-preferred brand drug payment work in the PPO plans?

There are two types of non-preferred brand drugs — single-source and multisource. A single-source brand drug has therapeutic alternatives available — drugs that treat the problem effectively but that don't contain the same active ingredients as the preferred-brand. A multi-source brand drug has a generic equivalent available with the same active ingredients as the brand drug. Payment works differently for each.

Non-preferred, single-source brand drug: You pay the greater of \$50 or 50% of the cost of the drug. However, your co-pay will never be higher than the actual cost of the drug.

Non-preferred multi-source brand drug: You pay as follows: the greater of a \$50 co-payment or 50% of the cost of the brand-name drug, **plus** the difference between the generic drug cost and the brand-name drug cost. See the example calculations.

Example of Multisource Non-preferred Brand Drug Co-pay Calculation

The generic equivalent drug costs \$15, and the multisource non-preferred-brand drug costs \$60.

For a non-preferred multisource brand drug, you pay as follows:

1. 50% of the cost of the brand-name drug is \$30. \$50 is greater than that,

plus
2. the difference in cost between generic and brand is \$45. Add \$45 to \$50. The total, \$95, is higher than the actual cost of the brand drug, \$60,

but
3. no more than the cost of the brand-name drug. You will never pay more than the actual cost of the drug. So, your co-pay is \$60.

What are the plans' exceptions processes?

Some physicians may still prescribe a non-preferred (non-formulary) brand drug for medical reasons. For example:

- You did not have a good outcome with an alternative drug
- You are allergic to or can't tolerate an alternative drug

For these reasons, each of PEBB's medical plans has an exceptions process. If your situation meets the plan's requirements, you may be able to purchase the drug at the preferred-brand cost. See the plan descriptions for their exceptions processes.