



GAP Prescription Drug Benefits 2008/2009

At Blue Cross of California, we know that prescription drugs are the fastest-rising item of your total health care benefits cost.

Reasons for the spiraling costs of prescription drugs are varied: a general increase of prescription medication use, an aging population, research and development of new medications and the expense of direct to consumer advertising. With prescription drug costs increasing at twice the rate of medical care, we developed ways to contain costs so your copays remain affordable, while maintaining your access to safe, effective prescription drugs. Our Prescription Drug Program provides you with choice, flexibility, affordability and access to an extensive network of retail pharmacies.

Getting a Prescription Filled at a USC or WellPoint Pharmacy

To get a prescription filled, you need only take your prescription to a participating pharmacy and present your member ID card. The amount you pay for a covered prescription – your copay – will be determined by whether the drug is brand-name or generic medication.

A generic drug contains the same effective ingredients, meets the same standards of purity as its brand-name counterpart and typically costs less. In many situations, you have a choice of filling your prescription with a generic medication or a brand-name medication.

Our Preferred Drug Program (PDP) encourages the usage of certain, lower-cost, but equally effective, prescription medications (preferred drugs) in place of higher-cost medications (non-preferred drugs). The non-preferred list contains medications that require your physician’s approval before they can be substituted for a preferred medication. By allowing this substitution, the PDP helps you better manage the increasing cost of prescription drugs while still maintaining your access to safe and effective medications.

The following chart illustrates the relation between drug type and your copay amount at a USC Pharmacy:

| Drug Type | Copay Amount |
|------------|------------------|
| Generic | 40% minimum \$10 |
| Brand name | 40% minimum \$30 |

Finding a Pharmacy

Because USC pharmacies are located on campus it is easy for you to access their services. You can find the pharmacy on the USC Web site at www.USC.edu. To locate a WellPoint pharmacy, go to the Web site at www.bluecrossca.com.

Using a USC or WellPoint Pharmacy

You can substantially control the cost of your prescription drugs by using our extensive network of participating pharmacies. Participating pharmacies have agreed to charge a discounted price or “negotiated rate” and pass along this savings to you.

Using a Non-Participating Pharmacy

If you choose to fill your prescription at a non-participating pharmacy, your costs will increase. You will likely need to pay for the entire amount of the prescription and then submit a prescription drug claim form for reimbursement. The pharmacist must sign and complete the appropriate section of the claim form to ensure proper processing of the claim for reimbursement.

You may obtain a prescription drug claim form by calling Pharmacy Customer Service at the toll-free number printed on your member ID card or by going to our Web site at www.bluecrossca.com.

Submitting a Claim Form

Check to see that all sections of the claim form are completed and mail to:

WellPoint Pharmacy Management
Attn: Blue Cross of California
P.O. Box 4165
Woodland Hills, CA 91365-4165

Out-Of-State Prescription Benefits

Our national network of participating pharmacies is available to members when outside California. To find a participating pharmacy, a member can check our Web site or call the toll-free number printed on the ID card. When using a non-participating pharmacy outside of California, the member will follow the same procedures for using a non-participating pharmacy in California as outlined above.

Additional Features That are Part of your Plan

Prior authorization as the term implies, is similar to prior authorization for medical services. Prior authorization applies to a select pool of medications that are often a second line of therapy. To require prior authorization, a drug must meet specific criteria. This criteria is based, among other things, on FDA-approved drug indications, targeted populations and the current availability of effective drug therapies. Prior authorization drugs are not covered unless you receive an approval from Blue Cross of California.

We distribute instructions on how to obtain prior authorization to physicians and pharmacies so that you may obtain prior authorization for required medications. You may call Pharmacy Customer Service, at the toll-free number printed on your member ID card, to receive a prior authorization form and/or list of medications requiring prior authorization.

Supply limits are the proper FDA recommendations for prescription medication dosage coupled with our determination of specific quantity supply limits to prescription medications. The supply limit can vary based on the medication, dosage and usage prescribed by your physician. For example, the supply limit for antibiotics used to treat an infection (e.g., 14 pills to be taken twice a day for one week) is different than blood pressure medication taken

on a routine basis (e.g., 120 pills to be taken twice a day for 60 days). By adhering to specified supply limits, members are assured of receiving the appropriate amount of medication.

Programs for Member's Special Health Needs

We recognize that some of our members have unique health care needs requiring special attention. That's why we developed programs exclusively for them. Our additional medical management programs work in synergy with our pharmacy drug program to help members better manage their health care on an ongoing basis.

Diabetic members can receive **free glucometers** so that they can effectively and conveniently monitor their glucose levels.

Seniors can better monitor their chronic diseases and multiple medications through our **seniors-at-risk program**. This program reduces the possibility of toxic drug interactions, and curtails distribution of medications that may adversely affect the senior's chronic condition.

Asthmatic members and their families can take advantage of our program to better control the frequency and severity of the disease.

Members who take multiple prescription medications can take advantage of our pharmacy utilization management programs that encourage the safe, effective distribution of prescription medications. We have a program that protects the welfare of members with multiple prescription medications by carefully monitoring their prescription therapy to help reduce the danger of toxic drug interaction.

For additional information regarding your prescription drug benefits, please call Pharmacy Customer Service at the toll-free number printed on your member ID card.

Please refer to your Combined Evidence of Coverage and Disclosure Form which explains your plan's Exclusions and Limitations as well as the full range of your covered services in detail.

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|---|--|
| Covered Services (outpatient prescriptions only) | Per Member Copay for Each Prescription or Refill |
| Plan Year Deductible | \$50/member |
| USC Pharmacy (30-day supply) | |
| ➤ Generic drugs | 10% minimum \$10 |
| ➤ Brand name drugs | 10% minimum \$30 |
| Students are eligible for 60-day supply-@ double --copay | |
| WellPoint Pharmacy (30-day supply) | |
| ➤ Generic drugs | 40% minimum \$10 |
| ➤ Brand name drugs | 40% minimum \$30 |
| Non-participating Pharmacies | 50% of the maximum amount allowed & costs in excess of the maximum amount |
| Mandatory Generic | If a member requests a brand name drug when a generic drug exists, the member pays the brand name copay, plus the difference between the cost of the generic drug and the cost of the brand name drug. |

The Prescription Drug Benefit covers the following:

- Outpatient prescription drugs and medications. Formulas prescribed by a physician for the treatment of phenylketonuria. These formulas are subject to the copay for brand name drugs.
- Insulin.
- Syringes when dispensed for use with insulin and other self-injectable drugs or medications.
- Students will receive a 3 month supply of birth control pills at USC and Wellpoint pharmacies.
- Contraceptive diaphragms are limited to one per year and are subject to the brand name copay.
- Injectable drugs which are self-administered by the subcutaneous route (under the skin) by the patient or family member. Drugs that have Food and Drug Administration (FDA) labeling for self-administration
- All compound prescription drugs that contain at least one covered prescription ingredient.
- Diabetic supplies (i.e., test strips and lancets).
- Prescription drugs for treatment of impotence and/or sexual dysfunction are limited to organic (non-psychological) causes.

Prescription drug copays are separate from the medical copays of the medical plan and are not applied toward the Annual Out-of-Pocket Maximums.

Prescription Drug Exclusions & Limitations

Immunizing agents, biological sera, blood, blood products or blood plasma
Hypodermic syringes &/or needles, except when dispensed for use with insulin & other self-injectable drugs or medications
Drugs & medications used to induce spontaneous & non-spontaneous abortions
Drugs & medications dispensed or administered in an outpatient setting, including outpatient hospital facilities and physicians' offices
Professional charges in connection with administering, injecting or dispensing drugs
Drugs & medications that may be obtained without a physician's written prescription, except insulin or niacin for cholesterol lowering
Drugs & medications dispensed by or while confined in a hospital, skilled nursing facility, rest home, sanatorium, convalescent hospital or similar facility
Durable medical equipment, devices, appliances & supplies, even if prescribed by a physician, except contraceptive diaphragms, as specified as covered in the EOC
Services or supplies for which the member is not charged
Oxygen
Cosmetics & health or beauty aids
Drugs labeled "Caution, Limited by Federal Law to Investigational Use," or experimental drugs.
Drugs or medications prescribed for experimental indications
Any expense for a drug or medication incurred in excess of (a) the Drug Limited Fee Schedule for drugs dispensed by non-participating pharmacies; or (b) the prescription drug negotiated rate for drugs dispensed by participating pharmacies or through the mail service program

Drugs which have not been approved for general use by the State of California Department of Health or the Food and Drug Administration
Drugs used primarily for cosmetic purposes (e.g., Retin-A for wrinkles)
Drugs used primarily to treat infertility (including, but not limited to, Clomid, Pergonal and Metrodin)
Anorexiant and drugs used for weight loss, except when used to treat morbid obesity (e.g., diet pills & appetite suppressants)
Drugs obtained outside the U.S.
Allergy desensitization products or allergy serum
Infusion drugs, except drugs that are self-administered subcutaneously
Select classes of drugs where non-preferred medications, which have therapeutic alternatives, have shown no benefit regarding efficacy or side effect over preferred drugs; however, this will not apply if the prescriber denotes "dispense as written" or "do not substitute"
Herbal, nutritional and dietary supplements except for formulas for the treatment of phenylketonuria.
Prescription drugs with a non-prescription (over-the-counter) chemical and dose equivalent except insulin.

Third Party Liability

Blue Cross of California is entitled to reimbursement of benefits paid if the member recovers damages from a legally liable third party.

*The Power of Blue.*SM

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