

Medicare Part D Pharmacy Updates

1. 2008 Medicare Part D Formulary Update:

- In Mid-September the Prime Therapeutics 2008 Medicare Part D Formulary was approved by the Centers for Medicare and Medicaid Services (CMS). There are significant changes to the 2008 Medicare Part D formulary due to CMS mandated removals and a migration to one standard formulary for all of Prime Therapeutics Plan D Sponsors. The goal for the 2008 Medicare Part D formulary was to develop a formulary that was clinically driven, yet with the lowest net cost possible.
- A copy of the 2008 formulary will be included in the Annual Notice of Change (ANOC) that is sent to all current members of Blue Cross and Blue Shield Medicare Part D programs by October 31, 2007.
- Finally, a copy of the 2008 formulary will also be available on the BCBSIL Web site (www.bcbsil.com) in time for the start of the Medicare Part D annual open enrollment period (November 15, 2007).

2. Direct Mailing to members regarding upcoming Formulary Changes (CY 2008):

- In early November 2007 all current members of Blue Cross and Blue Shield Medicare Part D programs affected by changes in the 2008 Formulary will receive a **Formulary Transition Letter**. In this member letter all formulary changes directly affecting the member are clearly identified with a listing of formulary alternatives. The letter also contains additional information on medications that will continue to be covered at the third-tier or specialty drug co-pay levels (or co-insurance) through December 31, 2008 as long as the member remains in their current benefit plan. Members are encouraged to discuss coverage issues with their provider to see if there is a suitable alternative on the 2008 formulary that will provide the same level of therapeutic coverage provided by their current medication regimen.
- Providers can request a coverage determination after December 17, 2007 for your patient's medication(s) to be continued after January 1, 2008.
- Some members may also receive a **Formulary Grandfather Letter**. The purpose of the Formulary Grandfather Letter is to inform members that certain medications will be grandfathered through December 31, 2008. These medications are usually single source branded products (i.e. ATACAND) that have been removed from the 2008 formulary. These products will continue to be covered at the third-tier or specialty drug co-pay levels (or co-insurance). Several examples of clinically similar formulary alternatives will be provided in the mailing. The grandfathered medications will not be found on the 2008 formulary list that the member receives in their ANOC.
- In total, approximately 5% of our Blue Cross and Blue Shield Part D members will be adversely affected by the Formulary changes approved by CMS.
- We are asking all providers and pharmacists to work with members in order to make the transition into the 2008 plan year as smooth as possible.

3. Provider Alert: Prior Authorization required for Erythropoiesis Stimulating Agents (ESAs):

- Emerging safety concerns (thrombosis, cardiovascular events, tumor progression and reduced survival) derived from clinical trials in several cancer and non-cancer populations prompted CMS to review its coverage of erythropoiesis stimulating agents (ESAs) for non-renal disease indications. As a consequence of that review CMS determined that there was sufficient evidence to conclude that ESAs are not reasonable and necessary for beneficiaries with certain clinical conditions, either because of a deleterious effect of the ESA on their underlying diseases or because the underlying disease increases their risk of adverse effects related to ESA use. CMS' National Coverage Determination, issued July 31, 2007, outlined much more restricted use (e.g. Hgb level < 10gm/dl at all times during therapy, etc.) of these agents than was encountered previously.
- Therefore, In order to comply with these new restrictions, all prescriptions for ARANESP, EPOGEN, and PROCRIT will require a prior authorization starting January 1, 2008.
- Please refer to the CMS-Medicare Web site (www.cms.hhs.gov/mcd/overview.asp) for further details on this important CMS change in coverage for these agents.