Drug Formulary Q&A

What is a Drug Formulary?
A list of prescription drugs covered by a prescription drug plan or another insurance plan offering prescription drug benefits. A formulary may also be referred to as a drug list. It is often managed by a Pharmacy Benefit Manager or PBM. Alliant Health Plans uses the PBM, Magellan Rx Management.

Can the Drug Formulary change?
Although infrequent, changes can be made after careful review and approval by the Pharmacy and Therapeutics Committee. Members negatively impacted by a change are provided with a 30-day advance notice to allow time for physician consultation.

How to Use the Drug Formulary
Found online at AlliantPlans.com on the right hand-tool bar under "Quick Resources" there is a link titled "Rx Formulary Lists." Clicking on this link will display the "Formulary List" page. The Formulary List page may be reached in other ways while under major tabs such as Members, Employers or Brokers on the right side under "Featured Services" and clicking "Formulary List."

On the "Formulary List" page there are several options to help navigate the formulary.

- Magellan Precision Formulary List
  - Comprehensive alphabetical list of drugs on the formulary
  - Cost-share tiers
  - Additional information such as quantity limits, etc.
  - Printable PDF of the formulary
- Formulary Look-Up Tool
  - Ability to search for drugs by name or class
    - After the drug is located, additional information is available by clicking on the magnifying glass symbol. This will give you details about how to use the medication, possible side effects and more.
    - There is also a link to "Find Alternative Drugs."

What is a generic drug?
A generic drug is approved by the Food and Drug Administration (FDA) as having the same active ingredient as a brand name drug. A generic drug is identical, or bioequivalent to a brand name drug in dosage form, safety, strength, route of administration, quality, performance characteristics and intended use. Although chemically identical to their branded counterparts, generics are typically available at substantial discounts compared to branded price. Health professionals and consumers can be assured that FDA approved generic drugs have met the same rigid standards as the innovator drug. To gain FDA approval, a generic drug must:

- contain the same active ingredients as the innovator drug (inactive ingredients may vary)
- be identical in strength, dosage form, and route of administration
- have the same use indications
- be bioequivalent
- meet the same batch requirements for identity, strength, purity, and quality

- be manufactured under the same strict standards of FDA's good manufacturing practice regulations required for innovator products

Do I have to use generics?
When both a brand-name and generic are available, it is generally up to the member to make the choice. Many pharmacies fill prescriptions with generics unless instructed to do otherwise. Filling a prescription with a brand drug versus a generic may require additional cost-share.

What is a Specialty Drug?
These drugs typically require special handling such as needing refrigeration. Many cannot be purchased through a retail pharmacy and may need to be shipped to your home from a Specialty Pharmacy. For assistance with filling prescriptions for these drugs you may contact Magellan Rx Management at (800) 424-1799.

Are there any restrictions in my drug coverage?
Some drugs on the Formulary have additional requirements or limits. These requirements may include:

- Not Covered - The listed drug is not covered on the drug formulary. You have the right to still use the drug but the health plan will not contribute payment.
- Prior Authorization - Your provider is required to get prior authorization before you fill your prescription, which ensures appropriate use of the selected drug. Without prior approval, we may not cover this drug.
- Quantity Limit (QL) - There is a limit on the amount of this drug that is covered per prescription, or within a specific time frame.
- Step Therapy - In some cases, you may be required to first try certain drugs to treat your medical condition before you move up a “step” to other drug options.
- Age Limit - This drug may only be covered if you meet the minimum or maximum age limit.
- Gender Limit - This drug is restricted for a single gender.
- Custom - This drug has unique restrictions.
- Medical Benefit - Drugs may be available on the medical benefit after prior authorization. Some drugs which may be non-covered through the pharmacy benefit are covered with prior authorization on the medical benefit.

How do Tiers work?

T1	First-tier drugs generally have the lowest cost-share. This tier will contain low-cost or preferred medications. This tier may include generic, single-source brand drugs, or multisource brand drugs.
T2	Second-tier drugs will have a higher cost-share than first-tier drugs. This tier will contain preferred medications that generally are moderate in cost. This tier may include generic, single-source, or multi-source brand drugs.
T3	Third-tier drugs will have a higher cost-share than second-tier drugs. This tier will contain non-preferred or high cost medications. This tier may include generic, single- source brand drugs, or multi-source brands drugs.
T4	Fourth-tier drugs will have a higher cost-share than third-tier drugs. This tier will contain specialty medications. This tier may include generic, single-source brand drugs, or multi-source brands drugs.
NC	The listed drug is not covered on the drug formulary. You have the right to still use the drug but the health plan will not contribute payment.

What about preventive drugs required under the Patient Protection and Affordable Care Act?
These medications are considered preventive and are paid with no member cost-share regardless of the Tier assigned.

What other common limits may apply?
Other common benefit limits may include:

- Charges for supplies and medicines with or without a prescription, unless covered
- Charges for cosmetic drug treatments
- Non-FDA approved prescriptions
- Over-the-counter drug items
- Charges for supplies and medicines purchased from a non-network pharmacy
- Drugs recently approved by the FDA until reviewed for the formulary

What if a drug isn't on the Formulary?
Contact the Pharmacy Benefit Mangers customer service at (800) 424-1799 to ask if a drug is covered. If the drug is not covered, there are two options:

- Ask for a list of similar covered drugs and ask the prescribing physician to prescribe a covered drug.
- Ask for an exception to cover the drug. (See below about how to request an exception.)

Can there be an exception to the Drug Formulary?
There are several types of exceptions that are possible:

- Request to cover a drug that is not on the Formulary.
  - If approved, this drug will be covered at a pre-determined cost-sharing level.
- Request to waive coverage restrictions or limits on a covered drug.

How might I save money on my drugs?
Ask the prescribing physician if there are lower cost generic alternatives available. If a medication is not covered on the Drug Formulary list, talk with the prescribing physician about alternative medications which are covered on the Drug Formulary list.