

Pharmacy Deductible Frequently Asked Questions

What is a pharmacy deductible? *A pharmacy deductible is a fixed amount determined by your health plan that requires you to pay for prescribed medications before the health plan starts to make payments for covered prescriptions.*

How much is the pharmacy deductible? *The pharmacy deductible that is being implemented for plans effective on or after 1/1/2017 is \$100 per covered member for prescriptions filled in Tiers 2-5, with a deductible cap of \$400 per family. The pharmacy deductible does not apply to Tier 1 medications.*

Are generics impacted? *Generics and other medications found on Tier 1 are exempt and therefore not impacted. To save costs, now is the time to let your doctor know that you prefer a generic medication found in Tier 1. Some drugs may not be available as a generic, but there may be another option in the same therapeutic class that does have a generic equivalent found in Tier 1. Regardless of the tier, generics are always more affordable than their brand counterparts.*

Which plans are affected? *The pharmacy deductible will go into effect 1/1/2017 for all members enrolled in Prime, Prime Plus, Premium, Healthy Rewards HRA, and Options plans. The pharmacy deductible will go into effect 8/16/2017 for GatorGradCare. Healthy Rewards H S A is not impacted.*

Who is affected? *Each covered member enrolled in Prime, Prime Plus, Premium, Healthy Rewards HRA, Options, and GatorGradCare filling prescriptions in Tiers 2-5, is impacted. If you have family coverage which includes a spouse and two children, each of you will be required to meet the \$100 pharmacy deductible individually/separately when filling prescriptions in Tiers 2-5. This means that employees enrolled in either the "Employee + Children" or "Employee + Family" tiers, that have more than 4 enrolled, will have their Rx Deductible capped at \$400 per Calendar Year. For example, if there is an Employee and Spouse with 9 children enrolled in the "Employee + Family" coverage, and 8 members spend \$50 each, their annual Rx deductible of \$400 will have been met after the 8th prescription has been filled. Or if two of the family members had met \$100 first, followed by four members spending \$50 each, their annual Rx deductible of \$400 will have been met. Keep in mind that each member is still protected by the \$100 deductible cap.*

Will my first prescription cost me \$100? *If the medication you fill is a Tier 2-5 medication, your first prescription may cost you more than \$100 because you are required to pay the first \$100 plus the co-insurance on the remaining amount. If a Tier 2 medication costs \$300, your cost will be \$100 + \$50 (25% of the remaining \$200), with the health plan paying the balance of \$150. When you go to the pharmacy for your next fill, having met the deductible, you will only pay your coinsurance of \$50 and the health plan will pay the balance of \$250.*

What can I do to avoid these additional costs? *Have your prescription filled with a Tier 1 generic drug. If none are available, ask your doctor if there is a similar generic medication found in Tier 1.*

When does this go into effect? *This change to the plan is effective 1/1/2017 for plans with effective dates 1/1/17 and later.*

Can you please provide several examples of how this works? *Below is one example and more examples can be found at <http://gatorcare.org/pharmacy>*

| Date | Rx Tier | Medication Cost | (A) Rx Deductible | Deductible Balance | (B) Member Cost Share | (A + B) Total Member Pay | Total Plan Pay | Explanation |
|--------------|---|-----------------|---------------------------|--------------------|-------------------------------|----------------------------------|----------------|------------------------|
| 1/5/2017 | 1 | \$6.00 | N/A | \$100.00 | \$6.00 | \$6.00 | \$0.00 | See ¹ Below |
| 2/4/2017 | 2 | \$65.00 | \$65.00 | \$35.00 | \$0.00 | \$65.00 | \$0.00 | See ² Below |
| 3/25/2017 | 3 | \$445.00 | \$35.00 | \$0.00 | \$100.00 | \$135.00 | \$310.00 | See ³ Below |
| ¹ | Tier 1 Generics are not subject to the \$100 Rx Deductible; 25% of \$6 = \$1.50; \$10 Minimum Co-Pay applies except when Member Copay exceeds Medication Cost. | | | | | | | |
| ² | \$65 Rx Deductible applied to Medication Cost; \$35 Rx Deductible balance | | | | | | | |
| ³ | \$445 minus \$35 Rx Deductible balance remaining = \$410; 25% of \$410 = \$102.50; \$100 Maximum Member Co-Pay applies | | | | | | | |

Why was this implemented? *Prescription medications are very expensive and account for approximately 20% of the health plan's total costs. About 25% of members do not use the pharmacy benefits, so rather than increasing costs to everyone through higher premiums, the decision was made to require those members who benefit the most from this coverage to help offset the rising costs of prescription drugs through the implementation of a modest deductible.*

Prescriptions are really expensive; how can I afford this? *It is true, prescriptions are expensive and are expected to rise each year. Ask your doctor to prescribe a generic medication found on Tier 1 to reduce your out-of-pocket expenses.*

Can I use my FSA or HSA cards to cover these costs? *Normally, costs for prescribed medications are covered as eligible expenses when using health savings accounts; please refer this question to your plan sponsor.*

Does this expense count towards my medical deductible? *This expense does not count towards your medical deductible, but does count towards your medical out-of-pocket maximum.*

I usually pay about \$45 for a prescription. How much will I pay now? *Your out-of-pocket cost will depend on the cost of the drug. If the cost of a drug is \$200, and the drug is a Tier 2 or brand name drug, you will be required to pay the first \$100 plus coinsurance on the remaining balance; once the pharmacy deductible has been met, your cost should be lower.*

How can I determine if a medication that I am being prescribed is a tier 1 drug and, if not, what should I do to reduce my out-of-pocket expenses? *Representatives at the MagellanRx Call Center have access to the GatorCare Formulary. By calling 800-651-8921, the representative can look up the medication on the formulary and advise on the medication's tier. If the medication is not found on tier 1, the representative can look up alternative medications in the same therapeutic class on tier 1.*