

No. _____



UNITED INDEPENDENT SCHOOL DISTRICT INFORMATIONAL ITEM

TOPIC District Pharmacy Network Change

SUBMITTED BY Robert Chapa OF: Risk Management

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: November 17, 2016

United ISD has been informed by its health insurance carrier Blue Cross Blue Shield of Texas that effective January 1, 2017, CVS pharmacies and CVS pharmacies in a Target store will no longer be a part of BCBSTX standard pharmacy network for members with pharmacy benefits administered by Prime Therapeutics.

Employee Impact

Approximately 90% of all UISD prescriptions are filled at HEB, Walmart, or Walgreens pharmacies. Only 3% of annual UISD prescriptions are filled at Target pharmacies.

Employees will still be able to utilize the out of network Target pharmacies but at higher out of network prices. Out of network prices consist of a co-pay plus 40% of the prescription price.

District Impact

There will be no financial impact to the district. Had the district chosen to keep CVS pharmacies in network, projected costs would range from \$37,000 to \$62,000.

Pharmacy Plan Enhancement

Employees presently may receive 3 months of medications for the price of 2 through Prime Therapeutics mail in program. Effective January 1, 2017 employees will be able to obtain the same discount at most local in-network pharmacies including HEB, Walgreens, and Walmart.

Aug. 19, 2016

Prime Pharmacy Network Change Effective Jan. 1, 2017 for Fully Insured Group and Retail Market Plans

Effective Jan. 1, 2017 (regardless of renewal date), CVS pharmacies and CVS pharmacies in a Target store will no longer be a part of Blue Cross and Blue Shield of Texas' (BCBSTX) standard pharmacy network for members with pharmacy benefits administered by Prime Therapeutics®.

This network change impacts fully insured group and retail market (Metallic plan small group and individual) members. It does not impact Medicaid or Medicare plans, at this time.

ASO groups have the choice to either adopt this revised pharmacy network with CVS excluded or remain with the current pharmacy network that includes CVS. Contact your BCBSTX representative for more information.

Working closely with Prime Therapeutics, BCBSTX continuously assesses our pharmacy networks and offerings to ensure we are maintaining affordable benefits for our members, including obtaining competitive reimbursement rates from participating pharmacies within Prime's network. Through ongoing negotiations, CVS Pharmacy requested a higher reimbursement rate for generic prescriptions as compared to other pharmacies. Therefore, BCBSTX has made the decision to no longer include CVS pharmacies within the pharmacy network.

Members will continue to have access to more than 55,000 nationwide pharmacies in network (without CVS), with more than 4,000 located within Texas. This includes many major pharmacy chains such as Walgreens, Walmart, Kroger, HEB, Brookshire's and many independent pharmacies. In every county where we have a presence, we exceed network adequacy standards set by Texas with the remaining pharmacies in network.

Additionally, BCBSTX offers retail market members affordable options through our 2016 Preferred Pharmacy Network, including as low as \$0 copays. This network includes more than 2,000 pharmacies, with at least one major national chain, a grocery chain and many independent pharmacies.

BCBSTX is committed to helping our members find the most convenient alternative for their pharmacy coverage needs. Impacted members, who have had a recent CVS claim, will be notified in October with a letter. This letter will provide information on how to find an alternative network pharmacy as well as how to transfer any current refill/new prescriptions to their new pharmacy.

Stay tuned for more information about this pharmacy network change. If you have any questions, contact your BCBSTX representative.

BCBSTX contracts with Prime Therapeutics to provide pharmacy benefit management, prescription home delivery and specialty pharmacy services. In addition, contracting pharmacies are contracted through Prime Therapeutics. The relationship between BCBSTX and contracting pharmacies is that of independent contractors. BCBSTX, as well as several independent Blue Cross and Blue Shield Plans, has an ownership interest in Prime Therapeutics.

bcbstx.com

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association

© Copyright 2016 Health Care Service Corporation. All Rights Reserved.