

HMO PHARMACY SCHEDULE OF BENEFITS

Summary of Benefits	Formulary Generic	Formulary Brand-Name
Retail Pharmacy Copayment (per Prescription Unit or up to 30 days)	\$15	\$35
Mail Service Pharmacy Copayment (up to 3 Prescription Units or up to 90 days)	\$30	\$70

This *Schedule of Benefits* provides specific details about your prescription drug benefit as well as the exclusions and limitations. Together, this document and the *Supplement to the Combined Evidence of Coverage and Disclosure Form* as well as the medical *Combined Evidence of Coverage and Disclosure Form* determine the exact terms and conditions of your prescription drug coverage.

**What do I pay when I fill a prescription?**

You will pay only a Copayment when filling a prescription at a PacifiCare Participating Pharmacy. You will pay a Copayment every time a prescription is filled. Your Copayments are as shown in the grid above.

There are selected brand-name medications where you will pay a Copayment of just \$15. Contact PacifiCare’s Customer Service department for Formulary information.

**Preauthorization for all Non-Formulary Drugs**

All non-Formulary drugs must be Preauthorized by PacifiCare as Medically Necessary in order to be covered under this pharmacy benefit. If approved, you will pay the applicable generic or brand-name Copayment. Non-Formulary drugs that are not otherwise excluded from coverage may be Preauthorized as Medically Necessary in the following instances. (See “Exclusions and Limitations” section of this *Pharmacy Schedule of Benefits* for those medications that are excluded from coverage):

- No Formulary alternative is appropriate and the drug is Medically Necessary for patient care, as determined by PacifiCare and consistent with professional practice.
- The Formulary alternative has failed after a therapeutic trial. Your Participating Physician will be asked to provide a copy of the medical chart notes specifically stating treatment failure with the Formulary alternative.
- The Formulary alternative is not appropriate as determined by a review of Physician chart notes.
- You have been under treatment and remain stable on

a non-Formulary prescription drug previously approved by PacifiCare as Medically Necessary that is not excluded from coverage and changing to a Formulary drug is medically inappropriate.

- Your Participating Physician provides evidence in the form of documents, records or clinical trials which establishes that use of the requested non-Formulary drug over the Formulary drug is Medically Necessary, as determined by PacifiCare.

**Preauthorization for Selected Formulary Drugs**

Selected Formulary drugs must also be Preauthorized by PacifiCare to determine that they are Medically Necessary and being prescribed according to treatment guidelines consistent with standard professional practice to be eligible for coverage. If approved, you will pay the applicable generic or brand-name Copayment. For a list of the Formulary medications that require PacifiCare’s Preauthorization, please contact PacifiCare’s Customer Service department.

**Please note:** If you are prescribed a non-Formulary or Selected Formulary medication for acute treatment that requires immediate use upon Hospital discharge, an urgent care or emergency room visit after normal business hours, you may receive a one-time authorization for coverage. You will need to obtain Preauthorization before refilling this prescription.

**Medication Covered by Your Benefit**

When prescribed by your Participating Physician as Medically Necessary and filled at a Participating Pharmacy, subject to all the other terms and conditions of this outpatient prescription drug benefit, the following medications are covered:

- **Disposable all-in-one prefilled insulin pens,** insulin cartridges and needles for nondisposable pen devices are covered when Medically Necessary, in accordance with PacifiCare’s Preauthorization process.
- **Federal Legend Drugs:** Any medicinal substance which bears the legend: “Caution: Federal law prohibits dispensing without a prescription.”

**Questions? Call the Customer Service Department at 1-800-624-8822.**

- **Generic Drugs:** Comparable generic drugs may be substituted for brand-name drugs. For brand-name drugs that have Food and Drug Administration (FDA)-approved equivalents, a prescription may be filled with a generic drug unless a specific brand-name drug is Medically Necessary and Preauthorized by PacifiCare, or is on PacifiCare's Selected Brands List. Preauthorization is necessary even if your Physician writes "Dispense as Written" or "Do Not Substitute" on your prescription. A copy of the Selected Brands List is available upon request from PacifiCare's Customer Service department and may be found on PacifiCare's Web site at [www.pacificare.com](http://www.pacificare.com). If you choose to use a medication not included on the Formulary and not Preauthorized by PacifiCare, you will be responsible for the full retail price of the medication. However, you have the option of selecting a non-Formulary brand-name drug that has a generic equivalent on the Formulary at a cost that is generally lower than retail. The cost is the generic Copayment plus the difference between PacifiCare's contracted rate for the generic and brand-name drugs. You will not pay a rate higher than PacifiCare's contracted rate for the brand-name drug. If the brand-name drug with the generic equivalent is Medically Necessary, it may be Preauthorized by PacifiCare. If it is approved, you will only pay your brand-name Copayment.
- **Miscellaneous Prescription Drug Coverage:** For the purposes of determining coverage, the following items are considered prescription drug benefits and are covered when Medically Necessary: glucagons, insulin, insulin syringes, blood glucose test strips, lancets, inhaler extender devices, urine test strips and anaphylaxis prevention kits (including, but not limited to, EpiPen®, Ana-Kits® and Ana-Guard®). See the medical *Combined Evidence of Coverage and Disclosure Form* for coverage of other injectable medications in Section Five under "Your Medical Benefits."
- **Oral Contraceptives:** Federal Legend oral contraceptives, prescription diaphragms and oral medications for emergency contraception.
- **State Restricted Drugs:** Any medicinal substance that may be dispensed by prescription only, according to state law.
- **Administered Drugs:** Drugs or medicines delivered or administered to the Member by the prescriber or the prescriber's staff is not covered. Injectable drugs are covered under your medical benefit when administered during a Physician's office visit or self-administered pursuant to training by an appropriate health care professional. Refer to Section Five of your medical *Combined Evidence of Coverage and Disclosure Form* entitled "Your Medical Benefits" for more information about medications covered under your medical benefit.
- **Compounded Medication:** Any medicinal substance that has at least one ingredient that is Federal Legend or State Restricted in a therapeutic amount. Compounded medications are not covered unless Preauthorized as Medically Necessary by PacifiCare.
- **Diagnostic Drugs:** Drugs used for diagnostic purposes are not covered. Refer to Section Five of your medical *Combined Evidence of Coverage and Disclosure Form* for information about medications covered for diagnostic tests, services and treatment.
- **Dietary or nutritional products and food supplements,** whether prescription or nonprescription, including vitamins (except prenatal), minerals and fluoride supplements, health or beauty aids, herbal supplements and/or alternative medicine, are not covered. Phenylketonuria (PKU) testing and treatment is covered under your medical benefit including those formulas and special food products that are a part of a diet prescribed by a Participating Physician provided that the diet is Medically Necessary. For additional information, refer to Section Five of your medical *Combined Evidence of Coverage and Disclosure Form*.
- **Drugs prescribed by a dentist** or drugs when prescribed for dental treatment are not covered.
- **Drugs when prescribed to shorten the duration of a common cold** are not covered.
- **Enhancement medications** when prescribed for the following nonmedical conditions are not covered: weight loss, hair growth, sexual performance, athletic performance, cosmetic purposes, anti-aging for cosmetic purposes, and mental performance. Examples of drugs that are excluded when prescribed for such conditions include, but are not limited to, Penlac®, Retin-A®, Renova®, Vaniqa®, Propecia®, Lustra®, Xenical® or Meridia®. This exclusion does not exclude coverage for drugs when Preauthorized as Medically Necessary to treat morbid obesity or diagnosed medical conditions affecting memory, including, but not limited to, Alzheimer's dementia.
- **Infertility:** All forms of prescription medication when prescribed for the treatment of infertility are not covered. If your employer has purchased coverage for infertility treatment, prescription medications for the treatment of infertility may be covered under that

## Exclusions and Limitations

While the prescription drug benefit covers most medications, there are some Drugs that are not covered or limited. These drugs are listed below. Some of the following excluded drugs may be covered under your medical benefit. Please refer to Section Five of your medical *Combined Evidence of Coverage and Disclosure Form* titled "Your Medical Benefits" for more information about medications covered under your medical benefit.

benefit. Please refer to Section Five of your medical *Combined Evidence of Coverage and Disclosure Form* titled “Your Medical Benefits” for additional information.

- **Injectable Medications:** Except as described under the section “Medications Covered by Your Benefit,” injectable medications, including, but not limited to, self-injectables, infusion therapy, allergy serum, immunization agents and blood products, are not covered as an outpatient prescription drug benefit. However, these medications are covered under your medical benefit as described in and according to the terms and conditions of your medical *Combined Evidence of Coverage and Disclosure Form*. Outpatient injectable medications administered in the Physician’s office (except insulin) are covered as a medical benefit when part of a medical office visit. Injectable medications may be subject to PacifiCare’s Preauthorization requirements. For additional information, refer to Section Five of your medical *Combined Evidence of Coverage and Disclosure Form* under “Your Medical Benefits.”
- **Inpatient Medications:** Medications administered to a Member while an inpatient in a Hospital or while receiving Skilled Nursing Care as an inpatient in a Skilled Nursing Facility are not covered under this *Pharmacy Schedule of Benefits*. Please refer to Section Five of your medical *Combined Evidence of Coverage and Disclosure Form* titled “Your Medical Benefits” for information on coverage of prescription medications while hospitalized or in a Skilled Nursing Facility. Outpatient prescription drugs are covered for Members receiving Custodial Care in a rest home, nursing home, sanitarium or similar facility if they are obtained from a Participating Pharmacy in accordance with all the terms and conditions of coverage set forth in this *Schedule of Benefits* and in the Pharmacy Supplement to the *Combined Evidence of Coverage and Disclosure Form*. When a Member is receiving Custodial Care in any facility, relatives, friends or caregivers may purchase the medication prescribed by a Participating Physician at a Participating Pharmacy and pay the applicable Copayment on behalf of the Member.
- **Investigational or Experimental Drugs:** Medication prescribed for experimental or investigational therapies are not covered, unless required by an external, independent review panel pursuant to California Health and Safety Code Section 1370.4. Further information about Investigation and Experimental procedures and external review by an independent panel can be found in the medical *Combined Evidence of Coverage and Disclosure Form* in Section Five, “Your Medical Benefits” and Section Eight, “Overseeing Your Health Care” for appeal rights.

- **Medications dispensed by a non-Participating Pharmacy** are not covered except for prescriptions required as a result of an Emergency or Urgently Needed Service.
- **Medications prescribed by non-Participating Physicians** are not covered except for prescriptions required as a result of an Emergency or Urgently Needed Service.
- **New medications that have not been reviewed for safety, efficacy and cost-effectiveness and approved** by PacifiCare are not covered unless Preauthorized by PacifiCare as Medically Necessary.
- **Non-Covered Medical Condition:** Prescription medications for the treatment of a non-covered medical condition are not covered. This exclusion does not exclude Medically Necessary medications directly related to non-Covered Services when complications exceed follow-up care, such as life-threatening complications of cosmetic surgery.
- **Off-Label Drug Use.** Off-Label Drug Use means that the Provider has prescribed a drug approved by the Food and Drug Administration (FDA) for a use that is different than that for which the FDA approved the drug. PacifiCare excludes coverage for Off-Label Drug Use, including off-label, self-injectable drugs, except as described in the medical *Combined Evidence of Coverage and Disclosure Form* and any applicable Attachments. If a drug is prescribed for Off-Label Drug Use, the drug and its administration will be covered only if it satisfies the following criteria: (1) The drug is approved by the FDA. (2) The drug is prescribed by a participating licensed health care professional. (3) The drug is Medically Necessary to treat the medical condition. (4) The drug has been recognized for treatment of a medical condition by one of the following: *The American Hospital Formulary Service Drug Information, The United States Pharmacopeia Dispensing Information* or in two articles from major peer-reviewed medical journals that present data supporting the proposed Off-Label Drug Use or uses as generally safe and effective. Nothing in this section shall prohibit PacifiCare from use of a Formulary, Copayment, technology assessment panel, or similar mechanism as a means for appropriately controlling the utilization of a drug that is prescribed for a use that is different from the use for which that drug has been approved for marketing by the FDA. Denial of a drug as Investigational or Experimental will allow the Member to use the Independent Medical Review System as defined in the medical *Combined Evidence of Coverage and Disclosure Form*.
- **Over-the-Counter Drugs:** Medications (except insulin) available without a prescription (over-the-counter) or for which there is a nonprescription chemical and dosage equivalent available, even if ordered by a Physician, are not covered. All

nonprescription (over-the-counter) contraceptive jellies, ointments, foams or devices are not covered.

- **Prior to Effective Date:** Drugs or medicines purchased and received prior to the Member's effective date or subsequent to the Member's termination are not covered.
- **Replacement** of lost, stolen, or destroyed medications are not covered.
- **Saline and irrigation solutions** are not covered. Saline and irrigation solutions are covered when Medically Necessary, depending upon the purpose for which they are prescribed, as part of the home health or durable medical equipment benefit. Refer to your medical *Combined Evidence of Coverage and Disclosure Form* Section Five for additional information.
- **Sexual Dysfunction Medication:** All forms of medications when prescribed for the treatment of sexual dysfunction, which includes, but is not limited to, erectile dysfunction, impotence, anorgasmia or hyporgasmia, are not covered. An example of such medications includes Viagra.
- **Smoking cessation products**, including, but not limited to, nicotine gum, nicotine patches, and nicotine nasal spray, are not covered. However, smoking cessation products are covered when the Member is enrolled in a smoking cessation program approved by PacifiCare. For information on PacifiCare's smoking cessation program, refer to the medical *Combined Evidence of Coverage and Disclosure Form* in Section Five, "Your Medical Benefits," in the section titled "Outpatient Benefits," under "Health Education Services" or contact Customer Service or visit our Web site at [www.pacificre.com](http://www.pacificre.com).
- **Therapeutic devices or appliances**, including, but not limited to, support garments and other nonmedical substances, insulin pumps and related supplies (these services are provided as durable medical equipment) and hypodermic needles and syringes not related to diabetic needs or cartridges are not covered. Birth control devices and supplies or preparations that do not require a Participating Physician's prescription by law are also not covered, even if prescribed by a Participating Physician. For further information on certain therapeutic devices and appliances that are covered under your medical benefit, refer to your medical *Combined Evidence of Coverage and Disclosure Form* in Section Five, entitled "Your Medical Benefits" under "Outpatient Benefits" located, for example, in subsections titled "Diabetic Self Management," "Durable Medical

Equipment," or "Home Health Care and Prosthetics and Corrective Appliances."

- **Workers' Compensation:** Medication for which the cost is recoverable under any Workers' Compensation or Occupational Disease Law or any state or government agency, or medication furnished by any other drug or medical service for which no charge is made to the patient is not covered. Further information about Workers' Compensation can be found in the medical *Combined Evidence of Coverage and Disclosure Form* in Section Six under "Payment Responsibility."

PacifiCare reserves the right to expand the Preauthorization requirement for any drug product.

Questions? Call the HMO Customer Service department at 1-800-624-8822 or TDHI 1-800-442-8833.