

# NewsfromBlue

IMPORTANT UPDATES FOR BENEFIT ADMINISTRATORS

May 2006

## BlueOptions<sup>SM</sup> Q&A

Q: On BlueOptions plans, what is the member responsibility for outpatient therapies?

A: All therapy services (physical therapy, speech therapy, occupational therapy, massage therapy and cardiac therapy) rendered in locations other than a hospital setting will reimburse at the specialist benefit level for all BlueOptions plans.

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## NetworkBlue<sup>SM</sup> Update

[\[Click here\]](#) to view a listing of facilities that have recently joined NetworkBlue.

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## New! The Personal Health Report Undergoes Improvements

Beginning this month, members will have online access 24 hours a day, 7 days a week, to their Personal Health Report through MyBlueService<sup>SM</sup>. Currently, the personalized health report is mailed quarterly, free of charge to BlueOptions members. Additionally, the report is being redesigned with some of our members' feedback in mind—it will be more customized and easier to read. The report contains a summary of the individual's or family's health care expenditures, activities (such as doctor and hospital visits), out-of-pocket costs and preventive health services, which provides them with insight and information to make important decisions about their health care. The report can be accessed at [www.bcbsfl.com](http://www.bcbsfl.com)>[MyBlueService](#).

### Coming this summer

Pharmacy messages will be available for members based on their copayments. When enough pharmacy claims data is available to identify a less expensive drug than what the member currently uses, a coupon will be included in the individual member's report. Members simply mail in the discount coupon, and the drug is delivered directly to their home.

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Please contact your Blue Cross and Blue Shield of Florida representative if you have any questions.

## Continued Success for BlueNews Physician Seminars

Over the past five years, we've successfully completed 108 BlueNews physician seminars! The seminars help to improve education and communication, physician satisfaction, and support local presence for participating physician office staff.

BlueNews seminars for physicians include a formal education session with presentations and select vendor exhibits. Attendees also have the opportunity to visit our information booths for additional information and to have specific questions answered.

Feedback from the seminars has provided invaluable insights from providers:

- Physician offices rate us as "better than other insurance carriers" with regards to education and communication with network providers.
- The top challenges providers continue to focus on are day-to-day business processes, claim processing and resolution, customer service, out-of-state Blue Plan issues, and the need for additional education.

The spring 2006 series of seminars continues through May 25. For a complete list of dates and locations, [\[Click here\]](#).

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## Care Coordination Provides Caring Solutions for Members

Care Coordination is a voluntary program we designed to help members understand their health options, achieve individual goals, navigate the health care system and their contract benefits, through a single point of contact.

The introduction of Member Outreach activities is an addition to our traditional program that will help to reduce member out-of-pocket costs by optimizing benefits, effectively coordinate benefits to support the physicians' treatment plan, and improve member decision-making through education.

Member Outreach Care Coordinators initiate outbound calls to members who may, for example, be scheduled for joint replacement surgeries, are being discharged with complex health care needs or their medical information suggests they are at risk for illness or chronic disease. Members can get answers to questions such as: "What can I expect after my hospital stay?" "What services will be covered under my plan?" and "How can I get the most out of my benefits?"

The Care Coordination teams contact these members to assess and evaluate their needs and can offer education and intervention to improve outcomes. They also identify other resources that can help members receive individualized support such as, Healthy Addition®, Health Dialog® or disease management programs through BCBSF and community resources.

In addition, Member Outreach proactively identifies individuals who may be making significant health care decisions. Our Care Coordination teams include registered nurses and medical directors that are locally based and available to work closely with network physicians and providers.

[\[Click here\]](#) to review FAQ's.

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# BCBSF Signs Contract With New Pharmacy Benefit Manager, Prime Therapeutics LLC

Our role is to provide members access to affordable health care choices through hospital, physician and vendor agreements that best serve our members both now and in the future. After a thorough review of existing Pharmacy Benefit Manager (PBM) services and a comprehensive evaluation of other PBMs, we made the strategic decision to shift our PBM business from Medco to Prime Therapeutics LLC (Prime). Beginning January 1, 2007, Prime will provide services to more than 1.4 million Blue Cross and Blue Shield of Florida (BCBSF) members enrolled in health plans that include prescription drug coverage, including those members enrolled in BCBSF health plans through their employer.

Our partnership with Prime will increase our coordination with, and influence over the pharmacy benefits we provide and gives us economies of scale of a national PBM with the flexibility, customization and quality service of an in-house pharmacy solution. By implementing Prime's carve-in philosophy (integrated pharmacy and medical management), BCBSF will have more control of its pharmacy strategies and the management of cost trends and health outcomes.

We will continue to offer all the service and benefit design capabilities of our current PBM, Medco. Services through Prime will include claims processing, formularies, rebates, clinical programs, reporting, national network management and Medicare Part D administration. Additionally, mail service is being transitioned from Walgreens to Prime.

The work to transition to Prime will occur throughout 2006 with an effective date of Jan. 1, 2007. We anticipate the transition will be seamless for our groups, members, sales partners and physicians/providers.

If you have any questions, please contact your BCBSF agent or Sales Representative.

## **Q: How does this impact the Rx mail order program?**

**A:** BCBSF will utilize PrimeMail, Prime's mail order pharmacy, instead of Walgreens or Medco's mail service. This transition presents a great opportunity to achieve a fully integrated retail and mail order pharmacy program. Prime's mail rates and turnaround times are market competitive. The initial transition may result in some minor disruption because some members will need to request new prescriptions from their physicians.

## **Q: What pharmacy will fill members' mail order prescriptions?**

**A:** Members will have their mail order prescriptions filled through PrimeMail.

## **Q: How will a member's transition from Walgreens to PrimeMail work?**

**A:** Prime will receive a file from Walgreens that will allow Prime to transfer as many prescriptions as possible electronically. Regulations require members who receive a controlled substance to obtain a new prescription from their physician.

## **Q: Will there be a change in formulary?**

**A:** Prime is able to administer the BCBSF formulary. As part of the implementation process, we are assessing the existing formulary. Any formulary changes would be communicated to groups, providers and members before Jan. 1, 2007.

## **Q: What level of Rx network disruption, if any, do you expect?**

**A:** We don't anticipate an Rx network disruption. We have a comprehensive project plan with a team of individuals from both BCBSF and Prime Therapeutics to execute the plan.

Prime has an extensive national pharmacy network throughout the U.S. At this point, we believe that Prime will administer the BCBSF in-state pharmacy network and provide a national "wrap-around" network for out-of-state prescriptions. This will result in little or no network disruption.

Prime will conduct an analysis of our network coverage as part of the implementation process. If this analysis shows a coverage gap, Prime will actively recruit additional pharmacies to meet coverage requirements. If pharmacies meet the criteria for inclusion and accept the reimbursement structure, Prime will include them in the network.

## **Q: What is the scope of service that Prime Therapeutics will provide to BCBSF?**

**A:** Prime will provide a full spectrum of pharmacy benefit services, including claims processing, customer/pharmacy services, pharmacy point-of-sale connectivity, manufacturer contracting/rebates, clinical pharmacy management, reporting, pricing and financial administration.

## **Q: What type of reporting and analysis will you provide?**

**A:** On a quarterly basis, Prime will provide group summary reports with current period and benchmark data including:

- Membership information (average employees and utilizing employees);

- Total cost (net and total paid claims; total employee and total plan paid amounts);
- Cost and utilization (amount paid per employee per month);
- Average cost per net claim (average ingredient cost, average dispensing fee);
- Generic substitution;
- Formulary adherence;
- Utilization mix by drug type (brand and generic);
- Utilization mix by pharmacy type (retail and mail);
- Top therapeutic classes by cost;
- Top drugs by cost;
- Many other categories.

**Q: Who is Prime Therapeutics?**

**A:** Prime Therapeutics (Prime) is a national PBM that helps manage the cost of pharmacy benefits and encourages appropriate and safe pharmacy care for approximately eight million lives nationwide. Prime’s mission is to empower its clients to make informed decisions in health care management and to pursue the highest quality of care for the consumer.

**Q: How is Prime different from other PBMs?**

**A:** Prime differentiates itself through four key areas:

1. A business model that delivers greater cost savings through low net costs and client-aligned incentives, rather than a focus on maximizing rebates;
2. Integrated pharmacy and medical data for total health care management;
3. Unique service model with medical and pharmacy account teams working together for increased client collaboration and expertise; and
4. Competitive pricing and disclosure of costs and revenue streams to health plan clients.

**Q: How is Prime’s business model unique?**

**A:** Prime has a unique business model that begins with its private ownership structure by Blue Cross and Blue Shield plans. Through this model, Prime strives to increase its value to its health plan owners, like BCBSF, by aligning health plan and pharmacy goals to deliver the best pharmacy benefits to our customers – not by increasing its own profits. Prime focuses on patient safety, low net cost and high quality care. In contrast to other PBM vendor relationships, Prime’s owners are also its clients, and they comprise its board of directors. This positions Prime to always operate in the best interest of the health plan, and ultimately employer groups and their employees.

Prime’s business model adheres to these principles:

- Full disclosure of revenue sources. Prime has been a leader in offering full disclosure.
- Client-aligned financial interests. Prime’s model eliminates misaligned incentives because Prime does

not receive a disproportionate amount of revenue from drug manufacturers, nor is Prime obligated to meet Wall Street expectations.

- Clinical integrity of products. Prime is free to promote the most appropriate, cost-effective therapies, because Prime does not have hidden incentives from drug manufacturers, retail chains or wholesalers driving its decisions.
- Patient-centered programs. Prime concentrates its efforts on a targeted set of high-impact clinical categories that hold down rising medication costs and provide access to appropriate medications. Its clinical tools are based on rationale that promotes best practices and supports evidence-based medicine.

The company focuses on reducing “carving out” the pharmacy benefit from the health plan. Carving out such benefits often causes networks, systems, formulary design and other elements to be outsourced to vendors whose interests are not necessarily aligned with those of the client. Prime’s strategy returns control to clients, enabling them to integrate pharmacy management with their medical management.

**Q: What is Prime’s account management philosophy?**

**A:** Prime’s account management philosophy is based on a consultative approach to managing its clients’ pharmacy programs. This means providing expertise and knowledge on the pharmacy industry, trends, benefit designs and cost-saving opportunities.

Another unique account management aspect is its strategic approach. Prime works hand-in-hand with our BCBSF customers to provide proactive service for employer groups. Prime’s pharmacy experts, in partnership with the health plan’s medical experts, consult with groups to optimize their pharmacy program. Whether implementing flexible benefit designs or analyzing data, Prime provides collaborative service and clear program communication.

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