

January 24, 2021
NEWSLETTER
Changes to Prescription Drug Benefit Program

The following was written by our health care benefits expert at Allotta Farley at the request of the UT-AAUP Executive Board. We will be scheduling one or more virtual membership meetings so that Members can present questions to the health benefits expert.

Dear UT-AAUP Bargaining Unit Members:

The UT-AAUP previously notified Members that the University of Toledo (“UT”) Administration made several changes to the Health Insurance Program for the 2021 calendar year. While the health insurance premiums remained the same, there were significant changes to the prescription drug program. These changes were adopted without any input from the UT-AAUP and without prior notification. The UT Administration also unilaterally decided how to communicate these changes to all employees. As some Members can attest, this hasty rollout has exacerbated the confusion that generally surrounds plan changes.

As the 2021 year is underway, the Union is learning more about how these changes impact Member benefit claims. In response to questions raised by the Union, the UT Administration recently clarified the new limits on “retail pharmacies.” A retail pharmacy is any pharmacy other than a UT Pharmacy. Under the previous benefit structure (i.e., 2020 calendar year), there was no limitation on the number of 30-day prescriptions a Member could fill at a retail pharmacy.

Members are now limited to one 14-day supply per prescription per year at a retail pharmacy. This means subsequent refills of the same medication must be filled at a UT pharmacy. This change affects both the Member and any covered spouse or dependents and severely restricts the ability to use a non-UT pharmacy. Any Member who regularly uses a non-UT pharmacy or who lives outside of the Toledo area must pay attention to this change. If a Member lives outside of the area, and is under a prescription drug regime, there is no choice other than to use the UT pharmacy 90-day supply program. Those who live in Toledo but previously used outside pharmacies are now forced to use the UT pharmacy.

We have been told that a retail pharmacy will fill a 14-day supply from a 30-day script thereby giving a Member time to transfer the prescription to the UT pharmacy. However, we are aware of at least one Member having issues with the UT pharmacy provider, CerpaxRx and receiving a denial without explanation at the retail pharmacy counter. If you experience any coverage issues, you should contact CerpaxRx at (844) 636-7506. We also suggest that you notify both the UT-AAUP and the UT Benefits office.

In addition to the restriction on outside pharmacies, the UT Administration raised the co-payment on prescription drugs from UT pharmacies. While these changes were explained in a previous newsletter, the impact on Members is becoming more apparent. The chart below highlights the changes the UT Administration has adopted. This information is posted on UT’s website. For additional information, visit <https://www.utoledo.edu/depts/hr/benefits/2021/2021-benefits.html> and select the “Prescription” option.

Drugs filled @ UT: Drug Category	2020 Rx Program (Old Model)	2021 Rx Program (New Model)
	<u>30-day Supply</u>	
Tier 1 drugs	\$7.26 co-pay	\$10.00 co-pay
Tier 2 drugs	\$18.15 co-pay	20% Co-insurance (\$60 Max)
Tier 3 drugs	\$36.30 co-pay	30% Co-insurance (\$120 Max)
	<u>90-day Supply (including mail order)</u>	
Tier 1 drugs	\$18.15 co-pay	\$25.00 co-pay
Tier 2 drugs	\$33.88 co-pay	20% Co-insurance (\$150 Max)
Tier 3 drugs	\$67.21 co-pay	30% Co-insurance (no Max)

The co-payment for Tier 1 drugs increased slightly (\$2.74 per script) and is in line with industry standards. Tier 1 drugs include any generic drugs. The largest increase is felt by those taking Tier 2 and Tier 3 medications.

- 1) Tier 2 Medications – These are brand name drugs that do not have a generic available.
- 2) Tier 3 Medications – These are also brand name drugs, but they have either a generic or preferred brand (i.e., Tier 2 drug) alternative.

Instead of a fixed dollar amount, the co-payment is now a percentage of the co-insurance and capped at the maximum rate. The co-insurance is based on the “allowed amount” for the medication, which is dictated by the agreement with UT and CerpaxRx. Under these changes, a Member that is used to paying \$18.15 for a 30-day script (i.e., the Tier 2 drug co-payment) could now pay up to \$60. Similarly, those on Tier 3 drugs will see their co-payment rise from \$36.30 to potentially \$120. The co-payments for the 90-day mail order program saw similar increases (see chart above).

These increases can be mitigated by either using a flexible spending account (if elected during open enrollment) or by using a free prescription discount service, such as GoodRx, RxSaver, and ScriptSave WellRx. They all operate in the same manner; they list the uninsured cost of a drug at several neighboring pharmacies, allowing you to shop for the cheapest price. They also offer discount coupons which further reduce out-of-pocket costs. Since these programs operate outside of an insurance plan, the costs will not be automatically applied to out-of-pocket limits. You will need to contact the UT Benefits Office for additional information on submitting receipts for out-of-pocket costs. These expenses should count towards the deductible.

Ultimately, it is disappointing that the UT Administration chose to restrict outside pharmacy access **and** raise UT pharmacy co-payments during the middle of an ongoing pandemic. These changes were adopted without any input from the Union. Further, the decision to roll-out these changes unilaterally, and at the last minute through a few webinars, only served to increase confusion. We have notified the UT Administration of the Union objections to the changes. We are also requesting from CerpaxRx a list of commonly prescribed Tier 2 and Tier 3 drugs and will provide this to Members once received.

Allotta Farley, Legal Counsel to UT-AAUP