

UT-AAUP: 2021 EMPLOYEE BENEFITS PRESENTATION

RX Benefit Plan Changes

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Presentation Overview

- 1) Introduction – Our Firm
- 2) 2021 Rx Benefit Plan Changes
- 3) Plan Design Overview – Rx Plan
- 4) Suggestions
- 5) Questions



- Employee Benefits Firm Located in Toledo, Ohio
- Represents the UT-AAUP in Labor Negotiations & Employment Issues
- ERISA Practice – Taft-Hartley Plans
- Over 100 Years Combined Experience



2021 Rx Benefit Changes

- 1) “Performance” Formulary (Restricted)
- 2) 14-day Limit on Retail Prescriptions
- 3) Rx Co-Payment Increases

New “Performance” Formulary

1) Restricted Formulary

- <https://www.utoledo.edu/depts/hr/benefits/docs/prescriptions/2021/CPRx-Performance-Formulary.pdf>

2) Drug “therapeutic” classifications and covered medications

3) Tier Classifications – Based PBM Pricing

- Tier 1: Generic drugs
- Tier 2: Brand name drugs w/ no generic alternative or better pricing than other Brands
- Tier 3: Brand name drugs w/ generic or “preferred” alternative

4) Dispense as Written (“DAW”)

- Cost Differential

Cost Differential Example

- ❑ Brand name drug is a Tier 3 Drug & costs \$100. Generic alternative costs \$40

- ❑ 2021 Rx Copayment for a 30-day supply = 30% Co-insurance (\$120 max).
 - 30% Co-Insurance = \$30 (i.e., $\$100 \times 30\%$)

 - DAW Penalty = \$60 (i.e., $\$100 - \40)

 - Total Co-Payment = \$90

14-Day Limit on Retail Prescriptions

- ❑ Retail Pharmacy = Any Non-UT Pharmacy

- ❑ Hard Steerage
 - Increase Co-Payments

 - Limit Applied Per Participant Per Script Per Year

- ❑ Emergency Situations – “Acute” vs. Maintenance Medications

Co-Payment Increases

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)

Other Benefit Plan Changes

❑ HSA Contribution – Base vs. Healthy U Bonus

❑ Cost Sharing Increases

➤ Deductible Increases

1) Silver & Bronze – Tier 1 Single / Family = \$150 / \$300

2) Blue Plan – Tier 1 Single / Family = \$1,500 / \$3,000

➤ Maximum Out-of-Pocket Increases

1) Silver & Bronze Plan – Tier 1 Single / Family = \$1,250 / \$2,500

2) Blue Plan – Tier 1 Single / Family = \$2,100 / \$4,200 (slight decreases)

➤ Co-Insurance Reduction

➤ Office Visit Co-Payment = \$5 increase

➤ Emergency Room Co-Payment

Plan Design Overview – Rx Benefit Plan

1) Blue Plan Deductible & Rx Co-Payments

2) Preventive Drugs

- ACA Preventive Medications

- Other Non-ACA Preventive Medications

- <https://www.utoledo.edu/depts/hr/benefits/docs/prescriptions/2021/CerpassRx-PrevMedList.pdf>.

3) 90-day Supply Program

- Shipped Priority Mail

- Can Refill within 4 days to 1 wk. before run-out (depends on medication)

Suggestions

- 1) Use an Rx Discount Card – GoodRx, RxSaver, ScriptSave WellRx
- 2) Cerpass Rx Appeals Program
- 3) Sign up for the 90-day Supply Program
- 4) Mid-Year Flexible Spending Account Changes?
- 5) Exceptions to the 14-day Limit

Questions

