



BEHIND THE COUNTER

Spring 2010

Cost-Cutting Trends for Pharmacy Benefits

Employers are focusing more than ever on saving money in their pharmacy benefit plans. One growing trend is better negotiating with PBM vendors, with employers pushing harder for maximum rebates and discounts. Many PBMs are willing to be flexible in order to keep their members, and employers can benefit from the resulting competition.

In addition, employers are looking at plan design changes as a cost controlling measure. Because a large percentage of prescriptions are for chronic diseases, employers are looking to address the source within their employee groups, through disease management and wellness. Also, in an effort to improve medication adherence, many pharmacies are moving to a 90-day refill period for certain drugs, which in the past was only seen for mail-order prescriptions.

Other cost-cutting trends include encouraging generics or even over-the-counter drugs over brand names, and adding more employee cost-sharing mechanisms. For instance, employers may move certain drugs up a tier to increase the price, thus strongly encouraging the generic variety or forcing the employee to pay the brand name cost. A 2009 survey found that 76 percent of employers used employee cost-sharing as a mechanism to control costs and encourage smarter utilization, up from 51 percent the year before.

Some PBMs have also started offering new services, such as nurses or pharmacists that call patients to discuss their medication, as some patients may feel uncomfortable discussing issues in-person with their pharmacist. Another growing trend is conducting genetic tests on a patient to determine if a particular drug will work on them. This can eliminate higher future costs and save the wasted time of trying different drugs for efficacy on a particular patient.

Source: Employee Benefit News

Key Changes to Medicare Part D Coverage Gap

With the enactment of the health care reform law comes several changes to the Medicare Part D drug benefit, aimed at lessening the burden on Part D members when they reach the coverage gap.

- In 2010, Part D members with spending in the coverage gap will receive a \$250 rebate.
- Starting in 2011, Part D enrollees who reach the coverage gap will receive a 50 percent discount on brand-name drugs while in the gap.
- Additional subsidies will also phase in over time for both generic drugs (beginning in 2011) and brand-name drugs (beginning 2013), to eventually reduce the coinsurance rate in the gap to 25 percent by 2020.
- Between 2014 and 2019, the out-of-pocket amount that qualifies an enrollee for catastrophic coverage will decrease.

Source: Kaiser Family Foundation

New Rules for OTC Drugs and Health Accounts

Another component of the health care reform law addresses eligible expenses under health flexible spending accounts (health FSAs), health reimbursement arrangements (HRAs), health savings accounts (HSAs) and Archer medical savings accounts (Archer MSAs). The law now defines qualified medical expenses to include only medication that is prescribed, with the exception of insulin.

Essentially, this means that over-the-counter (OTC) drugs are no longer acceptable expenses for any health account. This provision goes into effect for tax years beginning after Dec. 31, 2010.



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First-Time Generics

Generic Name	Brand Name	Approval Date	Uses
Carisoprodol and Aspirin	Soma Compound	1/7/2010	Pain reliever, muscle relaxer
Carisoprodol, Aspirin and Codeine Phosphate	Soma Compound with Codiene	1/7/2010	Pain reliever, muscle relaxer
Topiramate	Topamax	1/7/2010	Treating seizures
Methotrexate Sodium Preservative Free	Methotrexate Sodium	1/8/2010	Cancer treatment
Ibutilide Fumarate	Corvert	1/11/2010	Antiarrhythmic
Hydrochlorothiazide	Aquazide H, HydroDIURIL Microzide	1/19/2010	Treats fluid retention and hypertension
Estradiol Valerate	Delestrogen	1/19/2010	Treat symptoms of menopause
Milrinone Lactate in Plastic Container	Milrinone	1/21/2010	Treatment of patients with heart failure
Cefotaxime Sodium	Claforan	1/25/2010	Treat respiratory infections
Oxcarbazepine	Trileptal	1/25/2010	Epileptic seizures
Perindopril Erbumine	Aceon	1/27/2010	Hypertension
Peg 3350 and Electrolytes	Colyte	1/28/2010	Laxative (pre-intestinal procedures)
Levetiracetam	Keppra	2/1/2010	Epileptic seizures
Cetirizine Hydrochloride	Zyrtec	2/2/2010	Allergies
Labetalol	Normodyne, Trandate	2/3/2010	Hypertension
Norethindrone and Ethinyl Estradiol	Loestrin 1/20, Ovcon 35	2/4/2010	Birth control
Amlodipine Besylate and Benazepril Hydrochloride	Lotrel	2/5/2010	Hypertension
Ciclopirox	Ciclopirox	2/16/2010	Fungal infections
Sulfamethoxazole and Trimethoprim	Bactrim	2/16/2010	Ear infection, bronchitis, other infections
Valproate Sodium	Depakene	2/17/2010	Seizures
Ursodiol	Actigall, Urso	2/17/2010	Primary biliary cirrhosis
Metformin Hydrochloride	Glucophage	2/18/2010	Type 2 diabetes
Baclofen	Lioresal	2/18/2010	Muscle relaxer
Alendronate Sodium	Fosamax	2/18/2010	Paget disease

Desloratadine	Clarinex	2/19/2010	Allergies
Finasteride	Proscar	2/23/2010	Benign prostatic hyperplasia
Hydrocodone Bitartrate and Acetaminophen	Vicoden	2/25/2010	Pain reliever
Imiquimod	Aldara	2/25/2010	Skin cancer or infection
Lax-Lyte with Flavor Packs	LAX-LYTE	2/25/2010	Laxative
Ropinirole Hydrochloride	Requip	2/25/2010	Parkinson's disease
Hydralazine Hydrochloride	Apresoline	2/26/2010	Hypertension
Cefoxitin	Mefoxin	2/26/2010	Bacterial infections
Temozolomide	Temodar	3/1/2010	Brain tumor
Tamsulosin Hydrochloride	Flomax	3/2/2010	Benign prostatic hyperplasia
Fluorouracil	Carac, Efudex	3/5/2010	Skin growths, infections
Imipramine Hydrochloride	Tofranil	3/11/2010	Depression
Diltiazem Hydrochloride	Tiazac	3/15/2010	Chest pain
Alprazolam	Xanax	3/16/2010	Anti-anxiety
Dactinomycin	Cosmegen	3/16/2010	Cancer
Fexofenadine Hydrochloride and Pseudoephedrine Hydrochloride	Allegra-D	3/17/2010	Allergies
Promethazine Hydrochloride and Codeine Phosphate	Promethazine with Codeine	3/17/2010	Upper respiratory tract symptoms
Moexipril Hydrochloride and Hydrochlorothiazide	Uniretic	3/17/2010	Hypertension
Phentermine Hydrochloride	Lonamin, Adipex-P	3/18/2010	Appetite suppressant
Fluoxetine Hydrochloride	Prozac	3/22/2010	Depression
Tretinoin	Tretinoin	3/22/2010	Acne
Calcipotriene	Dovonex	3/24/2010	Plaque psoriasis
Epirubicin Hydrochloride	Ellence	3/25/2010	Cancer
Neomycin Sulfate	Myciguent	3/29/2010	Skin infections
Benzotropine Mesylate	Cogentin	3/29/2010	Parkinson's disease
Moexipril Hydrochloride	Univasc	3/30/2010	Hypertension
Metaxalone	Skelaxin	3/31/2010	Musculoskeletal pain
Clindamycin Phosphate	Cleocin T	3/31/2010	Acne