

## **Frequently Asked Questions about the Prescription Drug Plan Network**

Medco will administer the pharmacy benefits for State Employees' Prescription Drug Plan effective January 1, 2012. Medco will mail all health plan members an announcement letter near the end of September 2011. A major change from the current pharmacy benefit program is a move to a condensed retail pharmacy network, Medco's Limited Network, which does not include Walgreens, Happy Harry's, and Duane Reade as in-network retail pharmacies. Medco's limited network provides access to 50,000 in-network retail pharmacies nationwide, about 81 percent of all the nation's retail pharmacies. By placing a higher priority on lower cost retail pharmacies, Medco can offer this lower-cost option to the State of Florida, while maintaining a high degree of choice and quality for members.

### **1. What access will State of Florida members have to an in-network retail pharmacy in Medco's Limited Network?**

Approximately 99 percent of members will have access to an in-network retail pharmacy within five miles.

### **2. What is the average driving distance for State of Florida members from a Walgreens retail pharmacy to the nearest retail pharmacy participating in Medco's Limited Network?**

The average distance from a Walgreens retail pharmacy to the nearest in-network retail pharmacy is approximately one mile for most members.

### **3. In Florida, how many retail pharmacies participate in Medco's Limited Network? How many Walgreens retail pharmacies are located in Florida?**

There are 3,373 in-network retail pharmacies in Florida in Medco's Limited Network. There are 845 Walgreens retail pharmacies in Florida.

### **4. Does the State of Florida's plan administered by Medco include both retirees and actives?**

Yes, with the exception of retirees enrolled in the Medicare Advantage Plans offered by Capital Health Plan and Florida Health Care Plans.

### **5. What assistance is available for the State of Florida's members who have remaining refills at Walgreens retail pharmacies and do not want to be subject to the out-of-network costs?**

To assist members with the transition, on or about September 19, Medco will mail an announcement

letter to members. The letter includes notice of the pharmacy network change and a toll free number, staffed 24/7, to answer questions and to assist members with transitioning their prescription to an in-network retail pharmacy.

**6. Was Walgreens given the opportunity to join Medco's Limited Network?**

Medco's discussions with Walgreens have included Walgreens' participation in Medco's Limited Network in which Walgreens has shown little interest.

**7. Why would the State of Florida deny Walgreens retail pharmacies located in Florida the opportunity to serve the State of Florida's members?**

The State of Florida issued a competitive bid and evaluated multiple pharmacy network options. The Limited Network option provides significant savings for both the State and its members over that of the Broad Network. These savings outweigh the minimal business impact to Walgreens-owned retail pharmacies.

**8. Why not eliminate CVS, Medco's competitor, instead of Walgreens?**

Medco does not own retail pharmacies and therefore does not have retail pharmacy "competitors." Medco's Limited Network includes the retail pharmacies that offer the greatest value for participation.

**9. Are any other major retail pharmacy chains excluded from Medco's Limited Network?**

No.

**10. When will State of Florida members be subject to Medco's Limited Network?**

Medco's Limited Network becomes effective on January 1, 2012.

**11. What if a State of Florida member insists on continuing their use of a Walgreens retail pharmacy?**

Effective January 1, 2012, prescriptions processed at Walgreens retail pharmacies will be processed according to the State of Florida's out-of-network benefit.

**12. What is the State of Florida's out-of-network benefit that will apply January 1, 2012?**

The member must pay the full retail price for the prescription and file a paper claim to Medco for reimbursement. If a member fills prescriptions at a non-participating pharmacy, the member will be reimbursed at 80 percent of the average wholesale price for brand name drugs or 60 percent, on average, of the maximum allowable cost for generic drugs, plus a \$4.28 dispensing fee, minus the member copayment or coinsurance amount. The member will pay any amount above the average

wholesale price or maximum allowable cost. A dispensing fee is a fee that every pharmacist is paid for filling a prescription under the Plan in addition to the cost of the drug.

Out of Network Reimbursement Formula.

Brand:  $(80\% \times \text{Average Wholesale Price}) + \text{Dispensing Fee} - \text{Copayment/Coinsurance} = \text{Total Reimbursement}$

Generic:  $(60\% \times \text{Maximum Allowable Cost}) + \text{Dispensing Fee} - \text{Copayment/Coinsurance} = \text{Total Reimbursement}$

### **13. What retail pharmacies participate in Medco's Limited Network?**

Medco's Limited Network is a national retail pharmacy network of 50,000 pharmacies, including most major chains and local pharmacies.

*Courtesy of*



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