

Prescription Drug Plan City of Albany(Pre-65 Retiree Plan)

Administered by: PharmAvail Benefit Management

Your City of Albany health plan includes coverage for Prescription Drugs. The plan has contracted with a Pharmacy Benefits Manager (PBM), PharmAvail Benefit Management to manage these benefits. PharmAvail offers a network of retail, mail and specialty pharmacies. It also maintains the covered Prescription Drug list (known as the Formulary) and promotes and monitors the appropriate use of Prescription Drug benefits, including but not limited to possible excessive use, nationally recognized and recommended dosing regimens, drug interactions, adverse reactions and drug/pregnancy concerns.

Glossary of Prescription Drug Terms

In this document you will see several key terms, which are defined below:

Brand Name Drug

Prescription Drugs that have been determined by the PharmAvail to be classified as Brand Name Drugs through use of an independent proprietary industry database.

Formulary

A document setting forth certain rules relating to the coverage of pharmaceuticals, that may include but not be limited to (1) a listing of preferred Prescription medications that are covered and/or prioritized in order of preference by the Claims Administrator, and are dispensed to Members through pharmacies that are Network Providers, and (2) Precertification rules. This list is subject to periodic review and modification. Charges for medications may be ineligible charges, in whole or in part, if a Member selects a medication not included in the Formulary.

Generic Drug

Prescription Drugs that have been determined by PharmAvail to be classified as Generic Drugs through use of an independent proprietary industry database. Generic Drugs have the same active ingredients, must meet the same FDA specifications for safety, purity and potency, and must be dispensed in the same dosage form (tablet, capsule, cream) as the counterpart Brand Name Drug.

Pharmacy

An establishment licensed by state law to dispense Prescription Drugs and other medications through a duly licensed pharmacist upon a Physician's order.

Prescription Drug (Drug)

A medicinal substance that is produced to treat illness or injury. Under the Federal Food, Drug & Cosmetic Act, such substances must bear a message on its original packing label that states, "Caution: Federal law prohibits dispensing without a prescription" or states "RxOnly." This includes the following:

- Compounded (combination) medications, which contain at least one such medicinal substance, and is not essentially a copy of a commercially available drug product
- Insulin, diabetic supplies, and syringes.

Prescription Drug Benefits

Unless otherwise stated below, Prescription Drugs must be Medically Necessary and not being used experimentally or for investigation purposes, in order for the particular drug to be eligible for the benefit. In some cases for particular drugs, the prescribing physician may be asked to provide additional information to PharmAvail so that medical necessity can be established. PharmAvail may establish quantity and/or age limits on specific prescription drugs.

Covered Prescription Drugs

To be eligible for coverage under the plan, the prescription drugs must be approved by the Food and Drug Administration (FDA) and under federal law must be prescribed by a licensed prescriber and obtained from a duly licensed U.S. pharmacy.

The Drug Benefit includes the following:

1. Drugs requiring a prescription available from either a U.S. licensed Retail pharmacy or via mail order through Drug Source, Inc. (www.drugsourceinc.com) or (800) 854-8764;
2. Specialty Drugs
3. Injectable Drugs
4. Injectable insulin and certain diabetic supplies and equipment used for glucose testing and the administration of insulin;
5. Oral contraceptive drugs, injectable contraceptive drugs, and contraceptive patches;
6. Flu Shots (including administration) through U.S. licensed pharmacies;
7. Drugs for Smoking Cessation.

Where You Can Obtain Prescription Drugs

Network Pharmacies

You can visit one of the local retail pharmacies in the network. Ninety-Nine percent of all duly licensed U.S. retail pharmacies are included in PharmAvail's nationwide network. Present the prescription or prescription order from your prescriber along with your Identification Card to the pharmacist and they will file your prescription claim electronically through PharmAvail. You will be required to pay any applicable Copayment, Coinsurance, and/or Deductible to the pharmacy when your prescription is filled. Failure to present your member identification card can result in your being charged the full retail price for the prescription; as without information included on the identification card, the pharmacy may be unable to file the claim for you. If this occurs, you will need to ask your

pharmacist for an itemized receipt which can be submitted to PharmAvail at 3380 Trickum Road, 400-100. Woodstock, Georgia, 30188 with a written request for a refund.

Specialty Pharmacy

If you require a Specialty Drug, you or your Physician should order your Specialty Drugs directly from one of PharmAvail's network of Specialty Pharmacies.

Specialty Drugs are Prescription Drugs which:

- Are only approved to treat limited patient populations, diseases or conditions;
- Are normally injected, infused, or require close monitoring by a Physician or clinically trained individual; or
- Have limited availability, specialty dispensing and delivery requirements, and/or require additional patient support--any or all of which make the Drug difficult to obtain through traditional pharmacies.

Specialty Drugs Obtained From a Medical Provider or Clinic

Please note that when Specialty Drugs are obtained from a medical provider, physician's office or clinic, including but not limited to Specialty Drugs received in the physician's office as part of the Home Care Benefit, or as part of other Outpatient services, the Copayments, Coinsurance detailed in the "Prescription Drugs" Schedule of Benefits will not apply. Instead, Copayments/Coinsurance will be based on the practice setting in which the Specialty Drug is received.

Non-Duplication of Benefits

Non-duplication of benefits applies to Specialty Drugs under this plan. When benefits are provided for Specialty Drugs under this plan's medical benefits, they will not be provided under your Prescription Drug benefit. Conversely, if benefits are provided for Specialty Drugs under your Prescription Drug benefits they will not be provided under the Plan's medical benefits.

Deductible

The retiree benefit plan is subject to a \$1,000 individual/\$3,000 maximum family deductible (combined medical and pharmacy). Once the deductible has been satisfied for an individual or family, a 20% coinsurance will apply to any future (post deductible) prescriptions.

Home Delivery Pharmacy/Mail Order & Specialty Pharmacy

Mail order or Home Delivery Prescriptions are available through Drug Source, Inc. The Plan allows you to obtain certain medications by mail if you take Prescription Drugs on a regular or maintenance basis. You will need to contact Drug Source to enroll when you first use the service. You may mail written prescriptions from your physician or have your physician send the prescription(s) directly to Drug Source. Your physician may also phone or fax the prescription(s) to Drug Source. You will need to submit any applicable Copayments, Coinsurance or Deductible amounts to Drug source when you request a prescription or prescription refill. Contact information for Drug Source, Inc. is as follows:

Drug Source, Inc., P.O. Box 1366, Elk Grove Village, IL 60009-1366

*Physicians' offices may fax prescriptions to: (847) 258-1913

(*Note—Fax prescriptions are only acceptable if they are faxed directly from the physician's office.)

Member and Prescriber Toll Free Phone Contact: (800) 854-8764; TTY/TDD (800)526-0844
Customer Service Hours: 8:30am-10pm CDST, Monday through Friday

What You Pay for Prescription Drugs/Drug Tiers

Your share of the cost for Prescription Drugs may vary based on whether the particular prescription drug is a first, second or third tier drug.

- Tier 1 (Generic) Prescription Drugs have the lowest Coinsurance or Copayment. This tier contains low cost and preferred medications that may be generic or multi-source Brand drugs. A 20% co-insurance/copayment applies after the combined medical/pharmacy deductible has been satisfied.
- Tier 2 (Preferred) Prescription Drugs will have a higher Coinsurance or Copayment than those in Tier 1. This tier contains preferred medications that may be newly released generics, single source, or multi-source brand drugs. A 20% co-insurance/copayment applies after the combined medical/pharmacy deductible has been satisfied.
- Tier 3 (Non-Preferred) Prescription Drugs will have a higher Coinsurance or Copayment than those in Tier 2. This tier contains non-preferred and high cost medications. This tier includes medications that are single source or multi-source brand drugs. A 20% co-insurance/copayment applies after the combined medical/pharmacy deductible has been satisfied.

Prescription Drug Tier and Formulary Assignment Process

PharmAvail Benefit Management has an established Pharmacy and Therapeutics Committee that consists of health care professionals, clinical pharmacists and physicians that review the therapeutic equivalency, clinical effectiveness and cost of new and older FDA-approved medications to determine appropriate Tier placement within the Formulary. This committee is tasked, first and foremost, with maintaining and insuring continued clinical soundness and quality within the drug plan. Further included in their review is the development of recommendations provided to plans for the purpose of improving and advancing care while maintaining program controls. These recommendations will include, but are not limited to, requiring prior authorization on certain drugs or categories of drugs, maintenance drug starter dosing, step therapy programs, and limits on dispensed quantities and refills.

Day Supply and Refill Limits

Prescription Drugs are subject to day supply limits as listed in the "Summary of Prescription Benefit" that follows. In most cases, it is required that you use a certain amount of your prescription (e.g., 75%) before it can be refilled. However, in certain circumstances this requirement may be waived, for example, to allow for travel or an increase in dosage.

Appeal Process

A member, parent, legal guardian or representative may initiate an appeal when an eligible drug benefit has been denied. For a case to be appealed, a signed note or letter from the member, parent or legal guardian, accompanied by supporting information from the service provider or prescriber (e.g. a doctor) must be submitted to PharmAvail

at 9980 Trickum Road, Bldg 400 Ste 100, Woodstock, GA 30199 or by fax at 678-236-0415. When you make an appeal, we review the coverage decision we have made to check to see if we were following all of the rules properly. Your appeal is handled by different reviewers than those who made the original unfavorable decision. When we have completed the review we give you our decision within 72 hours.

Summary of Prescription Benefit

Each Prescription Drug will be subject to a member cost share (e.g., Copayment) as described below. If your Prescription Order includes more than one Prescription Drug, a separate cost share will apply to each covered drug. You will be required to pay the lesser of your scheduled cost share or the Maximum Allowed Amount.

Day Supply Limitations

Prescription Drugs will be subject to various day supply and quantity limits. Certain Prescription Drugs may have a lower day-supply limit than the amount shown below due to other Plan requirements such as Prior Authorization, Starter Dose, Quantity Limits, and/or age limits and utilization guidelines.

Retail Pharmacy	30 days
Home Delivery / Mail Service Pharmacy	90 days
Specialty Drugs	30 days

Prescription Copayments

Retail Pharmacy (Up to a 30-Day Supply)

Generic Drug (Tier 1) Copayment	20%
Preferred Brand (Tier 2) Copayment	20%
Non-preferred Brand (Tier 3) Copayment	20%

Home Delivery / Mail Service Pharmacy (Up to a 90-Day Supply)

Generic Drug (Tier 1) Copayment	20%
Preferred Brand (Tier 2) Copayment	20%
Non-preferred Brand (Tier 3) Copayment	20%

The PharmAvail Drug Formulary detailing preferred medications is available by download at www.pharmavail.com or by calling PharmAvail customer service at 800-933-3734.



Member Customer Service Phone: 800-933-3734

Fax: 678-236-0415 www.pharmavail.com

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