

BRAND/GENERIC DIFFERENCE PROGRAM

The Brand/Generic Difference Program is designed to promote the use of generic medications when there is an equivalent – but more expensive – brand product. Brand/Generic Difference pricing is defined as the difference between the cost of the brand drug and the cost of the generic drug **plus** the member’s generic copay. When a brand drug has an FDA approved generic equivalent (also called a multi-source brand), Brand Generic Difference pricing will apply to each prescription.

Less than two percent of all brand drugs are subject to Brand/Generic Difference pricing.

An example of Brand/Generic Difference pricing when a member has a \$10/\$30/\$50 Rx copay plan is as follows:

Brand Drug	cost = \$310.19
Generic (equivalent) Drug	cost = <u>\$208.15</u>
	difference in cost = \$102.04
	plus generic copay + <u>\$10.00</u>
	= \$112.04 total member cost for Brand Drug

Highlights and exceptions to the Brand/Generic Difference Program are as follows:

- Brand/Generic Difference pricing does not apply to single source drugs (drugs that do not have a generic equivalent) or generic drugs.
- Brand/Generic Difference pricing applies to formulary and non-formulary drugs.
- May reduce 3rd tier copay; if the cost of the brand drug is less than the Brand/Generic Difference calculation, only the cost of the brand drug will apply. **A member will never pay more than what the drug actually costs.**
- Copay exceptions for medical necessity may be considered on a case-by-case basis. Prescribing practitioners must submit for prior authorization demonstrating that the brand drug is medically necessary over all other formulary products. Requests must indicate “copay exception”.

The top 10 multi-source brand drugs that have FDA approved generic equivalents (sorted by total claims) that are subject to Brand/Generic Difference pricing are as follows*:

RANK BY CLAIM COUNT	DRUG NAME	GENERIC EQUIVALENT
1	SYNTHROID	levothyroxine
2	COUMADIN	warfarin
3	TRICOR	fenofibrate
4	DILANTIN	phenytoin
5	NIASPAN	niacin ER
6	LIPITOR	atorvastatin
7	YAZ	ethinyl estradiol/drospirenone
8	LEXAPRO	escitalopram
9	CLIMARA	enoxaparin
10	EFFEXOR XR	venlafaxine ER

* Data is for 1/1/2014 - 6/30/2014, top multi-source drugs by claim count



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DIABETIC DRUGS AND SUPPLIES

The Brand/Generic Difference Program applies to diabetic drugs and supplies as follows:

- Does **not** apply for New York and Vermont groups (diabetic drugs and supplies are covered under the medical contract, not under the pharmacy rider)
- **Does** apply for New Hampshire groups (diabetic drugs and supplies are covered under the pharmacy rider)

HIGH-DEDUCTIBLE HEALTH PLANS

The Brand/Generic differential dollars do not apply to deductibles or out-of-pocket maximums. Examples of a plan with a \$1,200 deductible, \$10/\$30/\$50 Rx copay and \$2,500 out-of-pocket maximum are as follows:

BEFORE deductible is met
\$1,200 deductible,
\$10/\$30/\$50 Rx copay,
\$2,500 OOP Max

Cost of Brand \$120.00
Cost of Generic - \$35.00
Difference \$85.00

Member pays \$120 (cost of the brand) because the deductible has not been met. Of this, \$35 is applied to the deductible and OOP Max

AFTER deductible is met
\$1,200 deductible,
\$10/\$30/\$50 Rx copay,
\$2,500 OOP Max

Cost of Brand \$120.00
Cost of Generic - \$35.00
Difference \$85.00 + \$10.00 generic copay = \$95.00

Since the deductible has been met, member pays the Brand/Generic Difference. Given that the Brand/Generic differential does not apply towards the deductible or OOP Max, only \$10.00 will apply to the OOP Max

*If there is no copay/coinsurance after a deductible is met, then the member would only pay the difference between the cost of the brand and the cost of the generic drug.

HOW TO DETERMINE WHAT COPAY A BRAND DRUG WILL TAKE

Once a group is set up with Brand/Generic Difference on the Express Scripts system, a member can obtain specific drug pricing by registering on the Express Scripts website by going to www.mvphealthcare.com. Simply click on *Manage Prescriptions*, choose *Pharmacy Benefits* then *Medco Pharmacy* (Express Scripts). Follow the simple registration process. Once registered, choose *Price a Medication* on the left side of the page. Enter the name of the drug and click *Search*. Select the specific drug strength (several may appear). Brand/generic differential pricing will display under the Brand column. These prices are subject to change at any time but are generally an accurate estimate of a member's copayment responsibility.

HOW MEMBERS CAN FIND OUT HOW MUCH OF THEIR DEDUCTIBLE HAS BEEN SATISFIED

Follow the directions above to access the Express Scripts website. Deductible information can be found under *Price a Medication: Results* then by clicking on *Explain My Costs*. Members can also contact MVP's Customer Care Center at the phone number on the back of their ID card for this information.

Health benefit plans are issued or administered by MVP Health Plan, Inc.; MVP Health Insurance Company, MVP Insurance Company of New Hampshire, Inc.; MVP Health Plan of New Hampshire, Inc.; MVP Select Care, Inc.; Preferred Administrative Services, Inc.; Preferred Assurance Company, Inc., MVP Health Services Corporation and Hudson Health Plan, Inc., operating subsidiaries of MVP Health Care, Inc. Not all plans available in all states.