



**State Employee Benefits Committee
Group Health Program
Compound Medication Change for Medicare Retirees
January 9, 2015**

Medicare EGWP Compound Management Solution

- Express Scripts recommends the use of the Medicare Compound Inclusion and Exclusion list.
- Medicare EGWP Compound Coverage will be determined by reviewing every ingredient in a Compound, using an Include and Exclude list. ALL ingredients must be covered for the compound to be covered.
 - ***Exclusion List:*** Compounds containing excluded ingredients will not be covered.
 - ***Inclusion List:*** Allows common low-cost, non-covered ingredients to pay if all other ingredients are covered
- Advanced member notification will be included.
- **Targeted Compound Rx Costs (Jan-Oct 2014)= \$400,640**

Medicare EGWP Compound Claim Processing

- A compound will reject if any of the ingredients are on the exclude list or are not covered by the plan
- Member has the ability to call in and request an **appeal**
 - If the appeal is approved, the Primary drug code will have a prior authorization added to allow a specific compound to pay

Compound Member Communications

- Members will receive 30-days advance notice for this mid-year change
- Targeted Mailing to members who filled a compound medication in 2014
- Express Scripts Will Perform Member Mailing
 - ESI will pull member data for the mailing
 - Approved letter template will be sent
- Estimated Member Impact: 172 members
- Annual savings estimate for excluding the targeted compounds= \$480,768
- Targeted Effective Date: April 1, 2015

Recommendation

- Adopt Medicare EGWP Compound Management Solutions effective April 1, 2015