Status changes made to hydrocodone and tramadol

As you may know, effective February 23, 2013, all strengths, formulations and combination products of hydrocodone have changed to a schedule II controlled substance in New York state. In addition, tramadol has changed from a non-controlled substance to a schedule IV controlled substance.

Hydrocodone overview

- Effective February 23, 2013, refills are no longer allowed on any hydrocodone prescriptions (regardless of whether they are new prescriptions or existing prescriptions written prior to this effective date). All refills are null and void on or after this date.
- An inventory of all controlled substances, including hydrocodone, should be prepared and maintained.
- As with all other schedule II controlled substances, a prescriber may orally authorize an emergency prescription for hydrocodone for up to a five-day supply, on or after February 23, 2013. However, the prescriber is responsible for delivering the follow-up Official New York State Prescription Form to the pharmacist. If the pharmacist does not receive the follow-up prescription, he or she must notify the Department of Health (DOH) in writing within seven days from the dispensing date of the prescription.

Tramadol overview

- Effective February 23, 2013, pharmacists may dispense a prescription for tramadol issued prior to that date, provided the prescription is presented within 30 days from the date of issue and meets all rules and regulations for a schedule IV controlled substance in New York state.
- Refills are allowed on tramadol prescriptions provided the prescription is not older than six months from the date of issue, the number of refills does not exceed five, the prescription is written by a DEA registered practitioner and the DEA number is indicated on the prescription.
- Effective February 23, 2013, previously submitted electronic or oral prescriptions for tramadol may NOT be dispensed.

Additional information regarding these controlled substance schedule changes can be found on the DOH website at www.health.ny.gov/professionals/narcotic/.

Michael Reilly named president, Pharmacy Benefit Dimensions®

Independent Health is pleased to announce that Michael Reilly was recently appointed president of Pharmacy Benefit Dimensions, a subsidiary of Independent Health. In this role, he is responsible for assuring the successful management of Pharmacy Benefit Dimensions, including the oversight and direction of the business strategy, business plan and operational performance.

Prior to coming to Pharmacy Benefit Dimensions, Michael was vice president of practice management services for Catholic Health System of Buffalo. He brings nearly 20 years of experience and leadership to health care and pharmacy management and understands the day-to-day challenges of health care in today’s pharmaceutical and health care industry. Michael earned his bachelor’s degree in pharmacy from the State University of New York at Buffalo School of Pharmacy and his masters of business administration with a concentration in health care systems management from the State University at Buffalo School of Management.
How to obtain our drug formularies

In an effort to preserve our natural resources and conserve paper, Independent Health will mail hard copies of our 2013 Commercial and Medicare Part D drug formularies only upon request.

If you would like hard copies of these two drug formularies, please contact us at script@independenthealth.com. Or, if you prefer instant access, simply visit our website at independenthealth.com.

In addition, Independent Health administers the pharmacy benefits for about 40,000 individuals who are enrolled in our state government plans (i.e., Medisource, Family Health Plus and Child Health Plus). As a result, these members have their own formularies, which are also located on our website.

Please note: You do not need to log in to independenthealth.com to view our drug formularies. All of the formularies can be accessed from the home page. The Commercial, Medisource, FHP and CHP drug formularies are located under the heading “Drugs Covered” in the Useful Links heading. The Medicare Part D drug formulary is located in the Medicare section, which is on the left side of our home page.

If you need an employer-sponsored group formulary, please send your request to script@independenthealth.com.

What to do when you get a rejection and the help desk is closed

Our claim processing statistics indicate that our help desk is currently open when approximately 95 percent of Independent Health prescriptions are filled. The normal hours of operation for our help desk are Monday through Friday from 8 a.m. to 11 p.m. and Saturday and Sunday from 8 a.m. to 8 p.m. Unfortunately, there will be some rejects occurring for medically-necessary drugs when our help desk is not open.

Here’s what to do when...

1. A claim rejects because the drug is non-formulary, requires prior authorization, and
2. The prescription is urgent, and the patient cannot reasonably wait until the next time the help desk is open to obtain and begin taking the medication, and
3. You are confident of the member’s eligibility with Independent Health.

A. You can dispense up to a five-day supply of medication to Independent Health members with prescription coverage. You will need to call the next time the help desk is open to obtain an override for the dispensed amount and to determine how to obtain coverage for the remaining amount. Independent Health will honor your decision for the five-day supply, provided you have made your best effort to confirm that the member is an active member (i.e., holding a valid Independent Health identification card).

OR

B. You can call our 24-Hour Medical Help Line at (716) 631-8701 or 1-800-501-3439, and press two. A nurse is available 24 hours a day/7 days a week and will be able to page a staff pharmacist or medical director to determine if an override can be given. While you’re posting phone numbers by your phone, our 24-Hour Medical Help Line number is a good one to add.

If a claim rejects for eligibility reasons, your best option is to have the member pay cash for part or all of the prescription and work out the eligibility issues with our Member Services Department and/or their employer. If they are later determined to have been eligible they will be able to submit their receipts for reimbursement.
Help desk is dedicated to answering your call quickly

The Independent Health Pharmacy Help Desk strives to ensure that services for participating pharmacies are effective and efficient. Therefore, we continuously monitor our call volume, answer rate and abandon rate.

Our goal is to answer greater than 80 percent of all calls within 30 seconds and achieve an abandon rate of less than 3 percent. The accompanying graphs highlight these goals and our performance in these areas over the past two years.

We would like to recognize our help desk staff for the exceptional job they did in 2012. Congratulations Amanda, Andrieta, Bryan, Colleen, Janine, Jim, Joyce, Kelly, Kristie, Mike, Sheena and Tinika!

We welcome any comments, concerns or suggestions you might have to help us serve you better. Please continue to e-mail these comments to us at script@independenthealth.com.

Reminders for pharmacies servicing long-term care facilities

Pharmacies that currently provide service to long-term care (LTC) facilities must dispense solid oral doses of certain brand-name drugs in no greater than 14-day increments to Medicare Part D enrollees residing in these facilities. As such, CMS requires that Patient Residence and Pharmacy Service Type NCPDP fields be populated on all Medicare claims in order to appropriately identify those LTC-related claims that are subject to the 14-day maximum.

All pharmacies must populate the following NCPDP fields as it applies to each Medicare pharmacy claim:

- 384-4X – Patient Residence
- 147-U7 – Pharmacy Services Type

In addition, the following NCPDP fields must be populated by pharmacies servicing LTC facilities when submitting short supply (14-day maximum) pharmacy claims:

- 354-NX – Submission Clarification Code Count
- 420-DK – Submission Clarification Code
- 429-DT – Special Packaging Indicator

If you have any questions, please contact our pharmacy help desk at (716) 631-2927 or 1-800-993-9898, Monday through Friday from 8 a.m. to 11 p.m., and Saturday and Sunday from 8 a.m. to 8 p.m.
Introducing Independent Health’s Dual Difference℠ HMO-SNP Plan

Independent Health is pleased to announce that it has partnered with Family Choice of New York to create a Medicare Advantage Special Needs Plan for people who are eligible for both Medicare and Medicaid. This new plan, called Dual Difference, provides greater alignment of health care resources for people with a higher level of medical needs, while addressing the costs associated with meeting those needs.

The Dual Difference plan is currently available to residents of Erie and Niagara counties only. It includes no member premium (premium paid by Medicaid), $0 copays for Medicare-covered medical benefits and low copays for prescription medications. It offers all of the same benefits of our other Medicare Advantage plans, including vision coverage, routine dental coverage and a one-year gym membership.

Identifying Dual Difference Members

For members who are eligible to receive full benefits through NYS Medicaid Fee-for Service (FFS), the Medicaid Client Identification Number (CIN) is included on their Dual Difference member ID cards directly under the member ID number. If a member is not entitled to full benefits Medicaid benefits, a “N/A” symbol will appear in the CIN field.

Additional Coverage through Medicaid FFS

Dual Difference members may receive additional coverage for certain services if they are eligible for full Medicaid benefits. The following chart provides an overview of the pharmacy benefits under the Dual Difference Plan.

<table>
<thead>
<tr>
<th>Pharmacy Benefits covered by Independent Health’s Dual Difference Plan</th>
<th>Additional Benefits covered by NYS Medicaid FFS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drugs covered by plan formulary. The member cost share is based on the member’s low income subsidy (LIS) eligibility level.</td>
<td>Some OTC drugs may be covered.</td>
</tr>
</tbody>
</table>

If you have any questions, please call our pharmacy help desk at (716) 631-2927 or 1-800-993-9898, Monday through Friday from 8 a.m. to 11 p.m., and Saturday and Sunday from 8 a.m. to 8 p.m.

ICD-9 diagnosis codes required for certain Cialis claims

As of January 1, 2013, Medicare now provides coverage of Cialis 2.5 mg and 5mg under Part D when used for the treatment of benign prostatic hyperplasia (BPH). In order to process these claims appropriately, Independent Health now requires the dispensing pharmacy to include the ICD-9 diagnosis code on all Cialis 2.5 mg and 5mg claims. The ICD-9 diagnosis code can be populated in NCPDP field 424-DO.

For the purpose of adjudication, only the following ICD-9 codes listed are currently being accepted:

<table>
<thead>
<tr>
<th>Treatment Category</th>
<th>ICD9 Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benign Prostatic Hyperplasia (BPH)</td>
<td>600.00 or 600.01</td>
</tr>
<tr>
<td>Erectile Dysfunction (ED)</td>
<td>607.8 or 302.72</td>
</tr>
</tbody>
</table>

Please note: Claims submitted without a valid ICD-9 code(s) will reject.

New member cost share for Medicare Part B drugs in 2013

As of January 1, 2013, members of Independent Health’s Medicare Advantage individual plans and small group plans are now responsible for 20 percent of the total cost of each Medicare Part B drug that is obtained at a retail or specialty pharmacy and/or billed to Independent Health by a health care provider in an office setting.

The member cost share for a Part B drug obtained from a retail pharmacy should be adjudicated at the point of service, whereas the member cost share for a Part B drug obtained from a specialty pharmacy should be billed directly by the pharmacy to the member. Part B drugs used for the sole purpose of diagnostic testing are not subject to the member cost share. Flu, pneumonia and hepatitis B vaccines will also continue to be covered in full.

Please note: The Medicare Part B drug cost share for members of our Medicare Advantage large group plans and Medicare Family Choice HMO-SNP plan did not change.
Latest formulary decisions rendered by P&T Committee

Changes to the commercial formulary resulting from the Individual Practice Association of Western New York Pharmacy and Therapeutics (P&T) Committee’s meeting in December 2012 are summarized below and are currently in effect unless otherwise noted.

### CATEGORY
### DRUG
### ACTION
### COMMENTS

#### Chapter 14 Infection
- HIV Drugs
  - **Stribild**
  - Addition – Tier 2

#### Chapter 5 Cancer
- Cancer Drugs
  - Afinitor disperz
  - Addition – Tier 2

The following changes in restrictions were made:
- Clotrimazole troche – Add to dental formulary
- Adcirca – PA, add ST for generic sildenafil
- Plan B One-Step generic – Add #6 fills per year restriction
- Ciprofloxacin otic – Move to Tier 1
- Glumetza – Add metformin ER to ST
- Zevalin – Add PA for all prescribers

The following medications were also reviewed by the P&T Committee and will remain non-preferred on the commercial formulary at this time:
- Aubagio (teriflunomide) – Remain Tier 3, PA, SP
- Binosto (alendronate sodium) – Remain Tier 3, ST with generic alendronate
- Bosulif (bosutinib) – Remain Tier 3, PA limited to medical and hematology oncology, SP
- Xtandi (enzalutamide) – Remain Tier 3, PA limited to medical and hematology oncology, SP
- Auvi-Q (epinephrine inj) – Remain Tier 3
- Linzess (linacotide) – Remain Tier 3, ST except for gastroenterology and colorectal surgery

- Stivarga (regorafenib) – Remain Tier 3, PA limited to medical and hematology oncology, SP
- Fycompa (perampanel) – Remain Tier 3, PA except neurology
- Xeljanz (tofacitinib) – Remain Tier 3, PA limited to rheumatology, SP
- Nuvi (16% poly urea-urethane) – Remain Tier 3, PA
- Quillivant XR (methylphenidate oral suspension) – Remain Tier 3, age>6yo, ST with generic SR methylphenidate
- Forfivo XL (buproprion 450mg XL) – Remain Tier 3, MDD=1
- Nexium (esomeprazole oral suspension) – Remain Tier 3, PA

The following new generics were added to the commercial formulary as of December 2012:
- Diovan HCT – valsartan/HCTZ Tier 1
- Evoxac – cevimeline Tier 1, QL
- Gabitril – tiagabine Tier 1, PA except neurology
- Revatio – sildenafil Tier 1, PA

For updated versions of our drug formularies, please visit independenthealth.com.

Overview of Independent Health’s BIN numbers

Independent Health currently maintains four BIN numbers for adjudication of claims. The following chart shows which BIN should be used for each of our different lines of business:

<table>
<thead>
<tr>
<th>LINE OF BUSINESS</th>
<th>BIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial and most Self-Funded groups</td>
<td>004626</td>
</tr>
<tr>
<td>Medicare Part D</td>
<td>012635</td>
</tr>
<tr>
<td>MediSource, Family Health Plus and Child Health Plus</td>
<td>016557</td>
</tr>
<tr>
<td>Habasit America (Group number 14008)</td>
<td>012486</td>
</tr>
</tbody>
</table>

Please note: We do not require the use of a PCN.

As a reminder, you may access copies of our payer sheets on the Provider section of our website at independenthealth.com. You will need to log on in the upper right-hand box entitled “Secure Log In” (both the User Name and Password are “partners“). After signing in, click on “References and Policies” on the left side navigation bar, then click on the “HIPAA Companion documents.”

You may also obtain copies of our payer sheets by contacting our help desk at our pharmacy help desk at (716) 631-2927 or 1-800-993-9898, Monday through Friday from 8 a.m. to 11 p.m., and Saturday and Sunday from 8 a.m. to 8 p.m.
All of Independent Health’s policies and clinical practice guidelines are available on our website. To access these guidelines:

1. Log in to the Providers page on the home page of our website at independenthealth.com using “partners” as both the user name and password.
2. Go to the box entitled “Reference and Policies”
3. Click on the “Pharmacy Policies” link

If you have any questions, please call the Provider Relations Department at (716) 631-3282 or 1-800-736-5771, Monday through Friday from 8 a.m. to 6 p.m.

The following drug-specific policies are new:
- Kyprolis
- Myrbetriq
- Tudorza
- Veltri

The following drug-specific policies have been reviewed without any changes made:
- Alinia
- Am evive
- Arcapta
- Aricept 23mg
- Arxtra
- Botulinum toxin
- Dificid
- Emend
- Enbrel
- Eraxis
- Forteo
- Gralise
- kuvan
- lysteda
- novantrone
- Nulojix
- oleptro
- oravig
- Peg-intron/ribavirin
- regranex
- re ratio
- samsca
- Solesta
- Solins
- sporanox
- striant
- synagis
- v imovo
- vivaglobin
- v vivtrol
- Zelboraf
- zemplar

The following drug-specific policies have been reviewed and revised:
- Accutane
- Campral
- Cimzia
- Gilenya
- Humira
- Kineret
- Orencia
- Proli

The following existing administrative policies have been reviewed and revised:
- Compounding
- Denial policy
- Exception policy
- Improperly filed pre-service claim form
- Mandatory generic reclassification
- Overview of Pharmacy Benefit
- Potential Fraud and Abuse
- Specialty pharmacy
- Tablet splitting
- Termed provider Rx coverage