



HBP updates

As December begins, let me remind you that there are less than two weeks left to decide on your health care coverage for the upcoming 2013 benefit year. Please take some time to review our official 2013 brochure located on the NALC Health Benefit Plan website. As I have reiterated, the Plan is more than just a “mom and pop” small business.

To prove this point, let me take a moment to talk about the 2011 statistics. In 2011, we issued \$1.1 billion in benefits, processed 5,264,089 claims, mailed 9,855,429 pieces of mail (including checks, explanation of benefits, temporary identification cards and letters), and answered 871,469 calls from members, physicians and hospitals. With this information in mind, I think you will agree that we have taken our place in the industry as a capable competitor.

In this time of ever-increasing health care costs, you owe it to yourself and your family to take advantage of the opportunity to select a plan that gives the best possible coverage should the need arise. Please compare your options and remember, “We are more than a brand name, we are family.” Hurry; the close of Open Season (Dec. 10) is right around the corner.

2013 prescription benefit changes

In 2013, all prescription drugs will be classified into one of four categories, or tiers, based on quality, safety, clinical effectiveness and cost. A member’s cost share will be determined based on the tier level of his or her drug. Our prescription drug tiers are defined as follows:

- **Tier 1** consists of generic drugs. Your out-of-pocket costs are lowest when you use generics.
- **Tier 2** consists of formulary brand-name drugs. If there is no generic medication available that is clinically appropriate for your treatment, ask your physician to prescribe a brand-name medication on our formulary drug list. A member’s out-of-pocket costs are lower for brand-name drugs that appear on our formulary.
- **Tier 3** consists of non-formulary brand-name drugs. Your out-of-pocket costs are higher for brand-name drugs that do not appear on our formulary.
- **Tier 4** consists of specialty drugs. Specialty drugs are generally considered to be high-cost injectable, infused, oral or inhaled drugs that require close supervision and monitoring. You must purchase specialty drugs, including biotech, biological, biopharmaceutical and oral chemotherapy drugs, through the Caremark Specialty Pharmacy Services.

Q-and-A section

Why use generics?

Generic drugs have the same active ingredients and are available in the same strength and dosage as the equivalent brand-name drug. Before a generic can be labeled as equivalent to the brand-name drug, it must meet stringent standards set by the Food and Drug Administration.

Why isn’t my brand-name drug on the NALC Health Benefit Plan formulary drug list?

The NALC Health Benefit Plan formulary is a list of commonly prescribed drugs identified by the CVS Caremark team of physicians and pharmacists (Pharmacy and Therapeutics Committee) as the best overall value based on quality, safety, effectiveness and cost. Drugs determined to be of equal therapeutic value and similar safety and efficacy are then evaluated on the basis of cost. Using lower-cost formulary brand drugs provides you with a high-quality, cost-effective prescription drug benefit.

Does the NALC Health Benefit Plan formulary list all brand drugs available for the Tier 2 benefit level?

No, our formulary is a list of commonly prescribed brand-name drugs and is updated quarterly. It is not an all-inclusive list and you should always call Caremark at 800-933-NALC (6252) to verify your cost share for any drug.

Does the NALC Health Benefit Plan formulary ever change?

Yes, our formulary is subject to review and modifications throughout the year. Brand-name drugs may be added to, or removed from, the formulary for many reasons such as:

- Many brand-name medications lose their patents and generic versions become available.
- The FDA approves many new drugs throughout the year. These brand-name drugs may be added to our formulary and may replace other medications currently listed.
- Medications may be withdrawn from the market or become available without a prescription.

On behalf of the Board of Trustees and the staff of the NALC Health Benefit Plan, I wish you and your families health, happiness and, most of all, peace during this holiday season and throughout the new year. May all your holiday wishes come true! ✉