

**TITLE: DE Brand/Generic Differential Copayment Exceptions Process**

Number: RX A-23.1

Page 1 of 3

Supersedes Number: RX A-23

Original Effective Date: 03/13

Review Date: 11/15

Related Policies:

Related Documents:

DRAFT ( )      INTERIM ( )      FINAL (X)

**APPLIES TO:**

Standards:

NCQA		URAC		CMS		FEP	
PA DOH		DOL		DE DOI		HIPAA	
INTERNAL DEPT. POLICY ONLY	X	WV INS. COMMISSION		PA INS. DEPT		BCBSA	

Region:

ALL		PA		WV		DE	X
-----	--	----	--	----	--	----	---

Lines of Business:

COMMERCIAL PPO	X	COMMERCIAL POS	X	COMMERCIAL HMO	X	COMMERCIAL EPO	X
COMMERCIAL IPA	X	MEDICARE ADVANTAGE PPO		MEDICARE ADVANTAGE HMO		FEP	
INDEMNITY	X	CHIP HMO		CHIP GPPO		MEDICARE PDP	
MARKETPLACE PPO/EPO	X						

SCOPE:

This policy is applicable to business conducted or services provided by Highmark Inc. when acting on its own behalf or on behalf of its subsidiaries and affiliates.

Keystone Health Plan West, Inc. (ends 9/15/15)	X	Highmark Inc.	X	Highmark Blue Shield	X	Highmark Blue Cross Blue Shield	X
HM Health Insurance Company	X	Highmark Health Insurance Company	X	Highmark Blue Cross Blue Shield Delaware	X	Highmark Blue Cross Blue Shield West Virginia	X
Highmark Coverage Advantage Inc.	X	Highmark Benefits Group Inc.	X	Highmark Senior Health	X	Highmark Senior Solutions.	X
Highmark Select Resources Inc. (1/1/16)		Highmark Choice Company (9/15/15)	X	First Priority Health (1/1/16)		First Priority Life Insurance Company (1/1/16)	

Variation For:

**TITLE: DE Brand/Generic Differential Copayment Exceptions Process**

**Number: RX A-23.1**

**Page 2 of 3**

**BACKGROUND:**

Generic drugs are increasingly available as less expensive alternatives to brand-name drugs that produce the same clinical effect. Most prescription drug benefit plan designs encourage generic substitution when an equivalent generic drug is available. In these plans, generic drugs are subject to specific reimbursement levels, such as Maximum Allowable Cost (MAC) price reimbursements. Depending on the plan design, if the patient or physician requests the brand-name drug, the member may be required to pay the cost difference between the brand-name drug price and the MAC reimbursement price (the differential), in addition to the plan's copayment requisites. In all instances, the pharmacist must follow state regulations regarding generic substitution.

**POLICY:**

The cost differential between the brand and generic drug will be waived in clinical situations that meet medical necessity criteria and consistent with state regulations.

**PURPOSE:** To define specific instances where the brand/generic copay differential will be waived.

**PROCEDURES:**

1. If a member with a MAC C benefit design receives a brand name drug when an equivalent generic drug is available, the member is responsible for the appropriate brand copay plus the difference in cost between the brand name medication and its generic drug.
2. The differential that is applied can be waived if the prescriber is able to provide clinical information that meets medical necessity criteria (e.g. Generic version of the brand name drug induced a breakthrough seizure).
3. If the request to waive the differential is approved, the member is charged the appropriate brand copay.
4. Although the differential cost is waived for these brand name drugs, some may have an *A-rated generic formulation* available. Under Delaware state law, pharmacists are obligated to substitute a generic under the following circumstances:
  - a. When an A-rated generic is available,
  - b. When the prescribing physician has not indicated "brand medically necessary" on the prescription, and
  - c. When the patient has authorized the generic product.

Therefore, if a physician permits generic substitution for one of these drugs where one is available, the patient can receive the generic. If the physician prefers that the brand name be dispensed, he or she must indicate "brand medically necessary" on the prescription. In this case, the patient would receive the brand for the appropriate copay with no additional differential cost.

**TITLE: DE Brand/Generic Differential Copayment Exceptions Process**

Number: RX A-23.1

Page 3 of 3

**SIGNATURE PAGE**

**APPROVED ON BEHALF OF CLINICAL PHARMACY/PHARMACY MARKETS**

Signature: \_\_\_\_\_

Title: SARAH MARCHE' VP PHARMACY MARKETS

Date: \_\_\_\_\_

Date	Reviewed and Accepted	Reviewed and Flagged	Reviewed and Revised	Retired
03/13	X			
12/13	X			
07/14			ON HOLD	
12/14			X	
11/15	X			