



## **Medco Update**

The School Employees' Health Benefits Program (SEHBP) and the State Health Benefits Program (SHBP) made a change in prescription drug carrier as of January 1, 2010 for all active and retired members. This change was made after a request for proposal bidding process in which the state administered. As of this date, all pharmaceutical benefits, no matter which medical plan a member is enrolled in, will be administered by Medco.

Before January 1, if a member received prescription coverage through the SEHBP or SHBP, it was linked to his/her medical program. A majority of active and retired members are enrolled in Horizon Direct 10 and Direct 15 and therefore had their prescription coverage through Horizon BCBS, which used a company called Caremark to administer their pharmaceutical benefits. For those who were enrolled in either the Aetna HMO or Cigna HMO, prescription coverage was through their respective HMO.

Both the School Employees' Health Benefits Commission and the State Health Benefits Commission were aware of the switch to Medco and were updated at numerous commission meetings prior to the switch. During these updates, the Division of Pensions and Benefits repeatedly implied that while the name of the carrier would change, the benefit level would stay the same.

In November 2009, members received their initial announcement letter stating the change in carrier. Nothing in the letter indicated there were any changes to the benefit level.

In December 2009, members received their Medco identification cards and again nothing indicated that a change in benefit would occur.

On Wednesday, January 6th, a field rep called research to ask about a letter that a member received indicating that Medco would only cover certain prescriptions if the member got prior approval through a coverage review that was administered by Medco. The letter went on to indicate that the prior approval would begin February 1, 2010. It has been confirmed that the letter was not an accident, and approximately 82,000 similar letters were sent out to SEHBP and SHBP members that were currently taking one or more of the 24 medications outlined in the letter (a copy of the letter has been attached to this email). While we still do not know who initiated this change in benefit, you can be assured that neither the SEHBC nor the SHBC was aware of the change in benefit before the first letter was received by a member.

NJEA lawyers have been looking into this change in benefit and have almost completed a legal opinion outlining the options for NJEA. While the legal opinion may outline a course of action that the NJEA may be able to follow, the start of the prior approval is fast approaching. If a member should call stating that he/she has received a prior approval letter, the member should take the letter to the doctor that has prescribed the drug, to discuss prescription options. NJEA should not be giving prescription advice to members.

In addition to the problem described above, we have heard that members have run into a variety of other issues. Many of these issues can be handled by the member calling Medco at 1-866-220-6512. Should members continue to have problems after the phone call to Medco, please refer them to your assigned Pensions and Benefits contact person in the Research Division, where we will try to assist them as best we can.