

Brief Notes

News for
Brokers and Consultants

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3 Penn Plaza East, Newark, NJ 07105-2200

Walgreens no longer participating in CVS Caremark pharmacy networks

Walgreens recently announced its decision not to participate on a go-forward basis in CVS Caremark's PBM pharmacy networks for new and renewing clients. Today, CVS Caremark announced that Walgreens will be removed from its commercial pharmacy network in 30 days, effective July 9, 2010, and from its Medicare Part D pharmacy network, effective January 1, 2011. This announcement was unexpected, and Horizon Blue Cross Blue Shield of New Jersey is working closely with CVS Caremark to ensure a smooth transition for our members. The following information may help you address any inquiries you receive.

Current Situation and Action Steps

- On Monday, June 7, 2010, Walgreens released a statement announcing its intention to drop out of selected CVS Caremark PBM networks. Today, CVS Caremark announced that Walgreens will be removed from its commercial pharmacy network in 30 days, effective July 9, 2010, and from its Medicare Part D pharmacy network effective January 1, 2011.
- We are working with CVS Caremark to develop a timeline for communications to our members who are Walgreens customers about their options going forward.
 - CVS Caremark will be preparing a letter for our members who have recently filled a prescription at a Walgreens pharmacy. The letter will include simple instructions for transferring prescriptions to a participating pharmacy in the CVS Caremark retail networks. It will list the three network pharmacies nearest to the members' homes. Medicare members will receive a Centers for Medicare and Medicaid Services' approved letter prior to the January 1, 2011 effective date of termination. (Please note that Horizon NJ Health Medicaid members are not impacted by this change.)
 - Members may also locate network retail pharmacies through a Zip code search by logging on to www.HorizonBlue.com, clicking on *Pharmacy Services* and then using the *Find a Pharmacy* feature.

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Additional information:

- The network of participating pharmacies servicing our members is currently the largest ever maintained by Caremark Pharmacy Services, with more than 64,000 participants (only about 7,000 of which are Walgreens stores). Even without Walgreens, the network will have more than 57,000 pharmacies, including other major retail chains and the vast majority of independent pharmacies.
- When Walgreens is included in the CVS Caremark pharmacy network, 85.9 percent of members, on a national basis, have access to a network pharmacy within a 3 mile radius of where they live. When Walgreens is excluded from the network that number changes negligibly to 85.7 percent.

We will work with CVS Caremark to ensure that our clients and their employees continue to have access to convenient and affordable pharmacy care and that we maintain our high standards for safety and quality. Please *click here* for Questions and Answers for more information, or contact your Horizon BCBSNJ sales representative. We will keep you apprised of any new developments in this situation.

Questions and Answers for members regarding the Walgreens termination from the CVS Caremark pharmacy networks

Q1: Can I still access Walgreens pharmacies to fill prescriptions after they are terminated from the CVS Caremark networks?

A1: After termination, if you choose to fill prescriptions at Walgreens, and your plan provides coverage for out-of-network benefits, you will be required to pay the full price charged by Walgreens, rather than your in-network copayment, coinsurance and/or deductible. You will then need to submit a claim for reimbursement to Horizon BCBSNJ. This claim will be subject to your out-of-network benefits. If your benefit plan does not provide coverage for out-of-network pharmacy services, you will be required to pay the full price charged by Walgreens.

For commercial (i.e., non-Medicare Part D) members, the effective date of termination (when members will no longer be eligible to use their prescription drug benefit at Walgreens retail pharmacy locations) is July 9, 2010. For the Medicare Part D members, the effective date of termination is January 1, 2011.

Q2: What are my options if I have refills at Walgreens?

A2: You may continue to take full advantage of your prescription benefit by using other pharmacies that participate in the CVS Caremark networks. If you have an existing prescription at Walgreens with refills remaining, in most cases, you can easily have your new pharmacy transfer the prescription for you. Please be sure to allow enough time for the pharmacy to call the physician, if needed. For some medications (e.g., narcotics, compounds, expired prescriptions and prescriptions with no refills) a new prescription will be necessary.

Q3: How can I find a network pharmacy to fill my prescriptions?

A3: You may fill prescriptions at any of the pharmacies in CVS Caremark's national retail pharmacy network (which will exclude Walgreens when the termination becomes effective). If you'd like to locate other nearby network pharmacies on your own, log on to www.HorizonBlue.com and click on *Pharmacy Services* and then use the *Find a Pharmacy* feature.

Q4: Do I now have to pay more for prescriptions filled at retail pharmacies?

A4: No. As long as you fill your prescription at a participating pharmacy, your in-network copayment, coinsurance and/or deductible will not change. However, if you choose to go to Walgreens, after the termination becomes effective, or any other nonparticipating pharmacy, you will be required to pay the full price charged by Walgreens or any other nonparticipating pharmacy, rather than your in-network copayment, coinsurance and/or deductible. You will then need to submit a claim for reimbursement to Horizon BCBSNJ, which will be subject to your out-of-network benefits. If your benefit plan does not provide coverage for out-of-network pharmacy services, you will be required to pay the full price charged by Walgreens.

Q5: Can I use CVS Caremark mail service to fill my prescriptions?

A5: If your benefit plan includes a mail service option, you can use it to fill prescriptions for long-term medications. If you would like help transferring prescriptions to the CVS Caremark Mail Service Pharmacy, please call CVS Caremark at 1-866-881-5603 or visit www.Caremark.com.

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Q6: Did my copayment change?

A6: No. The only change is that Walgreens is not participating in the CVS Caremark network effective on the termination date.

Q7: If I fill a prescription at Walgreens, will they charge me more?

A7: After termination from the retail pharmacy network, Walgreens will no longer be participating in your pharmacy benefit plan's retail network. If your benefit plan provides coverage for out-of-network pharmacy services and you choose to fill your prescription at Walgreens, you will be required to pay the full price charged by Walgreens, rather than your in-network copayment, coinsurance and/or deductible. You will then need to submit a claim for reimbursement to Horizon BCBSNJ, which will be subject to your out-of-network benefits. If your benefit plan does not provide coverage for out-of-network pharmacy services, you will be required to pay the full price charged by Walgreens.

For commercial members (i.e., non-Medicare Part D), the effective date of termination (when members will no longer be eligible to use their prescription benefit at Walgreens retail pharmacy locations) is July 9, 2010. For the Medicare Part D pharmacy network, the effective date of termination is January 1, 2011.