

2016 Benefits Enrollment SUPPLEMENT

Human Resources ■ Finance & Administration

FOR PRE-MEDICARE RETIREES

November 2015

This newsletter supplement concerns current pre-Medicare-eligible retirees and spouses. References to “retirees” generally includes surviving spouses.

2015 Key Dates

November 2
Retiree Open Enrollment
Begins

**Weeks of November 9
and November 16**
Retiree Meetings

December 2
Open Enrollment Ends

As you are aware, we work with many different vendors who provide benefits to RIT faculty, staff, retirees, and family members. In order to ensure our benefits costs remain competitive, our practice has been to review one or two of them each year and determine whether the time is right to consider other vendors. In 2015, contracts were up for renewal with two of our major benefit vendors: Excellus BlueCross BlueShield, the third party administrator for our pre-Medicare medical plans, and Express Scripts, the pharmacy benefit manager for our pre-Medicare prescription drug program. In each of these cases, we conducted a competitive bidding process, and they yielded different results.

Medical—Our current medical plan administrator, Excellus BlueCross BlueShield, provided the most competitive proposal in response to RIT’s Request for Proposals (RFP) and, as a result, RIT is extending our contract with Excellus for another three years, 2016-2018.

Prescription Drug—As a result of the RFP that was conducted, we are moving to a different Pharmacy Benefit Manager (PBM), OptumRx. On page 2, you will find important information about this change. We encourage you to read it carefully so you understand exactly what you can expect to happen, what types of changes to anticipate, and actions you may need to take.

Good news: As a result of our favorable contracting with both our medical and prescription drug administrators, as well as reduced use of medical services, employee and pre-Medicare retiree contributions for 2016 will not increase—they will remain at the 2015 levels.

This is not the case with RIT’s Medicare plans; if you are part of a couple in which one person is covered by one of the Medicare plans offered by RIT, you may see an increase in that person’s contribution.

We encourage you to read both of the enclosed newsletters to learn more about your 2016 benefits, including a new benefit, Identity Theft Protection.

Prescription Drug Updates

ANNOUNCING OUR NEW PHARMACY BENEFIT MANAGER—OPTUMRx

Since 2005, RIT has been part of the Preferred University Rx Purchasing Coalition (PURPC), a university group purchasing coalition for prescription drug products and pharmacy benefit management (PBM) services. PURPC delivers value to its member universities by combining the covered membership (approximately 100,000 people) to achieve better pricing, enhanced services, and account management beyond what would be achievable by any institution individually.

As you may know, RIT (through PURPC) has contracted with Express Scripts (formerly Medco before it merged with Express Scripts) for pharmacy benefit management services. PURPC has conducted Requests for Proposal (RFPs) when the contracts have been up for renewal and each time, the result has been that PURPC has renegotiated a new, and less costly, contractual arrangement with Express Scripts.

When PURPC conducted an RFP process this past spring, the results were different. **As a result, RIT and other PURPC institutions will be switching to a new pharmacy benefit manager, OptumRx, as of January 1, 2016.**

We have been working with OptumRx to implement our program and have been very impressed by its attention to detail and willingness and ability to accommodate the needs of the various universities it serves. We are optimistic that this will extend

to the experience our prescription drug plan participants will have with OptumRx.

What do I need to know?

Much will remain the same. RIT's plan designs will not change. Your copays for Tier 1 (generics), tier 2 (formulary drugs), and tier 3 (non-formulary drugs) will remain the same (although some medications may switch tiers; see "Changes in the formulary" on page 3). In addition, you will still have access to a network of participating retail pharmacies, including Wegmans. **The reduced copays for Wegmans Pharmacy will still apply.**

While OptumRx has a few differences in its network of participating retail pharmacies, we have been advised that most RIT plan participants should not feel any impact from this change, as OptumRx's network includes all the large national chain pharmacies as well as many local and community pharmacies. To search for a participating pharmacy, check OptumRx's member website or call its member services telephone number.

Wegmans Pharmacy, RIT's Preferred Pharmacy, has become very popular with RIT plan participants. Wegmans has been used by RIT plan participants to fill 73% of their retail prescriptions and more than 62% of all prescriptions filled under the plan at both retail and mail-order pharmacies. See the separate article about Wegmans Pharmacy and why you should consider filling your prescriptions there if you are not already doing so.

You will receive a new prescription drug ID card in December, so you will need to let your retail pharmacy know about your new coverage. To protect your privacy, you should destroy your old Express Scripts/Medco ID card after the new PBM arrangement takes effect on January 1, 2016.

There will be some changes, and some may require you and/or your doctor to take action. As with most transitions to new vendors, there will be some changes that will impact some plan participants. RIT has authorized Express Scripts to provide information to OptumRx in order to make the transition for

2016 PURPC MEMBER INSTITUTIONS

Boston University	Hobart & William Smith Colleges	Stevens Institute of Technology
Brown University	Princeton University	St. Lawrence University
Colgate University	Rochester Institute of Technology	Syracuse University
Cornell University	Skidmore College	University of Notre Dame
Hamilton College		

OptumRx will send letters in November to the home addresses of those who will be impacted by changes. The letters will include information about the drug(s) that are impacted as well as information for you and your physician about actions that need to be taken or available medication alternatives.



participants as smooth as possible (of course, detailed information was not shared with RIT). With this information, OptumRx will send letters in November to the home address of those who will be impacted by changes. The letters will include information about the drug(s) that are impacted as well as information for you and your physician about actions that need to be taken or available medication alternatives.

Some of the common types of changes that will occur and that will impact some individuals are described below.

Changes in the formulary—

A formulary is a list of drugs that have preferred pricing; in RIT's plan, the formulary medications are "Tier 2" drugs, also referred to as preferred brand name drugs. Each PBM has its own formulary that is created by a committee of independent medical practitioners. If you currently take a medication that is on Express Scripts' formulary (and for which you are paying a Tier 2 copay), it is possible that that

drug is now a Tier 3 drug if it is not on OptumRx's formulary. Any medication that is Tier 3 will have a therapeutic alternative available on Tier 2. You will be notified if this applies to any of your medications, and you and your doctor can determine whether it makes sense to switch to the Tier 2 alternative. A link to OptumRx's formulary is on the *Open Enrollment* page of the HR website.

Changes in the excluded drugs list—

In 2014, Express Scripts adopted a list of excluded drugs. Since that time, this has become a standard practice among PBMs, including OptumRx. This practice is designed to address large price increases from pharmaceutical manufacturers. For any drugs that are excluded from coverage, there are other less costly and at least equally effective alternative products available. You will be notified if any of your current medications are on OptumRx's excluded drug list, which you can find on the *Open Enrollment* page of the HR website.

Mail-order pharmacy—

OptumRx has its own mail-order pharmacy. If you are currently using Express Scripts' mail-order pharmacy to fill prescriptions, you will need to move those by the end of the year since you will not be able to use Express Scripts' mail-order pharmacy after December 31, 2015. If you prefer to continue the convenience of having your medications delivered by mail, you have two options.

- **You can switch to OptumRx's mail-order pharmacy.** Active prescriptions with one or more refills remaining with Express Scripts' mail-order pharmacy will automatically be transferred to OptumRx. However, you must do the following before the refills will be sent to you:
 - On or after January 1, 2016, register and update your profile on OptumRx's website, AND
 - Place your refill order while you have at least three weeks of medication left.

There are some circumstances where prescriptions will **not** transfer to OptumRx and will require you to contact your doctor for a new 90-day prescription:

- No refills remain on your current prescription
 - Your medication is classified as a “controlled substance”
 - Your prescription is expired
 - Your prescription is a compound medication
 - Your prescription at the Express Scripts mail-order pharmacy is being held for a future fill date (on or after January 1, 2016).
- **Or, you can choose to use the Wegmans new “free home shipping” option**—see the article on page 6 for more details. If you are already using Wegmans free home shipping, then you do not need to take any action. To switch a prescription from the current Express Scripts mail-order pharmacy to Wegmans, simply ask your physician to provide a new prescription to Wegmans pharmacy, or ask your Wegmans pharmacy to contact your physician. You can make this change at any time; you do not have to wait until the new PBM is in place.

Changes in utilization management programs—

Examples of this include prior authorizations, step therapies, and

quantity limits. If you have already completed the requirements for one of the utilization management programs that is continuing from Express Scripts, then no action is required at this time. If this has not occurred, then you and your physician will need to take action. Information will be provided to you in the letter from OptumRx if this applies to you.

New specialty pharmacy—

If you currently fill any of your prescriptions through Accredo, which is Express Scripts’ specialty pharmacy, then your medications will now be filled through BriovaRx, which is OptumRx’s specialty pharmacy. The specialty pharmacy provides counseling, patient care coordination, special shipping, and other resources for patients who take very costly and complex medications. If you receive a letter from OptumRx about BriovaRx, then you need to follow the instructions in the letter, including calling the toll-free number in the letter to enroll immediately. Accredo will be transferring information about your specialty medications to BriovaRx, so you may receive a phone call from BriovaRx. You will not be able to obtain your medications from Accredo through RIT’s plan beginning January 1, 2016.

Note: Two PBMs recently merged—Catamaran and OptumRx. You may see some references to Catamaran in communications

If you have questions about how you may be individually impacted and do not wish to wait until you receive your written notification, you may contact OptumRx at 855-209-1300/V; for deaf and hard-of-hearing people, use a relay service (VRS, Captioned telephones or dial 711) and then provide the OptumRx phone number. During open enrollment, OptumRx’s Member Service hours are Monday through Friday 9 a.m.–7 p.m. Eastern time and weekends 9 a.m.–4 p.m. Eastern time.

OptumRx has set up a special website that is available during RIT’s open enrollment period, at <http://bit.ly/RITOptumRx>.

IMPORTANT NOTE:
This is not the website to use beginning January 1, 2016.

On this special site, you will be able to do things such as find participating pharmacies, review the list of excluded drugs, and review covered medications.

If you are enrolled in the POS B No Drug plan or thinking about enrolling for 2016, please see the article on page 7, Important Information Regarding the POS B No Drug Plan.

from OptumRx while they are still in transition. You may ignore these references; the PBM for RIT’s plan is OptumRx.

WHAT IS A PHARMACY BENEFIT MANAGER (PBM)?

OptumRx is our new pharmacy benefit manager (PBM) beginning January 1, 2016. What does this mean? The PBM plays two distinct roles:

- Administration of the plan
- Ownership and running of the mail-order pharmacy and the specialty pharmacy

Sometimes we hear from people who are confused by these two roles and what the difference is between them. We hope this information helps clarify the differences.

Administration of the Plan Network of Participating Pharmacies—OptumRx contracts with a network of participating retail pharmacies across the country. This includes Wegmans (the preferred pharmacy under the RIT Rx plan) as well as other major national chains such as CVS and Rite Aid. It also includes some independent pharmacies. You can check the participating pharmacies list on OptumRx's website to determine whether your pharmacy is participating—chances are, it is. For more detailed information about Wegmans Pharmacy's relationship with the RIT Rx plan, see the article on page 6.

Establishment of the Formulary—A formulary is a list of preferred brand name drugs. One important role of a PBM is to decide which drugs are on its formulary.

Like many of the major PBMs, OptumRx does this by having an independent Pharmacy and Therapeutics (P&T) Committee composed of independent practicing clinicians from a variety of specialties from all across the country. These medical professionals are not employed by OptumRx. The role of the P&T Committee is to review medications for inclusion in the formulary. This review of each medication is based on the FDA labeling, clinical outcomes, and national treatment guidelines.

Claims Processing and Payment—When you fill your prescription at a participating pharmacy like Rite Aid, for example, or at Wegmans, the pharmacy technician or pharmacist enters your participant identification number into the OptumRx online system. This brings up the RIT Rx plan design that applies to you. It tells the pharmacy how much you need to pay, and how much the plan will pay to the pharmacy. It also alerts the pharmacy if there are any issues needing to be resolved—an expired prescription, a potential drug-to-drug interaction due to another medication you have filled, a requirement that prior authorization is needed before the plan will pay for the medication, etc. The pharmacy collects your payment and then the PBM bills RIT's self-funded Rx plan for the difference. The PBM pays the pharmacy the amount that is due

over what you already paid.

If you fill your prescription at a non-participating pharmacy, you will need to send the receipt with a completed claim form (available on the HR website) to the PBM.

Mail-order pharmacy and specialty pharmacy

Similar to our current PBM, OptumRx owns and manages its own mail-order pharmacy. If you fill your 90-day maintenance prescriptions at their mail-order pharmacy, the PBM is really performing both roles at the same time. They are both the claims processor/payer and the owner of the pharmacy. OptumRx's mail-order pharmacy works similarly to the current PBM's mail-order pharmacy.

See page 3 for instructions on ordering from the OptumRx mail-order pharmacy.

OptumRx also has a specialty pharmacy, BriovaRx. BriovaRx is a pharmacy for patients who take medications classified as specialty medications, which are typically very costly and complex for treatment of serious conditions like rheumatoid arthritis, multiple sclerosis, and certain cancers. BriovaRx provides patient counseling and coordination of medication delivery, as well as other resources. If you currently have medications dispensed by Accredo, Express Scripts' specialty pharmacy, you will be notified by letter from OptumRx about transferring to BriovaRx.

Prescription Drug Updates *continued*

WEGMANS — RIT'S PREFERRED PHARMACY

Good news! We have renewed our agreement with Wegmans to continue their Preferred Pharmacy status under RIT's prescription drug plan. Wegmans has agreed to provide comparable pricing to the new OptumRx mail-order pharmacy, making Wegmans an attractive local alternative to mail order. This is a win-win for you (if you like having a local retail pharmacy choice with preferred copays) and for RIT.

The 30-day copays at Wegmans will continue to be lower compared to other retail pharmacies. In addition, it will

continue to be the only retail pharmacy allowed to fill 90-day prescriptions under RIT's plan. Copays for 90-day prescriptions at Wegmans will continue to match the mail-order pharmacy copays. Copays for 2016 will remain the same as in 2015 and are shown below.

If you prefer the convenience of having your prescriptions mailed to your home rather than making a stop at the Wegmans pharmacy, you could take advantage of Wegmans "free home shipping" option. This is another option in addition to the OptumRx mail-

order pharmacy, and completely your personal choice. For more information about this option, visit the Wegmans website, ask your Wegmans pharmacist, or contact Wegmans directly.

The Wegmans Pharmacy website offers you flexibility to order, monitor, and receive prescriptions when and where you want them for you and your family. You can order refills, check to see if your prescription is ready, place an order to have your prescription mailed to you, set up Auto-Refill, and print your prescription purchase summary.

POS A and POS B					
Category	Wegmans pharmacy		Other participating retail		OptumRx mail
	30-day supply, no limit on fills	90-day supply	30-day supply, up to 3 fills	30-day supply 4th fill and after ⁽¹⁾	90-day supply
Tier 1: Generic Drugs	\$10.00	\$25.00	\$12.00	\$30.00	\$25.00
Tier 2: Brand Name Formulary Drugs	\$25.00	\$62.50	\$30.00	\$75.00	\$62.50
Tier 3: Brand Name Non-Formulary Drugs	\$40.00	\$100.00	\$50.00	\$125.00	\$100.00

POS D					
Category	Wegmans pharmacy		Other participating retail		OptumRx mail
	30-day supply, no limit on fills	90-day supply	30-day supply, up to 3 fills	30-day supply 4th fill and after ⁽¹⁾	90-day supply
Annual Deductible—each person must pay \$1,000 annual deductible before copay amounts are charged in a plan year					
Tier 1: Generic Drugs	\$20.00	\$50.00	\$25.00	\$62.50	\$50.00
Tier 2: Brand Name Formulary Drugs	\$60.00	\$150.00	\$70.00	\$175.00	\$150.00
Tier 3: Brand Name Non-Formulary Drugs	\$120.00	\$300.00	\$140.00	\$350.00	\$300.00

(1) applies to maintenance medications only; does not apply to acute medications or medications that cannot be filled through mail order (e.g., certain controlled substances)

If you have a prescription currently being filled at a different retail pharmacy or at the Express Scripts mail-order pharmacy, and you wish to switch it to Wegmans, you have two options:

- If you prefer to pick up your prescription at the Wegmans

store at which you shop, stop in or call the store, and let the pharmacy representative know your patient information and prescriber (e.g., physician) name. Wegmans will contact your prescriber and handle the transfer.

- If you prefer to use Wegmans free home-shipping option, call 1-800-934-4797, and a support center representative will assist you by setting up your account and contacting your prescriber about obtaining new prescriptions.

IMPORTANT INFORMATION REGARDING THE POS B NO DRUG PLAN

We want to share information with those enrolled in the POS B No Drug plan as well as those who are thinking about enrolling for 2016. The days when the majority of prescription drugs were relatively affordable are gone, so it is important to consider these potential costs when evaluating medical plan choices for 2016.

RIT has offered a medical option with no drug coverage for many years, with its origin in one of the community HMOs we used to offer. Years ago, the cost of prescription drugs was relatively low. Some people who did not use prescription drugs on an ongoing basis preferred to be without prescription drug coverage because they could save money on payroll contributions. They assumed that if a member of their family needed a prescription drug during the year, it would likely cost them less than it would to carry the prescription drug coverage. For many people, this has worked well.

However, the cost of prescription drugs has increased dramatically.

For a number of years, it has been the fastest growing component of health care cost, and individual medications are becoming significantly more expensive as new types of drugs are discovered.

“Specialty medications” is a category that has emerged in the last several years and is a large factor in the overall increase in drug cost. Specialty drugs treat complex conditions such as cancer and multiple sclerosis. These medications typically require special handling, and are often (but not always) injectable. Often they are created by biologic rather than chemical processes, and are produced in smaller quantities than the so-called “blockbuster drugs” of the past. This means they are significantly more expensive than most of the older drugs. In 2014, there were a total of 41 new drugs approved by the FDA, which is a record number of approvals by the FDA in the last 15 years.

Of the 41 approved drugs, 27 (66%) were specialty drugs. About 50% of all funds for research and development of new drugs is being

focused on specialty drugs. The implications are that drugs will be increasingly expensive.

While there are many more generic drugs available today at a low cost, consider these statistics:

Prescription drugs are expensive

Based on RIT plan data for 2014:

- The average brand name prescription price was \$255 for a 30-day supply
- Specialty drugs—the drugs most commonly seen in research and development pipelines—account for less than 1% of prescriptions but 29% of the cost
- Specialty drugs cost on average more than \$4,700 for a 30-day supply; some cost significantly more. For example, a drug to treat Hepatitis C costs nearly \$100,000 for a 12-week course of treatment!

We hope you will consider whether you can afford to be without prescription drug coverage.

ROCHESTER REGIONAL HEALTH

As you may have seen on billboards or publications, Rochester Regional Health System has changed its logo and slightly altered the name by eliminating the word “system.” The organization is now called Rochester Regional Health (RRH). RIT continues its alliance with RRH and continues to have lower copays under the

POS medical plans for certain services; we call this the **RRH Copay Option**. For more details on the RRH Copay Option, refer to the *Medical Benefits Comparison Book* on the benefits website.

RRH has advised us that it is in the process of completing mergers with Clifton Springs Hospital and United Memorial

Hospital in Batavia. The providers and facilities affiliated with these systems will become part of the RRH network. Check the list of participating RRH providers on the HR website to determine whether your provider is part of the RRH network. The list will be kept up to date by RRH as changes occur.

INCREASE IN MEDICAL OUT-OF-POCKET MAXIMUMS

As required under the Affordable Care Act (ACA), RIT added out-of-pocket maximums to the medical and prescription drug coverage. The federal government generally increases these amounts annually and will do so for 2016. When this occurs, RIT will increase the medical and/or Rx out-of-pocket maximums. Therefore, the 2016 amounts are shown in this chart.

As a reminder, these maximums provide good protection for plan participants who have high out-of-pocket medical/Rx expenses, since it limits the total amount you will have to pay during the plan year.

Plan	Network	2016 Medical Out-of-Pocket Maximum (single/family)	2016 Rx Out-of-Pocket Maximum (single/family)
POS A	In-Network	\$4,250 / \$8,500	\$1,500 / \$3,000
	Out-of-Network	\$6,250 / \$12,500	Not Applicable
POS B	In-Network	\$5,250 / \$10,500	\$1,500 / \$3,000
	Out-of-Network	\$7,750 / \$15,500	Not Applicable
POS D	In-Network	\$5,250 / \$10,500	\$1,600 / \$3,200
	Out-of-Network	\$9,250 / \$18,500	Not Applicable

Note: POS B No Drug is not shown since there is no prescription drug coverage other than what is covered under the medical plan. The medical out-of-pocket maximum for POS B No Drug is the same as POS B.

REMINDER ABOUT PRIVACY LAWS

Privacy laws prohibit health care providers and insurance companies from disclosing to another person, such as a family member, protected health information (PHI) related to your health coverage without your written authorization. If you or a family member (age 18 or older) wish to designate another individual to receive information related to your health care coverage and

protected health information, you should complete an authorization.

For Excellus, you will find the information in the Manage Your Privacy and Confidentiality link. For OptumRx, go to its website after January 1, 2016 to complete the authorization. Check with your health care provider about what they need.