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## Five-tier pharmacy plan offers coverage with five copay levels and cost management

A Blue Cross five-tier pharmacy plan gives your group bigger savings through tiered copayments and built-in cost management programs for prescription drugs. It gives your members a Blue Cross Blue Shield of Michigan plan with the quality, value and commitment they expect, along with the safety checks and broad access to pharmacies nationwide that they need.

### Tiers determine what members pay

This pharmacy plan covers prescription drugs in five tiers: generic, preferred brand, nonpreferred brand, preferred specialty and nonpreferred specialty. It takes our triple-tier plan and adds higher copayment tiers for specialty drugs.

Your plan's drug list shows the covered drugs included in each tier. The Blue Cross Pharmacy and Therapeutics Committee regularly reviews these medications and updates the drug list. We provide multiple options to choose from, taking into consideration individual cost and coverage preferences.

The plan's drug list is divided by drug type into the five tiers below. What members pay depends on what tier their drugs are in.

### Tier 1 – Generic

- Generic or non-brand-name versions of drugs.
- Offers the lowest copayment, or fixed amount members pay when they receive a prescription drug, or coinsurance, a percentage they pay of the total cost, depending on their plan.
- This makes them the most affordable options for treatment.
- Produce the same effects in the body as equivalent brand-name drugs.
- Active ingredients identical to those in brand-name drugs, as required by the Food and Drug Administration.
- Many brand-name drugs are available as generics.

### Tier 2 – Preferred brand

- Brand-name prescription drugs.
- Require a higher copay or coinsurance than Tier 1 drugs.
- Safe and effective.

### Tier 3 – Nonpreferred brand

- Brand-name prescription drugs not included in Tier 2.
- Require the highest copay or coinsurance.
- Generic (Tier 1) or preferred brand (Tier 2) alternatives are available for many of these drugs.



## Tier 4 – Preferred specialty

- Generic and preferred brand-name specialty drugs.
- Safe and effective.
- Require the lowest copay or coinsurance for specialty drugs.

## Tier 5 – Nonpreferred specialty

- Nonpreferred brand-name specialty drugs not included in Tier 4.
- May not have a proven record for safety or as high of a clinical value as Tier 4 drugs.
- Require the highest copay or coinsurance for specialty drugs.

## What's covered

Check out the list of commonly prescribed medications within each tier at [bcbsm.com/pharmacy](https://bcbsm.com/pharmacy):

- Click on *Drug lists*.
- Click on your plan type.
- Click on the appropriate drug list.

Five-tier Blue Cross pharmacy plans may provide coverage for certain over-the-counter medications with a prescription as a first-step treatment for members to meet prior authorization or step therapy requirements. These medications are included on the *Custom Drug List*.

Blue Cross does not cover certain types of medications and supplies, such as:

- Experimental drugs
- Therapeutic devices and appliances

## Cost management programs

The five-tier drug plan features built-in programs to help manage costs and ensure the most appropriate treatments are available to members.

**Prior authorization** is required for certain medications to be covered. This process involves review by one of our pharmacists to ensure the most appropriate and cost-effective treatment is available to a member, while also allowing for important safety checks.

**Step therapy** is required before some medications are covered. This means a member must first try a proven, effective, "first line" medication with a lower cost before stepping up to a more expensive option.

Prior authorization and step therapy are required for prescription drugs that:

- May have dangerous side effects or can be harmful when combined with other drugs
- Should only be used for certain health conditions
- Are often misused or abused
- Are prescribed when less expensive drugs might work better

Five-tier plans may also include a **mandatory maximum allowable cost** benefit to promote the use of generic drugs in place of more expensive options. If a doctor writes "dispense as written" or the member requests a brand-name drug when a generic equivalent is available, the member must pay a product selection fee in addition to the drug copay. The fee is the cost difference between the Blue Cross approved amount for the generic and the brand-name drug.

For more information, contact your Blue Cross sales representative.

[bcbsmpharmacy.com](https://bcbsmpharmacy.com)