

CARD/MAIL/PRE-APPROVAL/PREFERRED

RIDER FOR PRESCRIPTION DRUG [INSURANCE]

[Policy]holder:

Group Policy No:

Effective Date:

The Prescription Drug Coverage under this Rider [replaces] [supplements] the Prescription Drug coverage specified under the [Policy] to which this Rider is attached when Prescription Drugs are obtained from [either] a [Participating Pharmacy] [or a] [Participating Mail Order Pharmacy].

[Subject to [Carrier] Pre-Approval of certain Prescription Drugs,] [Carrier] cover[s] Prescription Drugs to treat an Illness or Injury and contraceptive drugs which require a Practitioner's prescription. But [Carrier] only cover[s] drugs which are:

- a) approved for treatment of the [Covered Person's] Illness or Injury by the Food and Drug Administration;
- b) approved by the Food and Drug Administration for the treatment of a particular diagnosis or condition other than the [Covered Person's] and recognized as appropriate medical treatment for the [Covered Person's] diagnosis or condition in one or more of the following established reference compendia:
 - The American Hospital Formulary Service Drug Information;
 - The United States Pharmacopeia Drug Information; or
- c) recommended by a clinical study or recommended by a review article in a major peer-reviewed professional journal.

Coverage for the above Prescription Drugs also includes Medically Necessary and Appropriate services associated with the administration of the Prescription Drugs.

In no event will [Carrier] pay for:

- a) drugs labeled: "Caution - Limited by Federal Law to Investigational Use"; or
- b) any drug which the Food and Drug Administration has determined to be contraindicated for the specific treatment for which the drug has been prescribed, except as otherwise stated above.

And [Carrier] exclude[s] drugs that can be bought without a prescription, except for insulin, even if a Practitioner orders them.

DEFINITIONS

Brand Name Drug means:

- a) a Prescription Drug as determined by the Food and Drug Administration; and
- b) protected by the trademark registration of the pharmaceutical company which produces them.

Generic Drug means:

- a) a therapeutically equivalent Prescription Drug, as determined by the Food and Drug Administration;
- b) a drug which is used unless the Practitioner prescribes a Brand Name Drug; and
- c) a drug which is identical to the Brand Name Drug in strength or concentration, dosage form and route of administration.

[Mail Order Program means a program under which a [Covered Person] can obtain Prescription Drugs from:

- a) a Participating Mail Order Pharmacy by ordering the drugs through the mail or
- b) a Participating Pharmacy that has agreed to accept the same terms, conditions, price and services as a Participating Mail Order Pharmacy.]

Maintenance Drug means only a Prescription Drug used for the treatment of chronic medical conditions.

[Non-Preferred Drug means a Prescription Drug that is not included on [Carrier's] list of Preferred Drugs.]

[Participating Mail Order Pharmacy means a licensed and registered pharmacy operated by [ABC] or with whom [ABC] has signed a pharmacy service agreement, that is:

- a) equipped to provide Prescription Drugs through the mail; or
- b) is a Participating Pharmacy that is willing to accept the same pharmacy agreement terms, conditions, price and services as exist in the Participating Mail Order Pharmacy agreement.]

Participating Pharmacy means a licensed and registered pharmacy operated by [ABC] or with whom [ABC] has signed a pharmacy service agreement.

[Preferred Drug means a Prescription Drug that:

- a) has been designated as such by either [Carrier's] pharmacy and therapeutics committee, or by a third party with which [Carrier] contract[s], as a Preferred Drug;
- b) is a drug that has been approved under the Federal Food, Drug and Cosmetic Act; and
- c) is included on the list of Preferred Drugs distributed to Preferred Providers and made available to [Covered Persons], upon request.

The list of preferred Drugs will be revised, as appropriate.]

Prescription Drug means:

- a) Legend Drugs
- b) compound medications of which at least one ingredient is a Legend Drug;
- c) insulin; and
- d) any other drug which by law may only be dispensed with a prescription from a Practitioner.

Legend Drugs means any drug which must be labeled: "Caution-Federal Law prohibits dispensing without a prescription."

[PREAPPROVAL REQUIREMENT

[Carrier] [has/have] identified certain Prescription Drugs for which Pre-Approval is required. [Carrier] will provide the list of Prescription Drugs for which Pre-Approval is required to each Employee. [Carrier] will give at least 30 days advance written notice to the Employee before revising the list of Prescription Drugs to add a Prescription Drug to the list.

[If a [Covered Person] brings a prescription for a Prescription Drug for which [Carrier] require[s] Pre-Approval to a Pharmacy and Pre-Approval has not yet been secured, [the [Covered Person] must contact [Carrier] to request Pre-Approval.] [The Pharmacy will contact the Practitioner to request that the Practitioner contact [Carrier] to secure Pre-Approval.] The Pharmacy will dispense a 96-hour supply of the Prescription Drug. [Carrier] will review the Pre-Approval request within the time period allowed by law. If [Carrier] give[s] Pre-Approval, [Carrier] will notify the Pharmacy, and the balance of the Prescription Drug will be dispensed with benefits for the Prescription Drug being paid subject to the terms of the [Policy]. If [Carrier] do[es] not give Pre-Approval, the [Covered Person] may ask that the Pharmacy dispense the balance of the Prescription Drug, with the [Covered Person] paying for the Prescription Drug. The [Covered Person] may submit a claim for the Prescription Drug, subject to the terms of the [Policy]. The [Covered Person] may appeal a denial by following the Appeals Procedure process set forth in the [Policy].]

COPAYMENT

A [Covered Person] must pay the appropriate Copayment shown below for each Prescription Drug each time it is dispensed by a [Participating Pharmacy] [or by a] Participating Mail Order Pharmacy]. The Copayment must be paid before the [Policy] pays any benefit for the Prescription Drug. The Copayment for each prescription or refill [which is not obtained through the Mail Order Program] is:

• for Generic Drugs	[\$5.00 - \$15] per up to a 30 day supply
• for Brand Name Drugs	[\$10.00 – \$25] per up to a 30-day supply
[The Copayment for each prescription or refill which is obtained through the Mail Order Program is:	
• for Generic Drugs	[NONE – \$25] per up to a 90-day supply
• for Brand Name Drugs	[\$5.00 - \$50] per up to a 90-day supply]]

*[Note to carriers – Use the above copayment section if the rider does **not** include preferred/non-preferred provisions.]*

- for Generic Preferred Drugs [\$5.00 - \$20] per up to a 30 day supply
- for Brand Name Preferred Drugs [\$15.00 - \$25] per up to a 30 day supply
- for Brand Name Non-Preferred Drugs [\$25.00 - \$40]] per up to a 30 day supply

[The Copayment for each prescription or refill which is obtained through the Mail Order Program is:

- for Generic Preferred Drugs [NONE – \$25] per up to a 90-day supply
- for Brand Name Preferred Drugs [\$5.00 - \$30] per up to a 90-day supply
- for Brand Name Non-Preferred Preferred Drugs [\$5.00 - \$50] per up to a 90-day supply

[Note to carriers – Use the above copayment section if the rider does include preferred/non-preferred provisions.]

After the Copayment is paid, [Carrier] will pay the Covered Charge in excess of the Co-Payment for each Prescription Drug dispensed by a Participating Pharmacy [or by a Participating Mail Order Pharmacy] while the [Covered Person] is [insured]. What [Carrier] pay[s] is subject to all the terms of the [Policy].

[A [Covered Person] and his or her Practitioner may request that a Non-Preferred Drug be covered subject to the applicable copayment for a Preferred Drug. [Carrier] will consider a Non-Preferred Drug to be Medically Necessary and Appropriate if:

- a) It is approved under the Federal Food, Drug and Cosmetic Act; or its use is supported by one or more citations included or approved for inclusion in The American Hospital Formulary Service Drug Information or the United States Pharmacopoeia-Drug Information, or it is recommended by a clinical study or review article in a major peer-reviewed journal; and
- b) The Practitioner states that all Preferred Drugs used to treat the Illness or Injury have been ineffective in the treatment of the [Covered Person's] Illness or Injury, or that all drugs have caused or are reasonably expected to cause adverse or harmful reactions in the [Covered Person].

[Carrier] shall respond to the request for approval of a Non-Preferred Drug within one business day and shall provide written confirmation within 5 business days. Denials shall include the clinical reason for the denial. The [Covered Person] may follow the Appeals Procedure set forth in the [Policy]. In addition, the [Covered Person] may appeal a denial to the Independent Health Care Appeals Program at the Department of Health and Senior Services.]

COVERED DRUGS

The [Policy] only pays benefits for Prescription Drugs which are:

- a) prescribed by a Practitioner (except for insulin)
- b) dispensed by a [Participating Pharmacy] [or by a [Participating Mail Order Pharmacy]; and
- c) needed to treat an Illness or Injury.

Such charges will not include charges made for more than:

- a) [a 90-day supply for each prescription or refill[which is not obtained through the Mail Order Program] where the copayment is calculated based on the multiple of 30-day supplies received;]
- b) [a 90-day supply of a Maintenance Drug obtained through the Mail Order Program where the copayment is the copayment specified for a 90-day supply;] and
- c) the amount usually prescribed by the [Covered Person's] Practitioner.

A charge will be considered to be incurred at the time the Prescription Drug is received.

[AUDIT PROCEDURES

[Carrier] will arrange for audits that will take place at a time mutually agreeable to the [Participating Pharmacy] [and the] [Participating Mail Order Pharmacy] or the pharmacist and the auditor. The audits shall only include the review of documents relating to persons and prescription plans reimbursable by [Carrier.]]

[Note to carriers: If a carrier elects to include audit procedures in the rider, include your specific audit procedures as an additional paragraph.]

OTHER CHARGES

[Carrier] will not restrict or prohibit, directly or indirectly, a [Participating Pharmacy] [or a] [Participating Mail Order Pharmacy] from charging the [Covered Person] for charges that are in addition to charges for the Prescription Drug, for dispensing the Prescription Drug or for prescription counseling provided such other charges have been approved by the New Jersey Board of Pharmacy, and the amount of the charges for the additional services and the purchaser's out-of-pocket cost for those services has been disclosed to the [Covered Person] prior to dispensing the drug.

EXCLUSIONS

[Carrier] will not pay for any of the following:

- a) Charges to administer a Prescription Drug.
- b) Charges for:
 - d) immunization agents
 - e) biological sera
 - f) blood or blood plasma.
- c) Charges for a Prescription Drug which is:
 - g) labeled "Caution - limited by Federal Law to Investigational use"; or
 - h) experimental.
- d) Charges for refills in excess of that specified by the prescribing Practitioner.

- e) Charges for refills dispensed after one year from the original date of the prescription.
- f) Charges for drugs, except insulin, which can be obtained legally without a Practitioner's prescription.
- g) Charges for a Prescription Drug which is to be taken by or given to the [Covered Person], in whole or in part, while confined in:
 - i) a Hospital
 - j) a rest home
 - k) a sanitarium
 - l) an Extended Care Facility
 - m) a Hospice
 - n) a Substance Abuse Center
 - o) an alcohol abuse or mental health center
 - p) a convalescent home
 - q) a nursing home
 or similar institution.
- h) Charges for:
 - r) therapeutic devices or appliances
 - s) hypodermic needles
 - t) syringes, except insulin syringes
 - u) support garments
 and other non-medical substances, regardless of their intended use.
- i) Charges for vitamins, except Legend Drug vitamins.
- j) Charges for drugs for the management of nicotine dependence.
- k) Charges for topical dental fluorides.
- l) Charges for any drug used in connection with baldness.
- m) Charges for drugs needed due to conditions caused, directly or indirectly, by a [Covered Person] taking part in a riot or other civil disorder; or the [Covered Person] taking part in the commission of a felony.
- n) Charges for drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war.
- o) Charges for drugs dispensed to a [Covered Person] while on active duty in any armed force.
- p) Charges for drugs for which there is no charge. This usually means drugs furnished by the [Covered Person's] employer, labor union, or similar group in its medical department or clinic; a Hospital or clinic owned or run by any government body; or any public program, except Medicaid, paid for or sponsored by any government body. But, if a charge is made, and [Carrier] [is/are] legally required to pay it, [Carrier] will.
- q) Charges for drugs covered under the [Policy] to which this Rider is attached which are covered under the Home Health Care or Hospice Care sections of the [Policy.]
- r) Except as stated below, charges for drugs needed due to an on-the-job or job-related Injury or Illness; or conditions for which benefits are payable by Workers' Compensation, or similar laws.

Exception: This Exclusion does not apply to the following persons for whom coverage under workers' compensation is optional unless such persons are actually covered for workers' compensation: a self-employed person or a partner of a limited liability partnership, members of a limited liability company or partners of a

partnership who actively perform services on behalf of the self-employed business, the limited liability partnership, limited liability company or the partnership.

This rider is part of the [Policy]. Except as stated above, nothing in this rider changes or affects any other terms of the [Policy].