



PacifiCare Health Watch

Three Tier Rx Plan Questions and Answers

HMO/MCO/POS

What is a Formulary?

A Formulary is a list of preferred prescription drugs that are covered by your PacifiCare prescription drug benefit.

What is a Three-Tier Rx Plan?

A three-tier Rx plan provides three levels of benefit coverage: coverage for generic and brand-name medications on the Formulary, as well as coverage for medications that are not on the Formulary.

What are generic and brand-name drugs?

A new drug is given two names. One is the generic, or chemical, name. The other is the brand name, which is what the manufacturer chooses to call the product. Every drug has a generic name to describe its chemical makeup.

How are medications selected for PacifiCare's Formulary?

Drugs are added or removed from PacifiCare's Formulary only after careful review by a committee of practicing or contracting physicians and pharmacists.

Why does PacifiCare have generic drugs on its Formulary?

Generic drugs offer you a better value, because they are less expensive than brand-name products. In addition, the use of generic drugs help to hold down rising health care costs for you and your employer.

If you would like more information about your prescription benefits coverage, please call PacifiCare Customer Service toll-free at 1-800-531-3341.

Why are generic drugs less expensive than brand-name products?

When a company develops a new drug, it has a patent for 17 years. The patent protects the drug company's right to be the only manufacturer of that drug. After the patent expires, other companies can then manufacture and sell the drug under either a different brand-name, or the generic name. Because of lower research costs and more competition, the new product is usually sold at a lower price than the original, brand-name product.

Who manufactures generic drug products?

Many drug companies that manufacture brand-name products also manufacture generic products. In fact, approximately 70 – 80 percent of all generic drugs are made by the same companies who make brand-name products.

How are generic drugs approved for use?

All brand-name and generic products are reviewed for safety and effectiveness by the Food and Drug Administration (FDA). Before a generic drug is approved for use in the United States, its manufacturer must provide proof to the FDA that the product has the identical active chemical compound when compared to the brand-name product. In addition, the generic product must meet FDA standards for the amount of active ingredient and speed of absorption into the body. When the generic product meets these standards, it is considered equivalent.

Are generic drugs safe?

The FDA requires that all drugs be safe and effective, whether they are generic or brand-name products. The FDA also monitors

reports from health care providers, including doctors and pharmacists, on adverse drug reactions and has found that there is no difference between generic and brand-name products.

Does my health care provider know which drugs are on the Formulary?

PacifiCare distributes our Formulary to our participating or contracting health care providers annually. Any changes to the Formulary are communicated on a regular basis. We also maintain our current Formulary list on www.pacificare.com.

What if my prescribed medication is not on PacifiCare's Formulary?

In the event that your physician prescribes a medication that is not on PacifiCare's Formulary, you may choose to get the medication and pay your non-Formulary copayment* or you may call your physician to discuss Formulary alternatives.

*Note: for members on Rx Plan (Rx Plan is listed on your ID card), prior authorization may be required for certain classes of medications. Please contact Customer Service for more information.