

Your Prescription Drug Benefit Brochure

Underwritten by New York Life Insurance Company (NY, NY 10010)



Welcome!

We're proud that the American Veterinary Medical Association Group Health and Life Insurance Trust (AVMA GHLIT) has chosen Medco to manage your prescription drug benefit for retail and mail-order services. You're in good company. Medco has provided quality prescription drug benefit services to millions of Americans for over 30 years.

Included in this packet is your **prescription drug ID card**. Keep it in your wallet so that it's always handy when you order prescriptions.

What's inside:

| | |
|--|----|
| Designed by veterinarians for veterinarians | 3 |
| Medical plans and prescription drug benefits | 3 |
| How co-payment plans work. | 7 |
| Preferred drug list | 10 |
| Prior authorization | 11 |
| Exclusions and limitations. | 11 |
| Straight answers to important questions | 12 |
| Other things you should know. | 16 |

Designed by veterinarians for veterinarians

Since 1957, the AVMA GHLIT has made available to members like you coverage you can trust.

AVMA GHLIT offers health insurance through a choice of plans, including a Traditional Major Medical Plan, PPO (Preferred Provider Organization) Plans, HSA Qualified High Deductible Health Plans, and a Student PPO Plan. Each one of these options provides prescription drug benefits, but applicable benefits and costs may differ by plan. For further details on the AVMA GHLIT health plans underwritten by New York Life Insurance Company on policy form GMR, please consult your Medical Plans brochure for information on eligibility, benefits, exclusions, and limitations.

This brochure is intended to outline your prescription drug benefit, managed by Medco, and to provide you information concerning drug limitations and prior authorization drugs.

Medical plans and prescription drug benefits

Traditional Major Medical Plans B, C, and D

Under Traditional Plans B, C, and D, you will be subject to a separate and additional yearly deductible and coinsurance payment for outpatient prescription drugs. If you have family coverage, each family member must satisfy his or her own deductible before benefits are payable. Additionally, your reimbursement will depend on whether the eligible prescribed drug is a generic, preferred brand-name, or other brand-name.

If you use a participating retail pharmacy, your claim will be electronically transmitted to Medco by the participating pharmacist after you have paid the pharmacy the cost of the prescription.

If you use an out-of-network pharmacy, you will need to pay the pharmacy the amount due for the prescription when it's filled and submit the pharmacy receipt along with a Medco claim form to Medco for consideration of eligible charges. Eligible charges are limited to the lower of the cost charged by the pharmacy or the cost as determined by Medco and New York Life.

| | PLAN B‡ | PLAN C‡ | PLAN D‡ |
|------------------------------------|----------------|----------------|----------------|
| Deductible | \$100 | \$200 | \$300 |
| Generic drug reimbursement | 80% | 80% | 80% |
| Preferred brand drug reimbursement | 70% | 70% | 70% |
| Other brand reimbursement | 60% | 60% | 60% |
| Out-of-pocket maximum | \$2,000* | \$2,000* | \$2,500† |

*After the deductible and \$2,000 of eligible prescription drug expense has been incurred by the insured

†After the deductible and \$2,500 of eligible prescription drug expense has been incurred by the insured

‡ Mail-order prescriptions paid are on the same basis as indicated in the above schedule

Traditional Major Medical Plans X and Y and the High Deductible HSA Qualified Health Plan

If you are insured in one of these plans, you are not required to satisfy a separate calendar year deductible for your prescription drugs. The deductible and coinsurance limits within the plan itself are what must be satisfied before eligible prescription benefits will be paid.

If you use a participating retail pharmacy, your claim will be electronically transmitted to Medco by the participating pharmacist after you have paid the pharmacy the cost of the prescription.

If you use an out-of-network pharmacy, you will need to pay the pharmacy the amount due for the prescription when it's filled and submit the pharmacy receipt along with a Medco claim form to Medco for consideration of eligible charges. Eligible charges are limited to the lower of the cost charged by the pharmacy or the cost as determined by Medco and New York Life.

PPO Platinum, Gold, and Bronze Plans

Under these PPO Plans, you will be subject to a co-payment when you fill your prescriptions through a participating retail pharmacy. To take advantage of the in-network benefit, verify with your pharmacy that it does participate.

Co-payment Schedule

Participating Retail Pharmacy,* Up to a 30-Day Supply

\$15 co-payment for eligible generic drugs

\$25 co-payment for eligible preferred brand-name drugs**

\$35 co-payment for other eligible brand-name drugs**

Mail Pharmacy, Up to a 90-Day Supply

\$30 co-payment for eligible generic drugs

\$50 co-payment for eligible preferred brand-name drugs**

\$70 co-payment for other eligible brand-name drugs**

*If you choose NOT to use a participating retail pharmacy, the cost of the prescription will be subject to the applicable calendar year deductible and a 60% coinsurance provision of the PPO plan for out-of-network expenses. You will also be responsible for paying the entire amount of the prescription at the time it's filled at the pharmacy, and you will need to submit the pharmacy receipt along with a Medco claim form to Medco for reimbursement of eligible charges. Eligible charges are limited to the lower of the cost charged by the pharmacy or the cost as determined by Medco and New York Life.

**If you purchase a brand-name drug when a generic drug equivalent can be substituted, you will be responsible for paying your brand-name drug co-payment plus the difference in cost between the brand-name and generic equivalent.

PPO Value Plans F, K, L, R, and T

Under these PPO Value Plans, you could be subject to both a co-payment and coinsurance when you fill your prescriptions through a participating retail pharmacy. To take advantage of the in-network benefit, verify with your pharmacy that it does participate.

Co-payment Schedule

Participating Retail Pharmacy,* Up to a 30-Day Supply

\$15 co-payment for eligible generic drugs

\$25 co-payment for eligible preferred brand-name drugs + 20% coinsurance**

\$35 co-payment for other eligible brand-name drugs + 40% coinsurance**

Mail Pharmacy, Up to a 90-Day Supply

\$30 co-payment for eligible generic drugs

\$50 co-payment for eligible preferred brand-name drugs + 20% coinsurance**

\$70 co-payment for other eligible brand-name drugs + 40% coinsurance**

*If you choose NOT to use a participating retail pharmacy, the cost of the prescription will be subject to the applicable calendar year deductible and a 60% coinsurance provision of the PPO Value Plan for out-of-network expenses. You will also be responsible for paying the entire amount of the prescription at the time it's filled at the pharmacy, and you will need to submit the pharmacy receipt along with a Medco claim form to Medco for reimbursement of eligible charges. Eligible charges are limited to the lower of the cost charged by the pharmacy or the cost as determined by Medco and New York Life.

**If you purchase a brand-name drug when a generic drug equivalent can be substituted, you will be responsible for paying your brand-name drug co-payment and applicable co-insurance plus the difference in cost between the brand-name and generic equivalent.

Student PPO Plan

(Available only to veterinary students attending a full schedule of classes and a member of SCAVMA)

Outpatient Prescription Drug Benefits are limited to \$2,000 per calendar year (in or out of network).

Co-payment Schedule

Participating Retail Pharmacy,* Up to a 30-Day Supply

\$10 co-payment for eligible generic drugs

\$25 co-payment for eligible preferred brand-name drugs**

\$50 co-payment for other eligible brand-name drugs**

*If you choose NOT to use a participating retail pharmacy, the cost of the prescription will be subject to the applicable calendar year deductible and a 60% coinsurance provision of the Student PPO plan for out-of-network expenses. You will also be responsible for paying the entire amount of the prescription at the time it's filled at the pharmacy, and you will need to submit the pharmacy receipt along with a Medco claim form to Medco for reimbursement of eligible charges. Eligible charges are limited to the lower of the cost charged by the pharmacy or the cost as determined by Medco and New York Life.

**If you purchase a brand-name drug when a generic drug equivalent can be substituted, you will be responsible for paying your brand-name drug co-payment plus the difference in cost between the brand-name and generic equivalent.

Mail Pharmacy, Up to a 90-Day Supply

\$20 co-payment for eligible generic drugs

\$50 co-payment for eligible preferred brand-name drugs**

\$100 co-payment for other eligible brand-name drugs**

Plan E

Under Plan E, you will be subject to a co-payment when you fill your prescriptions through a Medco participating pharmacy. Verify with your pharmacy it is part of the network so that you can maximize your benefits.

Participating Retail Pharmacy,* Up to a 30-Day Supply

\$15 co-payment for eligible generic drugs

\$25 co-payment for eligible preferred brand-name drugs**

\$35 co-payment for other eligible brand-name drugs**

Mail Pharmacy, Up to a 90-Day Supply

\$30 co-payment for eligible generic drugs

\$50 co-payment for eligible preferred brand-name drugs**

\$70 co-payment for other eligible brand-name drugs**

If you are Medicare eligible and have enrolled in a Medicare-approved prescription drug plan (PDP), you will no longer be covered by your AVMA GHLIT prescription drug benefit. However, if you have NOT enrolled in a Medicare prescription drug plan (PDP), AVMA GHLIT will continue to provide you and your covered dependents with a prescription drug benefit under Plan E.

*If you do not use a participating pharmacy, there will be a \$40 deductible applied to each prescription (for up to a 30-day supply). You will also be responsible for paying the entire amount of the prescription at the time it's filled at the pharmacy, and you will need to submit the pharmacy receipt along with a Medco claim form to Medco for consideration of eligible charges. Eligible charges are limited to the lower of the cost charged by the pharmacy or the cost as determined by Medco and New York Life.

**If you purchase a brand-name drug when a generic drug equivalent can be substituted, you will be responsible for paying your brand-name drug co-payment plus the difference in cost between the brand-name and generic equivalent.

How co-payment plans work

Medco promotes the use of clinically appropriate medications for you and your family. Your doctor can prescribe generic, preferred, or other brand-name drugs. If you are insured in a plan that has prescription drug co-payments, you know that we have three co-payment levels.

You will pay the lowest co-payment for any generic drug. You will pay a mid-level co-payment for designated cost-effective, preferred brand-name drugs, and you will pay the highest co-payment for other brand-name drugs.

This co-payment structure provides cost-saving opportunities for both you and the AVMA GHLIT program when you use generic and cost-effective, preferred brand-name drugs whenever possible. Participants insured in a plan that does not include co-payments can also help achieve personal and program savings when they take advantage of clinically appropriate prescriptions of generic and preferred brand-name drugs.

How to Use the Participating Pharmacy Program

For all plan participants, phone your pharmacy to determine if it participates in the Medco network. If it does, take your prescription order and your prescription drug ID card to the pharmacy.

The pharmacist will enter key information from your ID card into the pharmacy network system to determine your eligibility and at what level your prescription drug is covered by the plan. If the medication is covered, and if you are insured in one of the health plans that provides for prescription drug co-payments, you will only be responsible for the co-payment and any applicable coinsurance, depending on whether the drug is generic, preferred brand, or another brand.

If you are insured in one of the health plans that does not have prescription drug co-payments, you will be required to pay the full prescription price, but when using a network pharmacy, the claim will automatically be electronically transmitted to Medco. There, charges will be adjudicated and benefits reimbursed depending on your deductible and coinsurance.

In addition eligible charges for covered prescription drug expenses are limited to the whole of the cost charged by the pharmacy or the cost as determined by Medco and New York Life.

Some drugs have coverage limitations, and if you receive more than the limited amount, you will be responsible for the entire cost of the excess portion of the prescription. “Prior Authorization” is also required before selected drugs can be covered under the plans. See the “Prior Authorization” section.

If you choose to use a nonparticipating retail pharmacy

Take your prescription order to the pharmacy. You will be required to pay the entire cost of the medication, and you will be responsible for filing the claim for reimbursement with Medco. The prescription receipt that you mail in should include all the necessary prescription information and be submitted with a Medco claim form. The cost of a covered prescription will be subject to the applicable calendar year deductible and the coinsurance provisions of the plan for out-of-network expenses. In addition eligible charges for covered prescription drug expenses are limited to the lower of the cost charged by the pharmacy or the cost as determined by Medco and New York Life.

How to Use Medco By Mail

Since the mail-order program is designed for long-term or maintenance medication, make sure your doctor has written the prescription for a 90-day supply.

Because it is often necessary to take your medication immediately, you should ask your doctor for two prescriptions: one for a 90-day supply, and one for a short-term supply that can be filled at a participating retail pharmacy immediately while the other prescription is being filled by **Medco By Mail**.

- Complete a **Medco By Mail** order form and the profile form, which you can secure from the AVMA GHLIT or the Medco websites. If appropriate, call 1-800-899-2619 to find out the applicable co-payment for your prescription. Then, mail your maintenance prescription order and your payment with the form and self-addressed envelope to **Medco By Mail**. Be sure that on the order form you have printed the covered participant's name, certificate ID number, and group number. If this step is not followed completely, there may be a delay in receiving your medication.

Your order will usually be delivered to your home, postage paid, within 8 business days after we receive the order.

Standard shipping is free. Expedited shipping is available for an extra charge.

How to obtain a refill through Medco By Mail

There are two easy ways of getting your medication refilled.

1. By calling our toll-free number:

Call 1-800-899-2619 if you are certain that your doctor has authorized refills. Your request will be taken by the Medco automated phone system. Be sure to have the following information when placing a refill order by phone:

- Five-digit zip code
- Covered participant ID number
- The prescription number from the label on your medication vial
- Credit card number

2. By mail:

Contact the Trust Office or go online to the Medco website, www.medco.com, to obtain the necessary Order and Profile forms. Once fully completed, mail them to **Medco By Mail**.

Preferred drug list

Your prescription drug benefit allows you and your physician to select the most clinically appropriate and cost-effective prescription alternatives. If you are taking other brand-name drugs, ask your doctor if a generic or plan-preferred brand-name drug would be right for you. You may **pay less** for generic or plan-preferred brand-name drugs when you order them at a participating retail pharmacy or through our mail-order pharmacy, **Medco By Mail**.

Please see the enclosed list of preferred drugs.

Authorization for additional quantity of Medication

As part of your prescription drug benefit, limitations for certain drugs covered by your prescription drug plan have been implemented. These limitations are intended to ensure proper prescription utilization by allowing participants to receive medication in clinically appropriate quantities.

These limits are based on clinically approved prescribing guidelines and are routinely reviewed by Medco and are subject to change to ensure clinical appropriateness.

Please see the enclosed insert for further information on medications requiring coverage review.

Prior authorization

Your plan requires that Medco conduct a prior authorization review and provide authorization to your doctor before certain selected drugs can be covered. Your physician must contact Medco at 1-800-899-2619.

Please see the enclosed list of medications that require prior authorization.

Exclusions and limitations

No benefit is provided unless the expense is medically necessary and is incurred upon a physician's recommendation to treat an injury or sickness. The fact that a doctor may prescribe, order, recommend, or approve a service or supply does not automatically make the service or supply an eligible expense. Moreover, the charge must be usual and customary as determined by New York Life, and the person must incur it while insured and be legally obligated to pay it.

Eligible expenses under the AVMA GHLIT PPO and Major Medical prescription drug benefit program do not include charges for the following:

- Drug efficiency study indicator (DESI) drugs—drugs determined by the Food and Drug Administration (FDA) as lacking substantial evidence of effectiveness
- Over-the-counter drugs
- Antiwrinkle agents
- Mineral and nutritional supplements
- Fluoride supplements
- Cosmetic drugs, including pigmenting/depigmenting agents, hair growth products, etc.

- Anoretics (unless covered for ADD under age 19/narcolepsy medications)
- Smoking deterrents
- Noninsulin needles, syringes, and alcohol swabs
- Vitamins (Note that plans with maternity coverage do include prescription prenatal vitamins, prescription pediatric vitamins for children under age 12, and *Rocaltrol*® and its North American equivalent.)
- *Mifeprex*®
- *Retin-A*® and cobrands (after age 25)
- Therapeutic devices or appliances unless listed as a covered product
- Administration or injection of any drug
- Medication that is to be taken by or administered to an individual, in whole or in part, while he or she is a patient in a hospital, rest home, sanitarium, extended care facility, convalescent hospital, nursing home, or similar institution that operates on the premises, or allows to be operated on its premises, a facility for dispensing pharmaceuticals
- Prescriptions for designated drugs that exceed the listed drug limitation or when required prior authorization is not obtained or excluded from the plan (please see “Prior Authorization” and “Authorization for Additional Quantity of Medication” enclosed insert)

Straight answers to important questions

Are generic drugs safe?

Generic drugs become available after a brand-name drug’s patent has expired. Generic medications are less expensive than brand-name medications because the generic manufacturer does not have to recover the original research and development costs.

Generic drugs must by law meet the same standards as the original brand-name drug. You may be asked at a participating retail pharmacy whether you want to receive a generic product. With **Medco By Mail**, you will receive the generic form of the medication if your doctor allows for generic substitution. These valuable services can save you and the plan money.

What if I need a mail-order prescription right away?

Medco By Mail can send your medication via overnight mail. However, you will be charged a service fee. Remember, you need to allow time for the prescriptions to be received and processed.

What do I do if I'll be away for an extended period?

If you are going on vacation and do not have enough medication to last until you return, your plan has an "early refill option" that allows you to order prescriptions in advance for the normal supply allowed. If you are traveling out of the country for an extended period of time, contact Medco Member Services at 1-800-899-2619 to arrange for a longer-term supply.

Will my doctor ever be called by Medco?

Yes. Medco pharmacists may have information that indicates that a given drug could have negative side effects or may interact with another drug you are taking. One of Medco's pharmacists may talk to you or your doctor about preferred medications. This helps your plan better manage rising costs of the overall prescription benefit and helps you avoid any harmful drug-to-drug reactions.

More questions regarding Medco?

Call Medco toll-free: 1-800-899-2619.

Prescription Drug Benefits administered by:

Medco Health Solutions, Inc.

PO Box 2187

Lee's Summit, MO 64063-2187

Broker/Administrator:

Health Plan Services

3501 Frontage Road

Tampa, FL 33607

Underwritten by:

New York Life Insurance Co.

51 Madison Ave.

New York, NY 10010

Claims Administrator:

Harrington Health

233 North Michigan Avenue, Suite 1050

Chicago, IL 60604

Phone: 1-800-828-8563

A Membership Service of the American Veterinary Medical Association

The AVMA Group Health and Life Insurance Trust

3501 Frontage Road

Tampa, FL 33607

1-800-621-6360

Other things you should know

Medco protects your safety

The risks associated with drug-to-drug interactions and drug allergies can be very serious. To protect your safety—whether you use **Medco By Mail** or **medco.com**®—Medco checks for potential interactions and allergies. We also send this information electronically to participating retail pharmacies.

Medco may contact your doctor about your prescription

If you are prescribed a drug that is not on your plan's preferred list, yet an alternative plan-preferred drug exists, we may contact your doctor to ask whether that drug would be appropriate for you. If your doctor agrees to use a plan-preferred drug, you will never pay more and will usually pay less.

Medco protects your privacy

Because your privacy is important to us, Medco complies with federal privacy regulations. Medco uses health and prescription information about you and your dependents to administer your plan and to fill your mail-order prescriptions.

Your plan may have coverage limits

Your plan may have certain coverage limits. For example, prescription drugs used for cosmetic purposes may not be covered, or a medication might be limited to a certain amount (such as the number of pills or total dosage) within a specific time period.

If you submit a prescription for a drug that has coverage limits, your pharmacist will tell you that approval is needed before the prescription can be filled. The pharmacist will give you or your doctor a toll-free number to call. If you use **Medco By Mail**, your doctor will be contacted directly.

When a coverage limit is triggered, more information is needed to determine whether your use of the medication meets your plan's coverage conditions. We will notify you and your doctor of the decision in writing. If coverage is approved, the letter will indicate the amount of time for which coverage is valid. If coverage is denied, an explanation will be provided, along with instructions on how to submit an appeal.

Controlled substances

Federal law prohibits the return of dispensed controlled substances.

Medco manages your prescription drug benefit for the AVMA GHLIT.

Medco and **medco.com** are registered trademarks of Medco Health Solutions, Inc.
© 2009 Medco Health Solutions, Inc. All rights reserved.



0000000B164732