



CIS

Benefit Connections

YOUR BENEFITS, DISCOVERED

September 2020

THE SHOCKING RISE OF PRESCRIPTION DRUG PRICES

Most of us realize the cost of prescriptions is rising. Studies report that the net cost of prescription drugs in the United States has increased at a rate that is three times faster than the rate of inflation. That's true across the board, and it's true for CIS Benefits. While membership in CIS Benefits has grown by about 20 percent over the past decade, the increase in prescription drug costs is exponentially higher.

In 2011, CIS paid \$12.4 million in prescription drug claims. By 2019, that amount had more than doubled — by 104 percent. That's \$25.3 million!

Prescription drugs also are an ever-increasing proportion of CIS medical plan costs. In 2009, prescription drugs were about 12.2 percent of total medical costs. Ten years later, that percentage had grown to 21.2 percent, a 74 percent increase. Much of that change comes from the rise in the use and cost of *specialty drugs* — drugs that are expensive, that are complex, or that require special administration or handling. You have probably seen ads for many of these high-cost specialty drugs on TV.

What Contributes to the Cost of Your Prescription?

When it comes to purchasing prescription drugs, you should know what your plan offers for coverage and work with your doctor and pharmacy benefits provider to identify efficient, cost-effective options. Doing so can decrease your

Prescription Perspective

Year after year prescription drug costs increase.

Specialty drugs account for much of the rise in prescription costs, but existing prescription drug costs have also risen. For example, the cost of more than 560 medications increased in the first two weeks of 2020.

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cost at the pharmacy and can help control the increase in your share of medical premiums.

Let's look at three factors that affect what you pay for prescriptions.

Your Plan

Your share of the cost of a prescription differs based on your plan. Copay plan members do not have a prescription drug deductible. Instead, they pay a fixed-dollar copay amount based on the type of prescription they fill and how they fill it. (Kaiser plan members also have a copay for prescriptions.)

It's different for high deductible plan members. Prescription drugs are part of the medical plan, and the medical plan has a deductible that must be met before the health plan pays anything toward the cost. You must pay the full cost at the pharmacy until combined medical and/or prescription costs meet the deductible amount. After that, you pay 20 percent of the drug cost. The exceptions to the rule are certain generic and brand preventive drugs that are either paid at 100% or aren't subject to the deductible.

In both plans, there are limits on the total out-of-pocket costs that a person will pay, protecting the member from the impact of very high-cost medications. For the Copay plan, there are different out-of-pocket limits for prescription drug costs and medical costs. HDHP members have one limit, covering both prescription drugs and medical care.

Are you not sure about which plan you're on? Log in to cisbenefits.org and check your coverage.

The Type of Drug

Prescription drugs are typically classified in one of three tiers: **generic**, **preferred brand**, and **non-preferred brand**. The drugs that are included in

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For 2020, Regence members can earn up to \$150 in Amazon.com rewards; Kaiser members can earn up to \$100 in Amazon.com rewards. Starting in 2021, both Regence and Kaiser members can earn \$150 in rewards.

BeyondWell combines wellness activities, goal setting, rewards and more into one place. The result is a well-being experience that's tailored to your needs.

2020 incentive opportunities include:

- Health assessment
- Dental exam
- Flu shot
- Sync a device or app
- Personal challenge
- Self-guided program
- Preventive exam*

*This incentive is exclusive to Regence members.

How to get started:

Regence members go to cisbenefits.org/regence to learn more.

Visit cisbenefits.org/kaiser for instructions for Kaiser members.



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each tier are chosen by the PBM (Pharmacy Benefit Manager) — in our case, Express Scripts — based on how well they work, how safe they are, and their cost.

Generic drugs are generally the lowest cost. When generics were first introduced in the 1960s, they were viewed with suspicion. A half-century later, their safety and effectiveness have been proven. The current norm is to fill a prescription with its generic equivalent unless the doctor calls specifically for the brand-name drug to be provided. Last year, 87 percent of the prescriptions filled by CIS/Regence members were for generic drugs; Express Scripts says that's a higher percentage than other local government groups.

A generic medication starts as a **brand-name drug**, which is protected by a 17-year patent that limits production to one manufacturer. Once the drug is released, there are typically several years left on the patent. It is during this time that the manufacturer recoups their research and development costs by charging excessively for the drug. When the patent expires, other companies may manufacture a chemical copy of the brand-name drug, subject to the same FDA safety rules as the brand-name medication. The name, color, or shape may be different, but the active ingredients are the same.

Think of Advil tablets vs. Ibuprofen. Their chemical makeup is the same and they both provide pain relief, but Advil has a sweet coating and its name stamped on each pill. Generic ibuprofen looks different and probably doesn't taste as good on your tongue. But, take a look at how much more you're paying for the Advil name and coating. It's up to you to decide if it's worth it. But be aware when filling a prescription drug, if there's a generic available and you choose the brand, you'll pay the difference in the cost of ingredients between the brand and generic, in addition to the higher copay for the brand.

Brand drugs are those that have been approved by the U.S. Food and Drug Administration (FDA) and are either still under patent or do not have a generic version. Those brand-name drugs are evaluated by the PBM for their value in treatment, as well as their cost. The ones that make the cut are included as **preferred brand drugs in the formulary**: the list of covered drugs.

However, there will be times when a doctor determines that a patient needs a brand-name drug that isn't on the preferred list. That drug is considered **non-preferred**, and while it may be covered, it costs significantly more and has the highest copay.

Specialty drugs fall into the same three tiers — yes, there are generic specialty drugs. Last year, CIS/Regence members filled prescriptions for 166 different specialty drugs, the most expensive of which treated malaria and cost more than \$85,000 per prescription. Other specialty drugs on

Cascade Personal Advantage - EAP Member Site

The Cascade Centers Employee Assistance Program (EAP) is a free and confidential service available to CIS Benefits covered employees and their eligible family members. Their member site offers innovative educational tools and resources. Chat live with the EAP, take self-assessments, watch videos, access personal growth courses, download documents, and more by following these easy steps:

1. Go to cascadecenters.com
2. Click "Member Log In: EAP Member Site"
3. Register as a new user
4. Enter CIS as the company name



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2019's list primarily treated cancer, rheumatoid arthritis, multiple sclerosis, ulcerative colitis, and similar chronic diseases.

Are you allowed to talk with your doctor about the cost of your prescription drugs?

Yes! You can talk with your doctor about costs. We depend on our doctors to guide us and we trust their medication choices. But the reality is that most doctors aren't aware of a patient's prescription drug coverage and seldom know when they're prescribing a drug whether their medication choice is a preferred drug in your plan. It's easy to look up a medicine on the Express Scripts site or app — even in the doctor's office — and if it's a high-cost drug, you can ask your doctor if there's an alternative that would work as well.

Your doctor wants you to get well or manage your condition and will generally welcome information about what the financial impact of filling the prescription might be for you. After all, if you can afford your prescription, you're more likely to use it as directed and refill it as necessary.

If you feel uncomfortable talking with your doctor, or don't know what to ask, you can contact the Express Scripts pharmacists. They know the details of your plan and can let you know if there's a less-expensive alternative available. They'll also reach out to your doctor if necessary.

We hope this information makes your coverage and cost a little clearer. Watch for the next issue of **Prescription Perspectives** as we tackle the role of specialty drugs and their impact on health and costs for CIS Benefits members.

