

Financial Considerations Facing Individuals with CF

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A Wholly Owned Subsidiary of the Cystic Fibrosis Foundation

Cystic Fibrosis

Family Awareness Day

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2003 Statistics of CF

- 40% of all CF patients are adults, compared with only 8% in 1970
- Average life expectancy of a person with CF has increased from 19 years in 1970 to over 30 in recent years
- 72.6% of CF adult patients seen at CF centers are either students or working
- 2.5% of the total CF population is uninsured

COVERAGE	Children (%)	Adults (%)
No Insurance	1.8	3.8
Private	29.2	35.4
Medicaid	35.7	22.9
State	12.2	12.0
HMO	26.4	32.9
CHAMPUS	2.2	0.6
Federal	0.8	4.1

** Data are not mutually exclusive, as individuals with CF may have more than one type of insurance.*

Source: Cystic Fibrosis Foundation, Patient Registry 2003 Annual Report, Bethesda, Maryland.

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Current Trends

- Tiered Co-Pay Structure
- Shift from Co-Pay to Co-Insurance
- Other Trends
- Prior Authorization
- Generic Substitution
- Young Adults

3 – Tier Pharmacy Co-Payments

- Traditionally - brand and generic
- 3 – Tier Structure (*co-pays hit new highs*)
 - *Generics* – averaging \$10
 - *Preferred brand* – averaging \$20
 - *Non-preferred* – averaging \$35
- Saved Insurance Companies \$1.62 billion in 2001
- 48% of employers have added a 3-tier co-payment structure; 29% are considering adding one

Shift from Co-Pays to Co-Insurance

- **Employers are moving away from straight co-pays**

- Example #1 (cost of medication = \$500)

- Co-Pay: \$30
- Co-Insurance (20%): \$100

- Example #2 (cost of medication = \$500)

<i>Co-Insurance:</i>	<i>\$ 100</i>
<i>Co-Pay Allowance from Insurance:</i>	<i><u>30</u></i>
<i>Due from Patient</i>	<i>\$ 70</i>

- **Insurance Position:** *Co-insurance shows consumers the real cost of medications; makes them share in the real cost of medications; and gives them an opportunity to make their own choices.*

Other Trends

- **Drug Patent Expiration and Expensive Generics**
(Claritin, Prilosec, Prozac, Zantac)
- **Evolution of a 4th tier** - *biotech, gene therapies, self injectibles, cosmetic, and life style*
- **Annual Caps on Prescription Benefits**
- **Separate Deductible for Prescription Benefits**

Prior Authorization

Trend – Prior authorizations have become standard for the following products:

- Pulmozyme • TOBI • Coly-Mycin
- High-Dose Enzymes
- Zithromax

Pharmacy – Authorization can be obtained by pharmacy staff through the Pharmacy Benefit Manger

Caregiver – Authorization must be obtained by the caregiver

- Physician calls payer for authorization

OR

- Physician must complete documentation and provide patient data to obtain authorization

Generic Substitution

- The majority of generic substitutions occur at the pharmacy level
- Pharmacies are paid incentives based on generic substitution rates
- Caregivers Involvement:
 - Writing RXs as DAW
 - Educate patient on drug name and appearance
- *Manufacturer Programs do not allow generic substitutions, brand must be dispensed to obtain free products*
- *CF Services Pharmacy does not generically substitute branded pancreatic enzymes*

Young Adults – Post Secondary Education

- Review insurance plan policies and procedures to confirm whether being a full-time student allows the dependent to remain on existing policy beyond legal age
- Investigate policies and procedures of insurance plan should patient drop below full-time status
- Ensure that student remains a full-time student
 - Classroom courses
 - Television courses
 - Online courses
- Extend COBRA benefits up to 36 months for children incapable of self-support due to health condition

Young Adults – Entering the Workforce

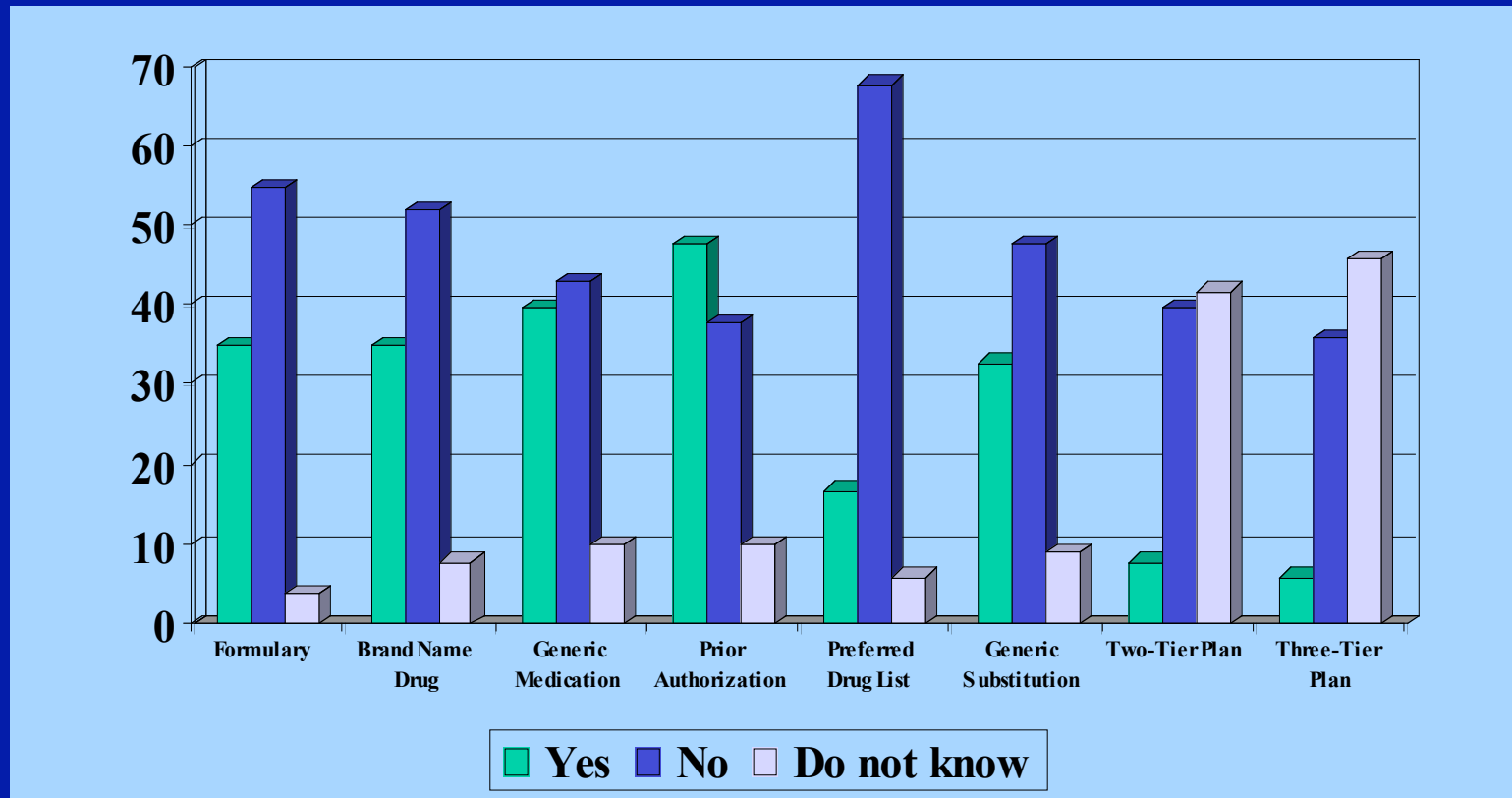
- Prepare for insurance coverage before individual becomes of legal age
- Purchase additional individual health insurance policy
- Select employers that will provide health insurance coverage
- Select employers that employ 20 or more employees
- If applicable, have patient start their own business to be eligible for small business group policies
- Review any professional associations to see if they offer health insurance benefits to their members
- Investigate State-sponsored High Risk Pools
- Investigate State Medicaid Programs
- Extend COBRA benefits up to 36 months for children incapable of self-support due to health conditions

Patient Education

- Selecting an Insurance Provider
- Gaining Approval of Non-Covered Services
- Challenging Denial of Payment
- Indigent / Patient Assistance Programs
- SUMMARY – Know Your Benefits

Pharmacy Benefits - Defined

Which of the following terms about your pharmacy benefits was clearly defined in your health plan information package?



Selecting an Insurance Provider

- Continuation of Care – *Ensure that current providers are approved*
- Review the Drug Formulary and Tiered Co-Pay Structure
- Review Deductibles and Benefit Caps/Maximums
- Confirm How Claims are Paid
- Discuss Coordination of Benefits
- Know What Your COBRA Payment Will Be

Insurance Selection Resources

- **“Day-to-Day: Know Your Insurance Health Coverage”**
– *Cystic Fibrosis Foundation*
- **“Know Thy Policy”**
– *Beth Sufian, J.D., HomeLine 10/99*
- **Policy Checklist**
– *Cystic Fibrosis Services*
- **Cystic Fibrosis Services Web site**
– *www.cfservicespharmacy.com*
- **Cystic Fibrosis Foundation Website**
– *www.cff.org*

Indigent / Patient Assistance Programs

- Federal/State Program Assistance
- Patient Assistance Programs
 - CF Drug-Specific (*Cipro*[®], *Coly-Mycin*[®], *Creon*[®], *Humalog*[®], *Humulin*[®], *Pancrease*[®], *Pancrecarb*[®], *Proventil*[®], *Pulmozyme*[®], *Tobi*[®], *Zithromax*[®])
 - Physician/Patient Initiated
 - Supply limitations
 - Criteria varies
 - Not all drug manufacturers and medications participate
- Pharmaceutical Research and Manufacturers of America (*PhRMA*) • (800) 762-4636 • www.phrma.org
- Free Medicine Foundation • www.freemedicinefoundation.com

Gaining Approval of Non-Covered Services

- Evaluate the importance of the non-covered service before pursuing with insurance provider
- Discuss with a case manager; request one of one has not been pre-assigned
- Refer to insurance provider's Policies and Procedures for approval of non-covered services
- Prepare necessary insurance request forms accompanied by a physician's letter of medical necessity explaining why the treatment is necessary
- Submit per insurance procedures – usually to a medical director or medical review board
- If desired, appeal

Challenging Denials of Payment

- Get a written denial from your insurance company
- Refer to insurance policy and procedures for appeals
- Obtain physician help in filing a written appeal to medical review board, and attach any new information
- Exhaust all appeals avenues
- If unsuccessful, ask your state's department of insurance for assistance

Do Everything in Writing!!

SUMMARY – Know Your Benefits!!


- Avoid break or disruption in insurance coverage
- COBRA
- Be cautious when changing jobs
- Be cautious when changing health insurance plans
- Investigate all restrictions on your plan
 - Physician Networks
 - Pharmacy Networks
 - Drug Formularies
 - Co-Payment Responsibilities
 - Yearly/Lifetime Caps
- Get names and addresses of key insurance personnel

Cystic Fibrosis Services

... more than just a pharmacy.

- Experienced CF Pharmacists
- Full Line of Prescription Medications
- Patient Advocacy
- Reimbursement Support
- Patient Assistance Programs
- Patient Education
- Subsidiary of the Cystic Fibrosis Foundation



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