

Understanding Changes to Our Prescription Drug Coverage and Coverage of Proton Pump Inhibitors (PPIs) Talking Points/Frequently Asked Questions for Sales

What change is happening?

As part of our effort to provide access to affordable, quality care to our members, WellPoint has developed a new strategy for managing the cost and use of prescription medications. In October, we will begin introducing a new cost of care initiative to new and renewing groups designed to encourage members to use preferred medications. Specifically, subject to the prior approval of the applicable state Departments of Insurance, we will introduce new benefit language that provides coverage for only the preferred medications in specific therapeutic classes where multiple clinically-equivalent medications are available beginning October 1, 2007. This coverage change will be phased in at renewal in certain markets where we have state regulatory approval.

The first class of drugs to be impacted by this change is Proton Pump Inhibitors (PPIs). PPIs are effective in the treatment of acid-related gastrointestinal disorders, including gastroesophageal reflux disease (GERD) and peptic ulcer disease (PUD).

This means the PPIs Prevacid and Protonix will continue to be covered by your clients' PPO or HMO plan and Aciphex®, Nexium®, Prilosec® 40mg and Zegerid® won't be covered when they renew on or after October 1, 2007 in certain markets where we have state regulatory approval. This change doesn't affect groups covered by our consumer-driven health products, including our Lumenos® products.

When is this happening?

The benefit change happens for new groups on the enrollment date and for existing groups on the renewal date. The earliest that groups will begin being impacted is October 1, 2007. This coverage change will be phased in at renewal in certain markets where we have state regulatory approval over the next 12 to 18 months.

Why is this change being implemented?

Helping to promote the best possible outcomes from treatment while preserving health care affordability is driving this change. In the case of PPIs, Clinical studies have found Aciphex®, Nexium®, Prilosec®, Zegerid®, Protonix®, Prevacid® and Prilosec OTC® are all safe, effective medications and offer clinically comparable symptom relief and healing. The only major difference these studies found among the medications is cost. With this in mind the lower cost brand name prescription PPIs Prevacid and Protonix will continue to be covered under the pharmacy benefit. The brand name PPIs Aciphex®, Nexium®, Prilosec® 40mg and Zegerid® won't be covered. We'll also still cover the generic PPI, omeprazole, in states where it's currently covered.

Going forward, we will research and investigate other therapeutic classes that have multiple clinically-equivalent medications available, including over-the-counter drugs, and implement other drug coverage changes as appropriate.

What will customers experience?

Beginning in July, 2007, members taking the medications listed above will receive a letter from their health plan informing them that PPIs offer clinically comparable symptom relief and healing and encouraging them to switch to Protonix® or Prevacid®, which are two brand name PPI medications, or Prilosec OTC®, an over-the-counter medication. Newsletter articles, emails, and other member communications will also convey this message as appropriate and available by plan. Approximately 150,000 WellPoint members currently use one of these brand-name PPIs that will no longer be covered after the change goes into effect.

At least thirty days prior to the effective date of the change in benefits, group members who have not switched will receive a letter telling them the medication they are currently using will no longer be covered by their pharmacy benefit. The member will be encouraged to switch to Protonix®, Prevacid® which are covered by their pharmacy benefit or Prilosec OTC®.

To assist customers in feeling comfortable with this change, money saving coupons for Protonix®, Prevacid® and Prilosec OTC® will be included with both letters.

What else is being done to reduce customer abrasion?

Health plans will notify physicians about this upcoming change. Physicians will be encouraged to talk with their impacted patients about switching to one of the covered prescription PPI medications or an over-the-counter alternative before the change is implemented.

Network pharmacies will also be notified about the change so that pharmacists can be prepared to answer customer questions regarding PPI medications.

Who is being affected by this change?

The change applies to all commercial business, including individual, local group and national business. However, select national accounts and some local group business will have the option to opt out of this initiative. Opt-out approval must come from the plan president level. Exclusions include Medicare Part D, consumer driven health plans, including Lumenos products and state-sponsored plans. Finally, regulatory requirements in some states may impact our rollout timeline and require slight modifications to our coverage guidelines and appeals process.

What if a customer wishes to continue using one of the PPIs that is no longer covered?

Customers choosing to continue using Aciphex®, Nexium®, Prilosec® 40 mg, or Zegerid® can purchase the medication themselves, paying the full purchase price. Moreover, in certain states, a member's receipt of these non-preferred PPIs may be grandfathered in coverage.

How does a customer switch to one of the covered PPI prescription medications?

The customer must contact the prescribing physician to receive a new prescription.

Would an over-the-counter PPI medication be an option for customers?

Depending on the customer's diagnosis, Prilosec OTC® may be an option. Both prescription Prilosec® and Prilosec OTC® contain the same active ingredient, Omeprazole, though in differing strengths. *Consumer Reports Best Buy Drugs* found some consumers can save \$100 to \$200 a month by choosing Prilosec OTC® over more expensive prescription PPIs. Customers should contact the prescribing physician before changing from a prescription medication to an over-the-counter alternative.

Is a generic prescription PPI medication available to customers?

Omeprazole, the generic prescription PPI, is covered for health plan members in VA, CA, GA, WI and MO and UniCare. The legacy Anthem National formulary does not include Omeprazole. Customers who do not have a covered generic prescription PPI are encouraged to consider Prilosec OTC® since it also contains Omeprazole as an active ingredient.

What kind of coupons will customers receive?

Customers will receive a coupon for Prilosec OTC® and saving cards for Prevacid® and Protonix®. With the coupon, customers can receive one 14 day count, Prilosec OTC®. Customers can receive up to a \$30 rebate with the Protonix® savings card or up to \$30 off their out-of-pocket expense through the Prevacid® saving card.

Does this change affect all customers or only those beginning treatment in this class of medications?

The change affects all customers regardless of where they are in their course of medication therapy.

Will a one-time override be authorized for customers filling a prescription after the change goes into effect?

As a benefit change, a one-time override will not be authorized. These medications are not used to treat life threatening conditions; there will be no need for such contingencies as one-time emergency refills. However, in certain states, a member's receipt of these non-preferred PPIs may be grandfathered in coverage.

What if a customer needs an alternative to the tablet form of the PPI medication? Would Aciphex®, Nexium®, Prilosec® 40 mg, or Zegerid® be covered to meet this need?

No. The covered prescription PPI options offer a choice in the form of administration, such as a liquid instead of a tablet, for example.

Is PPI coverage changing industry-wide?

Yes. Because clinical studies have found prescription PPI medications all have similar effectiveness, health plans have been changing the way PPIs are covered.

Will this change mean lower premiums?

WellPoint is continually taking measures to make health care more affordable while not sacrificing the quality of care. For our Fully Insured customers, the impact of this initiative as well as all initiatives will be reflected through lower rate increases than would otherwise be given beginning with October 2007 renewals. For our ASO customers, the impact of this initiative will be through reduced claim costs in these drugs.

Will other drugs be impacted by this benefit change?

Going forward, we will research and investigate other therapeutic classes that have multiple clinically-equivalent medications available, including over-the-counter drugs, and implement other drug coverage changes as appropriate.

Will there be Sales Training related to the implementation of this benefit change?

Yes. Sales training is scheduled to begin in July and will be offered on a schedule that corresponds with each state's introduction date.