Essential PDL FAQ

What is the Essential PDL?

A 4-tier closed PDL which includes strategic exclusions beyond what exists for the Advantage PDL and Traditional PDL, but will also remain EHB compliant for the 1-50 markets.

What is a closed formulary/PDL?

A closed PDL covers only the prescription drugs on the drug list. Drugs not on this list need to be approved before they can be covered, and may require the member to try other medication options before approval.

How does the Essential PDL differ from the Advantage PDL?

	Advantage PDL	Essential PDL
Tier 1	▸ $5-$15 ▸ Many generic drugs ▸ Select highest value brand drugs	▸ $5-$15 ▸ Many generic drugs ▸ Select highest value brand drugs
Tier 2	▸ $25-$35 ▸ Lower value generic drugs ▸ High value brand drugs ▸ High value specialty drugs	▸ $45-$55 ▸ Lower value generic drugs ▸ High value brand drugs ▸ High value specialty drugs
Tier 3	▸ $45-$60 ▸ Lower value brand and generic drugs	▸ $150 - 20% coinsurance (whichever is greater) ▸ Limited number of lower value drugs
Tier 4	▸ $100 ▸ Limited number of lower value brand and generic drugs	▸ $300 - 30% coinsurance (whichever is greater) ▸ Lower value brand and generic drugs
Utilization programs may be in place for medications in all tiers. If cost of the drug is lower than the copay or minimum, member will pay no more than the cost of the drug.		

Why does the Essential PDL have a specific benefit structure?

While the Essential PDL has a reduced number of drugs on its list, it is dependent on the benefit structure to drive the member to the lower cost/higher value alternatives.

What is the benefit structure required?

The copay/coinsurance structure is designed to drive utilization to medications in the lower tiers. The larger copay or coinsurance in the higher tiers incents the members to choose the lower cost option.

Tier 1 would remain largely unchanged while Tier 2 copays increase modestly and Tier 3 and 4 copays increase substantially; and in some cases, the Tier 1 and Tier 2 copays bypass the deductible.

Describe the difference between the Advantage benefit structure and the Essential benefit structure.

	Example of the Advantage PDL Benefit Structure	Example of the Essential PDL Benefit Structure
Tier 1	$10	$5-15
Tier 2	$30	$50-60
Tier 3	$50	Greater of $150 or 20%
Tier 4	$100	Greater of $300 or 30%

There are also deductible requirements for some plans that require tier 1 and tier 2 to bypass the deductible.

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Would a member ever pay more than the cost of a drug?

Specific plan design will determine the actual copay charged when the cost of the drug is less than the copay. Our pricing logic supports member charges equal to the lowest of the following: applicable copay, contracted rate (average wholesale price (AWP) less discount or maximum allowable cost (MAC) price plus dispensing fee), or the pharmacy's usual and customary (U&C) price.

Is every therapeutic class represented in Tier 1 and Tier 2?

Our Prescription Drug List provides coverage for drugs from therapeutic classes that are clinically appropriate and consistent with the recommendations of our National Pharmacy & Therapeutics Committee.

How are decisions made concerning tiers?

Once a drug is clinically approved and assigned a clinical designation by our National Pharmacy & Therapeutic Committee (NP&TC), the decision-making process moves over to the PDL Management Committee (PDLMC).

Primarily, the PDL Management Committee (PDLMC) determines tier assignments, or coverage levels, for each medication on our PDL. The PDLMC also considers:

- Financial information such as; average wholesale price, rebates, ingredient cost, cost of care, copayments, coinsurance
- Market factors
- Customer impact

How often will drugs in the tiers change?

Down-tiering, moving from a higher tier to a lower tier, may occur at any time. Up-tiers are limited to twice a year (1/1 and 7/1) unless due to new generic availability.

Prior authorization

Our PA department handles coverage determination requests—before a claim is submitted or after a denial has occurred—based on benefit guidelines established. We recommend adoption of PA guidelines to manage utilization of higher tiered drugs and drugs that warrant quantity or dosage limits or satisfaction of medical necessity criteria.

Drug appeals

The UnitedHealthcare Insurance Company prescription drug program is administered by OptumRx. For certain drugs, more information is needed to determine coverage eligibility. In these cases, physicians must supply the additional information needed to determine if the coverage conditions have been met.

Urgent situations

We provide expedited reviews if the time period of 15 days could:

- Seriously jeopardize the life or health of the member or the ability to regain maximum function
- Cause severe pain not adequately managed without the requested care or treatment

We complete urgent reviews as expeditiously as the member's health condition requires, but no later than 72 hours from the time of the request. We also provide follow-up with written confirmation of notification within three calendar days, unless a shorter time frame is specified by State requirements

Exception process

All lower tier/cost options tried?	Reviewer decision on requested drug
No	Denied - Suggestion to try another lower tier/cost option
Yes	Approved
Yes but member has contra-indications	Approved
Physician does not want member to try other options.	Physician/Member should call the appropriate number to begin the appeals process.

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