

## Blue Shield of California Medicare Transition Policy

### Introduction

This transition policy is for all Blue Shield of California's Medicare Advantage Prescription Drug Plans and standalone Prescription Drug Plans.

This document describes our Medicare Transitional Medication Process and applies to:

- Member who are stabilized on:
  - Part D drugs not on our formulary
  - Part D drugs on the our formulary with a prior authorization, step therapy or a quantity limit requirement, or
  - Part D drugs as listed above, where a distinction cannot be made at point of service whether it is a new or ongoing prescription drug
  
- Members in any of the following scenarios:
  - New members following the annual coordinated election period;
  - Newly eligible members transitioning from other coverage at the beginning of a contract year;
  - Transitioning individuals who switch from one plan to another after the beginning of a contract year;
  - Enrollees residing in long-term care (LTC) facilities; or
  - In some cases, current enrollees affected by formulary changes from one contract year to the next.

### Transition Policy

Members continuing coverage into a new plan year and experiencing negative formulary changes will have selected drugs, as determined by Blue Shield of California, and in accordance with the Centers for Medicare and Medicaid Services' (CMS) guidance for Part D drugs, grandfathered for continued coverage in the new plan year. Plan members on drugs that were not selected for grandfathering will have a similar transitional benefit. The transition policy will be extended across contract years if a member enrolls in a plan with an effective enrollment date of either November 1 or December 1 and needs access to a transition supply.

During the transitional stage, members may talk to their prescribers to decide if they should switch to a different drug that we cover or request a formulary exception in order to get coverage for the drug (if the drug is not on our formulary or has restrictions such as step therapy or prior authorization). Members may contact Member Services for assistance. As necessary, Member Services will forward the call to Pharmacy Services to initiate a prior authorization or exception request. Upon request, we will provide prior authorization or

Y0118\_20\_695A\_C 08292020

exception request forms to both members and prescribers via mail, email or fax. Members may also find forms on our Prior authorization forms and guidelines page.

Per our transition policy, in conjunction with network pharmacies, we can provide a temporary supply of non-formulary Part D drugs or formulary drugs with coverage restrictions in order to accommodate the immediate needs of a member, as well as to provide sufficient time to work with the prescriber to make an appropriate switch to a therapeutically equivalent formulary medication or to complete a formulary exception request to maintain coverage of an existing drug based on medical necessity reasons. Requests for prior authorization of formulary drugs are reviewed against the CMS approved coverage criteria and formulary exception requests are reviewed for medical necessity by Blue Shield pharmacists and physicians. If a formulary exception request is denied, Blue Shield will provide the prescriber instructions for working with Blue Shield or California to identify appropriate therapeutic alternatives. A letter will be sent to the member which provides instructions on how to appeal the decision.

The transitional supply is a one-time 30-day temporary supply (unless the prescription is written for fewer days, in which case we will cover multiple fills to provide up to a total of 30 days of medication) of the non-formulary drug at a retail pharmacy during the first 90 days of new membership, beginning on the member's effective date of coverage in any of our Medicare Part D Plans. Refills may be provided for transition prescriptions dispensed for less than the written amount, due to a plan quantity limit edit for safety, and for up to a total of a 30-day supply. If a current member is affected by a negative formulary change from one year to the next, we will provide up to a 30-day temporary supply of the non-formulary drug if the member needs a refill for the drug during the first 90 days of the new plan year.

Retail and LTC pharmacies have the ability to provide a point-of-sale override for coverage of a transition supply of a drug that is non-formulary, or that has coverage restrictions other than Part B vs. Part D determination, limits to prevent coverage of non-Part D drugs or limits that promote safe utilization of a Part D drug. We will cover a 30-day supply (unless the prescription is written for fewer days in which case we will cover multiple fills to provide up to a total of 30 days of medication). Mail service transition supply overrides will be determined and entered by Blue Shield staff. Blue Shield's claims processing vendor utilizes the new version of HIPAA standard to adjudicate all transition claims for coverage. The vendor utilizes industry approved messaging as necessary to clarify claim information transmitted to pharmacies.

The cost-sharing for low-income subsidy (LIS) eligible members for a temporary supply of drugs provided under the transition process, will not exceed the statutory maximum co-payment amounts for LIS eligible members. For all other members, cost-sharing will be based on approved cost-sharing tiers and be consistent with what the member would be charged for non-formulary drugs, approved under a coverage exception. Members will not be required to pay additional cost-sharing associated with multiple fills of lesser quantities of Part D drugs based upon quantity limits for safety once the originally prescribed doses of Part D drugs have been determined to be medically necessary after an exception process has been completed.

After we cover the temporary 30-day supply, we generally will not pay for these drugs as part of our transition policy again with the exception of protected class drugs received as part of an Initial Eligibility transition supply. Members who receive an Initial Eligibility transition supply for a protected class drug will be grandfathered for the remainder of the contract year. We will send the member a CMS approved template written notice via US First Class mail within three business days of the transitional fill after we cover the temporary supply. We will send the prescriber a fax with notification of the transitional supply. This notice will contain an explanation of the temporary nature of the transition supply received, instructions for working with us and the prescriber to identify appropriate therapeutic alternatives that are on our formulary, an explanation of the member's right to request a formulary exception and a description of the procedures for requesting a formulary exception. If a transition supply has been provided once and the member is currently in the process of receiving a coverage determination, the transition supply may be extended by one additional 30 day prescription fill beyond the initial 30 days supply, unless the member presents with a prescription written for less than 30 days.

If a member is a resident of a long-term-care facility (like a nursing home), we will cover supplies of Part D drugs in increments of 14-days-or-less for a temporary 31-day transition supply (unless the prescription is written for fewer days), during the first 90 days a new member is enrolled in our Plan beginning on the member's effective date of coverage. A transition supply notice will be sent to the member within 3 business days of the first incremental transition fill. If the LTC resident has been enrolled in our Plan for more than 90 days and needs a non-formulary drug or a drug that is subject to other restrictions, such as step therapy or dosage limits, we will cover a temporary 31-day emergency supply of that drug (unless the prescription is for fewer days) while the new member pursues a formulary exception. For members being admitted to or discharged from a LTC facility, early refill edits are not used to limit appropriate and necessary access to the formulary, and such enrollees are allowed to access a refill upon admission or discharge.

Please note that our transition policy applies only to those drugs that are "Part D drugs" and bought at a network pharmacy. The transition policy can't be used to buy a non-Part D drug or a drug out of network, unless the member qualifies for out of network access.

Blue Shield of California complies with applicable state laws and federal civil rights laws, and does not discriminate on the basis of race, color, national origin, ancestry, religion, sex, marital status, gender, gender identity, sexual orientation, age, or disability. Blue Shield of California cumple con las leyes estatales y las leyes federales de derechos civiles vigentes, y no discrimina por motivos de raza, color, país de origen, ascendencia, religión, sexo, estado civil, género, identidad de género, orientación sexual, edad ni discapacidad. Blue Shield of California 遵循適用的州法律和聯邦公民權利法律，並且不以種族、膚色、原國籍、血統、宗教、性別、婚姻狀況、性別認同、性取向、年齡或殘障為由而進行歧視。