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Reference No.:
Circular Letter No.: 600-062-11
Distribution:
Special:

Circular Letter

September 26, 2011

TO: **HEALTH BENEFITS OFFICERS AND ASSISTANTS OF THE STATE,
CALIFORNIA STATE UNIVERSITY AND CONTRACTING AGENCIES**

SUBJECT: **TRANSITION OF PERS SELECT/CHOICE/CARE/PRESCRIPTION DRUG
PROGRAM FROM MEDCO HEALTH SOLUTIONS, INC. (MEDCO) TO
CVS CAREMARK**

Purpose Beginning January 1, 2012, CVS Caremark will be replacing Medco as the PERS Select/Choice/Care pharmacy benefit manager. To assist you during the transition to CVS Caremark attached are a Pre-Announcement Letter, Transition Highlights, and FAQs. These documents will be mailed to PERS Select/Choice/Care members during the week of October 3, 2011.

Purpose **Pre-Announcement Letter**
The Pre-announcement letter provides general information on the CVS Caremark Pharmacy Transition.

Transition Highlights
The Transition Highlights provide a calendar of events that will occur as a result of the transition as well as telephone and Web site contact information.

Frequently Asked Questions (FAQ)
The FAQs provide detailed information about the most asked member questions.

Continued on next page

Questions

If you have any additional questions regarding this transition, please contact CVS Caremark Customer Services at 877 542-0284.

KATHY DONNISON, Chief
Health Plan Administration Division

Enclosures



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October 3, 2011

Dear Member:

Effective January 1, 2012, the PERS Select/Choice/Care outpatient prescription drug program will be managed by CVS Caremark. In order to assist you with the transition from Medco Health Solutions, Inc. (Medco) to CVS Caremark, we have enclosed Transition Highlights and Frequently Ask Questions that contain key dates and activities for the pharmacy benefit manager transition.

Your PERS Select/Choice/Care health plan has selected a list of preferred drugs offered by CVS Caremark, called the formulary. This preferred drug list may differ slightly from the Medco formulary.

Listed below are important dates regarding the transition:

- October 1, 2011 – You can contact CVS Caremark toll-free at 877-542-0284 or through the web at www.caremark.com/calpers to address questions about the formulary, to locate a participating retail pharmacy, or to get other information to assist you with the transition of your prescription drug benefit. CVS Caremark has more than 64,000 pharmacies that participate in the CVS Caremark network in the United States and U.S. territories.
- January 1, 2012 – You can visit www.caremark.com/calpers and register in order to access your personal prescription drug information and order your prescription drugs.

CalPERS is confident this transition will cause little, if any, disruption to the way that you access your prescription drug benefit.

Sincerely,

Kathy Donneson, Chief
Health Plan Administration Division

Transition from Medco to CVS Caremark Highlights

New PERS Select/Choice/Care ID Cards	During the second week of December 2011 , Anthem Blue Cross of California will begin sending out new ID cards. If you have not received your ID card by January 1, 2012 , please contact Anthem Blue Cross toll-free at 877-737-7776 .
CVS Caremark Welcome Package	<p>Beginning mid-December 2011, CVS Caremark will mail a Welcome Package to members. The Welcome Package will include instructions on how to use your pharmacy benefits and will include::</p> <ul style="list-style-type: none"> • a summary of your prescription benefit program; • a mail service order form and return envelope; and • helpful information to help you save money on your prescriptions. <p>If you have not received your Welcome Package by December 30, 2011, please contact CVS Caremark toll-free at 877-542-0284</p>
Copayments	<p>On June 15, 2011, the CalPERS Board approved two pharmacy benefit changes for all health plans:</p> <ul style="list-style-type: none"> • An increase in the prescription drug copay of \$5 at retail for brand medications, and the standardization of 90-day mail order prescriptions to have double the copay of a 30-day retail prescription. • A “member pays the difference” requirement is when a doctor prescribes a drug as Dispense as Written, and the member chooses to take a brand name drug instead of the Food and Drug Administration’s (FDA) approved generic equivalent. The member would pay the difference in cost between the brand name drug and the generic equivalent plus their generic copayment.
Medco Mail Service	Up until December 31, 2011 , Medco will be responsible for filling new and refill prescriptions. Any prescriptions submitted to Medco after this date will be forwarded to CVS Caremark for processing.
CVS Caremark Mail Service	<p>Beginning January 1, 2012, you may order refills through CVS Caremark by:</p> <ul style="list-style-type: none"> • Calling CVS Caremark’s Customer Care number at 877-542-0284; • Visiting CVS Caremark’s Web site at www.caremark.com/calpers ; • Mailing in your refill order with CVS Caremark’s Mail Order Form which will be provided in the Welcome Package; or • You can pick up your mail service prescription from your local CVS/pharmacy. <p>Beginning January 1, 2012, new prescription orders should be mailed to:</p> <p style="text-align: center;">CVS Caremark: P.O. 659541 San Antonio, TX 78265-9541</p>

Transition from Medco to CVS Caremark Highlights

<p>Prescription Refills</p>	<p>If you have refills available after January 1, 2012, those will be automatically transferred to CVS Caremark. You will be able to call CVS Caremark at 877-542-0284 or use the website www.caremark.com/calpers to request a refill.</p> <p>However, if you don't have any refills remaining after January 1, 2012, you will need to ask your doctor for a new prescription for up to a 90-day supply, plus refills for up to 1 year (if appropriate).</p> <p>Please contact Medco toll-free at 800-939-7091 to confirm your refill date during this transition.</p>
<p>Specialty Pharmacy</p>	<p>Beginning early December 2011, members currently using specialty medications will be contacted by CVS Caremark to assist in the transition from the Medco Specialty Pharmacy (Accredo) to the CVS Caremark Specialty Pharmacy.</p> <p>For questions regarding specialty medications, please call the CVS Caremark line toll-free at 877-542-0284</p>
<p>Retail Network</p>	<p>Medco's retail pharmacy network includes major chains such as CVS, Rite Aid, WalMart, Safeway, Raley's, and Leadernet.</p> <p>CVS Caremark's network contains over 64,000 pharmacies that consist of all major chains and a large number of independent pharmacies.</p> <p>Effective October 1, 2011, you can call CVS Caremark toll-free at 877-542-0284 to locate a participating pharmacy.</p> <p>Effective October 1, 2011, you can go to CVS Caremark's Web site at www.caremark.com/calpers to look up a participating pharmacy.</p>
<p>Direct Reimbursement (Paper) Claims</p>	<p>After January 1, 2012, CVS Caremark will be responsible for processing direct reimbursement (paper) claims. Please call CVS Caremark toll-free at 877-542-0284 for assistance.</p> <p>If you have direct reimbursement (paper) claims prior to January 1, 2012, please forward to Medco for processing.</p>

**FAQs – CVS Caremark Pharmacy Transition
Effective January 1, 2012**

**PERS Select/
Choice/ Care
ID Cards**

- Q. Will I receive a new prescription drug ID card?**
- A.** Yes. You should receive the new card from Anthem Blue Cross in mid-December for your prescription and medical benefits.
- Q. What should I do if I don't receive the new ID card?**
- A.** If you have not received your new ID card by January 1, please call Anthem Blue Cross at **877-737-7776**. They will make arrangements for you to receive your replacement card as soon as possible.
- Q. I just went to a retail pharmacy and the pharmacist said that I'm not eligible under my plan. What should I do?**
- A.** Make sure you are showing your "new" Anthem Blue Cross ID card with the CVS Caremark information. If you did present your new ID card to the pharmacist and were told you were not eligible, you should contact your employer if you are an active employee or CalPERS if you are a retired employee.
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**CVS
Caremark
Welcome
Package**

- Q. When will I receive information from CVS Caremark on how to obtain my prescription benefits on January 1, 2012?**
- A. Beginning Mid-December, 2011,** CVS Caremark will mail a Welcome Package to members. The Welcome Package will provide information on how to obtain your prescription benefits and will include:
- a listing of tips to help save money on your prescriptions;
 - a prescription benefits plan copayment overview, a mail-order form and return envelope.

If you have not received your Welcome Package by January 1, 2012, please contact CVS Caremark at **877-542-0284**.

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**FAQs – CVS Caremark Pharmacy Transition
Effective January 1, 2012**

**Medco Mail
Service**

Q. How long will Medco be processing mail service prescriptions?

A. Medco will be responsible for filling new and refill prescriptions **up until December 31, 2011**. Any prescriptions submitted to Medco after this date will be forwarded to CVS Caremark for processing.

Q. What if I still have refills left on my medications?

A. If you have refills available after January 1, 2012, those will be automatically transferred to CVS Caremark. You will be able to call **CVS Caremark at 877-542-0284** or use the website www.caremark.com/calpers to request a refill.

However, if you don't have any refills remaining after January 1, 2012, you will need to ask your doctor for a new prescription for up to a 90-day supply, plus refills for up to 1 year (if appropriate).

**CVS
Caremark
Mail Service**

Q. How does CVS Caremark's mail service work?

A. CVS Caremark's mail service is a convenient way for you to order and receive your long-term medications, and you will pay less over time for these prescriptions. CVS Caremark follows strict quality and safety controls for every prescription filled, and its pharmacies are staffed with registered pharmacists.

Beginning January 1, 2012, you may order refills through CVS Caremark's mail service by:

- Calling CVS Caremark's automated phone system at **877-542-0284**;
 - Visiting CVS Caremark's Web site at www.caremark.com/calpers;
 - Mailing in your refill order with CVS Caremark's Mail Service Order Form which will be provided in the Welcome Package; or
 - You can pick up your mail service prescription from your local CVS/pharmacy.
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FAQs - CVS Caremark Pharmacy Transition
Effective January 1, 2012

**CVS
Caremark
Mail Service
(continued)**

Q. How do I transfer my remaining prescription refills from Medco to CVS Caremark?

- A.** Your remaining refills will be transferred from Medco to CVS Caremark automatically. If you have remaining mail-order refills with Medco, you will not need to get a new prescription, because your refills will be transferred by Medco to CVS Caremark. To order your refills through CVS Caremark, use one of the following options: (Please be sure to have handy your member ID and prescription number from a current mail-order prescription label or refill slip; and that you have at least 2 weeks of medication on hand prior to ordering).
- Log on to www.caremark.com/calpers and register if you haven't already done so. Then click on "Refill a Prescription";
 - Call CVS Caremark's Customer Care at **877-542-0284**; and
 - Complete the Mail Service Order Form found in your welcome kit.

Please note: Certain controlled substances and compounded medications cannot be transferred. You will need to obtain a new prescription from your doctor for these types of medications.

Q. How do I begin using CVS Caremark's mail service for new prescriptions?

- A.** Ask your doctor for a new prescription for up to a 90-day supply, plus refills for up to 1 year (if appropriate). Mail the new prescription with a CVS Caremark Mail Service Order Form and envelope. You can also ask your doctor to call **800-378-5697** for instructions on how to fax your prescription to CVS Caremark. Your doctor must have your member ID number (located on your new benefit ID card) to fax your prescription.

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**FAQs - CVS Caremark Pharmacy Transition
Effective January 1, 2012**

**CVS
Caremark
Mail Service**
(continued)

Make sure you have enough medication on hand before you begin using mail order. You should have a 2-week supply of medication on hand while you wait for your prescription order to arrive. If necessary, ask your doctor for a second prescription for a 30-day supply that you can fill at a participating retail pharmacy.

Beginning January 1, 2012, new prescription orders should be mailed to:

CVS Caremark
P.O. Box 659541
San Antonio, TX 78265-9541

- Q. How do I pay for my mail service prescriptions?**
- A. CVS Caremark** offers several ways to conveniently pay for your orders. You can pay by money order, personal check, credit card, or our automatic payment program. For more information, or to enroll online, visit www.caremark.com/calpers **after** January 1, 2012, or call CVS Caremark Customer Service at **877-542-0284**.
- Q. Do I get the same quality of prescription drugs that I get at a participating retail pharmacy?**
- A.** Yes, whether you use brand name or generic drugs, medications from CVS Caremark's mail service you will receive the same quality as those you purchase at retail pharmacies.
- Q. Will my mail service medications be checked for potential drug interactions?**
- A.** Yes. If CVS Caremark finds that one of your medications has a potential drug interaction, one of CVS Caremark's pharmacists will contact your doctor and discuss available options. CVS Caremark will then dispense the medication that your doctor recommends.

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**FAQs - CVS Caremark Pharmacy Transition
Effective January 1, 2012**

**CVS
Caremark
Mail Service
(continued)**

- Q. How long does it take to get my medication when I use mail order?**
- A.** Whether you mail in your prescription order or have your doctor fax it in, you should receive your medication within 10 to 14 days after CVS Caremark receives your order.
- Q. Will I pay for shipping when I use mail order?**
- A.** No, there is no charge to you for standard shipping. You pay only your mail service copayment on the medications you order. If you request it, expedited shipping is available for an extra charge. CVS Caremark also offers the convenience of picking up your mail service prescription from your local CVS Pharmacy.

**Specialty
Pharmacy**

- Q. How do I transfer my specialty prescription from Medco's Specialty Pharmacy (Accredo) to the CVS Caremark's Specialty Pharmacy?**
- A. Beginning early December 2011**, members currently using specialty medications will be contacted by CVS Caremark to assist in the transition from Medco's Specialty Pharmacy (Accredo) to the **CVS Caremark Specialty Pharmacy**.

For questions regarding specialty drugs, please call **CVS Caremark** at **877-542-0284**.

**Retail
Network
Pharmacies**

- Q. Can I still use my participating retail pharmacy?**
- A.** Yes. You may still use your participating retail pharmacy for medications that you take on a short-term basis, such as antibiotics, and you will pay your participating retail pharmacy copayment.
- If you prefer to receive your long-term (maintenance) medication from your participating retail pharmacy, you may do so, but you will be charged a higher copayment beginning with your third fill.
- Q. How do I find a participating retail pharmacy?**
- A.** Check to see if your current retail pharmacy is on CVS Caremark's participating retail pharmacy list. **Beginning October 1, 2011**, visit CVS Caremark's website www.caremark.com/calpers, or call Customer Service toll-free at **877-542-0284** to find a pharmacy near you.

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**FAQs - CVS Caremark Pharmacy Transition
Effective January 1, 2012**

Direct Reimbursement (Paper) Claims

- Q. How long will Medco process direct reimbursement claims?**
- A.** Medco will continue to process direct (paper) reimbursement claims through December 31, 2012, for prescriptions purchased prior to December 31, 2011. You may obtain a claim form by calling Medco at **800-939-7091**.
- Q. How do I submit direct reimbursement claims to CVS Caremark?**
- A.** **Beginning January 1, 2012**, CVS Caremark will be responsible for processing direct reimbursement (paper) claims for prescriptions purchased in 2012 and going forward. Please call CVS Caremark at **877-542-0284** for assistance.
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Benefit Changes

- Q. Are there any pharmacy benefit changes for 2012?**
- A.** On June 15, 2011, the CalPERS Board approved two pharmacy benefit changes for all health plans. The first is a \$5 pharmacy copayment increase at retail for preferred and non-preferred medications, and the copayment at mail for preferred and non-preferred medications will be twice the retail copay. There will be no change to the generic copay at retail or mail.
- Beginning January 1, 2012, the pharmacy copays will be changed as follows:

<p>Participating Retail Pharmacy (up to 30 day supply for PERS Select and Choice, up to 34 day supply for PERSCare)</p>	<p>Mail Service (up to a 90 day supply for PERS Select/Choice/Care)</p>
<p>Participating Retail Pharmacy Maintenance Medications* filled at Retail after 2nd fill (a maintenance medication* taken longer than 60 days for a long-term or chronic condition)</p>	<p>Participating Retail Pharmacy Maintenance Medications* filled at Retail after 2nd fill (a maintenance medication* taken longer than 60 days for a long-term or chronic condition)</p>
<p>Generic \$5 Preferred \$20 Non-Preferred \$50 Non-Preferred Copayment waiver \$40</p>	<p>Generic \$10 Preferred \$40 Non-Preferred \$100 Non-Preferred Copayment waiver \$70</p>

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FAQs - CVS Caremark Pharmacy Transition Effective January 1, 2012

Benefit Changes (continued)

The second pharmacy benefit change is “member pays the difference”. The member will pay the difference between the cost of a brand name drug and the generic drug when a Food and Drug Administration (FDA) approved equivalent is available, plus the applicable generic copayment when:

- a doctor prescribes a brand name drug and there is an FDA-approved generic drug equivalent (DAW=1); and
- a member requests a brand name drug and there is an FDA-approved generic equivalent (DAW=2).

For example, a physician writes a prescription for brand name Valium which is a non-preferred drug, but *diazepam*, its generic equivalent is available. The plan cost for a 30-day supply of Valium is \$100, and the plan cost for a 30-day supply of diazepam is \$15, for a difference of \$85. The member would pay the difference of \$85, plus the applicable generic retail copay of \$5, for a total cost of \$90. Had the member chosen the generic drug their total cost would have been \$5.

The Board also clarified a 2011 benefit change that the 50% coinsurance for discretionary drugs (such as those for erectile dysfunction) does not count toward the \$1,000 out-of-pocket maximum for mail order prescriptions. Coinsurance for “member pays the difference” drugs will not count toward the \$1,000 out-of-pocket maximum for mail order prescriptions.

For more detailed information refer to your evidence of coverage booklet or contact CVS Caremark at 877-542-0284.
