November 23, 2011

Subject: New CMS patients’ rights requirement

Dear Pharmacist:

Beginning January 1, 2012, the Centers for Medicare and Medicaid Services will require pharmacies to give a written notice to Medicare Part D enrollees if coverage is denied at point of sale. The notice instructs enrollees how to contact their plan to obtain a coverage determination or request an exception.

CMS modified the current standardized pharmacy notice (Form Number CMS 10147) to comply with the recently adopted Final Rule Changes to the Medicare Advantage and the Medicare Prescription Drug Benefit Programs for Contract Year 2012 (76 FR 21432). The Final Rule 42 CFR 423.562(a)(2) was amended to remove the option for pharmacies to post notices and require pharmacies to give a copy of the written notification to Part D customers at point of sale.

The Blues system will transmit a reject code to pharmacies instructing you to provide the printed notice when a prescription can’t be covered (filled) under the Medicare Part D benefit at POS.

Below are the rejection codes that will require notification to members. There is also a secondary POS message (Reject Code 569: Provide Beneficiary with CMS Notice of Appeals Rights) to tell you to provide the model pharmacy notice.

<table>
<thead>
<tr>
<th>Reject code</th>
<th>Reject code</th>
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</thead>
<tbody>
<tr>
<td>60: Product/Service Not Covered For Patient Age</td>
<td>A6: Days Supply Limitation For Product/Service</td>
</tr>
<tr>
<td>61: Product/Service Not Covered For Patient Gender</td>
<td>A7: Generic Drug Required</td>
</tr>
<tr>
<td>71: Compounds Not Covered</td>
<td>G9: Pharmacy Not Contracted in 90 Day Retail Network</td>
</tr>
<tr>
<td>75: Prior Authorization Required</td>
<td>N7: Use Prior Authorization Code Provided During Transition Period</td>
</tr>
<tr>
<td>76: Plan Limitations Exceeded</td>
<td>N8: Use Prior Authorization Code Provided For Emergency Fill</td>
</tr>
<tr>
<td>78: Cost Exceeds Maximum</td>
<td>N9: Use Prior Authorization Code Provided For Level Of Care Change</td>
</tr>
<tr>
<td>96: Quantity Dispensed Exceeds Maximum Allowed</td>
<td></td>
</tr>
</tbody>
</table>
Enrollee’s Name: ____________________________ (Optional)
Drug and Prescription Number: ____________________________ (Optional)

Medicare Prescription Drug Coverage and Your Rights

Your Medicare rights

You have the right to request a coverage determination from your Medicare drug plan if you disagree with information provided by the pharmacy. You also have the right to request a special type of coverage determination called an “exception” if you believe:

- you need a drug that is not on your drug plan’s list of covered drugs. The list of covered drugs is called a “formulary;”
- a coverage rule (such as prior authorization or a quantity limit) should not apply to you for medical reasons; or
- you need to take a non-preferred drug and you want the plan to cover the drug at the preferred drug price.

What you need to do

You or your prescriber can contact your Medicare drug plan to ask for a coverage determination by calling the plan’s toll-free phone number on the back of your plan membership card, or by going to your plan’s website. You or your prescriber can request an expedited (24 hour) decision if your health could be seriously harmed by waiting up to 72 hours for a decision. Be ready to tell your Medicare drug plan:

1. The name of the prescription drug that was not filled. Include the dose and strength, if known.
2. The name of the pharmacy that attempted to fill your prescription.
3. The date you attempted to fill your prescription.
4. If you ask for an exception, your prescriber will need to provide your drug plan with a statement explaining why you need the off-formulary or non-preferred drug or why a coverage rule should not apply to you.

Your Medicare drug plan will provide you with a written decision. If coverage is not approved, the plan’s notice will explain why coverage was denied and how to request an appeal if you disagree with the plan’s decision.

Refer to your plan materials or call 1-800-Medicare for more information.

Form CMS-10147