In recent years, prescription drug costs have risen sharply and are forecasted to continue increasing as pharmaceutical companies increase prices for existing drugs, sometimes without justification, and debut new brand name drugs under exclusive patents. As you’ve probably seen or heard in various media reports, prescription drug manufacturers continue to raise prices for some drugs to outrageous levels. Many of these drugs have been available for years and were reasonably priced, and others are lifesaving drugs for chronic or rare diseases.

Inflation and expensive new drugs coming to market have been a significant cost driver for the Health Plan’s prescription benefits program. While the Health Plan cannot control the prices charged by the manufacturers, our prescription benefit manager, Express Scripts, has created a number of programs to ensure appropriate utilization of these high cost medications, some of which can cost hundreds of thousands of dollars per year.

This special issue of the Spotlight on Benefits newsletter is dedicated to providing details about these programs, all of which take effect January 1, 2019. Though those affected have likely already been contacted regarding changes to their current prescriptions, please read these pages carefully for information that may pertain to you and your dependents. PH
Introduction to Prescription Drug Benefit Changes Effective January 1, 2019

As a self-funded plan, the DGA-Producer Health Plan pays all health benefits directly from its pool of funds, which include employer contributions, premiums and investment returns. The Health Plan spends nearly 20% of total costs on prescription drugs alone—costs the Health Plan continuously works to manage in various ways, including periodic adjustments to its list of covered medications (see Express Scripts Updates Its List of Covered Medications Effective January 1, 2019 on page 10). By successfully balancing these costs, the Health Plan has maintained its ability to provide the same exceptional level of benefits while preserving its financial stability.

Beginning January 1, 2019, the Health Plan will expand its efforts to manage prescription drug costs by instituting several programs through Express Scripts, aimed at ensuring medications prescribed to you are clinically appropriate, as well as protecting you from taking medications for unintended or inappropriate use.

TERMS YOU’LL NEED TO KNOW

Some of these changes will require you to be familiar with concepts related to your prescription drug benefit. Below are helpful descriptions for key terms referenced throughout this newsletter.

**Brand Drugs vs. Generic Drugs:** When a drug is first developed, it is typically available only under a certain brand name and from one company. When the patent for that company (or brand) expires, other companies may manufacture and sell the same drug under a generic name. Generic drugs have the same active ingredients, effects, dosage, side effects and risks as the equivalent brand name drug, typically at a lower cost. Generic drugs may differ from brand name drugs in appearance and inactive ingredients and are often significantly less expensive.

**Specialty Drugs:** Specialty drugs are high-cost prescription medications used to treat complex, chronic conditions. They sometimes require special handling and administration, typically by means of injection or infusion. Specialty drugs include self-administered, rare disease, or clinician-administered treatments.

**Accredo Specialty Pharmacy:** Accredo is Express Scripts’ specialty pharmacy, providing participants their specialty medications as well as access to specialty pharmacists and nursing support. Participants whose medications are obtained through Accredo also receive side-effect monitoring, superior prescription drug safety information, refill reminders and mail order convenience.

**Liberty Medical Supply:** Liberty Medical Supply is another of Express Scripts’
specialty pharmacies, which processes Medicare Part B claims and dispenses Part B-covered medications.

**Medicare Part B:** Medicare Part B is a part of Medicare that covers medically necessary services and preventive services for Medicare-eligible participants. Part B also covers a limited number of outpatient prescription drugs under limited conditions—generally, drugs you wouldn’t usually administer yourself. These are typically drugs you receive at a doctor’s office or in a hospital outpatient setting. Certain drugs are covered under Part B but not Part D, Medicare’s prescription drug plan.

**Formulary:** The list of prescription drugs covered under the Health Plan. The Health Plan abides by the formulary of its prescription drug benefit manager, Express Scripts. The 2019 formulary is available at dgaplans.org/2019_formulary.

The following pages detail the prescription drug benefit changes taking effect on January 1, 2019. The articles that follow describe each change in detail and what affected participants will need to do, if anything. In addition to this information, Express Scripts will contact each affected participant directly and offer assistance in answering any questions you or your doctor might have in making any necessary changes to your prescriptions or prescription fulfillment process. If you continue to have questions, please contact Express Scripts at (800) 417-1764 or the Health Plan’s Participant Services at (877) 866-2200, Ext. 401.

### Index of Prescription Drug Benefit Changes Effective January 1, 2019

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Prior authorization and step therapy are programs currently used by the Health Plan to ensure prescription drugs are utilized in the most cost-effective manner and for clinically proven treatments. These programs help optimize health outcomes by ensuring that you receive the most appropriate medications, while reducing waste, errors and unnecessary prescription drug uses and costs. Both programs require clinical review and prior approval from Express Scripts, the Health Plan’s prescription drug benefit manager, before certain drugs can qualify for coverage. These programs have been instrumental in preserving the Health Plan’s robust prescription benefit in the face of skyrocketing prescription drug costs.

Effective January 1, 2019, the Health Plan will expand the list of drugs that require either prior authorization or step therapy. Each program is detailed below, including how each works and how to know if you or your dependents will be affected.

**Prior Authorization**

Drugs requiring prior authorization must first be approved by Express Scripts in order to be covered under the prescription benefit. A medication may require prior authorization for several reasons, including availability of a generic drug, limited effectiveness, increased risks of off-label use or higher-than-average cost. By requiring prior authorization, the Health Plan ensures coverage for only the most clinically appropriate and cost-effective prescription drugs available.

This is especially important in the current prescription drug marketplace, where changes in the drug approval process allow medications in certain classes to come to market faster, some of which have dramatically higher costs but limited clinical value compared to formulary alternatives. To ensure Health Plan dollars are utilized efficiently, prior authorization may be required for these and other classes of drugs.

The Health Plan has always required prior authorization for some drugs and drug classes, including certain opioids like Fentanyl, to ensure participants receive the safest and most...
cost-effective medications. In addition, prior authorizations are in place to prevent patients from taking medications for unintended or inappropriate use. Starting January 1, 2019, the list of drugs requiring such approval will be expanded.

**Those affected will be contacted**
Express Scripts will send letters to affected participants who have recently taken medications that now require prior authorization. Those affected will have three options:

1. Have your doctor contact Express Scripts to arrange a review of the medication.

2. Have your doctor prescribe a different, clinically equivalent medication that does not require prior authorization.

3. Continue taking your current medication without prior authorization and pay the full cost.

The list of drugs that require prior authorization may change at any time. The Health Plan continuously evaluates its prescription drug formulary, using product information from the Food and Drug Administration as well as published clinical trials and guidelines.

**Many authorizations will occur automatically**
As most of today’s prescriptions are submitted electronically, your doctor will likely be aware that prior authorization is required for a medication at the time he or she submits the prescription. In these situations, your doctor will discuss your options with you at that time.

If, however, you reach the pharmacy with a prescription for a medication that requires prior authorization and you have not previously been notified, you will have two options:

1. Pay full price for the prescription, and have your doctor contact Express Scripts for a review. Once you obtain authorization, you may submit a prescription drug claim for reimbursement of the amount the Health Plan would have covered.

2. Wait to fill the prescription until you have received prior authorization. The review process typically takes one to three days, depending on the prescribing physician’s response time. Both members and their prescribers will be notified when a decision has been rendered on a prior authorization review.

If your doctor does not submit a prior authorization request to Express Scripts, or if the prior authorization is not approved, you will pay full price for that prescription.

**STEP THERAPY**
The Health Plan already requires step therapy for certain treatments like hypnotics and proton pump inhibitors. Effective January 1, 2019, the list of treatments requiring step therapy will be expanded.

Step therapy is similar to prior authorization in that affected drugs require prior approval in order to qualify for Health Plan coverage. In order for affected drugs to be covered, a participant must first try an established, cost-effective alternate medication, called a first-line therapy, as defined under the step therapy program for the condition being treated. These first-line therapies are usually generics proven to be safe, effective and affordable, providing the same health benefit as more expensive prescription drugs, but at a lower cost. Only after the first-line therapy has been tried without success will a participant be authorized to try a second-line therapy. Second-line therapies are generally more expensive brand-name drugs necessary for only a small number of patients.

Step therapy programs are decided upon by independent, licensed doctors, pharmacists and other medical experts who review the most current research on drugs approved by the FDA for safety and effectiveness.

**Those affected will be contacted**
Express Scripts will send letters to affected participants who are currently taking a medication that now requires trial of a preferred alternative in order to qualify for coverage under the Health Plan. The letter will list the participant’s affected medications along with choices of preferred alternatives. Those affected will be directed to follow the three steps below:

1. Share the letter with your doctor and ask if one of the preferred alternatives could work for you.

2. If a preferred alternative can work for you, your doctor can write a new prescription to replace your current one.

**CONTINUED ON NEXT PAGE**
Prior Authorization and Step Therapy

3. Fill the prescription for the preferred drug to avoid paying the full cost for your current medication going forward.

This advanced notice will allow you time to talk to your doctor about your medication needs. Under certain circumstances—such as when you have previously tried a first-line therapy and found it ineffective for your condition—your doctor can request authorization to continue your current medication through Express Scripts. Upon approval, you may continue the current drug and pay the appropriate co-payment amount. If approval is not granted, however, you will need either to find a preferred alternative or pay full price to continue with your current medication.

If approval is not granted, however, you will need either to find a preferred alternative or pay full price to continue with your current medication.

If you are notified at the pharmacy

In most cases, you and your doctor will be notified of the step therapy requirement and take appropriate action well before your attempt to fill your prescription at a retail pharmacy.

However, if you reach the pharmacy and are informed that your prescribed medication has a step therapy requirement, you will have three options:

1. You or the pharmacist can contact your doctor and request a new prescription for a preferred alternative that will be covered by the Health Plan. Only your doctor can change your current prescription.

2. Pay full price for the prescription. In order to avoid paying full price going forward, however, you will need to have your doctor prescribe a preferred alternative or request an exception from Express Scripts so that you may continue your current medication.

3. Ask the pharmacist to fill a small supply of your current medication to avoid interruption in your treatment. You will pay full price for this quantity of the drug, but this will enable you to continue the current medication until you can speak with your doctor about a preferred alternative or exception request.

HAVE NEW CONTACT INFORMATION? TELL US.

Keep your information with the Plans up to date so you don’t miss out on important benefits and communications. If you’ve recently moved, had a change of mailing address or have a new phone number, it’s quick and simple to submit these updates to the Plans’ Address Change Department. You can:

- **Download a Change of Address Form from dgaplans.org/forms.** Once completed, return the form by email to addresschange@dgaplans.org, by fax to (323) 866-2389 or mail it to the Plans’ office.

- **Call an Address Change representative** Monday-Friday, 8:30 a.m-5:00 p.m Pacific Time at (323) 866-2200, ext. 407.

Keep in mind you must separately notify the Directors Guild of America of any changes in your information, as it is a separate entity.
Certain Specialty Medications Must Now Be Obtained Through Accredo Specialty Pharmacy to Qualify for Coverage under the Health Plan

Affected medications include many self-administered, rare disease, or clinician-administered infusion therapies

Beginning January 1, 2019, certain specialty drugs that are currently obtained from your doctor or hospital will be covered under the Health Plan only when obtained through Express Scripts’ specialty pharmacy, Accredo. The affected drugs include many self-administered, rare disease, or clinician-administered infusion therapies that previously could be obtained from outpatient clinics, home infusion companies or doctor’s offices. These medications previously would be included on the medical bill from your provider, often at a considerable markup.

By requiring that these medications be acquired through Accredo, the Health Plan brings management of these therapies under the prescription drug benefit, thereby reducing drug costs and bringing Accredo’s experienced patient support and therapy management to affected participants. Accredo’s pharmacists and nurses specialize in supporting those with complex conditions by providing specialty-drug management and personalized care throughout a course of treatment.

To read more about the Accredo Specialty Pharmacy, see page 3, Terms You’ll Need to Know.

WHO WILL BE AFFECTED BY THIS CHANGE?

Participants who answer “yes” to the following questions may be affected by this transition:

- Are you on a self-administered, rare disease, or clinician-administered infusion therapy? (Conditions for which these therapies may be prescribed include immune and growth deficiencies, asthma and allergies, birth control, inflammatory and ophthalmic conditions, and osteoarthritis.)

- Do you or your doctor obtain your medications through means other than Accredo Specialty Pharmacy, such as at another pharmacy, directly from your doctor or during outpatient treatment at a hospital?

If you answered “yes” to the questions above, you may need to transfer your specialty medications to Accredo. In the coming weeks, you and your prescribing provider should receive information from Express Scripts on how to initiate the transfer.

CONTINUED ON PAGE 10
The Health Plan Will Coordinate Claims for Part B-Eligible Medications with Medicare

The DGA-Producer Health Plan has historically provided primary prescription drug coverage for Medicare-eligible participants, including those eligible for coverage under Medicare Parts B and D.

Effective January 1, 2019, in an effort to share costs with Medicare where appropriate, the Health Plan will begin coordinating claims on Medicare Part B-eligible medications for Medicare-eligible participants enrolled in Part B. Under this program, there will be direct billing of eligible drugs to Medicare first as the primary prescription drug coverage, before the Health Plan pays additional amounts.

If you are a Medicare-eligible Health Plan participant enrolled in Part B who takes a Part B-eligible medication, you will receive a letter from Express Scripts explaining the change in coverage and detailing how to fill Medicare Part B-eligible prescriptions through mail order and retail pharmacies so that they are automatically processed appropriately through Medicare and the Health Plan. The change will be seamless with minimal to no disruption. Prescriptions under this Medicare Part B-eligible program will be redirected first to Medicare at the point-of-service before they are forwarded to Express Scripts to determine if you are eligible for additional benefits.

WHAT THE CHANGE MEANS

For affected participants, after you have satisfied your Medicare Part B deductible, Medicare will typically cover 80% of the approved amount for Medicare Part B-eligible prescriptions. Your prescription drug coverage through the DGA–Producer Health Plan will provide secondary coverage, which may cover all or a portion of your remaining balance after Medicare. Under this Medicare Part B program, you will have two payers for your Medicare Part B-eligible prescriptions instead of one.

Coverage for prescriptions not covered under Medicare Part B, on the other hand, will not change. The Health Plan will continue to provide primary coverage on those prescriptions and process claims as it normally would.

PRESCRIPTIONS LIKELY TO BE AFFECTED

Medicare Part B covers specific outpatient prescription drugs under limited conditions, including:

- Vaccinations;
- Medications used to aid tissue acceptance from organ transplants;
Certain oral medications used to treat cancer; and
Respiratory medications administered through a nebulizer

Medicare Part B generally does not cover most prescription drugs used at home.

To access the complete list of Medicare Part B-eligible prescription medications, go to www.medicare.gov/coverage/prescription-drugs-outpatient.html.

**HOW TO FILL PART B-ELIGIBLE PRESCRIPTIONS**

There are two ways to coordinate payment of your Medicare Part B-eligible prescriptions: via Express Scripts Mail Order Pharmacy or a Medicare Part B Retail Pharmacy. Please see the sidebar on this page for instructions on how each method works.

**WHAT IF I FORGET?**

At retail pharmacies, it is very important that you share both your Medicare card and your Express Scripts card to ensure proper processing of Medicare Part B-eligible prescriptions. If you are a Health Plan participant enrolled in Medicare Part B as your primary coverage and a Medicare Part B-eligible prescription is not processed through Medicare first, the Health Plan will pay only the portion of your balance that would have been covered if Medicare processed the claim. This will result in a greater out-of-pocket cost to you.

Mail-Order Pharmacy

1. Send your mail-order prescription to Express Scripts, which will review your prescription to determine whether it is eligible for Medicare Part B coverage.

2. **If your prescription is eligible, Express Scripts will forward your prescription request to one of its Medicare Part B suppliers:**
   - Accredo Specialty Pharmacy – for specialty medications
   - Liberty Medical Supply – for all other Medicare Part B medications

Those suppliers will coordinate with Medicare Part B and Express Scripts to process your prescription.

Retail Pharmacy

1. Ask your retail pharmacy if they are able to bill Medicare. (most independent and national chain pharmacies do).

2. **Present both your Medicare ID card and your Express Scripts card at the retail pharmacy.**

3. The retail pharmacy will submit your claim to Medicare first and then submit a secondary claim to Express Scripts to determine if you are eligible for additional benefits. PH

Medicare Part B-eligible prescriptions submitted through Express Scripts Mail Order will automatically be directed to Medicare as primary coverage, before being processed by the Health Plan (via Express Scripts) as secondary coverage.

If you have questions about Medicare Part B coverage, please visit the Medicare website at www.medicare.gov or call Medicare at 1-800-MEDICARE. For questions about your prescription drug benefit, please visit Express-Scripts.com or call Express Scripts’ Customer Service toll-free number at (800) 282-2881.
Express Scripts Updates Its List of Covered Medications Effective January 1, 2019

Express Scripts, the Health Plan’s prescription drug benefit manager, has updated its list of covered medications effective January 1, 2019. Express Scripts periodically reviews its list of covered medications, called the National Preferred Formulary, and may exclude medications when clinically equivalent alternatives are available and offer significant cost savings to the participant. Changes to the formulary affect which medications are covered under the DGA-Producer Health Plan and how much you pay out of pocket for certain prescriptions.

Less than one percent of Health Plan participants will be affected by the updated list. If you are taking a maintenance medication, be sure to review the new list in case the status of your medication has changed. If a medication you currently take appears on the list of excluded medications, Express Scripts should already have notified you by mail so that you can talk with your doctor about a preferred alternative. The National Preferred Formulary will continue to offer access to safe and effective medications as alternatives to these drugs.

The complete 2019 list of excluded medications along with preferred alternatives is available at www.dgaplans.org/2019 Formulary. For information on whether this change will affect your current prescriptions, log on to your Express Scripts account at express-scripts.com/covered. If you have any questions, please call Express Scripts at (800) 987-7828. PH

WHAT DO I NEED TO DO?

If you are affected by this transition, you will receive a letter from Express Scripts listing your medications that are affected and directing you to contact Accredo to begin the prescription transfer process. Accredo will also call those affected and their prescribing providers to address any questions and resolve any concerns prior to the January 1, 2019 transition.

- If you already get affected medication(s) through Accredo, you do not need to do anything.
- If you previously obtained your own prescriptions and took them to your doctor or hospital to be administered, you will now be required to order those medications through Accredo.
- If your provider previously obtained your affected prescriptions from a source other than Accredo, your provider will now be required to order those medications from Accredo.

To prevent any interruption in your therapy, participants and providers unable to complete the transfer of affected medications by the January 1, 2019 transition date will be granted a one-time exception for a refill through their current channel. Afterwards, participants on the affected medications must obtain them through Accredo Specialty Pharmacy to avoid paying the full cost of the prescription. PH

Certain Specialty Medications Must Now Be Obtained from Accredo

Participants who already obtain their specialty prescriptions through Accredo or whose medications are supplied in conjunction with an emergency room visit or inpatient hospital stay will not be affected by this change.

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Manage Your Prescription Drug Coverage with the Express Scripts Mobile App

The Express Scripts website and mobile app offer registered users unparalleled access to their Express Scripts account, making it easy to refill prescriptions, track orders, view general benefits information and much more.

Price a Medication
The amount you might pay for the same medication at different pharmacies can vary widely, even within the same area. If you’re not shopping around, you could be spending more than you need.

With Price a Medication, available now on the Express Scripts Mobile App and Express-Scripts.com, you can compare prices from up to ten retail pharmacies in your area for any medication you choose. The feature also provides the medication’s Express Scripts Home Delivery price and pricing for the generic and brand name versions (if both exist), making it easy to choose the best value.

Price a Medication also alerts you when special conditions apply to a medication, such as when prior review by the Health Plan or Step Therapy with alternative medications is required for approval or if the medication is currently not covered under the Express Scripts formulary. These special alerts help you avoid unexpected delays in getting your medications.

Find Lower Cost Alternative Medications
For those on maintenance medications or who require particularly costly prescriptions, it helps to know when less expensive options are available so that you can explore them with your doctor. Rx Choices makes finding a lower-cost alternative easy.

Simply tap or click Rx Choices on the Express Scripts website or mobile app, select a medication (by name, from your personal prescription history, or by medical condition), and Rx Choices returns a list of lower-cost, covered alternatives.

While you would not be able to order the listed alternatives without a doctor’s prescription, Rx Choices arms you with the information you need so that you and your doctor can choose a medication that fits your physical and fiscal needs.

Virtual Prescription ID Card
Never again get caught without your Express Scripts ID card. As long as you have your Express Scripts Mobile App-enabled smartphone (and you are a registered user), it’s there. Tap Prescription ID Card from the main menu to display your virtual ID card on your smartphone’s screen.

If you prefer to print or request your card, go to Express-Scripts.com, click the Health & Benefits Information tab and scroll down to the Print a member ID Card section. PH