Managing Drugs
Under the Medical Benefit

NOTE: The information in this bulletin applies to BlueCross BlueShield of South Carolina fully insured lines of business, including Affordable Care Act (ACA) plans.

Drug costs continue to rise, and specialty drugs are contributing significantly to that trend. BlueCross has managed specialty drugs under the pharmacy benefit for several years, through prior authorization (PA), preferred drug strategies and, more recently, drug exclusions. Over the past year, we have also begun to manage specialty drugs under the medical benefit. The Specialty Medical Benefit Management (SMBM) strategy is a four-pronged approach:

1. **NDC-11 Codes:** Last year, BlueCross began requiring providers to include NDC-11 codes when filing claims under the medical benefit. These codes are necessary to identify drug claims and appropriate billing practices.

2. **Site of Care Management:** This program started last year, with the goal of identifying members who are receiving specialty drugs at a higher cost site of service (i.e., hospital, outpatient setting) and encouraging them to move to an equally appropriate, alternative site of service (i.e., infusion center, doctor’s office or home). This affects only a handful of members. Participation is voluntary for non-ACA members, but non-voluntary for ACA members.

3. **Self-Administered Drug Group:** The medical benefit will no longer cover certain self-administered specialty (except in an inpatient hospital setting). The pharmacy benefit will continue to cover these drugs. Hematologists, oncologists, nephrologists and rheumatologists may continue to bill these drugs under the medical benefit. BlueCross will begin implementing this benefit change on June 1, 2016. Grandfathered groups are exempt from this change.

4. **PA:** Some specialty drugs billed under the medical benefit will now require PA. The medical specialty drug PA requirement will apply to all sites of service other than inpatient hospital. The PA review will be performed by CVS/caremark using its Novologix medical prior authorization system. CVS/caremark is a division of CVS Health, an independent company that provides specialty pharmacy services on
behalf of BlueCross. We will begin implementing this benefit change for all fully insured members on **June 1, 2016**.

**Which drugs are included on the Self-Administered Drug Group and medical PA lists?**

Please see the two lists:

- [Medical Prior Authorization List](#)
- [Self-Administered Drug List](#)

We will be updating our specialty drug list to note these drugs, as well. While these lists may change at any time, we expect to make changes quarterly.

**How will we communicate these changes to members?**

BlueCross will send a letter to all impacted members soon. Additionally, CVS/caremark specialty will reach out by phone to members who the self-administered drug group affects.