

Approaching Pharmacies Already in the Network

The prescription discount program leverages an established network of pharmacies through HealthTrans, the pharmacy benefit manager.

Because this is a network with pre-existing contractual relationships, we ask that all communication with the pharmacies be left to HealthTrans. HealthTrans has the information and knowledge they need to properly address any problems or inquiries that may arise. Trying to handle these issues on your own can, and often does, lead to confusion and frustration for both the pharmacy and the member.

If your co-op wants to announce the launch of the card, HealthTrans can send a fax blast on your behalf to all participating pharmacies in your area. This fax will provide the pharmacy with an image of your card and your launch date. Please request this announcement at least two weeks prior to actual launch date.

Frequently Asked Member Questions

Q. What if the pharmacist doesn't recognize the card's name?

A. There are thousands of prescription discount plans in the US. Co-op Connections may not be recognized by the pharmacy at first. When the pharmacist sees the pharmacy benefit manager information on the back of the card, he then understands which program you are a part of.

Q. I was told the pharmacy program is just a way to sell my personal information. Is this true?

A. No, there is no personal information required to take advantage of the prescription discount. Each Co-op Connections Card has the same member ID number. This prevents privacy violations by third parties.

Q. Can the pharmacy benefit be used in conjunction with my insurance?

A. No, the card cannot be used with insurance. However, we encourage members to have the pharmacist process the Co-op Connections Card and the insurance card to compare which provides the lowest price. The member will receive the lowest price on prescriptions, whether that is the pharmacy's retail price or the negotiated discount price. With insurance, you will pay your co-pay amount no matter what the pharmacy charges for the medication. At times the discounted price through your Co-op Connections Card will be lower than your co-pay. The prescription discount will also help you get lower prices on medications considered experimental or lifestyle and are often not covered by insurance.

Q. How does the pharmacist know how much to charge?

A. When a member presents any card, insurance or discount, the pharmacist will put the information into his computer and also put in their retail price for the medication. The information is sent to the processor who will sort through the pharmacies various contracts and agreements. The processor sends back the amount the pharmacy has agreed to accept for that particular medication, as well as the price the member will need to pay at the time of service. For example, if a pharmacy is selling a generic drug for \$4 but its contracted rate with the Co-op Connections Program is \$7, the system will tell the pharmacist to charge \$4. With insured plans, if a customer had a co-pay of \$15, he would pay \$15 regardless of the pharmacy's retail rate.

Q. I was surprised by a processing fee for each prescription filled. Why would I use the Co-op Connections Program if I am charged each time?

A. In order for a pharmacy to accept any plan, insurance or discount, the pharmacy contracts with a claims processor. The pharmacist must use a processor to determine the amount a consumer or insurance company will need to pay. The discounted price with the Co-op Connections® card is the same amount as what the pharmacist gets paid as a reimbursement from an insurance carrier. However, the processor charges for the use of their system, hence the processing fee.

The processing fee is a common practice for both discount and insured business. The difference is how the money flows. When a pharmacist receives their reimbursement back from the insurance company, the processing fee has already been deducted, and the pharmacy receives a net amount. Since no claims are involved in the discount process, the processing fee needs to be collected by the processor directly from the pharmacy. The member pays the amount that includes the cost of the drug and the dispensing/processing fee. This processing fee varies from drug to drug and pharmacy to pharmacy, depending on how the pharmacy contracted with the processor. Each pharmacy location or chain signs agreements with network processors. The fees are outlined in those agreements. Again, the difference is that under the discount program the dispensing/processing fee needs to be collected from the pharmacy.

Q. Who sets the prices for the prescriptions—the pharmacy, HealthTrans or New Benefits? How do pharmacies get repaid for the difference between the discount they offer and the cost of the medicines?

A. The price for the prescriptions is based on a pre-negotiated contract with the processor (HealthTrans). The member receives the negotiated price or the pharmacy's standard retail rate (usual and customary rate)—whichever is lower. The pharmacist adjudicates the claim at the time of service to determine the price to charge the member on that day.

The pharmacy is paid the negotiated discounted rate. This rate is the same or a little higher than the rate they have agreed to accept for insurance plans. There is no reimbursement to the pharmacy because it is paid the agreed upon rate by the member at the point of service. The prices are based on the following formula: Average Wholesale Price minus X% plus processing fee. The processor negotiates with pharmacies for a broad range of reimbursements including traditional insurance plans, worker's compensation, government programs, and cash discount plans. At times a pharmacy will sell a drug for lower than the industry standard Average Wholesale Price, like the current trend of \$4 generics. In cases like this, the negotiated price may be higher than the retail price. The customer pays the lower price.

Q. Can I use the Co-op Connections Card in conjunction with Medicare?

A. You may use the Co-op Connections Card during your deductible period or the coverage gap (doughnut hole). In some cases, a network pharmacy may accept the Co-op Connections Card or offer another cash price discount so that you can pay less for a prescription than your plan's negotiated price. This is considered a one-time "lower cash" or special price. If you are able to get a cash discount and pay an amount that's lower than your plan's price, you must send your receipt to your Medicare drug plan. This ensures that your plan counts the amount you paid toward your out-of-pocket costs.