
OPINION OF TRUSTEES

In Re

Complainant: Employees
Respondent: Employer
ROD Case No: 11-0026

Trustees: Michael H. Holland, Daniel L. Fassio, and Marty D. Hudson

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of benefits under the terms of the Employer Benefit Plan.

Background Facts

Between May 4, 2012 and August 2, 2012, Respondent's pharmacy benefits manager notified Complainants on behalf of the Respondent that quantity limits would be imposed on certain prescribed medications. The communication advised the Complainants that their respective prescribing physician should call the Respondent's pharmacy benefits manager to request approval for larger quantities if the physician was of the opinion that a larger quantity of medicine was necessary. Complainants assert that the prescription drug quantity limit violates the terms of prescription drug coverage under the Employer Benefit Plan.

Dispute

May the Respondent limit the quantity of prescribed medications dispensed to the Complainants?

Positions of the Parties

Position of the Complainants: Limiting the quantity of medication prescribed by a licensed physician violates the terms of prescription drug coverage under the Employer Benefit Plan.

Position of the Respondent: Respondent did not provide a response in this matter.

Pertinent Provisions

Article III.A(4)(a) of the Employer Benefit Plan states:

ARTICLE III BENEFITS

A. Health Benefits

(4) Prescription Drugs

(a) Benefits Provided

Benefits are provided for insulin and prescription drugs (only those drugs which by Federal or State law require a prescription) dispensed by a licensed pharmacist and prescribed by a (i) physician for treatment or control of an illness or a nonoccupational accident or (ii) licensed dentist for treatment following the performance of those oral surgical services set forth in (3)(e).

The initial amount dispensed shall not exceed a 30 day supply. Any original prescription may be refilled for up to six months as directed by the attending physician. The first such refill may be for an amount up to, but no more than, a 60 day supply. The second such refill may be for an amount up to, but no more than, a 90 day supply. Benefits for refills beyond the initial six months require a new prescription by the attending physician. Prescriptions filled by the Plan's mail order provider, if any, are not subject to the limits on quantity set forth in this paragraph.

Article IV.A(2) of the Employer Benefit Plan states:

ARTICLE IV MANAGED CARE, COST CONTAINMENT

A.(2) In addition, the Employer may implement certain other managed care and cost containment rules, which may apply to benefits provided both by PPL providers and by non-PPL sources, but which (except for the deductible and co-payments specifically provided for in the Plan) will not result in a reduction of benefits or additional costs for covered services provided under the Plan.

Discussion

Article III.A(4)(a) of the Employer Benefit Plan sets a maximum limit for quantities of prescription medication at 30 days' supply for the initial amount dispensed, 60 days' supply for the first refill, up to a 90 days' supply for the second refill, and requires a new prescription

beyond the initial 6 months. The Plan does not set a minimum days' supply for a prescription.

The Funds' Senior Pharmacy Manager and the Funds' Medical Director reviewed the material submitted with this ROD and are of the opinion that the specific medications documented in the file appear to be controlled substances intended for short term or "acute" use, and generally are not prescribed for routine or long term use. The Funds' Senior Pharmacy Manager notes, "Restriction of medication quantities is a common practice in the industry. These restrictions may be placed for safety or to incur reduced waste."

Article IV of the Employer Benefit Plan allows Employers to establish cost containment rules provided these rules do not reduce benefits or increase costs for beneficiaries. The Respondent's notification instructs the Complainants to have the prescribing physician contact the Respondent's pharmacy benefits manager if a larger quantity of the otherwise quantity-limited medication is needed. Inasmuch as the Respondent has a procedure in place to override the quantity restrictions on quantity-limited medications, the Respondent is not in violation of the terms of the Employer Benefit Plan.

Opinion of the Trustees

The Respondent's limitation on the quantity of medications that may be dispensed does not violate the terms, provisions and requirements of the Employer Benefit Plan.