Appendix B

Michigan Public School Employees Retirement System
Master Health Care Plan

This document summarizes modifications and enhancements to the MPSERS Master Health Care Plan since the Office of Retirement Services contracted with Blue Cross Blue Shield in 1975. The original health plan featured a traditional fee-for-service design. To meet the increasing need for quality assurance and cost-efficiency, the Retirement System became self-insured in 1992 and implemented a Preferred Provider Organization (PPO) network plan in 1996 for its non-Medicare members. The PPO plan has been in effect to the present.

Basic benefit changes and cost-sharing modifications are the product of decisions made by the MPSERS Board and the Department of Management and Budget (DMB). Some benefit changes are the result of transitioning experimental or investigational procedures into the mainstream of accepted medical practice. These types of changes are initiated at Blue Cross Blue Shield of Michigan (BCBSM) within their medical policy review and approval process. The process encompasses a careful, scientific and systematic evidence-based review and is used to initiate a new medical policy or modify an existing one. The results are referred to DMB and the MPSERS Board for review and decision on incorporation into the plan of benefits. Also noted within this document are the benefit changes required by federal and state legislation.

A History of Plan Changes

1975		
Cost Sharing		$25 cap on total premium 10% copayment on selected medical services 10% prescription drug copayment for all covered drugs
Benefits		MPSERS contracts Blue Cross Blue Shield of Michigan to administer Master Health Care Plan benefits. Traditional fee-for-service benefits include: • Inpatient hospital services • Inpatient skilled nursing facility services • Other medical expenses • Substance abuse treatment • Home health care services • Chiropractic services • Hearing care benefits • Specified human organ transplants • Prescription drugs • Coordination of benefits program (administered as "pay and pursue," where BCBSM paid claim in full, then sought reimbursement from primary or secondary carriers.)
1983		
Cost Sharing	Effective 10/1/83	Added a $50 deductible Changed prescription drug copayment from 10% to $3 per prescription for all covered drugs. Increased mental/substance benefit annual maximum from $500 to $2000
Benefit Changes	Effective 10/1/83	Premium subsidy cap of $25 removed Hospice Care added Substance Abuse benefits added

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1985		
Benefit Changes		Subsidized dependent coverage added
1987		
Cost Sharing	Effective 1/1/87	Increased lifetime maximum under Other Medical Expenses from $100,000 to $1 million
Benefit Changes	Effective 6/1/87	Eliminated 10% copay for outpatient surgery and related expenses Expanded emergency benefits to include additional medical conditions. Added coverage for hearing exams (audiometric, hearing aid evaluation tests) performed by a licensed audiologist or physician. Benefit subject to the annual deductible and 10% copayment
1989		
Benefit Changes	Effective 1/1/89	Added coverage for hearing aid conformity tests performed by a licensed audiologist or physician. Eliminated 10% copayment for Home Health Care benefits
1990		
Benefit Changes	Effective 1/1/90	Added dental and vision benefits Added coverage for hearing aids with 10% copayment
1991		
Prescription Drugs		The following are some of the new drugs that became payable under the prescription drug benefit: • Biaxin, Zithromax – antibiotics • Zofran – for treatment of postoperative and chemotherapy induced nausea and vomiting • Pravachol – for lowering cholesterol • Zoloft – for depression • Neupogen – to help fight infection in immunosuppressed patients(e.g. cancer) by stimulating WBC's (the cells that fight infection) • Leukine – to help fight infection in immunosuppressed patients (e.g. cancer) by stimulating WBC's (the cells that fight infection) • Videx – antiviral for Acquired Immune Deficiency Syndrome (AIDS)
1992		
Cost Sharing	Effective 1/1/92	Increased deductible from $50 to $80 Increased prescription drug copayment from $3 to $4 for all covered drugs
Benefit Changes	Effective 1/1/92	Health Plan becomes self-insured Added coverage for routine mammograms Added coverage for routine Pap smears every 12 months Added coverage for reconstruction of the non-affected breast following non-cosmetic breast surgery Added coverage for Certified Nurse Midwives (CNM) Added coverage for psychological testing when directly prescribed, rendered and billed by a psychologist

Prescription Drugs		The following are some of the new drugs that became payable under the prescription drug benefit: • Imitrex – migraine headache therapy • Proscar – to improve symptoms of Benign Prostate Hypertrophy (enlargement of the prostate gland) • Norvasc – for hypertension, angina (chest pain) • Paxil – for depression • Ambien – for insomnia • Hivid – another antiviral for AIDS
1993		
Policy Changes	Effective 7/1/93	Added coverage for Positron Emission Tomography (PET) procedures which is the use of radioactive-labeled compounds that give off charges that are measured with Computerized Tomography (CT) for diagnosis
Prescription Drugs		The following are some of the new drugs that became payable under the prescription drug benefit: • Cognex – for treatment of Alzheimer's disease • Risperdal – for treatment of psychosis (e.g., schizophrenia) • Claritin – antihistamine for treatment of seasonal allergies • Kytril – for treatment of chemotherapy induced nausea and vomiting • Pulmozyme – for treatment of Cystic Fibrosis • Betaseron – for treatment of Multiple Sclerosis
1994		
Benefit Changes	Effective 1/1/94	Expanded Prescription Drug Program to include: • Instate Preferred Rx Network • out-of-state PCS Network • Mail Order Prescription Program with a 90-day supply of drugs for one co-pay
Policy Changes	Effective 1/1/94 Effective 6/1/94	Expanded Magnetic Resonance Imaging (MRI) benefit to include new cardiac MRI's for morphology and function Added coverage for x-ray supervision and interpretation for gastrointestinal endoscopic ultrasound
Prescription Drugs		The following are some of the new drugs that became payable under the prescription drug benefit: • Glucophage – oral anti-diabetic agent • Serevent – first long acting inhaled bronchodilator for asthma • Trusopt – for treatment of glaucoma • Zerit – antiviral for AIDS • Prograf – to prevent organ rejection in transplant patients
1995		
Cost Sharing	Effective 1/1/95	Increased deductible from $80 to $95
Benefit Changes	Effective 1/1/95	Revised administration of Coordination of Benefits program to feature "pursue and pay" design, which prevents payment by Blue Cross Blue Shield until the primary carrier, if any, processes and pays or rejects a claim.

Policy Changes	Effective 4/12/95	Expanded prostate-specific antigen (PSA) test to include a suspected diagnosis of cancer of the prostate; prior to this time coverage was limited to monitoring tumor progression or to assess treatment progress for confirmed cancer of the prostate
	Effective 5/12/95	Added coverage for ultrasonic guidance of compression repair of lesions or malformations of arteries
		Added coverage for gastroenterology procedure for anorectal manometry (measurement of the pressure generated by anal sphincter usually to evaluate fecal incontinence)
	Effective 10/10/95	Expanded coverage for percutaneous transluminal coronary atherectomy (for removal of a blockage from a coronary artery) to include Coronary Atherosclerosis as a payable diagnosis
Prescription Drugs		The following are some of the new drugs that became payable under the prescription drug benefit: • Epivir –anti-viral for AIDS • Fosamax – for treatment of osteoporosis • Invirase – anti-viral for AIDS • Cozaar – for treatment of hypertension • Precose – oral anti-diabetic agent • Cellcept – to prevent organ rejection in transplant patients • Rilutek – first drug for Amyotrophic Lateral Sclerosis (ALS), severe muscle disease, drug helps to extend survival time
1996		
Benefit Changes	Effective 1/1/96	Implemented Blue Preferred PPO Network for non-Medicare members, lowering member copay for in-network services in Michigan and verifying provider credentials to improve quality of care. Implemented SUPPORT (Select Utilization of Providers for Prosthetic, Orthoptic and Rehabilitative Technology) Program for both Medicare and non-Medicare members eliminating member co- pays and deductibles for in-network services. Implemented Quest Laboratory Program for non-Medicare members, eliminating member copay and deductible for laboratory services in a physician's office and independent laboratory. Implemented Cardiac Centers of Excellence program.
	Effective 4/1/96	Expanded magnetic resonance imaging (MRI) benefits to include breast scans
	Effective 7/1/96	BlueCard PPO Network becomes available to non-Medicare members outside Michigan. This voluntary program offers greater opportunity for savings when members visit providers that are part of the nationwide BlueCard PPO network
Policy Changes	Effective 1/1/96	Added coverage for Cyclosporin, for treatment of Rheumatic Arthritis, and Psoriasis Expanded benefits under Home Health Program to include outpatient intravenous therapy (IV).
	Effective 3/1/96	Added coverage for Positron Emission Tomography (PET) procedures

	Effective 3/31/96 Effective 6/4/96 Effective 9/1/96 Effective 11/1/96	Coordination period for End Stage Renal Disease expanded from 18 to 30 months. Expanded mammography benefit to include additional payable diagnosis Added coverage for Ventricular Assist Device (VAD) as bridge to heart transplant and cardiogenic shock patients, a temporary device that replaces the pumping action of the heart Added coverage for prostate laser treatment procedures Added coverage for Maze procedure which involves the reconstruction of heart chambers for treatment of potentially dangerous abnormal heart rhythms
Prescription Drugs		The following are some of the new drugs that became payable under the prescription drug benefit: • Allegra – antihistamine for allergy treatment • Accolade- for treatment of asthma • Aricept – second drug for Alzheimer's Disease • Copaxone – for treatment of Multiple Sclerosis • Diovan – for treatment of hypertension • Lipitor – for cholesterol lowering • Norvir, Crixivan – inhibitor for AIDS virus replication • Xalatan – for treatment of glaucoma • Zyprexa – for treatment of psychosis, e.g. schizophrenia • Avonex – for treatment of Multiple Sclerosis
1997		
Cost Sharing	Effective 1/1/97	Increased deductible from $95 to $125
Cost Sharing	Effective 9/1/97	Implemented dual-tier prescription drug copay increasing copay for brand name drugs from $4 to $8. Generic drug copay remains at $4
Benefit Changes	Effective 4/1/97 Effective 7/1/97 Effective 11/1/97	Expanded Hearing Program to include reimbursement for audiology tests performed by participating hearing aid dealers. Eliminated pre-existing waiting period for Human Organ Transplants Expanded physical therapy benefit to include payment of services at non-hospital based freestanding physical therapy facilities Implemented HMO Pilot program, reducing member out-of-pocket costs and adding coverage for annual physicals, routine services and wellness programs
Policy Changes	Effective 1/1/97 Effective 4/1/97 Effective 4/28/97 Effective 7/1/97	Added coverage for Amphotericin B (Fungizone) – injections to treat life-threatening fungal infections Expanded benefit for Botox (used for treatment of specific neurological conditions that cause involuntary muscle movements) to include additional diagnosis Added coverage for transurethral microwave thermotherapy (TUMT) for treatment of benign prostatic enlargement by heat therapy Added coverage for chemotherapy drug Amifostine (IV drug used to treat the side effects of chemotherapy, such as kidney damage)

	Effective 8/21/97	Added coverage for application, adjustment and removal of external fixation systems procedures (wires, pins, screws applied to fractured bones)
	Effective 9/1/97	Added coverage for chemotherapy drug Aredia (for treatment of breast, bone cancer, Multiple Myeloma; when used to treat other conditions, drug is payable only for members with injection benefits)
	Effective 9/11/97	Added coverage for chemotherapy drug Anzemet (for prevention of post-operative or chemotherapy induced nausea/vomiting)
	Effective 11/15/97	Added coverage for parenteral and enteral nutrition (PEN) pumps, for liquid feeding of patients with gastric surgery or disorders. Added coverage for transcutaneous electrical nerve stimulator (TENS)(electrical stimulation of nerves for relief of pain)
	Effective 11/25/97	Added coverage for Neumega, IL-11 (Oprelvekin) (subcutaneous administration for the treatment of platelet reduction caused by chemotherapy)
	Effective 11/26/97	Added coverage for Rituximab (Rituxam) – chemotherapy injection for non-Hodgkin's lymphoma
	Effective 12/4/97	Added coverage for HIV-1 ribonucleic acid assay test (measures the viral load in HIV and AIDS patient)
Prescription Drugs		The following are some of the new drugs that became payable under the prescription drug benefit: • Prandin – oral hypoglycemic for diabetes • Regranex –for treatment of diabetic ulcers • Migranal –for treatment of migraine • Zomig, Amerge –for treatment of migraine • Plavix – antiplatelet drug to prevent blood clots • Requip, Miraplex –for Parkinsonism • Rezulin – insulin sensitizer for diabetes • Coreg – first beta blocker approved for Congestive Heart Failure (CHF) • Evista – for osteoporosis prevention in post-menopausal women
1998		
Benefit Changes	Effective 1/1/98	Implemented Blue Healthline (formally HealthCall), offering 24-hour access to a registered nurse, an audio health library and medical literature
	Effective 11/1/98	Expanded physical therapy benefit to include independent physical therapy clinics and office locations
Policy Changes	Effective 1/9/98	Added coverage for donor leukocyte infusion and donor lymphocyte infusion (buffy coat) procedures (infusion of white blood cells to treatment relapsed post transplant leukemia)
	Effective 1/12/98	Added coverage for chemotherapy drug Aldesleukin (Proleukin) for treatment of metastatic melanoma and kidney cancer
	Effective 1/16/98	Added coverage for the following bone marrow transplant procedures for sickle cell anemia, stage IV breast cancer and multiple myeloma: Bone marrow harvesting for transplantation Blood-derived peripheral stem cell harvesting for transplantation, per

		collection
	Effective 2/18/98	Bone marrow or blood-derived peripheral stem cell transplantation, allogenic
	Effective 2/20/98	Increased quantity maximum benefit for Mitoxantrone HCI (Novantrone) for treatment of leukemia
	Effective 4/9/98	Added coverage for Helicobacter pylori (H.pylori) Urea Breath Test for detection of Peptic Ulcer Disease
	Effective 4/14/98	Added coverage for myelofibrosis: bone marrow or blood derived peripheral stem cell transplantation; allogenic
		Added coverage for Gemcitabine to treat malignant neoplasms of the bladder
Prescription Drugs		The following are some of the new drugs that became payable under the prescription drug benefit: • Remicade –for treatment of Crohn's disease • Thalidomide – for treatment of Hansen's Disease (Leprosy) • Maxalt – for treatment of migraine • Rebetron – for Hepatitis C • Palizvizumab – antibody against Respiratory Syncytial Virus (RSV) infections in children • Arava – disease modifying agent for rheumatoid arthritis ($3,000/yr) • Enbrel – for rheumatoid arthritis • Viagra – oral erectile dysfunction medication • Detrol – new oral therapy for urinary incontinence • Amerge –for migraine • Tasmar –for Parkinsonism • Sustiva –for AIDS • Herceptin – hormone for metastatic breast cancer • Lamivudine – treatment of Hepatitis B
1999		
Cost Sharing	Effective 1/1/99	Increased deductible from $125 to $145 and eliminated fourth quarter deductible carry-over
Policy Changes	Effective 1/1/99	Added coverage for cardiovascular surgical procedure Thrombectomy without graft
	Effective 4/1/99	Added coverage for brachytherapy, a type of radiation therapy in which radioactive material is implanted at the tumor site to destroy the cancer
	Effective 4/28/99	Added coverage for Collagen cross links (a laboratory test used to evaluate and monitor bone density) in post menopausal women and other diseases causing bone loss such as Hyperthyroidism
	Effective 5/20/99	Added coverage for circumferential kyphectomy – surgical correction of spine for progressive spinal deformity
	Effective 7/13/99	Added coverage for the removal of impacted cerumen (ear wax)
	Effective 9/1/99	Added coverage for ThinPrep Pap testing including payment of cytopathology interpretation by physician with any of the other Pap procedure codes for the same date of service

	Effective 9/23/99	Expanded benefit for Bone Marrow Transplant, autologous to include ambulatory surgical facility as a payable location
	Effective 9/27/99	Expanded benefit for dialysis procedure other than hemodialysis to include additional payable diagnoses
	Effective 10/7/99	Expanded benefit for Electroencephalogram (EEG) to be payable when billed alone
	Effective 11/19/99	Expanded benefit for removal of external fixation device under anesthesia to include payable locations of office and ambulatory surgical setting; also added payable diagnoses
	Effective 12/3/99	Added coverage for analysis of implanted drug infusion pump to be payable when billed alone
Prescription Drugs		The following are some of the new drugs that became payable under the prescription drug benefit: • Orlistat – for treatment of obesity • Celebra – for treatment of arthritis • Vioxx – for treatment of arthritis • Rosiglitazone – for treatment of diabetes • Aciphex – for treatment of Gastroesophageal Reflux Disease (GERD) • Actos – for treatment of diabetes • Agenerase – treatment of HIV • Alamast – for allergic conjunctivitis (inflammation of eye) • Antagon – adjunct therapy in fertility treatment • Aromasin – treatment of advanced breast cancer • Avandia – for treatment of diabetes • Avelox – antibiotic • Comtan – adjunct therapy in Parkinson's Disease • Ellence – adjunct in the treatment of breast cancer • Ferrlecit – treatment of iron deficiency anemia • Hectorol – prevention of secondary Hyperparathyroidism in patients receiving hemodialysis • Keppra – adjunct therapy for epilepsy • Pletal – reduces symptoms of intermittent claudication (leg pain) • Precedex – sedation of ventilated patients • Rapamune – prevention of kidney transplant rejection • Raplon – to induce nerve blocks • Relenza – treatment of influenza A and B • Sonata – short term treatment of insomnia • Synercid – treatment of infections caused by resistant bacterial organisms • Tamiflu – treatment of uncomplicated acute influenza • Targretin – treatment of cutaneous T-cell lymphoma • Temodar – treatment of adults with refractory brain tumor (astrocytoma) • Tequin – antibiotic • Tikosyn – for treatment of abnormal heart rhythms • Xenical – lipase inhibitor for management of obesity • Zaditor – antihistamine for symptoms of allergic conjunctivitis

2000		
Cost Sharing	Effective 1/1/00	Increased deductible from $145 to $165
	Effective 4/1/00	Increased retail prescription drug copayment to 20% with a $4 minimimum/$20 maximum Increased mail order prescription drug copayment to 20% with a $10 miminmum/$50 maximum for a 90 day supply The individual prescription drug out of pocket maximum per calendar year is $750; the maximum will be prorated in 2000 up to $560.
Policy Changes	Effective 1/1/00	Added coverage for Helicobacter pylori, stool
		Added coverage for octreotide acetate injection, , as a swing drug; payable under malignant diagnoses or payable under injection coverage if reported with non-malignant diagnoses
		Added coverage for implantation of cranial neurostimulator electrodes
	Effective 1/18/00	Discontinued coverage for ultrasonic nebulizer under DME benefit
	Effective 1/21/00	Expanded benefit for revision or relocation of skin pocket for pacemaker or defibrillator to include outpatient hospital and ambulatory surgical facility as payable locations
	Effective 1/26/00	Added coverage for attendance at delivery for specific conditions
	Effective 1/28/00	Added coverage for Acetylcholinesterase
		Added coverage for serial tonometry for glaucoma
	Effective 2/7/00	Expanded benefit for Botox to include additional payable diagnoses
	Effective 3/1/00	Expanded diagnostic restrictions for reduction mammaplasty
	Effective 3/9/00	Removed diagnostic restrictions for bone marrow or stem cell harvesting for transplant
	Effective 3/17/00	Expanded benefit for transurethral incision of prostate to include the outpatient setting as a payable location
	Effective 4/1/00	Expanded coverage for PSA testing to include screening in the outpatient, independent laboratory and office setting
	Effective 4/4/00	Added coverage of ophthalmological examination under general anesthesia under the Medical/Surgical category
	Effective 4/7/00	Expanded chemotherapy benefit to allow reimbursement of IV solutions utilized in conjunction with chemotherapy administration for specific diagnoses billed on the same day by the provider in the physician office setting

		Expanded chemotherapy benefit to allow three follow-up visits within 30 days following chemotherapy treatment Expanded benefit for cardiac MRI to include additional payable diagnoses Expanded benefit for acne surgery to include additional payable diagnoses Expanded chemotherapy benefit to allow payment of an office visit or follow-up visit as same day as chemotherapy treatment
	Effective 5/1/00	Expanded benefit for chemical peel to include additional payable diagnoses
	Effective 6/1/00	Added coverage for cryoablation of prostate
	Effective 6/23/00	Added coverage for Lumbar diskectomy Added coverage for new diagnostic imaging agents
Prescription Drugs		In April 2000, the Prescription Drug Benefit was changed to include a 20% copayment with a $4 minimum and a $20 maximum at retail and a $10 minimum and a $50 maximum at mail order. The following drugs became payable under the prescription drug benefit during 2000: <u>New Molecular Entities</u> • Cetrotide – treatment of infertility • Colazal – treatment of mild to moderately active ulcerative colitis • Evoxac – oral drug for the treatment of symptoms of dry mouth in Sjogren's Syndrome (a triad of arthritis, dry eyes and dry mouth) • Exelon – oral treatment of mild to moderate Alzheimer's disease • Innohep –treatment for treatment and prevention of Deep Venous Thrombosis (DVT) in patients undergoing hip or knee replacements • Kaletra – for use in combination with other antiretroviral agents for the treatment of HIV infection • Lantus – once daily insulin for the treatment of diabetes • Lotronex – treatment of irritable bowel disease in women (**removed from the market in 11/00***) • Mobic - oral treatment for osteoarthritis • Novolog – short acting insulin for the treatment of diabetes • Ovidrel – treatment of infertility • Protonix – oral drug for inflammation of the esophagus associated with Gastric Esophageal Reflux Disease (GERD) • Rescula – treatment of glaucoma • Starlix – treatment of type II diabetes • Trelstar – treatment of advanced prostate cancer • Trileptal – oral drug for treatment of seizure disorders • Whelcol – treatment of hypercholesterolemia • Zonegran – oral treatment for adults over age 16 with epilepsy • Zyvox – antibiotic for the treatment of resistant gram –positive infections <u>New Dosage Forms:</u> • Activella – prevention of postmenopausal osteoporosis

		• Advair Diskus– inhaled product for the long-term maintenance treatment of asthma • Androgel – topical testosterone gel • Betaxon – eye drops for treatment of glaucoma • Concerta – treatment of Attention Deficit Disorder (ADD) • Flovent Diskus – treatment of asthma • Fosamax Weekly – once weekly tablet for osteoporosis • Glucovance – treatment of type II diabetes • Malarone – treatment and prophylaxis of malaria • Optivar - eye drops for the treatment of itching associated with allergic conjunctivitis • Protopic – topical treatment atopic dermatitis • Pulmicort Respules – treatment of asthma • Quixin – eye drops for the treatment of bacterial conjunctivitis • Qvar – treatment of asthma • Sarafem – treatment of premenstrual dysphoric disorder • Solaraze – Topical NSAID for the treatment for actinic keratosis • Trizivir – treatment of HIV • Venofer – treatment of iron deficiency anemia • Viadur - treatment of prostate cancer • Visocol – for cleansing of the bowel as a preparation for colonoscopy
2001		
Policy Changes	Effective 1/1/01	Added coverage for Hyalgan and Synvisc for treatment of arthritis of knee
	Effective 3/2/01	Added coverage for urethral stent for treatment of enlarged benign prostate gland
	Effective 3/21/01	Rescinded coverage for Bone Marrow Transplant following High Dose Chemotherapy for treatment of Stage IV breast cancer because of toxicity
	Effective 6/25/01	Added coverage for Visudyne for loss of central vision Added coverage for TUNA, Transurethral Radiofrequency Needle Ablation of the Prostate
	Effective 8/20/01	Added coverage for troponin, laboratory test for cardiac damage
	Effective 9/14/01	Added coverage for treatment of speech, language, voice, communication and auditory processing disorder) for vocal cord nodules without surgery
	Effective 11/27/01	Added coverage for craniotomy with placement of neurostimulator array for treatment of essential tremor by deep brain stimulation Added coverage for InterStim, (sacral nerve stimulation for treatment of urge incontinence) treatment of urine leakage caused by a strong urge to urinate Added coverage for PET scan for staging lung cancer Added coverage for whole body PET scan for colorectal metastatic cancer, for staging lymphoma, melanoma, and metabolic evaluation of tumors Added coverage for evaluation of myocardial viability by PET scan

		Added coverage for GDX or scanning computerized ophthalmic diagnostic imaging for glaucoma Added coverage for EECP, (external counterpulsation) for treatment of chronic angina with rotating blood pressure cuffs
Prescription Drugs		On 1/1/2001, the Prescription Drug Benefit was changed to include a formulary provision. Drugs on the BCBSM Custom Formulary would be covered at a 20% copayment with a $4 minimum and a $20 maximum at retail and a $10 minimum and a $50 maximum at mail order. Non-Formulary drugs would be covered at 40% copay with no maximum. A Grandfather provision and a Medical Necessity Authorization were also included in the benefit design to lower the copay for member's current drug therapy or for drugs that are medically necessary. The following new drugs were added to the Custom Formulary and became payable under the prescription drug benefit during 2001: <u>New Molecular Entities:</u> • Axert – treatment of migraine headache • Foradil – treatment of asthma • Gleevec – oral treatment for chronic myeloid leukemia • Tracleer – oral treatment for pulmonary hypertension Significant New Dosage Forms: • Augmentin-ES – oral antibiotic • Metadate CD – once daily stimulant for the treatment of ADHD • Toprol XL 25 mg – treatment of CHF • Valcyte – oral treatment for CMV retinitis • Zomig-ZMT – treatment of migraine headache
2002		
Policy Changes	Effective 1/1/02 Effective 1/10/02 Effective 4/23/02 Effective 5/8/02	Added coverage for annual gynecological examination Added coverage for MIDCAB, Minimally Invasive Direct Coronary Artery Bypass surgery Added coverage for TMR, Laser Transmyocardial Revascularization to relieve severe chest pain Added coverage for additional payment to an optometrist for medical procedures as listed in the Michigan Medicare guidelines, except for any CPT codes that are not payable by BCBSM Added coverage for Isolated Limb Perfusion to treat recurrent malignant melanoma in an arm or leg Added coverage for Prosthetic Valve Repair for artificial valves Added coverage for Thermal Endometrial Ablation for treatment of excessive uterine bleeding due to benign causes Added coverage of Transcatheter Placement of Endovascular Graft for Aortic/Aortoiliac Aneurysms

		Added coverage for Office or Other Outpatient Visit that might not require the physician's presence
	Effective 7/26/02	Added coverage for Percutaneous Transluminal Pulmonary Artery Balloon Angioplasty for treatment of strictures and congenital abnormalities of the pulmonary arteries Added coverage for Pharyngeal and Speech Evaluation for patients with painful swallowing Added coverage for SPECT, Liver Imaging for evaluation of the blood flow of the liver Added coverage for Sympathectomy of Digital Arteries to relieve pain and heal fingertip ulcerations secondary to ischemia (poor blood flow) Added coverage for ECP (Extracorporeal Photopheresis for Graft vs. Host Disease) for treatment of transplanted cells/tissues that attack and destroy the tissues/organs of the transplant receipt
	Effective 9/5/02	Added coverage for Bilayered Skin Substitute for treatment of non-infected partial thickness and full thickness skin ulcers due to venous insufficiency or neuropathic diabetic foot ulcers Added coverage for Extracorporeal Shock Wave Therapy, involving plantar fascia for treatment of foot and heel pain Added coverage for Cerebral Blood Flow, an inter-operative measure of blood flow to the brain during cardiovascular and neurological surgeries Added coverage for Cyclophosphamide for treatment of specific severe diseases of the CNS, PNS, and Autoimmune Disorders that have been refractive to other treatment Added coverage for Vagus Nerve Stimulation for the adjunctive treatment of partial –onset seizure disorders Added coverage for Total Body Plethysmography for evaluation of lung volumes and airway resistance Added coverage for Percutaneous Vertebroplasty for treatment of spinal column pain caused by osteoporosis Added coverage for Intravascular Doppler during coronary angiography for measurement of blood flow through coronary vessels Added coverage for Hysterosonography, Sonohysterography, Saline infusion Sonography (SIS), contrast Hysterosonography for determination of abnormal vaginal bleeding Added coverage Esophageal Motility for evaluation of the swallowing mechanism and movement of liquids/solids through the esophagus
	Effective	Added coverage for Angioscopy for a visual image of a blood vessel wall

	11/7/02	Added coverage for Intravascular Ultrasound for evaluation of the effectiveness of angioplasty and/or stent placement Added coverage for Sphincteroplasty, anal for surgical placement of an artificial anal sphincter to control bowel incontinence Added coverage for EMG, anal or urethral sphincter for the evaluation of the functionality of the anal or urethral sphincter Added coverage for Acute venous thrombosis imaging, peptide for the detection of blood clots in the legs Added coverage for Digital Mammography to screen for and/or diagnose breast cancer Added coverage for Signal-Averaged Electrocardiography (SAECG) for the evaluation of post-acute MI patients for risk of sudden death or arrhythmia's
Prescription Drugs		The following new drugs were added to the Custom Formulary and became payable under the prescription drug benefit during 2002: • Temodar® - Anaplastic Astrocytoma • Foradil ®– Asthma • Volmax® - Asthma • Rilutek® - Treatment of Amyotrophic Lateral Sclerosis (ALS) • Viokase® - Enzyme replacement therapy in patients with deficient exocrine pancreatic secretions, such as in cystic fibrosis, chronic pancreatitis • Ultrase® - Enzyme replacement therapy in patients with deficient exocrine pancreatic secretions, such as in cystic fibrosis, chronic pancreatitis • Pancrease MT® - Enzyme replacement therapy in patients with deficient exocrine pancreatic secretions, such as in cystic fibrosis, chronic pancreatitis • Creon® - Enzyme replacement therapy in patients with deficient exocrine pancreatic secretions, such as in cystic fibrosis, chronic pancreatitis • Elidel® - Atopic dermatitis • Alocril® - Allergic conjunctivitis • Nasarel® - Rhinitis • Aristra® – Prevention of blood clots
2003		
Policy Changes	Effective 1/27/03	Added coverage for Wound treatment by whirlpool therapy Added coverage for Computer identification of potential cancerous lesions on screening mammography Added coverage for Computer identification of potential cancerous lesions on diagnostic mammography Added coverage for Fee for use of telehealth/telemedicine site
	Effective 5/15/03	Added coverage for Zevalin Radioimmunotherapy for Non-Hodgkin's Lymphoma Added coverage for Phototherapeutic Keratectomy for treatment of corneal lesions
	Effective 7/2/03	Added coverage for Uterine Artery Embolization for treatment of uterine fibroids

		Added coverage for Electrochochleography [EcochG] and Evoked Otoacoustic Emissions [EOAE] for evaluation of hearing loss Added coverage for insertion, revision and removal of implantable IV pumps to administer appropriate drugs on a continuous or intermittent basis Rescinded coverage for *0020T* (Extracorporeal Shock Wave Therapy [ESWT]) for foot and heal pain because treatment is no better than placebo
	Effective 10/31/03	Added coverage for an observed sleep study attended by a technologist Added coverage for Stimulus Evoked Response for evaluation of erectile dysfunction Added coverage for vasomotor adrenergic innervation testing for evaluation of the body's autonomic nervous system
	Effective 12/1/03	Added coverage for physician services for outpatient Cardiac Rehabilitation with and without continuous EKG monitoring
	Effective 12/11/03	Added intracoronary brachytherapy for the delivery of therapeutic doses of radiation in native coronary arteries for the purpose of reducing in-stent restenosis Added transcatheter placement of an intracoronary stent(s), percutaneous, with or without other therapeutic intervention, any method; single vessel and each additional vessel Added sudomotor testing to evaluate and document neuropathic disturbances that may be associated with pain Added digital electroencephalogram Added magnetic resonance cholangiopancreatography, an application of Magnetic Resonance Imaging (MRI) technology designed to aid in the evaluation of suspected pancreaticobiliary disease
	Effective 12/12/03	Added drug eluting stents to maintain the patency of native coronary arteries after angioplasty and stent placement, single vessel and each additional vessel Added endoluminal radiofrequency ablation (RFA) for varicose veins of the leg Added repair of tracheal occlusion for treatment of congenital diaphragmatic hernia, in utero Added repair of urinary tract obstruction in the fetus, in utero Added repair of congenital cystic adenomatoid malformation in the fetus, in utero Added repair of extralobar pulmonary sequestration in the fetus, in utero Added repair of sacrococcygeal teratoma (back tumor), congenital malformation of fetus, in utero Added fetoscopic laser surgery for twin-twin transfusion syndrome (separation of fetal blood supply in twins) Added transcoronary ablation of septal hypertrophy (TASH) for use in patients with severe symptomatic hypertrophic obstructive cardiomyopathy (HOCM)

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Prescription Drugs		The following new drugs were added to the Custom Formulary and became payable under the prescription drug benefit during 2003: • Adderall XR® – Attention Deficit Disorder, Narcolepsy • Concerta® - A ttention Deficit Disorder, Attention Deficit Hyperactivity Disorder • Benicar® – High Blood Pressure • Benicar HCT® - High Blood Pressure • Avelox ®– Bacterial Infections • Reminyl ®– Alzheimer's Disease • Lumigan® – Glaucoma • Travatan® – Glaucoma • Lantus® – Diabetes • Lexapro® – Depression • Pegasys® – Hepatitis C • Peg-Intron – Hepatitis C • Rebetol® - Hepatitis C • Copegasys – Hepatitis C • Lexapro® - Depression • Augmentin XR® - Bacterial Infections • Alinia® - Bacterial Infections • Suboxone® - Substance Abuse • Restasis® - Dry Eye Disease • Fuzeon® - HIV-1 infection • Emend® - Acute and delayed nausea and vomiting associated with cancer chemotherapy • Iressa® - Nonsmall Cell Lung Cancer • Somavert® - Acromegaly • Vigamox® - Ophthalmic Antibiotic • Mesnex® - Side effect of cancer chemotherapy • Rebif® - Multiple Sclerosis • Hepsera ® - Chronic Hepatitis B • Vfend® - Fungal Infections
2004		
Policy Changes	Effective 02/01/04	Added transplant related services, enrolled in the Blue Quality Centers for Transplant (BQCT) for heart, heart-lung, liver and pancreas transplants
	Effective 06/25/04	Revised admission criteria for admission to a skilled nursing facility (SNF) to within 14 days of release from a three (3) or more consecutive day inpatient stay at an acute care facility
	Effective 06/28/04	Adopted the Home Infusion Therapy (HIT) Arrangement for providing and reimbursement of home infusion services
Prescription Drugs		The following new drugs were added to the Custom Formulary and became payable under the prescription drug benefit during 2004: • Apokyn® - Parkinson's disease • Sensipar® - Thyroid disease • Spiriva® - Chronic obstructive pulmonary disease • Tarceva® - Advanced non-small cell lung cancer • Tindamax® - Antiprotozoal
2005		
Policy Changes	Effective 01/01/05	Annual deductible increased to $235.00 per member / $470.00 for two or more members per calendar year.

		Deductible applied to hearing aid benefit, including hearing services and hearing aid devices. Hearing Care Program expenses will be applied to the medical copay annual maximum Implemented Mail Order Optimization (MOO) program. The member is assessed an additional 10% copay at retail for maintenance drugs after the third fill Drug copay minimums for formulary drugs increased from $4 to $7 at retail and from $10 to $17.50 at mail order. Copay maximums for formulary drugs increased from $20 to $30 at retail and from $50 to $75 at mail order Maximum day's supply of prescription drugs at retail pharmacies limited to 34 days. Maintenance Drug List (MDL) eliminated Added transplantation for small intestine allograft Added transplantation for small intestine and liver allografts Added bone marrow transplant (BMT) following chemotherapy for treatment of lymph node tumors (Mantel Cell Lymphoma) Added bone marrow transplant (BMT) following chemotherapy for treatment of the most common malignant tumor in infants and children (Rhabdomyosarcoma) Added bone marrow transplant (BMT) following chemotherapy for treatment of rare testicular tumor (Germ Cell Tumor of the Testes) Added bone marrow transplant (BMT) following chemotherapy for treatment of Chronic Lymphocytic Leukemia (CLL) Added bone marrow transplant (BMT) following chemotherapy for treatment of AL Amyloidosis, Multiple Myeloma, Glanzmann Thrombasthenia and Paroxysmal Nocturnal Hemoglobinuria Added bone marrow transplant (BMT) following chemotherapy for treatment of acute non-Lymphocytic Leukemia (ANLL) Added bone marrow transplant (BMT) following chemotherapy for treatment of Mucolipidoses, adrenoleukodystrophy, s-linked lymphoproliferative syndrome, congenital pure red cell aplasia, megakaryocytic thrombocytopenia, Kostmann's syndrome, congenital leukocyte dysfunction syndrome, leukocyte adhesion deficiency Added bone marrow transplant (BMT) following chemotherapy for treatment of plasma cell tumor and renal cell cancer (Plasmacytomas and renal cell carcinoma) Added bone marrow transplant (BMT) for treatment of Sickle Cell Diseases
	Effective 05/24/05	Added wireless capsule endoscopy to identify small intestine lesions suspected to be the cause of obscure gastrointestinal bleeding
	Effective 06/06/05	Added ambulatory blood pressure monitoring a semiautomatic device that records blood pressure during activities of daily living Added B-type Natriuretic Peptide test for congestive heart failure
	Effective 09/09/05	Mammography benefit changed from biennial to annual coverage.

Policy Changes	Effective 09/21/05	Added Radiofrequency Ablation of Osteoid Osteomas (CT image-guided percutaneous) Added Percutaneous Kyphoplasty – used to expand collapsed vertebral body Added Repair of Laceration (Cornea/Sclera) – treatment for injuries/wounds of the cornea or sclera of the eye.
	Effective 10/07/05	Added T-Wave Alternans Added Laser Therapy for Psoriasis Added Orthoptic and/or Pleoptic Training Added Electrical Stimulation for the Treatment of Chronic Wounds (Unattended)
Prescription Drugs		The following new drugs were added to the Custom Formulary and became payable under the prescription drug benefit during 2005: • Truvada® (tenofovir & emtricitabine) - HIV • Epzicom® (abacavir & lamivudine) – HIV • QVAR® (beclomethasone) – Asthma • Tarceva® (erlotinib) – Lung cancer • Aricept® Oral Disintegrating tablet (donepezil) – Alzheimer's Disease • Aricept® Oral Solution (donepazil) – Alzheimer's disease • Allegra D® 24 hour (fexofenadine / pseudophederine) – Allergy • Revatio® (sildenafil) – Pulmonary Arterial Hypertension • Baraclude® (entecavir) – Chronic Hepatitis infection • Depo-SubQ Provera® (Medroxyprogesterone Acetate) - Endometriosis • Fosamax Plus D® (alendronate plus vitamin D) - osteoporosis
2006		
Policy Changes	Effective 01/01/06	Annual deductible increased to $250.00 per member / $500.00 for two or more members per calendar year. Increased the maximum copayment amount to $32.00 for formulary prescription drugs. Prescription drugs purchased via mail order – maximum copayment increased to $80.00 for formulary drugs. Annual out of pocket copayment maximum increased to $800.00 per member per calendar year for copayments on formulary drugs only. Implemented Medicare Part D Prescription Drug Plan. Implemented Medicare Advantage Prescription Drug Plan with Priority Health. (HMO Pilot)
	Effective 02/01/06	Added Corneal Pachymetry Added Photodynamic Therapy for the Treatment of Non-Hyperkeratotic Actinic Keratosis Added Reconstructive Repair of Pectus Excavatum, Minimally Invasive Approach
	Effective 06/05/06	Added Natalizumab (tysabri) injection (per 1 mg) for treatment of Multiple Sclerosis

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Policy Changes	Effective 10/01/06	Implemented Radiology Management Program.
Prescription Drugs		The following new drugs were added to the Custom Formulary and became payable under the prescription drug benefit during 2006: • Aptivus® (tipranavir) – HIV • Namenda® oral solution (memantine) – Alzheimer's Disease (line extension) • Exjade® - (deferasirox) – chronic iron overload • Sutent® (sunitinib) – Stomach tumors • Prezista® - (darunavir) – HIV • Zolinza® - (vorinostat) – lymphoma The following modifications were made to the Custom Formulary in 2006 Implemented Specialty Pharmacy Program
2007		
Policy Changes	Effective 01/01/07	Implemented Medicare Advantage Plan, which adds the following preventive services for enrollees in the plan: • Annual influenza vaccination • Bone mass measurement • Colorectal cancer screenings • Hepatitis B vaccination • Medicare "Welcome Physical" • Pneumoccal vaccination • Routine exam as part of prostate cancer screening Implemented a phased in Care Management program for Medicare Advantage Graded Premium Insurance Subsidy added for all members who first worked after July 1, 2008
Prescription Drugs		The following new drugs were added to the Custom Formulary and became payable under the prescription drug benefit during 2007: • Atripla® - (efavirenz/emtricitabine/tenofovir) – HIV • Noxafil® - (posaconazole) – fungal infections • Tykerb® - (lapatinib) – breast cancer • Trelstar® - (triptorelin) – prostate cancer