

SECTION VIII: GLOSSARY OF TERMS

Affiliate means a person or organization which, through stock ownership or any other affiliation, directly, indirectly, or constructively controls another person or organization, is controlled by another person or organization, or is, along with another person or organization, under the control of a common parent.

Ancillary Charge means the amount in addition to the applicable Copayment an Enrollee/Dependent will pay when purchasing a Brand Drug if an A-rated or authorized generic equivalent is available in the market. The amount represents the difference to the Program between the Discounted Ingredient Cost of the dispensed Brand Drug and the Discounted Ingredient Cost of the available generic equivalent if it had been dispensed, not to exceed the actual cost of the drug.

AWP means the [source identified in Offeror's Proposal] AWP Price for the eleven (11) digit NDC of the drug dispensed as of the date the Prescription was filled, unless the Parties mutually agree in writing to utilize a different source for AWP information.

Brand Drug means a Prescription drug sold under a trade name other than its chemical name that is manufactured and marketed by a single manufacturer (or single group of manufacturers pursuant to agreement among the manufacturers) where the manufacturer holds or held a patent protecting the active ingredient from generic competition. For The Empire Plan, SEHP, and the NYSIF's Pharmacy Benefits Management Program, the Contractor shall utilize the Procuring Agencies approved process to replicate the results of the methodology used by the Program as of January 1, 2012 for determining the appropriate classification of drugs consistent with this definition. The Excelsior Plan will utilize the Contractor's book of business PDL classification and tier placement for generic and brand name medications.

Brand For Generic means an additional feature of the Enhanced Flexible Formulary which allows a Brand-Name drug to be placed on the lowest copayment level and the new generic equivalent to be placed on the highest copayment level, or excluded, when advantageous to the DCS Program.

Business Day(s) means every Monday through Friday, except for days designated as Business Holidays.

Business Holiday(s) means days designated by the Contractor as business holidays and approved as such by the State prior to January 1 of each Calendar Year.

Calendar Year/Annual means a period of 12 months beginning with January 1 and ending with December 31.

Call Center Hours means 24 hours a Day, 365 days a year.

Child(ren) means children under 26 years of age, including natural children, legally adopted children, children in a waiting period prior to finalization of adoption, Enrollee stepchildren and children of the Enrollee's domestic partner. Other children who reside permanently with the Enrollee in the Enrollee's household and are chiefly dependent on the Enrollee are also eligible, subject to a Statement of Dependence and documentation.

Claimant means an injured employee who sustains an at-injury accident (loss) while in the employ of individuals or companies that have workers' compensation insurance policies with NYSIF.

Compound Drug(s)/Medication(s) or Compounded Drug(s)/Medication(s) means a drug with two or more ingredients (solid, semi-solid or liquid), at least one of which is a Covered Drug with a valid NDC requiring a Prescription for dispensing, combined together in a method specified in a Prescription issued by a medical professional. The end result of this combination must be a Prescription medication for a specific patient that is not otherwise commercially available in that form or dose/strength from a single manufacturer. The Prescription must identify the multiple ingredients in the Compound, including active ingredient(s), diluents(s), ratios or amounts of product, therapeutic use, and directions for use. The act of compounding must be performed or supervised by a licensed Pharmacist. Any commercially available product with a unique assigned NDC requiring reconstitution or mixing according to the FDA approved package insert prior to dispensing will not be considered a Compound Prescription by the Program.

Contractor means the successful Offeror selected as a result of the evaluation of Offerors' Proposals submitted in response to this RFP and who executes an Agreement with the Department to provide Program Services.

Controlled Drug means drugs designated by Federal Law or New York State law as a Class I, II, III, IV, or V substance. A Controlled Drug includes but is not limited to: some tranquilizers, stimulants, and pain medications.

Copayment (DCS only) means the amount the Enrollee/Dependent is required to pay for Covered Generic, Preferred and Non-Preferred Brand Drugs as specified by the benefit design of the Program. The actual payment amount required from the Enrollee/Dependent for a Prescription may not exceed the Ingredient Cost of the drug to the Plan after application of the Program's Lesser of Logic provision plus the applicable dispensing fee.

Covered Drug(s) DCS Program: means medically necessary Prescription drugs as defined in the Summary Plan Description, subject to all limitations and exclusions set forth therein. NYSIF Program: means medically necessary and appropriate drugs that are causally related to the loss.

Day(s) means calendar days unless otherwise noted.

DCS or Department means the New York State Department of Civil Service.

DCS Program(s)/Plan means the New York State Health Insurance Program's Empire Plan Prescription Drug Program, the Excelsior Plan Prescription Drug Program and Student Employee Health Program (SEHP) Prescription Drug Program.

Dedicated Call Center means a group of Customer Service Representatives trained and capable of responding to a wide range of questions, complaints, and inquiries specific to the Programs. The Customer Service Representatives are dedicated to the Programs and do not work on any other accounts.

Dependent means the spouses, domestic partners, and children under twenty-six (26) years of age of an Enrollee. Young adult dependent children age twenty-six (26) or over are also eligible if they are incapable of supporting themselves due to mental or physical disability acquired before termination of their eligibility for coverage under the DCS Program.

Dependent Survivor means the unremarried spouse, dependent child, or domestic partner who has not acquired another domestic partner, of an Enrollee who died after having had at least ten (10) years of service, who were covered as dependents of the deceased Enrollee at the time of the Enrollee's death and who elect to continue coverage under NYSHIP following the three (3) month extended benefits period.

Designated Specialty Pharmacy means all facilities owned, operated, subcontracted or otherwise affiliated with the Contractor or any Key Subcontractor of the Contractor to provide certain Specialty Drugs/Medications. All facilities must meet all legal and contractual requirements as set forth in the Agreements.

Designated Specialty Pharmacy Hard Edit means a Network Pharmacy claims adjudication edit that will result in denial of the claim for a Specialty Drug/Medication under the Specialty Pharmacy Process after the Grace Period for Specialty Drugs has elapsed.

Designated Specialty Pharmacy Passive Edit means a Network Pharmacy claims adjudication edit that will prompt processing of the claim at the Designated Specialty Pharmacy but will permit continued processing and coverage for a Specialty Drug/Medication at the Network Pharmacy under the Specialty Pharmacy Process after the Grace Period for Specialty Drugs has elapsed.

Disabled Lives Benefit means the benefits provided to an Enrollee/Dependent who is Totally Disabled on the date coverage ends. The benefits are provided on the same basis as if coverage had continued with no change until the day the Enrollee/Dependent is no longer Totally Disabled or for ninety (90) days after the date the coverage ended, whichever is earlier.

Discounted Ingredient Cost(s) means the cost to the Plan for a specific drug or drugs dispensed to an Enrollee/Claimant after the Contractor has applied the appropriate discount exclusive of any associated dispensing fee(s), sales tax, or Copayments.

Employee means "Employee" as defined in 4 NYCRR Part 73, as amended, or as modified by collective bargaining agreement.

Employer means "Employer" as defined in 4 NYCRR Part 73, as amended.

Employer Group Waiver Plan (EGWP) means a Medicare Part D program in which the Contractor contracts with the Center for Medicare and Medicaid Services directly to provide prescription drug benefits, replicating the current Empire Plan prescription drug benefit structure, for Medicare primary Enrollee/Dependents.

Enhanced Flexible Formulary means a Flexible Formulary Drug List which includes the ability to place drugs on the appropriate Copayment level based on their economic and therapeutic value, including placement of Brand Drugs on the lowest Copayment level and to exclude Generic Drugs or place them on a higher Copayment level.

Enrollee/Claimant means an “Employee” or “Dependent” enrolled in the Program with prescription drug benefits, or an injured employee who sustains an at-injury accident (loss) while in the employ of individuals or companies that have workers’ compensation insurance policies with NYSIF.

Enrollee Submitted Claim(s) or Subscriber Claims means a claim for benefits submitted by an Enrollee to the Contractor for direct reimbursement.

ET means prevailing Eastern Time.

Final Paid Claim means a claim processed and paid by the Contractor for a Prescription drug provided to an Enrollee/Claimant, including but not limited to, claims for Prescriptions filled at a Retail Pharmacy or through the Mail Service Pharmacy Process or the Specialty Pharmacy Process. A claim that is denied prior to processing is not considered a Final Paid Claim. In addition, a claim that is processed and paid but is subsequently voided, reversed, or otherwise adjusted is not a Final Paid Claim. Zero balance claims are considered Final Paid Claims.

First Fill means an Enrollee/Claimant’s initial or very first dispensing of a Specialty Drug/Medication covered under the Program’s Specialty Pharmacy Program.

Flexible Formulary Drug List means a Preferred Drug List in which Brand Drugs may be assigned to different copayment levels based on value to the Program and clinical judgment. In some cases, drugs may be excluded from coverage if a Therapeutic Equivalent or Over-The-Counter Drug is available.

GCN means Generic Code Number as assigned by First Data Bank.

Generic Drug means a prescription drug sold under its chemical name or drug sold under a name other than its chemical name by a manufacturer other than the manufacturer that held the original patent for the active ingredient in the drug. The term Generic Drug shall include “authorized generics” marketed by or in conjunction with the manufacturer that is the holder of the original patent for the active ingredient of the drug. Any drug approved through an FDA Generic Drug approval process, including any FDA approval process established for approving generic equivalents of biologic drugs shall be classified as a Generic Drug. For The Empire Plan, SEHP, and NYSIF’s Pharmacy Benefits Management Program, the Contractor shall utilize a Procuring Agencies approved process to replicate the results of the methodology used by the Program as of January 1, 2012, for determining the appropriate classification of drugs. The Excelsior Plan will utilize the Contractor’s book of business PDL classification and tier placement for generic and brand name medications.

Grace Period means a period of time, representing 30 Days.

Grace Period for Specialty Drugs means the period of time during which Enrollees/Claimants may receive one fill of a Specialty Drug/Medication at a Pharmacy other than the Designated Specialty Pharmacy.

Guaranteed Discount(s) means the Contractor’s fixed, contracted, guaranteed Ingredient Cost discounts for Brand Drugs expressed as a percent off of AWP dispensed through the Mail Service Pharmacy Process. For Specialty Drug/Medications dispensed through the Specialty Pharmacy Process, Guaranteed Discounts means the Contractor’s fixed, contracted, guaranteed Ingredient Cost discounts for Brand and Generic Drugs expressed as a percent off of AWP.

Guaranteed Maximum Dispensing Fee(s) represents the quoted dispensing fee(s) the Contractor guarantees that the actual average dispensing fee assessed under Pass Thru Pricing will not exceed. This Guaranteed Maximum Dispensing Fee(s) is applicable to the Program for Generic, Brand and Compound Drugs, calculated separately, for prescriptions dispensed by Retail Network Pharmacies.

Guaranteed Minimum Discount(s) means the guaranteed Ingredient Cost discount(s) as expressed as a percent off of the aggregate AWP and is applicable to Generic and Brand Drugs separately, dispensed through the Retail Pharmacy Network as well as Generic Drugs dispensed through the Mail Service Pharmacy Process.

Hard Edit means a Network Pharmacy claims adjudication edit that will result in denial of the claim.

Ingredient Cost(s) means the cost to the Programs for a specific drug, or drugs dispensed to an Enrollee/Claimant exclusive of any associated dispensing fee(s), other costs, or Copayments through application of the Programs' Lesser of Logic.

Instant Enrollment/Short Fill Service means allowing Claimants covered by NYSIF immediate acceptance by any pharmacy in the Contractor's network in order to provide a limited number of cost-effective medications.

Key Subcontractor means those vendors with whom the Contractor subcontracts to provide Program Services and incorporates as a part of the Contractor's Project Team.

Lesser of Logic means the methodology for charging the Program for Prescriptions. Retail Generic Prescriptions assigned a MAC price shall be charged to the Programs at the following Lesser of Logic: the lowest of the Pharmacy-Submitted Ingredient Cost plus dispensing fee; the Pharmacy's Usual and Customary Price (no dispensing fee is to be paid on claims when the pricing basis is Usual and Customary); the AWP Discounted Ingredient Cost contracted with the Network Pharmacy plus dispensing fee; the Maximum Allowable Cost plus dispensing fee; or the WCB Fee Schedule (NYSIF Program only). Retail Brand Prescriptions and Generic Prescriptions that are not assigned a MAC price shall be charged to the Plan at the following Lesser of Logic: the lowest of the Pharmacy's Usual and Customary Price (no dispensing fee is to be paid on claims when the pricing basis is usual and customary); the AWP Discounted Ingredient Cost contracted with the Network Pharmacy plus dispensing fee; the Pharmacy-submitted Ingredient Cost plus dispensing fee, or the WCB Fee Schedule (NYSIF Program only). Mail Service Pharmacy Generic Prescriptions shall be charged to the Plan at the following Lesser of Logic: the lowest of the Pharmacy-Submitted Ingredient Cost plus dispensing fee; the Pharmacy's Usual and Customary Price (no dispensing fee is to be paid on claims when the pricing basis is Usual and Customary); the Minimum Guaranteed Discounted Ingredient Cost off of AWP pertaining Mail Service Pharmacy Brand prescriptions for those Mail Service Generic prescription not assigned a MAC plus dispensing; the Maximum Allowable Cost for Chain/Mail Pharmacy plus dispensing fee; or the WCB Fee Schedule (NYSIF Program only). Mail Service Pharmacy Brand and Specialty Pharmacy Brand and Generic Prescriptions shall be charged to the Plan at the following Lesser of Logic: the lowest of the Pharmacy-Submitted Ingredient Cost plus dispensing fee; the Pharmacy's Usual and Customary

Price (no dispensing fee is to be paid on claims when the pricing basis is usual and customary); the Guaranteed Discounted Ingredient Cost off of AWP plus dispensing fee; or the WCB Fee Schedule (NYSIF Program only). Once the Lesser of Logic has been applied, the pricing methodology resulting in the lowest claim cost to the Plan is determined, and to that amount any applicable sales tax is added and the applicable Copayment and any ancillary fee resulting from application of the Program's Mandatory Generic Substitution provisions are deducted.

(Amended April 4, 2012)

Limited Distribution Drug means a Specialty Drug/Medication whose distribution is limited by the manufacturer to select Pharmacies and as a result of this restriction is not available to be dispensed from the Designated Specialty Pharmacy **and/or Mail Service Pharmacy**.

Mail Service Pharmacy Process means the method that the Contractor employs to accept, process, and dispense Prescriptions for Covered Drugs to Enrollees/Claimants through the mail or other home delivery service, excluding any drug eligible under the Specialty Pharmacy Process. For those employee groups not participating in the Specialty Pharmacy Process, the Mail Service Pharmacy Process means the method that the Contractor employs to accept, process, and dispense Prescriptions for Covered Drugs to Enrollees/Claimants through the mail or other home delivery service including any drug that could be classified as a Specialty Drug/Medication, or that require special preparation or handling, using one or more Mail Service Pharmacy Process Facilities or other entities approved as distribution channels for dispensing Limited Distribution Drugs to Enrollees/Claimants through the Mail Service Pharmacy Process. Prescriptions are considered to be submitted through the Mail Service Pharmacy Process if they are submitted by phone, fax, internet, e-prescribing or mail to any Mail Service Pharmacy Process Facility. All Prescriptions filled through the Mail Service Pharmacy Process shall be processed in strict accordance with the provisions of the Agreement including all pricing provisions related to the Mail Service Pharmacy Process. Prescriptions dispensed through the Retail Pharmacy Network and delivered to the Enrollee/Claimant through the mail shall not be considered to have been filled through the Mail Service Pharmacy Process provided the Enrollee/Claimant or his/her Physician presented the Prescription directly to the dispensing Network Pharmacy. The Contractor or its Key Subcontractor will not refer an Enrollee/Claimant or his/her Physician to a retail Pharmacy without also making the Enrollee/Claimant aware of the Mail Service Pharmacy Process.

Mail Service Pharmacy Process Facility(ies) means all facilities owned, operated, subcontracted or otherwise affiliated with the Contractor or any Key Subcontractor of the Contractor capable of being utilized by the Contractor in the Mail Service Pharmacy Process, including any mail service intake facility. For those employee groups participating in the Specialty Pharmacy Process, the Designated Specialty Pharmacy is not considered a Mail Service Pharmacy Process Facility. All facilities must meet all legal and contractual requirements.

Maximum Allowable Cost means the maximum price the Programs shall be charged and the dispensing retail Network Pharmacy shall be paid on a pass through basis for the Ingredient Cost of a drug required to be included on the Program's MAC List managed by the Contractor.

Medically Necessary Drug means any drug which, as determined by the Contractor, is: (i) provided for the diagnosis or treatment of a medical condition; (ii) appropriate for the symptoms, diagnosis or treatment of a medical condition; (iii) within the standards of generally accepted health care practice; and (iv) not used for cosmetic purposes.

Medical Professional(s) means a Doctor of Medicine (M.D.) or a Doctor of Osteopathy (D.O.) licensed without limitation or restriction to practice medicine. For benefits provided in the Program, and for no other purpose, Physician also means a Doctor of Dental Surgery (D.D.S.), a Doctor of Dental Medicine (D.D.M), a Podiatrist and any other health care professional licensed to prescribe medication, when he or she is acting within the scope of his or her license.

Narrow Therapeutic Index (NTI) Drugs means a drug that small variances in blood levels can cause changes in the effectiveness or toxicity of that drug.

NDC means the National Drug Code number assigned to a pharmaceutical product obtained by the manufacturer of the product through a U.S. Food and Drug Administration administered process.

Network Pharmacy means a Pharmacy, other than those Pharmacies meeting the definition of Mail Service Pharmacy Process Facilities or a Designated Specialty Pharmacy, which has entered into an agreement with the Contractor, or any Affiliate of the Contractor or Key Subcontractor or any Key Subcontractor of the Contractor, to provide Covered Drugs to Enrollees/Claimants, including limited distribution or Specialty Drugs. The Contractor's records shall be conclusive as to whether a Pharmacy has a Network Pharmacy agreement in effect on the date a drug is dispensed.

Non-Network Pharmacy means any Pharmacy, other than a Network Pharmacy, a Mail Service Pharmacy Process Facility or a Designated Specialty Pharmacy, which has not entered into an agreement with the Contractor, or any Affiliate of the Contractor or a Key Subcontractor or any Key Subcontractor of the Contractor, to provide Covered Drugs to Enrollees/Claimants. The DCS Programs have no obligation to pay the Pharmacy; the Enrollee must file a claim form with the Contractor in order to receive reimbursement for Covered Drugs dispensed by a Non-Network Pharmacy.

Non-Preferred Drug means an FDA approved prescription drug that is covered by the Program in accordance with the Program Summary Plan Description, but is not included on the Contractor's and/or its Key Subcontractor's Preferred Drug List and will result in a higher drug Copayment for Enrollees/Dependents.

NYS means New York State.

NYSHIP means the New York State Health Insurance Program.

NYSIF or Fund means the New York State Insurance Fund.

Offeror means a person or entity that submits a Proposal in response to this RFP.

Over-The-Counter Drug (OTC) means a drug approved by the FDA, which has been determined to be safe and effective for use by the general public without a Doctor's Prescription.

Participating Agency (PA) means any unit of local government such as school districts, special districts and district or municipal corporations which elects, with the approval of the President of the Civil Service Commission, to participate in the New York State Health Insurance Program.

Participating Employer (PE) means a public authority, public benefit corporation, or other public agency, subdivision, or quasi-public organization of the State which elects, with the approval of the President of the Civil Service Commission, to participate in the New York State Health Insurance Program.

Pass-through Pricing means the Program is charged the same Ingredient Cost and/or dispensing fee paid to the dispensing Network Pharmacy or Mail Service Pharmacy for the Generic, Brand or Compound Drug dispensed.

Pharmacist means a person who is legally licensed to practice the profession of Pharmacy. He or she must regularly practice such profession within the scope of their license.

Pharmacy or Pharmacies means any establishment, which is registered as a Pharmacy with the appropriate State licensing agency or is a Veterans Affairs Hospital Pharmacy, and regularly dispenses medications that require a Prescription from a Physician.

Program Services or Pharmacy Benefit Services means all of the services to be provided by the Contractor as set forth in this RFP.

Pharmacy Submitted Ingredient Cost or Pharmacy Submitted Pricing or Submitted Cost means the value entered by the Pharmacy in field 409, 'Ingredient Cost Submitted' of Telecommunication Standard Version 5.1 issued by the National Council for Prescription Drug Programs, Inc. For purposes of adjudication of Compound claims the value shall be no more than the total AWP of all ingredients in the Compound.

Pharma Revenue means any and all revenues generated from agreements between pharmaceutical manufacturers and the Contractor, or any Affiliate of the Contractor or any Key Subcontractor or any Key Subcontractor of the Contractor, which relate to Program utilization and/or Pharmacy Benefit Services provided under the Agreements. Such revenues include revenue described by any name, but not limited to, revenues described as: formulary rebates, market share rebates, administrative fees, AWP caps or by any other name.

Physician means a Doctor of Medicine (M.D.) or a Doctor of Osteopathy (D.O.). He or she must be legally licensed without limitations or restrictions, to practice medicine. For benefits provided in the Program, and for no other purpose, Physician also means a Doctor of Dental Surgery (D.D.S.), a Doctor of Dental Medicine (D.D.M), a Podiatrist and any other health care professional licensed to prescribe medication, when he or she is acting within the scope of his or her license.

Plan/Program means The Empire Plan Prescription Drug Program, the Excelsior Plan Prescription Drug Program, and Student Employee Health Plan (SEHP) Prescription Drug Program administered by the New York State Department of Civil Service, AND the Workers' Compensation Pharmacy Benefits Management program administered by the New York State Insurance Fund.

Plan Sponsor means the Council on Employee Health Insurance, which is composed of the President of the Civil Service Commission, Director of the Governor's Office of Employee Relations, and the Director of the Division of Budget.

Plan Year means the period from January 1st to December 31st in each Plan Year, unless specified otherwise by the DCS.

Preferred Brand Drug means a FDA approved brand name prescription drug that is included on the Preferred Drug List developed by the Contractor for the Program.

Preferred Drug List or PDL means a list of FDA approved brand name and generic prescription drugs developed by the Contractor for the Programs. Unless otherwise specified, this definition applies to all five of the Program's PDLs including: (1) the Traditional Empire Plan PDL (which applies to employee groups who have not agreed to implementation of a Flexible Formulary Drug List); (2) Flexible Formulary Drug List; (3) Enhanced Flexible Formulary; (4) Contractor's book of business PDL which applies to Enrollees/Dependents with Excelsior Plan benefits (Excelsior Plan PDL); and the (5) NYSIF PDL.

Prescription/Prescription Order means the written or oral request for drugs issued by a Physician duly licensed to make such a request in the ordinary course of his or her professional practice. This order must be written in the name of the person for whom it is prescribed or be an authorized refill of that order.

President means the President of the Civil Service Commission and the Commissioner of the DCS.

Procuring Agencies means the DCS acting in its statutory authority as the administrator of NYSHIP's Empire Plan, Excelsior Plan, and Student Employee Health Plan Prescription Drug Program, and the NYSIF acting in its statutory authority as the administrator of the NYS Workers' Compensation Pharmacy Benefits Management Program.

Program MAC List means the Program's specific Maximum Allowable Cost (MAC) List managed by the Contractor to set the maximum price the Program shall be charged and the dispensing retail Network Pharmacy shall be paid on a pass through basis for the Ingredient Cost of a drug required to be included on the Program MAC List.

Program Services or Pharmacy Benefit Services means all of the services to be provided by the Contractor as set forth in this RFP.

Program Team means the Contractor and those Key Subcontractors, if any, utilized by the Contractor who collectively undertake and perform the Program Services which are the subject of the Agreement.

Proposal means the Contractor's Administrative Proposal, Technical Proposal, and Cost Proposal, including all responses to supplemental requests for clarification, information, or documentation, submitted during the course of the Procurement.

Regulations of the President of the New York State Civil Service Commission means those regulations promulgated by the President of the Civil Service Commission under the authority of Civil Service Law, Article XI, as amended, and including, but not limited to those regulations to be promulgated as 4 New York Code of Rules and Regulations (NYCRR) Part 73.

Renewal Date means January 1, 2015, and annually thereafter up to and including January 1, 2018.

Retail Pharmacy Network means the Contractor's credentialed network of participating independent, chain Pharmacies, and specialty Pharmacies contracted to deliver services to Enrollees/Claimants.

Retiree means any person defined as a Retiree pursuant to the terms of 4 NYCRR Part 73, as amended.

RFP or Procurement means the Request for Proposals entitled "Pharmacy Benefit Services for The Empire Plan, Excelsior Plan, Student Employee Health Plan, and New York State Insurance Fund Workers' Compensation Prescription Drug Programs."

Specialty Drugs/Medications means drugs that treat rare disease states; drugs requiring special handling, special administration, or intensive patient monitoring/testing; biotech drugs developed from human cell proteins and DNA, targeted to treat disease at the cellular level; or, other drugs used to treat patients with chronic or life threatening diseases identified as specialty medications through the mutual agreement of the Parties.

Specialty Pharmacy Process means the method that the Contractor employs to accept, process, and dispense Prescriptions for Covered Drugs to Enrollees/Claimants through the Designated Specialty Pharmacy or a Limited Distribution Drug Pharmacy, for those employee groups participating in the

specialty pharmacy benefit. Prescriptions are considered to be submitted through the Specialty Pharmacy Process if they are a Limited Distribution Drug submitted directly to the Limited Distribution Drug Pharmacy, or if they are a Specialty Drug/Medication submitted directly to the Designated Specialty Pharmacy, by phone, fax, internet, e-prescribing or mail.

State means New York State as a whole.

Summary Plan Description(s) (SPD) means the document(s) issued pursuant to and attached by reference to the Agreement. The SPD is issued to Enrollees/Dependents and describes Program benefits. The SPD includes the initial SPD and amendments, if any.

Therapeutically Equivalent means drugs that can be expected to produce essentially the same therapeutic outcome and toxicity.

Traditional Preferred Drug List means a list of FDA approved brand name and generic prescription drugs developed by the Contractor for the employee groups who have not agreed to implementation of the Flexible Formulary Drug List.

Usual and Customary (U&C) means the retail price of a drug charged to the general public as submitted by the dispensing Pharmacy during claims processing.

Vestee means a former Employee who is entitled to continue benefits under NYSHIP because he/she has met all the requirements for NYSHIP coverage as a Retiree, except for age eligibility for pension, at the time employment terminates.

WCB means the New York State Workers' Compensation Board.