

FOR IMMEDIATE RELEASE:
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North Carolina State Health Plan Announces Free Generic Drugs for Members, January 1 through March 31, 2007

State Health Plan Continues Emphasis on Choice and Affordability

Raleigh, N.C. – The North Carolina State Health Plan announced today that generic drugs will be dispensed free of charge to State Health Plan members, from January 1 through March 31, 2007. Members will not be responsible for copayments when they use a participating network pharmacy. The generic copayment waiver program is being offered to approximately 615,000 State Health Plan members. Participation in the program is voluntary.

“The goal of our 90-day free generics program is to encourage generic drug prescribing and generic drug use, resulting in significant cost savings to the member and the State Health Plan over time,” said Executive Administrator George C. Stokes. “As requested by members, we continue to seek additional ways to improve their health, while expanding choice and improving affordability.”

Dr. Nancy Henley, Medical Director for the State Health Plan, emphasized that quality of care is likely to be improved: “A member’s physician must indicate that generic use is acceptable, and the member always retains the choice of brand name versus generic drugs. Medical research has shown improved medication compliance when cost to the patient decreases, as with waiving or decreasing copayments. We expect improved medication use and increased overall satisfaction.”

To participate, members will take new prescriptions or refills for generic drugs to their local participating network pharmacy, and present their State Health Plan ID card. The pharmacy will automatically waive the copayment.

Most generic drugs are the same as brand name drugs in dosage, safety, strength, how the drugs are taken, quality, performance and intended use. Before approving a generic drug product, the Food and Drug Administration (FDA) requires many rigorous tests and procedures to assure that the generic drug can be substituted for the brand name drug. By law, a generic drug product must contain the identical amounts of the same active ingredient(s) as the brand name product. State Health Plan members are encouraged to speak to their doctor or pharmacist if

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they have any questions.

Three NC *SmartChoice*SM Blue OptionsSM PPO plans were offered to State Health Plan members for the first time, along with the current indemnity plan, during the 2006 open enrollment. State Health Plan members covered under all of these plans are eligible to participate in the generic copayment waiver program.

The State Health Plan also announced a second member-focused initiative today: Members are eligible to receive cost-effective smoking cessation therapy through the Plan's pharmacy benefit. Generic, over-the-counter (OTC) nicotine replacement therapy patches will be a covered benefit beginning January 1, 2007. Through the generic copayment waiver program, members will receive generic patches *free* for the first three months of the program. Thereafter, the appropriate copayment will apply. To participate, members must first obtain a prescription for generic OTC nicotine replacement therapy patches from a physician.

Visit the State Health Plan Web site at www.shpnc.org for more information about the 90-day free generics program and the coverage of generic, OTC nicotine replacement therapy patches. State Health Plan members will receive a special mailing with details about both of these programs.

About the State Health Plan:

The North Carolina State Health Plan covers approximately 615,000 teachers, state employees, retirees, current and former lawmakers, state university and community college personnel, state hospital staff and their dependents. More than 310,000 active employees; more than 146,000 dependents; more than 157,000 retirees and their dependents, with one or more members covered primarily by Medicare; and finally, more than 2,000 COBRA participants and their dependents. Dependents include spouses and unmarried children under age 19 (or under age 26 if full-time students). The State Health Plan is self-insured and exempt from ERISA as a government-sponsored plan. Access the State Health Plan online at www.shpnc.org.

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FOR IMMEDIATE RELEASE:
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North Carolina State Health Plan Launches Major Initiative to Support Smoking Cessation

Nicotine Replacement Therapy Patches Covered Under Pharmacy Benefit

Raleigh, N.C. – The North Carolina State Health Plan announced today that all State Health Plan members are eligible to receive cost-effective smoking cessation therapy through the Plan's pharmacy benefit. Generic, over-the-counter (OTC) nicotine replacement therapy patches will be a covered benefit beginning January 1, 2007.

“Providing support to members who want to stop smoking is key to helping them achieve better health,” said Dr. Nancy Henley, Medical Director for the State Health Plan. “This benefit will be helpful to members affected by planned limitations on smoking in North Carolina community colleges, the General Assembly, UNC Health Care System facilities and state correctional institutions.”

Each year, State Health Plan members can receive coverage of a 10-week course of therapy. Each prescription during the 10-week course of therapy will cost \$5. The number of prescriptions necessary during the 10-week period may vary depending on individual needs. To participate, members are required to obtain a prescription for generic OTC nicotine replacement therapy patches from a physician.

Through a second State Health Plan initiative announced today, the generic copay waiver program, members will receive generic patches free for the first three months of the program. The generic copay waiver program provides copay-free generic drugs to members from January 1, 2007 to March 31, 2007.

“We are investing in our members' health,” said Executive Administrator George C. Stokes. “Members will benefit from improved health and decreased chance for long-term illness. And, the State Health Plan expects long-term savings resulting from decreases in smoking-related medical expenditures.”

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Tobacco is the leading preventable cause of death and illness in the United States, sited for nearly half a million deaths annually. In North Carolina, 37 percent of all preventable deaths are attributed to tobacco use. Each smoker represents \$1,623 in excess medical expenditures. By making generic nicotine replacement therapy patches available under the pharmacy benefit, the State Health Plan expects improved member health and significant long-term savings for the Plan and for taxpayers.

Through NC HealthSmart, the State Health Plan's healthy living initiative, members can log into their NC HealthSmart Personal Health Portal to access online materials to help them quit smoking. Members may also contact a health coach 24 hours a day, 7 days a week for education and support services.

Research shows that counseling increases the likelihood that an individual will stop smoking even more than medication alone. Members may also receive counseling services from their health care provider or may take advantage of the free counseling services available through the NC Quitline.

For more information, visit the State Health Plan Web site, www.shpnc.org. Contact the NC Quitline by calling 1-800-QUIT-NOW (1-800-784-8669). State Health Plan members may also contact a NC HealthSmart Health Coach by calling 1-800-817-7044.

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