



ABC'S: THE BASICS

5 Questions to Ask

About Your Prescription Medicine Coverage

Navigating health coverage can be complicated. Here are five questions for you and your family to ask to better understand your insurance plan's prescription benefits and make sure your needed medicines are covered. For more information about your coverage, see the Summary of Benefits and Coverage (available from an insurance company), call the insurer directly or visit the insurer's website.



1. Are my regular prescriptions covered by my insurance plan?

Many Americans take medications regularly. It is important to know if and how those medications are covered by your plan. Each insurance provider has a formulary or list of medicines covered by the plan. A non-formulary medicine may not be covered by your health plan, requiring you to go through a lengthy process to try to gain coverage or pay the full cost of the medicine. The list of covered medicines is divided into tiers, which determines how much of a copay or coinsurance you may have to pay out of pocket. Higher tier medicines typically require more cost sharing than lower tier medicines. Make a list of your current medicines and compare it to the plan's formulary to make sure your needed prescriptions are covered.

2. How much will I have to pay out of pocket before my medicines are covered?

The amount you are responsible for paying out of pocket before your medicines are covered will vary based on your coverage. First, you'll have to pay a premium for your coverage. This amount is usually paid monthly, but in some cases is paid quarterly or even annually and is paid regardless of services used.

Second, you may have to meet a deductible before coverage kicks in. For example, if your deductible is \$1,000, your plan may not cover expenses until you've spent \$1,000 out of pocket. Insurers increasingly require a deductible be met before covering medical or pharmacy services. Be sure to check with your insurer to know if your deductible combines these expenses to know how much you'll have to pay before medicines are covered. Once your deductible is met, you will often still have to pay something out of pocket towards the cost of your medicine.

3. How much will I have to pay out of pocket for my medicines after paying my premiums and meeting my deductible?

Even after meeting your deductible, you will likely be responsible for certain out-of-pocket expenses. This may include copays – flat fees you are required to pay for prescriptions – or coinsurance – a percentage of the total cost of a medicine (sometimes as high as 30 or 40 percent). Check your plan's formulary or list of covered medicines to get a sense for what you'll need to pay out of pocket for the medicines you take.

4. Will I have to get prior approval or go through step therapy to get my medicine covered?

Sometimes, insurance plans require extra steps before covering a medicine. A plan might require step therapy or fail first, meaning you may have to try another medicine before your plan covers the medicine your doctor or provider originally prescribed. Plans may also require you to get permission or prior authorization before a prescription is covered. These requirements often involve additional steps for practitioners as well as patients.

5. Is my preferred pharmacy in my plan's network?

It's important to remember that in-network services and pharmacies are covered under an insurance plan, while out-of-network services and pharmacies may not be covered or may require higher out of pocket costs. Check to see if a pharmacy that is convenient for you is included in the plan's network.