



ABC'S: THE BASICS

Insurance Basics

Who is Making Decisions About Your Health Care?

Have you ever gone to the pharmacy and been told they can't give you the medicine your doctor prescribed? This can happen for a few reasons. You may not even realize health care decisions are being made on your behalf— by your insurance company.



Even though insurers are not involved in your direct care or privy to why your doctor prescribed one medicine over another, many try to limit the use of certain prescriptions to control health care costs and steer patients to medicines insurers prefer. Sometimes, this can mean unnecessary barriers between you and the medicine you need. Here are some terms you should know when visiting your health care provider, filling a prescription – and even when you select your insurance plan.

1. Fail First

One way insurers manage your medicines is through a process called step therapy, also known as fail first.

Before an insurer will cover the non-preferred medicine prescribed by your doctor, your doctor has to begin treatment with a drug from your plan's "preferred" list. If the medicine is deemed ineffective, you can then progress to others which may not be on the preferred list.

Step therapy or fail first can be especially challenging for patients with rheumatoid arthritis or other chronic conditions who are stable on a treatment regimen and may see their health worsen if they switch medicines. For any patient, going through the step therapy process can be a burden and can be particularly frustrating if a patient starts with a new insurer and has to once again go back to step one and go off a therapy that is working.

2. Prior Authorization

Have you ever gotten to the pharmacy to fill a prescription and been told it isn't covered until your insurer talks to your physician? This happens due to a requirement called prior authorization.

This is where your insurer has to grant permission to your health care provider to cover a medicine not on your plan's preferred list. This is sometimes a burdensome and time consuming process – for both you and your health care provider – potentially causing delays in access to needed treatments, which might negatively affect your overall health.

When choosing a health insurance plan, it is important to look at your plan's formulary (the list of medicines covered) and find out which medicines require things like fail first or prior authorization before any of the costs of the prescription are covered. Keep in mind that even after your insurer determines a treatment your health care provider prescribed is medically necessary, you may still be responsible for additional out-of-pocket costs before your prescription is filled.

To learn more about prescription medicine coverage and choosing a plan that's right for you, check out the other resources available at [AccessBetterCoverage.org](https://www.AccessBetterCoverage.org).