



The Benefits Store

Save Money with Better Coverage



How Prescription Drug Coverage Works

Overview

Prescription drug coverage is a key part of many health insurance plans. It helps lower the cost of medications, but how much you pay depends on your plan's structure and drug list.

What Is a Formulary?

A formulary is your plan's list of covered medications. It is designed to manage costs while still providing effective treatment options.

How Drug Tiers Work

Most plans use a tiered system:

- Tier 1: Generic drugs (lowest cost)
- Tier 2: Preferred brand-name drugs
- Tier 3: Non-preferred or specialty drugs (highest cost)

What If Your Medication Isn't Covered?

If your prescribed drug isn't on the formulary, your doctor may request prior authorization. You may also need to try lower-cost alternatives first. If denied, you can appeal the decision.

How Formularies Are Created

Insurance companies use committees of doctors and pharmacists to evaluate drugs based on safety, effectiveness, and cost. Formularies are updated regularly.

Patient Assistance Programs

If you're struggling to afford your prescriptions - whether you have insurance or not - patient assistance programs (PAPs) can help reduce or even eliminate medication costs.

These programs are offered by a combination of:

- Pharmaceutical companies
- State and federal programs
- Nonprofit and charitable organizations

Many major drug manufacturers provide free or low-cost medications to individuals who qualify. In some cases, they may also offer discount cards to help lower out-of-pocket costs at the pharmacy.

Who Qualifies?

You may qualify for assistance if:

- You do not have health insurance
- Your insurance does not adequately cover your medications
- You earn too much for government programs but still cannot afford prescriptions
- You have a chronic condition with high medication costs

Each program has its own eligibility requirements, which can vary based on income, insurance status, and the specific medication.

How to Find Help

Because there are hundreds of different programs available, it can feel overwhelming to find the right one. Fortunately, there are resources that simplify the process:

- **Partnership for Prescription Assistance (PPA):** Helps connect patients with over 400+ assistance programs and guides you to available options
- **NeedyMeds:** A comprehensive resource that lists programs by medication, condition, and provider

These tools can help you quickly identify programs you may qualify for and guide you through the application process.

Key Tip

If cost is preventing you from taking your medication, don't wait - talk to your doctor or pharmacist. They can often recommend lower-cost alternatives or help you find assistance programs that fit your situation.

Ways to Save on Prescriptions

- Ask your doctor about generic or lower-cost alternatives
- Compare pharmacy prices
- Look into state or manufacturer assistance programs.

Common Questions

Q: Why do generic drugs cost less?

A: Generic drugs contain the same active ingredients as brand-name drugs but are typically much cheaper.

Q: Can I still get a drug not on my plan's list?

A: Possibly. Your doctor can request approval, but you may need to show medical necessity.

Q: What if I can't afford my medications?

A: Patient Assistance Programs (PAPs) and state programs may offer free or discounted medications.

Q: Do drug lists change?

A: Yes. Formularies are reviewed and updated regularly, so it's important to check your plan each year.

Key Takeaway

Understanding your plan's formulary and drug tiers can help you manage prescription costs and avoid surprises at the pharmacy.

<https://health.howstuffworks.com/health-insurance/prescription-drug.htm>

