

What are prescription benefits?

- Prescription benefits is the set of benefits that help cover any medication you might need. Plan dependent, you will have specific copays (prices set by a health insurance plan) for drug types or certain coverage for certain tiers of drugs.
- Prescription benefits are considered ancillary benefits; ancillary benefits refers to the secondary nature of these benefits to one's primary health care plan

Prescription Drug Coverage and Fitting into a Health Insurance Plan

- Prior to the Affordable Care Act (ACA), 20% of plans didn't cover prescription medication, except for large group plans. The ACA now requires plans to cover this, with most large group plans still covering it (3).
- There are still a few stand alone prescription plans if you have a pre ACA plan or don't have health coverage at all (3).
 - These include drug discount plans like GoodRX, but are not technically considered insurance.
 - The one technical standalone plan is Medicare Part D
 - Medicare part D is a specific drug coverage under Medicare that specifically addresses prescription drug costs (7).
- Sometimes different companies handle prescription coverage than the people that deal with medical coverage regardless of whether both are under a single health insurance plan. This could be why one has a medical coverage card and a prescription coverage card.

Terms to Know While Familiarizing Yourself with Prescription Drug Coverage

- Copay (1)
 - A cost amount preset by your health insurance for some health service or prescription.
- Deductible (1)
 - The amount of money you will pay for health services until your insurance plan starts to help and pay.
 - Example: You have a deductible of \$500, you have a health service of \$1000. You will pay \$500 and your insurance will cover the rest.
- Formulary (1)
 - This is a list of prescription drugs that is covered in your prescription drug coverage, often found in your summary of benefits.
 - Formularies are required to cover at least one drug in every U.S. Pharmacopeia category and class and the same number of drugs in each category and class as the benchmark plan selected by the state (3).
- In Network vs Out of Network (1)
 - In network is often associated with lower costs by using hospitals and providers that are preferred by insurance companies.
 - Out of network is associated with higher costs by seeing providers/hospitals that are not in your preferred network established by your insurance companies.
- Coinsurance (1)

- You pay a percentage of a service while the rest is covered by your health insurance plan.
- Tiers
 - Tiers are often found with your formulary and establish levels of costs of drugs that your insurance company has set. Tier specifications can vary from plan to plan.
 - Tier 1: generics, smaller copays, lower out of pocket costs
 - Tier 2: preferred brand drugs, not the lowest copayments, but still aid in cost reduction
 - Tier 3: non preferred brand drugs, most expensive drugs
 - Generic vs Preferred Drugs: slightly differ in ingredients, biosimilars, generics are often cheaper (2).
- Specialty Drugs (2)
 - Considered high cost drugs and are often expensive
 - Often used for complex and chronic conditions
 - Can require different handling like infusion or injections
 - These often have coinsurances attached to them
- Prior Authorizations (1)
 - A service or medication that requires specific approval from your insurance company before it is covered by your health plan.
 - Your doctor/other healthcare professional will submit prior authorizations with the proper documentation needed. Depending on the office, this can be a slow process.
- Other Insurance Limitations

Ways to Receive Prescriptions (4)

- Mail Order Pharmacies
 - Sometimes covered in your health insurance plan
 - Involves mailing prescriptions instead of having to pick them up at a pharmacy
 - Copays can differ with mail order pharmacies than your typical CVS or RiteAid
 - Your healthcare professional will still send the prescription to the mail order pharmacy and work with your insurance company to determine your benefits so that your prescriptions can be mailed to your front door.
 - Advantages
 - Mail order can be less expensive
 - Ability to get a 90 day supply leading to less refills and more cost saving
 - Can be more convenient to place orders over the phone or even on a website
- Retail Pharmacies
 - The more common way that we think about picking up prescriptions
 - Your doctor will call in a prescription and the pharmacy will run your insurance using your health insurance card to determine your costs, then you receive your medication
 - Advantages
 - Retail pharmacies can be quicker than having to establish payment info and mailing addresses with mail order pharmacies

- Retail pharmacies can be a bit more predictable as far as receiving prescriptions on time.
- You are able to talk to your pharmacist if you receive your prescriptions in person.

Vaccines and Pharmacies

- Pharmacists are able to administer certain vaccines/immunizations depending on the pharmacy and location
- In this new COVID 19 pandemic age, this has become a popular way to receive vaccines with more convenience and the ability to vaccinate more people.
- COVID 19 Vaccine Billing is a different topic due to the nature of federal funding to promote vaccination. While you still may be asked to provide an insurance card, this is for insurance companies and the federal government reimbursement, but regardless of your status, all people living in the US can receive a COVID vaccination
- In the state of California, a prescription from a doctor is NOT required for vaccines (5).
- Vaccines received in pharmacies will be inputted to the California Immunization Registry which also notifies a patient's primary care provider (5).
- Coverage for vaccines in pharmacies applies similarly to receiving vaccines in the doctor's office with the use of your health insurance card at the pharmacy, however the type of coverage they are billed under can be different.
 - It is important to check with your specific health care plan about what coverage this falls under and if receiving your vaccines at a pharmacy is ideal (6).

Cost Saving Measures (2)

- See if you are able to get a 90 day supply of your prescription.
 - Possible lower copay
- Mail order pharmacies
 - Mail order pharmacies (if covered by your health plan) could have lower payments.
- Find a pharmacy that is in network to your health plan
 - This can significantly lower costs of prescriptions drugs
 - It is important to note that not all pharmacies are covered under health plans, so it's important to review your summary of benefits
- Prescription discount programs
 - Programs like GoodRx and others work with drug manufacturing programs to lower drug prices for patients.
- Non profit and mutual aid programs can sometimes help with prescription drug costs
- Occasionally pharmaceutical companies can provide assistance programs to aid in lowering prescription costs.

Difficulties of Prescription Drug Coverage

- Prescription drug costs can be frustrating today. Due to high cost in pharmaceutical companies and along with high costs in health plans, affording drugs can be hard. The use of cost saving measures can be helpful along with knowledge of your health insurance plan.
- Additionally, working with your healthcare teams and communicating issues with receiving drugs can also be helpful to find solutions.

How to Use Prescription Drug Coverage

- Find formulary and what pharmacies are considered in-network
 - Not all prescriptions can be filled anywhere due to coverage.
 - Ex: UCSHIP: lowest cost can usually be found in student health pharmacies with the next lowest tier being in network/optum rx pharmacies
- Get a prescription from your doctor sent to your appropriate pharmacy
 - Determine if a prior authorization is needed
 - Your medical team + pharmacy team will be able to help you figure this out.
- Present your insurance benefits at the pharmacy to determine what copay you will have.
- If insurance does not want to cover a certain medication, work with your medical team and your formulary to decide what alternatives can be given to reduce costs.

Sources

- 1 <https://www.healthcare.gov/glossary/>
- 2 <https://www.humana.com/pharmacy/medication-information/difference-between-generic-and-brand-drug#:~:text=There%20are%20only%20two%20main,less%20than%20brand%2Dname%20versions>
- 3 <https://www.verywellhealth.com/prescription-drug-insurance-4013242>
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