



Drug coverage

Making it as easy as 1, 2, 3.



More safety. More savings. More you.

These days, it seems like everyone is worrying about the cost of prescription drugs. At the same time, people are often confused about how their drug coverage works—and how to work with their coverage to save money.

With this booklet, Fallon Community Health Plan hopes to make understanding your drug coverage as easy as 1, 2, 3. On the following pages, we will help answer these questions:

1

What is drug coverage?

Learn about drug coverage and its different parts—copayments, tiers, the formulary, and the pharmacy network.

2

How does my drug coverage work?

Get more details about how your coverage works, including pharmacy management.

3

How can I save money?

Find out how to spend less on your prescriptions, and why they're often costly to begin with.

Did you **know?**

Generic drugs can help you save money on your out-of-pocket drug costs. Generic medications contain the same ingredients in the same amount and the same form as their brand-name counterparts. They are just as safe and work just as well—but they usually cost much less.

1

What is drug coverage?

Drug coverage is the part of your health insurance that covers the prescription drugs that you take, so you don't pay the full retail price. The drugs covered are generally ones that you get from a pharmacy, not the ones a doctor gives you in the office or a hospital (those are covered under your medical benefits).

The details of drug coverage can vary from plan to plan. Most plans, though, do have features in common:

- **Copayments or coinsurance**—This is the amount of cost that you share with your insurance for each prescription. A copayment is a set dollar amount that you pay; coinsurance is when you pay a percentage of the drug's price. Most plans have copayments instead of coinsurance.
- **Tiers**—The covered drug list is usually arranged in tiers, each with a different copayment level. A common setup is to have three tiers.
- **A formulary**—also called a covered drug list. This is a list of the drugs that the plan provides coverage for. Most of the time, you can't get coverage for drugs that are not on the list.
- **A pharmacy network**—This is a list of the chain and local pharmacies that work with your coverage to dispense your drugs. Most pharmacy networks are extensive, so it's easy to find an in-network pharmacy. You generally won't be covered for drugs from an out-of-network pharmacy.

Did you
know?

In a typical three-tier prescription drug plan, Tier 1 contains generic drugs, which have the same active ingredients and effects as brand-name drugs. Tier 2 contains cost-effective, preferred brand-name drugs. Tier 3 contains all other brand-name drugs, including new drugs and very expensive drugs. You might have a \$15 copayment for a Tier 1 drug, but pay \$30 for one on Tier 2 or \$50 for one on Tier 3—still significantly less than paying the full retail price.

2

How does my drug coverage work?

The four major parts of drug coverage that we just mentioned all work together.

At its simplest, you take your doctor's prescription for a covered medication to an in-network pharmacy and show your health plan member ID card. Once the prescription is filled, the pharmacist will tell you how much of the cost you will share.

With most plans, your prescription will automatically be filled with a generic drug, if one is available. This saves you and the health plan money. But, if your doctor wants to make sure you take a brand-name drug, he or she can specify that on the prescription.

Sometimes, a drug requires **prior authorization**. That means that your doctor must ask the health plan to cover the drug, and provide medical information to back up the request, before the drug will be covered. This "double-checking" step helps ensure the drug is being used safely and appropriately. A new drug without a track record of safety may require prior authorization, while an older drug that's been proven safe and effective would not.

Pharmacy management

Prior authorization is one of several kinds of limits a health plan may place on some of the drugs in its formulary.

- A plan may limit the amount of a drug that can be dispensed at once, or limit the amount of time it can be taken. This helps prevent waste, overuse, misuse or potential harm.
- Some drugs are prescribed as part of step therapy, a process that starts with tried-and-true medications rather than new drugs. If your condition doesn't respond at first, a different drug is tried in sequence. Step therapy also helps ensure that you pay the least possible out-of-pocket expense for an effective medication for your condition.
- If the drug has been on the market for less than six months, then it may fall under a new-to-market policy. Such policies give medical experts time to review the data and approve clinical criteria for using it properly. Only then will the new drug go on the covered drug list.

What to do when ...

You want to know if a drug is covered:

Most plans have their covered drug list on their Web site. FCHP's formulary is available at fchp.org/members/online-drug-formulary.aspx. It will also tell you which tier the drug is on, so you can anticipate your out-of-pocket costs, and any limits there may be on the drug, such as prior authorization.

The drug you need requires prior authorization (or pharmacy management applies):

If the pharmacist says your drug requires prior authorization, contact your doctor. He or she can contact the health plan to get the needed approval, often by fax or online. Also contact your doctor if there's another reason why you can't get your drug filled, whether it's due to step therapy, a quantity limit, or other reason. Your doctor can work with you and the plan to get your treatment back on track.

The drug you need is not covered:

Sometimes, the doctor may recommend a drug that is not covered. Often, there is another medication that would work for your condition that is covered or is even available over the counter. But if there isn't, some plans allow your doctor to ask for a formulary exception. After reviewing the case, the health plan may decide to cover the drug.

Did you **know?**



Your copayment is determined by the drug's tier on the covered drug list. If your plan has coinsurance instead, you'll pay a percentage of the drug's cost, regardless of the tier it's on. If you have a deductible, you may have to satisfy the deductible before a drug will be covered. Check your plan materials for details.

3

How can I save money?

The tiers on our covered drug list can help you save money.

Often, when a doctor recommends a brand-name drug on Tier 3, the most expensive tier, there's another drug in a lower tier that you could use instead. For example, suppose your doctor prescribes the nasal spray Flonase® for allergies.

As a Tier 3 drug, Flonase is covered, but at the highest copayment level. The active ingredient in Flonase, fluticasone, is available in generic form on Tier 1 of the formulary, with a much lower copayment.

Sometimes, however, the best drug for you won't have a generic alternative. In this case, you can still save money. Usually, certain brand-name drugs, called preferred drugs, are on Tier 2 of the formulary. The copayment is more than a Tier 1 drug, but less than a Tier 3 drug.

Consider using generic drugs.

Expensive brand-name drugs are advertised on television all the time. However, often these drugs don't work any better than older drugs, and may not be good choices for many people. Newer doesn't necessarily mean better for everyone.

Plus, all the generic drugs on the covered drug list have been reviewed by both the FDA and the health plan's Pharmacy and Therapeutics Committee, so you can be confident that they are safe and effective.

Sometimes, there may even be an over-the-counter drug that can be used. Some medications that were once prescription-only, such as for allergies and heartburn, are now over-the-counter drugs. Be sure to ask your doctor.

Use a mail-order pharmacy service.

This is a great way to save money and time on prescription medications that are those taken regularly at the same dose for three months or more.* For instance, most FCHP members can get up to a 90-day supply of Tier 1 and Tier 2 drugs for the cost of only two copayments. Learn more on our Web site at fchp.org/members/benefits-coverage/Pharmacy/mail-order-prescriptions.aspx.

**Specialty drugs, such as injectables and cancer drugs, may not be available through mail-order. Contact your plan for details.*

Other ways to save

Keep track of your medications and store them as directed. If a drug label says it requires refrigeration, it can be ruined by leaving it in a hot car, or even on a countertop at room temperature.

Take medications as directed. Using your medication right the first time can prevent side effects and help make you healthier faster. If you have questions, ask your doctor or pharmacist.

Listen to your doctor if he or she says that a prescription drug is not necessary for your condition. For example, taking antibiotics (which attack bacteria) for a cold (caused by a virus) won't make you healthier faster—and could even make you sicker.



Why medications are expensive

The amount of money that health plans and consumers spend on drugs continues to increase—even with local and national health care reform.

Increasing demand for the newest treatments add to the costs, as new drugs are usually expensive. They're also marketed with pricey advertising campaigns. But often, there are generic drugs already on the market that are just as effective and cost less—plus have a longer track record of safety.

And the price of the drugs include not just the costs of developing the drugs, but also the costs spent researching and developing drugs that didn't get FDA approval.

Also, many doctors and patients don't realize how much some drugs actually cost. Though older, generic drugs can cost pennies a pill, popular brand-name drugs often cost hundreds of dollars a month. Drugs for serious conditions, such as cancer, can cost thousands.

Did you
know?

You can learn more about high drug prices on the Web. The FDA's Office of Generic Drugs hosts a wealth of information. Go to fda.gov and search for "Office of Generic Drugs." Once on the OGD page, check out the "Resources for You" box at the bottom left.

At Fallon Community Health Plan, our mission is
making our communities healthy.

If you have any questions about FCHP's pharmacy coverage,
or if you or someone you know is looking for health insurance,
call us at 1-866-906-0099 (TTY users, please call TRS Relay 711),
Monday through Friday from 8 a.m. to 6 p.m.



10 Chestnut St.
Worcester, MA 01608-2810

1-800-868-5200 • (TTY users, please call TRS Relay 711)
fchp.org

Benefits, copayments/coinsurance and covered drugs may vary by employer, insurer and plan. Examples given are based on the FCHP formulary and the copayment levels commonly offered to members of FCHP's commercial HMO plans.