

Accessing Prescription Medications

More than 6 in 10 Americans take daily prescription medication. For those who do, prescription medications play an important role in maintaining a healthy, productive lifestyle. However, issues such as cost, effectiveness, and ease of access can all interfere with someone's ability to obtain the prescription drug that they need. This handout will explain the ways that health insurance plans work to provide members with prescription drugs, describe how to access brand-name or experimental prescription drugs, and will provide resources to help obtain prescription drugs easily and inexpensively.

Does my health insurance have to cover prescription drugs?

Under the Affordable Care Act (ACA), most private health insurance plans are required to cover prescription drugs as an Essential Health Benefit. This means that if you are covered by an individual or group insurance plan that was created after March 23, 2010 (the date the ACA was passed), your plan should offer prescription drug coverage.¹

If you have Medicare or Medicaid, the rules are slightly different. If you are eligible for health insurance through Medicare parts A and B, you must choose to purchase either a Medicare Advantage or Medicare Part D plan to have prescription drug coverage. For more information about the different parts of Medicare, see the CLRC's Medicare handout. In every state, Medicaid plans offer prescription drug coverage to qualified individuals enrolled in Medicaid. To determine if you are eligible, you should contact your state's Medicaid office.

How do health insurance plans cover prescription drugs?

Most health insurance plans will help cover the cost of certain prescription drugs. They do this by paying for most of the cost of your prescription drug, while you pay a copay or coinsurance. A copay is a set dollar amount that you pay to the pharmacy when you fill a prescription. For example, if your medication is \$45, and if you have a \$5 copay, that means you would only pay \$5 to the pharmacy for your prescription, while your insurance would pay the other \$40. A coinsurance is a set percentage of the drug's price that you pay. For example, if you have a 20% coinsurance on a medication that costs \$45, you would pay 20% of the cost, \$9, while your insurance would cover the other 80%, or \$36. Because medications can vary greatly in price, it is important to understand whether you have a copay or coinsurance and how much you will be responsible for.

One thing to be aware of is that insurance companies have prescription drug formularies. A formulary is a list of prescription medications that a health plan will cover. If you are charged full price for a medication because your insurance will not cover it, the drug may not be listed on your plan's formulary. A formulary is usually divided into different price levels (or tiers), and each tier is

¹ If your health insurance plan existed before March 23, 2010, this is called a grandfathered plan. Grandfathered plans might not offer all of the protections provided under Affordable Care Act including essential benefits like prescription drug coverage. If you have a grandfathered plan, you should have received notification about what benefits your plan offers.

assigned a fixed copay or coinsurance. The drugs are listed in each tier depending on factors such as the drug's price or the illness it is intended to treat. The most expensive tiers typically contain brand-name drugs, or those intended to treat serious illnesses. Less expensive tiers usually contain generic drugs, (drugs that have the same active ingredients and react with your body in the same way as brand name drugs). This is the reason you may have to pay a smaller copay for certain medications and a larger copay for others.

This is one example of how a formulary works, and is not the formulary that all health plans use.

- Tier 1 (\$10 copay): very inexpensive medications, mostly generic drugs
- Tier 2 (\$20 copay): more expensive generic drugs, and cheaper brand-name drugs
- Tier 3 (\$50 copay): brand-name drugs with no generic equivalent
- Tier 4 (\$100 copay): very expensive brand-name drugs, or drugs intended to treat serious conditions. Chemotherapy is often a tier 4 drug.

To find your plan's formulary, you can contact a customer service representative or consult your plan's Explanation of Benefits online or in materials you were given. It is a good idea to request a copy of your formulary so that you can be familiar with it.

How does my doctor use a formulary to prescribe me medication?

Your doctor might be familiar with your plan's formulary and can try to prescribe medications that are going to cost you less, but doctors are not always familiar with their patient's drug formularies or financial situations. It may be helpful to tell your doctor what kind of health plan you have or bring a paper copy of your formulary to your appointments. Your doctor may prescribe you a medication he or she thinks will be best for you without considering the cost first. If your doctor is not familiar with your drug formulary, he or she may prescribe a medication that costs you more money, when in fact a drug that costs less would have been just as effective for you.

If your doctor recommends a medicine that is not on your formulary, you can ask him or her whether there is an alternative medicine that is listed on your formulary. If your insurance company will not pay for a medication, then you can take one of three actions:

- **Prior authorization:** Some insurance companies require prior authorization before they will pay for a medication. This means your doctor must contact your insurance company and get permission (prior authorization) before prescribing you a drug.
- **Step therapy:** before your health plan will pay for you to use a new, expensive, or name-brand drug, they might require you to first try one or more less expensive alternatives. These less expensive alternatives are often called "preferred" drugs. In order for your plan to cover the newer or more expensive medication, you must demonstrate that the preferred drugs do not treat your illness or symptom.
- **Appeal:** if your health plan refuses to cover a medicine that your doctor prescribes, you have the right to ask your insurance company to reconsider this decision in an appeal. You can ask your doctor to help with this by writing a letter explaining why a specific drug is medically necessary for you. For more information on health insurance appeals, see CLRC's handout "A Step-by-Step Guide to Health Insurance Appeals" or "Medicare Appeals," available on our website. If you have health coverage through Medicaid, your appeals process will depend on the state where you live. Contact your state's Medicaid agency for more information.

If you are unsuccessful in any of these methods and cannot get your prescription covered by your insurance, talk to your health provider. Sometimes doctors or their staff can help contact your insurance company for you, they might be able to provide you with free samples, or they may know of coupons or pharmacies that offer discounts.

How can I save money on my medication?

Many health plans have features built in which are designed to save their customers money. For example, some plans have lists of “in-network” pharmacies (like in-network doctors) which have agreed to charge the health plan’s customers lower rates for their medications. Other plans offer programs where you can order your medications online at reduced prices. Check with your plan’s customer service representative or read the materials explaining your plan’s benefits to see which of these options are available to you.

You could also try going to a pharmacy which offers discounted prices. These pharmacies typically can provide savings by filling most prescriptions with generic equivalents for brand-name drugs. You may also consider looking into whether there are any online pharmacies that can save you money, but be careful to order only from reputable websites based in the United States.

Another way to save money on prescription drugs is by applying for prescription assistance programs. These programs provide financial aid to people who are uninsured or who have low incomes or other qualifications by helping them pay their copays or coinsurances. Each of these programs has its own set of eligibility requirements, and may offer different benefits. For a list of prescription assistance resources, see the CLRC’s “Prescription Drug Assistance” handout.

Are there experimental medications that I can try if no other medications have worked?

In certain situations, doctors are able to prescribe patients with terminal illnesses medications that are not yet available to the public. These medications are considered “experimental” because they are still going through the Food and Drug Administration (FDA)’s testing procedures to make sure they are safe and effective before they are approved for the general public to use. In order to prescribe these drugs to a patient, a doctor must fill out an application for the FDA’s Expanded Access (or “Compassionate Use”) program. Many states have also passed “right to try” laws which are designed to make it easier for people to access these experimental treatments.

If you have a terminal illness, consider speaking with your doctor about whether there are any experimental medications that may help you, and speak with your health insurance company about whether your insurance will cover these drugs. While some drug companies participating in the Expanded Access program have their costs reimbursed by the FDA so that patients are not charged for the full cost of the drug, many drugs available through this program can be expensive. Some health plans will cover most prescribed drugs, but will not cover any “experimental” or “alternative” drugs. If your health plan refuses to cover experimental or alternative drugs, consider applying for financial or prescription assistance programs that could help save you money.

Even if your condition is not considered terminal, another possible way to access experimental drugs is by participating in a clinical trial. A clinical trial is a research study in which volunteers test new treatments, drugs, or medical procedures. This research is crucial for developing new and

better cancer treatments, and participants in clinical trials are often provided with excellent care. For more information on clinical trials, see CLRC's handout "Coverage of Cancer Clinical Trials."

What if the drug my doctor prescribed me has not been approved to treat my illness?

The Food and Drug Administration (FDA) requires that all drugs undergo a thorough testing process to make sure that they are safe and effective for treating a specific illness or condition. However, doctors often prescribe drugs to patients with an illness different than the one the drug was developed to treat. This is called "off-label" use because the drug is being used in a way that is not described on its FDA label or insert. Doctors usually only prescribe drugs for off-label use when they believe that it will treat the patient's condition more safely and effectively than would any approved treatment.

Off-label drug use is very common in cancer treatment because many cancer drugs are effective against more than one form of cancer, and because many treatment plans involve the use of multiple drugs. There are so many different cancer treatment plans that it would be impractical for the FDA to approve each one. Most health insurance plans cover off-label cancer treatments if the off-label use is listed in an approved summary or list called a compendium. A compendium is a list put together by medical experts who have researched off-label uses of particular drugs. If your doctor prescribes an off-label drug, you should consult your health plan's Explanation of Benefits to make sure the drug is covered.

Resources

For more information on Medicare Prescription Drug Coverage (Part D), please see:

<http://www.medicare.gov/publications/pubs/pdf/10050.pdf>

For more information on formularies, please see:

<https://www.cancer.org/treatment/finding-and-paying-for-treatment/understanding-health-insurance/health-insurance-options/medicare/medicare-part-d/formularies-and-drug-coverage.html>

For more information about off-label drug prescriptions, see:

<https://www.cancer.gov/about-cancer/treatment/drugs/off-label>

For more information on the FDA's Expanded Access program, please see:

<https://www.fda.gov/NewsEvents/PublicHealthFocus/ExpandedAccessCompassionateUse/default.htm>

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