FAMILY VOICES OF NORTH DAKOTA®

Health Information and Education Center
Prescription Drug Coverage

Many health care plans offer prescription drug coverage. Every plan is different and provides different amounts of coverage, but plans manage pharmacy benefits in some common ways. To receive the most benefits from your plan, you must understand what prescription drug benefits you have and how the plan works.

How do I know if my plan covers prescription drugs?
Prescription drugs may be covered under your medical plan or it may be covered under a separate prescription plan, or you may not have prescription coverage at all. If prescription coverage is offered under your plan, a section in your benefit plan contract (also called evidence of coverage, certificate of coverage or a summary description) will outline prescription drugs and pharmacy services. If drug coverage is offered under a separate prescription plan then you should have a separate prescription plan contract. If you have questions about whether you have a prescription benefit, ask your employers human resources office or call the medical plan's customer service representative.

If I have a prescription plan, will all drugs be covered? All benefit plans are different, and the prescription coverage you have is based on a specific plan. Some plans do not offer complete coverage for all drugs. Some drugs may not be covered at all. (Your contract may call these exclusions.) Also, you may pay less for drugs that you purchase at a pharmacy that participates in your plan's network.

How much will I have to pay for covered prescription drugs? Most plans require that members make a co-payment when they pick up their prescrip-

tion. A co-payment is the amount you pay to the pharmacy that fills your prescription. It can be a flat amount (for example, $5 for each prescription) or a percentage of the total cost of the drugs (for example, 20 percent of the cost of the prescription). Carefully read your benefit plan contract to find out the amount and type of coverage you have. It is important to understand your benefits before you go to the pharmacy, so you can be assured that you receive the correct amount of coverage.

My prescription plan states that I have different amount of coverage for drugs that are on their "formulary" than for drugs that are not. What does this mean?
A formulary is a list of drugs and supplies that your plan covers. Every plan has its own formulary, and plans use their formularies in different ways. Some plans, patients may have a lower co-payment for drugs that are on the formulary and a higher co-payment for drugs that are not (sometimes called an open formulary). Under other plans, drugs that are not on the formulary are not covered at all (sometimes called a closed formulary).

How can I find out if a particular drug is on the formulary? Some health plans will provide their entire formulary to members when they sign up. Other plans give the formulary only when it is requested. Some plans post the formulary on the Internet at the plan's Web site. You can always find out whether a particular drug is on the formulary by calling your plans customer service representative.

What happens if my child's doctor say that the only drug my child can use is one that is not on the formulary?
Under some plans you may be able to obtain an exception to the formulary and receive coverage for a nonformulary drug if your child asks your plan to cover it. Your plan should have a special request process that you and your doctor need to follow to obtain an exception to the formulary. The exception process must be in writing and must be given to you when you ask for it.

My plan says that I have to pay more for brand name drugs than for generic drugs. What is the difference between the two? Generic drugs have the same active ingredients in the same amounts as the matching brand name drugs but usually cost less. The FDA considers approved generic drugs to

be as effective as their matching brand name drugs. Many plans want patients to use generic drugs and provide more coverage for them than for brand name drugs. If you want a brand name drug, you may have to pay a greater share of the cost. Not all brands have generic equivalents.

My plan provides more coverage for a generic drug than a brand name drug unless my doctor writes "dispense as written" or DAW on my prescription. What does this mean? By writing "dispense as written" or DAW on your prescription, your doctor is telling the pharmacist that you must receive the exact brand name drug the doctor is prescribed. If your doctor does not write "dispense as written" the pharmacist may give you the matching generic drug instead of the brand name drug.

What is a pharmacy netowrk? Some plans create a pharmacy netork by contracting with specific pharmacies to serve the plans members at more favorable prices for the plan. The pharmacies that contract with the plan are part of the network and may be called a network pharmacy or a participating pharmacy. Pharmacies that do not contract with the plan may be called non-network, out of network or nonparticipating pharmacies.

What is the difference to me if I use a networ pharmacy instead of a non-network pharmacy? Using a network pharmacy usually provides better benefits than using a non-network pharmacy. You may have a higher copayment at non-netowrk pharmacies. In addition, network pharmaciesare usually connected to your plan's computer system; they can quickly check whether your drug is on the formulary and submit your claim coverage for you. If you use a non-network pharmacy, you may have to pay the pharmacy the entire price of the prescription first and then submit a claim to your plan for reimbursement.

How can I find out what pharmacies are in my plan's network? Most plans have a provider directory that lists the pharmacies in the network. Plans generally furnish the provider directory when members sign up. You can always call your plan's customer service representative to find out whether a particular pharmacy is a network pharmacy.

My plan covers some drugs only if I obtain "prior authorization" before I fill the prescription. What does this mean? Some plans require that you or your child's doctor call to ask for coverage before you have certain drugs dispensed. This is often called prior authorization or precertification. Your plan contract outlines the drugs that require prior authorization and explains the procedure you must follow to obtain prior authorization. Most often, these are very expensive drugs or drugs that may be effective only for certain diseases. If you obtain the drug before asking for precertification you may not receive coverage at all.

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