

Drug Formulary

Why it's Important

When you are enrolling in a health insurance plan, you should do your research before you buy, just like you would when shopping for other big purchases.

What you should look for...

Plan Type (HMO, PPO, POS, High Deductible)

Network Providers (includes doctors, labs, facilities, and pharmacies)

Deductibles (medical care deductibles, pharmacy deductibles or combined)

Cost Sharing Rates (copayments and coinsurance, max out-of-pocket)

Drug Formulary (medication costs and covered drugs)

Premium

- Studies show that most people don't know how much a drug costs until they fill out the prescription.
- Medications are treated differently than provider visits. For example, they must be paid in advance and require ongoing service for chronic issues.
- In one poll, 81% of people said that they paid for a drug despite their initial sticker shock (surprise at the high cost).
- Let's say you are on a medication like the Epipen which is sold for \$800 per unit.

Tier 2 - Preferred
\$30 copayment
Cost to you: \$30

Tier 3 - Non-Preferred
40% coinsurance
Cost to you: \$320

Not on Formulary
100% of costs
Cost to you: \$800

