

Drug Formulary

Why it's Important

When you are enrolling in a health insurance plan, do your research before you buy, 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)

Deductible (medical deductibles, prescription deductible, or combined)

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

Drug Formulary (list of prescription drugs, both generic and name brand)

Premium (monthly fee for keeping health insurance active)

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- Studies show that most people don't know how much a drug costs until they fill the prescription.
 - Medications are treated differently than provider visits and must be paid for in advance.
 - Tier placement makes a big difference in what you will end up paying for a medication. Let's say you are on a medication like the Epipen which is sold for \$600 per pack.

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

Tier 3 - Non-Preferred
40% coinsurance
Cost to you: \$240

Not on Formulary
100% of costs
Cost to you: \$600

