

Maximize Your Pharmacy Benefits Consumer Quick Guide

While choosing a Medicare prescription drug plan is an important annual task, understanding and using your pharmacy benefits wisely is important all year long. This Quick Guide provides a few simple steps you can use to help lower your out-of-pocket costs and get the most out of your pharmacy benefits.

Understanding key terms

The terms used in pharmacy benefits plans can be confusing, and finding answers can be a challenge. Here are a few key terms to remember:

Premium—The monthly fee for your Medicare Part D prescription drug plan coverage.

Deductible—The amount you'll pay out of pocket for your prescription medications before your Part D plan begins to pay its share. Deductibles vary by Medicare Part D drug plans.

Copay and coinsurance—The portion of your prescription drug costs that you are responsible for paying after your deductible (if any) is met. Depending on your plan, the copay may be a fixed amount or a percentage (also called coinsurance) that you pay for your medication.

Formulary (or drug list)—Every prescription drug plan has a list of covered drugs called a formulary. That list is divided into “tiers,” which vary by plan. Typically, you will pay less when you fill your prescriptions from the lower tiers and when you choose “preferred” drugs. Ask your doctor or pharmacist if there are lower-cost options, such as lower-cost brands or generic substitutes on your plan's formulary or even over-the-counter options that can properly treat your medical condition.

Preferred pharmacy network—Many prescription drug plans have a preferred pharmacy network. If your plan has a preferred pharmacy network, you will likely pay lower prescription copays by using a preferred pharmacy.

Ways to maximize your pharmacy benefits

1

Know your pharmacy network

- You will likely pay less by filling your medications at a preferred pharmacy if your plan offers that option
- If not, be certain to choose a pharmacy that is in-network for cost savings

2

Know your medications

- Ask your doctor and pharmacist if you can lower your pharmacy costs by filling a:
 - Generic alternative
 - Lower-cost brand alternative
 - 90-day supply instead of 30-day

3

Know your situation

- At least once a year, evaluate changes in your health and prescription needs
- Ask your doctor and pharmacist about ways you can reduce your medication costs



advocacy | action | answers on aging

