



Health Awareness

Take This Quiz And Boost Your Rx Plan IQ

(NAPSA)—If you have a prescription drug plan, you're not alone. About 75 percent of all Americans already have some type of prescription drug plan. When the Medicare drug plan begins in 2006, millions more will receive a drug plan for the first time. To help boost your knowledge of these plans, the Academy of Managed Care Pharmacy offers this quick quiz. See how many answers you know:

Q. What is a covered drug?

A. If a drug is “covered,” that means the plan will pay a part of the cost.

Q. What's a copayment?

A. A copayment, or copay, is the amount of the drug cost that you pay for. A copay for a brand name drug may be \$15, \$25 or more. A copay for a generic drug may be as little as \$5.

Q. What's coinsurance?

A. Coinsurance works like a copayment, but it's a percent of the drug cost instead of a set price. So if a drug costs \$100 and you have 30 percent coinsurance, you pay \$30 and your plan pays \$70.

Q. What's a drug formulary?

A. The list of drugs covered by your drug plan is called a formulary (FOR-mew-lerr-ee). It's developed by medical and pharmacy experts. Ask your drug plan for a copy of its formulary or the plan's Web site address, and give that information to your doctor. If the



Rx FOR ECONOMY—A copay for a generic drug may be as little as \$5.

drugs you take are not included in the formulary, ask your doctor or pharmacist about other choices.

Q. What's a tier?

A. Drugs on a formulary are usually divided into groups called tiers. Most plans have three tiers: generics, preferred and nonpreferred. Your share of the cost varies depending on which tier it's in. Usually, generics are the least expensive and nonpreferred drugs are the most expensive.

Q. What's a PBM or a PDP?

A. “PBM” is a “Pharmacy Benefit Manager.” A “PDP” is a “Prescription Drug Plan.” These companies manage drug plans for the employer or government agency that pays for your plan. PBMs and

PDPs provide many services, evaluating drugs, monitoring care and keeping expenses down to ensure drug costs stay affordable.

Q. What's a prior authorization (PA)?

A. Some prescription drugs are dangerous if taken by children, older people or pregnant women. Others require careful monitoring, are very expensive or may have been prescribed for a purpose different than the purpose for which it has been approved. In any of these cases, your plan might require a PA to cover it.

Q. What's an exception?

A. If a drug your doctor prescribes is not in your plan's formulary, you or your doctor can ask for an exception, explaining that the drug is medically necessary for you.

Q. What's an appeal?

A. If your request for an exception or a PA is turned down, you have the right to appeal. An appeal is a formal process to determine whether or not the drug will be covered. If your plan won't cover the cost, that doesn't mean you can't get the drug—it only means your plan won't pay for it.

If you know the answers to these questions, you are well on your way to choosing and managing a drug plan wisely. If not, clip this column and keep it for handy reference.

To learn more about Rx plans, visit www.amcp.org.