

# Understanding The Language Of Your Health Insurance Plan

(NAPSA)—How well do you understand your health insurance plan? Could you answer these three simple questions?

• If you hear that the prescription medication is “not covered,” what does that mean?

• Does your health insurance plan require you to use generic medications first?

• What prescription medications are covered in your formulary?

If you didn't know the answers to some of these questions, you're not alone. Many health insurance plans change constantly. It is important to be aware of these changes and understand the language your insurance plan is using so you can be sure you are getting the best treatment for you and your family.

The following are definitions to some common terms you should be familiar with in order to make informed decisions about your treatment options.

## Formulary

A formulary is a list of generic and brand-name medications approved by the U.S. Food and Drug Administration (FDA) that are covered under your health insurance plan.<sup>1</sup> More simply put, a formulary is a “preferred drug list” developed by your insurance company.

## Drug Formulary Tiers

Most private and Medicare drug plans use a tier structure to classify medications on their formulary. Formulary tiers are a specific list of drugs that a health plan provides coverage for at different levels. The most common formulary system is 3-tiered, with each tier representing a higher copay. Generic and some brand-name drugs are usually covered at the Tier 1 level, and have the lowest copay. Preferred brand-name drugs are typically covered at the Tier 2 level, and have a lower copay than Tier 3. Nonpreferred drugs are covered at the Tier 3 level and have the highest patient copay.

## Important Safety Information about NEXIUM

- Symptom relief does not rule out the presence of other serious stomach conditions.
- Talk to your doctor about your risk for:
  - o bone fractures if you take multiple daily doses of NEXIUM for a long period of time.
  - o low magnesium levels if you take NEXIUM for a long period of time.
- Before taking NEXIUM, tell your doctor if you are taking atazanavir, nelfinavir, saquinavir, digoxin, iron salts, ketoconazole, voriconazole, cilostazol, or warfarin.
- In adults 18 and older, side effects with NEXIUM include headache, diarrhea, and abdominal pain.
- In children 1 to 17 years of age, side effects with NEXIUM include headache, diarrhea, abdominal pain, nausea, and sleepiness.

## Approved Uses for NEXIUM

NEXIUM is prescribed to treat the symptoms of acid reflux disease, which typically include persistent heartburn on 2 or more days per week, despite treatment and change of diet. NEXIUM is also prescribed to heal damage to the esophagus called erosive esophagitis. This damage may be caused over time from stomach acid wearing away the lining of the esophagus. Only a doctor can diagnose this condition. With NEXIUM, most erosions heal in 4 to 8 weeks. Your results with NEXIUM may vary.

Please read the full Prescribing Information and discuss it with your doctor or health care professional.

If you cannot afford your medication, AstraZeneca may be able to help. For more information about AZ&Me™ Prescription Savings programs, please visit: [www.astrazeneca-us.com](http://www.astrazeneca-us.com) or call 1-800-AZandMe (292-6363).

You are encouraged to report negative side effects of prescription drugs to the FDA. Visit [www.FDA.gov/medwatch](http://www.FDA.gov/medwatch) or call 1-800-FDA-1088.

1 Blue of California. “Drug Formulary.” Available at [https://www.blueshieldca.com/bsc/pharmacy/faqs/pharmacy\\_faqs\\_drug\\_formulary.jhtml](https://www.blueshieldca.com/bsc/pharmacy/faqs/pharmacy_faqs_drug_formulary.jhtml). Accessed on March 15, 2011.

2 Data on file, # 1045404: Fingertip Formulary database as of January 5, 2011.

3 Prescribing Information for NEXIUM. AstraZeneca Pharmaceuticals LP, Wilmington, DE

4 Data on file, eSTaR# 268197: Wolters Kluwer Health, Dynamic Claims, July, August, September 2010 (last accessed November 4, 2010).

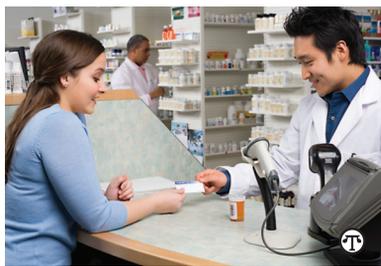
5 Data on file, eSTaR# 273833: Fingertip Formulary (last accessed August 11, 2010).

6 American Cancer Society. “Formularies and drug coverage.” Available at <http://www.cancer.org/Treatment/FindingandPayingforTreatment/ManagingInsuranceIssues/Medicare/MedicarePartD/medicare-part-d-formularies-and-drug-coverage>. Accessed on March 15, 2011.

7 Pam Pohly's Net Guide. “Glossary of Terms in Managed Health Care.” Available at [http://www.pohly.com/terms\\_s.html](http://www.pohly.com/terms_s.html). Accessed on March 15, 2011.

8 Pharmaceutical Representative. “Open and closed: The case for a new understanding of formularies.” Available at <http://pharmrep.findpharma.com/pharmrep/article/articleDetail.jsp?id=420852>. Accessed on March 16, 2011.

9 Data on file, [eSTaR# 269188, Atlas # 1046608]: Fingertip Formulary, December 15, 2010.



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Some branded medications are considered to have great formulary coverage. For example, NEXIUM® (esomeprazole magnesium), a proton pump inhibitor (PPI), has excellent formulary coverage for 2011 with 72 percent of patients with private insurance, Medicaid or Medicare Part D having access to it at the Tier 1 or Tier 2 level.<sup>2</sup> In fact, NEXIUM, which is used to treat acid reflux disease and heal damage to the esophagus called erosive esophagitis, has formulary availability similar to generic medications in its class.<sup>2,3</sup>

It is important to remember that each patient is different and has unique medical needs. Sometimes your doctor may prescribe a medication that he or she believes is appropriate for you, but it's not on your formulary. It's important to work with your doctor and ask questions about what therapy is best for both your medical and insurance needs.

## Prior Authorization

Your doctor may be required to get prior approval from your health insurance company in order for your prescription to be covered under your health plan. This is known as a prior authorization. Sometimes your doctor may not realize a prior authorization is required for a specific medication, so you may want to have a discussion with your pharmacist to see how you can get the medication that you were prescribed.

For example, in the case of

NEXIUM patients, the majority of NEXIUM prescriptions written require no prior authorization,<sup>4</sup> and NEXIUM has Tier 2 status with no prior authorization required on 332 Medicare Part D plans nationwide.<sup>5</sup>

## Step Therapy

Step therapy is a treatment process that requires you to take certain medications on your formulary for a trial period before coverage is authorized for other medications in the same therapeutic class.<sup>6,7</sup> To put it simply, you may have to take an alternate drug in the same therapeutic class, typically a generic, before your health plan will cover your doctor's original prescription.<sup>6,7</sup> Patients are encouraged to become knowledgeable about the protocols required by their health care plan versus those that are only recommended.

## Closed Formulary

A closed formulary plan provides coverage for generic drugs, formulary brand-name drugs and specialty drugs. Non-formulary drugs and most specialty drugs are covered only when prior authorization is given. To control costs, closed formularies often use step therapy and other treatment avenues to block patient access to specific drugs not on the health insurance provider's preferred list.<sup>8</sup> Often Medicare Part D plans have closed formularies.

In the case of NEXIUM, it is the only brand in its class with preferred formulary status at all three of the nation's largest prescription benefit providers—Medco, Caremark and Express Scripts.<sup>9</sup> In addition, NEXIUM is the only branded PPI available on Tier 2 at all 5 of the nation's largest Medicare Part D plans.<sup>5</sup>

In short, if you have questions about your health insurance plan, contact your insurance company. The customer service number is usually located on the back of your insurance card, and most insurance carriers include formulary information on their websites.