

Prescription Medication Costs

Understanding your Formulary

What is a formulary?

A formulary is a list of the most commonly prescribed medications covered by your plan. The list includes both brand-name and generic prescription medications approved by the Food and Drug Administration (FDA). Medications are listed by common categories or classes and placed in tiers that represent the cost you pay out of pocket. This makes it easier for you and your doctor to find other options to help you save money.

What is a tier?

Tiers show the amount you pay for your prescription, which is set by your plan. Tier 1 medications provide the highest overall value with the lowest out-of-pocket costs. Choosing medications in lower tiers may save you money.

Your Cost	Drug Tier*	What's Covered	Helpful Hints
\$ Lowest	1	Medications that provide the highest overall value. Includes mostly generic and some brand drugs.	Use Tier 1 drugs for the lowest out-of-pocket costs.
\$\$ Mid-range	2	Medications that provide good overall value. A mix of brand and generic drugs.	Use Tier 2 drugs, instead of Tier 3 to help reduce your out-of-pocket costs.
\$\$\$ Higher	3	Medications that provide the lowest overall value. Mostly brand drugs, as well as some generics.	Ask your doctor if a Tier 1 or Tier 2 option could work for you.

*Some pharmacy benefits may have more than 3 tiers.

Who decides what medications are covered?

A group of doctors and pharmacists meets regularly to provide clinical reviews of all medications. Using this information, a committee of doctors and business leaders reviews overall health care value. They also decide coverage and tier status for all medications.

How is the overall value of a medication determined?

Many sources and factors are considered, including:

- **Medical Value:** How safe and effective a medication is compared to other medications used for the same or similar medical conditions.
- **Cost:** How much a medication costs compared to other medications used for similar medical conditions.
- **Drug Research:** Studies that show how a medication may affect total healthcare costs.

Why are certain medications not covered?

We review medications based on their total value, effectiveness and safety, cost, and if there are other medications for the same or similar medical conditions. Certain medications may not be covered if similar options are available at a lower-cost.

Examples include medications with the same active ingredients that work the same way, but one is much more expensive than the other. Sometimes the same product can be made by two or more manufacturers, but greatly vary in cost. In these instances, only the lower-cost product may be covered.

How often is the formulary updated?

Formulary changes typically take place twice per year. But changes that have a positive impact for you — such as new medications or cost savings — may occur at any time. You can log in to optumrx.com at any time to check your medication coverage and lower-cost options.

Can a medication change tiers?

Yes, but tier changes are not common. When a medication changes tiers, you may pay more or less for that medication, depending on the tier change. If one of your medications changes tiers, talk with your doctor to decide if a lower-cost option may be available.

Are there other restrictions on what medications are covered?

Yes. Some medications may have extra requirements or limits depending on your benefit plan. You should review your benefit plan to confirm if any of these programs apply to medications you take. Examples include:

PA	Prior Authorization – Requires your doctor to provide information about why you are taking a medication to determine how it may be covered by your plan.
QL	Quantity Limit – Specifies the largest quantity of medication covered per copayment or in a defined period of time.
SP	Specialty Medication – Specialty medications treat complex or rare conditions and may require special storage and handling. You may have to fill these prescriptions at a specialty pharmacy.
ST	Step Therapy – Requires you to try one or more other medications before the medication you are requesting may be covered.

Questions about my formulary?



Online

Log in to optumrx.com. You can look up prices for medications covered by your plan, find lower-cost options and view your benefits. Check your formulary often for updates.



By phone

Call the toll-free number on your plan ID card to talk with OptumRx. We can answer any questions you have about your pharmacy benefit plan including lower-cost options.



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