



# Tips for Understanding Your Prescription Drug Coverage



Memorial Sloan Kettering  
Cancer Center

A prescription is a written or electronic order from your healthcare provider. It tells your pharmacist which medications to give you.

Most health insurance plans have coverage for prescription drugs. Coverage means they agree to pay all or some of the drug's cost.

Be sure to check that your health plan covers the medications your care team wants you to take. If you're picking a new health plan, check first if it will pay for the medications. If you already have a health plan and it does not cover your medications, talk with your care team.

### What you need to know about your plan's drug formulary

A **drug formulary** is simply a list of drugs that your insurer will pay for. It's also called a preferred drug list (PDL).

You may hear drugs described in 2 ways:

- **Generic drugs** have the same active ingredient, dosage, strength, and directions as brand name drugs. But they do not have the name of a brand. Generic drugs are named after their active ingredient.
  - Ibuprofen is the generic name for Advil.
- **Brand name drugs** are the same as generic drugs. They cost more because they're sold under a brand name.
  - Advil is the brand name of Ibuprofen.

Your cost depends on the drug's level (or tier) on the formulary:

- **Tier 1** drugs are generic drugs, and often will cost you less.
- **Tier 2** drugs are brand name drugs. They often are prescribed when the generic drug is not available.
- **Tier 3** drugs are not on the formulary. Your health plan only will pay for them if your healthcare provider tells them you need the drugs. Your insurer must agree with your healthcare provider's recommendation that you need the drugs.

**Non-formulary** means medications that are not on your health plan's formulary. Health plans often do not pay for non-formulary drugs.

Your health plan may not cover all drugs. It's important to know which medications it will pay for. Ask your healthcare providers about the medications they choose for you. Then talk with them about prescribing a drug that's covered by your health plan.

### Tips to save money on your prescriptions



Some insurers charge you less if you choose to get medications by mail. Check with your health plan for your options.



Ask your health plan if they need you to get medications by mail.



It can be cheaper to get a medication for 90 days instead of 30. Check with your health plan and ask your healthcare provider about changing your prescription.



Create and save a list of your medications. You can easily compare your list with your drug formulary to check if your medications are covered.

### Actions you can take today

- Look online or ask your healthcare provider about discount programs to pay for your prescriptions.
  - For example, New York State offers a discount program including The Elderly Pharmaceutical Insurance Coverage (EPIC). Learn more at [www.health.ny.gov/health\\_care/epic](http://www.health.ny.gov/health_care/epic).
- If a drug is not covered by your plan, or it costs a lot, ask your pharmacy about discounts. Some drug companies offer coupons for expensive medications.
- You can also ask your pharmacist or healthcare provider if there's another medication on your drug formulary that costs less.
- Ask your healthcare provider if it's OK to switch to a generic or brand name medication that's on your drug formulary.
- Talk with your healthcare provider if you need help paying for your prescriptions.
- Email [insurancehelp@mskcc.org](mailto:insurancehelp@mskcc.org) if you have questions. You can also visit [www.mskcc.org/insurance-assistance/assistance](http://www.mskcc.org/insurance-assistance/assistance) to learn more.



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