

# TRYING TO MAKE \$ENSE OF THE MEDICARE PART D PRESCRIPTION PROGRAM

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## (PREFACE)

This project started with my own search for information on ways I could reduce my wife's and my ever increasing prescription costs under our Medicare Part D prescription program and how to avoid some of the inconsistencies we were experiencing with our purchases. I will use the HealthNet, Medicare Advantage program as the source of information, add a glossary, my interpretation of some of the rules and regulations and interlace it with some of our own experiences. Once I assembled all this information and was able to look at our total prescription program, and alternatives, I felt there might be interest in it by others and offered to make it available to the members and friends of Central Lutheran Church through the Health Ministry Team.

## (GLOSSARY)

### Formulary:

The list of approved medications provided by Medicare and health insurance companies, from which a doctor may select drugs to prescribe for treatment of a patient's illness.

### Tiers:

Classifications of medications within the formulary in one of six different "tiers" or levels which define what a patient's co-pay will be for a specific drug, which will be a generic whenever available.

### Generic Drugs:

Drugs manufactured and/or sold by companies, other than the original manufacturer, following expiration of the original patent. Generics are typically sold at a lower cost than the original but may have some quality issues. FDA regulations allow greater deviation from labeled strength than "brand" name drugs, and do not require "therapeutic equivalence", so effectiveness may vary from that of the brand name product and variance between generics may be even greater.

### Prescription Sources:

Standard Pharmacy: Licensed Pharmacy, In-Network with an insurance company and able to bill for prescription service provided.

Preferred Pharmacy: Licensed Pharmacy which an insurance company has titled "Preferred" and provides patients with some cost and other benefits.

Mail Order: Prescriptions are transmitted to a remote pharmacy, delivered by the US Postal Service and offers lower pricing and some quantity, ie; 90 vs 30 day supply, advantages.

## (PROCESS)

The first step is to find each prescription medication you are taking, in the formulary on the insurers web site, and record the "tier" number, 1 through 6, of each. Each tier in the formulary has a higher co-pay than the previous, some have a fixed co-pay for any quantity of drug, from a single dose to a 30 day supply and some are a blend of drug cost and fixed tier price.

Locate the "pharmacy link" and in it the link to "prescription history". Record the date, dose, quantity and co-pay for each prescription of each medication purchased.

Click on the "search link" for drug prices, and enter the drug name, strength and quantity of each medication you are taking in a given period of time; 1, 30 or 90 days. Locate the name of your pharmacy in their list and determine if it is a "preferred" pharmacy or not. Check dosages and change any pre-determined "common dose" to what you are actually taking, if it does not match. Record the co-pay costs for 30 or 90 day quantities from your pharmacy, preferred pharmacy, if your pharmacy isn't, and the mail order source for each of your medications and calculate the total cost of medications from each source for comparison. The number of doses in each prescription is key to getting the maximum return and also to determining whether the cost per dose in a 90 day supply is significantly lower than that of a 30 day supply, to warrant the larger expenditure.

Medications in the highest tiers will require documentation of the failure of previous attempts at treatment with lower level drugs. Expensive drugs at the tier 6 level will require, in addition,

justification by a physician and prior approval by the insurance company, and may consider household income, drug company financial assistance programs and possibly other factors. Drugs in this tier may be available to patients with zero co-pay.

#### (PERSONAL EXAMPLES)

Here are some examples from our personal experience which will describe some of the results I achieved by following the steps mentioned above in the process.

I am taking a medication that comes in both an oral capsule and oral tablet form. The capsules are tier 4 and my co-pay was \$232.23 for a 90 day supply, would have been essentially the same in a preferred pharmacy and \$149.45 through the mail order. In my searching, I found the tablets are tier 2 and my co-pay is \$60, \$45 at a preferred pharmacy and \$30 through mail order for a 90 day supply. I won't take the space to do the math here, but you get the idea.

Another example is a topical analgesic gel prescribed for knee pain which falls into the tier 2 level and was ordered, refilled and reordered for a total of three prescriptions. The first prescription was three tubes, second was one tube, (pharmacy error providing one tube instead of three but could not be changed because the insurance had been already billed) and the third was, (at my request for a 30 day supply), five tubes. The co-pay on all three prescriptions, 1, 3 and 5 tubes, was the same, \$20, and at a preferred pharmacy would have been \$15.

A steroid inhalant for treatment of asthma is an example of a major price difference based on 30 vs 90 day supply and mail order vs local and preferred local pharmacy. Mail order co-pay is \$74 for a 90day supply, which translates to \$24.67 for 30 day supply. Local pharmacies are precluded from dispensing more than a 30 day supply at one time, for which the co-pay is \$42.49 and \$37 at local and preferred pharmacies respectively.

Tier six, as mentioned above, takes a little different approach. A very expensive (\$1,200 per dose) bi-weekly injectable anti-cholesterol drug is provided at no cost after the cardiologist documented the failure of all previous treatment attempts to lower cholesterol and requested the drug be provided by the manufacturer. We were required to provide documentation of household income, but nothing about assets, debts or other expenses. A combination of the manufacturer's financial assist program, our insurance and some negotiation, made the drug available with no co-pay.

The actual annualized co-pay pricing differences between our local pharmacy and a preferred pharmacy is \$233.88. Comparing our actual co-pay costs to the mail order pricing shows a difference of \$938.64 and the same comparison with preferred is \$704.76.

#### (CONCLUSION)

You will probably find, as I did, that when you get through this, you will have spent far more time than you ever expected or wanted to, but you now have the information necessary to create the most cost effective prescription plan for you and your family. You will need to consult your pharmacist or doctor or insurance representative or all the above to implement changes. You also have the necessary information to determine the optimal prescription source to meet your needs.

We will make some changes in our prescription plan, taking some business to mail order and finding a preferred pharmacy for the balance. I admit to owning a long standing bias in favor of supporting your local pharmacy and pharmacist and this is a decision that should not be made on the basis of price alone. Consider the value of receiving this highly personal service from your local pharmacist rather than enduring the hassle of an impersonal connection with someone, or a recording, at some remote location on the other end of an e-mail and postal address.

I hope you have found this information helpful and I will make myself available for consultation if you would like additional assistance.

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