

FORMULARY & DRUG TIERS

Many Medicare Prescription Drug Plans group covered medications into tiers. The number of tiers may vary from plan to plan. Generally, the lower the tier, the lower the cost of the drugs in the tier. It's true that the plan cost sharing amounts is the same for all drugs on a specific tier, however if the price at the pharmacy is lower, the member will not pay the plan copay. Some plans may apply a deductible to a specific tier(s). Here is an example:

Tier	Member Pays	What is Covered?
Tier 1: Preferred Generic	Lowest Copayment	Lower cost, commonly used generic drugs.
Tier 2: Generic	Lowest Copayment	Many generic drugs
Tier 3: Preferred Brand*	Medium Copayment	Many common brand-name drugs and some higher-cost drugs and some higher -cost generic drugs.
Tier 4: Non-Preferred Drug	Copayment (MA-PD) Coinsurance (PDP)	Non-preferred generic and non-preferred brand-name drugs
Tier 5: Specialty Tier	Coinsurance	Unique and/or very high cost drugs
* A preferred brand-name prescription medication is a drug that has been determined by the Plan to be as effective as other medications.		