What drugs do Medicare Drug Plans Cover?

Medicare drug plans must cover prescription drugs in all prescribed categories and classes but Medicare drug plans don't have to cover every drug. Certain drugs may be excluded*. Although your drug plan may not have a specific drug on their list of covered drugs (formulary), a similar drug that is safe and effective should be available. This may be in the form of a therapeutic alternative or generic drug (see below). This makes sure that people with different medical conditions can get the treatment they need.

All Medicare drug plans have negotiated to get lower prices for the drugs on their lists of covered drugs. This means using drugs on your plan's list will save you money. You will pay these lower prices for your prescriptions even before you meet the deductible. In addition, choosing a generic alternative instead of a brand-name drug can save you money with each refill.

My drug plan covers generic drugs. Are they as good as brand-name drugs?

Yes. Today, almost half of all prescriptions in the United States are filled with generic drugs. The U.S. Food and Drug Administration ensures that a generic drug is the same as a brand-name drug in dosage, safety, strength, quality, the way it works, the way it is taken, and the way it should be used. Generic drugs use the same active ingredients as brand-name drugs and work the same way. This means they have the same risks and benefits as the brand-name drugs.

Creating a drug costs a lot of money. Since generic drug makers don't develop a drug from scratch, the costs to bring the drug to market are less. But they must show that their product performs in the same way as the brand-name drug.

My drug plan says I need prior authorization for a medicine that is on the plan's list of covered drugs. What does prior authorization mean?

Medicare drug plans may have rules that require prior authorization. Prior authorization means before a plan will cover certain prescriptions, your doctor must first contact the plan. Your doctor has to show there is a medical reason why you must use that particular drug to treat your condition. Plans do this to be sure certain drugs are used correctly and only when necessary.

What is Step Therapy?

One form of prior authorization is step therapy. With step therapy, in most cases, you must first try certain less expensive drugs that have been proven effective for most people with your condition. For instance, some plans may require you to try a generic drug (if available), then a less expensive brand-name drug that is on their drug list, before you can get a similar, more expensive brand-name drug covered.

However, if you have already tried the similar, less expensive drugs and they didn't work, or if your doctor believes that because of your medical condition you must take the more expensive drug, he or she can contact your drug plan to request an exception. If your doctor's request is approved, the plan will cover the more expensive drug.

What if I'm taking a drug that's not on my plan's list (or is a step-therapy drug) when my drug plan coverage takes effect?

Medicare requires drug plans to fill your prescriptions through March 31, 2006, even if the prescription is for a drug that's not on the plan's drug list (or is a step-therapy drug). This "transition plan" gives you and your doctor time to find another drug on the plan's drug list that would work as well. However, if you have already tried similar drugs and they didn't work, or if your doctor believes that because of your medical condition it is necessary for you to take a certain drug, he or she can contact your plan to request an exception. If your doctor's request is approved, the plan will cover the drug.

What are Quantity Limits?

For safety and cost reasons, plans may limit the quantity of drugs that they cover over a certain period of time. For example, you may be prescribed a drug with the instruction to take one tablet per day. In this instance, a plan may cover only a 30-day supply at a time (up to 90-day supply if filled through a plan's mail order program). If you disagree with the quantity of drugs your plan will cover over a certain period of time, you may ask your plan for an exception.

What if I choose a drug plan and then my doctor changes my prescription?

If your doctor needs to change your prescription or prescribe a new drug, your plan's list of covered drugs will include drugs to treat your new medical needs. This list and the prices for drugs can change. To get information about the specific drugs your plan covers and their cost, look at the company's website or call the drug plan's customer service number. Your doctor can also get information about the drug list for your plan.

Medicare drug plans cover both generic and brand-name prescription drugs in all prescribed categories and classes. Certain drugs may be excluded*. Medicare requires drug plans to cover medically necessary drugs, so in general there will be a drug on the plan's list that is safe and effective to treat your condition.

What if I don't want to switch to another drug?

If your doctor needs to prescribe a drug that isn't on your Medicare drug plan's drug list, and you don't have any other health insurance that covers outpatient prescription drugs, you can request an exception (see below) from your plan. If your plan still won't cover a specific drug you want to use, you may appeal the decision. Urgent appeals take only a few days.

How do I get an exception?

The first step in requesting an exception is to contact your drug plan. Your plan will tell you how to submit the information they need to make a decision. The plan may request the information in writing. They also can choose to accept the information over the phone. Your doctor must submit a statement supporting your request. The doctor's statement must say that the requested drug is "medically necessary" for treating your condition. Once this information is submitted, your drug plan must notify you of its decision no later than 24 or 72 hours.

What if the plan decides not to give me an exception?

If your request is denied, you can appeal your drug plan's denial. There are several **levels** of appeal available to you.

Appeal through your plan.
You must request this appeal within 60 calendar days from the date of the plan's first decision. You or your appointed representative must file a standard request in writing unless your plan accepts requests by telephone.

What if the plan decides not to give me an exception? (continued)

Review by an independent review entity.
If the plan again decides against you, you can request a review by an independent review entity. You or your appointed representative must make a standard or expedited request within 60 days from the date of the decision.

If the independent review entity agrees with your plan's decision, you can still appeal through other levels. These include possible reviews by administrative law judges, a Medicare Appeals Council, and Federal court. Time and dollar limits may apply. More information about these appeals is available on www.medicare.gov on the web. Or, contact your drug plan for information on their exception and appeals process.

Someone told me I should switch to another drug plan that covers the prescription I need. Should I?

Medicare drug plans must continue their transition plan through March 31, 2006. The purpose of the 90-day transition period is that if you enrolled in the first few months of the program, you have time to work with your doctor and find a drug that would work as well for you on your plan's drug list. And, if you have already tried similar drugs and they didn't work, or if your doctor believes that because of your medical condition it's necessary for you to take a certain drug, he or she can contact your plan to request an exception. If your doctor's request is approved, the plan will cover the drug.

If you enroll in a Medicare drug plan after March 31, 2006, Medicare requires drug plans to fill your prescriptions once, within the first 30 days your coverage is in effect, even if the prescription is for a drug that's not on the plan's drug list (or is a step-therapy drug). This gives you and your doctor time to find another drug on the plan's drug list that would work as well or time for your doctor to request an exception due to any special medical needs you have for a specific drug. If your doctor's request is approved, the plan will cover the drug.

For more information

- Talk to your doctor about getting safe and effective alternative drugs that may also save you money, or to request an exception if necessary for your condition.
- Contact your drug plan with questions about what is covered by your plan.
- Call your State Health Insurance Assistance Program for help with an appeal or choosing Medicare prescription drug coverage that meets your needs. Call 1-800-MEDICARE (1-800-633-4227) for their telephone number. TTY users should call 1-877-486-2048.

* Certain drugs may be excluded by law, such as benzodiazepines, barbiturates, drugs for weight loss or gain, and drugs for relief of colds. Medicare may not pay for these drugs.

CMS Pub. No. 11194
February 2006