

Your prescription drug benefit with coinsurance

Understanding how you pay for medications

Harvard Pilgrim's prescription drug benefit gives you and your providers many choices for your medication needs.

All medications fall into different levels, or tiers. Typically, the lower the tier, the lower your cost.

Depending on your specific prescription drug plan, your payments—also called member **cost sharing**—may include a combination of **copayments**, **coinsurance** and a **deductible**.

- With a **copayment**, you'll pay a fixed dollar amount (for example, \$15) when you pay for the prescription—no matter what the price of the prescription is.
- With **coinsurance**, you'll pay a percentage of the prescription price (for example, 20%, 30%, etc.).
- Some plans also require that you pay a **deductible** each year before your coverage begins.
- Your plan may include an **out-of-pocket maximum**, or a **per-prescription or refill maximum**, which puts a cap on how much you pay.

Turn over for examples on how coinsurance works ►►



Harvard Pilgrim Health Care includes Harvard Pilgrim Health Care, Harvard Pilgrim Health Care of Connecticut, Harvard Pilgrim Health Care of New England and HPHC Insurance Company.

COINSURANCE: A percentage of the cost that you must pay for certain prescriptions.

COPAYMENT: A dollar amount you must pay for certain prescriptions. Copayments are always fixed dollar amounts.

DEDUCTIBLE: A specific dollar amount you must pay each year before coverage begins. The deductible may apply to drugs in any of the tiers. Depending on your plan, the deductible may apply to drugs purchased through the Mail Service Prescription Drug Program. Additionally, some plans have a separate prescription drug deductible while others include it with their medical plan deductible.

OUT-OF-POCKET MAXIMUM: This is the total amount you are required to pay annually in deductibles, copayments and coinsurance amounts. Some plans may have a combined out-of-pocket maximum for both your prescription program and medical coverage.

PER-PRESCRIPTION OR REFILL MAXIMUM: A set dollar amount so you'll never pay more than that amount out-of-pocket per prescription or refill.

HOW COINSURANCE WORKS

Here are some examples to help you understand how to figure out coinsurance for your prescriptions.

Example 1

Your prescription has a total cost of \$200. Your coinsurance is 20%. You're responsible for \$40—and Harvard Pilgrim will pay the rest.

$$\begin{array}{r} \$200 \text{ cost of prescription} \\ \times .20 \text{ your \% of cost share} \\ \hline \$40 \text{ the total price you pay} \end{array}$$

Example 2

Your prescription has a total cost of \$600. Your coinsurance is 20%; however, your benefit has a \$100 per-prescription maximum. This means although 20% of \$600 is \$120, you're only responsible for \$100—and Harvard Pilgrim will pay the rest.

$$\begin{array}{r} \$600 \text{ cost of prescription} \\ \times .20 \text{ your \% of cost share} \\ \hline \$120 \text{ cost share exceeds your \$100 per-prescription maximum} \\ \hline \$100 \text{ the total price you pay} \end{array}$$

Help is available online

Since payments are due to the pharmacy at the time you purchase your prescription, it's important that you take time to understand the costs of your specific medications ahead of time. We offer a variety of online tools to help you at www.harvardpilgrim.org/rx.

Before you go online to look up your medications, make a list of all the prescription medications you take today. Be sure to include dosages, since they can affect the prices. List the prices for any medications that fall under a tier that requires coinsurance, add them up, and calculate how much your coinsurance would be, using the same method in the examples shown above.

What to do if you have higher-cost prescriptions

Many expensive medications have lower-cost alternatives, so you should talk to your doctor about what other options may be available for you.

Questions?

- If you have questions about your prescription drugs, please speak with your doctor.
- If you have questions about our prescription drug program, call Member Services at **(888) 333-4742**. For TTY service, call (800) 637-8257.

