

Reducing Out-of-Pocket Prescription Medication Costs

What are Out-of-Pocket (OOP) Prescription Medication Costs?

- » Expenses that patients must pay when they fill a prescription.
 - **Premium:** The amount individuals pay to buy into an insurance plan.
 - **Deductible:** The upfront amount that a person pays before the insurance plan starts helping to cover expenses.
 - **Co-payment (co-pay):** A flat amount (ex: \$15) paid each time a prescription is filled.
 - **Coinsurance:** A percentage of the cost of filling a prescription.

Steps You Can Take to Reduce OOP Medication Costs

- » **Tell your doctor, pharmacist and other healthcare providers that you are concerned about the OOP cost of your medications:** It can be hard to discuss financial concerns with your healthcare providers, but it is important for them to understand your concerns so they can help. Consumer Reports offers [tips](#) on how to start this conversation.
- » **Use generic medications if your healthcare provider says they are appropriate:** Generic medications are as effective as name-brand medications, and often provide significant cost savings. Check to see if your medication has a [generic equivalent](#), or ask your provider if you can switch to a generic.
- » **Ask your healthcare provider about using a different medication:** If your medication OOP cost is high, ask the pharmacist for options that you can discuss with your healthcare provider. It is possible that your provider can prescribe another equally effective and less costly medication.
- » **Consider using a different pharmacy:** Consider calling several pharmacies to review your medication list and compare OOP costs.
- » **Use discount coupons:** Drug manufacturer coupons can save you money if you need a brand-name medication and have a commercial insurance plan. Ask your healthcare provider or pharmacist about available [coupons](#) or look on the drug manufacturer's website to see if a program is available.
- » **Seek assistance from a charitable foundation:** For federal beneficiaries, such as those on Medicare, charitable foundations are often the only place to turn for financial assistance.
- » **Consider using a mail-order pharmacy:** If your insurance plan has a mail-order pharmacy option, compare the OOP costs between a retail (such as CVS and Walgreens) and a mail-order pharmacy.
- » **See if your state has a pharmaceutical assistance program:** Many states have [pharmaceutical assistance programs](#) that help residents pay for OOP costs for prescription medications. These programs work differently in each state.

Steps You Can Take to Reduce OOP Medication Costs (cont.)

Medicare beneficiaries have a few extra ways that they can save on OOP drug costs:

- » **Consider getting a Medicare prescription drug plan:** Medicare Part A and Part B—sometimes called Original Medicare—do not cover medications that you buy at a pharmacy. If you are eligible for Medicare, consider getting prescription drug coverage through Medicare Advantage or from a stand-alone Part D prescription drug plan. Your OOP costs for prescription medications will be less.
- » **Review your OOP drug costs each year and switch plans if needed:** Both Medicare Part D drug plans and Medicare Advantage plans that have prescription drug coverage can add or remove the drugs they cover and change the co-payments or coinsurance that you pay when you fill your prescriptions. Be sure to do an annual comparison of the OOP drug costs on your current plan with those in other plans that are offered in your area—there are [tools](#) available to help with these comparisons. When you compare plans, be sure to include the monthly premium and annual deductible, as well as co-payments and coinsurance. If another Medicare drug plan has lower OOP drug costs, you can change your plan during the Open Enrollment period, which is October 15–December 7 each year.
- » **See if you are eligible for Medicare’s Extra Help program:** Medicare beneficiaries with very low incomes and limited resources may be eligible for a program that provides extra support to cover OOP drug costs. The [National Council on Aging](#) can help you determine if you are eligible for this program.
- » **Consider joining a Medicare drug plan that provides additional coverage:** Medicare Part D drug plans have a coverage gap phase during which people pay a larger share of their prescription drug costs. Some Medicare drug plans offer additional coverage—called Medigap coverage—during this period, and depending on your drug costs, this added coverage could help you save money. Tools are available to help you [find Medigap coverage](#) in your area.

The PAN Foundation

The mission of the PAN Foundation is to help underinsured people with life-threatening, chronic and rare diseases get the medications and treatment they need by paying for their out-of-pocket costs and advocating for improved access and affordability.

For more information about the PAN Foundation, visit www.panfoundation.org.