Formulary

What a PDP covers is based on the plan’s formulary. A formulary is a list of covered drugs that fall into tiers based on different factors. The tiers range from tier 1 to tier 4, with tier 1 being the least expensive. The lower tiers are also generally more common and/or generic drugs. Usually, someone will want to find the plan that covers their drugs as cheaply as possible. However, the best option still may not cover all of their drugs.

When a drug is not covered, or is only covered at a higher tier, something called a formulary exception can be requested. This usually occurs when a doctor prescribes a brand that is also available as a generic. The carrier may require step therapy before the exception is granted if at all. Step therapy is when someone has to take a lower tier drug or drugs before getting the higher tier drug they are requesting.

A carrier can change its formulary at any time. However, there are some rules they have to follow that afford the beneficiary at least a little protection. They must provide written notice 60 days prior to any changes going into effect, and provide a 60-day supply of the drug being changed at the same rate as before the change.

If someone enrolls in a PDP and they are taking a drug that is not covered, the carrier is still required to provide a one-time supply in the first 90 days to allow time for a replacement to be found by the physician, or an exception requested.

Generally, a formulary is only going to cover Medicare-covered drugs, but a carrier can enhance the benefits of the plan to include drugs not covered by Medicare. These are called Enhanced plans.