



# Understanding Prescriptions

**Unless you're a doctor, pharmacist or benefits expert, trying to make sense of how prescriptions work with your insurance—the terms, costs and different categories—can be like trying to read another language.**

This flyer will help you get a basic understanding of popular terms associated with prescription medications, explain the difference between costs and how your Personal Health Advocate can help you with your prescription-related issues.



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## Know the Terms

**Drug Formulary:** A drug formulary is a list of prescription drugs, both generic and name-brand, that are preferred by your health plan. Your health plan may only pay for medications that are on this “preferred” list, to steer you to the least costly medications.

**Generic Vs Name-brand:** Generic drugs are drugs that are comparable, and often identical to name-brand drugs. Generic drugs are similar to their name-brand counterparts in strength, performance, side effects, and must meet the same quality and safety standards set by the U.S. Food and Drug Administration (FDA).

**Specialty Drugs:** Specialty drugs are prescription medications that require special handling, administration or monitoring. These drugs are used to treat complex conditions like cancer and multiple sclerosis.

**Formulary Tiers:** Tiers are groups of drugs that fall within description and pricing groups. Generally the higher the tier of the drug, the higher the out-of-pocket cost will be for the patient.

- **Tier 1 or Preferred Generic:** Tier 1 drugs are usually limited to the lowest cost generic drugs.
- **Tier 2 or Generic:** These drugs are also generic, but cost a little more than Tier 1.
- **Tier 3 or Preferred brand:** These are the lowest-cost brand-name drugs that don't have a generic equivalent.
- **Tier 4 or Nonpreferred brand:** These are higher-priced brand-name drugs, and often have generic equivalents.

## How We Help

We can offer tips on how to save on out-of-pocket costs by:

- Possibly locating a lower-cost source for your prescriptions not covered by your plan.
- Checking to see whether or not your doctor could substitute a generic equivalent.
- Finding out if a mail-order program is available to you.

Your Personal Health Advocate can also help you get a better understanding of your medications by explaining how the drug works, possible side effects, how to take it and more.

**Remember...** Your Health Advocate benefit is available to you, your spouse, dependent children, parents and parents-in-law.



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