

Benefit Facts Article

Are My Prescriptions Covered?

As government programs change their benefits, often reducing the coverage, it's more important than ever to understand how your group insurance plan can provide a financial safety net - especially when it comes to prescription drugs.

All group health plans base their benefits on a list of eligible drugs called a formulary. Most insurance companies have several formularies available. This allows employers to choose from comprehensive plans that cover most prescription drugs to more restrictive plans where only certain types of drugs are covered.

Some group plans even let the employer add or remove specific drugs to control coverage and cost. For example, smoking cessation or erectile dysfunction drugs may be covered under some plans but not under others. These particular coverages are costly items to include in a firm's benefit plan by the way.

If a firm opts for the most comprehensive plan, one that includes all medications with a DIN (Drug Identification Number), your plan will allow reimbursement for over 10,000 items. Such plans are not common today because of the very high cost. Today's more typically chosen formularies would cover drugs which, by law, require a prescription; approximately 8,300 items.

"Managed Formularies" are popular today as they have cost containment features. For example, these programs may pay for generic drugs, but not the additional cost of brand name versions. Some group plans use a provincial drug listing which covers between 3,500 and 7,500 items. Privately developed formularies, such as Emergis "National Formulary", cover between 6,200 and 6,700 DIN designated items.

Whichever formulary you choose, keep in mind that medications may have multiple DINs. That's the case with a 200 mg tablet, a 400 mg tablet and a 400 mg time-released capsule, all with the same active ingredient. With some formularies the 400 mg tablet may be covered while the time-released capsule might not.

Too many choices? Your Chambers Plan Agent can help you select the right formulary for your firm's needs.

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