

Going to the pharmacy? Why members should NOT leave insurance at home

Recent media coverage in the Boston Globe and elsewhere has encouraged consumers to “leave insurance at home” as a way to reduce prescription drug prices. Journalists focus on specific instances in which individuals were able to obtain more attractive pricing through drug discount programs or by paying cash. However, with more than four billion prescriptions written and filled each year in the U.S., health insurance provides a clear value for covered members in the vast majority of drug purchases.*

It’s no secret that drug pricing is complex, and consumers may feel that they are left to figure out the process themselves. Various players are involved, including drug companies, pharmacies, pharmacy benefit managers and insurers. But there are multiple reasons why people should NOT leave their insurance at home—especially when they’re members of Tufts Health Plan.

- **Overall value**--Discount programs may provide one-off savings for a restricted selection or “basket” of drugs. But those instances are typically outweighed by the overall savings and value of our pharmacy benefit across all covered medications.
- **The role of PBMs**--Pharmacy benefit managers (PBMs), which handle drug benefits on behalf of insurers, often negotiate lower prices, particularly for brand-name medications. CVS/caremark, the PBM for Tufts Health Plan, provides discounted prices on an extensive list of drugs. These prices are typically lower than what individuals would pay without insurance.
- **Lowest cost for the member**--Tufts Health Plan looks at the member’s co-payment amount for a drug, the pharmacy’s usual & customary charge, and the ingredient cost. The member pays the lowest of these three amounts. This is unlike some insurers, which require their members to pay the co-payment even if it’s higher than the other two amounts.
- **Deductible accumulation**--By using their pharmacy benefit, members with a deductible plan are assured that their medication purchases will accumulate toward their deductible limit. Once their deductible is met, their insurance will help pay the cost of drugs.
- **Clinical oversight**--When pharmacy claims run through Tufts Health Plan, we can provide greater clinical oversight. Such oversight can help drive improved health outcomes, which in turn may lower overall costs for the employer group.

- **Clinical programs**--Pharmacy claims also provide valuable information for our clinical programs, such as:
 - Disease management
 - Adherence of Care and Gaps in Care programs
 - Drug Savings Review
 - Drug Utilization Review

So the next time you read headlines about leaving insurance at home, think about all the ways Tufts Health Plan pharmacy coverage provides value to the members who depend on prescription drugs each day.

*statista.com, 2017—"Total number of retail prescriptions filled annually in the United States from 2013 to 2024 (in billions)**"