

Insurance Terms for Specialty Pharmacy Services

Understanding your insurance coverage can be complicated, especially with specialty medicines that are commonly used in cancer treatment. Here are some key insurance terms related to specialty pharmacies to help you navigate your coverage and care options:

Appeal

An appeal is a formal request to your insurance company asking them to reconsider a decision.

Example: if a treatment or medication is denied coverage, you or your healthcare provider can file an appeal to have the decision reviewed and possibly overturned.

Coinsurance

Coinsurance is the percentage of the cost of your medicine or healthcare services that you are responsible for paying after meeting your deductible.

Example: If your coinsurance is 20%, you pay 20% of the cost, and your insurance pays 80%.

Copayment (“Copay”)

A copayment is a fixed amount you pay for a covered service or prescription each time you receive it, after meeting your deductible.

Example: You might pay \$20 each time you fill your prescription, regardless of the total cost.

Deductible

The deductible is the amount you pay for healthcare services or medications before your insurance begins to contribute.

Example: With a \$1,000 deductible, you pay the first \$1,000 out of pocket. Afterward, your insurance helps cover costs.

Formulary

A formulary is a list of medicines that your insurance plan covers. Using drugs on this list usually costs less, making it an important resource when your healthcare team selects treatments.

Grant

A grant is financial assistance provided by nonprofit organizations to help cover healthcare costs such as copays, coinsurance, deductibles, or insurance premiums. Grant availability may depend on your medical condition or the specific medication.

Patient Assistance Program (PAP)

These programs, often sponsored by drug companies, provide free or low-cost medications to individuals who are uninsured or cannot afford their medicines. Eligibility criteria may vary, but PAPs can significantly reduce out-of-pocket expenses.

Prior Authorization

Prior authorization is a process where your healthcare provider must obtain approval from your insurance company before prescribing certain medicines or treatments. This step ensures the treatment is deemed medically necessary, but it does not guarantee coverage.

Notes

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PES-219