

Arthritis Foundation Position Statement on Drug Formulary Transparency and Adequacy

Issue

Most health insurance plans have a website that allows consumers to compare costs and benefits as they shop for the best health care coverage. However, these websites generally do not include specific information on issues of importance to people with arthritis, such as cost sharing, prior authorization or step therapy requirements regarding particular medications. The formularies may also be exclusionary, not including coverage for critical drugs.

Background

Transparency in drug formularies would benefit people with arthritis who are comparing the provisions and benefits of various insurance plans. Formulary transparency gives consumers necessary information on specific medication coverage and out-of-pocket costs, such as coinsurance, coverage limits, prior authorization requirements and step therapy protocols.

People with substantial prescription medication needs – especially those living with chronic conditions such as rheumatoid arthritis (RA) – must be able to access this information so they can select the most appropriate health insurance plan. Formulary transparency and adequacy make it easier for those with serious conditions to choose a plan that will cover the prescription medications they need.

Our Position

The Arthritis Foundation supports legislation that provides formulary transparency in health insurance plans and should require the following for current and prospective enrollees:

- Maintain a web-based formulary that is updated within 72 hours of changes and printed disclosures that are updated every three months.
- Maintain a clear and easy-to-use searchable listing of medications covered in a plan's formulary by medication name and disease type.
- Disclose all copayment, coinsurance and out-of-pocket cost obligations for each medication.
- Disclose special requirements for each medication, including step therapy and prior authorization.
- If a formulary is closed or exclusionary, a clear exception process must be available for those excluded drugs deemed medically necessary by the prescriber.