SpringWorks CareConnections™

# A GUIDE TO HEALTH INSURANCE NAVIGATION

This guide can help you better understand some of the **different types of health insurance** and select terms related to **insurance plans and coverage.**

Actor portrayal

SpringWorks is providing this information for educational purposes only and nothing within this brochure should be considered insurance advice or a recommendation for any type of plan or coverage. Patients should always consult with their employer or insurance plan for questions and current information about insurance benefits and coverage.

# What Are Some of the Different Types of Health Insurance?

» **COMMERCIAL HEALTH INSURANCE** refers to any type of health insurance plan that is administered by a private company versus through the government. A common form of commercial health insurance is group coverage, such as coverage through your employer as a benefit to employees. These plans can vary widely in the types of services and medications they will cover for their members.[1-4]

If you don't have access to health insurance through your employer, or if you lose your employer-based coverage, the **Marketplace** is another option to purchase health insurance coverage.[5,6] You can find additional information and/or apply for Marketplace plans in your state by visiting healthcare.gov/marketplace-in-your-state/.

## Common types of commercial health insurance coverage[1]

**Preferred Provider Organization (PPO):** PPO plans have their own network of doctors that you're expected to choose from. You pay less if you use providers that belong to the plan's network. You still may receive some coverage if you choose a provider who is out of your plan's network, but your out-of-pocket (OOP) costs will be higher.

**Health Maintenance Organization (HMO):** Like PPO plans, HMOs also have their own network of providers from whom you must choose a primary care physician. These plans generally won't cover out-of-network care.

**Point of Service (POS):** With this plan, you pay less if you use doctors, hospitals, and other healthcare providers that belong to the plan's network, but POS plans require you to get a referral from your primary care doctor to see a specialist. Like PPO plans, you can see out-of-network doctors but will only receive some coverage and your OOP costs will be higher.

**Exclusive Provider Organization (EPO):** This plan only covers services if you go to doctors, specialists, or hospitals in the plan's network, but you are not required to get a referral from your primary care doctor to see a specialist. While EPO plans are typically less expensive, they are best suited for young, healthy individuals who do not expect the need for frequent medical care.

### Commercial Prescription Medication Insurance

> Most commercial health insurance plans include prescription medication coverage, also referred to as a **pharmacy benefit,** as part of the policy. If not included, it can be purchased separately. The types of medications that a commercial plan's pharmacy benefit will cover, and your OOP responsibility, varies based on several factors. Specialty medications require special handling and have their own copay.[1]
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> See **Page 4** for more information.



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» **MEDICARE** is federal health insurance for anyone aged 65 years and older, or for patients who are under the age of 65 with end-stage renal disease or amyotrophic lateral sclerosis.[7]

## The 4 parts of Medicare[7]

**Part A:** Includes hospital stays, nursing home/skilled care facility, home healthcare, and hospice care

**Part B:** Covers medically necessary doctor services, diagnostic testing, medical equipment, and other preventive care

**Part C:** Offered by a health plan; combines Parts A and B, and usually Part D

**Part D:** Covers prescription medication costs

> **Medicare Part D plans** must include a wide range of prescription drugs on their drug lists that people with Medicare take, including drugs in protected classes, such as those that treat cancer, referred to as *antineoplastics*.[8]
>
> See **Page 4** for more information on how prescription coverage is determined.

» **MEDICAID** is a joint federal and state program that provides health coverage for eligible patients with limited income and resources. While the government determines general rules all Medicaid plans must follow, each state runs its own program.[9]

People with Medicaid may not pay anything or may have a small copay for covered medical expenses.[9]

While not mandatory under federal Medicaid law, all state Medicaid plans currently offer coverage for outpatient prescription drugs for eligible Medicaid individuals.[10]

> Most Medicaid state plans have their own list of drugs they will cover, referred to as a **preferred drug list. Nonpreferred drugs** may require a higher **copay** or a **prior authorization** for approval.[11] See **Page 4** for more information on how prescription coverage is determined.
>
> If you have Medicaid, be sure to contact your plan sponsor to confirm your state's specific policies and to obtain a list of covered medications.

» **CHILDREN'S HEALTH INSURANCE PLAN (CHIP)** is a joint federal and state program that provides health coverage, including prescription coverage, to children (and in some states, pregnant women) from families whose income is too high to qualify for Medicaid but too low to afford private coverage. Like Medicaid, each state has its own program and its own set of rules of what services and medications are covered under CHIP, while still following general requirements set forth by the government.[12,13]



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# Understanding Health Insurance Coverage for Specialty Medications

Health insurance plans, regardless of type, will use certain processes and techniques to ensure that their members are receiving the appropriate treatment and that the prescribed treatment is medically necessary, particularly for high-cost specialty medications.[14,15]

Specialty medications may often require a **prior authorization (PA)**, which is a process completed by your doctor to obtain coverage approval from your health insurance plan by demonstrating that the drug is the right choice for you.[15]

## What is a Medication Formulary?

Regardless of your insurance type, each plan has its own formulary. A formulary is a list of prescription medications that a plan covers, also called a **drug list**.[16,17]

## What are drug tiers?

A formulary is divided up into different tiers, or levels, based on the type of drug or its usage. The out-of-pocket costs you're expected to pay will depend on what tier a drug appears within your plan's formulary.[18]

Depending on your coverage type, prescription drug plan formularies usually have between 3 and 5 drug tiers.[16]

When enrolled in SpringWorks CareConnections™, we will complete a **benefits investigation** to find out if your SpringWorks medication is on your health insurance plan's **formulary**, and if so, at what **drug tier**. You will also have a better idea of what your **out-of-pocket costs** for your SpringWorks medication might be. Specialty medications are usually placed on the highest tier because of their high cost (typically tier 4 or 5 [except for Medicaid plans, which usually use only 2 tiers: **preferred** and **non-preferred**]).[11,16] Refer to the table on the next page for an example of tier coverage.

**Below is an example of what a formulary with 5 drug tiers might look like.**[16] Sometimes when more than one medication is available to help treat the same disease, one is preferred on a formulary over another. In these cases, a plan might require a patient to try and fail a **preferred medication** first before approving coverage of a **nonpreferred medication**.

| | |
|---|---|
| **Tier 1** | Low-cost, generic drugs (usually have lowest copays) |
| **Tier 2** | Preferred brand-name drugs and some higher-cost generic drugs |
| **Tier 3** | Nonpreferred brand-name drugs (usually have a lower-cost brand or generic available, which increases a patient's cost share) |
| **Tier 4** | Preferred specialty drugs (safe, effective, favorable cost over Tier 5 drugs) |
| **Tier 5** | Nonpreferred specialty drugs (highest-cost drugs, usually have a preferred brand available, which increases a patient's cost share) |

While navigating your insurance plan coverage can sometimes seem confusing, **SpringWorks CareConnections™ is here to help.**

SpringWorks CareConnections is a free, personalized patient support program to help you navigate your insurance coverage, answer questions about your SpringWorks treatment, and help you start and stay on track during your treatment journey.

**Call us today at 844-CARES-55 (844-227-3755)**
**Monday - Friday, 8 AM - 10 PM ET**
**or visit springworkstxcares.com**

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# What Happens If My Health Insurance Plan Denies Coverage of My Specialty Medication?

If a PA for your specialty medication has been denied, your doctor's office may often submit an appeal on your behalf requesting a redetermination of coverage. However, you may also consider sending your own letter of appeal to your health insurance plan. The steps below can help get you organized if you decide to appeal a coverage denial for your medication.

## Submitting an Appeal

If you are notified that your medication is not being covered, you may have the option of submitting a letter to your health insurance plan to try to overturn the coverage denial decision. The steps shown here may help you through the process of submitting a letter of appeal:

1. Be sure to review the denial letter from your health insurance plan to understand why coverage for your medication has been denied.
2. Call your insurance plan to find out the plan-specific requirements for submitting an appeal.
3. With the help of your doctor's office, gather documentation that will help support your appeal, such as information confirming your diagnosis (eg, test results).
4. Write a letter, in your own words, explaining why you feel the medication your doctor prescribed is right for you and submit it, along with the other supporting documentation, to your health insurance plan.
5. If you have not heard back from your plan within 5 to 7 days, be sure to call and follow up.

This page provides general information only. You should always follow your plan's specific requirements for submitting appeals.



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# Understanding Key Insurance Terms

**Benefits investigation -** The process of verifying your insurance coverage and requirements, as well as determining your out-of-pocket (OOP) costs for a particular medication.[19]

**Children's Health insurance Plan (CHIP) -** A joint federal and state program that provides low-cost health coverage to children (and in some states, pregnant women) in families that earn too much money to qualify for Medicaid.[12,13]

**Coinsurance -** Percentage-based payments for medical care or prescription medications instead of flat fees. You would pay the coinsurance plus any deductibles you may owe.[20]

**Commercial health insurance -** Any type of health insurance plan that is administered by a private company versus through the government, such as through your employer.[1]

**Copay -** What you pay out of pocket for medical care or prescription medications. The amount will vary by the type of service or medication.[20]

**Cost sharing -** Your share of costs that you must pay OOP for services or prescription medications that your health plan covers (eg, copayments, deductibles, coinsurance).[20]

**Deductible -** How much you pay in total each year before health insurance cost sharing begins.[20]

**Drug tiers -** Different levels of drugs within a formulary that are categorized by tiers based on the type of drug or its usage.[16,18]

**Explanation of benefits (EOB) -** A document from your health plan summarizing the total charges for services and/or medications you received and explaining how much both you and your plan will have to pay.[20]

**Formulary -** A list of prescription drugs covered by a prescription drug plan, also referred to as a drug list.[17]

**Medicaid -** A joint federal and state program that provides health coverage for eligible patients with limited income and resources.[9]

**Medicare -** Federal health insurance for anyone aged 65 years and older, or for patients who are under the age of 65 with end-stage renal disease or amyotrophic lateral sclerosis.[7]

**Non-preferred medication -** A drug placed on an insurance plan's formulary, or drug list, in a less favored position because of its more expensive cost to the health insurance plan.[21]

**Out-of-pocket cost -** Your costs for medical care that are not reimbursed by your insurance plan, including deductibles, coinsurance, and copays for both covered and noncovered services and medications.[22]

**Pharmacy benefit -** Plan benefit that covers medications patients can administer at home or have administered (depending on delivery method) at a doctor's office. These include oral, injectable, infusible, or topical, such as creams and lotions.[19]

**Preferred medication -** A drug placed on an insurance plan's formulary, or drug list, in a favored position because of its more affordable cost to the health insurance plan.[21]

**Premium -** How much you pay each month for health insurance.[23]

**Prior authorization -** The process of your doctor's office requesting approval from your health insurance plan for a service or prescription to be covered.[15]

**Specialty medication -** High-cost prescription medications used to treat complex, chronic conditions.[24,25]

**Specialty Pharmacy -** A licensed pharmacy that provides medications used to treat rare or complex health conditions to patients.[25] Medications dispensed through a Specialty Pharmacy are usually mailed directly to you or to your doctor's office.

**Step therapy (or step edit) -** A requirement from a patient's health insurance plan to try a lower cost prescription medication that treats their condition before "stepping up" to a similar-acting, but more expensive medication.[26]

## IF YOU HAVE BEEN PRESCRIBED A SPRINGWORKS MEDICATION,

ask your doctor to help you enroll in SpringWorks CareConnections™, so you can have access to support.

### INSURANCE NAVIGATION AND FINANCIAL HELP

We do not want concerns about cost or insurance coverage to come between you and your medication. Our Nurse Advocates are here to offer information about financial assistance options, as well as explain your insurance coverage and help determine if your SpringWorks medication is covered.

### PERSONALIZED EDUCATIONAL AND EMOTIONAL SUPPORT

Your Nurse Advocates can provide treatment support as it relates to your condition as well as ongoing, personalized support no matter where you are in your treatment journey with your SpringWorks medication.

### FOR QUESTIONS AND FURTHER INFORMATION

on the support available through SpringWorks CareConnections, please call 844-CARES-55 (844-227-3755) Monday – Friday, 8 AM – 10 PM ET or visit **springworkstxcares.com**

**References: 1.** Understanding commercial health insurance. MedicalBillingandCoding.org. Accessed October 16, 2024. https://www.medicalbillingandcoding.org/health-insurance-guide/commercial-health-insurance/ **2.** Borrelli L. Forbes Advisor. What is commercial health insurance? Accessed October 16, 2024. https://www.forbes.com/advisor/health-insurance/what-is-commercial-health-insurance/#:~:text=Commercial%20Health%20Insurance%20Is%20Private,Humana **3.** Group health plan. HealthCare.gov. Accessed October 16, 2024. https://www.healthcare.gov/glossary/group-health-plan/#:~:text=In%20general%2C%20a%20health%20plan,to%20employees%20and%20their%20families **4.** Chambers JD, Kim DD, Pope EF, Graff JS, Wilkinson CL, Neumann PJ. Specialty drug coverage varies across commercial health plans in the US. *Health Aff (Millwood)*. 2018; 37(7):1041-1047. doi:10.1377/hlthaff.2017.1553 **5.** Health insurance if you work part-time.HealthCare.gov. https://www.healthcare.gov/part-time-workers/ **6.** People with coverage through a job. HealthCare.gov. Accessed October 16, 2024. https://www.healthcare.gov/have-job-based-coverage/if-you-lose-job-based-coverage/ **7.** Medicare & you 2025. Centers for Medicare & Medicaid Services. Accessed October 16, 2024. https://www.medicare.gov/publications/10050-medicare-and-you.pdf **8.** Medicare Advantage and Part D drug pricing Final Rule (CMS-4180-F). Centers for Medicare & Medicaid Services. Accessed October 16, 2024. https://www.cms.gov/newsroom/fact-sheets/medicare-advantage-and-part-d-drug-pricing-final-rule-cms-4180-f **9.** What's the difference between Medicare and Medicaid? U.S. Department of Health and Human Services. Accessed October 16, 2024. https://www.hhs.gov/answers/medicare-and-medicaid/what-is-the-difference-between-medicare-medicaid/index.html **10.** Prescription drugs. Medicaid.gov. Accessed October 16, 2024. https://www.medicaid.gov/medicaid/prescription-drugs/index.html **11.** State Medicaid preferred drug lists. Kaiser Family Foundation. Accessed October 16, 2024. https://www.kff.org/other/state-indicator/medicaid-preferred-drug-lists/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D **12.** Children's Health Insurance Program (CHIP). Medicaid.gov. Accessed October 16, 2024. https://www.medicaid.gov/chip/index.html **13.** Medicaid and CHIP. HealthCare.gov. Accessed October 16, 2024. https://www.healthcare.gov/medicaid-chip/childrens-health-insurance-program/#:~:text=CHIP%20provides%20low%2Dcost%20health,with%20its%20state%20Medicaid%20program **14.** Institute of Medicine (US) Committee on Utilization Management by Third Parties. *Controlling Costs and Changing Patient Care?* The Role of Utilization Management. Gray BH, Field MJ, eds. Washington (DC): National Academies Press (US); 1989. PMID: 25144100. doi: 10.17226/1359 **15.** Curcio J, Patel P. A primer for medical specialty drug utilization management. *Pharmacy Times*. Published August 3, 2022. Accessed October 16, 2024.https://www.pharmacytimes.com/view/a-primer-for-medical-specialty-drug-utilization-management-strategies **16.** Health Policy Brief: Formularies. *Health Affairs*, September 14, 2017. doi:10.1377/hpb2017.12 **17.** Formulary. HealthCare.gov. Accessed October 16, 2024. https://www.healthcare.gov/glossary/formulary/ **18.** Understanding drug tiers. Patient Advocate Foundation. Accessed October 18, 2024. https://www.patientadvocate.org/explore-our-resources/understanding-health-insurance/understanding-drug-tiers/ **19.** The importance of a thorough benefits investigation to help navigate medical vs pharmacy benefit. National Association of Medication Access & Patient Advocacy. Accessed October 20, 2024. https://www.namapa.org/medical-vs-pharmacy-benefit#:~:text=Benefits%20investigation:%20A%20review%20of,equally%2C%20if%20not%20more%20important **20.** Health insurance terms you should know. Centers for Medicare & Medicaid Services. Accessed October 16, 2024. https://www.cms.gov/medical-bill-rights/help/guides/health-insurance-terms **21.** Prescriptions: why they're so complicated. American Academy of Family Physicians. Accessed October 16, 2024. https://www.aafp.org/pubs/fpm/issues/2002/0200/p25.pdf **22.** Out-of-pocket costs. HealthCare.gov. Accessed October 16, 2024. https://www.healthcare.gov/glossary/out-of-pocket-costs/ **23.** Premium. HealthCare.gov. Accessed October 16, 2024. https://www.healthcare.gov/glossary/premium/ **24.** What is a specialty drug? Healthinsurance.org. Accessed October 16, 2024. https://www.healthinsurance.org/glossary/specialty-drug/ **25.** Byrne M. The ins and outs of specialty pharmacy. *Pharmacy Times*. Accessed October 16, 2024. https://www.pharmacytimes.com/view/the-ins-and-outs-of-specialty-pharmacy **26.** What is step therapy? HealthInsurance.org. Accessed November 7, 2024. https://www.healthinsurance.org/glossary/step-therapy/

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