

January 31, 2021
UT-AAUP Newsletter

Health Plans & Prescription Costs

The following is a letter from our health benefits expert at Allotta Farley, the UT-AAUP legal counsel. It is based on a letter from a faculty on the Blue Plan.

A faculty member paid a \$1000 co-pay for a Tier 1 prescription. This is the full rate for that prescription. The co-payment will drop once the deductible is met. This is because the faculty member is enrolled in the Blue Plan, which is different from the Silver or Bronze Plans. The Blue Plan is what is called a “Consumer Driven Health Plan (CDHP)” or “High Deductible Health Plan.”

The Silver and Bronze Plans only have a medical deductible and prescription costs are not assessed towards this limit. Instead, Silver and Bronze participants pay the prescription co-payment each time they have a drug filled, regardless of underlying medical or prescription expenditures. In other words, a Silver Plan participant that is prescribed a Tier 1 drug will always pay the Tier 1 drug co-payment (currently \$10.00) regardless of their out-of-pocket medical expenses for the year.

The Blue Plan is different. Under federal law, to qualify as a CDHP the Plan must assess all medical and drug costs towards a deductible before coverage kicks in. Once coverage does kick in, the Blue Plan covers medical expenses at a higher rate than the other two. That means you would pay the full rate for any drug until your combined medical and prescription out-of-pocket costs hits the deductible (currently \$1,500 individual / \$3,000 family). At that point, the cost would drop to the regular prescription co-payments. This information can be found on the Blue Plan summary posted to UT’s benefits website. See the following link: <https://www.utoledo.edu/depts/hr/benefits/docs/prescriptions/2021/UT-Consumer-Driven-Health-Plan-CDHP.pdf>.

UT-AAUP Executive Board