

Medicare Part D indication-based formularies

The Food and Drug Administration (FDA) approves drugs for certain indications. Indications are the specific uses of a drug to treat particular diseases. For example, diabetes is an indication for insulin.

Beginning in 2020, **Medicare Part D plans have the option to create indication-based formularies**. This means that Part D plans can choose to cover a drug for only certain uses for particular conditions or diseases, rather than for all of the uses approved by the FDA. Your plan's Annual Notice of Change (ANOC) and Evidence of Coverage (EOC) should say whether any of your drugs are covered only for certain indications.

If your plan covers a certain drug for only certain uses, it must make sure that there is another similar drug on the plan's formulary for the non-covered use.

Example

Drug A is FDA-approved for two uses. One use is to treat nausea and the other use is to treat headaches. In the past, if a plan had Drug A on the formulary, it had to cover Drug A for both nausea **and** headaches.

Under the new rules, a plan can cover Drug A to treat nausea but not headaches, or vice versa. It does not have to cover Drug A for both FDA-approved uses.

Request a formulary exception if you need a drug for an indication your plan does not cover. Your doctor will need to provide a letter of support.

If your plan denies the formulary exception, you can appeal. An appeal is when you ask your plan to reconsider its decision. Your plan should send you a Notice of Denial of Medicare Prescription Drug Coverage. Follow the directions on the notice to begin your appeal.