

Formulary

A formulary is a listing of preferred prescription drugs (generic or brand name) chosen by a health plan/payer/insuror or Pharmacy Benefit Manager (PBM) for their cost to benefit ratio.

Open Formulary = covers formulary and non-formulary drugs but charges the employer more for non-formulary drugs

Tiered Formulary = covers formulary and non-formulary drugs but charges the patient more for the non-formulary drugs

Closed Formulary = only covers formulary drugs