

Medicare Part D Formulary Coverage and Tiering Exceptions

Medicare Part D plans sort medications into groups called "tiers" on their formularies, which is the list of drugs covered by the plan. Each tier costs the patient a different amount, with drugs in lower tiers costing less than those in higher tiers. Tier structures vary across Part D plans. In most cases, the higher the tier, the more expensive the cost to the patient.¹

Example 4-tier formulary structure (every patient’s plan will be different)^{1,2}

Tier	Patient costs	Description
1	Lowest	Most generic prescription drugs
2	Medium	Some high-cost generic drugs; most common brand-name drugs; preferred, brand-name prescription drugs
3	Higher	Non-preferred, brand-name prescription drugs
Specialty	Highest	Unique or very high-cost prescription drugs

What to do if the prescribed drug is off-formulary³

If a medication is not listed as a covered drug, you can request a **formulary exception** asking the Part D plan for approval. A formulary exception may also be requested to waive restrictions for drugs that are on formulary. The healthcare provider (HCP) will need to prove that the prescribed drug is medically necessary.

Tiering exceptions can help lower patient costs³

Patients prescribed drugs in a higher or non-preferred tier may face high copays and treatment delays. If the prescriber thinks the patient needs that drug instead of a similar drug in a lower tier, the patient and the prescriber can ask the plan for an exception to get a lower coinsurance or copayment for the drug in the higher tier using the Part D appeal process. **This process, known as a tiering exception request, is a way to potentially reduce cost sharing for patients.**

Tiering exceptions can be requested when²⁻⁵:



A higher-tier drug is necessary because the plan’s preferred drugs are medically inappropriate or dangerous



A drug is no longer covered during a plan year, and there is no alternative available*



The drug gets moved during the plan year from the preferred to the non-preferred tier, and the patient cannot use any other drugs on the preferred tier

More information about the tiering exception process is available at [cms.gov/medicare/appeals-grievances/prescription-drug/exceptions](https://www.cms.gov/medicare/appeals-grievances/prescription-drug/exceptions). 

*A tiering exception request cannot be made if the required drug is in a specialty tier.⁵

How to Submit Tiering Exceptions Under Medicare Part D

Step 1: Gather supporting documentation

Ask the patient's Part D plan how to send tiering exception requests, as requirements vary across plans.

EXAMPLE

This is a sample letter of support for a tiering exception request. It is written by a healthcare provider (HCP) on behalf of a patient. The letter includes the patient's name, address, and contact information, as well as the HCP's name, address, and contact information. The letter states that the patient is currently receiving treatment for a condition and that the treatment is necessary for the patient's health. The letter also states that the patient's current insurance plan does not cover the treatment and that the patient is requesting a tiering exception to receive the treatment at a lower cost. The letter is signed by the HCP and dated.

Example of a statement supporting medical necessity in the form of a written letter.

It is always helpful to submit a verbal or written statement supporting medical necessity from the prescriber outlining the medical reason for the exception, including a summary of the patient's history and rationale for treatment request. The tiering exception request letter may be written and delivered by the HCP, the patient, or the patient's caregiver/legal representative. Both the patient and the HCP should sign the letter.

Plans may provide specific tiering exception request templates or forms on their website that must be used when making the request in addition to the Medicare Model Coverage Determination Request Form. The Medicare Model Coverage Determination Request may be downloaded at the [Medicare website](#) or the Part D plan's website.

EXAMPLE

This is a sample Medicare Model Coverage Determination Request Form. It is a form that is used to request a tiering exception. The form includes sections for the patient's information, the HCP's information, and the request itself. The form is signed by the HCP and dated.

Example of Medicare Model Coverage Determination Request Form. Part D plan sponsors may have developed their own forms.

Step 2: Submit the tiering request

Depending on the direction from the Part D plan, tiering exception requests and required documentation may be submitted in any format, including phone, fax, or email.

Keep records of the conversations and documents the patient and HCP sent, along with dates of delivery.

Next steps

The Part D plan must provide a decision within 72 hours of receiving the request. It's possible to request an expedited appeal if the HCP or patient feels that the patient's health may be seriously harmed by delays; in these instances, the plan will provide their decision within 24 hours.³



If the tiering exception request is approved, **the drug will be covered at cost-sharing rates per a lower tier until the end of the calendar year.**^{5,6}



If the request is denied, **the patient and HCP can initiate the appeal process again next year.**

The patient may also consider switching plans during the Open Enrollment period (October 15 – December 7) to a Medicare Part D plan that covers their prescribed therapy. Patients can compare plans at [medicare.gov/plan-compare/](#).^{5,6}



CoverMyMeds can help practices with tiering exceptions for eligible patients, depending on the health plan. To learn more, visit [CoverMyMeds.com](#) or call 1-866-452-5017.

Otsuka Patient Support offers dedicated professionals and digital solutions to help make treatment more accessible for patients and provide ongoing support.

For questions about Medicare, Otsuka Patient Support may be able to help provide answers.



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1-833-468-7852

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View educational resources and have your questions answered through a 24/7 chat.

Visit [Insurance Resources](#) for additional education about Medicare and related topics.



References: 1. How do drug plans work? Medicare.gov. Accessed September 4, 2025. [medicare.gov/health-drug-plans/part-d/what-drug-plans-cover/how-drug-plans-work](#) 2. Our 2025 Medicare drug list and other prescription drug resources. HealthPartners. Accessed September 4, 2025. [healthpartners.com/insurance/medicare/part-d-prescription-drug-coverage/formulary/](#) 3. Exceptions. CMS.gov. Accessed September 4, 2025. [cms.gov/medicare/appeals-grievances/prescription-drug/exceptions](#) 4. Notices that Medicare Advantage and Part D plans must send if they make changes during the year. Medicare Interactive. Updated May 1, 2025. Accessed September 4, 2025. [medicareinteractive.org/understanding-medicare/health-coverage-options/medicare-advantage-plan-overview/notices-that-medicare-advantage-and-part-d-plans-must-send-if-they-make-changes-during-the-year](#) 5. Requesting a tiering exception. Medicare Interactive. Updated March 31, 2025. Accessed September 4, 2025. [medicareinteractive.org/understanding-medicare/denials/appeals/part-d/appeals/requesting-a-tiering-exception](#) 6. Joining a plan. Medicare.gov. Accessed September 4, 2025. [medicare.gov/basics/get-started-with-medicare/get-more-coverage/joining-a-plan](#)