



**2025 Blue Shield Individual and Group Medicare Advantage Prescription Drug plans and Prescription Drug Plans**  
**"Less than" Logic for Medicare Part D Pharmacy Benefit**  
**Frequently Asked Questions**  
**October 2024**

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**THIS DOCUMENT IS TO BE USED AS A TOOL ONLY TO VERBALLY ANSWER QUESTIONS FROM PROSPECTIVE ENROLLEES OR CURRENT MEMBERS. THIS DOCUMENT IS NOT TO BE ISSUED OR PROVIDED TO PROSPECTIVE ENROLLEES OR CURRENT MEMBERS.**

**BACKGROUND**

Blue Shield of California's Medicare Part D benefit uses the "less than" logic for claims processing. This means that when a member purchases a prescription drug from a network pharmacy and the pharmacy's contracted rate for the drug is less than the member's copayment or coinsurance, the member pays only the contracted retail price.

For example, if a plan's contracted pharmacy rate for a Tier 2 drug is \$2 and the member's Tier 2 copay is \$5, then the member will pay \$2 instead of \$5 for that drug.

**TALKING POINTS**

- Many Tier 1 and Tier 2 prescription drugs may cost less than a member's Tier 1 or Tier 2 copay.
  - Copays vary by plan.
- Members will always pay either their plan's drug tier copay or the pharmacy's contracted rate for covered drug, whichever is lower.
  - The cost of the prescription drug may change over time and is dependent on multiple factors, including the dispensing pharmacy and the contracted rate of the drug at the time of the prescription fill.

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