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Prescription drug pricing can be more than a little confusing. Drugs can also be costly, especially for clients who have chronic illnesses. Choosing the right Medicare Part D plan, however, can save you a considerable amount of money on their prescriptions. You should understand the intricacies of Part D to discover how much you will pay for your drugs..

Here are a few ways to help you save money on drugs:

Comparison shopping. The price for the same drug can vary widely from pharmacy to pharmacy. This is true whether a prescription drug is purchased for cash (without insurance) or using Part D prescription drug coverage.

For example, say a person is paying cash for losartan potassium (the generic version of Cozaar, prescribed to lower blood pressure). At local pharmacies in the western suburbs of Chicago, this drug can cost anywhere from $7 for 90 tablets of the 100 mg dose to a high of almost $70 for the same dosage and number of tablets.

People who are paying cash for prescriptions can use sites such as GoodRx to see what drugs cost at different pharmacies and make the best choice for them. You should check drug prices frequently, as they can change on a daily basis.

Choosing the right combination of pharmacy and Medicare Part D plan. What if you are enrolled in a Medicare Part D plan? In this case, the price differential for the same drug may even be *higher* at different pharmacies. To know how much you will spend on drugs, you need to take into account both the specifics of their plan and the pharmacy you use. In some cases, you may discover ways you can purchase the same drug for less money.

For example, say you are enrolled in a Medicare Part D plan. The monthly premium for this plan is $26.80, which is not out of line with most of the plans in her geographic area. You purchased the Part D plan based on name recognition and its relatively low monthly premium. However, neither is a good proxy for value.

Say you use a favorite local pharmacy that is not in the plan's network. A drug you needed, losartan, is on the plan's formulary, but the plan will not pay for it because you are using an out-of-network pharmacy. You face paying the full cost of the drug, which was $262.40 for a three-month supply.

There are two ways out of this dilemma. You could pay cash for the drug at a different pharmacy selling the same dosage and number of tablets for just $7. You could also use the mail-order pharmacy associated with your current Part D plan. In that case, the cost of the losartan would be $0.

But you had used the same retail pharmacy for years and received personal attention. She was also nervous about using mail order.

You decided to ask your doctor to send your prescription to the pharmacy offering to sell the three-month supply for just $7. During the next Annual Enrollment Period, though, you switched to a plan that had your preferred retail pharmacy in its network. The cost of your losartan was now $0 for a 90-day supply from that same pharmacy and you could still use your favorite pharmacy.

Weighing all the factors when choosing a Part D plan. As this example illustrates, you need to consider more than cost when choosing a Part D plan. Before selecting one, you should think about several questions:

- Is your prescription drug(s) on the plan's formulary? Note that in our example, the drug was on the plan's formulary, but the client's favorite local pharmacy was very expensive.

- Is your favorite local pharmacy in-network, a preferred pharmacy, or out-of-network? Plans may offer what's called a preferred pharmacy, which is an in-network pharmacy that offers better pricing than other in-network pharmacies. In-network pharmacies will have lower prices than out-of-network pharmacies.

- What is your out-of-pocket cost if you use the local pharmacy versus using mail order?

- Are you comfortable using mail order?

Once these questions are answered, you should consider the plan's annual deductible, the co-payments and co-insurance, its drug tiers, and any drug restrictions.

Cost sharing. Cost sharing may take the form of either a co-payment or co-insurance. A co-payment is a flat dollar amount; for example, $20 for a 90-day prescription. Co-insurance is a percentage of the cost; for example, 15% of the drug cost. A drug costing $200 with a co-insurance of 15% would cost the client $30. A client taking costly drugs may be better off paying a co-payment rather than a co-insurance amount, so it's important to see which form of payment a plan requires for your client's medications.

Drug tiers. Part D plans place prescription drugs in different cost-sharing tiers depending on the type of drug (brand name versus generic) and whether the drug is a "preferred brand" or a "preferred generic." The cost of the drug depends on which tier the drug is placed.

Drug restrictions. Drug restrictions take many forms. For example, a plan might limit the quantity of a drug that may be dispensed for any one prescription. For certain medications, a plan may require patients to obtain prior authorization from the insurance company before their doctors prescribe a drug. Plans might also require step therapy for certain conditions, meaning the patient would need to take less expensive drugs to determine their effectiveness before being prescribed more expensive alternatives.