

## Parts D –

Prescription Plans are offered by Private insurance companies, such as; Humana, Aetna, AARP, Anthem, Silver Scripts, etc...

Drug Plans could involve paying premiums , annual deductibles, co-insurance, and/ or co-pays, based on medication tier and on premium stages.



**Part D** plans are provided through private insurance companies, and their particular formularies may differ widely from insurer to insurer and from plan to plan.



### Part D Formulary

#### What is a formulary?

A formulary is the list of drugs covered by an insurance plan:

- Many plans have a tiered formulary, where drugs are divided into groups called “tiers”
- In general, the lower the tier, the lower the cost

#### Formulary Tiers

Tier 1	\$
Tier 2	\$\$
Tier 3	\$\$\$
Tier 4	\$\$\$\$
Tier 5	\$\$\$\$\$

#### keep in mind:

- Each insurance plan has its own formulary, so be sure to review each Plan’s drug list formularies
- Medicare provides guidelines about the types of drugs to be covered, but Not the specific drugs
- Medications not on a plan’s formulary may Not be covered or may cost more

**NOTE:** Unless you qualify for an exception, if you don’t enroll before your initial enrollment deadline, there will be a **premium penalty**.

## Helps with the cost of prescription drugs

- Only offered through private insurance companies
- You must continue to pay your Part B premium



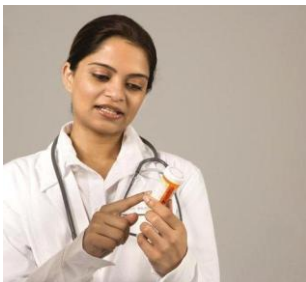
## Drug Coverage Stages

Not all plans have a deductible - but if your plan does, the deductible is the amount of money you pay (out of pocket) each year, before the initial coverage stage begins.

Once the initial drug coverage stage begins, you then pay a flat fee (co-pay) or a percentage of the Drug's Cost (co-insurance) for each prescription. The plan pays the rest of the cost, until your Total Drug Costs reaches \$3,700 (in 2017).

It's important to note that with Part D prescription drug coverage, the amount you pay for prescriptions may change over the course of the year. This is because of the four different coverage stages.

## Fast facts



### Costs

- Prescription drug coverage varies from plan to plan
- Catastrophic coverage protects you from very high drug costs
- Benefits can change each year

### Enrollment

- Each plan has a list of drugs that it covers
- Make sure your drugs are covered before you enroll in a plan
- The list of drugs can change each year

### Coverage

- Coverage is not automatic
- Penalties may apply if you enroll late

## Medicare Part D / Standard Benefit Parameters for 2021

### Part D Plan Benefits: The Standard Benefit Plan for 2021 (Illustrated)

\$6550 (out-of-pocket threshold)	<b><u>Catastrophic Coverage</u></b> Enrollee pays greater of 5% of prescription drug cost or \$9.20 brand name/\$3.70 generic
	<b><u>Coverage "Gap" *</u></b> Enrollee pays 25% of prescription drug costs for generic and 25% of undiscounted cost for brand name
\$4130 total drug costs (Initial coverage limit)	<b><u>Initial Coverage</u></b> Enrollee Pays 25% of prescription drug costs
\$445	<b><u>Deductible</u></b> Enrollee pays \$445

\* In the coverage gap, as previously noted, drug manufacturers pay 70 percent of the cost of brand name drugs through a discount. Although not paid by the enrollee, the discounted amount for brand name drugs counts toward the enrollee's annual out-of-pocket threshold. But the enrollee cost sharing for brand name drugs is based on the undiscounted cost. Coverage "Gap" Percentage Division: Enrollee 25%, Manufacturer Discount(s) 70%, Plan 5%.