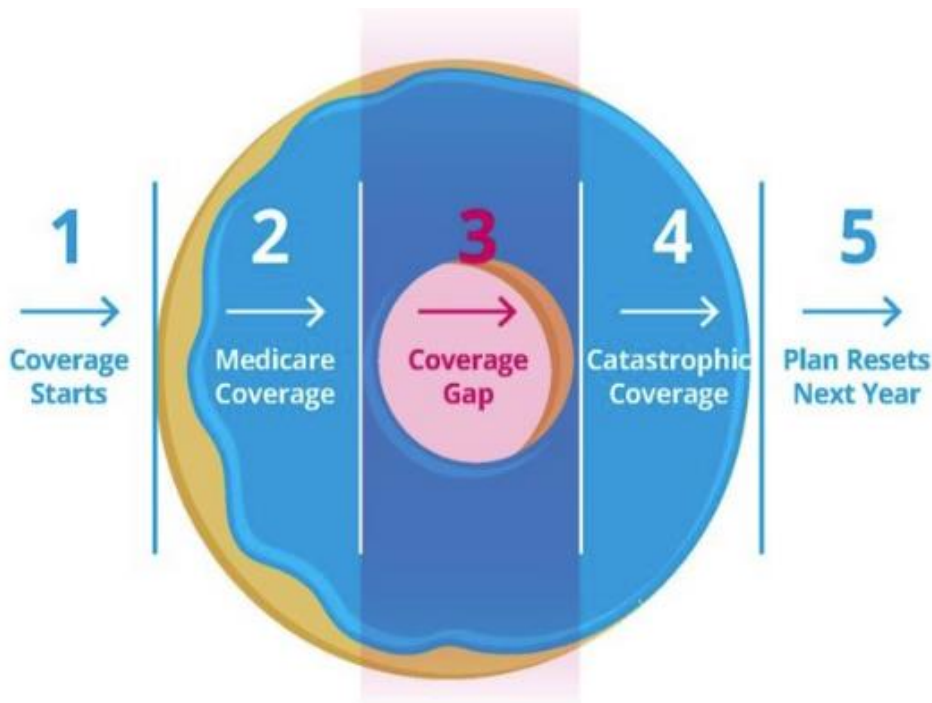


HOW THE MEDICARE PART D COVERAGE GAP ("DOUGHNUT HOLE") REALLY WORKS

MEDICARE PART D COVERAGE PHASES

Your Out of Pocket costs in Medicare Part D prescription drug plans depend on which of the four coverage phases you are in.

2023 Medicare Coverage Gap (Doughnut Hole) Explained



Phase 1: Yearly Deductible

You pay 100% of your drug cost until you reach the Part D Deductible (\$505 in 2023). Some plans don't have a Deductible.

Phase 2: Initial Coverage Limit

You pay the plan's cost share for the covered drugs until you **AND** your plan have spent a combined **\$4,660** (including deductible if applicable - normally for Tier 3, 4 & 5 meds)

Phase 3: Coverage Gap (Doughnut Hole)

You pay **25%** of the cost for brand name or generic drugs until **YOUR** costs reach a total of **\$7,400**

Phase 4: Catastrophic Coverage

Once you've spent **\$7,400** in out of pocket costs, you're in the Catastrophic Coverage phase and out of the Coverage Gap. For the rest of the year you'll the greater of 5% or \$10.35 for Brand Name/\$4.15 for Generic