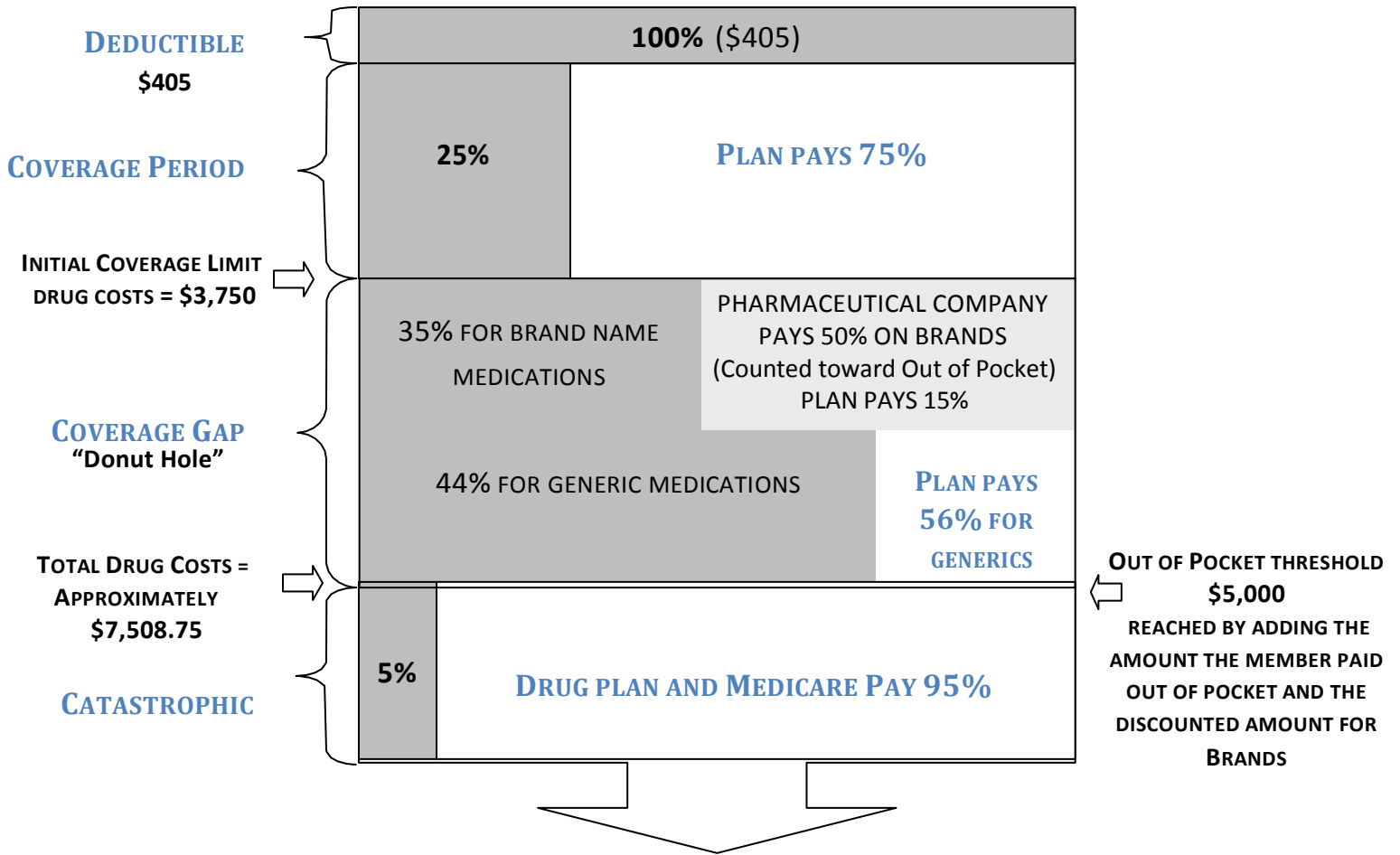


2018 Medicare Part D Coverage Gap Explanation (also known as the "Donut Hole")



No CAP

Benefit restarts on
January 1st of each year.

2018 Medicare Part D Coverage Gap Explanation (also known as the “Donut Hole”)

Standard Coverage Levels	2018
Annual Deductible	Beneficiary pays the first \$405 of their drug costs before the plan starts to pay its share.
Initial Coverage	Beneficiary pays 25% co-insurance; the plan pays 75% for each covered drug until the combined drug costs (plus the deductible) reach \$3,750 .
Coverage Gap “Donut Hole”	<p>Once the beneficiary and the plan have spent \$3,750 for covered drugs, the coverage gap is reached. The beneficiary pays 35% of brand name drug costs and 44% of generic drug costs (plus a small dispensing fee) until they have spent \$5,000* out of pocket.</p> <p>*In the gap, the amount the member pays, and the 50% discounted amount for brands, counts towards the \$5,000 out of pocket threshold</p>
Catastrophic Coverage	If the beneficiary’s out-of-pocket costs reach \$5,000 for the calendar year, they reach catastrophic coverage. For the rest of the calendar year the beneficiary will pay 5% coinsurance or \$3.35 / \$8.35 toward their medications, whichever is greater.