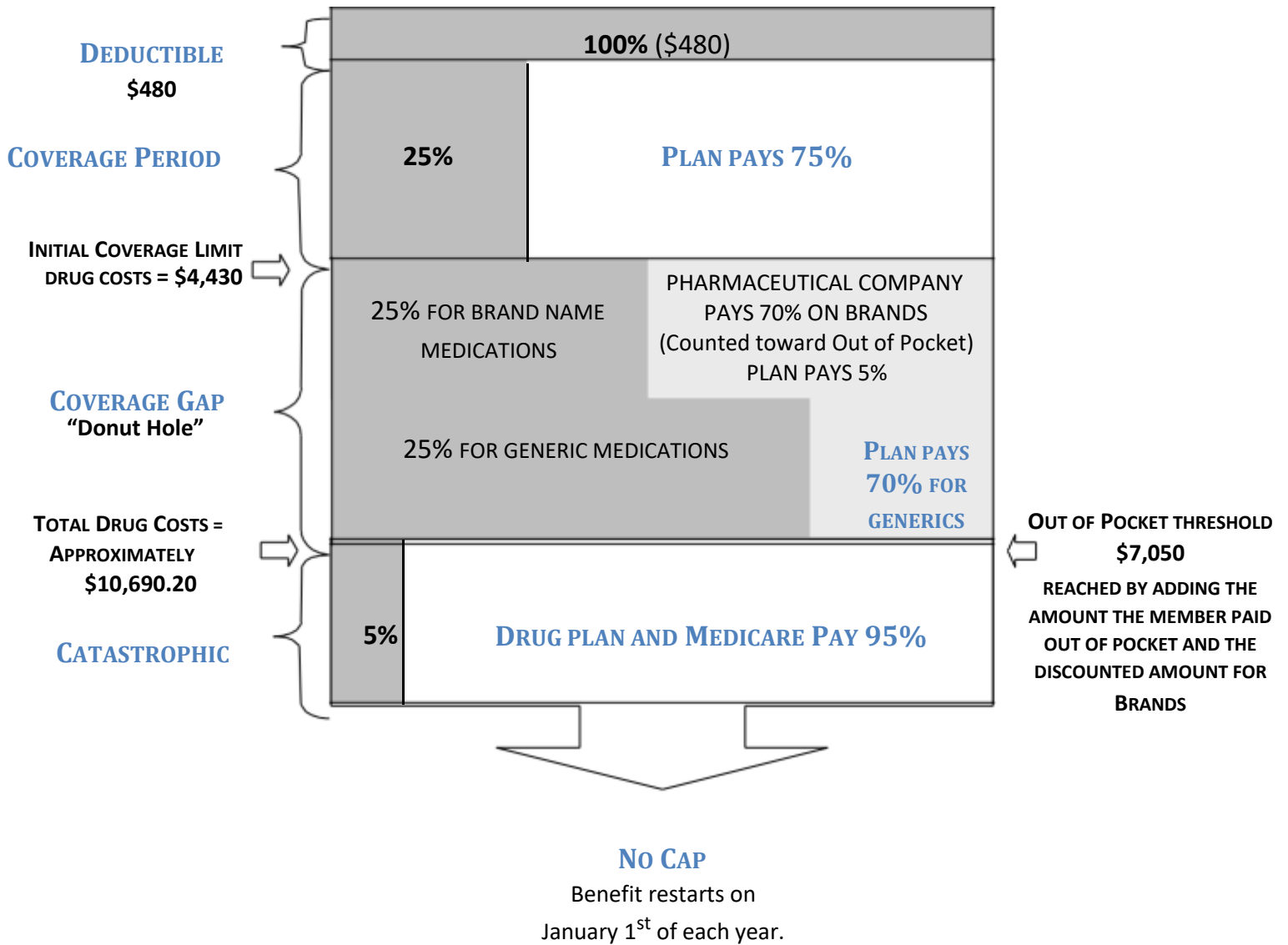


2022 Medicare Part D Coverage Gap Explanation (also known as the “Donut Hole”)



Coverage Gap (Donut Hole): begins once you reach your Medicare Part D plan’s initial coverage limit (\$4,430 in 2022) and ends when you spend a total of \$7,050 out-of-pocket in 2022.

2022 Medicare Part D Coverage Gap Explanation (also known as the “Donut Hole”)

Standard Coverage Levels	2022
Annual Deductible	Beneficiary pays the first \$480 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 \$4,430
Coverage Gap “Donut Hole”	<p>Once the beneficiary and the plan have spent \$4,430 for covered drugs, the coverage gap is reached. The beneficiary pays 25% of brand name drug costs and 25% of generic drug costs (plus a small dispensing fee) until they have spent \$7,050* out of pocket.</p> <p>*In the gap, the amount the member pays, and the 75% discounted amount for brands, counts towards the \$7,050 out of pocket threshold</p>
Catastrophic Coverage	If the beneficiary’s out-of-pocket costs reach \$7,050 for the calendar year, they reach catastrophic coverage. For the rest of the calendar year the beneficiary will pay 5% coinsurance or \$3.95 / \$9.85 toward their medications, whichever is greater.