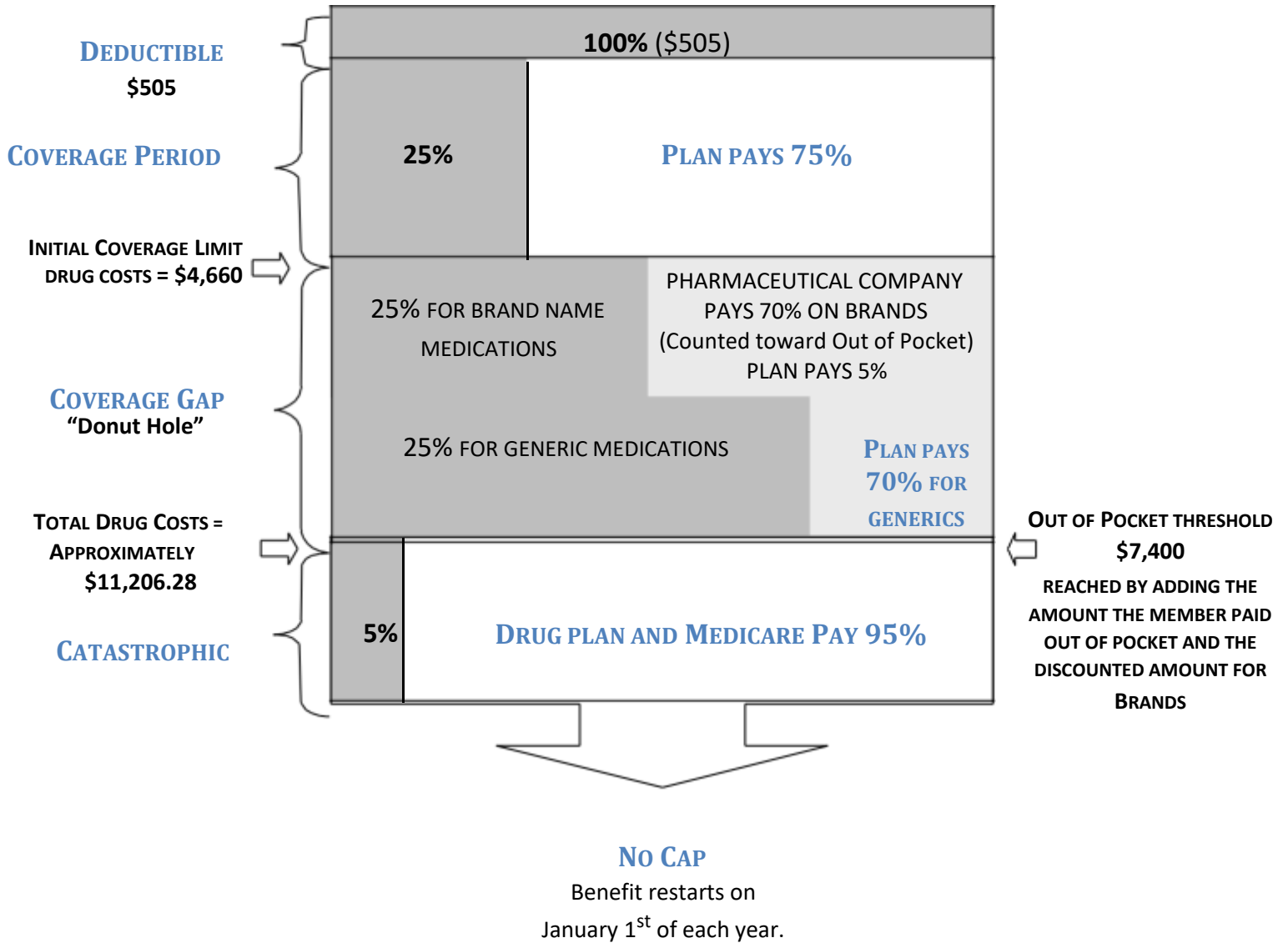


2023 Medicare Part D Coverage Gap Explanation (also known as the “Donut Hole”)



Coverage Gap (Donut Hole): begins once you reach your Medicare Part D plan’s initial coverage limit (\$4,660 in 2023) and ends when you spend a total of \$7,400 out-of-pocket in 2023.

2023 Medicare Part D Coverage Gap Explanation (also known as the “Donut Hole”)

Standard Coverage Levels	2023
Annual Deductible	Beneficiary pays the first \$505 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 \$4,660
Coverage Gap “Donut Hole”	<p>Once the beneficiary and the plan have spent \$4,660 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 \$7,400* out of pocket.</p> <p>*In the gap, the amount the member pays, and the 75% discounted amount for brands, counts towards the \$7,400 out of pocket threshold</p>
Catastrophic Coverage	If the beneficiary’s out-of-pocket costs reach \$7,400 for the calendar year, they reach catastrophic coverage. For the rest of the calendar year the beneficiary will pay 5% coinsurance or \$4.15 / \$10.35 toward their medications, whichever is greater.