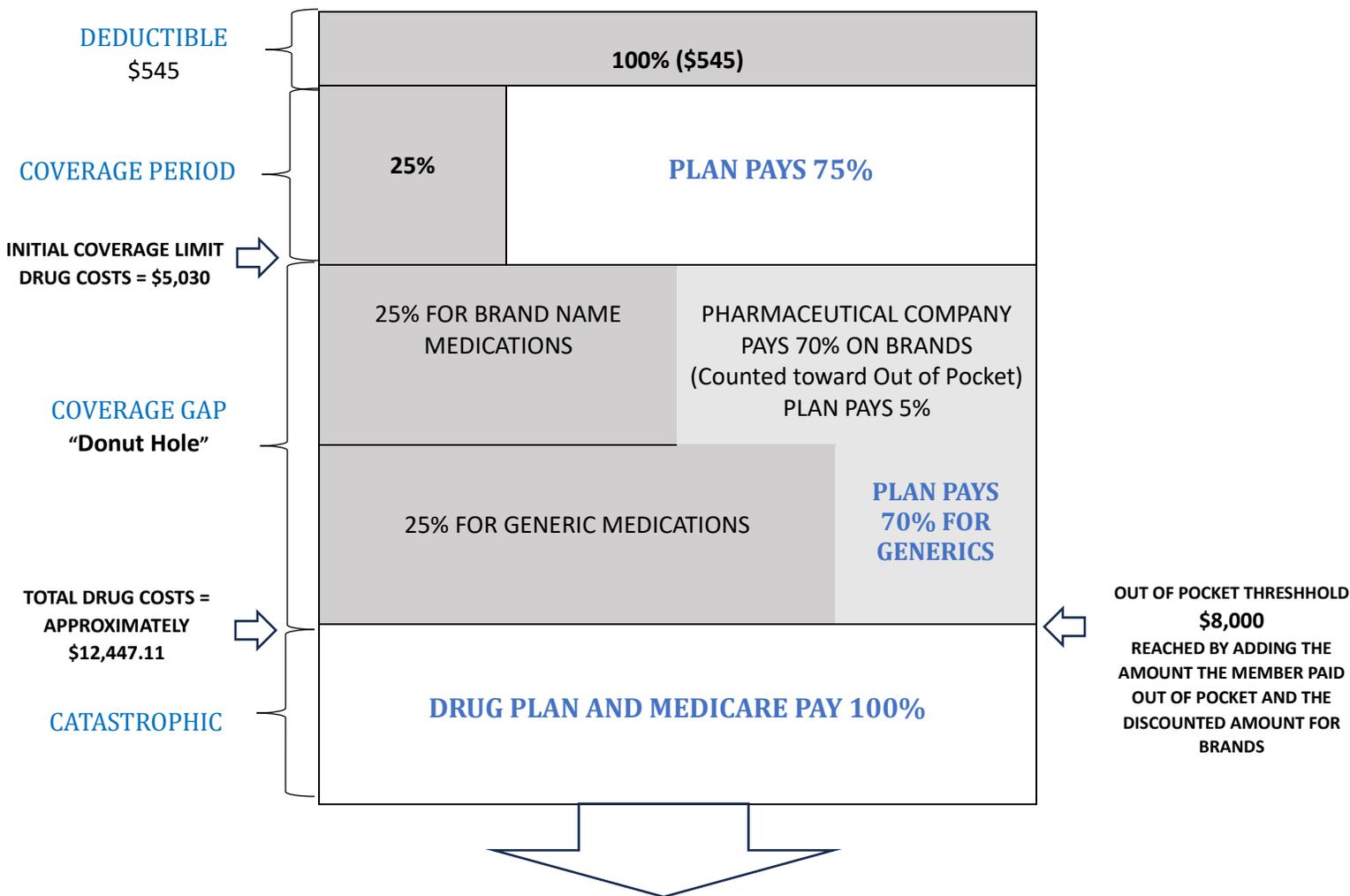


2024 Medicare Part D Coverage Gap Explanation (also known as the “Donut Hole”)



Coverage Gap (Donut Hole): begins once you reach your Medicare Part D plan’s initial coverage limit (\$5,030 in 2024) and ends when you spend a total of \$8,000 out of pocket in 2024.

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Standard Coverage Levels	2024
Annual Deductible	Beneficiary pays the first \$545 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 \$5,030
Coverage Gap “Donut Hole”	<p>Once the beneficiary and the plan have spent \$5,030 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 \$8,000 out of pocket.</p> <p>*In the gap, the amount the member pays, and the 75% discounted amount for brands, counts towards the \$8,000 out of pocket threshold.</p>
Catastrophic Coverage	If the beneficiary’s out-of-pocket costs reach \$8,000 for the calendar year, they reach catastrophic coverage. For the rest of the calendar year, the beneficiary will have NO co-insurance payments as the costs are fully covered by Medicare (80%) and the drug plan (20%)