

2020 Part D Standard Plan Cost-Sharing*

Part D Benefit Cost Periods	Costs and Who Pays	Beneficiary Pays (TrOOP)	Plan Pays	Total Amount Spent on Plan-Covered Drugs
Initial Deductible	Beneficiary pays 100%	Up to \$435	\$0	\$435 (Amount spent on deductible, before ICP begins)
Initial Coverage Period (ICP)	Costs of covered drugs are shared: 25% by beneficiary, 75% by plan.	Up to \$1,005* *maximum an individual would pay if in plan with no deductible	\$3,015	\$4,020 (Amount spent during ICP, including applicable deductible, before Coverage Gap begins)
Former Coverage Gap (“donut hole”)	<p>While the Part D coverage gap (“donut hole”) officially closes in 2020, that does not mean beneficiaries don’t have to share a portion of costs after the ICP:</p> <ul style="list-style-type: none"> The beneficiary will continue to pay 25% for both generic drugs and brand-name drugs, plus a small portion of the pharmacy dispensing fee (approx. \$1-\$3). The plan pays 75% of the cost of generic drugs and 5% for brand-name drugs. The drug manufacturer provides a 70% discount on brand-name drugs. <p>Note about True Out-of-Pocket (TrOOP) costs: The total amount spent in this period (up to \$5,018.75) includes:</p> <ul style="list-style-type: none"> The drug costs paid by the beneficiary, and The 70% discount on brand-name drugs provided by the drug manufacturer. <p><u>Payments made by the plan</u> during this period (75% on generics, 5% on brand-name drugs) do not count toward TrOOP.</p>			<p>Up to \$5,018.75 (Total amount spent during the period between the end of the ICP and prior to the Catastrophic Benefit Period)</p> <p>\$9,719.38 (Total amount spent during both the ICP and this period, before Catastrophic Benefit Period begins)</p>
Catastrophic Benefit Period	When an enrollee’s total out-of-pocket spending reaches \$6,350 , they hit the catastrophic benefits period, and costs of covered drugs are shared. Beneficiary pays reduced copay/coinsurance; plan pays the difference.	Greater of: 5% coinsurance OR \$3.60 copay for generic, \$8.95 copay for brand or non-preferred	Any remaining portion of the negotiated drug price	Beneficiary will remain in the Catastrophic Benefit Period through December 31, 2020. Part D benefit will reset on January 1, 2021, starting again with a deductible.

*Most Part D plans are not standard plans. This means calculating TrOOP costs during the initial deductible and ICP varies by plan.

Source: 2020 Call Letter (p. 64) at: <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Announcement2020.pdf>