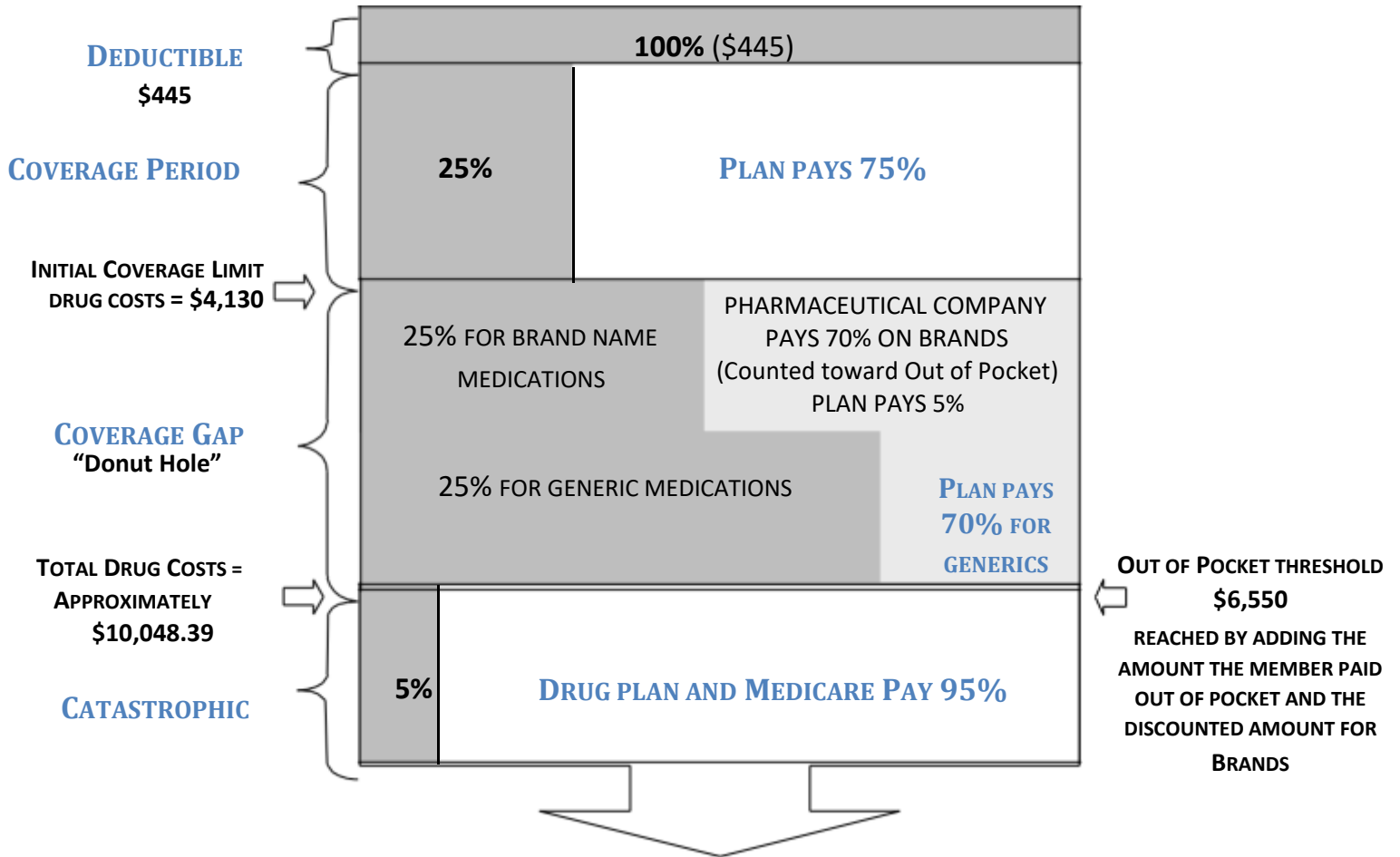


2021 Medicare Part D Coverage Gap Explanation (also known as the "Donut Hole")



Coverage Gap (Donut Hole): begins once you reach your Medicare Part D plan’s initial coverage limit (\$4,130 in 2021) and ends when you spend a total of \$6,550 out-of-pocket in 2021.

2021 Medicare Part D Coverage Gap Explanation (also known as the “Donut Hole”)

| Standard Coverage Levels | 2021 |
|------------------------------|---|
| Annual Deductible | Beneficiary pays the first \$445 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 \$4,130 . |
| Coverage Gap “Donut Hole” | <p>Once the beneficiary and the plan have spent \$4,130 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 \$6,550* out of pocket.</p> <p>*In the gap, the amount the member pays, and the 75% discounted amount for brands, counts towards the \$6,550 out of pocket threshold</p> |
| Catastrophic Coverage | If the beneficiary’s out-of-pocket costs reach \$6,550 for the calendar year, they reach catastrophic coverage. For the rest of the calendar year the beneficiary will pay 5% coinsurance or \$3.70 / \$9.20 toward their medications, whichever is greater. |