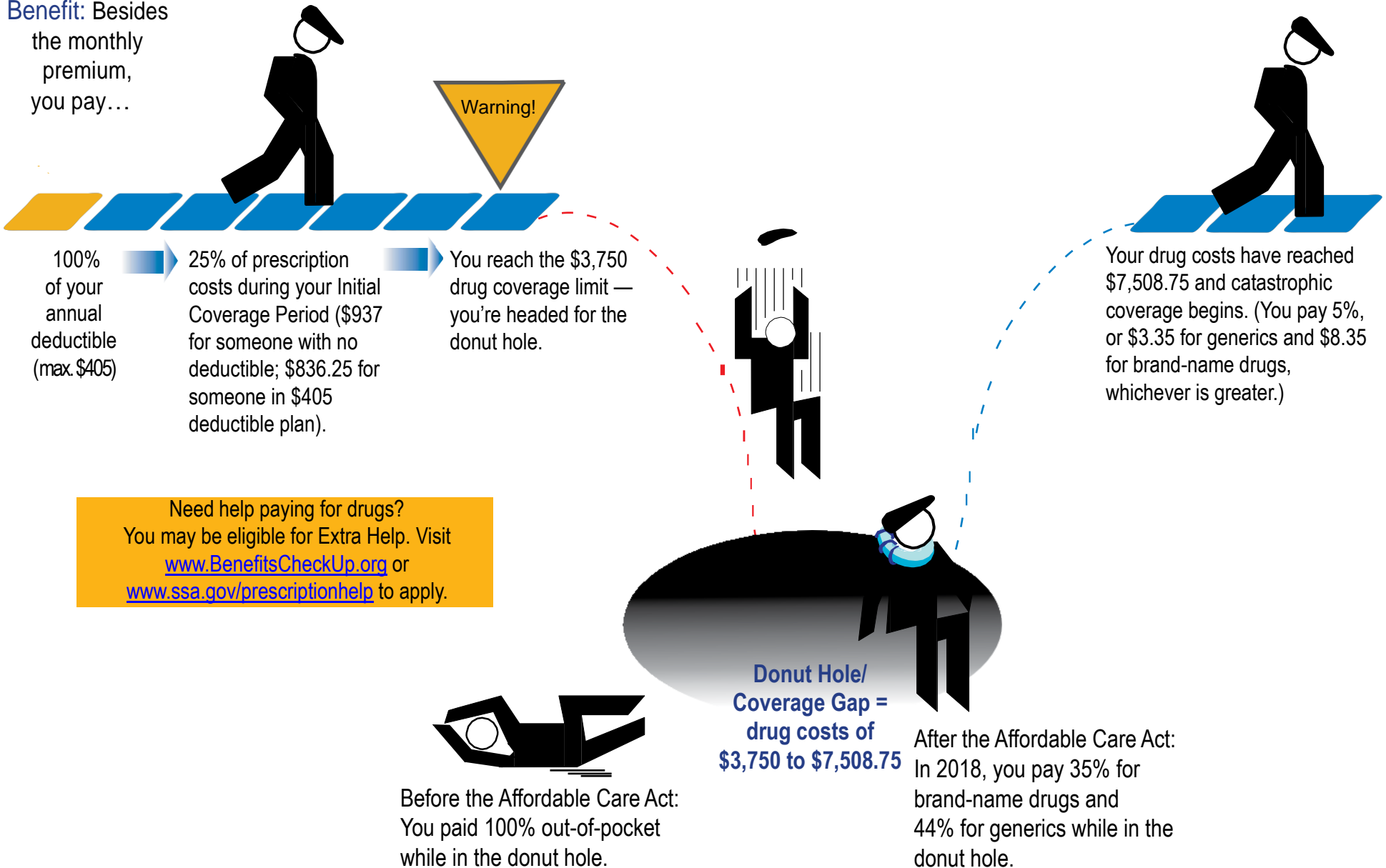


MEDICARE PART D PRESCRIPTION DRUG BENEFIT IN 2018

Medicare's Basic

Benefit: Besides the monthly premium, you pay...



2018 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 \$405	\$0	\$405 (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 \$937.50* *maximum an individual would pay if in plan with no deductible	\$2,812.50	\$3,750 (Amount spent during ICP, including applicable deductible, before Coverage Gap begins)
Coverage Gap (“Donut Hole”)	<p>Discounts in 2018: Costs of <i>plan-covered</i> drugs are shared:</p> <ul style="list-style-type: none"> Beneficiary pays 44% for generic drugs, 35% for brand-name drugs, plus 45% of the pharmacy dispensing fee (approx. \$1-\$3). Plan pays 56% for generic drugs and 15% for brand-name drugs. Drug manufacturer provides 50% discount on brand-name drugs. <p>Note about True Out-of-Pocket (TrOOP) costs: The total amount spent in the Coverage Gap (up to \$3,758.75) includes:</p> <ul style="list-style-type: none"> The drug costs paid by the beneficiary, and The 50% discount on brand-name drugs provided by the drug manufacturer. <p><u>Payments made by the plan</u> during the Coverage Gap (56% on generics, 15% on brand-name drugs) do <u>not</u> count toward TrOOP.</p>			<p>Coverage Gap begins once beneficiary reaches the Initial Coverage Limit.</p> <p>\$3,750 - Initial Coverage Limit (Total amount spent on any initial deductible and during ICP).</p> <p>Up to \$3,758.75 (Total amount spent during Coverage Gap)</p> <p>\$7,508.75 (Total amount spent during ICP and Coverage Gap, before Catastrophic Benefit Period begins)</p>
Catastrophic Benefit Period	Costs of covered drugs are shared: Beneficiary pays reduced copay/coinsurance; plan pays the difference.	Greater of: 5% coinsurance OR \$3.35 copay for generic, \$8.35 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, 2018. Part D benefit will reset on January 1, 2019, 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: 2018 Call Letter (pg. 44), at: <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtgSpecRateStats/Downloads/Advance2018.pdf>