

2023 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 \$505 | \$0 | \$505 (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 \$1,165* *maximum an individual would pay if in plan with no deductible | \$3,495 | \$4,660 (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 closed 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 \$5,856.25) 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 <u>not</u> count toward TrOOP.</p> | | | <p>Up to \$5,856.25 (Total amount spent during the period between the end of the ICP and prior to the Catastrophic Benefit Period)</p> <p>\$11,206.28 (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 \$7,400 , 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 \$4.15 copay for generic, \$10.35 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, 2023. Part D benefit will reset on January 1, 2024, 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: 2023 Call Letter (pp. 74-77) at: <https://www.cms.gov/files/document/2023-announcement.pdf>