

Understanding **Part D coverage phases** in 2020

PLEASE NOTE: Not every drug plan member will go through all of these phases of coverage.

1

DEDUCTIBLE:

Many plans include a minimum amount that you must pay out of your own pocket (the deductible).

2

INITIAL COVERAGE:

This phase begins after your deductible is met. It's when your plan "kicks in." In this phase, you pay a copay or coinsurance each time you fill a prescription.

IN THE INITIAL COVERAGE PHASE:



3

THE COVERAGE GAP OR "DONUT HOLE":

After the total drug cost (paid by you and the plan) reaches **\$4,020**, you enter the **coverage gap phase**.



FACT:

In order to control costs, Medicare requires many Medicare Advantage plans to include a coverage gap or "donut hole" phase.

COVERAGE GAP

You pay **25%** of the plan's cost for covered brand-name drugs and **25%** of the plan's cost for covered generic drugs.

IN THE COVERAGE GAP PHASE:



4

CATASTROPHIC COVERAGE LIMIT:

In the event that your drug costs become very high during any given year, catastrophic coverage ensures that you will still be able to afford the prescriptions you need. You enter this phase when your 2020 true out-of-pocket costs (also known as TrOOP) reach **\$6,350**.

IN THE CATASTROPHIC COVERAGE PHASE:

