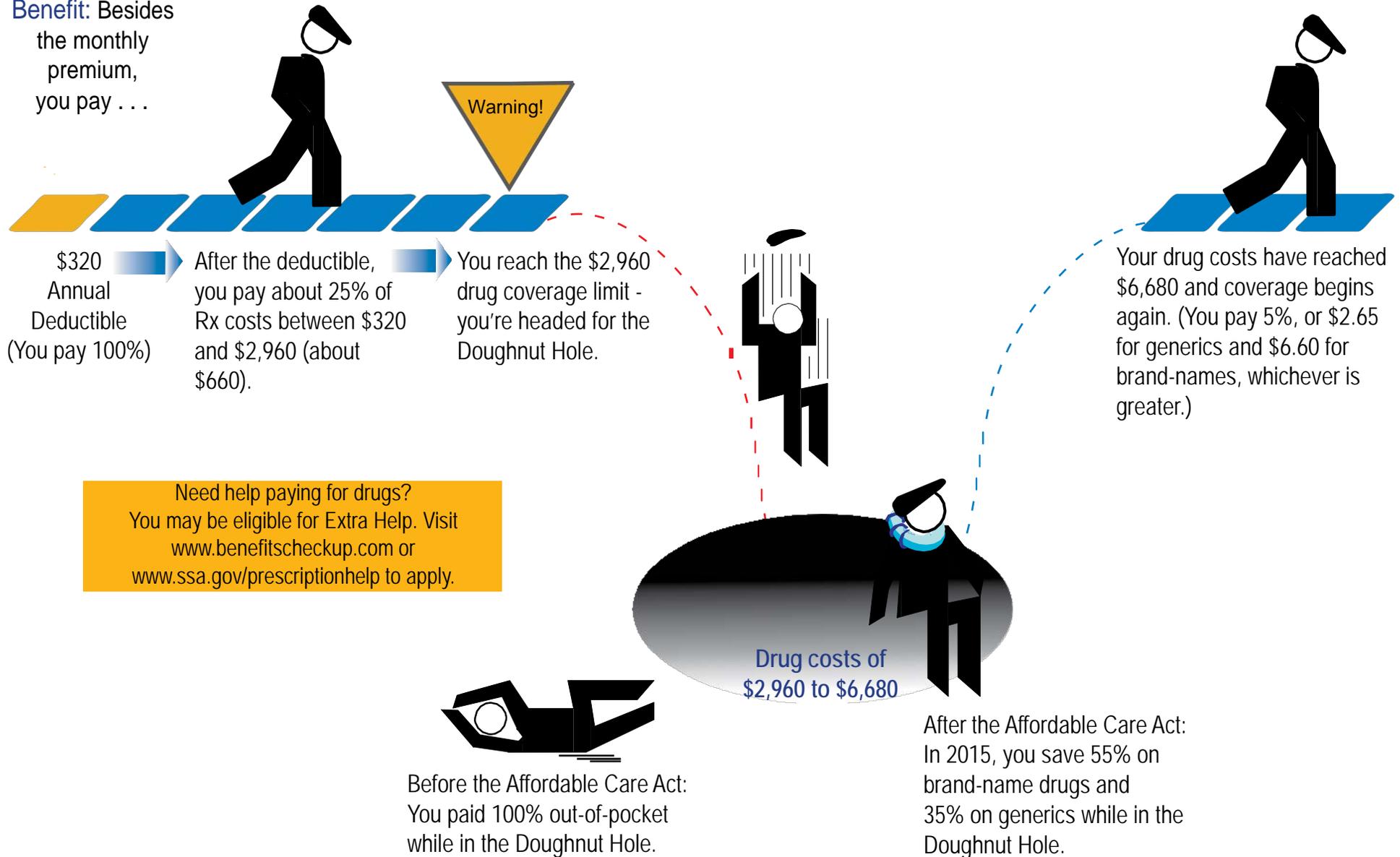


MEDICARE PART D PRESCRIPTION DRUG BENEFIT IN 2015

Medicare's Basic

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



2015 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 \$320	\$0	\$320 (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 \$660	\$1,980	\$2,640 (Amount spent during ICP, before Coverage Gap begins)
Coverage Gap (“Donut Hole”)	<p>Discounts in 2015: Costs of <i>plan-covered</i> drugs are shared:</p> <ul style="list-style-type: none"> Beneficiary pays 65% for generic drugs, 45% for brand-name drugs, plus a nominal pharmacy dispensing fee (approx. \$1-\$3). Plan pays 35% for generic drugs and 5% 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 \$3,720) 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 (35% on generics, 5% 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>\$2,960 - Initial Coverage Limit (Total amount spent on any initial deductible and during ICP).</p> <p>Up to \$3,720 (Total amount spent during Coverage Gap)</p> <p>\$6,680 (Total amount spent during ICP and Coverage Gap, before Catastrophic Benefit Period begins)</p>
Catastrophic Benefit Period	<p>Costs of covered drugs are shared:</p> <p>Beneficiary pays reduced copay/coinsurance; plan pays the difference.</p>	<p>Greater of:</p> <p>5% coinsurance OR \$2.65 copay for generic, \$6.60 copay for brand or non-preferred</p>	Any remaining portion of the negotiated drug price.	<p>Beneficiary will remain in the Catastrophic Benefit Period through December 31, 2015.</p> <p>Part D benefit will reset on January 1, 2016, starting again with a deductible.</p>

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

Source: 2015 Call Letter (pg. 37), at: <http://www.cms.gov/Medicare/HealthPlans/MedicareAdvtgSpecRateStats/Downloads/Announcement2015.pdf>