

# Part D Plan Benefits Standard

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- Part D plans must cover at least the Part D standard benefit or its actuarial equivalent.
- For 2012, the standard benefit requires the beneficiary to pay:
  - **\$320 deductible**
  - **25%** of prescription drug costs between **\$320 and \$2,930 = \$652.50**
  - Part of the costs in the **“Coverage Gap”** - After total spending on drugs by the beneficiary and the plan reaches \$2,930 the beneficiary pays for 86% of generic drug costs and 50% of brand name drug undiscounted costs.
    - Drug manufacturers provide a 50% discount on brand name drug costs.
    - A new law enacted in 2010 eliminates the coverage gap by 2020 by reducing the amount beneficiaries pay while in the coverage gap by a small percentage each year until 2020 when they will be responsible for only 25% of brand and generic drug costs.
  - Nominal costs under **catastrophic coverage**: Once beneficiary expenditures (including drug manufacturer discounts) reach a total of \$4,700, the beneficiary is through the coverage gap and reaches catastrophic coverage. On any future prescriptions the beneficiary pays either a co-pay of \$2.60 for generic drugs or \$6.50 for brand name drugs or a co-insurance of 5%, whichever is greater.



# Part D Plan Benefits Standard for 2012 (Updated Annually)

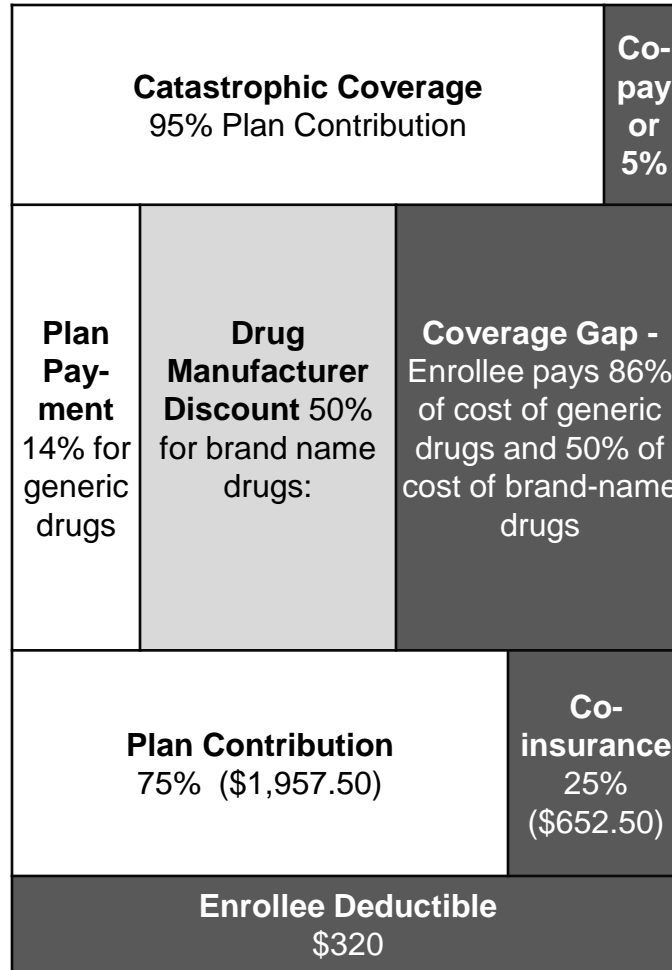
## Total Drug Expenditures

\$6,657.50 - \$ 7264.3  
(Varies depending on mix of brand-name and generic drugs.)

\$2,930

\$320

\$0



## Enrollee Out-of-Pocket Expenditures

\$4,700 - Annual out-of-pocket threshold

(The amount of the drug manufacturer discount for brand name drugs is counted as an enrollee out-of-pocket expenditure.)

\$972.50 –Initial Coverage Limit (Coverage Gap begins)

\$320

\$0

- Plan Contributions
- Drug Manufacturer Discount
- Enrollee Out-of-Pocket Expenditures