

What is the Coverage Gap “Donut Hole”?

Medicare Advantage Prescription Drug plans must follow Medicare rules, which include different payment stages of prescription drug coverage. The different payment stages apply to all Medicare Advantage prescription plans, not just Care N' Care. Medicare drug plans have a coverage gap (also called the “donut hole”). This means there's a temporary limit on what the drug plan will cover for drugs. Not everyone will enter the coverage gap. The coverage gap begins after you and your drug plan have spent a certain amount for covered drugs. Once you and your plan have spent \$4,660 on covered drugs in 2023, you're in the coverage gap. This amount may change each year. Also, people with Medicare who get Extra Help paying Part D costs won't enter the coverage gap. How much you pay for a drug depends on which of these stages you are in at the time you get a prescription filled or refilled.

Stage 1 (Yearly Deductible Stage): Care N' Care does not have deductibles for any of its plans; therefore, this payment stage does not apply to you.

Stage 2 (Initial Coverage Stage): You begin this stage when you fill your first prescription of the year. During this stage, the plan pays its share of the cost of your drugs, and you pay your share of the cost. You remain in this stage until your year to date “total drug costs” (your payments plus any Part D plan's payments) total \$4,660.

Stage 3 (Coverage Gap Stage): For brand-name and generic prescription drugs, you pay 25% of the drug cost (plus a portion of the dispensing fee). You remain in this stage until your year to date “out of pocket costs” (your payments) reach a total of \$7,400. This amount and the rules for counting costs toward this amount have been set by Medicare.

Stage 4 (Catastrophic Coverage Stage): During this stage, the plan will pay most of the cost of your drugs for the remainder of the calendar year (through December 31, 2023).

**The drug coverage stages listed above are also included in our Evidence of Coverage, Chapter 6, Section 2.1.*

***Medicare provides a thorough review of the coverage gap with example scenarios. You can access this information here: <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/costs-in-the-coverage-gap>*

Our plan keeps track of the costs of your prescription drugs and the payments you have made when you get your prescriptions filled or refilled at the pharmacy. This way, we can tell you when you have moved from one drug payment stage to the next. We send you reports that explain payments for your drugs and which payment stage you are in. This report, called the “Part D Explanation of Benefits” (the “Part D EOB”), is mailed to you every month.

There are resources available for prescription drug cost assistance. You can talk to your provider for possible lower cost alternatives or samples. You can apply for assistance through Medicare and the Extra-Help Program. The phone number for this program is 1-800-772-1213 (TTY 1-800-325-0778). You can also apply for assistance through the drug's manufacturer patient assistance program.

Sources

“Costs in the coverage gap”, Medicare.gov, last accessed June 28, 2023, <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/costs-in-the-coverage-gap>
“Costs for Medicare drug coverage”, Medicare.gov, last accessed June 28, 2023, <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage>
Care N' Care Evidence of Coverage, Cnhealthplan.com, last accessed June 28, 2023, <https://www.cnhealthplan.com/our-plans-2023/plan-documents-2023/>