

DON'T BE SURPRISED BY UNEXPECTED PRESCRIPTION EXPENSES IN 2024



Understanding the 2024 Medicare Donut Hole: Tips to save and manage the coverage gap

Many people are unaware of the Medicare Donut Hole (coverage gap) and find themselves with unanticipated expenses. The good news is there are strategies to help you avoid or delay entering this coverage gap and continue to save on drug costs while in the Donut Hole.

Most Medicare Part D drug plans include a temporary limit on what is covered for prescription drugs. When you reach this limit, you enter what is known as the "donut hole" or coverage gap. In the donut hole, you pay for **all** of your drugs costs until your total out-of-pocket reaches \$8,000 when you enter the "catastrophic" period, where almost all of your drug costs are covered for the rest of the year.

COMPLETING YOUR JOURNEY THROUGH THE 2024 DONUT HOLE

Deductible begins Jan. 1, 2024	Coinsurance/Copayment	Coverage Gap	Catastrophic Coverage	Open Enrollment Oct. 15 – Dec. 7. <i>At this time, you can join, switch or drop your current plan</i>
Actual Drug Cost \$0 - \$545	Actual Drug Cost \$545 - \$5,030	Actual Drug Cost \$5,030 - \$11,393.75	Actual Drug Cost over \$11,393.75	
Out-of-Pocket Cost \$0 - \$545	Out-of-Pocket Cost \$545 - \$1,636.25	Out-of-Pocket Cost \$1,636.25 - \$8,000	Out-of-Pocket Cost over \$8,000	
You pay all/ Medicare pays none	You pay 25%/Medicare pays 75%	You pay all/ Medicare pays none	You pay \$0.00 on formulary medications	Limit resets on Dec. 31, 2024

* The example above shows 2024 calendar year costs for covered drugs in a plan that meets Medicare's standards in 2024. Your costs may vary since each Medicare drug plan is structured differently. Plans may vary depending on deductible and copays.

Deductible Period: You pay the first \$545 of actual drug costs before Medicare coverage begins to pay.

Coinsurance/Copayment Period: You pay your coinsurance or copayment amount until the actual drug costs reach \$5,030. *Note: This does not mean your out-of-pocket will be \$5,030. The actual drug cost of \$5,030 is based on your out-of-pocket plus what Medicare pays.*

Coverage Gap Period (Donut Hole): You pay your drug costs until the total out-of-pocket reaches \$8,000, including amounts paid earlier during the deductible and coinsurance/copayment period. The most you will pay while in the coverage gap is \$6,364. In 2024, you will receive a 75% discount on covered brand and generic drugs during the coverage gap. Check with your plan to see if your drugs are eligible for the discount.

Catastrophic Coverage Period: Starting in 2024, you pay \$0 for all formulary medications purchased once you enter the Catastrophic Coverage portion of your Medicare Part D coverage. *Note: People who have limited income and resources and qualify for full Extra Help or have additional coverage aren't affected by the coverage gap and would continue to pay the same copayment amount for each prescription.*

TIPS TO BRIDGE THE COVERAGE GAP - DONUT HOLE

If your drug plan features a coverage gap, here are tips to help you save money, time and frustration:

- **Switch to Alternative Medications Lower in Cost:** Ask about generic, over-the-counter or less-expensive brand-name drugs that are equivalent to medications you now take. Switching to lower-cost drugs may help you avoid the coverage gap and save you hundreds or thousands of dollars a year.
- **Always Use Your Medicare Drug Plan Card:** Use your drug plan card, even while in the coverage gap, to ensure you receive your discounted rates, and the money spent will count toward catastrophic coverage.
- **Explore National and Community-Based Charitable Programs:** Organizations like the National Patient Advocate Foundation or National Organization for Rare Disorders may have programs to assist with drug costs. Visit www.benefitscheckup.org for information about federal, state, and private assistance available in your area.
- **Research Pharmaceutical Assistance or Patient Assistance Programs:** Many drug manufacturers offer assistance for people enrolled in a Medicare drug plan. Discover if this program is available for medications you take by visiting www.medicare.gov and selecting "Your Medicare Costs" and visiting "Get Help paying costs."
- **Look at State Pharmaceutical Assistance Programs (SPAP):** There are 23 states and 1 territory offering some type of coverage to help people with Medicare pay for drug plan premiums and/or cost sharing. Find out if your state has a SPAP by visiting www.medicare.gov/pharmaceutical-assistance-program/#state-programs or calling 1-800-MEDICARE.
- **Apply for Extra Help:** If you receive Medicare and have limited income and resources, you may qualify for assistance with your prescription costs. To verify your eligibility, contact Social Security by visiting www.socialsecurity.gov or calling 1-800-772-1213.
- **For More Information:** All Medicare drug plans are different, so call your individual plan if you have questions about your coverage gap. For help finding additional resources and free personalized counseling, call your State Health Insurance Assistance Program. To obtain the correct phone number, call 1-800-MEDICARE (1-800-633-4227 or visit www.medicare.gov and select "Phone Numbers and Websites" under the "Forms, Help, & Resources" tab.

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