

SECTION 2. Which “drug payment stage” are you in?

As shown below, your Part D prescription drug coverage has “drug payment stages.” How much you pay for a covered Part D prescription depends on which payment stage you are in when you fill it. During the calendar year, whether you move from one payment stage to the next depends on how much is spent for your drugs.

You are in this stage:

STAGE 1

Yearly Deductible

- During this payment stage, you (or others on your behalf) pay the full cost of your tier 3, 4 and 5 level drugs.
- You generally pay the full cost of your tier 3, 4 and 5 level drugs **until you (or others on your behalf) have paid \$445.00** for your tier 3, 4 and 5 level drugs. (\$445.00 is the amount of your tier 3, 4 and 5 level deductible.)
- As of 01/31/2021, you have paid **\$7.98** for your drugs in the deductible.

What happens next?

Once you (or others on your behalf) have paid **an additional \$437.02** for your drugs, you move to the next payment stage (stage 2, Initial Coverage).

STAGE 2

Initial Coverage

- During this payment stage, the plan pays its share of the cost of your tier 1 and 2 level drugs and you (or others on your behalf) pay your share of the cost.
- After you (or others on your behalf) have met your tier 3, 4 and 5 level deductible, the plan pays its share of the cost of your tier 3, 4 and 5 level drugs and you (or others on your behalf) pay your share of the cost.
- You generally stay in this stage until the amount of your year-to-date “total drug costs” (see Section 3) reaches \$4,130.00. When this happens, you move to payment stage 3, Coverage Gap.
- As of 01/31/2021, your year-to-date “total drug costs” were \$7.98. (See definitions in Section 3.)

STAGE 3

Coverage Gap

- During this payment stage, you (or others on your behalf) receive a 70% manufacturer’s discount on covered brand-name drugs and the plan will cover another 5%, so you will pay 25% of the negotiated price on brand-name drugs. In addition you pay 25% of the costs of generic drugs.
- You generally stay in this stage until the amount of your year-to-date “out-of-pocket costs” (see Section 3) reaches \$6,550.00. When this happens, you move to payment stage 4, Catastrophic Coverage.

STAGE 4

Catastrophic Coverage

- During this payment stage, the plan pays most of the cost for your covered drugs.
- You generally stay in this stage for the rest of the calendar year (through December 31, 2021).

This page from a drug plan EOB shows the individual has paid \$7.98 of the \$445 deductible.

