MEDICAREPORTAL
NAVIGATE MEDICARE TOGETHER

Medicare Portal Compass

July 2023

Medicare Part D - Who Pays What?

Since 2006, Medicare has provided Part D prescription drug insurance coverage to help Medicare beneficiaries afford their medications. While Medicare as a topic of discussion is confusing, Medicare Part D is often considered the most complex part due to its intricate design. Regardless of your Part D plan provider, your plan will encompass various components, including four stages of coverage, five tiers of medication classes, and diverse plan formularies and preferred/non-preferred pharmacies.

To help you in better understanding why your copays and coinsurance may vary throughout the plan year, this article will explain who pays what during each phase of your Part D coverage.

Deductible Phase:

During the deductible phase, if applicable to your plan, you are responsible for the full cost of brand name and specialty medications. Typically, generics are exempt from your deductible. In 2023, the maximum deductible amount is $505.

Initial Coverage Phase:

The initial coverage phase is when you first begin sharing the cost of all covered medications. In this phase, generics continue to have a copay that varies depending on your plan, while brand and specialty medications have a cost sharing structure of 25% for you and 75% for your chosen Medicare plan. You remain in this phase until the total amount spent reaches $4,660, with your share being $1,165 and the plan's share being $3,495.

Coverage Gap or Donut Hole Phase:

Once you reach the spending threshold of $4,660, you enter the coverage gap, also known as the donut hole. Although this gap "closed" in 2020, there are still costs per prescription during this phase. In the coverage gap, you are responsible for 25% of the drug cost for both generics and brand-name medications, as well as a portion of the dispensing fee. Your plan will cover 75% of the cost of generics and 5% of brand names. The remaining cost of brand name drugs is covered by a 70% discount provided by the drug manufacturer.

Catastrophic Phase:

During the catastrophic phase, Medicare covers 80% of the costs, while your plan covers 15%, leaving you responsible for 5% of the medication's cost. In 2023, there is no spending limit for Part D benefits, meaning you will continue to pay 5% of the cost of all medications filled until December 31.

Your true out-of-pocket costs are used to determine if you reach the catastrophic phase. True out-of-pocket (Troop) spending is calculated by your plan, which adds up your spending in the current plan year. Deductible payments, copays, coinsurance, and drug manufacturers' discounts during the coverage gap contribute to your Troop spending.

Medicare Part D can be confusing. However, understanding who pays during each phase can help you comprehend your cost-sharing responsibilities throughout the year and why they may change as the year progresses.

If you have any questions regarding Part D, please feel free to contact us. We are more than happy to provide you with further information and assistance.

More From Medicare Portal

OUR MP TEAM!

#MP On The Move!

Check us out at our Medicare Portal team building day! We had a great time at Harpers Ferry, where we conquered a heart-pumping 3-level obstacle course, engaged in team-building land games, and navigated through the Potomac River while water rafting. Our day was filled with fun, laughter, and unforgettable memories that brought us closer as a team!

#MP TIP

Did you know that you can stop telemarketers from calling you?

Register your home phone or mobile phone on the National Do Not Call Registry to avoid receiving unsolicited calls from telemarketers. You can signup for free by visiting:

donotcall.gov

#MP Recipe Box:

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BBQ Sauce

Prep Time: 20 Minutes

Ingredients

- 1 cup ketchup
- 1/4 cup brown sugar
- 2 tablespoons apple cider vinegar
- 1 tablespoon Worcestershire sauce

Steps

- In a saucepan, combine the ketchup, brown sugar, apple cider vinegar, and Worcestershire sauce.
- Stir the ingredients together until well combined.
- Place the saucepan over medium heat and bring the mixture to a simmer.
- Reduce the heat to low and let the sauce simmer for about 10-15 minutes, stirring occasionally.
- Remove the saucepan from the heat and let the barbecue sauce cool.
- Once cooled, the sauce is ready to use! Brush it on your grilled meats, use it as a dipping sauce, or marinate your favorite protein before grilling or baking.

Vaccines and Medicare

While Medicare provides coverage for a wide range of vaccines and immunizations, it's crucial to understand which treatments are covered by Part B or Part D.

Medicare Part B offers coverage for various vaccines, including influenza (flu) shots such as H1N1 and seasonal flu vaccines, as well as pneumococcal (pneumonia) shots, hepatitis B shots, and the Covid-19 vaccine.

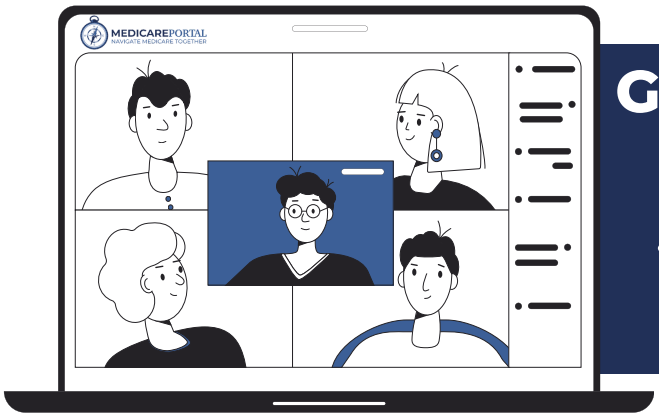
Moreover, Part B extends its coverage to situations where you've been exposed to a dangerous virus or disease. For instance, if you've stepped on a rusty nail and require a tetanus shot or if you've been bitten by a dog and need a rabies shot, Part B will cover these scenarios.

As of January 2023, all Medicare-covered vaccines are administered at no cost to individuals enrolled in Part D benefits. This means that you won't be responsible for any out-of-pocket expenses when receiving a vaccination. Part D benefits cover vaccines such as the shingles vaccine, the Tdap vaccine, and other vaccines deemed "reasonable and necessary" for preventing illness, which are not covered by Part B.

Additionally, Part D plans may also cover vaccines needed for international travel. To determine which vaccines are required for your trip and whether Medicare will cover them, it's advisable to consult your doctor.

Ensuring you stay vaccinated is essential for maintaining proper health and preventing illness. If you have any questions regarding vaccinations, please feel free to contact us. We are more than happy to provide you with further information and assistance.

Medicare Portal's Educational Events



Get Smarter about Medicare!

FREE

Weekly

LIVE

Interactive

We know Medicare and we love to share our knowledge. Each webinar is designed to deliver Medicare information in a simplified and understandable manner.

New to Medicare

Medicare Basics

Topics:

- Medicare Parts A, B, C, D and Medigap
- Enrollment Periods
- Eligibility
- Medicare Costs

45 Minutes

Medicare Working Past 65

Topics:

- Dates, timelines, and actions you need to take when working past 65
- Coordination of benefits; who pays first?

20 Minutes

New and Existing Medicare Beneficiaries

Original Medicare vs Medicare Advantage

Topics:

- Differences between Medicare Advantage and Original Medicare
- How to choose which option is right for you

20 Minutes

Medicare Part D - What You Need To Know

Topics:

- How Medicare Part D plans work
- Cost of Medicare Part D
- Enrollment dates

20 Minutes

Can you find all of the words?

C A H P I L Y F I R E W O R K S X W
C E T Z T N I F F M B F B L I I I H
X L L Y Y S D R B A L I A H F L M I
P B E E M P I E I F M T R P Z L C T
P A F Y B A C I P K L E J T F G A E
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AMERICA
BARBECUE
BIRTHDAY
CELEBRATION
FIREWORKS
FLAG
INDEPENDENCE
PICNIC
SPARKLERS
RED
WHITE
BLUE

Important Phone #'s You Need To Know

Medicare Portal - 703-214-4600

CMS - 1-800-MEDICARE (1-800-633-4227)

Social Security Administration - 1-800-772-1213

MEDICAREPORTAL.ORG

We do not offer every plan available in your area. Any information we provide is limited to those plans we do offer in your area. Please contact Medicare.gov or 1-800-MEDICARE to get information on all of your options.