



Information Partners Can Use on:

# HELPING PEOPLE UNDERSTAND THEIR EXPLANATION OF BENEFITS (EOB)

Medicare Prescription Drug Coverage

Revised July 2010

## What is an Explanation of Benefits (EOB)?

- An EOB is a statement people get for every month in which they fill a prescription using their Medicare drug plan.
- An EOB is also mailed to people who have a change in coverage of a drug they take or if someone has changed plans and has a transfer of prescription cost totals from one plan to another.

The EOB isn't a bill. It provides detailed information about the drug plan coverage a person has used to date. It also helps people understand how their prescription drug coverage applies to the prescriptions they fill.

## When do people get an EOB?

People should get an EOB by the end of the month following the month they fill a prescription using their drug plan.

## What does an EOB include?

A person's EOB includes the following information:

- A summary of the claims processed since their last EOB
- A summary of the person's year-to-date costs in the plan and information about the person's current drug payment stage (for example, the deductible, initial coverage, the coverage gap, or catastrophic coverage) and their total out-of-pocket costs and total drug costs
- A record of the person's total out-of-pocket costs and total drug costs transferred from their previous plan(s) (if a person changed plans during the year)
- Any adjustments (such as for a reversed claim or a wraparound payment by a supplemental payer) or corrections (such as a clerical error) to a person's total out-of-pocket costs and total drug costs that aren't shown in a previous EOB (if there are any adjustments)



## What does an EOB include? (continued)

- Any updates to the drug plan's formulary that will affect the drugs a person is currently taking (if there are any updates)
- Resources for more information including the plan's contact information and what people can do if they disagree with the accuracy of their EOB or a coverage decision the plan made

## What should a person who gets an EOB do with the information?

### **Check the EOB for mistakes**

People should keep their EOBs for their records. Reviewing the EOB for accuracy is important. People should save the receipts they get when they fill prescriptions to check against the claims listed on their EOB. If they have questions or find mistakes, they should contact their plan. If someone suspects Medicare fraud, they should call the Medicare Drug Integrity Contractor at 1-877-7SAFERX (1-877-772-3379).

### **Monitor progress through the plan**

The EOB provides a monthly and year-to-date summary of a person's drug plan costs with a breakdown of the drug plan costs paid during each drug payment stage. The EOB also helps people know about how much they have left to pay in their current drug payment stage before moving to the next stage.

### **Check for updates to the plan's formulary (list of covered drugs)**

Plans may remove drugs from their formularies, change the formulary tier on which a drug is placed, and/or add rules about whether and when the plan covers certain drugs during the year. Plans whose formularies are changing will include a section in the EOB when the changes to the formulary affect the coverage or cost of the drugs the person takes. Some changes won't affect a person's coverage for a particular drug for the rest of the year. Other changes are effective 60 days after a person gets notice of the change (for example, listed in this section of the EOB or sent a separate formulary change notice).

This section may also provide a list of other covered drugs that the person may be able to take instead. The person should talk to their doctor to find out if any of the other possible drugs are right for them. The EOB includes more information on what a person can do if they have a question about any updates to their plan's formulary.



## **Where can I go for more information about the EOB?**

Medicare provides model materials for plans to use. Keep in mind that while a plan's EOB may look different in format from Medicare's model, each plan will have the same information in its EOB. You can get a copy of Medicare's model and other Part D model marketing materials at <http://go.usa.gov/ODo>.

