



Information Partners Can Use on:

DRUG PLAN COST INFORMATION ON www.medicare.gov

Medicare Prescription Drug Coverage

Revised March 2009

This tip sheet explains how the Medicare Prescription Drug Plan Finder (called the “Plan Finder”) at www.medicare.gov can help you compare Medicare drug plans. In addition to providing an estimated annual cost for each plan, the Plan Finder provides a detailed look at drug-by-drug costs for each month. Looking at monthly costs is important in helping people with Medicare understand their drug costs throughout the year.

Costs Vary by Plan and Coverage Level

The table below is an example that shows monthly drug costs during the different coverage levels that people may have depending on their plans:

- **Initial Coverage Level (ICL):** After they meet their deductible and until their total drug cost reaches \$2,700 (in 2009). The total drug cost is the amount that both the plan and the person pay toward filling prescriptions. During this time, they pay a mix of copayments or coinsurance until they meet their initial coverage limit of \$2,700 (in 2009).
- **Coverage Gap:** After they reach the initial coverage limit, they pay the drug cost until they spend \$4,350 (in 2009) out-of-pocket.
- **Catastrophic Coverage:** Once total out-of-pocket drug costs reach \$4,350, they pay a small coinsurance (like 5%) or a small copayment for covered drug costs until the end of the calendar year.

EXAMPLE: Monthly Drug Costs at Different Coverage Levels (Costs Vary by Plan)

Selected Drugs	Full Cost of Drug	Initial Coverage Level	Gap	Catastrophic
Actonel TAB 35mg	\$81.42	\$40.00	\$81.42	\$5.60
Avastin INJ	\$572.13	\$188.80	\$572.13	\$28.61
Celebrex CAP 200mg	\$98.92	\$70.00	\$98.92	\$5.60
Levothyroxine Sodium Tab 100mcg	\$7.47	\$4.00	\$7.47	\$2.25
Monthly Totals:	\$759.94	\$302.80	\$759.94	\$42.06

The Plan Finder uses the costs at each coverage level, as well as any applicable premiums and deductibles, to calculate an estimated annual cost for each plan.



Monthly Costs and Details are Important in Comparing Plans

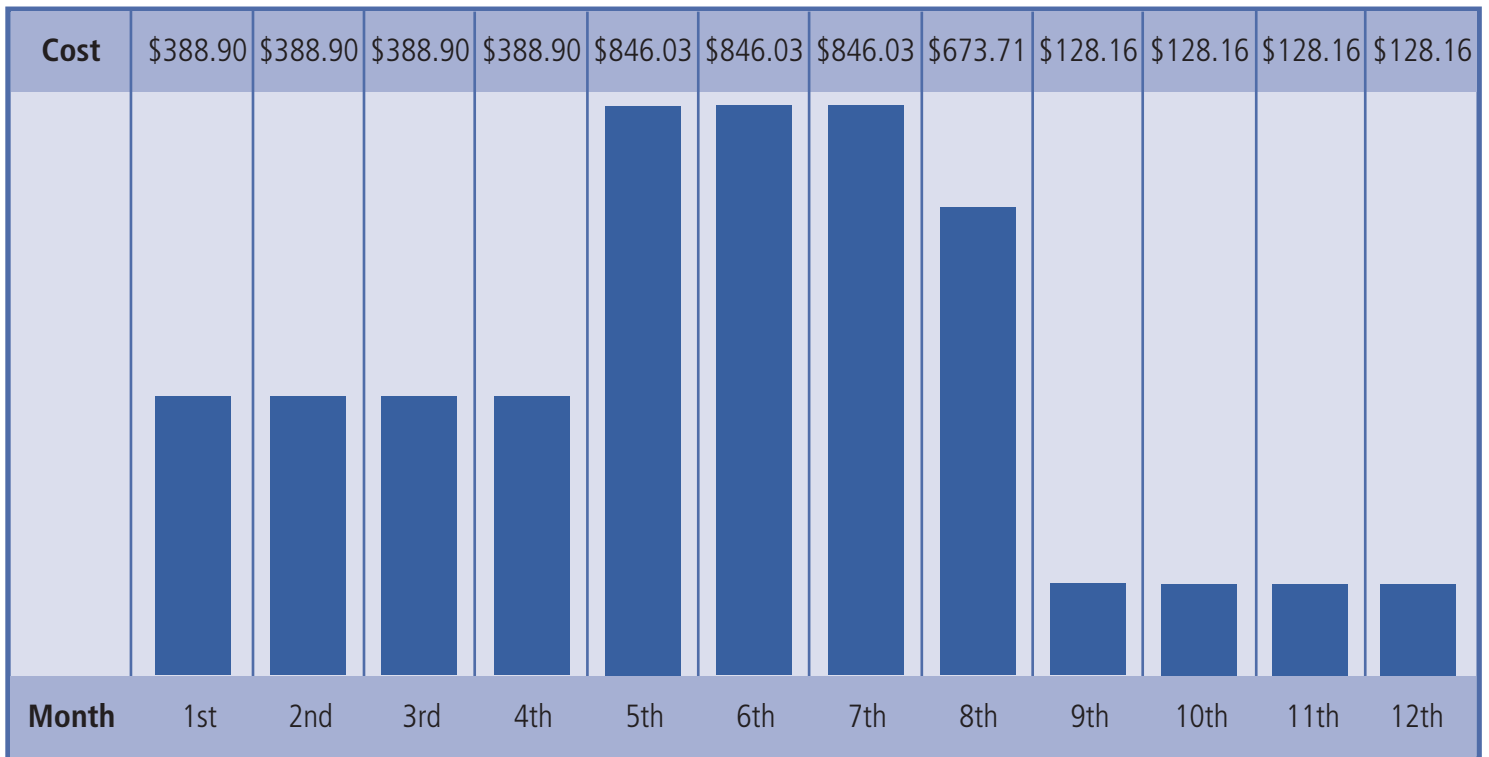
The Plan Finder's **Total Monthly Cost Estimator** breaks down the estimated annual cost into monthly estimates of prescription drug costs.

There are two ways to get to the Total Monthly Cost Estimator:

1. From "Your Personalized Plan List." Select a plan and scroll to the bottom of the page.
2. From the "Compare Plan Benefits" page. Choose "View Plan Drug Details" from the "More Information" drop-down menu. Scroll to the bottom of the page.

The example below shows the monthly costs (including premiums) for the drugs from the chart on the previous page. **Note:** The plan in this example doesn't have a deductible.

Example: Total Monthly Cost Estimator for Preferred Network Pharmacies



The Plan Finder's **Total Monthly Cost Explanation** allows users to view the estimated drug costs in detail for the selected plan during each month of coverage. To view this feature, click on "Show Explanation of these Costs" from the Total Monthly Cost Estimator page (shown in the example above). By selecting a month or using the "View All" feature, users get a list of costs within each month at each coverage level, as shown on the next page.

Here's how the example on the next page corresponds to different periods of coverage. To understand how the Plan Finder calculates costs, read the tips following the example.

- Months 1-3: initial coverage level (plan has no deductible).
- Month 4: meets initial coverage limit and moves into coverage gap.
- Months 5-7: coverage gap.
- Month 8: meets the catastrophic limit.
- Months 9-12: catastrophic coverage.

Example of Monthly Cost Breakdown

Month	Item	Coverage Level	Your Cost	Total Drug Cost
1	Actonel TAB 35mg	Initial Coverage Level	\$40.00	\$81.42
	Avastin INJ	Initial Coverage Level	\$188.80	\$572.13
	Celebrex CAP 200mg	Initial Coverage Level	\$70.00	\$98.92
	Levothyroxine Sodium Tab 100mcg	Initial Coverage Level	\$4.00	\$7.47
	<i>Premium</i>	<i>N/A</i>	\$86.10	<i>N/A</i>
Month 1 Total:			\$388.90	\$759.94

Tip 1

Note: Months 1–3 are in the Initial Coverage Level, so the costs for months 2 and 3 are the same as month 1 (above).

Month	Item	Coverage Level	Your Cost	Total Drug Cost
4	Actonel TAB 35mg	Initial Coverage Level	\$40.00	\$81.42
	Avastin INJ	Initial Coverage Level/Coverage Gap	\$188.80	\$572.13
	Celebrex CAP 200mg	Initial Coverage Level	\$70.00	\$98.92
	Levothyroxine Sodium Tab 100mcg	Initial Coverage Level	\$4.00	\$7.47
	<i>Premium</i>	<i>N/A</i>	\$86.10	<i>N/A</i>
Month 4 Total:			\$388.90	\$759.94

Tips 2&3

Month	Item	Coverage Level	Your Cost	Total Drug Cost
5	Actonel TAB 35mg	Coverage Gap	\$81.42	\$81.42
	Avastin INJ	Coverage Gap	\$572.13	\$572.13
	Celebrex CAP 200mg	Coverage Gap	\$98.92	\$98.92
	Levothyroxine Sodium Tab 100mcg	Coverage Gap	\$7.47	\$7.47
	<i>Premium</i>	<i>N/A</i>	\$86.10	<i>N/A</i>
Month 5 Total:			\$846.03	\$759.94

Note: Months 5–7 are in the Coverage Gap, so the costs for months 6 and 7 are the same as month 5 (above).

Month	Item	Coverage Level	Your Cost	Total Drug Cost
8	Actonel TAB 35mg	Coverage Gap	\$81.42	\$81.42
	Avastin INJ	Coverage Gap/Catastrophic Coverage	\$399.80	\$572.13
	Celebrex CAP 200mg	Coverage Gap	\$98.92	\$98.92
	Levothyroxine Sodium Tab 100mcg	Coverage Gap	\$7.47	\$7.47
	<i>Premium</i>	<i>N/A</i>	\$86.10	<i>N/A</i>
Month 8 Total:			\$673.71	\$759.94

Tip 2



Example of Monthly Cost Breakdown (continued)

Month	Item	Coverage Level	Your Cost	Total Drug Cost
9	Actonel TAB 35mg	Catastrophic Coverage	\$5.60	\$81.42
	Avastin INJ	Catastrophic Coverage	\$28.61	\$572.13
	Celebrex CAP 200mg	Catastrophic Coverage	\$5.60	\$98.92
	Levothyroxine Sodium Tab 100mcg	Catastrophic Coverage	\$2.25	\$7.47
	<i>Premium</i>	<i>N/A</i>	\$86.10	<i>N/A</i>
Month 9 Total:			\$128.16	\$759.94

Note: Months 9–12 are in Catastrophic Coverage, so the costs for months 10, 11, and 12 are the same as month 9 (above).

Important Tips When Calculating Costs

Here are some important tips to help you understand how the Plan Finder calculates costs. On the previous page, we've highlighted places in the monthly costs that use some of the tips below:

Tip 1 Initial Coverage Level is based on the total drug cost.

Tip 2 Calculations begin with the least expensive drug (and end with the most expensive).

Tip 3 When a drug cost causes people to meet the ICL, they pay only the full copayment.

Tip 4 If a prescription costs more than the balance of the initial coverage limit, people pay the lesser of the balance of the ICL and the cost share, or the total drug cost.

For example, if the total drug cost is \$20, and the deductible balance and copayment total \$25, the person pays \$20.

Tip 5 Some plans offer at least some coverage during the gap, and these plans may have a different copayment and coinsurance amount during the coverage gap than during the ICL.

For example, a plan may charge a \$5 copayment during the ICL, but charge a \$15 copayment for the same drug during the gap coverage period.

Tip 6 People are responsible for 100% of the cost of non-formulary drugs. This amount doesn't count toward the deductible, coverage limit, total out-of-pocket costs, or catastrophic coverage.



Important Tips When Calculating Costs (continued)

Tip 7 The plan finder **doesn't** use the lowest cost pharmacy in the area to provide a cost estimate if a pharmacy isn't selected. For the most accurate estimate, people must select a pharmacy (or two) when prompted.

Tip 8 If the pharmacy isn't in the plan's network, the plan finder calculates using the total drug cost.

Tip 9 The plan finder calculates cost based on the number of pills. For a correct estimate, people must enter the number of pills taken over the course of 30 days. Even if people use mail order or get 90-day supplies of pills from a retail pharmacy, **if they take one pill per day, they should enter a quantity of 30 per month.**

Special Note for Low-Income Subsidy (LIS) Calculations:

Full benefit, dual-eligible people ("full duals") and other people with LIS (extra help) pay a standard copayment or coinsurance (from up to \$2.40 for generic drugs and up to \$6.00 for brand-name drugs to 15% per prescription in 2009). **A plan can't charge full duals or other people with LIS more than people who don't get LIS.** This means that if a plan offers \$0 generics for non-LIS people in the ICL, it also has to offer \$0 generics to people with LIS in the ICL.

In these cases, the Plan Finder will display a "pre-initial coverage period" and a "post-initial coverage period" column (see below) to show the copayments that apply during different coverage levels:

Monthly Drug Cost Details at Refill Pharmacies (Cost includes extra help)

Selected Drugs	Full Cost of Drug	Pre-Initial Coverage Period (The amount you will pay before your total drug cost reaches \$295.)	Initial Coverage Period (The amount you will pay before your total drug cost reaches \$2,700.)	Post-Initial Coverage Period (The amount you will pay after your total drug cost reaches \$2,700.)	Catastrophic (The amount you will pay after your total out-of-pocket cost without including extra help reaches \$4,350.)
Amoxicillin CHW 400MG	\$13.70	\$2.40	\$0.00	\$2.40	\$0.00
Lipitor TAB 80 MG	\$119.88	\$6.00	\$6.00	\$6.00	\$0.00
Simvastatin TAB 80 MG	\$15.20	\$2.40	\$0.00	\$2.40	\$0.00
Monthly Totals	\$148.78	\$10.80	\$6.00	\$10.80	\$0.00