

MEDICARE PART D

and your
patients

2021

Understanding the ins and outs

abbvie



The 4 parts of Medicare¹



Includes hospital stays, nursing home/skilled care facility, home healthcare, and hospice care.



Covers medically necessary doctor services, diagnostic testing, medical equipment, and other preventive care.



Offered by a health plan; combines Parts A and B, and usually Part D.



Covers medication costs.

Medicare Part D 2021 standard benefit design²⁻⁴

Patient's financial responsibility for total prescription costs until next phase begins



Annual deductible

PHASE 1

100% up to \$445

Initial coverage limit

PHASE 2

25% up to \$4130

Part D plan covers the remaining 75%

Coverage gap

PHASE 3

25% for brand name or generic up to \$6550

Medication manufacturer covers 70%, while the Part D plan covers 5% for brand-name medications. Part D plan covers 75% for generic medications

Catastrophic coverage

PHASE 4

No more than 5% over \$6550

Part D plan and Medicare cover the remaining 95%

This design is only indicative of the standard benefit and may vary by plan.

FAQs

What role does the true out-of-pocket (TrOOP) cost play in Medicare Part D?

TrOOP cost is used to determine when a patient exits the coverage gap. It is the combined amount that a patient pays through copays, coverage gap payments, and deductibles, as well as manufacturer discounts and payments from certain third parties.⁷

Are dual-eligible patients allowed to change their health plan?

Yes, dual-eligible patients may switch health plans at any point during the year.⁸

Is the Medicare or Medicaid formulary utilized for dual-eligible patients?

Dual-eligible patients obtain drug coverage through the Medicare Part D formulary. Medicare Part B covers physician-administered drugs.¹

Is being dual eligible and receiving Extra Help the same?

No, dual-eligible patients are automatically enrolled in Extra Help, but not all patients with Extra Help are dual eligible.

References: **1.** Medicare and You 2021. Centers for Medicare and Medicaid Services website. https://www.medicare.gov/sites/default/files/2020-03/10050-Medicare-and-You_0.pdf. Published September 2020. Accessed October 2020. **2.** 2021 Medicare Part D outlook. Q1 Medicare website. <https://q1medicare.com/PartD-The-2021-Medicare-Part-D-Outlook.php>. Accessed October 2020. **3.** What kind of discount can we expect in the Medicare Part D donut hole or coverage gap? Q1 Medicare website. https://q1medicare.com/q1group/MedicareAdvantagePartDQA/FAQ.php?faq=What-kind-of-discount-can-we-expect-in-the-Medicare-Part-D-Donut-Hole-or-Coverage-Gap-&faq_id=470&category_id=129. Accessed October 2020. **4.** Who pays for Medicare Part D catastrophic coverage? Q1 Medicare website. https://q1medicare.com/q1group/MedicareAdvantagePartDQA/FAQ.php?faq=Who-pays-for-Medicare-Part-D-Catastrophic-Coverage-&faq_id=728&category_id=160. Accessed October 2020. **5.** Did the coverage gap or donut hole just close up and go away? https://q1medicare.com/q1group/MedicareAdvantagePartDQA/FAQ.php?faq_id=471. Accessed October 2020. **6.** HI 03001.020 Eligibility for Extra Help (prescription drug low-income subsidy). Social Security Administration website. <https://secure.ssa.gov/poms.nsf/lnx/0603001020>. Accessed October 2020. **7.** What exactly is TrOOP or Total Out-of-Pocket costs? Q1 Medicare website. https://q1medicare.com/q1group/MedicareAdvantagePartDQA/FAQ.php?faq=What-exactly-is-TrOOP-or-Total-Out-of-Pocket-costs-&faq_id=370&category_id=149. Accessed October 2020. **8.** Understanding Medicare Advantage & prescription drug plan enrollment periods. Centers for Medicare and Medicaid website. <https://www.medicare.gov/Pubs/pdf/11219-Understanding-Medicare-Part-C-D.pdf>. Accessed October 2020.