

Medicare Part D: STANDARD PRESCRIPTION DRUG BENEFIT for 2021

The below chart demonstrates the standard prescription drug plan (PDP) benefit set for 2021 that **plans must provide** at minimum for their **members**. Plans can provide richer benefits than the minimum standard, but lesser benefits are not permissible.

CATASTROPHIC**—all costs after member pays \$6550 out-of-pocket* (\$6350 in 2020)	
Member pays the greater of 5% or \$9.20 (for brands) and \$3.70 (for preferred/generics)	Plan and Medicare pay all balances of formulary Rxs
COVERAGE 'GAP'**—limit on what the plan pays until member pays \$6550 out-of-pocket* (\$6350 in 2020)	
Member pays up to 25% of generic and brand Rxs Rxs <u>MUST</u> be on the plan's formulary! Some plans provide richer benefits	Plan and Manufacturer Discounts pay 75% or more of formulary Rxs
INITIAL COVERAGE LIMIT—up to \$4130 of total retail cost* (\$4020 in 2020)	
Member pays part of their Rxs in the form of copays or coinsurance; some plans provide \$0 cost Rxs at preferred pharmacies	Plan pays part of Rxs
DEDUCTIBLE-- up to \$445 (\$435 in 2020)	
Member may pay up to the first \$445 in Rx costs Plans may have \$0 or lower than \$445 deductibles	

*Total retail costs and out-of-pocket do not include premiums paid for Part D plans.

**Only 12% of Medicare beneficiaries enter the Coverage 'Gap' and only 4% of Medicare beneficiaries reach the Catastrophic limit.

Note: Average Part D spending per enrollee in the U.S. in 2018 was \$3612 (\$3948 for DE, \$4262 for NJ, \$4508 for NY, \$3728 PA); 'spending' includes Medicare, plan and beneficiary out-of-pocket payments.

For more information, see: <https://www.cms.gov/files/document/2021-announcement.pdf>