



CENTERS FOR MEDICARE & MEDICAID SERVICES

Bridging the Coverage Gap in 2011

Most Medicare Prescription Drug Plans (Part D) have a temporary limit on what they cover for prescription drugs. This limit is called the “coverage gap” (also known as the “donut hole”). The coverage gap starts after you and your plan have spent a certain amount of money for covered drugs. All Medicare drug plans are different, so call your plan if you have questions about how the coverage gap will work for you.

You won't need to pay out of pocket for all costs while you are in the coverage gap. Once you are in the coverage gap, your plan will cover at least 7% of the cost of generic drugs. You will also get a 50% manufacturer-paid discount on covered brand-name drugs. Although you will only pay 50% of the price for that brand-name drug, the entire price will count as out-of-pocket spending, which will help you get out of the coverage gap. You will continue to pay any dispensing fee for the brand-name prescription. The dispensing fee isn't discounted, as it's added to the discounted amount of your prescription.

If you have extremely high drug costs and pay the 2011 limit (or pay through the coverage gap), all Medicare drug plans provide “catastrophic” coverage. Catastrophic coverage means that once you pay \$4,550 (in 2011) out-of-pocket for drug costs in a calendar year, the plan will cover almost all your drug costs above that amount.

No Coverage Gap for People Who Get Extra Help

If you qualify for Extra Help paying for Medicare prescription drug coverage, most of the information in this fact sheet **doesn't** apply to you. Even if your Medicare drug plan has a coverage gap, you will still pay your regular copayment or coinsurance amount.



Ways to Save Money in the Coverage Gap

- **Consider switching to generic or other lower-cost drugs.** Talk to your doctor to find out if there are generic or less-expensive brand-name drugs that would work just as well as the ones you're taking now. Switching to lower-cost drugs may help you avoid the coverage gap and may save you money.

You may also be able to save money by using mail-order pharmacies. Get more information on ways to save using mail-order pharmacies, generics, or less-expensive brand-name drugs by visiting www.medicare.gov, selecting "Health & Drug Plans," and then "Compare Drug and Health Plans."

- **Look into Pharmaceutical Assistance Programs (sometimes called Patient Assistance Programs).** These programs may be offered by some pharmaceutical companies. Many of the major drug manufacturers offer assistance programs for people enrolled in a Medicare drug plan.

To find out whether a Pharmaceutical Assistance Program is offered by the manufacturers of the drugs you take, visit www.medicare.gov and select the following:

- "Health and Drug Plans"
- "Coverage Gap Information"
- "Five Ways to Lower Your Costs During the Coverage Gap"
- "Pharmaceutical Assistance Program"

- **Look at State Pharmaceutical Assistance Programs (SPAP).** Several states and at least one territory offer help paying drug plan premiums and/or other drug costs for people with Medicare.

To find out if your state has a State Pharmaceutical Assistance Program, visit www.medicare.gov and select the following:

- "Health and Drug Plans"
- "Coverage Gap Information"
- "State Pharmaceutical Assistance Programs"

- **Keep using your Medicare drug plan card.** Using your drug plan card each time you fill a prescription ensures that you will get the correct coverage and manufacturer discounts applied to your prescriptions and that the money you spend counts toward your out-of-pocket costs.
- **Explore National and Community-Based Charitable Programs.** These programs might offer financial help with your drug costs. Comprehensive information on Federal, state, and private assistance programs in your area is available on the BenefitsCheckUp Web site at www.benefitscheckup.org.
- **Apply for Extra Help.** If you have Medicare and have limited income and resources, you may qualify for Extra Help paying for your prescription drugs. Contact Social Security by visiting www.socialsecurity.gov or calling 1-800-772-1213. TTY users should call 1-800-325-0778.

Note: Not all types of coverage will count towards your out-of-pocket costs. For instance, your drug plan's premium doesn't count towards the limit. **All of the following DO count as out-of-pocket costs to help you get out of the coverage gap:**

- Yearly deductible
- Coinsurance or copayments
- Cost of drugs
- Manufacturer discounts
- What you pay in the coverage gap

Remember, after you pay \$4,550 (in 2011) in out-of-pocket drug costs in a calendar year, almost all of your drug costs above that amount are covered. If you want to switch to a plan that offers at least some type of additional coverage in the gap (above any required coverage), you can do so from October 15–December 7 each year. Your coverage will begin on January 1 of the following year.

Get Help and More Information

All Medicare drug plans are different, so you should call your plan if you have questions about how the coverage gap will work for you.

Call your State Health Insurance Assistance Program (SHIP) for free, personalized health insurance counseling. To get their phone number, visit www.medicare.gov/contacts or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.