

## 2023 Medicare Part D Prescription Drug Plan (Standard Framework) Stages

All Medicare Part D prescription drug plans must follow the framework of rules and regulations established by CMS but an approved plan can be “as good” or “better” than a standard Part D plan. The ISU Plan with Humana is approved by CMS and follows the CMS framework but the ISU plan in aggregate is better. The ISU Part D PDP plan is custom for having maximum limits per prescription and a \$2,500.00 limit for the participant’s maximum out-of-pocket (MOOP); therefore our plan allows the coinsurance amount of 30% in the Coverage Gap instead of a standard D plan of 25%.

Individual Standard D plans typically do not have an out-of-pocket maximum limit. Many individual standard D plans begin with a deductible for a member to pay first. The ISU Humana Plan does not have a deductible for the member to pay. We begin with a copay or coinsurance.

All Part D plans have an **initial stage** of coverage, which lasts until the total drug cost (the amount the member pays plus the amount Humana pays) reaches \$4,660.00. During the initial stage, members in the ISU PDP plan pay a copay or a coinsurance percentage but the ISU PDP Plan has a maximum of \$50.00 per 30 day supply when in the initial stage.

**Stage two** is referred to as the coverage “gap” or “donut hole.” Prior to 2011, the Part D standard framework did not include coverage for anyone while they were in stage two. It was called the gap or donut hole because nothing was there! Since 2011, ACA rules have closed the gap for all plans. What the gap coverage signifies now is the beginning of the ACA gap discounts for medication, where the cost of medication is reduced. This reduction does not necessarily reduce what our member pays while in stage two.

For the ISU Plan, in stage two, the 30% coinsurance maximum is still capped at \$10.00 for 30-day supply of generics and \$50.00 for 30-day supply of preferred brand name medication. For the non-preferred brand or specialty medication, the coinsurance percentage applies **without** the \$50.00 cap. So, it is possible that a prescription that cost \$50.00 for one purchase could cost hundreds the next time it is purchased, if the member reached the gap.

For all covered prescriptions, the maximum out-of-pocket for each person with the ISU Humana plan is \$2,500.00 annually. After your out-of-pocket drug costs reach the \$2,500.00, Humana pays 100% of your total drug costs.

The stages of the framework are referred to in each individual’s “SmartSummaryRx” sent by Humana to members purchasing prescription medications using the ISU Humana plan.

**Stage three** is also known as the catastrophic stage. This stage begins when the total drug costs reach \$7,400.00. You could reach this stage without reaching the maximum out of pocket amount for the ISU Humana plan. If you haven’t reached the maximum out of pocket, you would pay which is greater, 5% or \$4.15 for generics/ multiple source drugs/ \$10.35 for all other drugs until the end of the year or you reach the maximum of \$2,500.00.

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You might have a prescription that your pharmacy may indicate as not covered by Humana due to coverage by Medicare Part B. For the prescriptions considered to be Part B, Wellmark will follow Medicare. An example of this type of prescription may be diabetes test strips or transplant auto-immune suppressive medications. However, if neither Part B nor Part D covers your prescription, Wellmark will not cover that expense. There would not be coverage for that expense.