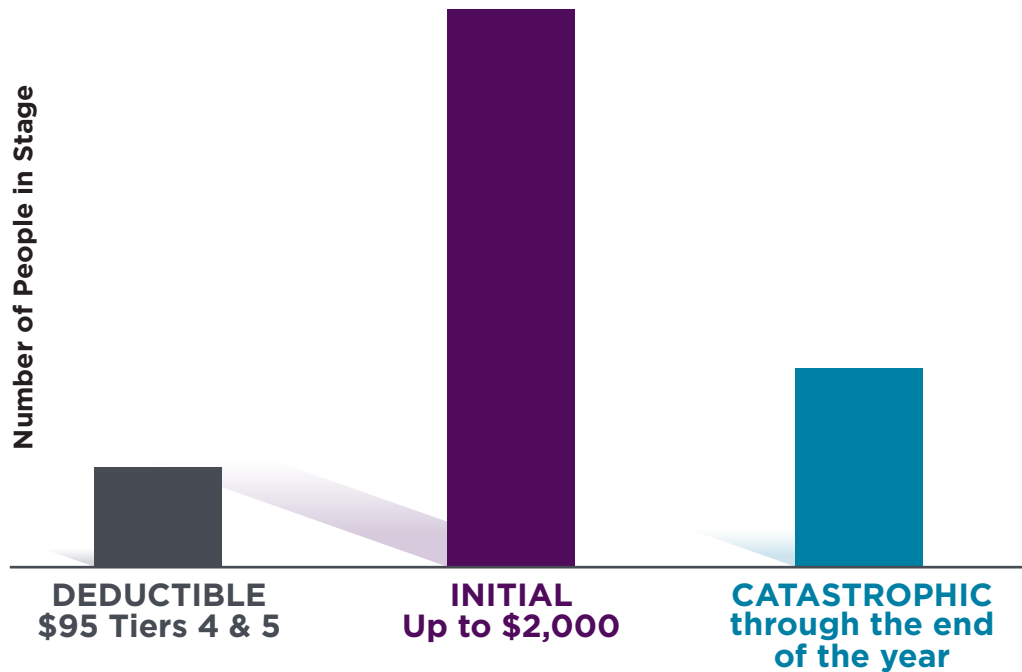


Understanding Medicare Drug Payment Stages



Annual Deductible Stage

During this stage, **you pay the full cost** of your Tier 4 Non-Preferred Drug and Tier 5 Specialty Drug.

You stay in this stage until you have paid \$95 for your Tier 4 Non-Preferred Drug and Tier 5 Specialty Drug deductible.

During this stage, you pay \$0 for a one-month supply of each Tier 6 insulin product and no more than \$35 for each nonformulary insulin product.

Initial Coverage Stage

During this stage, you pay a flat fee (copay) or a percentage of a drug's total cost (coinsurance) for each prescription you fill.

During this stage, you pay \$0 for a one-month supply of each Tier 6 insulin product and no more than \$35 for each nonformulary insulin product.

Once your out-of-pocket costs reach \$2,000 (2025) you move to the catastrophic stage.

Catastrophic Coverage Stage

In this stage, the plan pays the full cost for your covered Part D drugs. You pay nothing. (See the EOC for details).

The plan and Medicare pay the rest until the end of the calendar year.