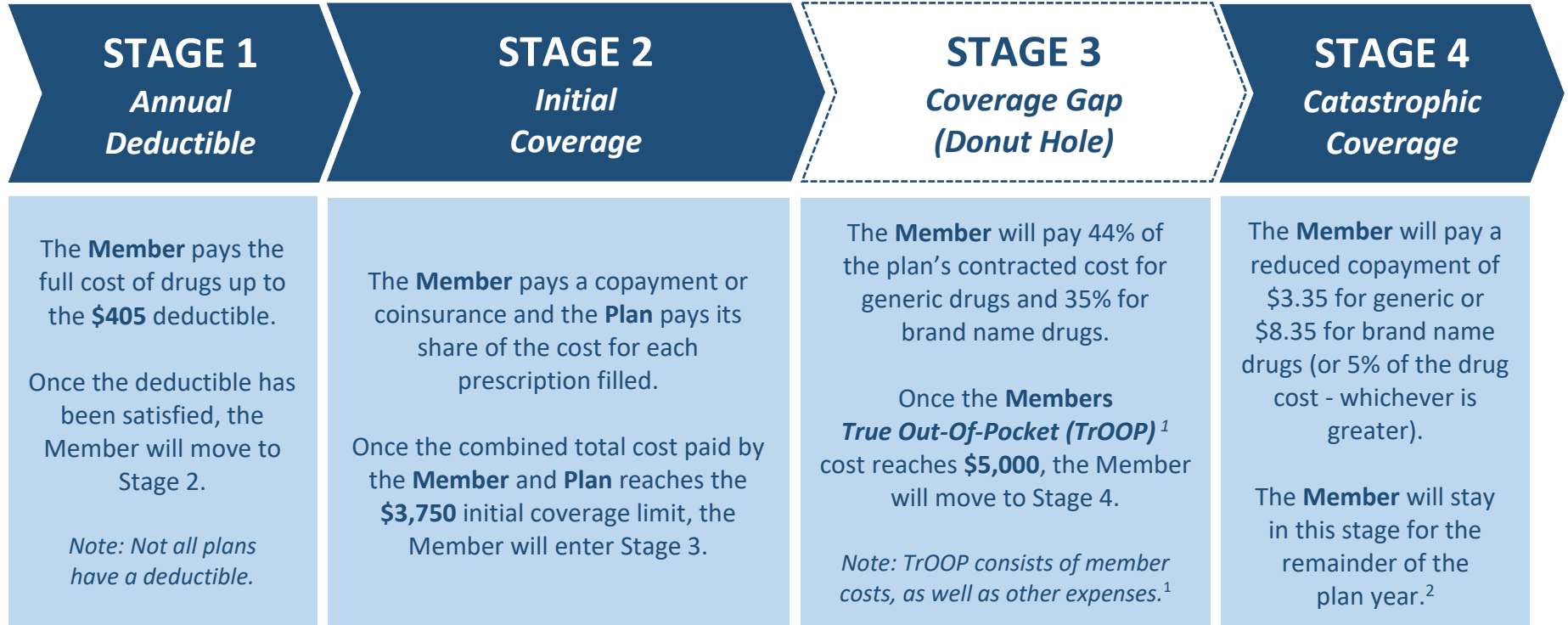
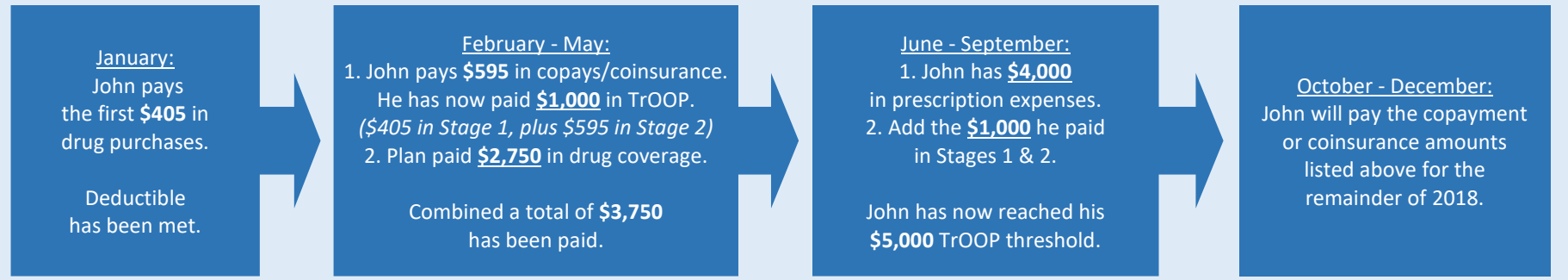


# 2018 Medicare Part D Coverage Stages

This document was created to provide you “The Agent” with a quick overview of the Standard Medicare Part D Prescription Drug Benefit. Actual deductible (if any), coverage limit amounts and benefits will vary based on specific Medicare Advantage and/or Prescription Drug Plan design.



## John Doe’s Sample 2018 Part D Cost Illustration:



<sup>1</sup> Refer to the back of this document for more information on True Out-Of-Pocket (TrOOP) cost.

<sup>2</sup> On January 1 of each year, the Medicare Part D coverage cycle starts over.

# What is TrOOP or True Out-Of-Pocket Costs

**TrOOP is the annual "Total out-of-pocket costs" and is also referred to as "True out-of-pocket costs".**

In general, TrOOP consists of all payments for medications listed on a plans formulary and purchased at a network or participating pharmacy. This includes payments made by the member and payments made by others on behalf of the member. Payments made for medications by any of the following programs or organizations: "Extra Help" from Medicare; Indian Health Service; AIDS drug assistance programs; most charities; and most State Pharmaceutical Assistance Programs (SPAPs) also counts toward a members TrOOP cost.

## What expenses are included in TrOOP costs?

- **In the Initial Coverage Stage - annual deductible (if any) and member copayments or coinsurance for covered prescriptions.**
- **In the Coverage Gap Stage - member coinsurance for covered prescriptions and manufacturer discount on brand name drugs.**

NOTE: If the member switches Medicare Part D plans during the plan year, the TrOOP will be transferred to the new plan -- it travels with the member.

TrOOP costs are VERY important, because it determines when a member exits the Coverage Gap and enters the Catastrophic Coverage stage of their Medicare Part D coverage. In the Catastrophic Coverage stage, medication costs are reduced to \$3.35 for generics or \$8.35 for brand-name drugs (or 5% of the drug cost - whichever is greater).

**The 2018 plan year True Out-Of-Pocket threshold or maximum TrOOP before exiting the Coverage Gap is \$5,000.00.**

## What is excluded from TrOOP?

- Plan premium payments.
- Non-Formulary medications - prescription drugs not included on plan's drug list.
- "Bonus Drugs" - drugs covered by plan's supplemental coverage.
- Medication not covered by all Medicare Part D plans - for instance, over-the-counter drugs, drugs receive during a hospital stay, or drugs prohibited from Part D coverage by law.
- Drugs purchased outside of the United States.
- Payments made for drugs by any of the following programs: employer or union health plans; TRICARE; VA; Worker's Compensation; and some other programs.