

How Will the Medicare Part D Donut Hole Discount Program Help Me?

If you are like many people with a Medicare Part D plan, you may have had to pay the full cost of your prescribed drugs plus the premium for that plan during the “coverage gap” or “donut hole.” In 2010, the new health reform law provides a one-time tax-free check for \$250 when you reach the donut hole.

The health reform law also makes the donut hole smaller each year for the next ten years. In 2011, when you are in the donut hole, you will save 50% on brand-name prescription drugs. The discount will be processed automatically. The next year, you will save even more. For you to save this money the drug maker must have agreed to offer the Medicare discount.

If you take a drug that combines a Medicare-covered drug with one that is not Medicare covered, the discount will only apply to the Medicare-covered drug.

The new health care reform law also lowers out-of-pocket costs for generic drugs starting in 2011. By 2020, you will only pay 25% of the cost of brand name and generic drugs in the donut hole.

Be aware that if you never reach the donut hole, you will not get the \$250 check in 2010 or donut hole drug discounts in the future. Other limits on the drug discount program apply if:

- You take drugs that the standard Medicare Part D plan does not cover. These include over-the-counter medicines, vitamins and minerals and drugs for coughs and colds, weight gain or loss, and anxiety or sleep;
- You take drugs that are covered in the bundled payment to dialysis clinics after January 1, 2011.
- You take drugs to prevent rejection of a kidney transplant that are covered under Part B of Medicare, which does not have a donut hole.
- You have an employer group health plan or retiree health plan that pays all or part of your prescription drug costs all year so you never have to pay full price for drugs covered by your plan;
- You have limited income and resources and get Medicare “Extra Help” to pay for your drugs and your Part D premium;

Other ways you can save money on your drugs:

- Make lifestyle or treatment changes that may lower your need for costly drugs;
- Ask your doctor if you can switch to take less costly drugs;
- Ask your doctor to file an appeal with your drug plan to get a drug that is essential to your health but not approved for the discount program;
- Order a 3-month supply of routine drugs if you can afford it;
- Find out if any of your drugs are covered by charities or drug maker assistance programs;
- Apply for Medicare Extra Help

If you have questions about what you may save in the Medicare donut hole, visit www.medicare.gov or www.healthreform.gov.