

# Understanding the Medicare “Donut Hole”

If you have a Medicare Part D prescription drug plan, the amounts you pay for prescription drugs go through four stages each calendar year.

## 1 The Deductible Stage

For health plans that have a prescription drug deductible, members must pay that deductible amount before their health plan starts paying any of their drug costs.

Some AmeriHealth Medicare plans that have prescription drug coverage have a prescription drug deductible. Copayments and coinsurance amounts paid towards Tier 3, Tier 4, and Tier 5 prescription drugs will apply to this deductible. Once these paid amounts meet the deductible amount, you will move into the Initial Coverage Stage. Check your Evidence of Coverage (EOC) to see if you have a prescription drug deductible. To see what tier(s) your prescription drug(s) are on, visit our formulary at [amerihealthmedicare.com/formulary](https://amerihealthmedicare.com/formulary).

## 2 The Initial Coverage Stage

In this stage, you pay either a **copay** or **coinsurance** each time you fill a prescription, but your health plan pays a **much larger** share of the costs of your covered prescriptions.

You remain in this stage until the total cost of your drugs (what you pay plus what your plan pays) reaches **\$5,030**. Then you enter the **Coverage Gap**, or “**Donut Hole**,” Stage.



## 3 The Coverage Gap or “Donut Hole” Stage

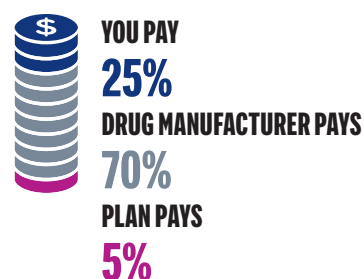
In this stage, you pay **25 percent** of your health plan’s cost for covered prescriptions.

Only your share and the drug manufacturer’s share of the cost contribute toward your out-of-pocket total. You remain in this stage until your out-of-pocket total during the calendar year reaches **\$8,000**; then you enter the **Catastrophic Coverage Stage**.

### Generic drugs



### Brand-name drugs



## 4 The Catastrophic Coverage Stage

In 2024, your plan pays the **entire cost** of your covered prescriptions during this stage.

You remain in this stage until the beginning of the next calendar year, and then the whole cycle starts over.

### Generic OR brand-name drugs



AmeriHealth Medicare coverage issued by AmeriHealth Insurance Company of New Jersey.



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