Medicare Drug Benefit (Part D) - 2021

- **Deductible Phase**: 5% or Flat Co-Pay
  - Part D plan pays 75%

- **Initial Coverage Phase**: 25% or Flat Co-Pay
  - Part D Plan pays 15% and Medicare pays 80%

- **Former Gap Phase or "Donut Hole"**: 25%
  - 75% Brand & Generic discount

- **Catastrophic Coverage Phase**: 5%
  - Part D Plan pays 15% and Medicare pays 80%

**Beneficiary Out-of-Pocket Spending**

- $9,314 (out-of-pocket threshold of $6,550)
- $4,130
- $445

Note: People with Part D “Extra Help” or the low-income subsidy will pay less in premiums and at the pharmacy. Those with higher annual incomes ($87k/single and $174k/couple) will pay more in premiums (called Income Related Medicare Adjustment Amount or IRMAA).