

# How Much Does Medicare Prescription Drug Plan Coverage Cost?



**Prescription drugs can be expensive. It is important to look at the AdvantraRx (PDP) costs for drug coverage and compare them against how much beneficiaries might spend without that coverage.**

Let's start with a few basic cost-related terms: Premiums, deductibles, copayments and coinsurance.

#### ***What is a Plan Premium?***

The plan premium is the amount of money beneficiaries pay (or others pay on their behalf) each month for Medicare prescription drug coverage.

Note: In addition to paying a Part D monthly plan premium, beneficiaries must also be sure to keep paying the Medicare Part B monthly plan premium, which covers their doctor visits.

#### ***What is a Deductible?***

A deductible is a fixed amount that beneficiaries pay (or others pay on their behalf) out-of-pocket before the beneficiary's plan begins to share the costs of covered medications. It is important to note that beneficiaries would receive our discounted rate on their prescriptions during this deductible phase.

#### ***What is a Copayment?***

A copayment (*also known as a copay*) is the fixed dollar amount beneficiaries are required to pay (or others pay on their behalf) the pharmacy, whether a store front or mail-order, when beneficiaries receive their medications.

#### ***What is Coinsurance?***

Coinsurance is an amount paid by beneficiaries (or others pay on their behalf) that is a percentage of the drug's total cost. The remaining percentage of the drug's cost is paid for by the prescription drug plan. It's a percentage of the plan's negotiated discounted rate.

**Deductibles, copayments and coinsurance each help reduce the costs of prescription drugs, making coverage more affordable.**

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With AdvantraRx, cost-sharing options vary. Depending on the plan and the medications beneficiaries take, a beneficiary will pay either a copayment or coinsurance, which is a percentage of the drug cost — after they pay any deductibles that may apply.

AdvantraRx plans have a fixed copay for tier 1 medications. Below is an example of range of copayment cost-share amounts:

<i>Drug Name</i>	<i>AdvantraRx Plan Type</i>	<i>Cost-Sharing Tier</i>	<i>Range of Copayment Amounts</i>
Lisinopril	Value	1	\$6 - \$7
	Premier	1	\$11 - \$15
	Premier Plus	1	\$4 - \$5

All other AdvantraRx tiers have coinsurance values. You can easily calculate coinsurance costs by multiplying the total cost of the medication by the coinsurance percentage. The result is the amount beneficiaries will pay. Here is an example of a coinsurance cost share:

<i>Drug Name</i>	<i>AdvantraRx Plan Type</i>	<i>Cost-Sharing Tier</i>	<i>Average Coinsurance Amount</i>	<i>Estimated Cost of Drug</i>	<i>Estimated Cost to Beneficiary</i>
Proair	Value	2	19%	\$48.70	\$9.25
	Premier	2	16%	\$48.70	\$7.79
	Premier Plus	3	19%	\$48.70	\$9.25

*\*NOTE: Pricing above is for illustrative purposes only and is subject to change.*

This example demonstrates how certain drugs are at a level 2 cost-sharing tier on some plans while other plans offer the same drug at a tier 3 level. It is important for agents to understand what medications beneficiaries take and which plan may be best suited for them based on the cost-sharing tier and other coverage costs (i.e. deductibles and premiums). You can find the total cost of drugs on the *Drug Coverage & Pricing Tool* found on our website at [www.AdvantraRx.com](http://www.AdvantraRx.com).

### **Ways to Save**

- Choose an AdvantraRx plan that offers a \$0 deductible. With no annual deductible and modest premium amounts, these plans may help beneficiaries start saving money on their prescriptions right away. Compare premiums to deductibles to determine which plan works best for them.
- Try Generic Drugs — If beneficiaries are currently taking a brand name prescription in a higher tier, there may be a lower-tiered generic available. In addition, the lower cost of the drug can help prevent beneficiaries from entering the coverage gap. The beneficiary will need to check with their doctor to determine whether they can replace a higher-cost drug with a lower-tiered alternative.
- Use Mail Order — All AdvantraRx plans offer a mail order option (90-day supply) for certain medications which means lower costs and the convenience of having medications delivered right to the beneficiary's door.

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