

**For Additional Information Contact:  
Carol Abrahamsen  
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## Medicare Doughnut Hole Discounts 2011

### **Discounts**

Beginning January 1, 2011, Medicare beneficiaries will be entitled to discounts which will help with the cost of prescription drug coverage while you are in the doughnut hole. If you reach the doughnut hole, you will receive a 50% discount on brand name prescriptions and a 7% discount on generic drugs. The Affordable Care Act includes provisions which will gradually make the coverage gap smaller over the next decade. By the year 2020, you will only pay 25% of the cost for covered prescriptions while you are in the doughnut hole.

### **Coverage Gap**

The terms coverage gap and doughnut hole mean the same thing. Your plan covers the cost of your drugs up to an annual limit of \$2,840. When you reach this point, you are in the doughnut hole. While in the doughnut hole, you are responsible for the full cost of your medications. There is a limit to your out of pocket costs while you are in the doughnut hole. Once you reach this limit, catastrophic coverage will automatically

begin. Catastrophic coverage begins when you and your drug plan have spent \$6,448 for your medications. As long as you remain in your plan, catastrophic coverage continues until the end of the calendar year. If you reach catastrophic coverage, you will only pay *up to* 5% of the cost for your covered medications.

### **Exceptions**

You do not qualify for the new discounts if you are receiving Extra Help (a Medicare assistance program for low income beneficiaries) to pay for your medications while you are in the coverage gap. The 7% discount is not part of the amount calculated for catastrophic coverage eligibility. The discount does not apply to pharmacy dispensing fees which you may be charged. The discounts only apply to drugs on your plan's formulary. "Formulary" refers to the listing of drugs your plan agrees to cover; and it differs from plan to plan. You may submit an appeal through your drug plan to request coverage of a medication you are taking which is not on the formulary.

### **Extra Help**

If you are a low income beneficiary, you may qualify for programs which will assist with copayments, deductibles, GAP coverage, and premiums. The Social Security Administration, Medicare, and the State of South Carolina offer assistance programs to help you afford the cost of your medications. You may apply for assistance by calling Carol Abrahamsen Regional I-CARE Coordinator for the Midlands at (803)

376-5390 ext \*312.

### **Fraud Alert**

Be alert for Medicare fraud. If your *primary* plan is a Medicare Prescription Drug Plan or a Medicare Advantage Plan with drug coverage, the discount is automatic. It is *not* necessary for you to provide personal account information or social security numbers to receive the discount. Check the information on your Explanation of Benefits (EOB) statement to verify the prescriptions listed and amounts paid are correct. Visit [www.stopmedicarefraud.gov](http://www.stopmedicarefraud.gov) for more information about how to protect yourself against Medicare fraud. You may also call Central Midlands Council of Governments Senior Medicare Fraud Program to report any problems or to learn more about fraud issues at (803) 376-5390.