

## Medicare Amounts – Part D

The table below shows various amounts relating to Medicare Part D.

An explanation of these amounts can be found at the bottom of the table after the footnotes.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Standard Benefit Design Parameters								Retiree Drug Subsidy Amounts	
Year	Percent Increase  (used for all except column (6))	Deductible	Initial Coverage Limit	Out-of-Pocket Threshold (TrOOP)	Total Covered Part D Drug Spend at TrOOP Threshold	Minimum Cost-Sharing in Catastrophic Coverage Portion of Benefit		Cost Threshold	Cost Limit
						Generic/Preferred Multi-Source Drug	Other		
2012	3.34%	\$320	\$2,930	\$4,700	\$6,657.50	\$2.60	\$6.50	\$320	\$6,500
2011	.31	310	2,840	4,550	6,447.50	2.50	6.30	310	6,300
2010	4.66%	\$310	\$2,830	\$4,550	\$6,440.00	\$2.50	\$6.30	\$310	\$6,300
2009	7.54	295	2,700	4,350	6,153.75	2.40	6.00	295	6,000
2008	4.64	275	2,510	4,050	5,726.25	2.25	5.60	275	5,600
2007	6.86	265	2,400	3,850	5,451.25	2.15	5.35	265	5,350
2006	-	250	2,250	3,600	5,100.00	2.00	5.00	250	5,000

### Notes:

Column (2): This is the annual percentage increase in average expenditures for Part D drugs per eligible beneficiary, as determined by the Secretary for the 12-month period ending in July of the previous year. The first time CMS will have Part D program data that can be used in the calculation of the annual percentage increase as defined in the MMA will be in 2008 for the 2009 contract year benefit parameters. Therefore, until sufficient Part D program data becomes available, the National Health Expenditures (NHE) prescription drug per capita estimates will be used. The 2008 and future updates include an adjustment for any variations between the projected and actual amounts from the prior period.

This percentage is used to increase the amounts in all columns except Column (6).

Column (6): Part D includes a catastrophic benefit that begins at the total drug expense corresponding to the out-of-pocket threshold in the Defined Standard Benefit. This is the minimum amount of total covered Part D drug expenditures that will have occurred when the beneficiary reaches the TrOOP threshold in Column (5). This expense level is determined arithmetically as a function of the out-of-pocket threshold (as opposed to being indexed directly). Due to reduced generic cost sharing under the 2010 health reform law (see table below for the law's phase in of the new coinsurance provisions), this amount will be higher than shown starting in 2011 if a beneficiary purchases generic drugs in the coverage gap (donut hole).

The gap benefit percentage will now be as follows:

Year	Generic Benefit	Brand Benefit	Brand Discount
2006-2010	0%	0%	0%
2011	7%	0%	50%
2012	14%	0%	50%
2013	21%	2.5%	50%
2014	28%	2.5%	50%
2015	35%	5.0%	50%
2016	42%	5.0%	50%

Medicare Amounts - Part D

2017	49%	10.0%	50%
2018	56%	15.0%	50%
2019	63%	20.0%	50%
2020 and on	75%	25.0%	50%