

COVERAGE GAP (DONUT HOLE) EXPLANATION FOR Low Option OPAL PLAN with MEDCO

If you select the OPAL MEDCO Plan, the following is an EXAMPLE of what happens if the prescription drug costs paid for by MEDCO and your co-pays (true out of pocket costs) in a calendar year equal \$2,700 which is the 2009 Initial Coverage Limit set by Medicare. *(Both you and Medco share the true cost of the drugs through your co-pays and what MEDCO as the insurer pays for the drug).*

For example, let's assume that MEDCO has paid \$2,100 in drug costs and you have paid \$600 in co-pays:

MEDCO has paid \$2,100 in RX costs YOUR co-pays add up to 600***

$$\$2,100 \quad + \quad \$600***$$

$$= \$2,700 \text{ (Medicare Initial Coverage Limit)}$$

(It is important to remember this is only an example of how the \$2,700 was reached; it could be a different combination depending on how your co-pays add up and how much MEDCO paid for the drugs. For example it could be \$2,000 and \$700 or \$400 and \$2300 or any combination of your costs and MEDCO's costs to reach \$2,700).

AFTER THE \$2,700 IN DRUG COSTS HAVE BEEN PAID BY YOU AND MEDCO, YOU ARE NOW IN THE COVERAGE GAP commonly referred to as the "DONUT HOLE"

WHAT HAPPENS WHEN YOU ARE IN THE DONUT HOLE?

YOU PAY 100% OF THE COSTS OF YOUR DRUGS UNTIL YOU REACH A TOTAL OUT OF POCKET COST OF \$4,350 (Medicare 2009 Catastrophic Limit). Using the example above:

\$ 4,350	<i>2009 Medicare Catastrophic Limit</i>
\$ - 600***	WHAT YOU PAID IN CO-PAYS
\$ 3,750	<u>YOUR COSTS UNTIL YOU REACH \$4,350</u>

AFTER YOU HAVE SPENT A TOTAL OF \$4,350 THE FOLLOWING CO-PAYS WILL APPLY: Generic: \$2.40 Brands/Preferred Brand \$6.00 or 5% whichever is greater.