EXHIBIT C. Examples that show different versions of Chart 3: drug payment stages

The examples in this exhibit are for a fictional enrollee, and have been designed to illustrate some of the main variations in model language for Chart 3 of the Model Part D Explanation of Benefits (EOB). These examples use 2024 benefit parameters[[1]](#footnote-1) For ease of illustration, the amounts for Out-of-Pocket Costs and Total Drug Costs have been rounded.

[Example 1: non-LIS, with a deductible and limited gap coverage, in the Yearly Deductible Stage 2](#_Toc127954532)

[Example 2: non-LIS, with a deductible and limited gap coverage, in the Initial Coverage Stage 3](#_Toc127954536)

[Example 3: non-LIS, with a deductible and limited gap coverage, in the Coverage Gap 4](#_Toc127954540)

[Example 4: non-LIS, with a deductible and limited gap coverage, in the Catastrophic Coverage Stage 5](#_Toc127954545)

[Example 5: non-LIS, no deductible and no additional gap coverage, in the Initial Coverage Stage 6](#_Toc127954549)

[Example 6: non-LIS, brand-name/tier level only deductible and no gap coverage, in the Initial Coverage Stage 7](#_Toc127954553)

[Example 7: LIS, in the Initial Coverage Stage 8](#_Toc127954569)

[Example 8: LIS, in the Catastrophic Coverage Stage 9](#_Toc127954565)

## Example 1: Non-LIS, with a deductible and limited gap coverage, in the Deductible Stage

CHART 3

## Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you’re in when you fill it. This chart helps you understand what stage you’re in now and when you’ll move to the next stage.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year-to-date totals: Jan – March 2024** | **You’re in**  **Stage 1:  Yearly Deductible** | **Stage 2:  Initial  Coverage** | **Stage 3:  Coverage  Gap** | **Stage 4: Catastrophic Coverage** |
| **Out-of-Pocket Costs** | **$200** | *starts when*  ***Out-of-Pocket Costs*** *reach* **$545** | *starts when* ***Total Drug Costs*** *reach* **$5,030** | *starts when*  ***Out-of-Pocket Costs*** *reach* **$8,000** |
| **Total Drug Costs** | **$375** |

|  |  |  |
| --- | --- | --- |
| You’re in Stage 1: Yearly Deductible  * During this payment stage, you (or others on your behalf) pay the full cost of your drugs. * You generally stay in this stage until you (or others on your behalf) have paid **$545 for your drugs**. * The deductible doesn’t apply to covered insulin products and most adult Part D vaccines, including shingles, tetanus and travel vaccines. |  | What happens next?  Once you (or others on your behalf) have paid an additional **$345 for your drugs,** you move to the next payment stage (Stage 2: Initial Coverage). |

### About Coverage Stages

* **Stage 1: Yearly Deductible**  
  You start in this payment stage each calendar year. In this stage, you pay the full cost of your drugs.  
  **You generally stay in this stage until you’ve paid the amount of your deductible ($545).**
* **Stage 2: Initial Coverage**  
  In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost.  
  **You generally stay in this stage until your year-to-date total drug costs reach $5,030.**
* **Stage 3: Coverage Gap**  
  In this stage, you pay 25% of the cost of your brand-name drugs and 25% of the cost of your generic drugs. **You generally stay in this stage until your year-to-date out-of-pocket costs reach $8,000.**
* **Stage 4: Catastrophic Coverage**In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.**

## Example 2: Non-LIS, with a deductible and limited gap coverage, in the Initial Coverage Stage

CHART 3

## Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you’re in when you fill it. This chart helps you understand what stage you’re in now and when you’ll move to the next stage.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year-to-date totals: Jan – March 2024** | **Stage 1:  Yearly Deductible** | **You’re in  Stage 2:  Initial  Coverage** | **Stage 3:  Coverage  Gap** | **Stage 4: Catastrophic Coverage** |
| **Out-of-Pocket Costs** | *lasts until*  ***Out-of-Pocket Costs*** *reach*  ***$545*** | **$836** | *starts when* ***Total Drug Costs*** *reach* **$5,030** | *starts when*  ***Out-of-Pocket Costs*** *reach* **$8,000** |
| **Total Drug Costs** | **$1,900** |

|  |  |  |
| --- | --- | --- |
| You’re in Stage 2: Initial Coverage  * During this payment stage, the plan pays its share of the cost of your drugs and you (or others on your behalf) pay your share of the cost. * You generally stay in this stage until your year-to-date **Total Drug Costs** reach **$5,030**. As of March 31, 2024, your year-to-date Total Drug Costs were **$1,900**. |  | What happens next?  Once you have **an additional $3,130 in Total Drug Costs,** you move to the next payment stage (Stage 3: Coverage Gap). |

### About Coverage Stages

* **Stage 1: Yearly Deductible**  
  You start in this payment stage each calendar year. In this stage, you pay the full cost of your drugs.  
  **You generally stay in this stage until you’ve paid the amount of your deductible ($545).**
* **Stage 2: Initial Coverage**  
  In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost.  
  **You generally stay in this stage until your year-to-date Total Drug Costs reach $5,030.**
* **Stage 3: Coverage Gap**  
  In this stage, you pay 25% of the cost of your brand-name drugs and 25% of the cost of your generic drugs. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach $8,000.**
* **Stage 4: Catastrophic Coverage**  
  In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.**

## Example 3: Non-LIS, with a deductible and limited gap coverage, in the Coverage Gap

CHART 3

## Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you’re in when you fill it. This chart helps you understand what stage you’re in now and when you’ll move to the next stage.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year-to-date totals: Jan – March 2024** | **Stage 1:  Yearly Deductible** | **Stage 2:  Initial  Coverage** | **You’re in**  **Stage 3:  Coverage  Gap** | **Stage 4: Catastrophic Coverage** |
| **Out-of-Pocket Costs** | *lasts until*  ***Out-of-Pocket Costs*** *reach*  ***$545*** | *lasts until* ***Total Drug Costs*** *reach* **$5,030** | **$3,200** | *starts when*  ***Out-of-Pocket Costs*** *reach* **$8,000** |
| **Total Drug Costs** | **$5,763** |

|  |  |  |
| --- | --- | --- |
| You’re in Stage 3: Coverage Gap  * During this payment stage, you (or others on your behalf) get a 70% manufacturer’s discount on covered brand name drugs and the plan will cover another 5%, so you pay 25% of the negotiated price on brand-name drugs. You pay 25% of the costs of generic drugs. * You generally stay in this stage **until your year-to-date Out-of-PocketCosts reach $8,000.** As of March 31, 2024, your year-to-date Out-of-Pocket Costs were **$3,200** |  | What happens next?  Once you have **an additional $4,800 in Out-of-Pocket Costs,** you move to the next payment stage (Stage 4: Catastrophic Coverage). |

### About Coverage Stages

* **Stage 1: Yearly Deductible**  
  You start in this payment stage each calendar year. In this stage, you pay the full cost of your drugs.  
  **You generally stay in this stage until you’ve paid the amount of your deductible ($545).**
* **Stage 2: Initial Coverage**In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost.  
  **You generally stay in this stage until your year-to-date Total Drug Costs reach $5,030.**
* **Stage 3: Coverage Gap**  
  In this stage, you pay 25% of the cost of your brand-name drugs and 25% of the cost of your generic drugs. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach $8,000.**
* **Stage 4: Catastrophic Coverage**  
  In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.**

## Example 4: Non-LIS, with a deductible and limited gap coverage, in Catastrophic Coverage

CHART 3

## Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you’re in when you fill it. This chart helps you understand what stage you’re in now and when you’ll move to the next stage.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year-to-date totals:**  **Jan – March 2024** | **Stage 1:  Yearly Deductible** | **Stage 2:  Initial  Coverage** | **Stage 3:  Coverage  Gap** | **You’re in**  **Stage 4: Catastrophic Coverage** |
| **Out-of-Pocket Costs** | *lasts until*  ***Out-of-Pocket Costs*** *reach*  ***$545*** | *lasts until* ***Total Drug Costs*** *reach* **$5,030** | *lasts until* ***Out-of-Pocket Costs*** *reach* **$8,000** | **$8,120** |
| **Total Drug Costs** | **$9,845** |

|  |  |  |
| --- | --- | --- |
| You’re in Stage 4: Catastrophic Coverage  * During this payment stage, the plan pays all of the cost for your covered drugs. * You pay nothing. |  | What happens next?  You generally stay in this stage for the rest of the calendar year. |
| About Coverage Stages  * **Stage 1: Yearly Deductible** You start in this payment stage each calendar year. In this stage, you pay the full cost of your drugs. **You generally stay in this stage until you’ve paid the amount of your deductible ($545).** * **Stage 2: Initial Coverage** In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date Total Drug Costs reach $5,030.** * **Stage 3: Coverage Gap** In this stage, you pay 25% of the cost of your brand-name drugs and 25% of the cost of your generic drugs. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach $8,000.** * **Stage 4: Catastrophic Coverage** In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.** | | |

## Example 5: Non-LIS, no deductible and no additional gap coverage, in the Initial Coverage Stage

CHART 3

## Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you’re in when you fill it. This chart helps you understand what stage you’re in now and when you’ll move to the next stage.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year-to-date totals: Jan – March 2024** | **Stage 1:  Yearly Deductible** | **You’re in  Stage 2:  Initial  Coverage** | **Stage 3:  Coverage  Gap** | **Stage 4: Catastrophic Coverage** |
| **Out-of-Pocket Costs** | *not applicable* | **$836** | *starts when* ***Total Drug Costs*** *reach* **$5,030** | *starts when*  ***Out-of-Pocket Costs*** *reach* **$8,000** |
| **Total Drug Costs** | **$1,900** |

|  |  |  |
| --- | --- | --- |
| You’re in Stage 2: Initial Coverage  * During this payment stage, the plan pays its share of the cost of your drugs and you (or others on your behalf) pay your share of the cost. * You generally stay in this stage **until your year-to-date Total Drug Costs reach $5,030** As of March 31, 2024, your year-to-date Total Drug Costs were **$1,900.** |  | What happens next?  Once you have **an additional $3,130 in Total Drug Costs,** you move to the next payment stage (Stage 3: Coverage Gap). |
| About Coverage Stages  * **Stage 1: Yearly Deductible** Because there is no deductible for the plan, this payment stage does not apply to you. * **Stage 2: Initial Coverage** In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date total drug costs reach $5,030.** * **Stage 3: Coverage Gap** In this stage, you pay 25% of the cost of your brand-name drugs and 25% of the cost of your generic drugs. **You generally stay in this stage until your year-to-date out-of-pocket costs reach $8,000.** * **Stage 4: Catastrophic Coverage** In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. You generally stay in this stage for the rest of the calendar year. | | |

## Example 6: Non-LIS, brand-name/tier level only deductible and no gap coverage, in the Initial Coverage Stage

CHART 3

## Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you’re in when you fill it. This chart helps you understand what stage you’re in now and when you’ll move to the next stage.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year-to-date totals: Jan – March 2024** | **Stage 1:  Yearly Deductible** | **You’re in  Stage 2:  Initial  Coverage** | **Stage 3:  Coverage  Gap** | **Stage 4: Catastrophic Coverage** |
| **Out-of-Pocket Costs** | *lasts until*  ***Out-of-Pocket Costs on brand-name (tier 3) drugs*** *reach* ***$545*** | **$836** | *starts when* ***Total Drug Costs*** *reach* **$5,030** | *starts when*  ***Out-of-Pocket Costs*** *reach* **$8,000** |
| **Total Drug Costs** | **$1,900** |

|  |  |  |
| --- | --- | --- |
| You’re in Stage 2: Initial Coverage  * During this payment stage, the plan pays its share of the cost of your generic (or tier 1 and tier 2) drugs and you (or others on your behalf) pay your share of the cost. * After you (or others on your behalf) have met your brand-name (or tier 3) deductible, the plan pays its share of the cost of your brand-name (or tier 3) drugs and you (or others on your behalf) pay your share of the cost. * You generally stay in this stage **until your year-to-date total drug costs reach $5,030*.*** As of March 31, 2024, your year-to-date Total Drug Costs were **$1,900.** |  | What happens next?  Once you have **an additional $3,130 in Total Drug Costs,** you move to the next payment stage (Stage 3: Coverage Gap). |
| About Coverage Stages  * **Stage 1: Yearly Deductible** You start in this payment stage each calendar year. In this stage, you (or others on your behalf) pay the full cost of your [brand-name (or tier 3) drugs until you (or others on your behalf) have paid $545 for your brand-name (or tier 3) drugs. **$545 is the amount of your brand-name deductible.** * **Stage 2: Initial Coverage** In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date Total Drug Costs reach $5,030.** * **Stage 3: Coverage Gap** In this stage, you pay 25% of the cost of your brand-name drugs and 25% of the cost of your generic drugs. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach $8,000.** * **Stage 4: Catastrophic Coverage** In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. You generally stay in this stage for the rest of the calendar year. | | |

## 

## Example 7: LIS, in the Initial Coverage Stage

CHART 3

## Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you’re in when you fill it. This chart helps you understand what stage you’re in now and when you’ll move to the next stage.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year-to-date totals: Jan – March 2024** | **Stage 1:  Yearly Deductible** | **You’re in  Stage 2:  Initial  Coverage** | **Stage 3:  Coverage  Gap** | **Stage 4: Catastrophic Coverage** |
| **Out-of-Pocket Costs** | *not applicable* | **$5,000** | *not applicable* | *starts when*  ***Out-of-Pocket Costs*** *reach* **$8,000** |
| **Total Drug Costs** | **$9,625** |

|  |  |  |
| --- | --- | --- |
| You’re in Stage 2: Initial Coverage  * You start in this payment stage when you fill your first prescription of the year. * During this stage, the plan pays its share of the cost of your drugs and you (or others on your behalf, including “Extra Help” from Medicare) pay your share of the cost. * You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach $8,000. As of March 31, 2024, your year-to-date Out-of-Pocket Costs were **$5,000**. |  | What happens next?  Once you (or others of your behalf) have paid **an additional $3,000 in Out-of-Pocket Costs,** you move to the next payment stage (Stage 4: Catastrophic Coverage). |
| About Coverage Stages  * **Stage 1: Yearly Deductible** Because you get “Extra Help” from Medicare, Stage 1: Yearly Deductible doesn’t apply to you. * **Stage 2: Initial Coverage** In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach $8,000.** * **Stage 3: Coverage Gap** Because you get “Extra Help” from Medicare, Stage 3: Coverage Gap doesn’t apply to you. * **Stage 4: Catastrophic Coverage** In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.** | | |

## Example 8: LIS, in the Catastrophic Coverage Stage

CHART 3

## Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you’re in when you fill it. This chart helps you understand what stage you’re in now and when you’ll move to the next stage.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year-to-date totals:**  **Jan – March 2024** | **Stage 1:  Yearly Deductible** | **Stage 2:  Initial  Coverage** | **Stage 3:  Coverage  Gap** | **You’re in**  **Stage 4: Catastrophic Coverage** |
| **Out-of-Pocket Costs** | *not applicable* | *lasts until* **Out-of-Pocket Costs** reach **$8,000** | *not applicable* | **$8,000** |
| **Total Drug Costs** | **$9,845** |

|  |  |  |
| --- | --- | --- |
| You’re in Stage 4: Catastrophic Coverage  * During this payment stage, the plan pays all of the cost for your covered drugs. * You pay nothing. |  | What happens next?  You generally stay in this stage for the rest of the calendar year. |
| About Coverage Stages  * **Stage 1: Yearly Deductible** Because you get “Extra Help” from Medicare, Stage 1: Yearly Deductible doesn’t apply to you. * **Stage 2: Initial Coverage** In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach $8,000.** * **Stage 3: Coverage Gap** Because you get “Extra Help” from Medicare, Stage 3: Coverage Gap doesn’t apply to you. * **Stage 4: Catastrophic Coverage** In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.** | | |

1. See the April 4, 2023 Health Plan Management System (HPMS) memorandum titled “Final Contract Year (CY) 2024 Part D Bidding Instructions.” [↑](#footnote-ref-1)