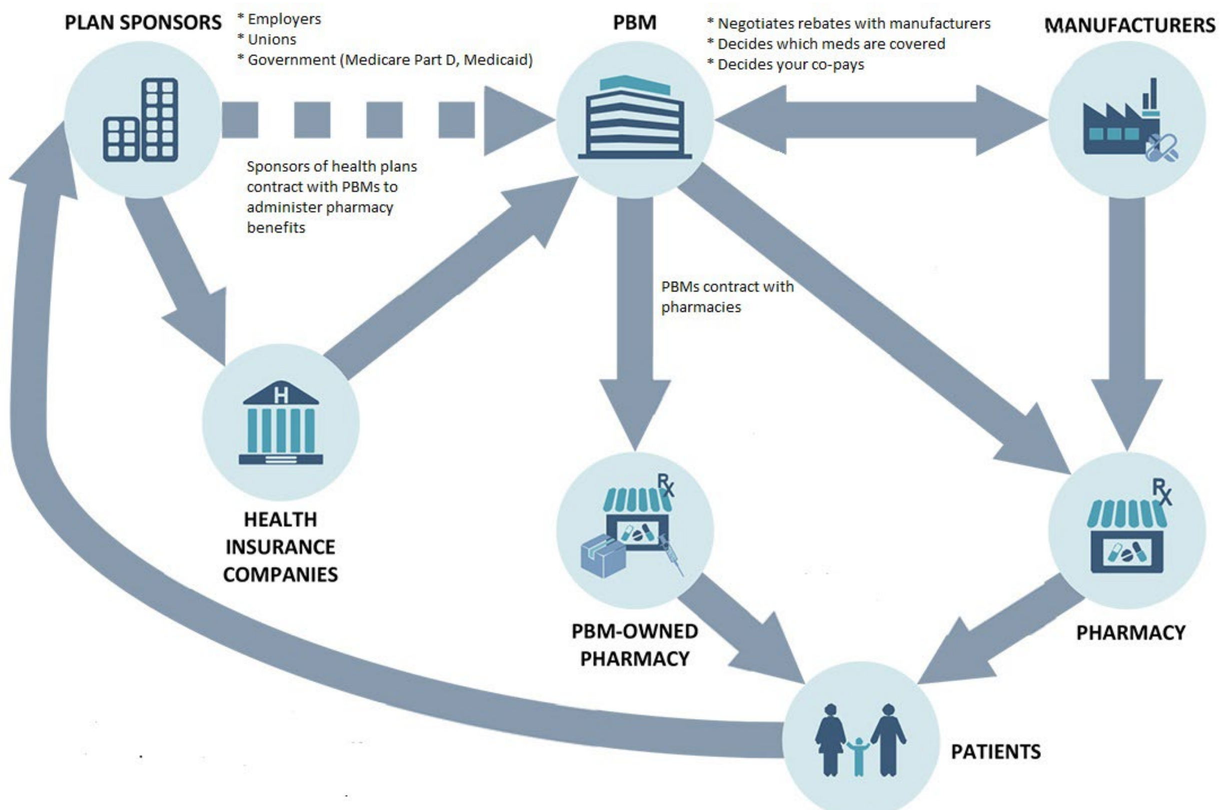
UNDERSTANDING MEDICARE PART D:
"PREFERRED" VS "CONTRACTED" PHARMACIES



	"Preferred" Pharmacies	"Standard" LTC Pharmacies
What are they?	Certain retail & mail-order pharmacies	Specialize in serving residents in Assisted Living & Long-Term Care communities
Who are they?	Often owned by the PBM	Usually, independent pharmacies
What are they contracted to provide?	The minimal services required by law (dispensing, patient counseling)	Dispensing + additional services (special packaging, delivery & clinical consulting by pharmacists and nurses)
What are the co-pays?	$0 or low co-pay for some meds	Higher $
Why?	PBMs increase profits by encouraging patients to use their own lower-cost pharmacies that provide fewer services	PBMs are discouraging use by increasing co-pays & passing additional cost to patients

PBM = Pharmacy Benefit Manager.

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How do "standard" copays affect you?

"Contracted" LTC pharmacies may
have higher co-pays (so price quotes appear higher), but:
- ✓ They provide many more services
- ✓ Higher out-of-pocket expenses early on help you reach catastrophic coverage

The sooner you spend the max in out-of-pocket $, the sooner 100% coverage kicks in

2025 Medicare Part D

Explanation of Insurance Cost-Sharing

	DEDUCTIBLE*	INITIAL COVERAGE	CATASTROPHIC
AMOUNT COVERED	**0%** *This is the amount you owe before insurance begins to cover its portion. *Some plans have a lower deductible or no deductible.*	**75%** For covered drugs on the plan's formulary. *Depending on your plan's design – and each drug's coverage tier – you could pay more or less than 25% of the cost during this phase.*	**100%** For covered drugs on the plan's formulary. *Once you have paid $2,000 out of pocket, there is NO co-pay for covered drugs for the remainder of the calendar year.*
MAXIMUM YOU PAY	**$ 590*** **100%**	**$ 2,000** (includes deductible) **25%**	**$ 0** **0%**

Under the requirements of the Inflation Reduction Act (IRA) of 2022, Medicare beneficiaries have the option of "smoothing" their Part D out-of-pocket costs starting in 2025. Beneficiaries may voluntarily opt in or opt out of the Medicare Prescription Payment Plan (M3P), which will allow them to pay their cost-sharing portion (deductible and/or co-pays) in monthly amounts that are capped based on a maximum monthly cap determined for each month they are enrolled in that program.

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