



CENTERS FOR MEDICARE & MEDICAID SERVICES

Bridging the Coverage Gap

Many health insurance plans have limits on how much they will cover for prescription drugs. Medicare drug plans are no different. The good news is that Medicare drug plans provide special coverage if you have an unexpected illness or injury that results in extremely high drug costs. This is called “catastrophic” coverage. It assures that once you have paid \$3,600 out-of-pocket for drug costs in a calendar year, almost all of your drug costs above that amount are covered. During the time between a drug plan’s standard level of coverage and the catastrophic coverage, you pay all of the costs for your drugs. This period is called the coverage gap (sometimes called the “donut hole”).

If you have limited income and resources, and qualify for full extra help, most of the information in this fact sheet **doesn’t** apply to you. You will continue to pay a small copayment or coinsurance amount during the coverage gap.

If your drug plan has a coverage gap, here are some ways you can avoid or delay entering the gap, and continue to save money on drug costs while in the gap:

- **Consider switching to generics or other lower-cost drugs.** Ask your doctor about generic or less-expensive brand-name drugs that would work just as well as the ones you’re taking now. According to Consumers Union, switching to lower-cost drugs is often enough to help you avoid the coverage gap, and can save you hundreds or thousands of dollars a year.

Cost savings information through the use of mail-order pharmacies, generic or less-expensive brand-name drugs is also available in the **Prescription Drug Plan Finder** section of www.medicare.gov.

- **Keep using your Medicare drug plan card,** even while in the coverage gap. Using your drug plan card ensures that you’ll get the drug plan’s discounted rates and that the money you spend is counted towards your catastrophic coverage. Even in the coverage gap, you can still see a significant savings compared to what you’d pay with no coverage.

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- **Explore National and Community-Based Charitable Programs** that might offer assistance (such as the National Patient Advocate Foundation or the National Organization for Rare Disorders). These organizations may have programs that can help with your drug costs. Information on programs in your area is available on the **BenefitsCheckUp** website.
- **Look into Pharmaceutical Assistance Programs** that may be offered by the manufacturers of the drugs you take. Many of the major drug manufacturers are offering assistance programs for people enrolled in Medicare Part D. You can find out whether a Pharmaceutical Assistance Program is offered by the manufacturers of the drugs you take by visiting the **Pharmaceutical Assistance Program** section on www.medicare.gov.
- **Look at State Pharmaceutical Assistance Programs** you may qualify for, such as from a current or former employer or union, or a State Pharmaceutical Assistance Program (SPAP). There are also 21 states and one territory offering some type of coverage to help people with Medicare with paying drug plan premiums and/or cost sharing. **NOTE:** Not all types of coverage will count toward your out-of-pocket costs. You can find out if your State has a program by visiting the **State Pharmaceutical Assistance Program** section on www.medicare.gov.
- **Apply for Extra Help.** If you have Medicare and have limited income and resources, you may qualify for extra help paying for your prescription drugs. Contact the Social Security Administration by visiting www.socialsecurity.gov or by calling 1-800-772-1213. TTY users should call 1-800-325-0778.

Remember, the coverage gap is temporary. After you have paid \$3,600 out-of-pocket for drug costs in a calendar year, almost all of your drug costs above that amount are covered. And if you want to switch to a plan without a coverage gap, you can do so from November 15—December 31 of each year. Your coverage will start January 1 of the following year.

For More Information

All Medicare drug plans are different, so you should call your plan if you have questions about how the coverage gap will work for you. If you need help finding other resources, such as the ones described above, you can call your State Health Insurance Assistance Program (SHIP) for free personalized counseling. See the “Medicare & You” handbook for their telephone number, or call **1-800-MEDICARE** (1-800-633-4227; TTY users should call 1-877-486-2048), or visit www.medicare.gov.