

what is the donut hole?

by Debbie Bernacki, RN

As most know, Medicare is a health insurance program primarily for people 65 or older, People with Medicare have the option of paying a monthly premium for outpatient prescription drug coverage. This prescription drug coverage is called Medicare Part D.

Currently individuals with Medicare Part D prescription drug coverage can experience a gap in their coverage, also referred to as the "donut hole." This occurs when the individual's total drug costs reach \$2,830. These costs are calculated by adding what the individual and their insurance plan have paid. After they have paid a total of \$2,830, the individual is responsible for the full price of all future prescriptions. If the drug costs reach the "catastrophic" amount of \$4,550, the individual then comes out of the gap and pays only 5% of their drug costs for the rest of the year.

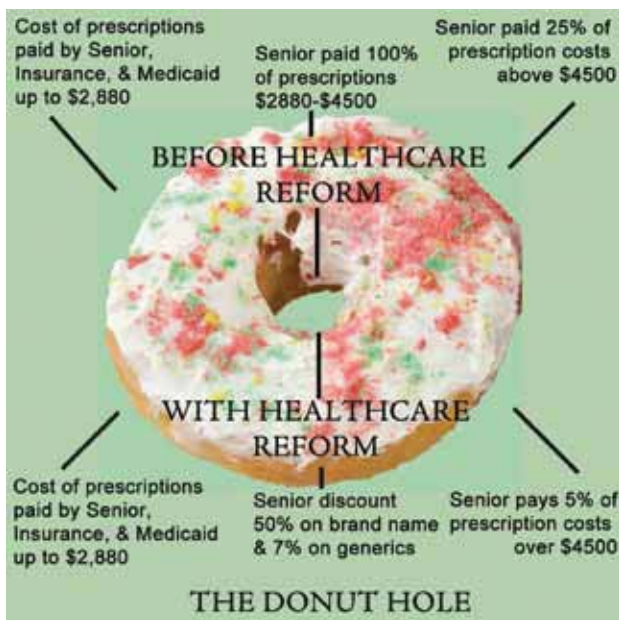
You may have read that there are some plans offering coverage in the donut hole---but these may charge higher premiums. There is also a program called Medicare Extra Help that helps those who qualify pay premiums at reduced or no expense. However, for most, the donut hole can present financial challenges.

Change came this past year. Those entering the donut hole received a one-time \$250 rebate check. The mailing of these checks began in June, 2010. In 2011 it gets even better. Seniors will receive a 50% discount on brand-name drugs in the donut hole, and will start to pay less and less for generic Part D drugs. By 2020 the coverage gap will be closed, meaning there will be no more donut hole and seniors will only pay 25% of the costs of drugs until they reach the yearly out-of-pocket spending limit.

There are other benefits for seniors as well. They include an emphasis on preventative care such as annual wellness exams done free of charge to the senior and early detection of disease through tools like colonoscopies and mammograms, also free of charge to the senior. Likewise, closing the donut hole is attempting to assist Medicare recipients with drug costs so seniors will continue to take their medications as prescribed, as opposed to not taking them because they cannot afford them.

If you would like more information on the one-time rebate check, call 1-800-MEDICARE. Normally you do not need to do anything to receive this check and should not provide any personal information such as Medicare, Social Security, or bank account numbers to anyone calling about the rebate.

This article was adapted from www.medicare.gov.



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