

Attachment IV. Final Updated Part D Benefit Parameters for Defined Standard Benefit, Low-Income Subsidy, and Retiree Drug Subsidy

Annual Percentage Increases

Annual percentage trend for 2011	Prior year revisions	Annual percentage increase for 2011	
Applied to all parameters but (1)	4.67%	-1.27%	3.34%
CPI (all items, U.S. city average): Applied to (1)	1.42%	-0.43%	0.98%

Part D Benefit Parameters

	2011	2012
Standard Benefit		
Deductible	\$310	\$320
Initial Coverage Limit	\$2,840	\$2,930
Out-of-Pocket Threshold	\$4,550	\$4,700
Total Covered Part D Spend at Out-of-Pocket Threshold for Non-Applicable Beneficiaries (2)	\$6,447.50	\$6,657.50
Estimated Total Covered Part D pending at Out-of-Pocket Threshold for Applicable Beneficiaries (3)	\$6,483.72	\$6,730.39
Minimum Cost-Sharing in Catastrophic Coverage Portion of the Benefit		
Generic/Preferred Multi-Source Drug	\$2.50	\$2.60
Other	\$6.30	\$6.50
Full Subsidy-Full Benefit Dual Eligible (FBDE) Individuals		
Deductible	\$0.00	\$0.00
Copayments for Institutionalized Beneficiaries [category code 3]	\$0.00	\$0.00
Copayments for Beneficiaries Receiving Home and Community- Based Services (4) [category code 3] (if effective date is January 1, 2012 as proposed)	-----	\$0.00
Maximum Copayments for Non-Institutionalized Beneficiaries		
Up to or at 100% FPL [category code 2]		
Up to Out-of-Pocket Threshold (1)		
Generic/Preferred Multi-Source Drug (5)	\$1.10	\$1.10
Other (5)	\$3.30	\$3.30
Above Out-of-Pocket Threshold	\$0.00	\$0.00
Over 100% FPL [category code 1]		
Up to Out-of-Pocket Threshold		
Generic/Preferred Multi-Source Drug	\$2.50	\$2.60
Other	\$6.30	\$6.50
Above Out-of-Pocket Threshold	\$0.00	\$0.00
Full Subsidy-Non-FBDE Individuals		
Eligible for QMB/SLMB/QI, SSI or applied and income at or below 135% FPL and resources ≤		
\$6,680 (individuals) or ≤ \$10,020 (couples) (6) [category code 1]		
Deductible	\$0.00	\$0.00
Maximum Copayments up to Out-of-Pocket Threshold		
Generic/Preferred Multi-Source Drug	\$2.50	\$2.60
Other	\$6.30	\$6.50
Maximum Copayments above Out-of-Pocket Threshold	\$0.00	\$0.00
Partial Subsidy		
Applied and income below 150% FPL and resources below \$11,140 (individual) or \$22,260 (couple) [category code 4]		
Deductible	\$63.00	\$63.00
Coinsurance up to Out-of-Pocket Threshold	15%	15%
Maximum Copayments above Out-of-Pocket Threshold		
Generic/Preferred Multi-Source Drug	\$2.50	\$2.60
Other	\$6.30	\$6.50

Retiree Drug Subsidy Amounts

Cost Threshold	\$310	\$320
Cost Limit	\$6,300	\$6,500

- (1) CPI adjustment applies to copayments for non-institutionalized beneficiaries up to or at 100% FPL.
- (2) For beneficiaries who are not considered an “applicable beneficiary” as defined at section 1860D-14A(g)(1) and therefore are not eligible for the coverage gap discount program (i.e. LIS beneficiaries), this is the amount of total drug spending required to attain out-of-pocket threshold in the defined standard benefit if the beneficiary does not have prescription drug coverage through a group health plan, insurance, government-funded health program or similar third party arrangement. Enhanced alternative plans must use this value when mapping enhanced alternative coverage plans to the defined standard benefit, for the purposes of calculating the covered plan paid amounts (CPP) reported on the prescription drug event (PDE) records.
- (3) For beneficiaries who are considered an “applicable beneficiary” as defined at section 1860D-14A(g)(1) and therefore are eligible for the coverage gap discount program (i.e. non-LIS beneficiaries), this is the estimated average amount of total drug spending required to attain the out-of-pocket threshold in the defined standard benefit if the beneficiary does not have the prescription drug coverage through a group health plan, insurance, government-funded health program or similar third party arrangement. Enhanced alternative plans must use this value when mapping enhanced alternative coverage to the defined standard benefit, for purposes of calculating the covered plan paid amounts (CPP) reported on the prescription drug event (PDE) records.
- (4) Per section 1860D-14(a)(1)(D)(i), full-benefit dual eligibles who would be institutionalized individuals (or couple) if the individual (or couple) was not receiving home and community-based services qualify for zero cost-sharing as of an effective date (no earlier than January 1, 2012) specified by the Secretary. We proposed an effective date of January 1, 2012, and should our proposed rule be finalized with an effective January of 1, 2012, cost sharing for this population would be zero beginning January 1, 2012. (5) The increases to the LIS deductible, generic/preferred multi-source drugs and other drugs copayments are applied to the unrounded 2011 values of \$63.12, \$1.10, and \$3.31, respectively.
- (6) The actual amount of resources allowable will be updated for contract year 2012.