

SAY GOODBYE TO THE DONUT HOLE!

Important Changes to Medicare in 2025



EXAMPLE OF A 2025 MEDICARE DRUG COVERAGE JOURNEY

COVERAGE STATUS <i>You/Medicare</i>	Your Drug Costs	Your True Out-of-Pocket Costs
Deductible Phase <i>You pay all/Medicare pays none</i>	\$0 - \$590	\$0 - \$590
Initial Coverage Phase <i>You pay 25%/Medicare and the manufacturer pay 75%</i>	\$590 - \$6,230	\$590 - \$2,000
Catastrophic Coverage Phase <i>You pay \$0 for formulary medications</i>	Over \$6,230	\$0

* The example above shows 2025 calendar year costs for covered drugs in a Medicare-approved plan with the standard \$590 deductible. Your out-of-pocket costs may vary, since each Medicare drug plan is structured differently with varying deductibles and copays.

WHAT DOES THIS MEAN FOR YOU?

True Out-of-Pocket (TrOOP) Costs: Beginning in 2025, the annual out-of-pocket spending cap will be \$2,000, which is a significant change from the current cap from \$3,300 - \$3,800 for most people. This means that you will spend less before entering the catastrophic coverage phase.

Elimination of the Coverage Gap (Donut Hole): The coverage gap phase, also known as the 'donut hole', will be eliminated in 2025. This will simplify your plan into three phases:

- **Deductible Phase:** If your Medicare plan requires a deductible, you'll pay 100% of your drug costs until you reach the deductible, which is \$590 for 2025.
- **Initial Coverage Phase:** During the initial coverage phase, you'll pay 25% coinsurance for covered drugs, after meeting your deductible. The initial coverage phase ends when you reach your annual out-of-pocket spending cap of \$2,000.
- **Catastrophic Coverage Phase:** If you reach your \$2,000 out-of-pocket spending cap, you'll pay nothing for formulary medications for the remainder of the calendar year.

Ways To Save

- **Consider switching to generic, over-the-counter (OTC), or other lower-cost drugs.** Ask your doctor about generic, OTC, or less-expensive brand-name drugs that would work just as well as the ones you're taking now. Switching to lower-cost drugs can save you hundreds or thousands of dollars a year.
- **Explore National and Community-Based Charitable Programs.** These 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. Comprehensive information on Federal, state, and private assistance programs in your area is available on the Benefits Check Up website, please visit www.benefitscheckup.org.
- **Look into Pharmaceutical Assistance Programs.** Many of the major drug manufacturers offer programs, sometimes called Patient Assistance Programs, for people enrolled in a Medicare drug plan. You can find out whether a Pharmaceutical Assistance Program is offered by the manufacturers of the drugs you take by visiting www.medicare.gov/basics/costs/help/drug-costs.
- **Look at State Pharmaceutical Assistance Programs (SPAP).** Many states offer some type of coverage to help people with Medicare costs, including drug plan premiums and/or cost sharing. You can find out if your state has a State Pharmaceutical Assistance Program by visiting www.medicare.gov/basics/costs/help/drug-costs.
- **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 Social Security by visiting www.socialsecurity.gov or calling 1-800-772-1213. TTY users should call 1-800-325-0778.
- **NOTE:** Not all expenses will count toward your out-of-pocket costs. After you have paid \$2,000 out-of-pocket for medications in 2025, almost all of your drug costs will be covered. If you want to switch to a plan that offers additional coverage, you can do so during Annual Open Enrollment between October 15th and December 7th each year. Your coverage will begin on January 1 of the following year.

3 Easy Ways to Get More Information and Potentially Save Money:

1. Contact your local Guardian Pharmacy billing department. Our trained billing specialists can assist with comparing Medicare plans available to you in your area and based on the medications you currently take. They may also be able to determine if you qualify for a Special Enrollment Period (SEP).
2. Connect with a licensed insurance agent by calling 833-540-0264. Let the representative know you are a Guardian Pharmacy customer.
3. Get started comparing plans online today at www.navigatemyicare.com/guardian or visit us at www.guardianpharmacy.com/medicareoptions for more information.

Questions About Medicare?

We're here to help connect you with the right resources.
To get started, visit us at
guardianpharmacy.com/medicareoptions

