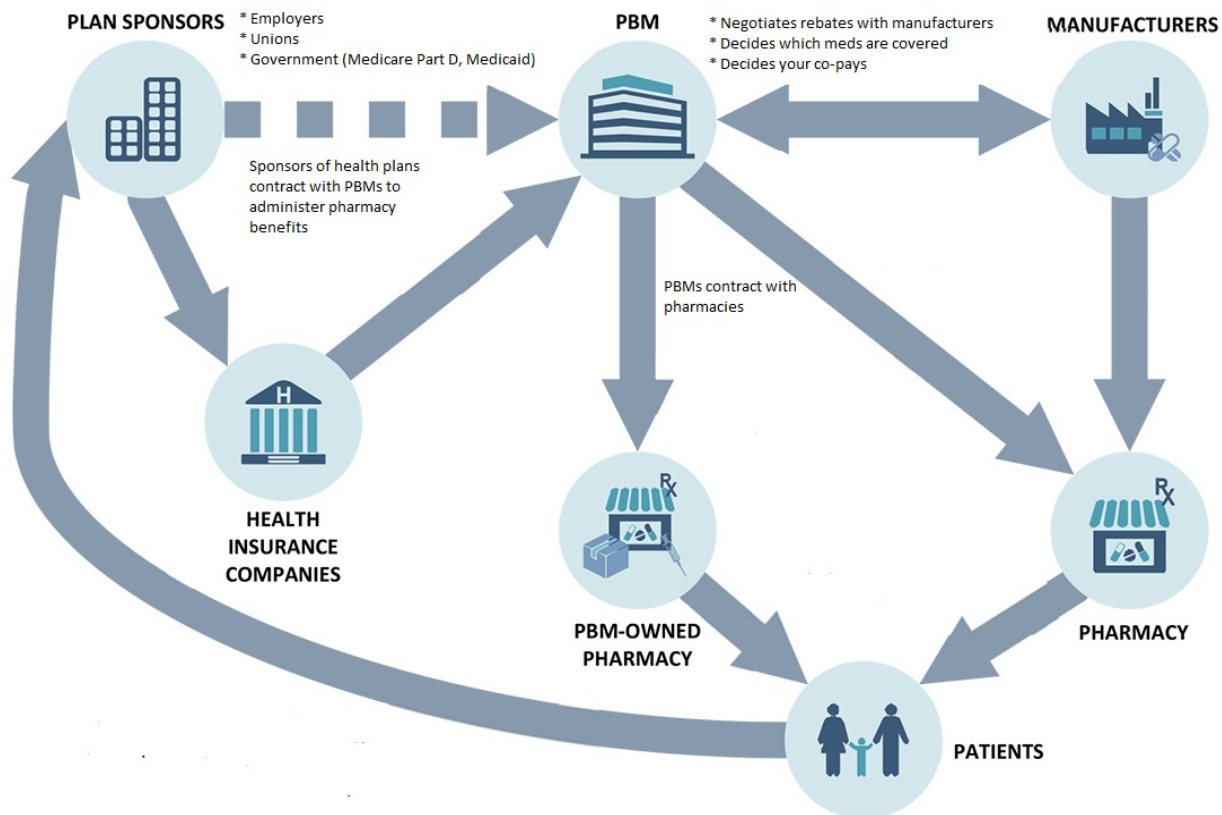


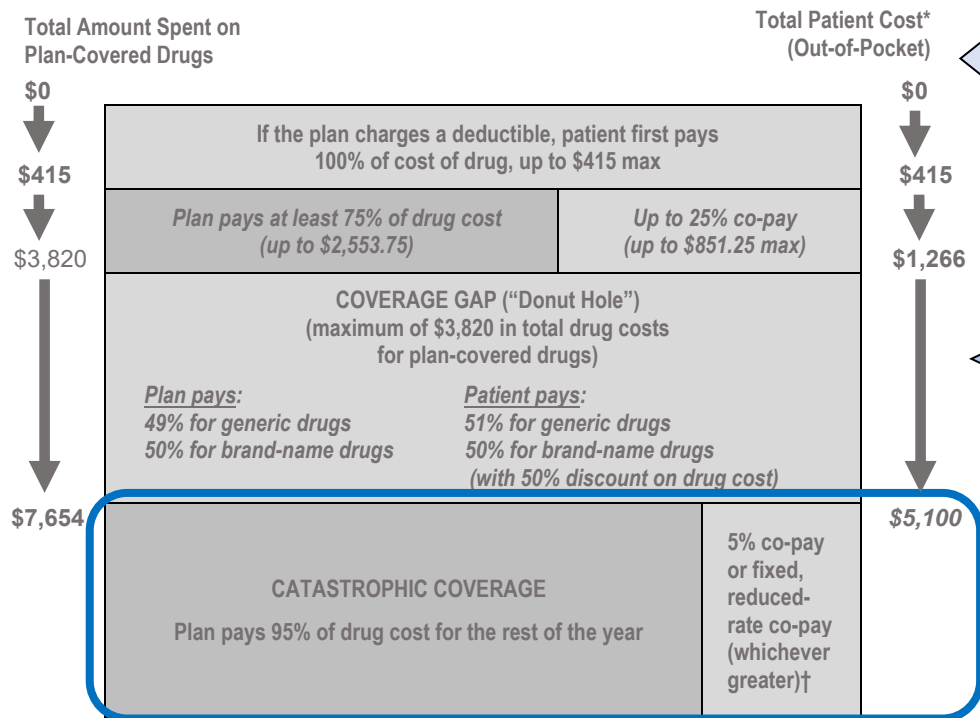
UNDERSTANDING MEDICARE PART D: “PREFERRED” VS “CONTRACTED” PHARMACIES



	“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.

How do “standard” co-pays affect you?



“Contracted” LTC pharmacies may have higher co-pays, but:

- ✓ They provide many more services
- ✓ Higher out-of-pocket expenses early on help you reach better coverage levels faster

The sooner you spend the max in out-of-pocket \$, the sooner catastrophic coverage kicks in

Once you have catastrophic coverage, your co-pay is only 5% or a low fixed rate† for the rest of the year

*Excludes cost of plan premiums.

†Fixed, reduced-rate co-pays = \$3.40 for generic drugs; \$8.50 for brand & non-preferred drugs.