



2019-2020 Standard Drug Costs

	2019	2020
Standard Benefit		
Deductible	\$415	\$435
Initial Coverage Limit	\$3,820	\$4,020
Out-of-Pocket Threshold (1)	\$5,100	\$6,350
Total Covered Part D Spending at Out-of-Pocket Threshold for Non-Applicable Beneficiaries (3)	\$7,653.75	\$9,038.75
Estimated Total Covered Part D Spending for Applicable Beneficiaries (4)	\$8,139.54	\$9,719.38
Minimum Cost-Sharing in Catastrophic Coverage Portion of the Benefit		
Generic/Preferred Multi-Source Drug	\$3.40	\$3.60
Other	\$8.50	\$8.95
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] [category code 3] (5)	\$0.00	\$0.00
Maximum Copayments for Non-Institutionalized Beneficiaries		
Up to or at 100% FPL [category code 2]		
Up to Out-of-Pocket Threshold		
Generic/Preferred Multi-Source Drug/Biosimilar (6)	\$1.25	\$1.30
Other (6)	\$3.80	\$3.90
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/Biosimilar	\$3.40	\$3.60
Other	\$8.50	\$8.95
Above Out-of-Pocket Threshold	\$0.00	\$0.00
Full Subsidy-Non-FBDE Individuals		
Applied or eligible for QMB/SLMB/QI or SSI, income at or below 135% FPL and resources ≤ \$9,060 (individuals, 2019) or ≤ \$14,340 (couples, 2019) [category code 1] (7)		
Deductible	\$0.00	\$0.00
Maximum Copayments up to Out-of-Pocket Threshold		
Generic/Preferred Multi-Source Drug/Biosimilar	\$3.40	\$3.60
Other	\$8.50	\$8.95
Maximum Copayments above Out-of-Pocket Threshold	\$0.00	\$0.00

	2019	2020
Partial Subsidy		
Applied and income below 150% FPL and resources below \$14,100 (individual, 2019) or \$28,150 (couples, 2019) [category code 4] (7)		
Deductible (6)	\$85.00	\$89.00
Coinsurance up to Out-of-Pocket Threshold	15%	15%
Maximum Copayments above Out-of-Pocket Threshold		
Generic/Preferred Multi-Source Drug/ Biosimilar	\$3.40	\$3.60
Other	\$8.50	\$8.95
Retiree Drug Subsidy Amounts		
Cost Threshold	\$415	\$435
Cost Limit	\$8,500	\$8,950

1. For 2020, the Social Security Act (the Act) requires the out-of-pocket threshold to be calculated as if the out-of-pocket threshold for years 2014 through 2019 had been subject to the respective annual percentage increase (API) values for those years. Pursuant to section 1860D-2(b)(4)(B)(i)(IV) of the Act, for 2019, the out-of-pocket threshold increase was the lesser of the API or the July Consumer Price Index (CPI) plus 2 percentage points.
2. September CPI adjustment applies to copayments for non-institutionalized beneficiaries up to or at 100% FPL.
3. For a beneficiary who is not considered an “applicable beneficiary,” as defined at section 1860D-14A(g)(1), and is not eligible for the Coverage Gap Discount Program, this is the amount of total drug spending required to reach the out-of-pocket threshold in the defined standard benefit.
4. For a beneficiary who is considered an “applicable beneficiary,” as defined at section 1860D-14A(g)(1), and is eligible for the Coverage Gap Discount Program, this is the estimated average amount of total drug spending required to reach the out-of-pocket threshold in the defined standard benefit.
5. Per section 1860D-14(a)(1)(D)(i) of the Act, full-benefit dual eligible beneficiaries qualify for zero cost-sharing if they would be institutionalized individuals (or couple) if the individuals (couple) were not receiving home and community-based services.
6. The increases to the low-income subsidy (LIS) deductible, generic/preferred multi-source drugs and other drugs copayments are applied to the unrounded 2019 values of \$85.06, \$1.27, and \$3.80, respectively.
7. The actual amount of resources allowable will be updated for contract year 2020. Additionally, these amounts include \$1,500 per person for burial expenses. See the HPMS memorandum titled, “2019 Resource and Cost-Sharing Limits for Low-Income Subsidy (LIS)” for additional details.

Source: [Announcement of Calendar Year \(CY\) 2020 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter](#). Table V-1. Updated

Part D Benefit Parameters for Defined Standard Benefit, Low- Income Subsidy, and Retiree Drug Subsidy, see page 64 and 65.