



2020-2021 Standard Drug Costs

The table below shows the Part D Benefit Parameters for Defined Standard Benefit, Low-Income Subsidy, and Retiree Drug Subsidy.

Part D Benefit Parameters	2020	2021
Standard Benefit		
Deductible	\$435	\$445
Initial Coverage Limit	\$4,020	\$4,130
Out-of-Pocket Threshold	\$6,350	\$6,550
Total Covered Part D Spending at Out-of-Pocket Threshold for Non-Applicable Beneficiaries (2)	\$9,038.75	\$9,313.75
Estimated Total Covered Part D Spending for Applicable Beneficiaries (3)	\$9,719.38	\$10,048.39
Minimum Cost-Sharing in Catastrophic Coverage Portion of the Benefit		
Generic/Preferred Multi-Source Drug	\$3.60	\$3.70
Other	\$8.95	\$9.20
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] (4)	\$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 (5)	\$1.30	\$1.30
Other (5)	\$3.90	\$4.00
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	\$3.60	\$3.70
Other	\$8.95	\$9.20
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 ≤ \$9,360 (individuals, 2020) or ≤ \$14,800 (couples, 2020) [category code 1] (6)		
Deductible	\$0.00	\$0.00
Maximum Copayments up to Out-of-Pocket Threshold		
Generic/Preferred Multi-Source Drug	\$3.60	\$3.70
Other	\$8.95	\$9.20
Maximum Copayments above Out-of-Pocket Threshold	\$0.00	\$0.00

Part D Benefit Parameters	2020	2021
Partial Subsidy		
Applied and income below 150% FPL and resources below \$14,160 (individual, 2020) or \$29,160 (couples, 2020) [category code 4] (6)		
Deductible (5)	\$89.00	\$92.00
Coinsurance up to Out-of-Pocket Threshold	15%	15%
Maximum Copayments above Out-of-Pocket Threshold		
Generic/Preferred Multi-Source Drug	\$3.60	\$3.70
Other	\$8.95	\$9.20
Retiree Drug Subsidy Amounts		
Cost Threshold	\$435	\$445
Cost Limit	\$8,950	\$9,200

(1) September CPI adjustment applies to copayments for non-institutionalized beneficiaries up to or at 100% of the Federal Poverty Level (FPL).

(2) For a beneficiary who is not considered an “applicable beneficiary,” as defined at section 1860D14A(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.

(3) For a beneficiary who is 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.

(4) Per section 1860D-14(a)(1)(D)(i), 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.

(5) The partial Low-income subsidy (LIS) deductible is increased from the unrounded 2020 value of \$89.49. Increases to the maximum copayments for non-institutionalized FBDE individuals with incomes no greater than 100% of the FPL are applied to the unrounded 2020 values of \$1.30 for generic/preferred multi-source drugs and \$3.90 for all other drugs.

(6) These resource limit figures will be updated for contract year 2021. Additionally, these amounts include \$1,500 per person for burial expenses. See the HPMS memorandum titled, “2020 Resource and Cost-Sharing Limits for Low-Income Subsidy (LIS)” for additional details.

Source: [Announcement of Calendar Year \(CY\) 2021 Medicare Advantage \(MA\) Capitation Rates and Part C and Part D Payment Policies](#). Table V-1. Updated Part D Benefit Parameters for Defined Standard Benefit, Low-Income Subsidy, and Retiree Drug Subsidy, see page 71 and 72.