



2021/2022 Standard Drug Costs

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

Part D Benefit Parameters	2021	2022
Standard Benefit		
Deductible	\$445	\$480
Initial Coverage Limit	\$4,130	\$4,430
Out-of-Pocket Threshold	\$6,550	\$7,050
Total Covered Part D Spending at Out-of-Pocket Threshold for Non-Applicable Beneficiaries (1)	\$9,313.75	\$10,012.50
Estimated Total Covered Part D Spending for Applicable Beneficiaries (2)	\$10,048.39	\$10,690.20
Minimum Cost-Sharing in Catastrophic Coverage Portion of the Benefit		
Generic/Preferred Multi-Source Drug	\$3.70	\$3.95
Other	\$9.20	\$9.85
Full Subsidy-Full Benefit Dual Eligible (FBDE) Individuals (3)		
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	\$1.35
Other (5)	\$4.00	\$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	\$3.70	\$3.95
Other	\$9.20	\$9.85
Above Out-of-Pocket Threshold	\$0.00	\$0.00
Full Subsidy-Non-FBDE Individuals (3)		
Applied or eligible for QMB/SLMB/QI or SSI, income at or below 135% FPL and resources ≤ \$9,470 (individuals, 2021) or ≤ \$14,960 (couples, 2021) [category code 1] (6)		
Deductible	\$0.00	\$0.00
Maximum Copayments up to Out-of-Pocket Threshold		
Generic/Preferred Multi-Source Drug	\$3.70	\$3.95
Other	\$9.20	\$9.85
Maximum Copayments above Out-of-Pocket Threshold	\$0.00	\$0.00
Partial Subsidy (3)		

Part D Benefit Parameters	2021	2022
Applied and income below 150% FPL and resources below \$14,790 (individual, 2021) or \$29,520 (couples, 2021) [category code 4] (5)		
Deductible (5)	\$92.00	\$99.00
Coinsurance up to Out-of-Pocket Threshold	15%	15%
Maximum Copayments above Out-of-Pocket Threshold		
Generic/Preferred Multi-Source Drug	\$3.70	\$3.95
Other	\$9.20	\$9.85
Retiree Drug Subsidy Amounts		
Cost Threshold	\$445	\$480
Cost Limit	\$9,200	\$9,850

(1) For a beneficiary who is not considered an “applicable beneficiary,” as defined at section 1860D-14A(g)(1) of the Act, and is not eligible for the Medicare 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.

(2) For a beneficiary who is an “applicable beneficiary,” as defined at section 1860D-14A(g)(1) of the Act, and is eligible for the Medicare 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.

(3) The LIS eligibility categories and corresponding cost-sharing benefits are sometimes referred to using category codes as follows:

- Category Code 1 – Non-institutionalized full benefit dual eligible (FBDE) individuals with incomes above 100% of the FPL and full-subsidy-non-FBDE individuals.
- Category Code 2 – Non-institutionalized FBDE individuals with incomes below or up to 100% of the FPL.
- Category Code 3 – FBDE individuals who are institutionalized or would be institutionalized if they were not receiving home and community-based services.
- Category Code 4 – Partial subsidy individuals.

(4) Per section 1860D-14(a)(1)(D)(i) of the Act, full-benefit dual eligible beneficiaries who are receiving home and community-based services qualify for zero cost-sharing if the individuals (or couple) would have been institutionalized otherwise.

(5) The partial LIS deductible is increased from the unrounded 2021 value of \$447.40. Increases to the maximum copayments for non-institutionalized FBDE individuals with incomes no greater than 100% of the FPL are applied to the unrounded 2021 values of \$3.70 for generic/preferred multi-source drugs and \$9.21 for all other drugs.

(6) These resource limit figures will be updated for CY 2022. Additionally, these amounts include \$1,500 per person for burial expenses.

Source: [Announcement of Calendar Year \(CY\) 2022 Medicare Advantage \(MA\) Capitation Rates and Part C and Part D Payment Policies.](#)