

# Medicare Drug Discounts

The Affordable Care Act includes benefits to make your Medicare prescription drug coverage (Part D) more affordable. It does this by gradually closing the gap in drug coverage known as the "[Donut Hole](#)."

## What This Means for You

Starting January 1, 2011, if you reach the coverage gap in your Medicare Part D coverage, you will automatically get a [50% discount on covered brand-name drugs](#). You receive the discount when you buy them at a pharmacy or order them through the mail, until you reach the catastrophic coverage phase.

- You will also get a 7% discount on generic drugs while in the Donut Hole.
- You can expect additional savings on your covered brand-name and generic drugs while in the coverage gap until the gap is closed in 2020.

See the schedule below for information on what you'll pay for drugs while you are in the coverage gap:

- **2012:** you'll pay **50%** for brand-name drugs and **86%** for generic drugs
- **2013:** **47.5%** for brand-names and **79%** for generics
- **2014:** **47.5%** for brand-names and **72%** for generics
- **2015:** **45%** for brand-names and **65%** for generics
- **2016:** **45%** for brand-names and **58%** for generics
- **2017:** **40%** for brand-names and **51%** for generics
- **2018:** **35%** for brand-names and **44%** for generics

- **2019: 30%** for brand-names and **37%** for generics
- **2020: 25%** for brand-names and **25%** for generics

## Some Important Details

- You can get the new savings starting in 2011 if all of the following are true:
  - You're currently enrolled in a [Medicare Prescription Drug Plan](#) (including employer group health and waiver plans) or a [Medicare Advantage Plan](#) that includes prescription drug coverage.
  - You don't get Extra Help. This is a Medicare program to help people with limited resources pay drug costs.
  - You have already reached the coverage gap.
- You don't need to do anything to get the discount. If you have reached the coverage gap and you don't get a discount when you pay for your brand-name prescription, you should review your next Explanation of Benefits (EOB) notice. You can work with your drug plan to make sure that your drug records are correct.
- Although you will pay only 50% of the price for the brand-name drug, the entire drug cost will count toward the amount you need to qualify for catastrophic coverage.

## For More Information

- [David's Story: Making Prescription Drugs Affordable for Seniors](#)
- [Fact Sheet: Seniors and the Affordable Care Act](#)
- [HealthCare Blog: Stronger Benefits for Seniors, Billions in Savings This Year.](#)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- [Additional Drug Coverage Information for People with Medicare](#) (PDF - 1 MB)

*Posted: December 27, 2010*

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