



Dear Stan,

It seems like every time I go to pick up my prescription, the cost for it changes. Can you help me understand why?

*Maria,
Albuquerque*

Dear Maria,

Drug plans have multiple coverage phases, such as “Cost Before Deductible”, “Cost After Deductible”, “Cost in Coverage Gap” and “Cost After Coverage Gap”. What you pay when you pick up your drugs depends on what coverage phase you are in. Drug costs may vary in each coverage phase. You’ll start a new coverage phase once your spending for all drugs has reached a certain amount.

In the “Cost Before Deductible” phase, if your plan has a deductible, once you meet it a drug’s cost may be less. The maximum allowable deductible for 2023 is \$505. Deductibles vary by plan but cannot exceed this amount.

During the “Cost After Deductible” phase (also called “Initial Coverage”) you will pay a percentage of the plan’s

**Report Medicare Related Fraud by calling the
New Mexico Senior Medicare Patrol (SMP) at**

1-800-432-2080

**The SMP will provide you with the
information you need to PREVENT,
DETECT and REPORT Medicare fraud,
errors, and abuse.**

cost for covered drugs. In 2023, once you and your plan spend \$4,660 combined on drugs (including deductible), you enter the “Cost in Coverage Gap” phase.

While in the “Cost in Coverage Gap” phase (also called the “Donut Hole”) you will pay no more than 25% of the cost for your covered drugs until you spend \$7,400.

Once you enter the “Cost After Coverage Gap” phase (also called “Catastrophic Coverage”) you will pay no more than 5% of the cost for covered drugs for the rest of the year.

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Usually, most people never reach the “Cost in Coverage Gap” phase. Also, if you have Extra Help you do not go through these phases. Extra Help is a federal program that helps Medicare recipients with limited resources and income pay for some of their prescription costs.

Understanding how your plan works and getting the information you need to find a plan to best meet your needs can be complicated. Factors such as the plan’s formulary, rules about prior authorizations, and the tiers your medications fall into will impact your costs and how well a particular plan works for you. The **New Mexico State Health Insurance Assistance Program (SHIP)** is here to help you understand your options.

You want to make sure you are maximizing your Medicare prescription benefits and paying the lowest costs possible for your prescriptions.

Contact the **New Mexico Aging and Disability Resource Center** at **1-800-423-2080** and ask for a **SHIP** counselor to help you. You can also chat with a counselor at www.nmaging.state.nm.us.

Stan
New Mexico SHIP SMP Counselor

Open Enrollment Period

October 15 thru December 7

During the Open Enrollment Period you can join, switch or drop a Medicare Health plan.

For assistance and questions about your options during Open Enrollment, contact the

New Mexico State Health Insurance Assistance Program (SHIP) at 1-800-423-2080

and schedule a telephone appointment with a SHIP counselor.

SHIP is a national program that offers one-on-one assistance, unbiased counseling, and education to Medicare beneficiaries.

SHIP & SMP Program Volunteering: Learn more about Medicare and ways to better serve the public by contacting us about available SHIP SMP volunteer opportunities at **1-800-432-2080**. We provide training on Medicare content & can work with your schedule. We can serve more people together!



SHIP

State Health Insurance
Assistance Program

