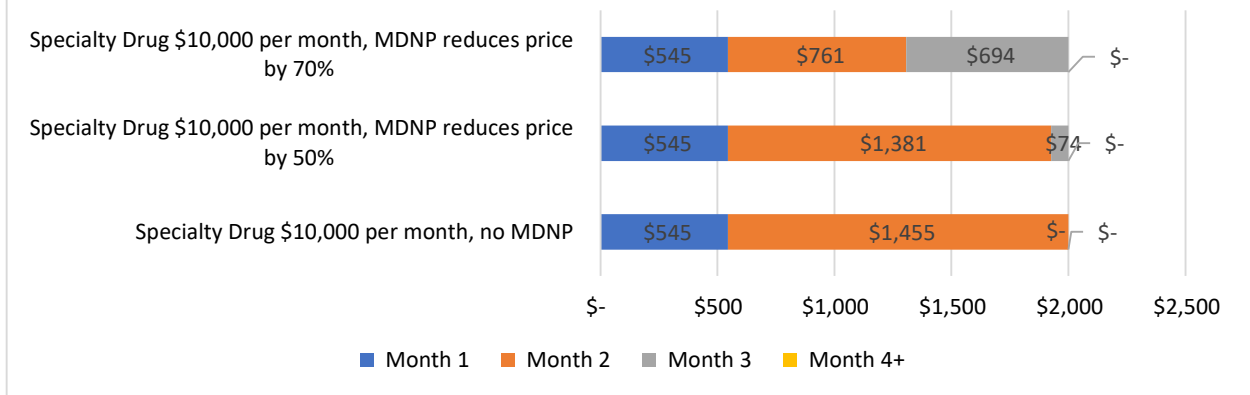


Example of patient out-of-pocket costs for a specialty drug with and without Medicare Price Negotiation



MDNP=Medicare Drug Price Negotiation, Specialty Drug Defined by CMS as \$950 or more monthly cost

Illustration: Example of a drug with a price of \$10,000 per month with 31 percent coinsurance (for a Part D beneficiary who does not receive any co-pay subsidy). For the first month, the beneficiary pays a deductible of \$545, then pays 31 percent of the list price until she reaches the \$2,000 out-of-pocket maximum. This occurs at different times depending on whether their drug is subject to an MDNP, and the extent to which the negotiation reduces the price. The total outlay for the patient is the same at the maximum out-of-pocket limit of \$2,000. This is a simple illustration assuming only one drug, where most beneficiaries take multiple drugs.