

EXHIBIT C. Examples that show different versions of Chart 3: drug payment stages

The examples in this exhibit are for a fictional enrollee and have been designed to illustrate some of the main variations in model language for Chart 3 of the Model Part D Explanation of Benefits (EOB). These examples use 2024 benefit parameters¹ where 2025 benefit parameters are not yet available. For ease of illustration, the amounts for Out-of-Pocket Costs and Total Drug Costs have been rounded.

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¹ See the April 4, 2023 Health Plan Management System (HPMS) memorandum titled “Final Contract Year (CY) 2024 Part D Bidding Instructions.

Example 1: non-LIS, with a deductible, in the Deductible Stage

CHART 3

Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you're in when you fill it. This chart helps you understand what stage you were in at the end of March 2025 and when you'll move to the next stage.

Year-to-date totals: Jan – March 2025	You're in Stage 1: Yearly Deductible	Stage 2: Initial Coverage	Stage 3: Catastrophic Coverage
Out-of-Pocket Costs	\$255	<i>starts when Out-of-Pocket Costs reach \$545</i>	<i>starts when Out-of-Pocket Costs reach \$2,000</i>

You're in Stage 1: Yearly Deductible

- During this payment stage, you (or others on your behalf) pay the full cost of your drugs.
- You generally stay in this stage until you (or others on your behalf) have paid **\$545 for your drugs**.
- The deductible doesn't apply to covered insulin products and most adult Part D vaccines, including shingles, tetanus and travel vaccines..

What happens next?

Once you (or others on your behalf) have paid an additional **\$290 for your drugs**, you move to the next payment stage (Stage 2: Initial Coverage).

About Coverage Stages

- **Stage 1: Yearly Deductible**
You start in this payment stage each calendar year. In this stage, you pay the full cost of your drugs. **You generally stay in this stage until you've paid the amount of your deductible (\$545).**
- **Stage 2: Initial Coverage**
In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach \$2,000.**
- **Stage 4: Catastrophic Coverage**
In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.**

Example 2: non-LIS, with a deductible, in the Initial Coverage Stage

CHART 3

Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you're in when you fill it. This chart helps you understand what stage you were in at the end of March 2025 and when you'll move to the next stage.

Year-to-date totals: Jan – March 2025	Stage 1: Yearly Deductible	You're in Stage 2: Initial Coverage	Stage 3: Catastrophic Coverage
Out-of-Pocket Costs	<i>lasts until Out-of-Pocket Costs reach \$545</i>	\$836	<i>starts when Out-of-Pocket Costs reach \$2,000</i>

You're in Stage 2: Initial Coverage

- During this payment stage, the plan pays its share of the cost of your drugs and you (or others on your behalf) pay your share of the cost.
- You generally stay in this stage until your year-to-date **Out-of-Pocket Costs** reach **\$2,000.00**. As of March 31, 2025, your year-to-date Out-of-Pocket Costs were **\$836**.

What happens next?

Once you have an **additional \$1,164 in Out-of-Pocket Costs**, you move to the next payment stage (Stage 3: Catastrophic Coverage).

About Coverage Stages

- **Stage 1: Yearly Deductible**
You start in this payment stage each calendar year. In this stage, you pay the full cost of your drugs. **You generally stay in this stage until you've paid the amount of your deductible (\$545).**
- **Stage 2: Initial Coverage**
In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach \$2,000.00.**
- **Stage 3: Catastrophic Coverage**
In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.**

Example 3: non-LIS, with a deductible, in the Catastrophic Coverage Stage

CHART 3

Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you're in when you fill it. This chart helps you understand what stage you were in at the end of March 2025 and when you'll move to the next stage.

Year-to-date totals: Jan – March 2025	Stage 1: Yearly Deductible	Stage 2: Initial Coverage	You're in Stage 3: Catastrophic Coverage
Out-of-Pocket Costs	<i>lasts until Out-of-Pocket Costs reach \$545</i>	<i>lasts until Out- of-Pocket Costs reach \$2,000</i>	\$2,000

You're in Stage 3: Catastrophic Coverage

- During this payment stage, the plan pays all of the cost for your covered Part D drugs.
- You pay nothing.

What happens next?

You generally stay in this stage for the rest of the calendar year.

About Coverage Stages

- **Stage 1: Yearly Deductible**
You start in this payment stage each calendar year. In this stage, you pay the full cost of your drugs. **You generally stay in this stage until you've paid the amount of your deductible (\$545).**
- **Stage 2: Initial Coverage**
In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach \$2,000.**
- **Stage 3: Catastrophic Coverage**
In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.**

Example 4: non-LIS, no deductible in the Initial Coverage Stage

CHART 3

Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you're in when you fill it. This chart helps you understand what stage you were in at the end of March 2025 and when you'll move to the next stage.

Year-to-date totals: Jan – March 2025	Stage 1: Yearly Deductible	You're in Stage 2: Initial Coverage	Stage 3: Catastrophic Coverage
Out-of-Pocket Costs	<i>not applicable</i>	\$703	<i>starts when Out-of-Pocket costs reach \$2,000</i>

You're in Stage 2: Initial Coverage

- During this payment stage, the plan pays its share of the cost of your drugs and you (or others on your behalf) pay your share of the cost.
- You generally stay in this stage **until your year-to-date Out-of-Pocket Costs reach \$2,000**. As of March 31, 2025, your year-to-date Out-of-Pocket Costs were **\$703**.

What happens next?

Once you have **an additional \$1,297 in Out-of-Pocket Costs**, you move to the next payment stage (Stage 3: Catastrophic Coverage).

About Coverage Stages

- **Stage 1: Yearly Deductible**
Because there is no deductible for the plan, this payment stage does not apply to you.
- **Stage 2: Initial Coverage**
In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach \$2,000.**
- **Stage 3: Catastrophic Coverage**
In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.**

Example 5: non-LIS, brand-name/tier level only deductible, in the Initial Coverage Stage

CHART 3

Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you're in when you fill it. This chart helps you understand what stage you were in at the end of March 2025 and when you'll move to the next stage.

Year-to-date totals: Jan – March 2025	Stage 1: Yearly Deductible	You're in Stage 2: Initial Coverage	Stage 3: Catastrophic Coverage
Out-of-Pocket Costs	<i>lasts until Out-of-Pocket Costs on brand- name (tier 3) drugs reach \$545</i>	\$836	<i>starts when Out-of-Pocket Costs reach \$2,000</i>

You're in Stage 2: Initial Coverage

- During this payment stage, the plan pays its share of the cost of your generic (or tier 1 and tier 2) drugs and you (or others on your behalf) pay your share of the cost.
- After you (or others on your behalf) have met your brand-name (or tier 3) deductible, the plan pays its share of the cost of your brand-name (or tier 3) drugs and you (or others on your behalf) pay your share of the cost.
- You generally stay in this stage **until your year-to-date Out-of-Pocket Costs reach \$2,000**. As of March 31, 2025, your year-to-date Out-of-Pocket Costs were **\$836**.

What happens next?
Once you have **an additional \$1,164 in Out-of-Pocket Costs**, you move to the next payment stage (Stage 3: Catastrophic Coverage).

About Coverage Stages

- **Stage 1: Yearly Deductible**
You start in this payment stage each calendar year. In this stage, you (or others on your behalf) pay the full cost of your brand-name (or tier 3) drugs until you (or others on your behalf) have paid \$545 for your brand-name (or tier 3) drugs. **\$545 is the amount of your brand-name deductible.**
- **Stage 2: Initial Coverage**
In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach \$2,000.**
- **Stage 3: Catastrophic Coverage**
In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.**

Example 6: LIS in the Initial Coverage Stage

CHART 3

Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you're in when you fill it. This chart helps you understand what stage you were in at the end of March 2025 and when you'll move to the next stage.

Year-to-date totals: Jan – March 2025	Stage 1: Yearly Deductible	You're in Stage 2: Initial Coverage	Stage 3: Catastrophic Coverage
Out-of-Pocket Costs	<i>not applicable</i>	\$625	<i>starts when Out-of-Pocket Costs reach \$2,000</i>

You're in Stage 2: Initial Coverage

- You start in this payment stage when you fill your first prescription of the year.
- During this stage, the plan pays its share of the cost of your drugs and you (or others on your behalf, including "Extra Help" from Medicare) pay your share of the cost.
- You generally stay in this stage **until your year-to-date Out-of-Pocket Costs reach \$2,000**. As of March 31, 2025, your year-to-date Out-of-Pocket Costs were **\$625**.

What happens next?

Once you (or others of your behalf) have paid an **additional \$1,375 in Out-of-Pocket Costs**, you move to the next payment stage (Stage 3: Catastrophic Coverage).

About Coverage Stages

- **Stage 1: Yearly Deductible**
Because you get "Extra Help" from Medicare, Stage 1: Yearly Deductible doesn't apply to you.
- **Stage 2: Initial Coverage**
In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach \$2,000.**
- **Stage 3: Catastrophic Coverage**
In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.**

Example 7: LIS in Catastrophic Coverage

CHART 3

Your current drug payment stage

How much you pay for a covered Part D prescription depends on which payment stage you're in when you fill it. This chart helps you understand what stage you were in at the end of March 2025 and when you'll move to the next stage.

Year-to-date totals: Jan – March 2025	Stage 1: Yearly Deductible	Stage 2: Initial Coverage	You're in Stage 3: Catastrophic Coverage
Out-of-Pocket Costs	<i>not applicable</i>	<i>lasts until Out-of-Pocket Costs reach \$2,000</i>	\$2,000

You're in Stage 3: Catastrophic Coverage

- During this payment stage, the plan pays all of the cost for your covered Part D drugs.
- You pay nothing.

What happens next?

You generally stay in this stage for the rest of the calendar year.

About Coverage Stages

- **Stage 1: Yearly Deductible**
Because you get "Extra Help" from Medicare, Stage 1: Yearly Deductible doesn't apply to you.
- **Stage 2: Initial Coverage**
In this stage, the plan pays its share of the cost of your drugs and you pay your share of the cost. **You generally stay in this stage until your year-to-date Out-of-Pocket Costs reach \$2,000.**
- **Stage 3: Catastrophic Coverage**
In this stage, the plan pays all of the cost for your covered Part D drugs. You pay nothing. **You generally stay in this stage for the rest of the calendar year.**