

Table IV-7. Updated Part D Benefit Parameters for Defined Standard Benefit, Low-Income Subsidy, and Retiree Drug Subsidy

Annual Percentage Increases	Annual percentage trend for 2008	Prior year revisions	Annual percentage increase for 2008
Applied to all parameters but (1)	5.97%	1.48%	7.54%
CPI (all items, U.S. city average): Applied to (1)	2.60%	0.57%	3.18%
Part D Benefit Parameters		2008	2009
Standard Benefit Design Parameters			
Deductible		\$275	\$295
Initial Coverage Limit		\$2,510	\$2,700
Out-of-Pocket Threshold		\$4,050	\$4,350
Total Covered Part D Drug Spend at OOP Threshold (2)		\$5,726.25	\$6,153.75
Minimum Cost-sharing in Catastrophic Coverage Portion of Benefit			
Generic/Preferred Multi-Source Drug		\$2.25	\$2.40
Other		\$5.60	\$6.00
Part D Full Benefit Dual Eligible Parameters			
Copayments for Institutionalized Beneficiaries		\$0.00	\$0.00
Maximum Copayments for Non-Institutionalized Beneficiaries			
Up to or at 100% FPL			
Up to Out-of-Pocket Threshold (1)			
Generic/Preferred Multi-Source Drug (3)		\$1.05	\$1.10
Other (3)		\$3.10	\$3.20
Above Out-of-Pocket Threshold		\$0.00	\$0.00
Over 100% FPL			
Up to Out-of-Pocket Threshold			
Generic/Preferred Multi-Source Drug		\$2.25	\$2.40
Other		\$5.60	\$6.00
Above Out-of-Pocket Threshold		\$0.00	\$0.00
Part D Non-Full Benefit Dual Eligible Full Subsidy Parameters			
Resources ≤ \$6,290 (individuals) or ≤ \$9,440 (couples) (4)			
Maximum Copayments up to Out-of-Pocket Threshold			
Generic/Preferred Multi-Source Drug		\$2.25	\$2.40
Other		\$5.60	\$6.00
Maximum Copayments above Out-of-Pocket Threshold		\$0.00	\$0.00
Resources bet \$6,290-\$10,490 (ind) or \$9,440-\$20,970 (couples) (4)			
Deductible (3)		\$56.00	\$60.00
Coinsurance up to Out-of-Pocket Threshold		15%	15%
Maximum Copayments above Out-of-Pocket Threshold			
Generic/Preferred Multi-Source Drug		\$2.25	\$2.40
Other		\$5.60	\$6.00
Part D Non-Full Benefit Dual Eligible Partial Subsidy Parameters			
Deductible (3)		\$56.00	\$60.00
Coinsurance up to Out-of-Pocket Threshold		15%	15%
Maximum Copayments above Out-of-Pocket Threshold			
Generic/Preferred Multi-Source Drug		\$2.25	\$2.40
Other		\$5.60	\$6.00
Retiree Drug Subsidy Amounts			
Cost Threshold		\$275	\$295
Cost Limit		\$5,600	\$6,000

(1) CPI adjustment applies to copayments for non-institutionalized beneficiaries up to or at 100% FPL.

(2) Amount of total drug spending required to attain out-of-pocket threshold in the defined standard benefit if beneficiary does not have prescription drug coverage through a group health plan, insurance, government-funded health program or similar third party arrangement.

(3) The increases to the LIS deductible, generic/preferred multi-source drugs and other drugs copayments are applied to the unrounded 2008 values of \$55.91, \$1.04, and \$3.13 respectively.

(4) The actual amount of resources allowable will be updated for contract year 2009.