Initial Coverage (Copayment and Coinsurance Phase)

After the deductible on the plan is met, beneficiaries enter the initial phase of coverage. During this phase, they will have cost shares in the form of coinsurance and copays.

The amount someone pays for each prescription after they paid their deductible (if the plan has one) is either:

* A Copayment - With a copayment, they pay a set amount (like $10) for all drugs on a tier.
* Coinsurance - With coinsurance, they pay a percentage of the cost (like 25%) of the drug.
* Some Medicare PDPs have levels or "Tiers" of copayments/coinsurance, with different costs for different types of drugs.