

# Medicare Prescription Payment Plan

The Medicare Prescription Payment Plan is a new, voluntary payment option under Medicare Part D. Starting on January 1, 2025, this program will allow beneficiaries to spread their out-of-pocket prescription costs over the calendar year. To participate, beneficiaries must opt into this program each year.

## How do I know if the Medicare Prescription Payment Program is the right fit for me?

**You may benefit from the program if:**

- You had \$2,000 in out-of-pocket drug costs in the previous year
- You have consistent and substantial out-of-pocket drug costs, especially early in the year

**You are less likely to benefit from the program if:**

- You receive Extra Help from Medicare, because Extra Help enrollees already have fixed low copays
- You qualify for a Medicare Savings Program
- You receive help paying for your prescription medications from other organizations, such as a State Pharmaceutical Assistance Program (SPAP) or other assisted health coverage

## How can I opt into the Medicare Prescription Payment Plan?

Any Medicare beneficiary can opt into this program through their Part D or Medicare Advantage plan at any time during or prior to the plan year. There are three ways to sign up: telephone (calling your plan), paper (filling out an election request form), or website (elect through your health plan's website).

## How will my costs work with this program?

If you choose to participate in this program, you will pay \$0 for your prescription at the pharmacy, including mail-order and specialty pharmacies. Then, you will be billed by your health or drug plan, both for your premium (if applicable) and also for your share of total prescription cost-sharing, spread over the year. You will not pay any interest or fees on the amount you owe under the Medicare Prescription Payment Plan, even if your payment is late.

This program will work with the new out-of-pocket cap in Medicare Part D, which caps out-of-pocket medicine spending for all Medicare beneficiaries at \$2,000 starting in 2025. As a result, you will never pay more than \$2,000 in total out of pocket in 2025 for your prescription drugs, even if you do not opt into the Medicare Prescription Payment Plan.

For example, if you opted into the Medicare Prescription Payment Plan and you receive a medicine that costs \$2,000 out of pocket in January (hitting the out-of-pocket cap), instead of having to pay the pharmacy \$2,000 immediately, under the program your plan would bill you \$167 monthly for the duration of the year.

**Note:** In cases where you don't hit the out-of-pocket cap until later in the year, your costs under the program can change from month to month since the total costs spread over the year may grow each time you fill another prescription.

## Can I Leave the Medicare Prescription Payment Plan?

You can choose to end your participation in the Medicare Prescription Payment Plan at any time during the calendar year. However, you will still be responsible to pay your drug or health plan for any remaining balance owed under the program once you end your participation.

If you miss payments or are not paying your bill by the due date, your plan can remove you from the program. You will still be responsible for paying your plan for any amounts owed, but you won't pay any interest or fees even if the payment is late. You will only be removed from the Medicare Prescription Payment Plan. Your drug coverage under your health or drug plan and any other Medicare benefits will not be impacted.



### Where can I get more information?

- **Your health or drug plan:** Visit your plan's website or call them if you want more information or need help. Your plan's phone number is on the back of your membership card.
- **Medicare:** Visit [Medicare.gov/prescription-payment-plan](https://www.Medicare.gov/prescription-payment-plan), or call 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY users can call 1-877-486-2048.
- **State Health Insurance Program (SHIP):** Visit [shiphelp.org](https://shiphelp.org) to get the phone number for your local SHIP and get free, personalized health insurance counseling.