



Understanding the Medicare Prescription Payment Plan

Starting in 2025, Medicare patients will be able to use the new Medicare Prescription Payment Plan to break up prescription costs into smaller monthly payments with no fees or interest charges.

This voluntary plan is free to enroll in and may be helpful for those who find it hard to pay for their medications all at once.^{1,2}

How do I opt in?

Any patient enrolled in Medicare can opt in to the payment plan through their Part D or Medicare Advantage plan at any time during the year by²:

- Filling out a paper election form (provided by your Medicare plan)
- Logging on to your health plan's website to opt in
- Calling the number on the back of your health plan membership card

*For example, if your prescription in **JANUARY** costs \$2,500 out of pocket³*

In 2025, the maximum out-of-pocket drug cost for Medicare patients is capped at \$2,000. This yearly cap ensures you spend no more than \$2,000 annually for your medication.⁴



If you opt in to the payment plan:

Pay \$0 to the pharmacy when your medicine is given to you, then pay \$167 each month for 12 months billed to you by your health plan^{,†}*



If you do not opt in to the payment plan:

Pay \$2,000 all at once when your medicine is given to you

The earlier you enroll in the payment plan, the more months you can use to spread out your costs.²

^{*}This estimate is approximate. Monthly payments are calculated with a formula that considers your annual maximum out of pocket, the amount you owe for previous prescriptions, cost sharing for any new prescriptions, and the number of months left in the year.³

[†]For this example, \$2,000 ÷ 12 months = \$167 per month.

What affects how much my monthly payments will be?

The amount you pay per month can change based on³:

- How soon you opt in
- How early in the year your medications are prescribed
- Additional prescriptions
- Cost-sharing requirements under your Medicare plan
- When you reach the \$2,000 annual cap
- The cost of your medications

What if I want to leave the payment plan after enrolling?

You can cancel your enrollment in the payment plan at any time. You will still owe the remaining balance.¹

What happens if I miss payments?

- If you pay your bill late or miss a payment too often, you could be removed from the payment plan¹
- If you are removed from the payment plan, you will owe the total remaining out-of-pocket cost due (up to \$2,000)²
- Your health plan and any other Medicare benefits will not be impacted¹

Is the Medicare Prescription Payment Plan a good fit for me?

The payment plan may be a good option if you are having trouble covering your prescription costs.²

If you are eligible for the Medicare Extra Help (Low-Income Subsidy) program, you may not need the payment plan.¹

To learn more, contact:



Your health or drug plan

- Call the number on the back of your membership card or visit your plan's website



Medicare

- Call **1-800-MEDICARE** (1-800-633-4227), 24 hours a day, 7 days a week
 - Teletypewriter/TTY users can call 1-877-486-2048
- Visit **cms.gov**



Your State Health Insurance Program

- Visit **shiphelp.org**

References: 1. CMS.gov. Fact sheet: Medicare Prescription Payment Plan final part one guidance. Accessed August 13, 2024. <https://www.cms.gov/files/document/fact-sheet-medicare-prescription-payment-plan-final-part-one-guidance.pdf> 2. Centers for Medicare & Medicaid Services. Memorandum on Medicare Prescription Payment Plan: final Part One guidance on select topics, implementation of section 1860D-2 of the Social Security Act for 2025, and response to relevant comments. February 29, 2024. Accessed August 13, 2024. <https://www.cms.gov/files/document/medicare-prescription-payment-plan-final-part-one-guidance.pdf> 3. Centers for Medicare & Medicaid Services. Technical memorandum on the calculation of the maximum monthly cap on cost-sharing payments under prescription drug plans. July 17, 2023. Accessed August 13, 2024. <https://www.cms.gov/files/document/monthly-cap-cost-sharing-technical-memo-july-2023.pdf> 4. CMS.gov. Part D improvements. Accessed August 13, 2024. <https://www.cms.gov/inflation-reduction-act-and-medicare/part-d-improvements>