

# A MEDICARE PART D UPDATE

## for patients

**In 2025, the Medicare Part D prescription benefit is changing in ways that could make your prescription costs more affordable and predictable.<sup>1</sup>**

The Medicare Part D drug program covers many prescription medications. These are some of the changes happening in 2025 that may help you to access your covered prescriptions:



**Spending limit:** The amount you will spend on your Medicare-covered prescriptions in 2025 will be capped at \$2,000 for the year.



**New option to spread your out-of-pocket (OOP) costs over the entire calendar year:** If you sign up for the Medicare Prescription Payment Plan through your Medicare Part D plan, you will pay \$0 at the pharmacy. Instead, you will receive a monthly bill from your Part D plan for a smaller, fixed payment amount.<sup>2</sup>



**Expansion of Medicare's "Extra Help" program:** The Extra Help program (also called the Low-Income Subsidy – or LIS – program) offers cost-sharing assistance if you qualify based on having a limited income and modest resources.

**Sign up for the Medicare Prescription Payment Plan through your Medicare Part D plan during open enrollment or as soon as needed during 2025 to lower your monthly payments<sup>2</sup>:**

- The Medicare Prescription Payment Plan will not reduce the total amount you owe for Part D OOP costs (a maximum of \$2,000 for the year), but it can help you to manage larger prescription-related bills for covered prescriptions at the beginning of the year
  - It does this by spreading OOP costs out over multiple months as lower, fixed payments
- The program is free
- To spread your costs as much as possible, you can sign up for the Medicare Prescription Payment Plan during Medicare's open enrollment from October 15 to December 7
  - This will allow you to stretch out your payments for as long as 12 months starting on January 1, 2025
  - You can sign up later in the year, but your monthly payment amounts may be higher, so you are able to pay in full by December 31, 2025



### **More about the new limit on patient costs:**

The new lower OOP limit means you will have a \$0 copay for any covered prescriptions if your total Part D costs (including deductible, copays, and co-insurance) reach \$2,000 at any point between January 1 and December 31, 2025.

# How to sign up for the Medicare Prescription Payment Plan

You can opt into the Medicare Prescription Payment Plan through the following ways:

**1** Review the Medicare Part D plan options available in your area to compare which one offers the best coverage for your prescription medications.

✓ If you already have a Part D plan, check to make sure that your plan will still cover all your prescription medications in 2025.

✓ To compare Part D plans available where you live, visit the Medicare plan finder tool starting in October 2024: [Medicare.gov/plan-compare/](https://www.medicare.gov/plan-compare/)

**2** After you enroll in a Medicare Part D plan for 2025, you can find more information on opting into the Medicare Prescription Payment Plan by calling your Part D plan or going to its website.

📞 Your Part D plan's telephone number will be on the back of your 2025 Part D plan membership ID card.



For more information on the Medicare Prescription Payment Plan, visit [Medicare.gov](https://www.Medicare.gov)



## ! Expanded Medicare "Extra Help" Program:

More than 1 in 4 Part D enrollees are eligible for the Extra Help program.<sup>3</sup>

Benefits to Part D enrollees who qualify for the Extra Help program in 2025 include: \$0 deductible, \$0 premiums, \$12.15 copays for brand-name drugs, and \$4.90 copays for generic drugs.<sup>4,5</sup>

Patients who qualify for Extra Help are likely to benefit more from this program, compared to the Medicare Prescription Payment Plan.

In 2024, the program expanded to include people with slightly higher incomes – up to 150% of the Federal Poverty Level – and with modest resources<sup>5</sup>:

Household Size	2024 Annual Income Limit*	2024 Resource Limit*
 Individual	\$22,590	\$17,220
 Couple	\$30,660	\$34,360

\* Annual income and resource limits are updated in January/February.

Click the links below to learn more about the Medicare Extra Help program\*:



- [secure.ssa.gov/i1020/Ee001View.action](https://secure.ssa.gov/i1020/Ee001View.action)
- [Medicare.gov/basics/costs/help/drug-costs](https://www.Medicare.gov/basics/costs/help/drug-costs)



Or call the Social Security Administration toll-free at **1-800-772-1213** to apply over the phone or to request an application.

\* The SSA.gov website has an online tool that can tell you in minutes if you are likely to qualify for Extra Help. Submit an application in order to get an official determination of your eligibility. Once you apply, you'll receive mail letting you know whether you qualify for Extra Help.

**References:** 1. Inflation Reduction Act, Pub. L. No. 117-169, 2022. 2. Centers for Medicare & Medicaid Services. Medicare Prescription Payment Plan: final part one guidance. February 29, 2024. Accessed June 20, 2024. <https://www.cms.gov/files/document/medicare-prescription-payment-plan-final-part-one-guidance.pdf> 3. Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. 2024 annual report. Accessed June 20, 2024. <https://www.cms.gov/oact/tr/2024> 4. Centers for Medicare & Medicaid Services. Announcement of Calendar Year (CY) 2025 Medicare Advantage (MA) capitation rates and Part C and Part D payment policies. April 1, 2024. Accessed June 20, 2024. <https://www.cms.gov/files/document/2025-announcement.pdf> 5. Medicare.gov. Help with drug costs: What's extra help? Accessed June 21, 2024. <https://www.Medicare.gov/basics/costs/help/drug-costs>

