

# 2025 MEDICARE PART D PRESCRIPTION PAYMENT PLAN



Starting January 1st, 2025, the Inflation Reduction Act will introduce changes aimed at helping Medicare Part D enrollees with their prescription drug out-of-pocket costs.

- **\$2,000 Out-of-Pocket Cap:** Medicare Part D enrollees will have an annual \$2,000 limit on out-of-pocket costs for prescription medications covered by their plan. After reaching \$2,000, beneficiaries will not have to pay additional out-of-pocket costs for covered Part D drugs for the rest of the calendar year (January - December).<sup>1</sup>
- **Medicare Prescription Payment Plan:** This plan will allow Medicare Part D enrollees to spread out their out-of-pocket costs over the course of the calendar year for prescription drugs covered by the plan. It will be offered by all Medicare health plans.<sup>2</sup>

## ABOUT THE PRESCRIPTION PAYMENT PLAN:

1. It is voluntary and doesn't cost anything to participate.
2. Participants can enroll in the plan during Open Enrollment or anytime during the year. They can opt-in online, by mail or by phone with their health or drug plan.
3. Monthly payments may increase throughout the year depending on the total amount of out-of-pocket expenses incurred, as well as the amount of time remaining in the calendar year.
4. Participants are most likely to benefit from this payment option if they have high drug costs earlier in the calendar year.
5. Participants who use this payment plan each month will continue to pay their plan premium and will get a bill from their health or drug plan to pay for their prescription drugs instead of paying the pharmacy.



For additional information, please visit  
[medicare.gov/prescription-payment-plan](https://medicare.gov/prescription-payment-plan),  
scan the QR code or contact your **Medicare Part D plan**.

# PRESCRIPTION PAYMENT PLAN - **FAQS<sup>3</sup>**

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## **Who is eligible to participate in the Medicare Prescription Payment Plan?**

Anyone with a Medicare Part D prescription drug plan is eligible to enroll in the Medicare Prescription Payment Plan. This program is optional and requires enrollment.

## **Who might benefit from the Medicare Prescription Payment Plan?**

This program is available to anyone with Medicare Part D. It may be especially helpful for those who use medications with high out-of-pocket costs (such as branded or specialty drugs) and are likely to reach the \$2,000 out-of-pocket spending cap earlier in the year.

## **How does opting into the Medicare Prescription Payment plan change the payment process?**

Instead of paying the pharmacy directly for prescriptions, enrollees will pay their plan over the year in capped monthly installments. Maximum monthly payments will be calculated based on the amount spent toward the \$2,000 out-of-pocket limit and the number of remaining months in the plan year.

## **What is the deadline to opt in for 2025?**

Enrollment is possible during Medicare Open Enrollment or any time during the year. Early enrollment is recommended. Until enrolled, individuals will continue to pay their full copay amount when prescriptions are filled rather than smoothing out payments over the full calendar year.

## **What happens if the \$2,000 out-of-pocket cap is not reached?**

Billing will be based only on the amount spent toward the out-of-pocket cap. Reaching or paying the full \$2,000 limit is not required for program participation.

## **Which medications are included in this program?**

All drugs covered by a Part D plan (including specialty, branded, and generic) qualify toward the annual out-of-pocket costs and are billed as part of the monthly installment benefit until the \$2,000 spending cap is reached.

### **SOURCE:**

1. <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/costs-in-the-coverage-gap>
2. <https://www.medicare.gov/prescription-payment-plan>
3. <https://www.medicare.gov/publications/12211-whats-the-medicare-prescription-payment-plan.pdf>