

# A MEDICARE PART D UPDATE

## for healthcare providers

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

These are some of the changes happening in 2025 that may help your patients to access their covered prescriptions:



**Spending limit/out-of-pocket cap:** The amount patients spend on their Medicare-covered prescriptions in 2025 will be capped at \$2,000 for the year.



**New option to spread patient out-of-pocket (OOP) costs over the entire calendar year:** If your patients sign up for the Medicare Prescription Payment Plan through their Medicare Part D plan, they will pay \$0 at the pharmacy. Instead of paying at the pharmacy, they will receive a monthly bill from their 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 your patients qualify based on having a limited income and modest resources.

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

- The Medicare Prescription Payment Plan will not reduce the total amount your patients owe for Part D OOP costs (a maximum of \$2,000 for the year), but it can help them 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 their costs as much as possible, your patients can sign up for the Medicare Prescription Payment Plan during Medicare's open enrollment from October 15 to December 7
  - This will allow your patients to stretch out their payments for as long as 12 months starting on January 1, 2025
  - Your patients can sign up later in the year, but their monthly payment amounts may be higher, so they are able to pay in full by December 31, 2025



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

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

# How your patients can sign up for the Medicare Prescription Payment Plan

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

**1** Guide them to review the Medicare Part D plan options available in their area to compare which ones offer the best coverage for their prescription medications.

✓ If your patient already has a Part D plan, encourage them to check to make sure that their plan will still cover all their prescription medications in 2025.

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

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

📞 Your patient's Part D plan's telephone number will be on the back of their 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	2025 Annual Income Limit*	2025 Resource Limit*
Individual	\$23,475	\$17,600
Couple	\$31,725	\$35,130

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

You and your patients can 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**

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

