Consider Managing Your Monthly Drug Costs with the Medicare Prescription Payment Plan

You might benefit from participating in the Medicare Prescription Payment Plan because you have high drug costs.

What's the Medicare Prescription Payment Plan?

The Medicare Prescription Payment Plan is a new payment option that works with your current drug coverage to help you manage your out-of-pocket Medicare Part D drug costs by spreading them across the calendar year (January– December). Starting in 2025, anyone with a Medicare drug plan or Medicare health plan with drug coverage (like a Medicare Advantage Plan with drug coverage) can use this payment option for drugs covered by Part D. **All plans offer this payment option and participation is voluntary.**

If you select this payment option, each month you'll continue to pay your plan premium (if you have one), and you'll get a bill from your health or drug plan to pay for your prescription drugs (instead of paying the pharmacy). There's no cost to participate in the Medicare Prescription Payment Plan, and you won't pay any interest or fees on the amount you owe, even if your payment is late.

Will this payment option help me?

It depends on your situation. If you have high out-of-pocket drug costs earlier in the calendar year, this payment option spreads out what you'll pay each month across the calendar year (Jan – Dec), so you don't have to pay out-of-pocket costs to the pharmacy. **This payment option might help you manage your monthly expenses, but it doesn't save you money or lower your drug costs.** Visit Medicare.gov/basics/costs/help/drug-costs to learn about programs that can help lower your drug costs.

How will my costs work?

The prescription drug law caps your out-of-pocket costs at $2,000 in 2025. This means you'll never pay more than $2,000 in out-of-pocket drug costs in 2025. **This is true for everyone with Medicare drug coverage, even if you don't join the Medicare Prescription Payment Plan.**

When you fill a prescription for a drug covered by Part D, you won't pay your pharmacy (including mail order and specialty pharmacies). Instead, you'll get a bill each month from your health or drug plan. Your monthly bill is based on what you would have paid for any prescriptions you get, plus your previous month's balance, divided by the number of months left in the year.

Even though you won't pay for your drugs at the pharmacy, you're still responsible for the costs. If you want to know what your drug will cost before you take it home, call your plan or ask the pharmacist.

Note: Your payments might change every month, so you might not know what your exact bill will be ahead of time. Future payments might increase when you fill a new prescription (or refill an existing prescription) because as new out-of-pocket drug costs get added to your monthly payment, there are fewer months left in the year to spread out your remaining payments.

How do I know if this payment option might not be the best choice for me?

This payment option might not be the best choice for you if:

- Your yearly drug costs are low.
- Your drug costs are the same each month.

- You're considering signing up for the payment option late in the calendar year (after September).
- You don't want to change how you pay for your drugs.
- You get or are eligible for Extra Help from Medicare.
- You get or are eligible for a Medicare Savings Program.
- You get help paying for your drugs from other organizations, like a State Pharmaceutical Assistance Program (SPAP), a coupon program, or other health coverage.

Who can help me decide if I should participate?

- **Your health or drug plan:** Visit your plan's website, or call your plan to get more information. If you need to pick up a prescription urgently, call your plan to discuss your options.
- **Medicare:** Visit Medicare.gov/prescription-payment-plan to learn more about this payment option and if it might be a good fit for you.
- **State Health Insurance Assistance Program (SHIP):** Visit shiphelp.org to get the phone number for your local SHIP and get free, personalized health insurance counseling.

How do I sign up?

Visit your health or drug plan's website, or call your plan to start participating in this payment option at any time during the plan year.

Need this information in another format or language?

To get this material in other formats like large print, braille, or another language, contact your Medicare drug plan at the phone number on the back of your membership card. If you need help contacting your plan, call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.