

# New Medicare Legislation: More Affordable Part D Drugs for Your Patients

The Inflation Reduction Act makes improvements to Medicare that will expand benefits and lower drug costs for many of your patients.<sup>1</sup>

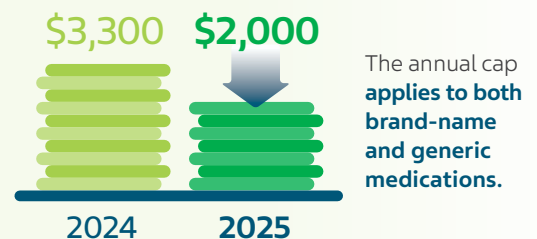


## Significant Reduction in Total Annual Cap

The new legislation ends the coverage gap (“donut hole”) on December 31, 2024.<sup>2</sup> Beginning in 2025, all Medicare Part D plans will **reduce the total annual cap from \$3,300 to \$2,000** on out-of-pocket costs for ALL prescription drugs covered by the plan.<sup>3,4</sup>

This change affects all standalone Part D and Medicare Advantage plans with prescription drug coverage.<sup>5</sup>

### Annual Out-of-Pocket Cap



## New Monthly Payment Plan

The Medicare Prescription Payment Plan (MPPP), effective January 1, 2025, offers Part D enrollees the **option to pay out-of-pocket prescription drug costs in monthly payments** instead of all at once at the pharmacy. This optional plan may be beneficial to patients who experience high drug costs early in the year.<sup>6,7</sup>

### Key features of the Medicare Prescription Payment Plan<sup>6,7</sup>:

- Distributes costs in **monthly installments** throughout the year
- **Drug plan bills patients directly**, replacing pharmacy payments
- **No additional cost** for participation
- Part D drug plans, including Medicare Advantage plans with prescription drug coverage, **must provide all Part D enrollees with the option to participate**
- Enrollees continue to pay plan premiums (if applicable)

Patients can enroll at any time by contacting their plan or visiting their plan's website.

Payments under MPPP may vary each month, but your Part D patients will never pay more than the \$2,000 annual out-of-pocket cap in 2025.<sup>8</sup>

Review examples of MPPP payment plans



Learn more about Medicare Part D changes



Consider discussing the MPPP and the annual \$2,000 out-of-pocket cap with your patients.

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# Enhanced Low-Income Subsidy for Medicare Part D

The Extra Help program, also known as the Low-Income Subsidy (LIS), has expanded to provide greater prescription drug cost assistance to eligible Medicare beneficiaries.<sup>9</sup>

Your patients may be eligible in 2025 if they meet these qualifications<sup>10</sup>:

	Annual income limits*	Resource limits†
Individual	\$22,590	\$17,220
Married couple	\$30,660	\$34,360

\*Income limits are higher in Alaska and Hawaii

†Resources include stocks, bonds, and money in a checking, savings, or retirement account

## What Extra Help means for your patients<sup>10</sup>

No Part D plan deductibles or premiums

Significantly reduced medication costs:

**\$4.90** MAXIMUM COPAY  
FOR GENERIC DRUGS

**\$12.15** MAXIMUM COPAY  
FOR BRAND-NAME DRUGS



Some patients are automatically enrolled in the Extra Help program, including patients who are dual-eligible for Medicare and Medicaid, those with Supplemental Security Income (SSI), and those enrolled in other Medicare Savings Programs (MSPs).<sup>10</sup>

Encourage your eligible patients to apply for Extra Help.

Learn more about Extra Help and how patients can apply



**References:** 1. Centers for Medicare & Medicaid Services. Inflation Reduction Act and Medicare. Accessed October 10, 2024. <https://www.cms.gov/inflation-reduction-act-and-medicare>. 2. Centers for Medicare & Medicaid Services. CMS releases 2025 Medicare Part D bid information and announces premium stabilization demonstration. July 29, 2024. Accessed October 10, 2024. [www.cms.gov/newsroom/fact-sheets/cms-releases-2025-medicare-part-d-bid-information-and-announces-premium-stabilization-demonstration](https://www.cms.gov/newsroom/fact-sheets/cms-releases-2025-medicare-part-d-bid-information-and-announces-premium-stabilization-demonstration). 3. Cubanski J, Neuman T. Changes to Medicare Part D in 2024 and 2025 under the Inflation Reduction Act and how enrollees will benefit. April 20, 2023. Accessed November 10, 2024. <https://www.kff.org/medicare/issue-brief/changes-to-medicare-part-d-in-2024-and-2025-under-the-inflation-reduction-act-and-how-enrollees-will-benefit>. 4. Centers for Medicare & Medicaid Services. Costs in the coverage gap. Accessed November 10, 2024. <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/costs-in-the-coverage-gap>. 5. Cubanski J. A current snapshot of the Medicare Part D prescription drug benefit. October 9, 2024. Edited November 5, 2024. Accessed October 10, 2024. <https://www.kff.org/medicare/issue-brief/a-current-snapshot-of-the-medicare-part-d-prescription-drug-benefit>. 6. Centers for Medicare & Medicaid Services. Medicare fact sheet: Medicare Prescription Payment Plan: final part two guidance. July 2024. Accessed October 10, 2024. <https://www.cms.gov/files/document/fact-sheet-medicare-prescription-payment-plan-final-part-two-guidance.pdf>. 7. Centers for Medicare & Medicaid Services. What's the Medicare prescription payment plan? Accessed November 10, 2024. <https://www.medicare.gov/prescription-payment-plan>. 8. Centers for Medicare & Medicaid Services. Before using this option. Accessed November 10, 2024. <https://www.medicare.gov/prescription-payment-plan/before-payment-option>. 9. U.S. Department of Health and Human Services. Inflation Reduction Act toolkit. Accessed November 10, 2024. <https://www.hhs.gov/inflation-reduction-act/toolkit/index.html>. 10. Centers for Medicare & Medicaid Services. Help with drugs costs. Accessed November 10, 2024. <https://www.medicare.gov/basics/costs/help/drug-costs>.