

Medicare Part D Enrollment & the IRA: Changes in the Right Direction but Work Remains

Several programmatic changes have taken place for Medicare beneficiaries as a result of the Inflation Reduction Act (IRA):



Requiring plans to limit copays for covered insulins to \$35



Offering zero cost sharing for certain Part D preventative vaccines



Expanding eligibility for the Part D Extra Help program



Implementing a new out-of-pocket cap in Part D by eliminating the 5% coinsurance requirement; with a \$2,000 cap taking effect in 2025



Offering a program to “smooth” or spread costs over the course of the year, taking effect in 2025

Unfortunately, in many cases, Medicare beneficiaries are still paying more for their medicines than their insurance companies do. [Why?](#)

The IRA didn't do nearly enough to address the real drivers of high out-of-pocket costs: insurer and pharmacy benefit manager (PBM) behaviors.

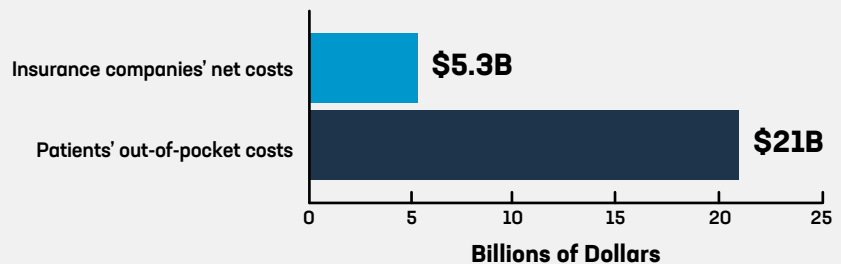
In 2021, biopharmaceutical companies paid \$48.6 billion [in rebates and discounts](#) to PBMs and insurers that administer the Medicare Part D prescription drug benefit program. These rebates and discounts lowered overall spending in the Part D program by 23%, up from 18% just a few years ago.

But in many cases, these massive discounts are not going to seniors or those living with disabilities who are taking these medicines.

According to a [report](#) from the nonpartisan Government Accountability Office (GAO), **Medicare Part D beneficiaries paid 4x more than insurance companies and PBMs for 79 of the top 100 medicines for which manufacturers provide significant discounts.**

Additionally, GAO found that PBMs and insurers limit the usage of lower priced medicines by not including them on their formularies.

Patients in Medicare Part D Spent \$16 Billion More for Certain Medicines than Insurance Companies



Source: U.S. Government Accountability Office analysis of Medicare Part D beneficiaries' out-of-pocket costs and plan sponsors' net expenditures for 79 selected drugs, 2021. GAO-23-105270

Congress can take further action to help Part D beneficiaries.

These commonsense reforms will address misaligned incentives in the PBM market to directly lower patients' cost at the pharmacy, ensuring patients are benefitting from these changes as intended:

- Ensure rebates and other savings are shared directly with patients at the pharmacy counter
- Address misaligned incentives in the market that lead PBMs to favor medicines with higher prices
- Hold PBMs accountable for their tactics that drive up costs for patients, taxpayers and the broader health care system

Plan de Pago de Medicamentos Recetados de Medicare

El Plan de Pago de Medicamentos Recetados de Medicare es una nueva opción de pago voluntario de la Parte D de Medicare. A partir del 1 de enero de 2025, este programa permitirá a los beneficiarios distribuir sus gastos de bolsillo en recetas médicas a lo largo del año natural. Para participar, los beneficiarios deben optar por este programa cada año.

¿Cómo puedo saber si el Programa de Plan de Pago de Medicamentos Recetados es adecuado para mí?

Puede beneficiarse del programa si:

- El año anterior pagó \$2,000 de su bolsillo en medicamentos
- Tiene unos gastos de medicamentos de su bolsillo constantes y considerables, sobre todo a principios de año.

Es probable que se beneficie menos del programa si:

- Recibe la Ayuda Adicional de Medicare, porque los afiliados a la Ayuda Adicional ya tienen copagos fijos bajos.
- Cualifica para un Programa de Ahorro de Medicare
- Recibe ayuda para pagar sus medicamentos recetados de otras organizaciones, tal como un Programa Estatal de Asistencia Farmacéutica (SPAP) u otra cobertura médica asistida

¿Cómo puedo inscribirme en el Plan de Pago de Medicamentos Recetados de Medicare?

Cualquier beneficiario de Medicare puede inscribirse en este programa a través de su plan de la Parte D o Medicare Advantage en cualquier momento durante el año del plan o antes. Hay tres maneras de inscribirse: por teléfono (llamando a su plan), en papel (completando un formulario de solicitud de elección) o a través del Internet (eligiendo a través de la página web de su plan médico).

¿Cómo repercutirán mis gastos en este programa?

Si decide participar en este programa, pagará \$0 por su receta en la farmacia, incluyendo las farmacias de venta por correo y especializadas. A continuación, su plan médico o de medicamentos le facturará dos veces al mes, una por la prima (si procede) y otra por la parte que le corresponde del costo total compartido de los medicamentos recetados, repartido a lo largo del año. No pagará intereses ni comisiones por la cantidad adeudada bajo el Plan de Pago de Medicamentos Recetados, aunque se retrase en el pago.

Este programa funcionará con el nuevo tope de gastos de bolsillo de la Parte D de Medicare, que limita el gasto de bolsillo en medicamentos para todos los beneficiarios de Medicare a \$2,000 a partir de 2025. Como resultado, usted nunca pagará más de \$2,000 en total de su bolsillo en 2025 por sus medicamentos recetados, incluso si no opta por el Plan de Pago de Medicamentos Recetados de Medicare.

Por ejemplo, si recibe un medicamento que cuesta \$2,000 de su bolsillo en enero (alcanzando el tope de gastos de su bolsillo), en lugar de tener que pagar a la farmacia \$2,000 inmediatamente, con el programa su plan le facturaría \$167 mensuales durante todo el año.

Nota: Los costos del programa podrían variar de un mes a otro, ya que los costos totales repartidos a lo largo del año aumentarían cada vez que se recetara un nuevo medicamento o se renovara una receta existente.

¿Puedo abandonar el Plan de Pago de Medicamentos Recetados de Medicare?

Puede optar por finalizar su participación en el Plan de Pago de Medicamentos Recetados Medicare en cualquier momento durante el año natural. Sin embargo, seguirá siendo responsable de pagar a su plan de medicamentos o de salud cualquier saldo adeudado en virtud del programa una vez que finalice su participación.

Si no efectúa los pagos o no paga su factura en la fecha de vencimiento, su plan puede retirarle del programa. Seguirá siendo responsable de pagar a su plan las cantidades que adeude, pero no pagará intereses ni tasas aunque se retrase en el pago. Sólo se le dará de baja del Plan de Pago de Medicamentos Recetados. Su cobertura de medicamentos bajo su plan médico o de medicamentos y cualquier otro beneficio de Medicare no se verán afectados.



¿Dónde puedo obtener más información?

- **Su plan médico o de medicamentos:** Visite la página web de su plan o llámeles si desea más información o necesita ayuda. El número de teléfono de su plan figura al dorso de su tarjeta de membresía.
- **Medicare:** Visite [Medicare.gov/\[marcador de posición\]](https://www.Medicare.gov/), o llame al 1-800-MEDICARE (1-800-633-4227), 24 horas al día, 7 días a la semana. Los usuarios de TTY pueden llamar al 1-877-486-2048.
- **Programa Estatal de Seguro Médico (SHIP, por sus siglas en inglés):** Visite [shiphelp.org](https://www.shiphelp.org) para obtener el número de teléfono de su SHIP local y recibir asesoramiento gratuito y personalizado sobre seguros médicos.

Medicare Prescription Payment Plan

The Medicare Prescription Payment Plan is a new, voluntary payment option under Medicare Part D. Starting on January 1, 2025, this program will allow beneficiaries to spread their out-of-pocket prescription costs over the calendar year. To participate, beneficiaries must opt into this program each year.

How do I know if the Medicare Prescription Payment Program is the right fit for me?

You may benefit from the program if:

- You had \$2,000 in out-of-pocket drug costs in the previous year
- You have consistent and substantial out-of-pocket drug costs, especially early in the year

You are less likely to benefit from the program if:

- You receive Extra Help from Medicare, because Extra Help enrollees already have fixed low copays
- You qualify for a Medicare Savings Program
- You receive help paying for your prescription medications from other organizations, such as a State Pharmaceutical Assistance Program (SPAP) or other assisted health coverage

How can I opt into the Medicare Prescription Payment Plan?

Any Medicare beneficiary can opt into this program through their Part D or Medicare Advantage plan at any time during or prior to the plan year. There are three ways to sign up: telephone (calling your plan), paper (filling out an election request form), or website (elect through your health plan's website).

How will my costs work with this program?

If you choose to participate in this program, you will pay \$0 for your prescription at the pharmacy, including mail-order and specialty pharmacies. Then, you will be billed by your health or drug plan, both for your premium (if applicable) and also for your share of total prescription cost-sharing, spread over the year. You will not pay any interest or fees on the amount you owe under the Medicare Prescription Payment Plan, even if your payment is late.

This program will work with the new out-of-pocket cap in Medicare Part D, which caps out-of-pocket medicine spending for all Medicare beneficiaries at \$2,000 starting in 2025. As a result, you will never pay more than \$2,000 in total out of pocket in 2025 for your prescription drugs, even if you do not opt into the Medicare Prescription Payment Plan.

For example, if you opted into the Medicare Prescription Payment Plan and you receive a medicine that costs \$2,000 out of pocket in January (hitting the out-of-pocket cap), instead of having to pay the pharmacy \$2,000 immediately, under the program your plan would bill you \$167 monthly for the duration of the year.

Note: In cases where you don't hit the out-of-pocket cap until later in the year, your costs under the program can change from month to month since the total costs spread over the year may grow each time you fill another prescription.

Can I Leave the Medicare Prescription Payment Plan?

You can choose to end your participation in the Medicare Prescription Payment Plan at any time during the calendar year. However, you will still be responsible to pay your drug or health plan for any remaining balance owed under the program once you end your participation.

If you miss payments or are not paying your bill by the due date, your plan can remove you from the program. You will still be responsible for paying your plan for any amounts owed, but you won't pay any interest or fees even if the payment is late. You will only be removed from the Medicare Prescription Payment Plan. Your drug coverage under your health or drug plan and any other Medicare benefits will not be impacted.



Where can I get more information?

- **Your health or drug plan:** Visit your plan's website or call them if you want more information or need help. Your plan's phone number is on the back of your membership card.
- **Medicare:** Visit [Medicare.gov/prescription-payment-plan](https://www.Medicare.gov/prescription-payment-plan), or call 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY users can call 1-877-486-2048.
- **State Health Insurance Program (SHIP):** Visit shiphelp.org to get the phone number for your local SHIP and get free, personalized health insurance counseling.

Medicare Prescription Payment Plan – Overview for Health Care Providers

The Medicare Prescription Payment Plan is a new, voluntary payment option under Medicare Part D. Beginning on January 1, 2025, this program will allow Medicare beneficiaries to spread their out-of-pocket costs for Part D covered drugs over the calendar year. This program, sometimes referred to as “smoothing,” aims to help patients manage high, upfront drug costs.

Which patients may benefit from the Medicare Prescription Payment Program?

While the program will be available to all beneficiaries, patients most likely to benefit from the program include those who:

- Had high out-of-pocket costs in the previous year – about \$2,000 or more.
- Expect to have high out-of-pocket costs, especially in the early months of the year, which may be associated with complex medical conditions such as cancer, an autoimmune condition, HIV, multiple sclerosis, etc.

Some patients will receive notifications from their plan or pharmacy about the Medicare Prescription Payment Plan, but those notifications may not reach everyone who could benefit. Informing your patients about this program before they receive their prescription from their pharmacy can help prevent delays in treatment.

How can patients elect or “opt in” to the Medicare Prescription Payment Plan?

All beneficiaries can opt into the Medicare Prescription Payment Plan through their Part D or Medicare Advantage plan prior to or at any time during the plan year. Participation is **voluntary** and patients must opt into the program in order to participate. **There are three ways for them to sign up:**

- 1. Telephone:** Call their Part D or Medicare Advantage plan directly.
- 2. Paper Request:** Fill out a paper election request form from their plan.
- 3. Online:** Elect this option through their plan's website.

Note: If a patient opts into the program **during the plan year**, it may take their Part D or Medicare Advantage plan **up to 24 hours to process the election**.

How will the program change when and how patients pay their out-of-pocket costs?

If a patient chooses to participate in the Medicare Prescription Payment Plan:

- They will pay **\$0** for their prescriptions **at their pharmacy**.
- **Out-of-pocket costs** for their Part D drugs **will be divided into monthly payments** based on a standard formula used by all Part D plans, which will adjust depending on the patient's cost sharing to date and the remaining months in the plan year.
- In addition to their monthly premium (if applicable), patients will be **billed each month by their Part D or Medicare Advantage plan** for the drug costs they owe.

Important notes:

- **Variable payments:** A patient's monthly payments under the program may vary throughout the year depending on the out-of-pocket cost of their medications, their plan benefits, and when they elect into the program.
- **Cap on total out-of-pocket costs each year:** This program will work with other changes to the Part D benefit beginning in 2025. Starting January 1, 2025, Medicare beneficiaries' out-of-pocket costs for their Part D drugs will be capped (at no more than \$2,000 in 2025) each year, even if they do not opt into in the Medicare Prescription Payment Plan.
- **No additional fees or interest:** There are no additional fees or interest associated with the program, even if a patient is delayed in making payments to their plan.

Depending on each patient's situation, they could see their monthly costs under the Medicare Prescription Payment Plan increase towards the end of the year. However, a beneficiary's annual out-of-pocket costs will never be higher than it would have been if he or she had not participated in the Medicare Prescription Payment Plan. Patients and their caregivers will need to make individual determinations about whether the Medicare Prescription Payment Plan is right for them. Patients who may not benefit include: (a) patients who receive "Extra Help" from Medicare or qualify for a Medicare Savings Program; (b) patients with other forms of financial assistance, such as State Pharmaceutical Assistance Program (SPAP) or other assisted health coverage; (c) patients who opt in in the last couple of months of the year.

Can patients leave the Medicare Prescription Payment Plan?

Patients can voluntarily choose to end their participation in the Medicare Prescription Payment Plan at any time during the year. Additionally, if a patient misses payments, their Part D plan can involuntarily remove them from the program. However, their Part D drug coverage will continue as long as they continue to pay their plan premiums.

Regardless, if a patient is removed from the program due to missed payments or the patient decides to voluntarily leave the program, they are still responsible for paying their Part D plan any remaining balances owed under the program. There will be no interest or fees for late payments.



How can I support my patients?

- **Education:** Talk to your Medicare patients about this option, especially when starting patients on new medicines that often have high out-of-pocket costs. You can encourage patients who may benefit from this program to opt into the Medicare Prescription Payment Plan before receiving their prescription from their pharmacy.
- **Resources:** During Part D open enrollment, starting on October 15, 2024, there will likely be several ways for patients to get more information on the program and how they can elect this option. Resources include:
 - o **Their Part D or Medicare Advantage plan:** Patients can visit their plan's website or call their plan directly.
 - o **Medicare:** Medicare.gov/prescription-payment-plan, or call 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY users can call 1-877-486-2048.
 - o **State Health Insurance Program (SHIP):** Visit shiphelp.org for local SHIP contact information where patients can get free, personalized health insurance counseling.

Tips for Part D Open Enrollment

For nearly 60 years, Medicare has helped pay for medical care for Americans over the age of 65, as well as younger Americans with certain medical needs. Thanks to Medicare Part D, nearly 90% of Medicare beneficiaries have comprehensive prescription drug coverage.

Part D, run by Medicare-approved private plans, provides coverage for outpatient prescription medicines that patients pick up at a retail or speciality pharmacy or receive through mail order. In its first 15 years, Part D contributed to [decreased mortality rates](#), [reduced hospitalizations](#) and emergency room visits in large part because of increased access and improved adherence to medicines for seniors and others enrolled in the program.

In 2025, there will be two new benefits in Part D: a \$2,000 limit on annual Part D out-of-pocket prescription drug costs and a voluntary payment program called the “Medicare Prescription Payment Plan” where seniors can spread out the cost of their Part D out-of-pocket costs throughout the year. This program can be helpful for patients with high out-of-pocket drug costs, preventing medication abandonment and treatment delays.

Here are some suggestions for beneficiaries enrolling or re-enrolling in Part D this fall:

- Patients or caregivers can call your provider or 1-800-MEDICARE to learn more about the Medicare Prescription Payment Plan, the new \$2,000 out-of-pocket cap, \$35 insulin copay caps and other benefits.
- Look for resources and [online tools through medicare.gov](#) that help patients or caregivers understand the basics of Medicare, compare plans and more. Open enrollment resources are also available in [languages other than English](#).
- [State Health Insurance Agencies \(SHIPs\)](#) can also help patients, families and caregivers select a Medicare plan that works best.
- [Medicare's plan finder](#) can be useful for finding the right plan with coverage of the medicines individual beneficiaries may need. Consider whether the plan covers your medicine, what pharmacies are preferred or in-network and if the plan offers mail-order refills.
- If you are low-income, look into [Medicare's Extra Help program](#), which helps with premiums, deductibles, coinsurance and other costs in Part D.



Find all of the options for your area.



Check to see which plans cover your medicines.



Compare the costs of each plan.



Consider all the features of each plan.

[Learn more about Medicare Part D and enroll in a plan here.](#)

TIPS FOR PART D OPEN ENROLLMENT

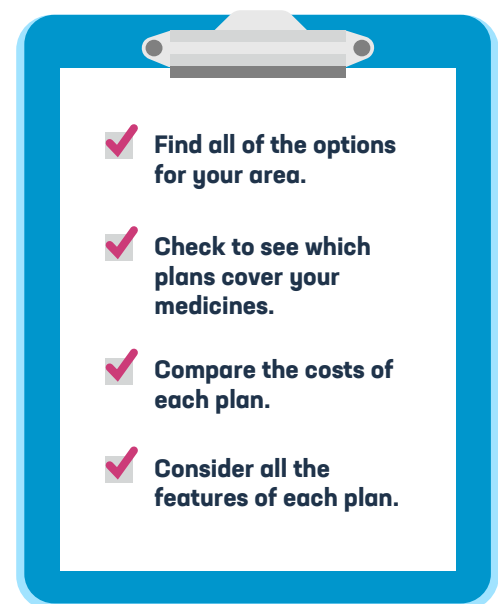
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