

## 2025 Pharmacy Changes

There are two important changes coming to the Part D, prescription drug, benefit in 2025:

- The Standard drug benefit is changing.
- Addition of the Medicare Prescription Payment Plan (M3P).

We'll break down what is changing and what you need to know about your Part D, prescription drug, coverage for 2025.

### The Standard Drug Benefit Changes

Plan Year 2024	Starting January 1, 2025
<p>There are four <b>drug payment stages</b>:</p> <ol style="list-style-type: none"> <li>1. The Annual Deductible Stage.</li> <li>2. The Initial Coverage Stage.</li> <li>3. The Coverage Gap Stage.</li> <li>4. The Catastrophic Coverage Stage.</li> </ol> <p>If your plan has a pharmacy deductible, you pay the full amount (100%) of the cost for your prescriptions until the total amount you pay for your drugs reaches your deductible amount.</p> <p>Next is the Initial Coverage Stage where your plan starts helping you pay for your prescriptions. You only pay your copay/coinsurance amount, and your plan pays the rest. You're in this phase until the amount you and your plan pay reaches \$5,030.</p> <p>Then you move into the Coverage Gap or "donut hole." You stay in this phase until the amount you pay is \$8,000.</p> <p>Next, you move to the Catastrophic Coverage Stage, where you pay \$0 for your drugs for the rest of the plan year, as long as those drugs are on your plan's formulary, and you get them at an in-network pharmacy.</p>	<p>There will be three <b>drug payment stages</b>:</p> <ol style="list-style-type: none"> <li>1. The Annual Deductible Stage.</li> <li>2. The Initial Coverage Stage.</li> <li>3. The Catastrophic Coverage Stage.</li> </ol> <p>If your plan has a pharmacy deductible, you pay the full amount (100%) of the cost for your prescriptions until the total amount you pay for your drugs reaches your deductible amount.</p> <p>Next is the Initial Coverage Stage where your plan starts helping you pay for your prescriptions. You only pay your copay/coinsurance amount, and your plan pays the rest. You're in this phase until the amount you pay reaches \$2,000. Once this amount is reached, you enter into the Catastrophic Coverage Stage and the Coverage Gap Stage will no longer exist.</p> <p>In the Catastrophic Coverage Stage, you pay \$0 for your drugs for the rest of the plan year, as long as those drugs are on your plan's formulary, and you get them at an in-network pharmacy.</p>

If you elect a plan that has prescription drug coverage, you do not need to do anything; the new coverage will start January 1, 2025, and once you pay \$2,000 for covered prescriptions, you will not have to pay any more for the plan year. The plan year runs January through December.

## **Medicare Prescription Payment Plan (M3P)**

The Medicare Prescription Payment Plan, introduced in 2025, allows enrollees in Medicare Part D plans (both stand-alone prescription drug plans and Medicare Advantage plans with drug coverage) to pay their out-of-pocket prescription drug costs through capped monthly payments instead of paying all at once at the pharmacy.

### **How does it work?**

- Enrollees with high drug costs can choose to spread their prescription costs over manageable monthly payments throughout the plan year, making drug costs more predictable. This also allows enrollees to better plan their budgets knowing that their prescription expenses won't fluctuate significantly.
- The program aims to make prescription drug expenses more predictable and affordable.

### **How do I know if the program is right for me?**

While the program is available to all Part D enrollees, not everyone may benefit from it. Those who will benefit most will have high drug costs. CMS (the Centers for Medicare & Medicaid Services) provides tools to help enrollees decide if the program suits their needs. You can find these tools online at [Medicare.gov/prescription-payment-plan](https://www.Medicare.gov/prescription-payment-plan) or you can also call your health plan to learn if M3P is right for you.

### **How do I enroll?**

You can opt in online, over the phone or through a paper form. Contact your plan for more information.

### **When can I enroll?**

You can opt in to the program at any time of the year. Your request will be processed within 24 hours of receiving the request.

### **How does the program work?**

Once you opt into the program, the Medicare Advantage plan or prescription drug plan (whichever plan you're enrolled in) will communicate with the pharmacy and when you go to the pharmacy, you will pay \$0 to the pharmacy for covered Part D drugs. The Medicare Advantage or prescription drug plan will bill you monthly for your cost-sharing.

### **Will opting into the program change anything about my pharmacy benefits?**

No, total out-of-pocket prescription drug costs, including deductibles, copayments and coinsurance associated with the pharmacy benefit, will not change because of the program. The only difference is how and when you pay for your prescription drug costs (which become monthly payments to the plan instead of at-the-time-of-sale payments to the pharmacy).

### **Does this program have a different pharmacy network?**

No, with this program you can use the same in-network pharmacies.

### **Will my pharmacy know that I am enrolled in the program?**

Yes, when they process your prescription, they will receive information from your Medicare Advantage plan or prescription drug plan (whichever plan you're enrolled in) that lets them know you are enrolled in the program and do not need to pay anything when picking up your prescription.

**What happens if I switch pharmacies during the year?**

If you switch pharmacies to another in-network pharmacy, the program remains in effect, and you continue paying your monthly cost-sharing amount. You may also switch back to your prior in-network pharmacy at any time during the year and the program will remain in effect.

**Will the program work if I get my prescriptions through mail order?**

Yes, when they process your prescription, they will receive information from your Medicare Advantage plan or prescription drug plan (whichever plan you're enrolled in) that lets them know you are enrolled in the program.

**Are individuals in the Extra Help program eligible to participate in the Medicare Prescription Payment Plan?**

Yes, plans must provide all Part D enrollees with the option to opt into M3P, including those in the Extra Help program. Individuals facing high cost-sharing earlier in the plan year are more likely to benefit from M3P.

**Do I have to pay all outstanding drug costs before the end of the plan year or can I carry it over to the next year?**

Regardless of when you sign up during the plan year, all M3P enrollees must settle any outstanding prescription costs by the end of the plan year (12/31).

**Does the M3P start over?**

M3P runs on the plan-year basis, January through December. It starts over each year in January. You do not need to reenroll in M3P, your participation in the program will continue unless you terminate your participation through your plan.