

Medicare Prescription Payment Plan



Beginning in 2025, all Medicare prescription drug plans (Part D plans), including Medicare Advantage (MA) plans with prescription drug coverage (MA-PDs), will be required to offer Part D enrollees the option to enroll in the Medicare Prescription Payment Plan (MPPP).

The MPPP allows beneficiaries to pay out-of-pocket prescription drug costs in monthly installments over the course of the plan year, rather than paying the full cost at the pharmacy when you pick up your prescription. The MPPP is an "opt-in" program, so you will not be automatically enrolled, and you can opt-out at any time. Also, in 2025, a person's out-of-pocket costs for Part D cannot exceed \$2,000.



Who is eligible?

If you are enrolled in a Medicare Part D plan, including a Medicare Advantage plan with prescription drug coverage, you are eligible to opt into the MPPP.

How exactly will this work?

The goal of the MPPP is to help spread out-of-pocket costs throughout the year, rather than requiring people to pay large one-time costs to access their medications. If you are enrolled in a Part D plan and choose to opt into the MPPP, you will pay \$0 when picking up a covered Part D drug, rather than the out-of-pocket cost-sharing you normally pay when filling a prescription. Instead, your Part D plan will send you a monthly bill for any out-of-pocket cost-sharing you owe for prescriptions that month and the monthly share of any costs from prior months, up to a maximum monthly cap. Note that your Part D plan may take 24 hours to process your application to enroll in the MPPP, so you may need to plan ahead.

[Learn More at Medicare.gov](#) | [Read the Fact Sheet From Medicare.gov](#)

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Is the MPPP right for me?

Part D enrollees with high out-of-pocket costs earlier in the plan year and those whose out-of-pocket costs will reach \$2,000 (the out-of-pocket cap for 2025) before December are generally more likely to benefit from the MPPP than people with more consistent, lower costs.

Medicare Drug Plans and pharmacists will notify people who have costs of at least \$600 for a single prescription that they may be likely to benefit from the MPPP. You may receive a "Medicare Prescription Payment Plan Likely to Benefit Notice" by mail or email prior to the start of the next plan year or at some point throughout the year. But you will still get to decide if you want to enroll, no matter what your drug costs are.

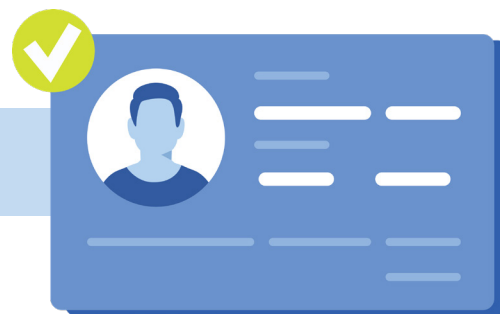
Enrolling later in the plan year is less beneficial because there are fewer months to spread out the costs. For example, enrolling in January allows you to spread high out-of-pocket costs you incur in that month over the 12 months of the year, versus just 3 months if you enroll in October. You will always have to pay all costs (up to \$2,000) within a plan year; costs will not roll over into the next year. Also, people with low-moderate out-of-pocket costs are unlikely to benefit ([see Susan's story.](#))



Individuals eligible for the Low-Income Subsidy (LIS) program (also called Extra Help) are able to participate in the MPPP, but LIS enrollment will provide more help with costs than the MPPP. Under the LIS program, individuals have \$0 premiums and low-cost, fixed co-payments for covered prescription drugs. [Learn more about Extra Help and apply here.](#)

It is important to remember that everyone's situation will be unique. [Read about these different MPPP scenarios for individuals living with lung diseases or answer a few questions from Medicare.gov to help determine if the MPPP is a good fit for you.](#) If you still have questions, you can contact a trained navigator through the Lung Helpline at 1-800-LUNG-USA.

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How do I enroll?

Check your Part D sponsor website - you will find an election request option, an overview of the program, examples of how the MPPP works, and more! You can enroll in a way you are comfortable with - paper option that can be mailed, toll-free telephone number, or online.

Part D plans will also be sending information on how to enroll with:

- Medicare membership ID cards or a separate mailing sent within the same time frame as the membership ID card mailing
- The Annual Notice of Change document (sent to Part D enrollees by September 30 and posted on Part D sponsor's websites by October 15)

How exactly will this work?

The first opportunity to enroll in the MPPP will be during the upcoming Medicare Open Enrollment period (October 15 - December 7, 2024). But you can opt-in to the MPPP anytime throughout the plan year.

If you switch plans during the plan year, you must re-enroll in the MPPP with your new plan; enrollment will not carry over.

Can I be denied from the MPPP?

Any individual with a Part D plan is eligible to opt-into the program. You can only be denied if you fail to submit the enrollment information correctly. In the future, people can also be denied in some cases if they did not pay their monthly payments in the prior year. If you are denied, your Part D sponsor must send a notice that explains the reason and the appeal process available. You should receive this within 10 calendar days of the denial or the expiration of the time frame for submission of additional information.

What if I can't pay?

Under the MPPP, you will receive a monthly bill for your out-of-pocket costs for your prescriptions. If you fail to pay this monthly bill at any point throughout the year, you will receive a notice explaining that you missed a payment. Everyone will be granted a 2-month grace period and you can pay the overdue balance at any point during the grace period in order to remain in the program. If you fail to pay the overdue balance during the grace period, you will be terminated from the MPPP but note that you will still be enrolled in your Part D plan.

If you pay all overdue amounts or can demonstrate "good cause for failure to pay" within the grace period, you must be reinstated in the MPPP. Circumstances that constitute good cause include, but are not limited to, a serious illness, recent death of a spouse or immediate family member, or damage due to a natural disaster.

Failure to pay may prevent you from participating in the MPPP in a subsequent year, as noted above.

Are any drugs excluded?

No, but the MPPP only applies to the drugs already covered by your Part D plan. So, if your Part D plan covers your drug, it will be included in the MPPP. If you are enrolled in a Medicare Advantage plan, you may still be required to go through prior authorization to access your medications.

What if I change my mind?

You can opt-out of the MPPP at any time during the plan year. If you choose to opt-out, you must still pay any outstanding bills under the program. You may choose to pay in one lump sum or in the billed, monthly amounts. After opting out, you will pay any new out-of-pocket costs directly to the pharmacy. Please check with your Part D sponsor on how to opt-out of the program.