

THE SPOTLIGHT

Spotlighting healthcare-related educational topics that matter to you

October 2024



The Patient Education and Empowerment Department creates resources that address a range of topics from medical debt to insurance access and disability benefits. The resources we produce are reflective of real-world experiences that meet the needs of the patients PAF serves.

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Big Changes are Coming to Medicare Prescription Benefits!



Medicare prescription drug coverage, known as Part D, is undergoing major changes. With the updated benefit design, you won't have to deal with multiple coverage phases for your prescription costs any longer, and the coverage gap is gone. Instead, you'll pay for your prescriptions (after paying a deductible, if applicable) until you reach your annual out-of-pocket limit of \$2,000. In addition, there is a new Medicare Prescription Payment Plan that could change how you pay for your medications.

The Medicare Prescription Payment Plan allows people with Medicare prescription coverage (Part D) to pay their out-of-pocket prescription drug costs in monthly installments instead of all at once. You are not automatically enrolled in the program; you must choose to opt in. Anyone with a Part D plan can opt into the program at any time during the year. The Medicare Prescription Payment Plan only applies to Part D and Medicare Advantage plans that offer Part D benefits.

If you opt-in to the program, you will not

pay for medications at the pharmacy when you pick up your prescription. Instead, your Part D plan will pay the pharmacy, and your plan will send you bills for the amount you owe during each of the remaining months of the year. This is referred to as "smoothing" and is a way to spread your out-of-pocket medication costs out over the year, paying part of the costs each month up to the maximum amount of \$2000 in total for the year.

This program doesn't lower your out-of-pocket costs for prescriptions. However, it may make paying for medications more manageable by spreading the costs throughout the year instead of all at once.

During the 2025 Open Enrollment period, individuals with Part D or Medicare Advantage plans that cover prescriptions can enroll in the Medicare Prescription Payment Plan. Contact your Part D plan provider and follow the enrollment process to enroll. You or your authorized representative can submit an election request to join the program. You can submit this request by paper, phone, or online. Your Part D plan will process your enrollment request within 24 hours.

KEY DATES:

October 15, 2024: Medicare Open Enrollment begins. You can now opt into the Medicare Prescription Payment Plan for the 2025 plan year.

December 7, 2024: Medicare Open Enrollment ends.

January 1, 2025: New plans begin with the launch of the Medicare Prescription Payment Plan.

January 1, 2025–December 31, 2025: Part D enrollees can opt into the payment plan at anytime throughout the year.

Patient Advocate Foundation wants to help you understand the basics of Medicare as well as important benefits and coverage information.

PAF's Medicare Resource Center is here to help you make sense of your benefits, get help with costs, and learn about new changes the Inflation Reduction Act of 2022 may have about the way your Medicare coverage works. You can also check out the CMS website for more updates.