



Learn about 2025 changes to Medicare Part D coverage



Part D changes in 2025

Beginning January 1, 2025, the Inflation Reduction Act (IRA) changes Medicare Part D coverage in 3 main ways:

- 1** The Coverage Gap stage or “donut hole” will be eliminated. The drug stages will be the Deductible stage (if your plan has a deductible), Initial Coverage stage and Catastrophic Coverage stage.
- 2** The 2025 annual out-of-pocket limit for Medicare-covered Part D prescription drug costs will be \$2,000. That means that after you and others on your behalf have paid a combined total of \$2,000 for your Medicare-covered Part D drugs, you will move from the Initial Coverage stage to the Catastrophic Coverage stage.
- 3** The Medicare Prescription Payment Plan will be an available option to help spread the cost of Medicare-covered Part D prescriptions throughout the year.

To learn more and find answers to frequently asked questions about these changes, please turn the page.

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Frequently asked questions

Why is this happening?

These changes are required as part of the Inflation Reduction Act (IRA) that was passed in 2022.

When the Coverage Gap stage is eliminated, what happens?

Beginning January 1, 2025, the Medicare drug coverage stages are the Deductible stage (if your plan has one), Initial Coverage stage and Catastrophic Coverage stage. Once the \$2,000 out-of-pocket limit is reached, you will enter the Catastrophic Coverage stage where covered Part D drugs will have a \$0 cost-share for the rest of the year.

How does the \$2,000 annual out-of-pocket limit work?

Starting January 1, 2025, what you and others on your behalf pay for your Medicare-covered Part D prescriptions will add up toward the \$2,000 annual out-of-pocket limit. Once reached, you will enter the Catastrophic Coverage stage where covered Part D drugs will have a \$0 cost-share for the rest of the year. This out-of-pocket limit applies only to prescriptions covered by Medicare Part D. Non-Part D drugs, such as those on the Bonus Drug List, and Part B drugs are excluded.

What is the Medicare Prescription Payment Plan?

The Medicare Prescription Payment Plan is a new payment option to help you manage your prescription drug costs. Starting January 1, 2025, you can choose to spread out the out-of-pocket costs of your Part D prescription drugs over the course of the calendar year. It's important to know this program does not lower prescription drug costs. This program applies only to prescriptions covered by Medicare Part D. Non-Part D drugs and Part B drugs are excluded.

How does the Medicare Prescription Payment Plan work?

If you opt into the Medicare Prescription Payment Plan, you will no longer pay the pharmacy when you fill a covered Part D prescription. Your plan will pay the pharmacy on your behalf and send you a monthly bill for your prescription drug costs. Your monthly bill will be based on what you owe for your prescriptions divided by the number of months left in the year. You will continue to receive a separate bill for your monthly plan premium if you have one.

Is the Medicare Prescription Payment Plan a good fit for me?

This optional program is designed to help if you have high out-of-pocket prescription drug costs earlier in the plan year and like the idea of spreading out payments more evenly. This program may not be a good fit if your yearly drug costs are low, relatively the same each month and not likely to reach the \$2,000 out-of-pocket limit.

Plans are insured through UnitedHealthcare Insurance Company or one of its affiliated companies, a Medicare Advantage organization with a Medicare contract. Enrollment in the plan depends on the plan's contract renewal with Medicare.

The UnitedHealthcare app is not available for all plans.

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