



NEW ANNUAL CAP FOR MEDICARE PART D DRUGS: INFORMATION FOR PATIENTS

Beginning January 1, 2025, Medicare Part D enrollees will have a \$2,000 annual out-of-pocket (OOP) cap for Medicare Part D-covered prescription drugs filled at a Part D plan’s in-network pharmacy (unless applicable out-of-network pharmacy exception). This cap was created as part of the Inflation Reduction Act (IRA) signed into law on August 16, 2022.

Timeline:

Is There Still a Catastrophic Phase?:

The previous 5% patient cost-sharing in what was known as the “Catastrophic Phase” was eliminated in 2024. While this change will help lower OOP expenses for many Medicare Part D enrollees in 2024, patients’ full cost savings will be realized when the \$2,000 annual cap goes into effect on January 1, 2025.

2024

Low Income Subsidy/ Extra Help Alert:

Did you know LIS/Extra Help means:

- No monthly premiums for Medicare Part D
- No Medicare Part D deductible
- Copay for each covered brand-name RX drug capped (\$11.20 in 2024)
- Copay for each generic drug capped (\$4.50 in 2024)

The income criteria to qualify for LIS/Extra Help has been expanded to cover enrollees who earn less than 150% of the Federal Poverty Level. This will allow more people to benefit from this important program.

CHECK TO SEE IF YOU MAY QUALIFY

2025

PART D \$2,000 ANNUAL OOP CAP STARTS IN 2025!
Plans change - be sure to review and compare 2025 Part D plans during open enrollment (October 15, 2024 – December 7, 2024) to make sure you select a Part D plan that best meets your needs.

