



2025 Medicare Part D Updates

What you need to know

Starting in 2025, a new law called the Inflation Reduction Act (IRA) will change how Medicare helps with your prescription drug costs.

KEY CHANGES INCLUDE

\$2,000 Out-of-pocket (OOP) maximum

Starting in January 2025, your out-of-pocket maximum will decrease from \$3,250 to \$2,000 for your prescription drugs each year.

Monthly payment plan

There's a new program called the Medicare Prescription Payment Plan (MPPP). It helps you pay for your prescription costs in monthly payments all year long.

Extra help for those with limited income

The income limit to get extra help with prescription costs is going up. Now, people who make up to 150% of the Federal Poverty Level can qualify for more assistance.

*Have questions?
We're ready to help you.*

CALL
1-877-219-7770
Monday–Friday, 8 AM–8 PM ET

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[MadrigalPatientSupport.com](https://www.MadrigalPatientSupport.com)

Medicare Prescription Payment Plan (MPPP)

If you're finding it hard to pay for your prescriptions, the Medicare Prescription Payment Plan (MPPP) might help. It lets you pay for your prescriptions in smaller monthly payments. You can join the MPPP anytime throughout the year, including during open enrollment. This program helps spread your prescription costs across the year, starting in January 2025.

The sooner you join the MPPP, the more you can benefit if you have high prescription costs. This is because you'll have more months to spread out and manage your prescription payments.

After you join the Medicare Prescription Payment Plan, you won't have to pay anything at the pharmacy for your prescription costs. Each month, your Part D plan will send you a statement showing your costs under the MPPP, which will be spread out over the rest of the year. This payment is different from your monthly Part D premium.

MPPP payment example

Here is an example of a patient who enrolled in the MPPP during open enrollment and before their first fill of a high-cost prescription medication with an out-of-pocket maximum of \$2,000.

Not Enrolled in MPPP			Enrolled in MPPP		
\$2,000 OOP at pharmacy			\$0 OOP at pharmacy		
JAN	FEB	MAR	JAN	FEB	MAR
\$2,000	\$0	\$0	\$167	\$167	\$167
APR	MAY	JUN	APR	MAY	JUN
\$0	\$0	\$0	\$167	\$167	\$167
JUL	AUG	SEP	JUL	AUG	SEP
\$0	\$0	\$0	\$167	\$167	\$167
OCT	NOV	DEC	OCT	NOV	DEC
\$0	\$0	\$0	\$167	\$167	\$163
Total \$2,000			Total \$2,000		



How to enroll in the Medicare Prescription Payment Plan

There are three ways to enroll in the Medicare Prescription Payment Plan.



Call the plan

The number can be found on the plan ID card



Visit the plan's website



Submit a paper form

May be sent by or requested from the plan

For more information about the Medicare Prescription Payment Plan and to learn whether it is the right program for you

VISIT

[Medicare.gov](https://www.medicare.gov) Prescription Payment Plan

Extra Help for those with limited income

The expanded Extra Help program helps people with limited income get Part D prescription medication coverage. If you qualify for Extra Help, there would be no premium or deductible with your Part D coverage. You would also receive lower copays for both brand-name and generic drugs.

Limited income is now set to 150% of the Federal Poverty Level. Each year, the income limits are updated when the Federal Poverty Level changes. You can find the last reported eligibility criteria in the table below.

Household size	2024 Income limit	2024 Resource limit
1	\$22,590	\$17,220
2	\$30,660	\$34,360

The U.S. Federal Poverty Guidelines were last reported in January 2024.

For more information about the Extra Help program, including how to enroll

CALL

The Social Security Administration: 1-800-772-1213

VISIT

[Medicare.gov](https://www.medicare.gov) Help with Drug Costs

For additional questions about Medicare Part D or the Inflation Reduction Act, please contact **Madrigal Patient Support**

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REFERENCES

¹Inflation Reduction Act, Pub. L. No. 117-169, 2022.

²Centers for Medicare & Medicaid Services. Announcement of Calendar Year (CY) 2025 Medicare Advantage (MA) capitation rates and Part C and Part D payment policies. April 1, 2024. Accessed August 20, 2024.

<https://www.cms.gov/files/document/2025-announcement.pdf>

³Medicare.gov. Help with drug costs: What's extra help? Accessed August 21, 2024. <https://www.medicare.gov/basics/costs/help/drug-costs>

⁴U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. (2024). Poverty guidelines. Accessed September 18, 2024. <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

