

# Updates to Medicare Part D in 2024 and 2025

New changes to Medicare Part D will lower the maximum out-of-pocket (OOP) costs for all Medicare patients, and more patients will qualify for additional help with their prescription costs.

**See inside to learn more about how your patients with Medicare may be able to save on prescription drug costs.**

This guide to changes in Medicare Part D programs is provided as a service to healthcare providers and is not comprehensive. Please refer to the Centers for Medicare & Medicaid Services for more information about any coverage, restrictions, or conditions that may apply.

# Changes in Medicare Part D in 2024 and 2025 Will Help More Patients Afford Their Medications<sup>1</sup>

## Key changes coming to Medicare Part D

	2024	2025
<p><b>MEDICARE PART D</b></p> <p>SEE PAGE 3</p>	<ul style="list-style-type: none"> <li>• Eliminate the <b>5%</b> coinsurance in the catastrophic phase (effectively capping OOP drug costs at about \$3300)</li> <li>• Limit increases in the base premium to <b>6%</b></li> </ul>	<ul style="list-style-type: none"> <li>• Cap OOP drug costs at <b>\$2000*</b></li> <li>• Eliminate the coverage gap</li> <li>• Establish an optional monthly payment plan to spread OOP costs throughout the year</li> </ul>
<p><b>LOW-INCOME SUBSIDY</b></p> <p>(LIS, also called Extra Help)</p> <p>SEE PAGES 4-6</p>	<ul style="list-style-type: none"> <li>• Full subsidy now available to patients at &lt;150% of the Federal Poverty Level</li> <li>• Income &lt; <b>\$29,580</b> per year</li> <li>• Assets &lt; <b>\$33,240</b> per year<sup>2,†</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 2024 LIS changes remain in effect in 2025</li> </ul>

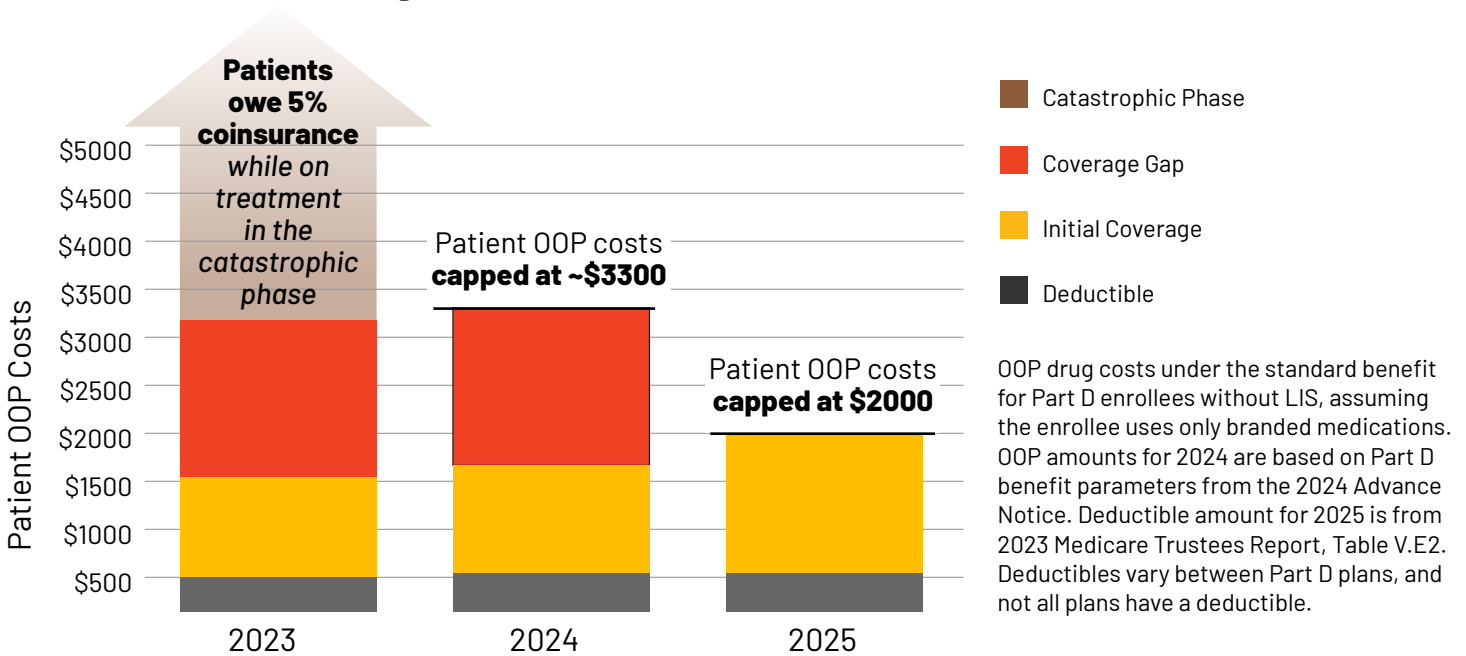
\*This cap will be indexed to rise at the rate of growth in per capita Part D costs and does not apply to OOP spending on drugs covered under Medicare Part B.

†Figures are for married couples living together. See pages 4-6 for more information.

**Help your patients minimize their OOP costs.** Encourage them to apply for Extra Help from Medicare and financial aid from nonprofit foundations.

# Changes in Medicare Part D Will **Lower Patients' Costs** for Medications<sup>1</sup>

## Patient Cost Sharing



## Total OOP costs by year

	2023	2024	2025
<b>Deductible</b>	100% of drug costs up to <b>\$505</b>	100% of drug costs up to <b>\$545</b>	100% of drug costs up to <b>\$540</b>
<b>Initial Coverage</b>	25% of drug costs up to <b>\$4660</b> in total drug costs ( <b>≤\$1038</b> OOP)	25% of drug costs up to <b>\$5029</b> in total drug costs ( <b>\$1121</b> OOP)	25% of drug costs up to <b>\$2000</b> OOP
<b>Coverage Gap</b>	25% of drug costs up to <b>\$3100</b> OOP	25% of drug costs up to <b>~\$3300</b> OOP	<b>None</b>
<b>Catastrophic Phase</b>	<b>5% of drug costs</b> with no maximum OOP	<b>None</b>	<b>None</b>

**Starting in 2025**, Part D members will have the opportunity to spread their OOP costs throughout the year.

# Many Medicare Beneficiaries Qualify for Extra Help and **Don't Realize It**<sup>2</sup>

## Medicare beneficiaries who are eligible for Extra Help may qualify for a full subsidy

if their yearly income and resources are within these limits in 2024<sup>a</sup>

	ANNUAL INCOME <sup>b</sup>	OTHER RESOURCES <sup>c</sup>
<b>Individual</b>	Limited to <b>\$21,870</b> per year	Limited to <b>\$16,660</b> per year
<b>Married couple living together</b>	Limited to <b>\$29,580</b> per year	Limited to <b>\$33,240</b> per year



Almost **300,000** Medicare beneficiaries who received a partial subsidy in 2023 will now qualify for a full subsidy.<sup>3</sup>

Medicare beneficiaries who meet any of the following conditions **automatically qualify for Extra Help with a full subsidy** and don't need to apply<sup>4</sup>:

- **Receive full Medicaid coverage**
- **Are in a Medicare Savings Program**
- **Receive Supplemental Security Income (SSI) benefits**

These individuals will receive a purple letter from Medicare.

## 2024 Medicare Part D Extra Help Cost-Sharing Benefits<sup>5</sup>

**Patients receiving Extra Help** will pay

- **\$0** annual deductible
- Copayment of **\$4.50** for generic drugs and **\$11.20** for brand-name drugs

**Dual-eligible<sup>d</sup> patients** will pay

- **\$0** annual deductible
- Copayment of **\$1.55** or **\$4.50** for generic drugs and **\$4.50** or **\$10.35** for brand-name drugs

<sup>a</sup>Annual income limits are higher in Alaska and Hawaii.

<sup>b</sup>Income and resource limits vary according to the number of dependents living with the Medicare beneficiary and whether the beneficiary has income from work.

<sup>c</sup>Resources include money in a checking or savings account, stocks, bonds, mutual funds, and Individual Retirement Accounts (IRAs). Resources do not include a primary residence, vehicles, household items, burial plots, up to \$1500 for burial expenses (per person), or life insurance policies.<sup>3</sup>

<sup>d</sup>Dual-eligible: those who qualify for full Medicaid and Medicare benefits.

# Up to **3 Million Americans** Who Qualify for Extra Help **Have Not Enrolled**<sup>3</sup>

## **Equip and encourage your patients to apply for Extra Help with the information below**

Because the application will have questions about your patients' income and resources, they should gather their **relevant documents**<sup>a</sup> before applying. These documents may include:

- **SOCIAL SECURITY CARD**

- **BANK ACCOUNT STATEMENTS**

- **INVESTMENT STATEMENTS**  
(including IRAs, stocks, bonds, mutual funds, etc)

- **TAX RETURNS**

- **PAYROLL SLIPS**

- **SOCIAL SECURITY BENEFIT AWARD LETTER**

- **STATEMENTS FOR PENSIONS, veterans' benefits, annuities, and Railroad Retirement Board benefits**



***Don't assume your patients know if they are eligible for Extra Help.***

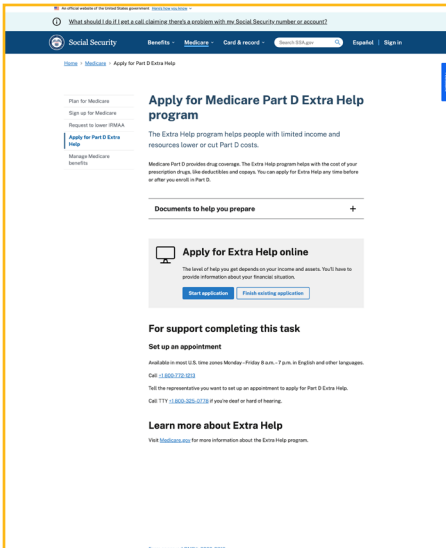
*The sooner your patients apply, the sooner they can begin receiving benefits. See instructions below that can help support your patients as they apply for Extra Help.*

<sup>a</sup>Patients who are married may also have to document relevant information regarding their spouse.

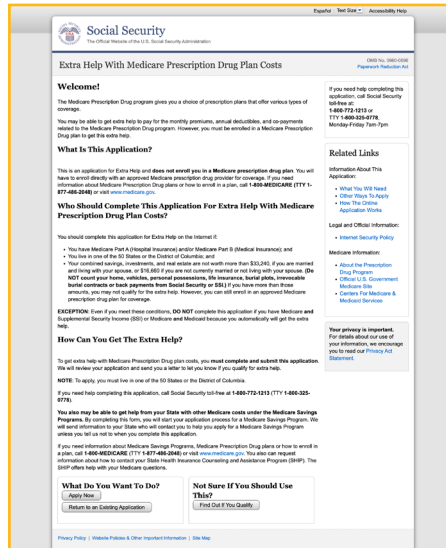
# Applying for Extra Help

## When they are ready, patients can apply for Extra Help by following these steps:

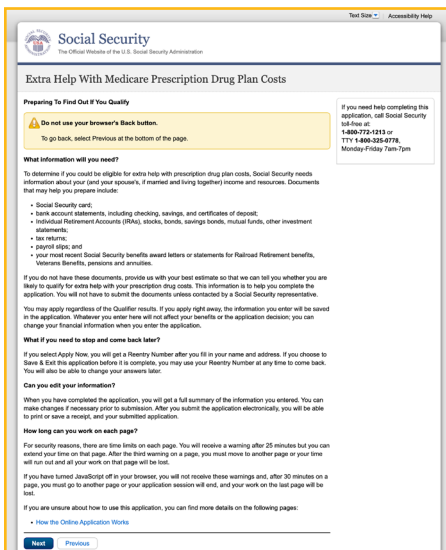
- Go online to [www.ssa.gov/extrahelp](http://www.ssa.gov/extrahelp)



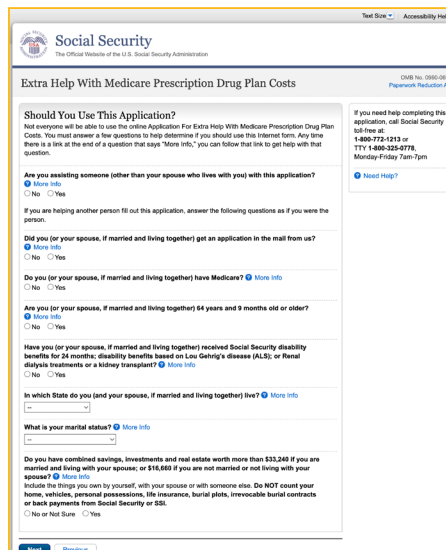
Click **Start application**



Click **Apply Now**



Click **Next**



Answer the questions, then click **Next**

If the patient is **eligible**, the website will prompt the patient to complete an application.

Patients may also apply

- By phone to the Social Security Administration at **1-800-772-1213** (TTY 1-800-325-0778); this number can also be used to request that an application be sent via mail

- By phone and fax through the **local Social Security office**; to find the nearest Social Security office, visit <https://secure.ssa.gov/ICON/main.jsp>

LOW-INCOME SUBSIDY

# Patients may be eligible for **other resources** that **offer financial support**



## **State Health Insurance Assistance Programs (SHIPs)**

may provide additional options to help with prescription drug costs

([www.shiphelp.org](http://www.shiphelp.org)).



## Foundation help<sup>a</sup> **FundFinder**

([fundfinder.panfoundation.org](http://fundfinder.panfoundation.org)) is a free resource that provides information about available patient assistance programs and can provide notifications when a disease fund opens at any of the charitable patient assistance foundations. FundFinder provides a listing of patient advocacy organizations for several disease states so users can find additional support services.

<sup>a</sup>Taiho Oncology does not influence or control the decisions of independent copay assistance foundations; each copay assistance foundation has its own criteria for patient eligibility.

We cannot guarantee financial assistance.

# References

1. Changes to Medicare Part D in 2024 and 2025 under the Inflation Reduction Act and how enrollees will benefit. Issue brief. Kaiser Family Foundation; April 20, 2023. Accessed June 12, 2023. <https://www.kff.org/medicare/issue-brief/changes-to-medicare-part-d-in-2024-and-2025-under-the-inflation-reduction-act-and-how-enrollees-will-benefit/>
2. Social Security Administration. Understanding the Extra Help With Your Medicare Prescription Drug Plan. Social Security Administration; 2023. Accessed March 17, 2023. <https://www.ssa.gov/pubs/EN-05-10508.pdf>
3. FACT SHEET: Biden-Harris administration announces new tools to lower prescription drug costs for low-income seniors and people with disabilities. News release. US Department of Health and Human Services; June 12, 2023. Accessed June 26, 2023. <https://www.hhs.gov/about/news/2023/06/12/fact-sheet-biden-harris-administration-announces-new-tools-lower-prescription-drug-costs-low-income-seniors-people-disabilities.html>
4. Centers for Medicare & Medicaid Services. Introduction to the Deemed Notice. Accessed September 13, 2023. <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/LimitedIncomeandResources/Downloads/11166.pdf>
5. Centers for Medicare & Medicaid Services. Announcement of calendar year (CY) 2024 Medicare Advantage capitation rates and Part C and Part D payment policies. March 31, 2023. Accessed September 18, 2023. <https://www.cms.gov/files/document/2024-announcement.pdf>

