Medicare prescription payment to begin in 2025

Starting on Jan. 1, 2025, the new Medicare Prescription Payment Program (or Medicare Smoothing program) will allow members to pay out-of-pocket Part D drug costs through capped monthly payments over the year instead of as an upfront payment at the point of sale. Members who opt into the program will pay $0 at the pharmacy for their Part D drugs and will be billed by the plan monthly. This new benefit will help seniors on fixed incomes with cash flow concerns. Pharmacies will be reimbursed as usual, and plans will pay the upfront member cost for these Part D drugs.

Members who are most likely to benefit are those with high out-of-pocket drug costs early in the plan year. However, members with low out-of-pocket drug costs, such as Ally Rx-DSNP members and those with “Extra Help” subsidy, are not likely to benefit from the program, since they will have varying and gradually increasing payments which could be confusing. The program does not save members money or lower drug costs. Members can opt into the program beginning Oct. 15 by calling Security Health Plan or by completing a paper enrollment form. Members can opt-in through the MySecurityHealthPlan member app starting on Jan 1. Current Security Health Plan members who are most likely to benefit from the program based on 2024 claim costs will receive a targeted mailing informing them about the program along with an election form in November. New Security members will receive information about the program and an election form when their ID card is mailed to them within 10 days of enrollment. Other changes in the Medicare program that will help to alleviate pain points of high drug cost are the lowering of the Out-of- Pocket cap to $2,000 and the sunsetting of the Coverage Gap phase (“donut hole”) in 2025.

The Real-Time Benefit Check (RTBC) tool within the electronic health record displays member-specific benefit information. The RTBC shows information such as what the member will pay today at the pharmacy for a prescription drug that is being written, based on its formulary status, tier, and the benefit phase the member is in. This will show as it is today even for members who have opted into the Medicare Prescription Payment Program; meaning it will not display payment as zero dollar even though the member can expect to pay $0 when they pick up the medication. The RTBC tool shows what the member will eventually pay in Part D drug costs when they are billed later by the plan. This program is only for Part D drugs and does not apply to Part B drugs or supplies that are dispensed from retail pharmacies.

If your patients have any questions about this program and whether or not they would benefit from opting in, please direct them to the Security Health Plan Pharmacy Services line at 1-877-873-5611. It is open Monday through Friday, 8 a.m. to 5 p.m.