Medicare Part D benefit redesigned

Beginning Jan. 1, 2025 – Part D maximum out of pocket capped at $2,000

What does this mean? It caps the most you will pay out of pocket for covered prescriptions at $2,000, and the coverage gap ("donut hole") will be eliminated.

How does it work? The newly defined standard Part D benefit consists of three parts. See what you pay with IU Health Plans coverage:

Annual deductible	Initial coverage (out-of-pocket costs)		Coverage gap ("donut hole")	Catastrophic coverage
What you pay	What you pay per 30-day prescription▲**		Eliminated	Your out-of-pocket cap
$0	Tier 1 Preferred generic	$0 copay ($3 Choice plan)		▲You pay $0 after you have paid $2,000 out of pocket for covered prescriptions.
	Tier 2 Generic	$3 copay ($15 Choice plan)		
	Tier 3 Preferred brand	$47 copay (Insulins $35)		
	Tier 4 Non-preferred drug	50% coinsurance		
	Tier 5 Specialty	33% coinsurance		
	Tier 6 Select care	$0 copay		

**If you receive Medicaid or Extra Help, your initial coverage costs will be reduced.*

Optional participation

NEW – Medicare Prescription Payment Plan (M3P) program

If you find your medications expensive and difficult to pay for a monthly supply, the new M3P program may help you manage drug costs by spreading payments out across the year (January – December). The M3P does not change the plan you are enrolled in, prescription drug costs or the cap on what you will pay in a year. You won't pay any copays or coinsurance directly to your pharmacy; instead, you'll get a bill each month from IU Health Plans.

This program is not a good fit for everyone, including people who have drug costs that average less than $200 per month, those receiving Medicaid or Extra Help from Medicare, or individuals who may qualify for a Medicare Savings Program.

How will M3P work?

1. Elect to participate in the M3P program by completing the necessary form.**
2. Fill a prescription for a Part D-covered drug.
3. **Don't** pay the copays or coinsurance directly to the pharmacy.
4. Receive a monthly bill from IU Health Plans based on the amount you owe for any prescriptions you receive, plus what you still owe from the previous month (incurred and accumulated balance), divided by the number of months left in the year.

***Ready to participate in the M3P program?** Please read more about M3P before signing up for the program at **Caremark.com/mppp** and fill out the participation request form.*

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Important: Payments may change each month, so you may not know what the exact bill will be until it arrives. Future payments might increase when a new prescription is filled or you refill an existing prescription because as new out-of-pocket drug costs are added into the monthly payment, there will be fewer months left in the year to spread out your payments.

Once you choose to participate in the M3P program, you are committing to make monthly payments to IU Health Plans for the rest of the calendar year. Make your decision carefully.

Example: You are a member with high out-of-pocket drug costs; take multiple drugs for chronic condition.

You start participating in January with high drug costs early in the year			
Month	**Drug costs (without this payment option)**	**Monthly payment (with this payment option)**	**Notes**
January	$500	$166.67	This is when you started participating in this payment option. Remember, your first month's bill is based on the "maximum possible payment" calculation. We calculate your bill for the rest of the months in the year differently.
February	$500	$75.76	
March	$500	$125.76	
April	$500	$181.31	This month you reached the annual out-of-pocket maximum ($2,000 in 2025). You'll have no new out-of-pocket drug costs for the rest of the year.
May	$0	$181.31***	***You will still get your $500 drugs each month, but because you've reached the annual out-of-pocket maximum, you won't add any new out-of-pocket costs for the rest of the year. You'll continue to pay what you already owe.
June	$0	$181.31***	
July	$0	$181.31***	
August	$0	$181.31***	
September	$0	$181.31***	
October	$0	$181.31***	
November	$0	$181.31***	
December	$0	$181.31***	
Total	**$2,000**	**$2,000**	**You will pay the same total amount for the year, even if you don't use this payment option.**
If you're concerned about paying $500 each month from January to April, this payment option will help you manage your costs. If you prefer to pay $500 each month for 4 months and then pay $0 for the rest of the year, this payment option might not be right for you. Contact IU Health Plans for personalized help.			

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Example: You are a member with generally low out-of-pocket drug costs most months but have an expensive one-time drug to be filled in April.

You start participating in April with varying costs throughout the year			
Month	**Drug costs (without this payment option)**	**Your monthly payment (with this payment option)**	**Notes**
January	$4	$4****	****You made these payments directly to the pharmacy before you started participating in the M3P program.
February	$4	$4****	
March	$4	$4****	
April	$617	$220.89	This is when you started using this payment option. Remember, your first month's bill is based on the "maximum possible payment" calculation. We calculate your bill for the rest of the months in the year differently.
May	$4	$50.01	
June	$4	$50.59	
July	$124	$71.25	This month, you need a drug that's $120, in addition to your $4 drug. Following the same formula we used in May, your payments increase because you're adding drug costs during the year, but you have fewer months left in the year to spread your payments across.
August	$4	$72.05	
September	$4	$73.05	
October	$124	$114.39	This month, you need a drug that's $120, in addition to your $4 drug. Following the same formula we used in May, your payments increase because you're adding drug costs during the year, but you have fewer months left in the year to spread your payments across.
November	$4	$116.39	
December	$4	$120.38	
Total	**$901**	**$901**	**You will pay the same total amount for the year, even if you don't use this payment option.**

If you're concerned about paying $617 in April, this payment option will help you spread your costs across monthly payments that vary throughout the year. If you're concerned about higher payments later in the year, this payment option might not be right for you. Contact IU Health Plans for personalized help.

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For questions about the Medicare Prescription Payment Plan, call 844.432.0695 (TTY/TDD 711); 24 hours a day, seven days a week.

Indiana University Health Plans is an HMO/HMO-POS with a Medicare contract. Enrollment in IU Health Plans Medicare depends on the plan's contract renewal with Medicare.

For general IU Health Plans information, call 800.455.9776 (TTY/TDD 711); Oct. 1 to March 31, 8 am to 8 pm, seven days a week; April 1 to Sept. 30, 8 am to 8 pm, Monday – Friday. Language assistance is available.

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