

# Medicare Changes to Make Drug Coverage More Manageable in 2025

Within the last few months, the Centers for Medicare and Medicaid Services (CMS) has issued guidance that will reduce the financial burdens of paying for prescription drug coverage for Medicare patients. The guidance outlines the requirements for Medicare Part D sponsors. Sponsors are the non-governmental entities, mostly insurance plans, that contract with CMS to offer prescription drug coverage to Medicare patients. The purpose of the Guidance is to make drug coverage more affordable and more manageable for seniors and disabled persons.

Beginning in January 2025, Part D sponsors who charge a deductible will be required to allow patients to spread the payment of the deductible, which can cost up to \$545, over 12 months rather than having to pay the full deductible up front. Having to pay this up-front deductible before the first dollar of insurance kicks in has been onerous for many seniors living on a fixed income, causing some to put off getting the medications they need. Other changes taking effect January 1, 2025, include requiring Part D sponsors to:

- Make available recommended vaccines at no cost to patients.
- Cap out-of-pocket costs for a month's supply of each covered insulin product at \$35.
- Limit out-of-pocket drug costs to a maximum of \$2,000.
- Expand eligibility for the "Extra Help" assistance programs for low-income patients. The program makes benefits, such as no deductibles, no premiums, and fixed, lowered copayments for some drugs, available to these patients. Currently, about 300,000 patients nationwide are enrolled in Extra Help. This change will make the program available to an expected 3 million additional Medicare patients.
- Pay a rebate to Medicare if they raise prices faster than the rate of inflation.

These changes are part of President Biden's prescription drug pricing law, the Inflation Reduction Act of 2022.