

Timeline: Medicare Prescription Payment Plan Implementation

In August 2022, President Biden signed the Inflation Reduction Act (IRA) of 2022 (P.L. 117-169) into law. The new law makes improvements to Medicare by expanding benefits, lowering drug costs, and improving the sustainability of the Medicare program for generations to come. The law provides meaningful financial relief for millions of people by improving access to affordable treatments and strengthening Medicare, both now and in the long run.

For the first time, beginning in 2025, the drug law requires all Medicare prescription drug plans (Part D plans) — including both stand-alone Medicare prescription drug plans and Medicare Advantage plans with prescription drug coverage — to offer their enrollees the option to spread out their out-of-pocket drug costs over the year instead of all at once at the pharmacy. This will be especially helpful for people with Medicare Part D who have high cost-sharing earlier in the year by spreading out those expenses over the course of the plan year.

This document provides a timeline of key dates for implementation of the Medicare Prescription Payment Plan for the first year.



July 17, 2023 — CMS released a “**Technical Memorandum on the Calculation of the Maximum Monthly Cap on Cost-Sharing Payment Under Prescription Drug Plans.**” This technical memorandum provided a summary of the requirements in the new drug law as well as specific examples of how to use the statutory formulas to calculate the monthly cap amounts.

August 21, 2023 — CMS issued the **draft part one guidance** on key elements to implement the Medicare Prescription Payment Plan with a 30-day comment period.



September 20, 2023 — The **30-day comment period** on the draft part one guidance to implement the Medicare Prescription Payment Plan ends.

Early 2024 — CMS expects to publish **final part one guidance**, addressing comments received during the 30-day comment period.

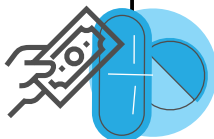


Early 2024 — CMS expects to issue the **draft part two guidance with a 30-day comment period.** The draft part two guidance will cover topics including Part D enrollee education and outreach, monitoring and compliance, bids and potential plan losses, and other policy topics.

Summer 2024 — CMS expects to publish the **final part two guidance**, addressing comments received during the 30-day comment period.



October 15, 2024 — During Medicare Open Enrollment, **Medicare Part D enrollees will be able to opt into the Medicare Prescription Payment Plan for the 2025 plan year.** Part D enrollees will also have the opportunity to opt in throughout the year.



January 1, 2025 — The Medicare Prescription Payment Plan launches.

