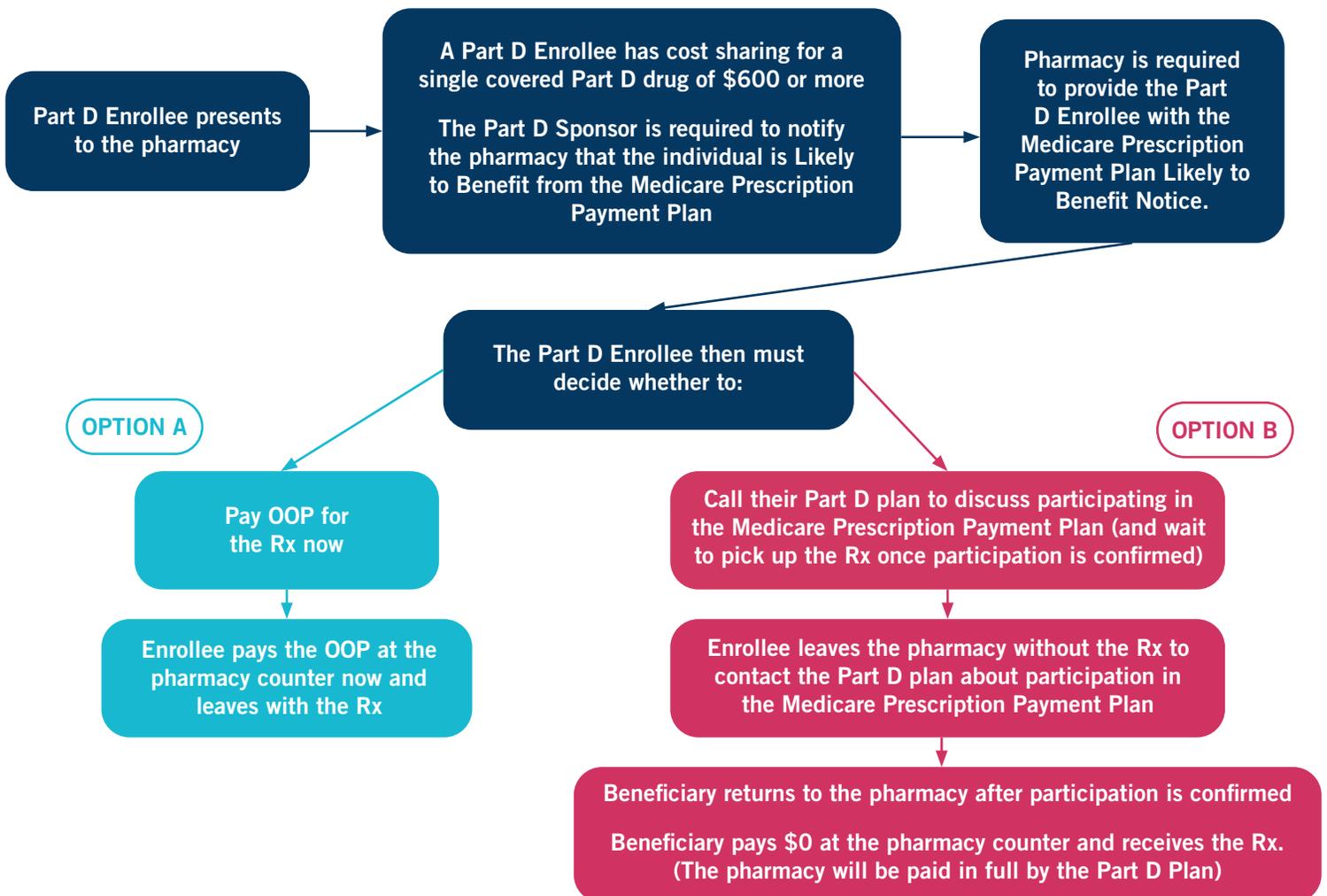




The Inflation Reduction Act (IRA) requires Medicare drug plans to offer the option to pay out-of-pocket drug costs in monthly payments instead of all at once to the pharmacy.

- The Medicare Prescription Payment Plan is **OPTIONAL** (patients must opt-in) and effective January 1, 2025.
- Program participants will pay \$0 to the pharmacy for covered Part D drugs.
- Part D plan sponsors will then bill participants monthly for any cost-sharing they incur while in the program.
- The Part D sponsor will pay the pharmacy in full per Part D prompt payment requirements (see below).
- Not all patients will benefit from the program. Patients with high cost-sharing earlier in the calendar year are more likely to benefit from the program.
 - » Patients with low, stable drug costs will not likely benefit from the Medicare Prescription Payment Plan.
- This payment option might help manage monthly expenses but doesn't save money overall or lower drug costs.

Requirements for Pharmacies at the Point-of-Sale



Special Circumstances

Long-Term Care Pharmacies

- The pharmacy should provide a Likely to Benefit Notice at the time of the typical cost-sharing billing process.

Indian Health Service / Tribe & Tribal Organization / Urban Indian Organization (I/T/U) Pharmacies

- Part D prescription cost-sharing is not collected at POS at I/T/U pharmacies.
- The Part D sponsor is not required to notify the pharmacy if the patient is Likely to Benefit; the pharmacy is not required to provide the patient Likely to Benefit Notice.

Other pharmacy types without in-person encounters (e.g., mail order)

- The pharmacy must notify the patient via phone or other preferred contact method



Pharmacies are NOT Required To Provide:

- Likely to Benefit Notice in any language other than English or Spanish
- Additional counseling to the patient on the payment option
- Financial information to the patient
- Likely to Benefit Notice in December

Pharmacy Process for Patients Already Enrolled in the Program

1. Pharmacy submits claim using Part D plan's primary BIN/PCN.
2. Pharmacy receives paid claim response identifying the plan's Medicare Prescription Payment Plan BIN/PCM along with any known other health insurance (OHI).
3. Pharmacy submits the claim to OHI before billing the Medicare Prescription Payment Plan.
4. Pharmacy processes the Medicare Prescription Payment Plan transaction.
5. Pharmacy receives paid claim response reflecting \$0 cost-share at the POS.

Reprocessing Claims for New Participants

Note: The date of service on the primary Part D claim and additional program-specific transactions must be on or after the date of program effectuation

1. The patient receives confirmation of participation in the Medicare Prescription Payment Plan and returns to the pharmacy to purchase the prescription.
2. Only the prescription that triggered the notification must be reversed and reprocessed.
3. If the patient has other prescriptions with earlier dates of services not yet paid for / picked up, the pharmacy must only reverse and reprocess these prescriptions at the participant's request.
4. Part D claims already paid by the patient do not require reprocessing.

Part D Plan Sponsor Payments to the Pharmacy

- Pharmacies will not collect cost-sharing amounts at POS for participants enrolled in the Medicare Prescription Payment Plan.
- The Part D sponsor will pay the participant cost-sharing amount in addition to the Part D sponsor's portion of the payment and meet prompt pay requirements.
- Per the prompt pay provision, pharmacies must be made whole within 14 days for electronic claims and no later than 30 days for other claims.
- Costs incurred from processing these claims or otherwise related to the program are considered allowable pharmacy costs associated with the dispensing fee of a covered Part D drug.
- CMS is prohibited from requiring Part D sponsors to pay pharmacies additional fees related to the Medicare Prescription Payment Plan.

Pharmacy Message Codes

Approved Codes

056	Beneficiary likely to benefit from Prescription Payment Plan
057	Beneficiary participating in Prescription Payment Plan
058	Beneficiary has opted not to participate in the Prescription Payment Plan

Reject Codes

D01	Beneficiary is not a participant in the Prescription Payment Plan
D02	Matching Medicare Part D claim not found to allow processing for Prescription Payment Plan
D03	This claim is not eligible for Prescription Payment Plan

Pharmacy Audit Risk Considerations

- Ensure all staff know they are required to give a Likely to Benefit Notice (Message Code 056).
- Submit all eligible claims to the patient's Part D plan, any secondary insurance coverage, and then the Prescription Payment Plan.
- If a prescription is not picked up, reverse both the Part D and Prescription Payment Plan claims.
- Prescriptions dispensed to the patient before they enroll in the Prescription Payment Plan should not be reprocessed.
 - » Unsold prescriptions waiting to be picked up should be reprocessed if the patient opts in before the prescription is picked up.
- Pharmacies cannot opt a patient into or out of the Prescription Payment Plan.

Patient FAQs



Can patients choose which drug costs are included in the Prescription Payment Plan?

No; if a patient opts into the program, all of their out-of-pocket costs for covered Part D drugs will be included and invoiced monthly.

Are only high-cost prescriptions eligible for the Prescription Payment Plan?

No; all Part D covered prescriptions are eligible. Any prescription covered by Medicare Part B is not part of this program.