



In August 2022, President Biden signed the Inflation Reduction Act of 2022 (P.L. 117-169) into law. The prescription drug law improves Medicare by expanding benefits, lowering drug costs, and improving the sustainability of the Medicare program for generations to come. The drug 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.

Beginning in 2025, the prescription drug law requires all Medicare prescription drug plans (Medicare Part D plans) — including both standalone Medicare prescription drug plans and Medicare Advantage plans with prescription drug coverage — to offer Part D enrollees the option to pay out-of-pocket prescription drug costs in the form of monthly payments instead of all at once to the pharmacy under the Medicare Prescription Payment Plan. This will be helpful for people with Medicare Part D who have high-cost sharing earlier in the plan year by spreading out those expenses over the course of the year.

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

Medicare Prescription Payment Plan Implementation Timeline

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 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. The part one guidance focuses on operational requirements for the program, including around the program calculation, billing, election, termination, and beneficiary protections.

February 15, 2024

CMS issued the draft part two guidance with a 30-day comment period. The draft part two guidance covers topics including Part D enrollee education and outreach, monitoring and compliance, bids and potential plan losses, and other policy topics.

February 29, 2024

CMS issued the final part one guidance on the operational requirements for the Medicare Prescription Payment Plan. The final part one guidance addresses comments received during the 30-day comment period on the draft part one guidance.

February 29, 2024

CMS issued newly developed model materials for the Medicare Prescription Payment Plan through the Office of Management and Budget (OMB) Information Collection Request (ICR) comment process. This ICR package, named the Medicare Advantage and Prescription Drug Programs: Part C and Part D Medicare Prescription Payment Plan Model Documents (CMS-10882; OMB 0938-1475), is available on the Federal Register. The model materials are available on the Medicare Prescription Payment Plan [webpage](#).



April 25, 2024

CMS released a “Technical Memorandum on the Changes to True Out-of-Pocket (TrOOP) Costs and the Calculation of the Maximum Monthly Cap for the Medicare Prescription Payment Plan.”

This memorandum provides additional examples illustrating the Medicare Prescription Payment Plan calculations alongside TrOOP-accumulation calculations under the CY 2025 Part D benefit redesign.



Spring 2024

CMS issued updated Evidence of Coverage (EOC), Annual Notice of Change (ANOC), and Explanation of Benefits (EOB) model documents that include information on the Medicare Prescription Payment Plan.



July 16, 2024

CMS published the final part two guidance, addressing comments received during the 30-day comment period on the draft part two guidance.



July 16, 2024

CMS issued six newly developed model materials for the Medicare Prescription Payment Plan following the ICR comment process. The final materials integrate public feedback received through the ICR public comment process and are available for download on the Medicare Prescription Payment Plan [webpage](#).



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.

