

MEDICARE PART D - JANUARY 1, 2025

- Prescription drug plans are available from six insurers offering fourteen different plans at an average premium cost of \$54.77 a month. (\$657.24 per year)
- In most cases policy holders will pay the first **\$590** (called a “deductible”) Two of the fourteen plans offer no deductible.
- Initial Coverage Limits will be 25% of costs for covered generic and brand name drugs until the spending total of \$2000.00 has been reached.
- **Total out-of-pocket** expenses (not including plan premiums) equals **\$2,000.00**. (\$590.00 deductible, \$1,410.00 co-pay)
- Once the \$2,000.00 total out-of-pocket threshold has been reached, Medicare will then pay 100% of prescription drug expenses – referred to as the “Catastrophic Coverage Period”.
- A new option for 2025 is the **Medicare Prescription Payment Plan**. This is a no cost voluntary program that offers the ability to pay \$2,000.00 of expenses over 12 months. One must contact Part D prescription drug plan providers to sign up for this program. For more information go to www.medicare.gov/prescription-payment-plan
- For information about Medicare’s health and prescription drug cost savings programs visit: <https://ssa.gov/medicare/part-d-extra-help> or www.medicare.gov/basics/costs/help

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The Affordable Care Act requires Part D enrollees whose incomes exceed the same thresholds that apply to higher income Part B enrollees to pay a monthly adjustment amount. These enrollees will pay the regular plan premium to their Part D plan and will pay the income-related adjustment to Medicare.

Beneficiaries who file an individual tax return with income:	Beneficiaries who file a joint tax return with income:	Income-related monthly adjustment amount
Less than or equal to \$106,000	Less than or equal to \$212,000	\$0.00
Greater than \$106,000 and less than or equal to \$133,000	Greater than \$212,000 and less than or equal to \$266,000	+\$13.70
Greater than \$133,000 and less than or equal to \$167,000	Greater than \$266,000 and less than or equal to \$334,000	+\$35.30
Greater than \$167,000 and less than or equal to \$200,000	Greater than \$334,000 and less than or equal to \$400,000	+\$57.00
Greater than \$200,000 and less than or equal to \$500,000	Greater than \$400,000 and less than or equal to \$750,000	+\$78.60
Greater than or equal to \$500,000	Greater than or equal to \$750,000	+\$85.80

In addition, the monthly premium rates to be paid by beneficiaries who are married, but file a separate return from their spouse and lived with their spouse at some time during the taxable year are:

Beneficiaries who are married but file a separate tax return from their spouse:	Income-related monthly adjustment amount
Less than or equal to \$106,000	\$0.00
Greater than \$106,000 and less than \$394,000	+\$78.60
Greater than or equal to \$394,000	+\$85.80