



# SHIP

State Health Insurance  
Assistance Program

Navigating Medicare

# ASK SHIP

YOUR MONTHLY MEDICARE Q&A

April, 2025

**Q: I will soon be signing up for Medicare and have been looking at Part D plans. I have a lot of prescriptions. Is there a limit to how much I could owe each year?**

**A:** There is a big change in your yearly out-of-pocket drug costs in 2025. Beginning this year, your drug costs will be capped at \$2,000.

So, what does this mean for you? If you have Medicare drug coverage, also called Part D, and your drug costs are high enough to reach this cap, you won't have to pay a copayment or coinsurance for Part D drugs for the rest of the calendar year.

Once you reach this limit (from your out-of-pocket spending plus certain payments other people or entities make, including Medicare's Extra Help program), you won't have to pay a copayment or

coinsurance at the pharmacy for covered Part D drugs for the rest of the calendar year.

This includes all Part D plans and Medicare Advantage plans that cover Part D. If you get Extra Help, you won't have some of these Part D costs.

You also now have the option of spreading your \$2,000 drug costs across monthly payments throughout the year. The Medicare Prescription Payment Plan also rolled out this year.

This new payment option works with your current drug coverage to help you manage your out-of-pocket costs for drugs covered by your plan, spreading payments throughout the calendar year.

This payment option might help you manage your expenses, but it doesn't save you money or lower your drug costs. If you select this

payment option, each month, you'll continue to pay your plan premium (if you have one), and you'll get a bill from your health or drug plan to pay for your prescription drugs (instead of paying the pharmacy).

All plans offer this payment option, and participation is voluntary. There's no cost to participate in the Medicare Prescription Payment Plan. Contact your plan or visit [Medicare.gov/prescription-payment-plan](https://www.medicare.gov/prescription-payment-plan) for more information and to find out if this payment option is right for you.

If you have questions about Medicare Drug Costs, payment plans, or any other questions related to Medicare, call SHIP at (800) 452-4800 or online at [www.medicare.in.gov](https://www.medicare.in.gov). You can also follow us on Facebook, Twitter, LinkedIn, and YouTube.