

Medicare Prescription Payment Plan: M3P

What is the Medicare Prescription Payment Plan?

The Medicare Prescription Payment Plan is a new payment option in the prescription drug law that works with your current drug coverage to help you manage your out-of-pocket Medicare Part D drug costs by spreading them across the calendar year (January-December). Starting in 2025, anyone with a Medicare drug plan or Medicare health plan with drug coverage (like a Medicare Advantage Plan with drug coverage) can use this payment option. **All plans offer this payment option and participation is voluntary.**

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). There's no cost to participate in the Medicare Prescription Payment Plan.

What to know before participating

How does it work?

When you fill a prescription for a drug covered by Part D, you won't pay your pharmacy (including mail order and specialty pharmacies). Instead, you'll get a bill each month from Peak Advantage.

Even though you won't pay for your drugs at the pharmacy, you're still responsible for the costs. If you want to know what your drug will cost before you take it home, call our plan or ask the pharmacy.

This payment option might help you manage your monthly expenses, but it doesn't save you money or lower your drug costs. Go to page 5 to learn about Extra Help and other programs that might save you money if you qualify.

How is my monthly bill calculated?

Your monthly bill is based on what you would have paid for any prescriptions you get, plus your previous month's balance, divided by the number of months left in the year. All plans use the same formula to calculate your monthly payments. There are no additional fees or interest charges for participating in this payment plan.

Your payments might change every month, so you might not know what your exact bill will be ahead of time. Future payments might increase when you fill a new prescription (or refill an existing prescription) because as new out-of-pocket costs get added to your monthly payment, there are fewer months left in the year to spread out your remaining payments.

The prescription drug law caps your out-of-pocket drug costs at \$2,000 in 2025. This is true for everyone with Medicare drug coverage, even if you don't participate in the Medicare Prescription Payment Plan.

In a single calendar year (January – December), you'll never pay more than:

- The total amount you would have paid out of pocket to the pharmacy if you weren't participating in this payment option.
- The Medicare drug coverage annual out-of-pocket maximum (\$2,000 in 2025).

Go to page 7 for examples of how the monthly bill is calculated.

Will this help me?

It depends on your situation. **Remember, this payment option might help you manage your monthly expenses, but it doesn't save you money or lower your drug costs.**

You're most likely to benefit from participating in the Medicare Prescription Payment Plan if you have high drug costs earlier in the calendar year. Although you can start participating in this payment option at any time in the year, starting earlier in the year (before September), gives you more months to spread out your drug costs. Go to [Medicare.gov/prescription-payment-plan/will-this-help-me](https://www.medicare.gov/prescription-payment-plan/will-this-help-me) to answer a few questions and find out if you're likely to benefit from this payment option.

This payment option may not be the best choice for you if:

- Your yearly drug costs are low
- Your drug costs are the same each month
- You're considering signing up for the payment option late in the calendar year (after September)
- You don't want to change how you pay for your drugs
- You get or are eligible for Extra Help from Medicare
- You get or are eligible for a Medicare Savings Program
- You get help paying for your drugs from other organizations, like a State Pharmaceutical Assistance Program (SPAP), a coupon program, or other health coverage

Go to page 5 to learn about programs that can help lower your costs.

Who can help me decide if I should participate?

Peak Advantage: If you are a current plan member, visit our plan's website, or call our plan to get more information. If you need to pick up a prescription urgently, call our plan to discuss your options.

Medicare: Visit [Medicare.gov/prescription-payment-plan](https://www.medicare.gov/prescription-payment-plan) to learn more about this payment option and if it might be a good fit for you.

State Health Insurance Assistance Program (SHIP): Visit [shiphelp.org](https://www.shiphelp.org) to get the phone number for your local SHIP and get free, personalized health insurance counseling.

How do I sign up?

If you are a current or future Peak Advantage member, visit our plan's website, or call us to start participating in this payment option:

- **In 2024, for 2025:** If you want to participate in the Medicare Prescription Payment Plan for 2025 and are a current or future member of Peak Advantage, contact our plan now.
 - You will receive an acknowledgement within 10 days, either electronically or by mail, of your request to participate in the payment program, an approval of the request, and the effective date of the payment plan start.
 - If we need additional information or your request to participate in the payment program is denied you will also be notified within 10 days.
 - Your participation will start January 1, 2025.
- **During 2025:** Starting January 1, 2025, you can contact our plan to start participating in the Medicare Prescription Payment Plan anytime during the calendar year. Remember, this payment option may not be the best choice for you if you sign up late in the calendar year (after September). This is because as new out-of-pocket drug costs are added to your monthly payment, there are fewer months left in the year to spread out your payments.
 - You will receive an acknowledgement within 24 hours, via telephone and then via a written notice either electronically or through mail, of your request to participate in the payment program, an approval of the request, and the effective date of the payment plan start.
 - If we need additional information or your request to participate in the payment program is denied you will also be notified within 24 hours.

What if I need my urgent prescription(s) before I can enroll in the payment program?

If you believe that any delay in filling your prescription(s) due to the 24 hour timeframe required to process your request may seriously jeopardize your life, health, or ability to regain maximum

function **and** you request retroactive election within 72 hours of the date and time your pharmacy billed your medications, our plan will reimburse you for all cost share for the urgent prescription(s), and you will pay your out-of-pocket Part D drug costs through the payment plan.

What to know if I'm participating

What happens after I sign up?

Once Peak Advantage reviews your participation request, we will send you a letter confirming your participation in the Medicare Prescription Payment Plan. Then:

1. When you get a prescription for a drug covered by Part D, our plan will automatically let the pharmacy know that you're participating in this payment option, and you won't pay the pharmacy for the prescription. **Even though you won't pay for your drugs at the pharmacy, you're still responsible for the costs.** If you want to know what your drug will cost before you take it home, call our plan or ask the pharmacy.
2. Each month, our plan will send you a bill with the amount you owe for your prescriptions, when it's due, and information on how to make a payment. You'll get a separate bill for your monthly plan premium (if you have one).

How do I pay my bill?

After our plan approves your participation in the Medicare Prescription Payment Plan, you'll get a letter from us with information about how to pay your bill.

What happens if I don't pay my bill?

You'll get a reminder from your health or drug plan if you miss a payment. If you don't pay your bill by the date listed in that reminder, you'll be removed from the Medicare Prescription Payment Plan. You're required to pay the amount you owe, but **you won't pay any interest or fees, even if your payment is late.** You can choose to pay that amount all at once or be billed monthly. If you're removed from the Medicare Prescription Payment Plan, **you'll still be enrolled in your Medicare health or drug plan.**

Always pay your health or drug plan monthly premium first (if you have one), so you don't lose your drug coverage. If you're concerned about paying both your monthly plan premium and Medicare Prescription Payment Plan bills, go to page 5 for information about programs that can help lower your costs.

Call our plan if you think we made a mistake about your Medicare Prescription Payment Plan bill. If you think we made a mistake, you have the right to follow the grievance process found in your Evidence of Coverage.

How do I leave the Medicare Prescription Payment Plan?

You can leave the Medicare Prescription Payment Plan at any time by contacting our health plan. We will send you a notification confirming you opted out of the payment program within 10 days. Leaving will not affect your Medicare drug coverage and other Medicare benefits. Keep in mind:

- If you still owe a balance, you're required to pay the amount you owe, even though you're no longer participating in this payment option.
- You can choose to pay your balance all at once or be billed monthly.
- You'll pay the pharmacy directly for new out-of-pocket drug costs after you leave the Medicare Prescription Payment Plan.

What happens if I change health or drug plans?

If you leave your current plan or change to a new Medicare drug plan or Medicare health plan with drug coverage (like a Medicare Advantage Plan with drug coverage), your participation in the Medicare Prescription Payment Plan will end. Contact your new plan if you'd like to participate in the Medicare Prescription Payment Plan again.

What programs can help lower my prescription drug costs?

If you have limited income and resources, find out if you're eligible for one of these programs:

- **Extra Help:** A Medicare program that helps pay your Medicare drug costs. Visit ssa.gov/medicare/part-d-extra-help to find out if you qualify and apply. You can also apply with your State Medical Assistance (Medicaid) office. Visit Medicare.gov/ExtraHelp to learn more.
- **Medicare Savings Programs:** State-run programs that might help pay some or all of your Medicare premiums, deductibles, copayments, and coinsurance. Visit Medicare.gov/medicare-savings-programs to learn more.
- **Manufacturer Pharmaceutical Assistance Programs (sometimes called Patient Assistance Programs (PAPs)):** Programs from drug manufacturers to help lower drugs costs for people with Medicare. Visit go.medicare.gov/pap to learn more.

Many people qualify for savings and don't realize it. Visit Medicare.gov/basics/costs/help or contact your local Social Security office to learn more. Find your local Social Security office at ssa.gov/locator/.

Medicare's "Extra Help" Program

Medicare provides "Extra Help" to pay prescription drug costs for people who have limited income and resources. Resources include your savings and stocks, but not your home or car. If you qualify, you get help paying for any Medicare drug plan's monthly premium, yearly deductible, and prescription copayments. This "Extra Help" also counts toward your out-of-pocket costs.

On January 1, 2024, the Inflation Reduction Act (IRA) expanded eligibility for individuals with incomes up to 150% of the federal poverty level and who meet certain resource requirements full benefits under the Low-Income Subsidy program (LIS or “Extra Help”) under Medicare Part D.

The Extra Help program, for those who qualify, is likely more advantageous than participation in the Medicare Prescription Payment Plan.

If you automatically qualify for “Extra Help” Medicare will mail you a letter. You will not have to apply.

If you do not automatically qualify you may be able to get “Extra Help” to pay for your prescription drug premiums and costs. To see if you qualify for getting “Extra Help,” call:

- 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048, 24 hours a day, 7 days a week.
- The Social Security Office at 1-800-772-1213, between 8 am and 7 pm, Monday through Friday. TTY users should call 1-800-325-0778.
- West Virginia Medicaid Office at (304) 205-6357, between 8 am and 5 pm, Monday through Friday.

Where can I get more information regarding the Medicare Prescription Payment Plan?

- **Our plan:** Peak Advantage enrollees can contact Member Services if they have any questions about the Medicare Prescription Payment Plan at 1-855-962-7325 (TTY users should call 711). Hours are October 15th through April 1st 8 am - 8 pm EST, 7 days a week and April 2nd through October 14th 8 am - 8 pm EST, Monday - Friday. This call is free. Members can also visit our website for more information at www.medicare.peakhealth.org.
- **Medicare:** Visit Medicare.gov/prescription-payment-plan, or call 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY users can call 1-877-486-2048.

Examples of how a monthly bill is calculated

Example 1:

You take several high-cost drugs that have a total out-of-pocket cost of \$500 each month. In January 2025, you join the Medicare Prescription Payment Plan through your Medicare drug plan or Medicare health plan with drug coverage.

We calculate your first month's bill in the Medicare Prescription Payment Plan differently than your bill for the rest of the months in the year:

1. First, we figure out your **“maximum possible payment”** for the first month:

$$\begin{aligned} & \$2,000 \text{ [annual out-of-pocket maximum]} \\ & - \$0 \text{ [no out-of-pocket costs before using this payment option]} \\ & = \$2,000 \div 12 \text{ [remaining months in the year]} \\ & \text{= \$166.67 [your “maximum possible payment” for the first month]} \end{aligned}$$

2. Then, we figure out what you'll pay for January:

- Compare your total out-of-pocket costs for January (\$500) to the “maximum possible payment” we just calculated: \$166.67.
- **Your plan will bill you the lesser of the two amounts. So, you'll pay \$166.67 for the month of January.**
- **You have a remaining balance of \$333.33 (\$500-\$166.67).**

3. For February and the rest of the months left in the year, we calculate your payment differently:

$$\begin{aligned} & \$333.33 \text{ [remaining balance]} \\ & + \$500 \text{ [new prescription costs]} \\ & = \$833.33 \div 11 \text{ [remaining months in the year]} \\ & \text{= \$75.76 [your payment for February]} \end{aligned}$$

4. We'll calculate your March payment like we did for February:

$$\begin{aligned} & \$757.57 \text{ [remaining balance]} \\ & + \$500 \text{ [new prescription costs]} \\ & = \$1,257.57 \div 10 \text{ [remaining months in the year]} \\ & = \mathbf{\$125.76 \text{ [your payment for March]}} \end{aligned}$$

5. In April, when you refill your prescriptions again, you will reach the annual out-of-pocket maximum for the year ((\$2,000 in 2025). You will continue to pay what you already owe and get your prescription(s), but after April you won't add any new out-of-pocket costs for the remainder of the year.

$$\begin{aligned} & \$1,131.81 \text{ [remaining balance]} \\ & + \$500 \text{ [new prescription costs]} \\ & = \$1,631.81 \div 9 \text{ [remaining months in the year]} \\ & = \mathbf{\$181.31 \text{ [your payment for April and all remaining months in the year]}} \end{aligned}$$

Even though your payment varies each month, by the end of the year, you'll never pay more than:

- The total amount you would have paid out-of-pocket.
- The total annual out-of-pocket maximum (\$2,000 in 2025).

Remember, this is just your monthly payment for your out-of-pocket drug costs. You still need to pay your health or drug plan's premium (if you have one) each month.

Example 1: Start participating in January with high drug costs early in the year

Month	Your drug costs (without this payment option)	Your monthly payment (with this payment option)	Notes
January	\$500.00	\$166.67	This is when you started participating in this payment option. Remember, your first month's bill is based on the "maximum possible payment" calculation. We calculate your bill for the rest of the months in the year differently.
February	\$500.00	\$75.76	
March	\$500.00	\$125.76	
April	\$500.00	\$181.31	This month you reached the annual out-of-pocket maximum (\$2,000 in 2025). You'll have no new out-of-pocket drug costs for the rest of the year.
May	\$0.00	\$181.31*	*You'll still get your \$500 drugs each month, but because you've reached the annual out-of-pocket maximum, you won't add any new out-of-pocket costs for the rest of the year. You'll continue to pay what you already owe
June	\$0.00	\$181.31*	
July	\$0.00	\$181.31*	
August	\$0.00	\$181.31*	
September	\$0.00	\$181.31*	
October	\$0.00	\$181.31*	
November	\$0.00	\$181.31*	
December	\$0.00	\$181.31*	
Total	\$2,000.00	\$2,000.00	You'll pay the same total amount for the year, even if you don't use this payment option.

If you're concerned about paying \$500 each month from January to April, this payment option will help you manage your costs. If you prefer to pay \$500 each month for 4 months and then pay \$0 for the rest of the year, this payment option might not be right for you. Contact your health or drug plan for personalized help.

Example 2:

You take several drugs that have a total out-of-pocket cost of \$80 each month. In January 2025, you join the Medicare Prescription Payment Plan through your Medicare drug plan or Medicare health plan with drug coverage.

We calculate your first month’s bill in the Medicare Prescription Payment Plan differently than your bill for the rest of the months in the year:

1. First, we figure out your **“maximum possible payment”** for the first month:

$$\begin{aligned} & \$2,000 \text{ [annual out-of-pocket maximum]} \\ & - \$0 \text{ [no out-of-pocket costs before using this payment option]} \\ & = \$2,000 \div 12 \text{ [remaining months in the year]} \\ & \mathbf{=\$166.67 \text{ [your “maximum possible payment” for the first month]}} \end{aligned}$$

2. Then, we figure out what you’ll pay for January:

- Compare your total out-of-pocket costs for January (\$80) to the “maximum possible payment” we just calculated: \$166.67.
- **Your plan will bill you the lesser of the two amounts. So, you’ll pay \$80 for the month of January.**
- **You have a remaining balance of \$0.**

3. For February and the rest of the months left in the year, we calculate your payment differently:

$$\begin{aligned} & \$0 \text{ [remaining balance]} \\ & + \$80 \text{ [new prescription costs]} \\ & = \$80 \div 11 \text{ [remaining months in the year]} \\ & \mathbf{=\$7.27 \text{ [your payment for February]}} \end{aligned}$$

4. We’ll calculate your March payment like we did for February:

$$\begin{aligned} & \$72.73 \text{ [remaining balance]} \\ & + \$80 \text{ [new prescription costs]} \\ & = \$152.73 \div 10 \text{ [remaining months in the year]} \\ & \mathbf{=\$15.27 \text{ [your payment for March]}} \end{aligned}$$

Even though your payment varies each month, by the end of the year, you'll never pay more than:

- The total amount you would have paid out-of-pocket.
- The total annual out-of-pocket maximum (\$2,000 in 2025).

Remember, this is just your monthly payment for your out-of-pocket drug costs. You still need to pay your health or drug plan's premium (if you have one) each month.

Example 2: Start participating in January with consistent costs throughout the year

Month	Your drug costs (without this payment option)	Your monthly payment (with this payment option)	Notes
January	\$80.00	\$80.00	This is when you started participating in this payment option. Remember, your first month's bill is based on the "maximum possible payment" calculation. We calculate your bill for the rest of the months in the year differently.
February	\$80.00	\$7.27	
March	\$80.00	\$15.27	
April	\$80.00	\$24.16	
May	\$80.00	\$34.16	
June	\$80.00	\$45.59	
July	\$80.00	\$58.93	
August	\$80.00	\$74.92	
September	\$80.00	\$94.93	
October	\$80.00	\$121.59	
November	\$80.00	\$161.59	
December	\$80.00	\$241.59	
Total	\$960.00	\$960.00	You'll pay the same total amount for the year, even if you don't use this payment option.

Depending on your specific circumstances, you might not benefit from using this payment option due to the higher payments that start in September. Contact your health or drug plan for personalized help.

Example 3:

You pay \$4 every month in out-of-pocket costs for a prescription you use regularly. In April 2025, you need a new one-time prescription that costs \$613, so your total out-of-pocket costs in April are \$617. That same month, before you fill your prescriptions, you decide to participate in the Medicare Prescription Payment Plan through your Medicare drug plan or Medicare health plan with drug coverage.

We calculate your first month's bill in the Medicare Prescription Payment Plan differently than your bill for the rest of the months in the year:

1. First, we figure out your “**maximum possible payment**” for the first month:

$$\begin{aligned} & \$2,000 \text{ [annual out-of-pocket maximum]} \\ & - \$12 \text{ [your out-of-pocket costs before using this payment option]} \\ & = \$1,988 \div 9 \text{ [remaining months in the year]} \\ & = \mathbf{\$220.89} \text{ [your “maximum possible payment” for the first month]} \end{aligned}$$

2. Then, we figure out what you'll pay for April:

- Compare your total out-of-pocket costs for January (\$617) to the “maximum possible payment” we just calculated: \$220.89.
- **Your plan will bill you the lesser of the two amounts. So, you'll pay \$220.89 for the month of April.**
- **You have a remaining balance of \$396.11 (\$617 – \$220.89).**

3. For May and the rest of the months left in the year, we calculate your payment differently:

$$\begin{aligned} & \$396.11 \text{ [remaining balance]} \\ & + \$4 \text{ [new prescription costs]} \\ & = \$400.11 \div 8 \text{ [remaining months in the year]} \\ & = \mathbf{\$50.01} \text{ [your payment for May]} \end{aligned}$$

Even though your payment varies each month, by the end of the year, you'll never pay more than:

- The total amount you would have paid out-of-pocket.
- The total annual out-of-pocket maximum (\$2,000 in 2025).

Remember, this is just your monthly payment for your out-of-pocket drug costs. You still need to pay your health or drug plan's premium (if you have one) each month.

Example 3: Start participating in April with varying costs throughout the year

Month	Your drug costs (without this payment option)	Your monthly payment (with this payment option)	Notes
January	\$4.00	\$4.00*	*You made these payments directly to the pharmacy before you started participating in the Medicare Prescription Payment Plan.
February	\$4.00	\$4.00*	
March	\$4.00	\$4.00*	
April	\$617.00	\$220.89	This is when you started using this payment option. Remember, your first month's bill is based on the "maximum possible payment" calculation. We calculate your bill for the rest of the months in the year differently.
May	\$4.00	\$50.01	
June	\$4.00	\$50.59	
July	\$124.00	\$71.25	This month, you need a drug that's \$120, in addition to your \$4 drug. Following the same formula we used in May, your payments increase because you're adding drug costs during the year, but you have fewer months left in the year to spread your payments across.
August	\$4.00	\$72.05	
September	\$4.00	\$73.05	
October	\$124.00	\$114.39	This month, you need a drug that's \$120, in addition to your \$4 drug. Following the same formula we used in May, your payments increase because you're adding drug costs during the year, but you have fewer months

			left in the year to spread your payments across.
November	\$4.00	\$116.39	
December	\$4.00	\$120.38	
Total	\$901.00	\$901.00	You'll pay the same total amount for the year, even if you don't use this payment option.
<p>If you're concerned about paying \$617 in April, this payment option will help you spread your costs across monthly payments that vary throughout the year. If you're concerned about higher payments later in the year, this payment option might not be right for you. Contact your health or drug plan for personalized help.</p>			

What to do if you have a problem or complaint?

If you have a problem or complaint regarding the Medicare Prescription Payment Plan, please call Navitus Customer Care at 1-866-270-3877. Calls to this number are free and available 24 hours a day, 7 days a week (excluding Thanksgiving and Christmas Day).

For more information on filing a complaint or grievance, see your Evidence of Coverage.

Peak Advantage is a Medicare Advantage PPO plan with a Medicare contract and is offered by Peak Health Insurance Corporation. Enrollment in Peak Advantage depends on contract renewal. Peak Health complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. Peak Health does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex. Peak Health provides free aids and services to people with disabilities to communicate effectively with us and free language services to people whose primary language is not English. If you need these services, contact Peak Advantage Member Service at 1-855-962-7325.

Peak Health Insurance Corporation is licensed as an accident and sickness insurer in the State of West Virginia.

Peak Health, LLC is licensed as a Third-Party Administrator in the states of West Virginia, Pennsylvania, and Kentucky.