



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

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-New), is available on the Federal Register. See the Medicare Prescription Payment Plan [webpage](#) for additional details on comment periods.



March 16, 2024

The 30-day comment period on the draft part two guidance to implement the Medicare Prescription Payment Plan ends.



Spring 2024

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



Summer 2024

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



Summer 2024

CMS expects to issue newly developed model materials for the Medicare Prescription Payment Plan following the ICR comment process.



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.

