

Medicare Part D

Medicare is the health insurance plan for people age 65 and older or with end-stage renal disease or ALS (Lou Gehrig's disease). Medicare Part D is a health plan for Medicare beneficiaries offered by a private company that offers coverage to help pay for prescription drugs and may lower your costs and offer greater access to medication. While optional, it is important to sign up when you first enroll in Medicare, or you will pay a late enrollment penalty that will last as long as you are on Medicare. To get prescription drug coverage, you must join a Medicare-approved plan. Plans vary in cost and the specific drugs covered. Cost and drugs covered can change from year to year. Selecting the right plan is critical if you have a serious illness, such as cancer. For a list of insurance plans accepted by Texas Oncology, visit [TexasOncology.com/insurance-information](https://www.texasoncology.com/insurance-information).

Types of Plans

- **Medicare Drug Plans**
 - These plans add coverage to those enrolled in Original Medicare (Parts A and B), as well as some Medicare Cost plans, private fee-for-service plans, and medical savings account plans. Standalone Medicare Part D plans, known as Prescription Drug Plans (PDP), can also be purchased separately.
- **Medicare Part C — Medicare Advantage Plans**
 - You must have Original Medicare to enroll in a Medicare Advantage plan.
 - Medicare Advantage (MA) plans combine Part A, Part B, and Part D prescription drug coverage. However, not all Medicare Advantage plans include Part D drug coverage. Medicare Advantage plans that include Part D coverage are called Medicare Advantage Prescription Drug (MAPD) plans.

What Medicare Part D Covers

Medicare Part D is focused on drug coverage to complement Medicare Parts A and B (Original Medicare). While all plans are required to cover a broad range of drugs, not all plans cover the same drugs. It is very important to review what each plan covers to ensure the drugs you will need are included.

- **Formularies** — Each plan has a list of drugs it covers, call a formulary. These include brand name and generic drugs. All plans must cover at least two drugs per drug category, and plans can choose which drugs to cover. Plans can change their formularies during the year to add new drugs or if new information is available. For example, if a drug is removed from the market or if a brand name drug becomes available in a generic, the plan can remove the brand name drug and switch to the generic or change the cost and coverage of the brand name drug.
- **Tiers** — Many plans have tiers of drugs with different levels of coverage and co-pays for each tier. Plans can divide their tiers in different ways. Generally, the lower the tier, the lower the co-pay.

Open Enrollment

You can join a plan when you first become eligible for Medicare. Each year, you can add, change, or drop a Medicare Advantage or prescription-only (PDP) plan during the open enrollment period of **October 15-December 7**. New plans take effect January 1.

Choosing a Part D Drug Plan

When choosing a Medicare Advantage plan that includes Part D coverage (MAPD) or prescription-only plan (PDP), there are some important things to consider. If you have a chronic or serious illness, it's important to ensure your pharmacy and drugs are included on your plan.

- Check out formularies. Different plans offer different sets of drugs they cover, called a formulary. Evaluate each plan's formulary in advance to ensure the drugs you need are covered. Then compare costs.
- Ensure your preferred physicians, care providers, and pharmacy are included in the plan you select. For more information on specific provider inclusions, see [Medicare.gov/plan-compare](https://www.medicare.gov/plan-compare).
- Review the plans offering coverage in the coverage gap, often referred to as the donut hole, to ensure the drugs you need are covered.
- Determine each plan's deductible and coverage gap coverage.

- Watch for tiers in coverage. If you take generic drugs, this could be beneficial because some tiers have no or low-cost copayments.
- Evaluate needs and costs. What your needs are now and what they will be in the future can be different. Choose a plan that best fits your anticipated needs for the coming year. You can change plans through open enrollment each year.
- Be aware that some Medicare Advantage plans can restrict which hospitals, doctors, and pharmacies you use under the plan. Doctors and pharmacies within the same organization are not guaranteed to be covered by the same plan, so it's best to confirm before enrolling.

Medicare Advantage Impact

Some Medicare Advantage plans may not offer drug coverage, including medical savings account plans and private fee-for-service plans. In that case, you can enroll in a separate Part D prescription drug plan. However, if you join a separate drug plan and are already enrolled in a health maintenance organization (HMO), HMO point-of-service plan, or preferred provider organization (PPO), you will be disenrolled from your Medicare Advantage plan and switched to Original Medicare.

Costs

Medicare drug plans (Part D) are a valuable resource, but they do not fully cover the cost of prescription drugs. You are responsible for:

- **Monthly premiums** (in addition to Medicare Part B). Medicare Advantage (Part C) premiums may include this amount within its monthly premium.
- **Annual deductible** — This is your share paid before the Medicare plan begins to pay for drugs. Some plans have no deductibles. The highest deductible allowed for 2025 is \$590. You will pay 100 percent of the prescription drug cost until the deductible is met.
- **Copayments/coinsurance** — After you have paid your full deductible, you will enter an initial coverage phase, paying a copayment or coinsurance amount for subsequent drugs, which is affected by the tier level of the drug. The initial coverage phase ends when you reach the annual out-of-pocket threshold of \$2,000.
- **Donut hole coverage gap** — In 2025, all plans will include a \$2,000 cap on what you pay out-of-pocket for drugs covered by your plan. The amount changes each year. There are some exceptions to being included in the coverage gap. If you reach \$2,000, you will not have to pay out of pocket for covered Part D drugs for the rest of the calendar year.
 - Annual deductibles, copayments/coinsurance, discounts on brand name drugs, and what you pay out-of-pocket all count toward meeting the coverage gap.
 - Drug plan premiums, pharmacy dispensing fees, and what you paid for uncovered drugs do not count toward meeting the coverage gap.
- **Extra Help** — Extra Help is a program to assist people with limited income to help pay for Medicare prescription drug-related costs. These include premiums, coinsurance, and deductibles.
- **Late Enrollment Penalty** — If you do not sign up for Medicare Part D when you initially enroll in Medicare, you will have a late enrollment penalty for signing up later. It will be added to your monthly premium and is permanent.

For more details, to compare plans, find drug formularies, and any restrictions, visit [Medicare.gov](https://www.medicare.gov).

About Texas Oncology

With more than 550 physicians and 300 locations, Texas Oncology is an independent private practice, a member of The US Oncology Network, that sees more than 71,000 new cancer patients each year. Founded in 1986, Texas Oncology provides comprehensive, multidisciplinary care, and includes Texas Breast Specialists, Texas Center for Proton Therapy, Texas Colon & Rectal Specialists, Texas Infusion and Imaging Center, Texas Surgical Specialists and Texas Urology Specialists. Texas Oncology's robust community-based clinical trials and research program has contributed to the development of more than 100 FDA-approved cancer therapies. Learn more at [TexasOncology.com](https://www.texasoncology.com).

Sources: U.S. Centers for Medicare and Medicaid Services



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