INSURED AMERICAN af FAMILY

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Medicare Prescription Payment Plan

How to spread your 2026 drug costs across the year

$2,100 annual OOP cap, and now you can smooth those costs month by month.

WHAT IT IS

Starting 2026, Medicare Part D has two big changes that work together. First, a hard $2,100 annual out-of-pocket maximum (the old donut hole is GONE). Second, the new Medicare Prescription Payment Plan, an optional program that lets you spread your annual drug cost-share across monthly payments instead of paying at the pharmacy counter. Big news for anyone hitting $300+/month in prescriptions, especially specialty drugs and biologics that hit the cap early in the year.

HOW THE PAYMENT PLAN WORKS

Opt in 3 ways
Member services phone, plan portal, or paper form

Available on all Part D plans
Standalone Part D + MA-PD; no medical questions

$0 at the pharmacy counter
You pay nothing when you fill the script

Monthly bill from your plan
Spreads annual cost across remaining months

Resets every January
Each plan year is its own cycle

WHEN IT MAKES SENSE

High-cost drugs early in year
Avoid the big January or February bill

Fixed income / cash flow
Predictable monthly cost beats variable

Multiple prescriptions
Combined cost adds up fast

Already hitting OOP max
Spread the final months evenly

Caregivers managing parents' meds
Easier monthly budgeting

THE 3 THINGS PEOPLE GET WRONG

1. **"This is the same as the donut hole."**
   False. The donut hole is ELIMINATED for 2026. The new structure: standard cost-share up to $2,100, then $0 cost-share for the rest of the year. The Prescription Payment Plan is a separate, optional feature that smooths whatever you DO owe across monthly payments.

2. **"It saves me money."**
   Not exactly. The payment plan doesn't change your total annual drug cost, it just spreads it. The TOTAL you owe is the same. The benefit is cash-flow timing, not total savings. Still hugely valuable for retirees on fixed income.

3. **"I have to use it for all my drugs."**
   Once you opt in for the year, all your Part D drugs flow through the plan, there's no per-drug toggle. But you CAN opt out any time during the year if your situation changes.

HOW TO ENROLL AND WHY IT MATTERS

To enroll, pick any one of these three paths (your plan must offer all of them): call your Part D plan's member services line (number is on your insurance card or plan documents), log into your plan's online member portal and look for "Prescription Payment Plan," or request a paper enrollment form from your plan. No medical questions, no waiting period. **Why it matters:** if you take a specialty drug ($500+/month) or biologic ($1,500+/month) that hits your $2,100 cap quickly, the OLD system had you paying that full amount in January or February. The Payment Plan spreads that same $2,100 evenly, about $175/month instead of one giant bill upfront. You don't save total money, but the budgeting impact is huge for retirees on fixed Social Security income.

Have expensive prescriptions and not sure if the payment plan is right? Call or text Craig, I'll check your drug list against your plan and run the math.

Don't go underinsured when you can be Insured AF.