

CMS Issues Final Part One Guidance for the CY 2025 Medicare Prescription Payment Plan

- On February 29, 2024, the Centers for Medicare and Medicaid Services (CMS) issued a memorandum titled "Medicare Prescription Payment Plan: Final Part One Guidance on Select Topics, Implementation of Section 1860D-2 of the Social Security Act for 2025, and Response to Relevant Comments" (Final Part One Guidance).
- The Final Part One Guidance outlines CMS' initial guidance on the Medicare Prescription Payment Plan (MP3) requirements for CY 2025 under the Inflation Reduction Act (IRA) and includes consideration of public comments received in response to the Draft Part One Guidance released on August 21, 2023. The Final Part One Guidance may be supplemented with further program instruction including, for example, technical instructions for data submissions.
- The Final Part One Guidance includes guidance on a variety of topics, including but not limited to:
 - Part D sponsors and pharmacies must use a \$600, single prescription point-of-sale (POS) threshold to identify enrollees likely to benefit from the MP3 program.
 - Clarifications and additional examples around the monthly payment calculations.
 - Part D sponsors are encouraged to offer multiple means of payment.
 - Information about how non-retail pharmacies will be required to notify Part D enrollees that they are likely to benefit from the program.
 - Additional guidance on general education and outreach requirements, including at the POS.
 - Part D sponsors must process election requests received during the plan year within 24 hours.
 - If an enrollee switches to a new plan but has a past due program balance with the prior plan, the prior plan may continue to collect the past due

balance.

- On February 29, 2024, CMS also released the Part C and Part D Medicare Prescription Payment Plan Model Documents (Model Documents). The IRA includes requirements for education and outreach by Part D sponsors, both prior to and during the plan year. CMS developed the Model Documents, with a 60-day public comment period, to assist Part D sponsors in complying with these requirements. The Model Documents include:
 - Medicare Prescription Payment Plan Likely to Benefit Notice
 - Medicare Prescription Payment Plan Participation Request Form
 - Part D Sponsor Notice to Acknowledge Acceptance of Election in the Medicare Prescription Payment Plan
 - Part D Sponsor Initial Notice for Failure to Make Payments under the Medicare Prescription Payment Plan
 - Part D Sponsor Notice for Failure to Make Payments under Medicare Prescription Payment Plan - Notification of Termination of Participation in the Medicare Prescription Payment Plan
 - Part D Sponsor Notification of Voluntary Removal from the Medicare Prescription Payment Plan

More on This Topic:

- [Final Part One Guidance](#)
- [Final Part One Fact Sheet](#)
- [Model Documents \(zip file\)](#)
- [Draft Part One Guidance](#)
- [Draft Part Two Guidance](#)
- [CY 2025 Part D Redesign Program Instructions](#)

For questions, please reach out to [Vicky Jucelin](#).

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