NAVIGATOR BENEFITS

Medicare Part D: New Payment Option

(Simple explanation of *optional* Medicare Part D payment plan)

The Medicare Prescription Payment Plan allows beneficiaries to spread their out-of-pocket prescription drug costs over monthly payments rather than paying the full amount at the pharmacy. The program does not reduce the total amount owed; it changes when those costs are paid.

NOTHING CHANGES UNLESS YOU ELECT THIS NEW OPTION

BE ASSURED… If you take no action:

- You will continue to pay at the pharmacy
- Your plan works exactly as it does today
- There is NO automatic enrollment

WITH THE NEW OPTION, YOU NOW HAVE TWO WAYS TO PAY:

Option 1 – Do Nothing (Most Common)

- Pay at the pharmacy when you fill prescriptions
- No change from today

Option 2 – Elect Payment Plan

- Pay $0 at the pharmacy *for covered RXs*
- Receive a monthly bill from your Part D plan
- Spread costs over time (no interest)

HOW THE NEW PAYMENT PLAN WORKS

Get Your RX at Pharmacy → Your Plan Pays There → Monthly Bill for Balance → You Pay Plan

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SIMPLE EXAMPLE

Prescription with a $1,200 patient cost in January

Traditional:

- Pay your share at the pharmacy, as before

New Payment Plan:

- Pay $0 at pharmacy *for covered RXs*
- Receive monthly bills spreading the cost over time

IMPORTANT – TWO MONTHLY BILLS WITH OPTIONAL NEW PAYMENT PLAN

- Your Part D premium (unless deducted from Social Security payment)
- Your monthly payment plan bill (if elected).
    - You must pay the monthly bill to remain in new payment program.

BIG PICTURE:

- **WHEN IT MAY HELP:**
    - High-cost year for RXs
    - Prefer to spread out costs monthly
    - Fixed or tighter cash flow
- **WHEN IT MIGHT NOT HELP:**
    - Low or manageable annual RX costs
    - Comfortable paying at pharmacy
    - Prefer fewer bills

ALSO—REGARDLESS OF "TRADITIONAL" OR "NEW PAYMENT PLAN" THERE IS NOW AN OUT-OF-POCKET PART D CAP

- The annual Part D out-of-pocket threshold is $2,100 in 2026 and is adjusted annually.
- After reaching the annual threshold: $0 in additional out-of-pocket costs for covered Part D drugs for the remainder of the calendar year.