What's the M3P - Medicare Prescription Payment Plan?

The Medicare Prescription Payment Plan is a newly introduced payment alternative within the prescription drug legislation. It complements your existing drug coverage by assisting you in managing your out-of-pocket costs for Medicare Part D medications, distributing these expenses throughout the calendar year (January to December).

All plans offer this payment option and participation is voluntary.

If you select this payment option:

Every month, you will keep paying your plan premium (if applicable), and you will receive a bill from your health or drug plan for your prescription medications, rather than paying directly at the pharmacy. Participating in the M3P comes at no cost to you.

How do I sign up?

Visit your health or drug plan's website, or call your plan to start participating in this payment option:

- In 2025, for 2026: Contact your health or drug plan now to start participation on January 1, 2026.
- During 2026: You can join the plan at any time during the year starting January 1, 2026.

How does it work?

When you obtain a prescription for a medication covered by Part D, you won't make any payments directly to your pharmacy, whether it's a mail-order or specialty pharmacy. Instead, you will receive a monthly bill from your health or drug plan.

How is my monthly bill calculated?

Your monthly bill is calculated based on the cost of prescriptions plus the previous month's balance, divided by the remaining months in the year. This formula is consistent across all plans. Payments may fluctuate monthly, and future bills could increase with new or refilled prescriptions, as fewer months remain to distribute the costs.

How do I pay my bill?

Once your health or drug plan has granted approval for your involvement in the Medicare Prescription Payment Plan, you will receive a letter from your plan containing details on how to settle your bill.

You may want to consider participating if:

- You have a hard time paying your out-of-pocket drug costs all at once.
- You paid over $2,100 in out-of-pocket drug costs in the first nine months of last year.
- You have had a single prescription cost of at least $600.
- You are not eligible for programs that would significantly reduce your out-of-pocket costs
- You want to budget and spread your out-of-pocket drug costs throughout the year.

This payment option may not be the best choice for you if:

- Your yearly drug costs are low.
- Your drug costs are the same each month.
- You're considering signing up for the payment option late in the calendar year (after September).
- You don't want to change how you pay for your drugs.
- You get or are eligible for Extra Help from Medicare.
- You get or are eligible for Medicare Savings Program.
- You get help paying for your drugs from other organizations, like a State Pharmaceutical Assistance Program (SPAP), a coupon program, or other health coverage.