

Attention, pharmacy team: 2026 Medicare Part D Rx out-of-pocket cost limit and optional payment plan

1 2026 out-of-pocket cost limit

Patients will pay **no more than \$2,100 annually** for all brand-name and generic Part D prescriptions for the year.^{1,2}

2 Optional payment program

Patients can continue to enroll in the **Medicare Prescription Payment Plan (MPPP)** to spread out their prescription costs over the year.¹

How does MPPP affect you and your patients?¹

Patients who enroll in the MPPP will **no longer pay copays to the pharmacy** and instead will get billed monthly by their Medicare prescription drug plan.

Do I have to share enrollment information with patients?

Pharmacies will be **notified by Medicare plans** if a patient isn't enrolled and has a single Rx cost of \$600 or more.^{1,2}

You must provide these patients with the **Medicare Prescription Payment Plan Likely to Benefit Notice** so they can see if the program is right for them.³

You pay nothing today and will be billed by your Medicare plan later.



What do pharmacies need to know about the MPPP?¹

Patient Enrollment

Patients must enroll directly through their Medicare plan. Patients enrolled in 2025 will be automatically re-enrolled.

 Enrollment cannot be done at the pharmacy point-of-sale.

Claims Processes

Unique BINs and/or PCNs that begin with “MPPP” will be used to process payments.

 The BIN/PCN will be established by plans.*

Reimbursement

Pharmacies will receive reimbursement from Medicare plans within 14 days for electronic claims.[†]

 Pharmacists do not have financial involvement in patient billing.

*After submitting a claim billing transaction using the MPPP BIN/PCN, pharmacies will receive a paid claim response reflecting the prescription drug plan and patient responsibility amounts.¹

[†]30 days for any other claims.¹

BIN=Bank Identification Numbers; PCN=Process Control Numbers; Rx=Prescription.

FAQs to help pharmacy team members answer patient questions about the MPPP



Should I enroll?⁴

It depends. While anyone with Medicare prescription drug coverage can use this payment option, some may benefit more than others.

You might want to consider enrolling if⁴:

- ✓ You have high prescription costs early in the year
- ✓ You have difficulty paying for your medications all at once
- ✓ You take specialty medications

You may not benefit from enrolling if⁴:

- ✗ Your yearly drug costs are low
- ✗ You have affordable and consistent costs each month
- ✗ You receive Extra Help (Low-Income Subsidy) or other financial assistance

You can **enroll for free** in the MPPP at any time during the plan year. You will be automatically re-enrolled each year unless you **choose to opt out or fail to make timely monthly payments.**^{1,2}



What will I owe?^{1,4}

Instead of paying the pharmacy upfront for your prescription(s), you will owe your drug plan for the total cost of your prescription(s) in monthly installments. If you want to know how much your costs are, contact your Medicare prescription drug plan. You will not owe any interest or additional fees, including late fees. Enrollment in the MPPP is free. It is important to make your payments on time, as failure to do so may result in termination of your enrollment in the MPPP.



If patients need help contacting their Medicare plan, they can call **1-800-MEDICARE (1-800-633-4227).**



How does billing work?¹

Your monthly bill (from your prescription drug plan) will be based on what you would have paid for any prescriptions you get from the pharmacy, plus your previous month's balance, divided by the number of months left in the year. Your payments might change every month, so you might not know what your exact bill will be ahead of time. You can call your Medicare prescription drug plan to better understand your payments.

Where can I go for additional questions or affordability concerns?³

Call your local **State Health Insurance Assistance Programs (SHIP)** to get **FREE**, personalized health insurance counseling. To find a SHIP in your area, **visit shiphelp.org or call 1-877-839-2675.**



References: 1. CMS. Medicare Prescription Payment Plan Part One Final Guidance. [Link](#). 2. Federal Register. Medicare and Medicaid Programs; Contract Year 2026 Policy and Technical Changes. Available at: [Link](#). 3. CMS. Medicare Prescription Payment Plan Part Two Final Guidance. [Link](#). 4. Medicare. What's the Medicare Prescription Payment Plan? [Link](#).