

Inflation Reduction Act

New changes in 2025

Overview

The **Inflation Reduction Act** (IRA) went into effect on Aug. 16, 2022, affecting UnitedHealthcare Medicare members with prescription drug coverage either through a:

- Stand-alone Medicare Part D plan, or
- Medicare Prescription Drug Plan (PDP) (including Dual Special Needs Plan (DSNP) and Chronic Special Needs Plan (CSNP))

What are the big changes coming in 2025 out of the IRA?

- No more “donut hole”
- Lower maximum out-of-pocket drug costs
- New Medicare Prescription Payment Plan

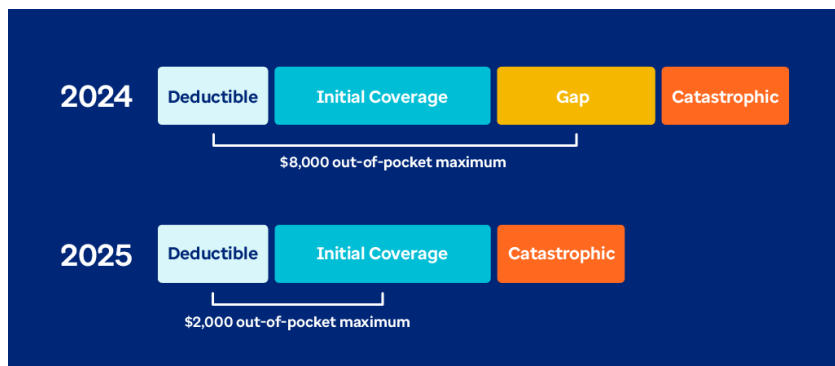
Elimination of Coverage Gap

The coverage stage cycle starts over at the beginning of each plan year, usually January 1st.

- The Coverage Gap stage, or “donut hole,” is going away in 2025. You will now have 3 drug payment stages as part of your Part D benefit: Deductible, Initial Coverage, and Catastrophic Coverage. The Gap Phase (also known as the donut hole) is being removed in 2025.

New Maximum OOP

- The 2025 annual out-of-pocket maximum amount for Medicare-covered Part D drugs is \$2,000. This is a decrease from 2024, when the out-of-pocket maximum was \$8,000.



Medicare Prescription Payment Plan

- Medicare members with Part D coverage can spread their prescription drug out-of-pocket costs into monthly payments over the course of the plan year.
- If member opts into program, they will no longer pay the pharmacy when they fill a covered Part D prescription instead the the payment plan will pay and send a monthly bill to member.
- The Medicare Prescription Payment Plan may not be suitable for everyone. It is less beneficial for members who anticipate low drug costs or are unlikely to reach the out-of-pocket maximum.

