The 2026 Medicare Prescription Payment Plan

What is the Medicare Prescription Payment Plan?

The Medicare Prescription Payment Plan (MPPP) is a voluntary payment option provided by your Medicare Part D insurance plan. It helps you manage your out-of-pocket (OOP) drug costs by spreading the payment over the course of the plan year (January-December) in the form of monthly payments.

After enrolling, the costs for your Part D medications will be spread throughout the remainder of the year. The maximum you will pay OOP in 2026 for your Part D medications will be $2,100.

Who is eligible for the program?

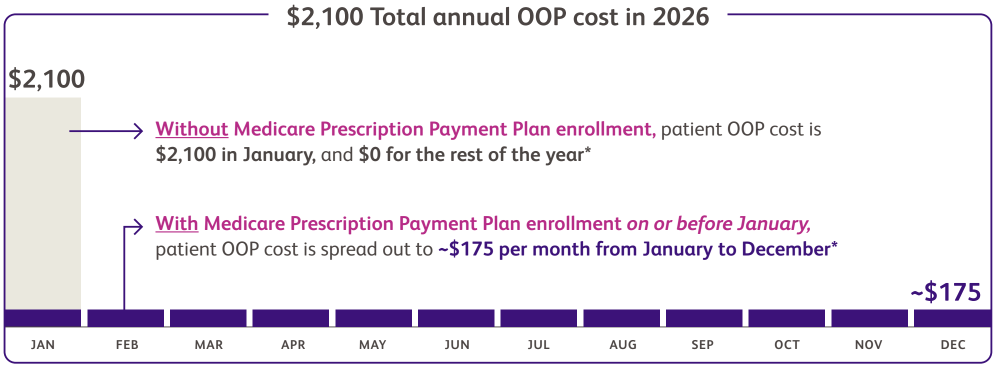
All patients enrolled in or eligible for Medicare Part D, including Prescription Drug Plan (PDP) and Medicare Advantage Prescription Drug Plan (MAPD), can apply to participate in the Medicare Prescription Payment Plan program.

How will payment work?

When you enroll in the MPPP and fill a prescription through Part D, your OOP cost at the pharmacy will be **$0**. Your Part D plan will send you a monthly bill for any cost-sharing you incur while you are enrolled in the program. The monthly bill is based on the cost of your prescriptions plus any previous month's balance (if any), divided by the number of months left in the year. **There are no fees or interest associated with the Medicare Prescription Payment Plan.**

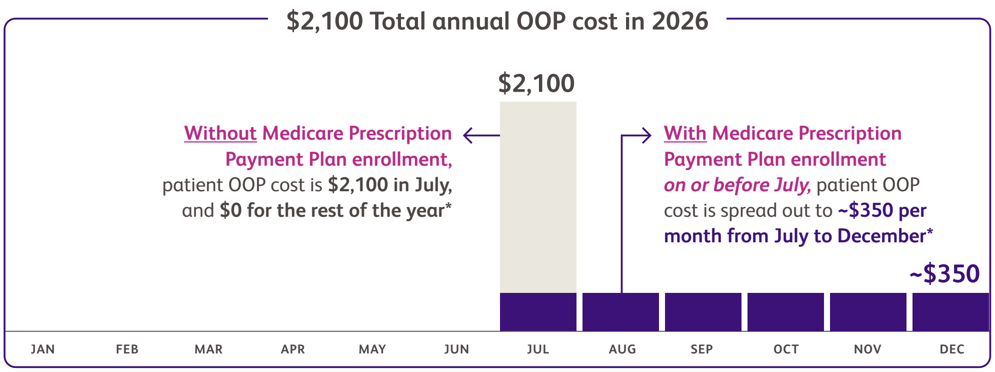
Let's look at two hypothetical patients and their cost calculations. Medicare Part D premiums are not included in the cost analysis.

Patient 1 is prescribed a brand-name specialty drug called Drug X in **January 2026**. Drug X has a price of $120,000/year ($10,000/month), but that is not what they actually pay. The following example illustrates what Patient 1 would pay monthly.



*Assumes patient does not have any OOP cost incurred prior to the prescription fill for Drug X in January.

Patient 2 is prescribed a brand-name specialty drug called Drug X in **July 2026**. Drug X has a price of $120,000/year ($10,000/month), but that is not what they actually pay. The following example illustrates what Patient 2 would pay monthly.



*Assumes patient does not have any OOP cost incurred prior to the prescription fill for Drug X in July.

Frequently Asked Questions

How do I know if the MPPP is right for me?

You may be more likely to benefit from MPPP if you:

- Are taking high-cost medications earlier in your plan year
- Use co-insurance, as you are more likely to reach the $2100 spending cap earlier in the year

Centers for Medicare & Medicaid Services (CMS) has stated that it is more advantageous for patients who are eligible for Low-Income Subsidy (LIS) to enroll in LIS than participate in the Medicare Prescription Payment Plan, though eligible patients can enroll in both.

Will my payments change if my doctor prescribes a new drug?

In some cases, if you have not hit your maximum OOP, payments may increase when you get a new prescription or refill. This happens because the cost of the medication is added to your monthly payments and there are fewer months left in the year to spread out these costs.

When can I enroll?

You may opt into MPPP:

- During Medicare Open Enrollment, from October 15, 2025 – December 7, 2025
- Prior to the beginning of the plan year or in any month during the plan year
- Patients who choose to enroll at the time of filling a prescription may have to return to the pharmacy on another day to collect their medicine after receiving an enrollment confirmation from their Part D plan (typically within 24 hours of application)

Starting in 2026, patients who opted into MPPP in 2025 will be **automatically re-enrolled into the program unless they actively opt out.**

How do I enroll?

You can apply as directed by your Part D plan, which may include:

- An election request form during enrollment
- By mail with a paper election form
- By phone, as directed by the Part D plan
- Online, as directed by the Part D plan

What if I have questions about the cost of my medications?

For questions about prescription medications, call your Medicare prescription drug plan or ask your pharmacist.

What happens if I don't pay my bill?

If you don't pay your monthly bill on time, you may be removed from the MPPP and may have to go back to paying your share of the medication costs at the pharmacy. Note: If you have trouble paying your medication bill, there is a 63-day grace period before you are removed from the plan.

To learn more about the Medicare Prescription Payment Plan, contact your Medicare Part D plan. If you need help contacting your Part D plan, call 1-800-MEDICARE (1-800-633-4227), or visit Medicare.gov

Find support for your BMS medications at BMSPatientSupportResources.com/patient

Bristol Myers Squibb®