

Medicare Prescription Payment Plan (MPPP) Program

A provision of the Inflation Reduction Act (IRA), the MPPP is a new, optional program that may make medication costs easier to manage for Medicare patients by spreading out prescription costs as monthly payments throughout the year.¹

- Patients may opt in at any time during the year
- Once opted in, patients will make monthly payments to their prescription drug plan instead of paying at the pharmacy for each prescription

This program may also be referred to by other terms, including *MP3*, *M3P*, or *Smoothing*.

Understanding MPPP²

The MPPP program helps patients afford high out-of-pocket (OOP) prescription drug costs incurred earlier in the year by spreading out these costs as monthly payments.

- No change to the yearly out-of-pocket costs
- Free to enroll and does not charge interest or other fees
- Monthly payments will vary for each person and each month

Patients will receive a monthly bill for their out-of-pocket prescription drug costs from their prescription drug plan and should contact their specific prescription drug plan to learn more about their estimated monthly payments.



For patients with Medicare drug coverage, total monthly payments for the year will not exceed the yearly out-of-pocket maximum, including the deductible, even if they do not join the MPPP program. As of 2025, the out-of-pocket maximum was \$2,000, which can change slightly year to year.



OOP Prescription Cost Without MPPP

Cost paid to pharmacy each time a patient picks up their prescription.



OOP Prescription Cost With MPPP

Cost paid to prescription drug plan after receiving a monthly bill.



Although the MPPP program may help manage out-of-pocket costs, it might not be right for every patient and situation. Refer to pages 2 and 3 for additional information on who is *likely to benefit*.

Eligibility^{2,3}



Patients enrolled in a Medicare prescription drug plan are eligible for the MPPP program.

MPPP participation does not affect Medicare prescription drug plan enrollment.



The Centers for Medicare & Medicaid Services (CMS) defines a patient as *likely to benefit* if they:

- ✓ Incur out-of-pocket costs for a single prescription that equals or exceeds \$600
- ✓ Incurred out-of-pocket costs of \$2,000 or more between January and September of the prior year

Patients who meet these criteria will be notified about the MPPP program.

Likely to Benefit Notifications for Patients²

Patients should be notified that they are *likely to benefit* from the MPPP program by their prescription drug plan prior to their plan year and/or during Medicare Part D enrollment.

Patients may also be notified by their:

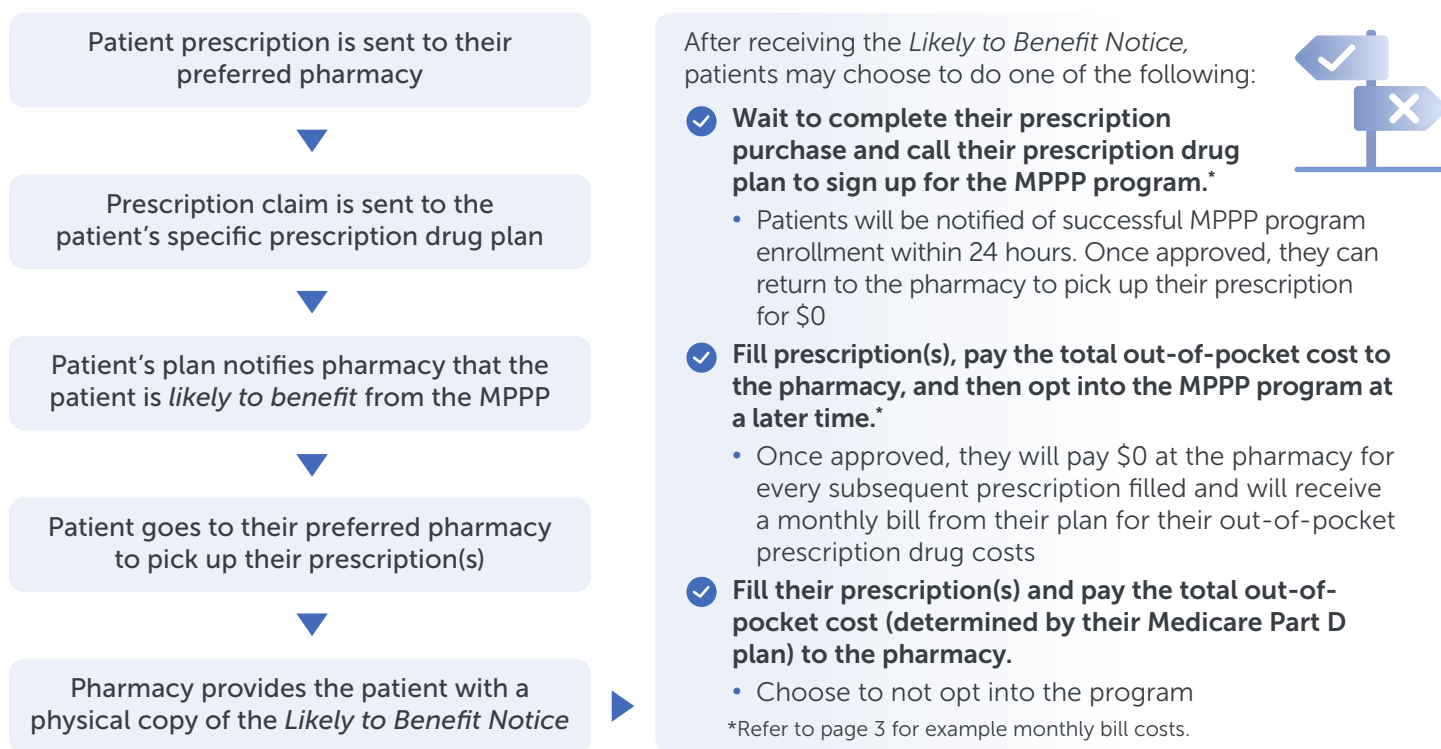
- Prescription drug plan during the plan year
- Healthcare providers and staff
- Pharmacy while picking up their prescription(s)



Not every patient will benefit from the MPPP program. Patients may want to consult their prescription drug plan, pharmacist, or healthcare provider staff to understand whether the program might be helpful for their situation.

Pharmacy Notification Requirements³

Pharmacies and pharmacists are required to provide a printed copy of the *Likely to Benefit Notice* to patients when the out-of-pocket cost of their prescription(s) exceeds the \$600 notification threshold at the point of sale.



Pharmacies are encouraged, but not required, to provide educational material related to the MPPP program when providing patients with the *Likely to Benefit Notice*.

How it Works for Patients¹

- 1 Opt into the MPPP program by contacting their prescription drug plan
- 2 Fill prescription at their preferred pharmacy
- 3 Pay \$0 at the pharmacy when picking up their medication covered by their prescription drug plan
- 4 Receive a monthly bill from their prescription drug plan for incurred out-of-pocket prescription drug costs
- 5 Pay the required monthly payment to their specific prescription drug plan



Example MPPP Out-of-pocket Cost Calculations²

Although a patient may be defined as *likely to benefit* by CMS, they might not see the intended benefit if their OOP costs are incurred late in the year or if they opt into the MPPP program late in the year.

	Early Opt-in Patient opts into MPPP program in January before filling prescription		Mid-year Opt-in Patient starts new treatment in May and opts into MPPP program before filling prescription		Late Opt-in Patient starts new treatment in September and opts into MPPP program before filling prescription	
Month	Incurred OOP Cost	OOP Cost Monthly Payment With MPPP	Incurred OOP Cost	OOP Cost Monthly Payment With MPPP	Incurred OOP Cost	OOP Cost Monthly Payment With MPPP
January	\$600	\$167	Patient fills first prescription of the year in May	-	Patient fills first prescription of the year in September	-
February	\$600	\$94		-		-
March	\$600	\$154		-		-
April	\$200 (OOP cap)	\$176		-		-
May	- Treatment continues - Maximum OOP cost met - Patient pays monthly bill for incurred OOP costs	\$176	\$600	\$250		-
June		\$176	\$600	\$136		-
July		\$176	\$600	\$236		-
August		\$176	\$200 (OOP cap)	\$276		-
September		\$176	- Treatment continues - Maximum OOP cost met - Patient pays monthly bill for incurred OOP costs 	\$276	\$600	\$500
October		\$176		\$276	\$600	\$233
November		\$176		\$276	\$600	\$433
December		\$176		\$276	\$200 (OOP cap)	\$833
					- Treatment continues - Maximum OOP cost met - Patient pays total incurred OOP cost in December	
Total annual OOP cost	\$2000	\$2000	\$2000	\$2000	\$2000	\$2000
	 Out-of-pocket cost is evenly distributed across the year, avoiding bigger payments at the pharmacy		 Out-of-pocket cost is evenly distributed across the remaining months, avoiding bigger payments at the pharmacy		 Out-of-pocket cost is NOT evenly distributed across the remaining months, resulting in a high monthly payment at the end of the year	

Cost calculations are for illustrative purposes only. Total annual OOP cost amounts may not add up exactly due to rounding. This cost calculation is based on the 2025 OOP maximum of \$2,000 which can vary per year.



Patients may benefit the most from the MPPP program by signing up earlier in the year, especially if they anticipate high out-of-pocket costs.

- Signing up later may result in a higher monthly bill at the end of the year. However, total costs for the year will remain the same

Program Opt-in²

All Medicare Prescription Drug Plan enrollees are eligible for the MPPP program and opting into the program is required to receive program benefits.

Patients can opt in:

- Any month during the plan year
- During initial plan enrollment periods
- During Open Enrollment
- During special enrollment periods



To learn more about the MPPP program, patients should call their prescription drug plan directly, visit their drug plan's website, or visit the [Medicare](#) website.

Patients can elect to join the program via paper, telephone, or website provided by their health plan.

- Patients will be notified by their specific plan once they have been accepted into the program

Patients who have joined the program and would like to opt out may do so at any time during the plan year with no penalty or effect on Medicare prescription drug plan enrollment.



To receive the most benefit from the MPPP program, patients should consider enrolling before January or before filling their first prescription. Note that some patients may not receive the full benefits of the program if enrolling and/or filling their first prescription later in the plan year.

Considerations²

This program might not be the best choice for patients if:

- Their yearly drug costs are low
- They don't want to change how they pay for their prescriptions
- Their drug costs are the same each month
- They receive or are eligible for certain programs that assist with payments, making their costs low
- They are considering signing up for the program late in the calendar year



Patients who require additional assistance beyond the MPPP program should consider applying for a Medicare Savings Program or Medicare Low Income Subsidy (LIS), also known as Extra Help.

Otsuka Patient Support offers dedicated professionals and digital solutions to help make treatment more accessible for patients and provide ongoing support.

For questions about the Medicare Prescription Payment Plan, Otsuka Patient Support may be able to help provide answers.



Call Center

Representatives available to deliver personalized assistance and additional resources.

1-833-468-7852

Monday–Friday, 8 AM–8 PM ET



[OtsukaPatientSupport.com](#)

View educational resources and have your questions answered through a 24/7 chat.

Visit [Insurance Resources](#) for additional education about Medicare and related topics.

References: 1. Centers for Medicare & Medicaid Services. Fact Sheet: Medicare Prescription Payment Plan Final Part One Guidance. February 2024. Accessed September 4, 2025. [cms.gov/files/document/fact-sheet-medicare-prescription-payment-plan-final-part-one-guidance.pdf](#) 2. Centers for Medicare & Medicaid Services. Medicare Prescription Payment Plan Final Part One Guidance. February 29, 2024. Accessed September 4, 2025. [cms.gov/files/document/medicare-prescription-payment-plan-final-part-one-guidance.pdf](#) 3. Centers for Medicare & Medicaid Services. Medicare Prescription Payment Plan Final Part Two Guidance. July 16, 2024. Accessed September 4, 2025. [cms.gov/files/document/medicare-prescription-payment-plan-final-part-two-guidance.pdf](#)

