

September 18, 2024



Inflation Reduction Act Impacts to Medicare Part D for 2025

Dear Valued Provider,

The Inflation Reduction Act (IRA) included several provisions that impact Medicare Part D beginning on January 1st, 2025. These are the most significant changes to the Medicare Part D program since its inception.

The IRA established a new Medicare Prescription Payment Plan (M3P), an optional program that members can elect to participate in that is intended to spread their out-of-pocket costs more evenly throughout the plan year. Members most likely to benefit from the program are those that have high out of pocket costs early in the plan year.

Once a member has elected to join the program, they will pay no out of pocket costs at point of sale and will be billed in monthly payments by their health plan.

As part of your respective Participation Agreement and Prime's Provider Manual, pharmacies are required to abide by all applicable federal and state laws, including those requirements associated with the Medicare Prescription Payment Plan (M3P). This includes but is not limited to:

- Ensuring that eligible Medicare Part D members receive the appropriate 'Likely to Benefit Notice' provided by the pharmacy.
- Proper training being provided to pharmacy staff surrounding the M3P, such as continuing education credits, webinars, and educational materials.
- Documentation or oversight measures are in place to ensure proper adherence to the M3P provider requirements on Prime Therapeutics' website.

Pharmacies are expected to comply with all CMS defined requirements for the M3P program.

Prime will return approved message code 056 -Beneficiary Likely to Benefit from Medicare Prescription Payment Plan, on all Medicare Part D claims where the members out of pocket cost meets or exceeds the CMS defined threshold. When approved message code 056 is returned, pharmacies are responsible for providing the M3P "Likely to Benefit" Notice to the member at point of sale. Long Term Care pharmacies are to provide the notice to the Part D enrollee at the time of its typical enrollee cost-sharing billing process. If a member would like to participate in the program, they should contact the number on the back of their ID card.

In instances where the enrollee may choose to take time to consider opting into the program and leaves the pharmacy without the prescription that triggered the notification, when the enrollee returns to the pharmacy to pick up their prescription after opting into the program, the prescription claim that triggered the notification must be reversed and reprocessed. Then the COB claim should be submitted for M3P processing.

Should a Part D enrollee have other unpaid claims at the same pharmacy for covered Part D drugs from prior dates of service, in addition to the prescription that may have triggered the likely to benefit notification, they may also request that those claims be reversed and reprocessed, to be included in M3P.

When a Medicare Part D member is participating in the M3P program and a Medicare Part D claim is processed where the member has an out-of-pocket cost, Prime will return approved message code 057- Beneficiary participating in Medicare Prescription Payment Plan, indicating that the M3P plan should be billed. The claims processing information for the members M3P plan will be returned in the other payer information section of the claim response. The pharmacy is responsible for using that information to bill a coordination of benefits (COB) claim to the M3P plan.

M3P claims must be billed using the Other Payer Patient Responsibility Amount (OPPRA) method of COB processing. An Other Coverage Code of 8 should be used on all M3P claims. The final patient pay prior to the M3P claim should be submitted as a single amount with Other Payer-Patient Responsibility Amount Qualifier 06 – Patient Pay Amount. **For additional claims processing information, please see the M3P payer sheet that will be release in the 4th quarter of 2024.**

In situations where a supplemental payer is billed after the Part D claim and before the M3P claim, if the supplemental claim returns a higher out of pocket cost than the part D claim, the M3P plan will pay up to the Medicare Part D out of pocket cost and the remainder will be a patient pay amount on the M3P claim that must be collected from the member unless they choose not to use their supplemental coverage.

Prime will return reject code DO3 - This claim is not eligible for Medicare Prescription Payment Plan, on M3P claims, in situations where the product was covered as an enhanced benefit, and not a product defined as covered by the Medicare Part D core benefit. These claims cannot be billed to M3P.

In pharmacy settings in which there is direct contact with enrollees (e.g., community pharmacies where enrollees present in person to pick up prescriptions), the “Medicare Prescription Payment Plan Likely to Benefit Notice” must be provided to enrollees identified as likely to benefit (or the person acting on their behalf) at the time the prescription is picked up. This includes pharmacies with a drive-through or curbside pick-up option. If the pharmacy is in contact with a Part D enrollee identified as likely to benefit and the enrollee declines to complete the prescription purchase, the pharmacy must provide the “Medicare Prescription Payment Plan Likely to Benefit Notice” to the Part D enrollee. For example, if a Part D enrollee visits a retail pharmacy to pick up their prescription but then declines to complete the transaction because of the cost, the pharmacy must still provide the standardized “Medicare Prescription Payment Plan Likely to Benefit Notice” to that Part D enrollee.

In the case of long-term care pharmacies, when the point-of-sale notification is received by a long-term care pharmacy, it is required that the pharmacy provide the “Medicare Prescription Payment Plan Likely to Benefit Notice” to the Part D enrollee (or their authorized representative) at the time of its typical enrollee cost-sharing billing process.

For other pharmacy types without in-person encounters (such as mail order pharmacies), the pharmacy must notify the Part D enrollee via a telephone call or their preferred contact method. This requirement should not, however, be interpreted as a requirement to delay dispensing the medication. Pharmacies are encouraged to utilize existing touchpoints with Part D enrollees, such as outreach to review medication instructions or collect a method of payment, to convey the content of the “Medicare Prescription Payment Plan Likely to Benefit Notice” prior to processing payment for the prescription that triggered the notice.

Pharmacies must be prepared to begin distributing the ”Likely to Benefit” Notice and processing M3P claims on January 1st, 2025.

Additionally, Prime has sponsored a continuing education (CE) activity about the Medicare Prescription Payment Plan (M3P). The content is available to anyone who wants to learn more about M3P, and pharmacists and pharmacy technicians can earn one hour of free CE.

The M3P CE content is located: <https://pharmacy.uconn.edu/course/medicareprescriptionplans/>.

If you have questions regarding this communication, please send an email to **ProviderRelations@Primetherapeutics.com**.

Sincerely,
Pharmacy Network Management
Prime Therapeutics LLC