



Medicare Prescription Coverage

Educational Guide



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Your Medicare Advantage Coverage

Medicare Prescription Changes in 2025

The Centers for Medicare & Medicaid Services (CMS) announced changes to Medicare Part D, also known as prescription drug coverage, starting in 2025. In this educational booklet, we'll help you understand key changes and how they impact your coverage. We'll also provide the information you need to confidently navigate your prescription coverage.

Let's get started >>>



Does Part D still have a coverage gap or “Donut Hole”?

This is the biggest question currently getting asked and is one of three important changes to Medicare prescription coverage.

Key changes impacting Medicare in 2025

1. The Inflation Reduction Act simplified Medicare prescription coverage by eliminating the Coverage Gap Discount Program, known as the “Donut Hole.”
2. Annual out-of-pocket costs for Medicare Part D will be capped at \$2,000.
3. Medicare prescription drug plans must offer the option for members to pay out-of-pocket costs in monthly installments instead of all at once at the pharmacy.

Pharmacy and Medication Benefits

The Sanford Health Plan Pharmacy Department will help you get the most out of your medication benefits. Sanford Health Plan has a list (formulary) of FDA approved brand name and generic medications that are covered under your benefit plan.

For medications to be covered, they must be:



Prescribed or approved by a physician, physician assistant, nurse practitioner or dentist;



Listed in the plan formulary, unless prior authorization is given by the plan;



Provided by an in-network participating pharmacy except in the event of a medical emergency; **NOTE:** If a prescription is filled at a non-participating and/or out-of-network pharmacy, you will be responsible for the prescription drug cost in full.



Approved by the Federal Food and Drug Administration (FDA) for use in the United States.

Some medications are noted with letters next to them to help you see which ones may have coverage requirements or limits. Your benefit plan determines how these medications may be covered for you.

ST Step Therapy

Trial of lower-cost medication(s) is required before a higher-cost medication can be covered.

PA Prior Authorization

Your doctor is required to provide additional information to determine coverage.

QL Quantity Limit

Medication may be limited to a certain quantity.

To review your eligibility, visit align.sanfordhealthplan.com/pharmacy-and-drug-coverage. Questions? Call **(855) 427-3826 (TTY: 711)** from 8 a.m. to 5 p.m. CT, Monday through Friday.

View more of your member benefits at align.sanfordhealthplan.com/benefits.

Medicare Part D FAQs

What is Medicare Part D?

Medicare Part D is a federal program that provides prescription drug coverage for Medicare members. It is available through private insurance companies approved by Medicare.

What does Medicare Part D cover?

Medicare Part D coverage has a structured system in place that determines which drugs are covered and at what cost. When it comes to Medicare Part D, the three most important terms you need to know are **formulary**, **tiers** and **pharmacy network**.

Formulary: Each Part D plan has a formulary, which is a list of covered drugs. It includes a wide range of prescription medications categorized into different tiers.

Tiers: Each tier has a different cost-sharing amount for medications. Lower tier drugs usually have lower copayments or coinsurance.

Pharmacy network: Part D plans have a network of pharmacies where members can fill their prescriptions. It is important to choose a plan with pharmacies that are convenient for you.



Coverage rules and associated costs FAQs

Part D plans may have coverage rules to ensure certain prescription drugs are correctly used and only when medically necessary. These rules may include prior authorization, step therapy and quantity limits.

Does Part D pay for all prescriptions?

Part D plans cover a wide range of prescription medications, but there may be some not included in the formulary. You should always review the plan formulary and the tiers your prescriptions fall under.

What is the out-of-pocket maximum for Medicare Part D?

In 2025, annual out-of-pocket costs for Medicare Part D will be capped at \$2,000.


Medicare Prescription Payment Plan

The Medicare Prescription Payment Plan, also called M3P and MPPP, is a new payment option to help you manage your out-of-pocket drug costs, starting in 2025. This new payment option works with your current drug coverage, and it can help you manage your drug costs by spreading them across monthly payments that vary throughout the year (January – December). This payment option might help you manage your expenses, but it doesn't save you money or lower your drug costs.



Medicare Part D Extra Help program

Extra Help is a federal program that helps people with limited income and resources pay for prescription drug costs. It's also known as the Low-Income Subsidy. To learn more, visit ssa.gov/medicare/part-d-extra-help.



Have questions
about your
prescription drug
coverage?

Connect with an agent

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(TTY: 711) from 8 a.m. to 5 p.m. CT,
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Prescription drug coverage

All Align powered by Sanford Health Plan PPO plans include prescription drug coverage (Part D). We are committed to helping you keep your prescription drug costs manageable. All of our drug plans waive the deductible for Tier 1 and Tier 2*. Additionally, select medications used to treat chronic conditions such as high blood pressure, high cholesterol and diabetes are included in Tier 6 at a \$0 copay, no deductible*.

Our formulary is a comprehensive list of drugs chosen by Sanford Health Plan pharmacists based on their effectiveness, safety, ease of use and cost. Some drugs may have certain requirements such as prior authorization, quantity limits or step therapy. You can visit our online formulary listing at align.sanfordhealthplan.com/pharmacy-and-drug-coverage or call and request a printed version be sent to you to determine which tier your prescriptions are in and to see if any of the requirements apply.

Your Options

Our pharmacy network is made up of over 60,000 local, regional, and national pharmacies. Members can also save more when using preferred pharmacies, including Sanford Health Pharmacy, Lewis Drug, Thrifty White, Seip Drug, Gateway Pharmacy, CVS and OptumRX Home Delivery.

You can have your prescription drugs mailed by using the OptumRX member portal. For more information, visit align.sanfordhealthplan.com/pharmacy-and-drug-coverage. Review your evidence of coverage to learn more or call **(855) 427-3826 (TTY: 711)** to speak with one of our agents.



Have questions? Get in touch with our team.

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Sanford Health Plan and Sanford Health Plan of Minnesota have HMO and PPO plans with a Medicare contract. Sanford Health Plan D-SNPs have contracts with State Medicaid programs. Enrollment in our plans depends on contract renewal. Sanford Health Plan complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, sex or any other classification protected under the law. This information is not a complete description of benefits. Contact the plan for more information. Limitations, copayments and restrictions may apply. *Benefits, premiums and/or co-payments/co-insurance may change on January 1 of each year.