



# Medicare Prescription Coverage Guide



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A Medicare Advantage option  
from Sanford Health Plan

## Medicare Prescription Changes in 2025

The Centers for Medicare & Medicaid Services (CMS) has announced changes to Medicare Part D, also known as prescription drug coverage, starting in 2025. In this 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 options.

**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 is simplifying 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.



## Five questions to ask your agent

- 1** How will the changes to Part D impact what I pay for prescriptions, such as my deductible and copay?
- 2** What prescription coverage do you recommend? How much does it cost?
- 3** What are my options for enrolling in a Part C plan with Part D coverage?
- 4** Will my medications be covered with the Part D or Part C plan you recommend?
- 5** Are there rules or limits I should know before changing to a different Part D or Part C plan?

# What to know about Medicare Part C and prescription coverage

Many Medicare Part C plans, also known as Medicare Advantage, offer comprehensive benefits, including prescription drug coverage. This means beneficiaries can receive Part A (hospital insurance), Part B (medical insurance) and Part D (prescription coverage) in one plan, along with additional benefits, such as vision, dental and hearing benefits.



If you're considering enrolling in a Medicare Advantage plan, it's important to review the plan's prescription drug coverage and ensure it meets your medication needs. Your agent can help you review and discuss plan details.

## Could our Medicare Advantage plan be right for you?

Align powered by Sanford Health Plan is an all-in-one Medicare Advantage plan. With Medicare Parts A and B, prescription coverage and extra benefits, one complete plan cares for the whole you. Plus, you'll receive care from a network of providers you know and trust.

### Benefits include:



- Monthly premiums
- Primary copay
- Medical deductibles



Health navigator services



Dental coverage



Hearing benefits



Prescription drug coverage



Vision benefits



Fitness incentives

View more of our member benefits at [align.sanfordhealthplan.com](https://align.sanfordhealthplan.com).

# 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.





# Ready to learn about your coverage options?

## **Connect with an agent**

Get help from one of our local, licensed agents. Call us toll-free at (888) 605-9277 (TTY: 711) from 8 a.m. to 8 p.m. local time, Monday through Friday.

## **Shop and compare plans online**

Visit [align.sanfordhealthplan.com](https://align.sanfordhealthplan.com) to get started.



## **Learn more about our Medicare Advantage plans**

Attend an in-person or virtual workshop to learn more about our Medicare Advantage plans. Our team can answer your questions so you can decide if Medicare Advantage is right for you. Visit [align.sanfordhealthplan.com/events](https://align.sanfordhealthplan.com/events) to search for workshops in your area.

# 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.

## **Do I need to enroll in Part D if I have other creditable coverage?**

If you have other creditable prescription drug coverage, you may not need to enroll in Part D, such as if you have coverage through an employer or union and it provides equal or better coverage compared to Part D.

## **Do I need to enroll in Part D if I have job-based drug coverage?**

If you have job-based drug coverage, speak with your benefits administrator to determine if you need to enroll in Part D to avoid late enrollment penalties.

## **What to know about Part D late enrollment penalties**

Not enrolling in Part D when you are first eligible or not having creditable coverage may result in a late enrollment penalty. It's important to understand how this penalty is calculated and how it can affect your premiums.



### **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](https://ssa.gov/medicare/part-d-extra-help).





## Finding the best plan for your needs in 2025

Understanding the changes to Medicare Part D prescription coverage and considerations, coverage rules and associated costs is important as a Medicare beneficiary. By staying informed, you can confidently make coverage decisions for 2025.

We recommend reviewing your Part D plan options this year, especially during the open enrollment period, to ensure you are receiving the best coverage for your health needs.



## Get in touch with our team.

Call us toll-free at (888) 605-9277 (TTY: 711) to speak with a licensed agent from 8 a.m. to 8 p.m. local time, Monday through Friday.

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