

Example One of How a Monthly Medicare Prescription Payment Plan Bill Is Calculated

You take several high-cost drugs that have a total out-of-pocket cost of \$500 each month. In January 2025, you join the Medicare Prescription Payment Plan through your Arkansas Blue Medicare plan with drug coverage.

We calculate your first month's bill in the Medicare Prescription Payment Plan differently than your bill for the rest of the months in the year:

- First, we figure out your "maximum possible payment" for the first month:

$ \begin{array}{r} \$2,000 \text{ (annual out-of-pocket maximum)} \\ -\$0 \text{ (no out-of-pocket costs before using this payment option)} \\ \hline =\$2,000 \\ 12 \text{ (remaining months in the year)} \end{array} $	=	$ \begin{array}{r} \mathbf{\$166.67} \\ \text{(your "maximum possible payment" for the first month)} \end{array} $
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- Then, we figure out what you'll pay for January:
 - Compare your total out-of-pocket costs for January (\$500) to the "maximum possible payment" we just calculated: \$166.67.
 - We'll bill you the lesser of the two amounts. So, you'll pay \$166.67 for the month of January.
 - You have a remaining balance of \$333.33 (\$500 – \$166.67).

For February and the rest of the months left in the year, we calculate your payment differently:

$ \begin{array}{r} \$333.33 \text{ (remaining balance) + } \$500 \text{ (new costs)} \\ \hline =\$833.33 \\ 11 \text{ (remaining months in the year)} \end{array} $	=	$ \begin{array}{r} \mathbf{\$75.76} \\ \text{(your payment for February)} \end{array} $
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We'll calculate your March payment like we did for February:

$ \begin{array}{r} \$757.57 \text{ (remaining balance) + } \$500 \text{ (new costs)} \\ \hline =\$1,257.57 \\ 10 \text{ (remaining months in the year)} \end{array} $	=	$ \begin{array}{r} \mathbf{\$125.76} \\ \text{(your payment for March)} \end{array} $
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In April, when you refill your prescription again, you'll reach the annual out-of-pocket maximum for the year (\$2,000 in 2025). You'll continue to pay what you already owe and get your prescriptions, but after April, you won't add any new out-of-pocket costs for the rest of the year.

$\begin{array}{r} \$1,131.81 \text{ (remaining balance) + } \$500 \text{ (new costs)} \\ \hline =\$1,631.81 \\ \hline 9 \text{ (remaining months in the year)} \end{array}$	=	$\begin{array}{r} \$181.31 \\ \text{(your payment for April} \\ \text{and all remaining months} \\ \text{in the year)} \end{array}$
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Even though your payment varies each month, by the end of the year, you'll never pay more than:

- The total amount you would have paid out-of-pocket.
- The total annual out-of-pocket maximum (\$2,000 in 2025).

Remember, this is just your monthly payment for your out-of-pocket drug costs. You still need to pay your plan premium (if you have one) each month.

Here's a month-by-month look:

Month	Your drug costs (without the Medicare Prescription Payment Plan)	Your monthly payment (with the Medicare Prescription Payment Plan)	Notes
January	\$500	\$166.67	This is when you start participating in the Medicare Prescription Payment Plan. Remember, your first month's bill is based on the "maximum possible payment" calculation. We calculate your bill for the rest of the months in the year differently.
February	\$500	\$75.76	
March	\$500	\$125.76	
April	\$500	\$181.31	This month you'll reach the annual out-of-pocket maximum (\$2,000 in 2025). You'll have no new out-of-pocket drug costs for the rest of the year.
May	\$0	\$181.31*	*You'll still get your \$500 drug each month. But because you will have reached the annual out-of-pocket maximum, you won't add any new out-of-pocket costs for the rest of the year. You'll continue to pay what you already owe.
June	\$0	\$181.31*	
July	\$0	\$181.31*	
August	\$0	\$181.31*	
September	\$0	\$181.31*	
October	\$0	\$181.31*	
November	\$0	\$181.31*	
December	\$0	\$181.31*	
Total	\$2,000	\$2,000	You'll pay the same total amount for the year, even if you don't use the Medicare Prescription Payment Plan.

If you're worried about paying \$500 each month from January to April, the Medicare Prescription Payment Plan will help you manage your costs. If you prefer to pay \$500 each month for four months and then pay \$0 for the rest of the year, the Medicare Prescription Payment Plan might not be right for you. Call us if you need any help.

1-844-280-5833 (TTY: 711)

24 hours a day, seven days a week

