



# Medicare Advocacy Project

Protecting your medicare rights.

## Medicare Part D: Costs for 2024

Part D is the prescription drug benefit portion of Medicare. It is provided through approved private insurance companies. Depending on the plan you choose, you may pay a monthly premium and a yearly deductible. You may also pay a part of the cost of your prescriptions. Costs vary depending on the plan but can be no more than the standard Part D plan benefit costs listed below. Plans may differ in terms of what medications and pharmacies they will cover, as well as what steps you may need to take to get your medications.

### Annual Deductible and Monthly Premium

- You pay an annual deductible of \$545.
- Your plan sets your monthly premium, but if your 2022 tax reported income exceeds \$103,000 (individual) or \$206,000 (joint filer), you will have to pay an additional Income Related Monthly Adjustment Amount (IRMAA) of up to \$81.00/month in 2024. Consider appealing IRMAA if life changing event has occurred since 2022.



### Initial Coverage Period

- Your plan pays 75% and you pay 25% up to the initial coverage limit of \$5,030.



### Coverage Gap

- When you and your plan (combined) have paid \$5,030, you enter the “coverage gap.” Here, you’ll pay 25% of the cost of the medication and its dispensing fee.
  - For brand-name drugs, the manufacturer will pay 70% to discount the price for you. Your plan pays 5% of the costs and 75% of the dispensing fee.
  - For generic drugs, your plan pays 75% for the costs as well as 75% of the dispensing fee.
- **Prescription Advantage** and the **Health Safety Net** may help you meet the coverage gap.



### Catastrophic Coverage

- “Catastrophic coverage” begins when you reach the “out-of-pocket” threshold of \$8,000. That threshold is met through a combination of:
  - Your deductible, coinsurance, and copayments, as well as your costs during the coverage gap; and,
  - The 70% discount on brand-name drugs during the coverage gap.
- Once you have reached catastrophic coverage, you will not have to pay a copayment or coinsurance for covered Part D drugs for the rest of the calendar year.

## Extra Help May Lower Your Part D Costs

**In 2024, everyone who qualifies for Extra Help, also known as the Low Income Subsidy, will pay:**

- \$0.00 for your Medicare drug plan premium (up to \$43.53 in Massachusetts; if your plan’s monthly premium is more than that, you may have to pay the excess premium);
- \$0.00 for your plan deductible; and,
- A reduced amount for both generic and brand-name drugs.
  - For 2024, monthly costs for each generic drug are generally no more than \$4.50, and monthly costs for each brand-name drug are generally no more than \$11.20.
  - Your costs for drugs may be lower – or free! – depending on whether you have MassHealth Standard, a Medicare Savings Plan, if you have MassHealth and live in certain institutions (like a nursing home), or if you receive MassHealth home and community-based services.
- People on Extra Help do not have to pay Part D late enrollment penalties.

Note: Those on MassHealth **and** Medicare should not have to pay pharmacy copayments.

**You automatically qualify for Extra Help if you have Medicare and you:**

- Are on MassHealth Standard or a Medicare Savings Plan; or,
- You get Supplemental Security Income (SSI) benefits.

If you don’t automatically get Extra Help, you can apply with Social Security over the phone (800-772-1213) or online (<https://secure.ssa.gov/i1020/start>). The 2024 annual income limits and resource levels to qualify for Extra Help are:

Annual Income Limits		Resource Levels	
Individual: \$22,590	Married Couple: \$30,660	Individual: \$17,220	Married Couple: \$34,360

- “Married” means married and living together.
- \$20 will be deducted from unearned income (such as Social Security Retirement) when calculating eligibility.
- Resources do not include a \$1,500 per person burial allowance.
- Income limits and resource levels may not apply if you are a member of a MassHealth program.

## Questions? Need Legal Help?

Call the Medicare Advocacy Project to Apply for Free Legal Assistance:

### Greater Boston Legal Services

- 800-323-3205
- Serving Essex, Middlesex, Norfolk, and Suffolk Counties

### Community Legal Aid

- 855-252-5342
- Serving Berkshire, Franklin, Hampden, Hampshire, and Worcester Counties

### South Coastal Counties Legal Services

- 800-244-8393
- Serving Barnstable, Bristol, Dukes, Nantucket, and Plymouth Counties