

LEARN ABOUT AN OPTION FOR PATIENTS WITH MEDICARE PART D

How the Medicare Prescription Payment Plan (M3P) can help manage out-of-pocket (OOP) medication costs*

What is M3P?

The M3P program is a payment option that CMS established to provide Medicare Part D beneficiaries (including Medicare Advantage drug plans) the option to spread out their OOP prescription drug costs into monthly payments over the calendar year (January-December) instead of paying all at once at the pharmacy.¹ This program includes mail-order and specialty pharmacies.¹ All Medicare Part D plans offer M3P as an option, and participation is voluntary.¹

You may also see M3P referred to as “MPPP” or “Medicare smoothing.”^{2,3}

Monthly OOP drug copayments without M3P^{4,†}



vs

Monthly OOP drug copayments with M3P^{4,†}



Note: Patients with Medicare Part D will not pay more than the annual OOP maximum of \$2,100 in 2026.⁵ The M3P program does not decrease the total amount patients will pay for their medications by the end of the year.¹ However, M3P will help patients who have high prescription drug copays earlier in the year manage those costs by spreading them more evenly across the year.²



Patients can opt in to M3P for 2026 **starting October 15, 2025.**^{1,6}
See page 3 for information about enrollment.

*The M3P program is only applicable to prescription drugs covered by Medicare Part D.¹
†This example is for illustrative purposes only. Individual payments may differ. This shows an example of how costs for only a high copay in January would be spread across the year with M3P. Any additional copayments in other months would also be spread across the remaining months of the year and would modify monthly M3P costs.¹ See page 4 for more information about monthly copayments with M3P.

MPPP=Medicare Prescription Payment Plan.

Who is eligible for M3P?

M3P is available to anyone who has prescription drug coverage through Medicare, such as patients who have a¹:



- Medicare Part D plan
- Medicare Advantage prescription drug plan

Remember, Medicare Part D coverage has 3 phases.

1

Annual deductible:

Patients pay 100% of covered prescription drug costs until a yearly deductible of ≤\$615 is met.⁵ The specific deductible is determined by each plan, and some plans have no deductible.⁷

2

Initial coverage

(starting after a patient meets their plan's annual deductible): Patients pay 25% coinsurance for covered Part D drugs until reaching the annual OOP threshold of \$2,100.⁵

3

Catastrophic coverage

(starting after a patient meets the annual OOP threshold): Patients pay 0% of the OOP cost of their covered prescription drug.⁵

M3P may be helpful if⁸:

- A patient receives or plans to receive a medication with a high copay. *For example: Last year, did the patient fill a single prescription that cost more than \$600 OOP?*
- A patient has high drug costs early in the calendar year. *For example: Does the patient expect to reach their annual OOP maximum (ie, \$2,100) before September 2026?*

M3P might not be right for patients who⁸:

- Have low OOP drug costs over each calendar year
- Have OOP drug costs that are about the same each month
- Plan to opt in after September of the current year (eg, enrolling November 2026 for the same calendar year)

Note: Patients can opt in to M3P anytime from open enrollment (October 15, 2025) through the end of the calendar year (December 2026).^{6,8} Enrolling at the end of the calendar year (ie, October–December 2026) means that these payments are distributed over a few months rather than spread out over the course of the year.⁸

- Qualify for or receive Extra Help (a low-income subsidy program from Medicare)
- Receive, or are eligible to receive, other forms of help paying for copays (eg, state-sponsored assistance programs, coupon programs)



How can patients enroll in M3P?

Participation in M3P is voluntary.¹ Patients can opt in to M3P for 2026 when enrolling in a Medicare insurance plan during open enrollment, which starts October 15, 2025, or anytime throughout the year.^{1,6}



Contact the Medicare insurance provider to enroll in M3P¹:

Call the Medicare insurance plan's phone number.

OR

Visit the Medicare insurance plan's website.

Each Medicare insurance provider can let their patients know what information they will need to get started with M3P.

Key information about M3P enrollment



If a patient enrolled in the M3P program in 2025 plans to keep the same Medicare insurance plan next year, they will automatically be enrolled in 2026.⁹



Patients who change to a new Medicare insurance plan will need to re-enroll in M3P with their new insurance plan.⁹



Patients who are not sure about their M3P enrollment should call their Medicare insurance plan to verify their status.



What payments are patients responsible for with M3P?

There is no extra cost to opt in to or participate in the M3P program¹

Patients will still be responsible for the same costs, including:

- A monthly Medicare insurance plan premium (if the insurance plan has one)¹
- Total annual OOP costs for covered prescription medications (up to the 2026 annual OOP maximum of \$2,100)^{1,5}

Patients will get a monthly bill for their M3P payment from their Medicare insurance plan

Instead of paying at the pharmacy when picking up their prescriptions, patients enrolled in M3P will get a monthly bill from their Medicare insurance plan for their prescription drug costs.¹

- The payment may change from month to month as a patient fills prescriptions (eg, new prescriptions, refills). The costs for these additional prescription fills are spread across the remaining months of the calendar year.¹
- A patient's M3P bill will be separate from their monthly insurance plan premium (if the patient's plan has a monthly premium).¹⁰



M3P can help patients by spreading out their Medicare prescription drug costs across the year. **Patients who enroll early are likely to get the most out of this program.**

References: 1. Medicare. What's the Medicare Prescription Payment Plan? September 2024. Accessed September 4, 2025. <https://www.medicare.gov/publications/12211-whats-the-medicare-prescription-payment-plan.pdf> 2. Mercurio A. Medicare Prescription Payment Plan (MPPP). American Pharmacists Association. Accessed August 21, 2025. <https://www.pharmacist.com/Blogs/CEO-Blog/Article/medicare-prescription-payment-plan-mppp> 3. Doshi JA, Niles A. Smoothing Medicare Part D out-of-pocket costs under the Inflation Reduction Act. *Health Aff (Millwood)*. February 3, 2023. Accessed September 10, 2025. <https://www.healthaffairs.org/content/forefront/smoothing-part-d-out-pocket-costs-under-inflation-reduction-act> 4. Atrio Health Plans. Medicare Prescription Payment Plan (M3P). June 18, 2025. Accessed September 10, 2025. <https://www.atrionhp.com/oregon/members/medicare-prescription-payment-plan/> 5. Centers for Medicare & Medicaid Services. Final CY 2026 Part D Redesign Program instructions. April 7, 2025. Accessed August 21, 2025. <https://www.cms.gov/newsroom/fact-sheets/final-cy-2026-part-d-redesign-program-instructions> 6. Centers for Medicare & Medicaid Services. Medicare Part D reporting requirements: technical specifications document contract year 2025. January 1, 2025. Accessed August 21, 2025. <https://www.cms.gov/files/document/cy2025-part-d-technical-specifications-12032024.pdf> 7. Medicare. How much does Medicare drug coverage cost? Accessed September 10, 2025. <https://www.medicare.gov/health-drug-plans/part-d/basics/costs> 8. Medicare. Before using this payment option. Accessed August 21, 2025. <https://www.medicare.gov/prescription-payment-plan/before-payment-option> 9. PAN Foundation. Understanding the Medicare Prescription Payment Plan. Accessed August 21, 2025. <https://www.panfoundation.org/understanding-the-medicare-prescription-payment-plan/> 10. Centers for Medicare & Medicaid Services. Using this payment option. Accessed August 21, 2025. <https://www.medicare.gov/prescription-payment-plan/using-payment-option>