



2025 Standard Drug Costs

Part D Benefit Parameters for Defined Standard Benefit, Low-Income Subsidy (LIS)/Extra Help, & Retiree Drug Subsidy

	2024 (for comparison)	2025*
Standard Benefit		
Deductible ⁽¹⁾	\$545	\$590
Initial Coverage Limit ⁽²⁾	\$5,030	Not Applicable
Out-of-Pocket Threshold ⁽²⁾	\$8,000	\$2,000
Cost-Sharing in Catastrophic Coverage ⁽³⁾	\$0	\$0
Full Subsidy-Full Benefit Dual Eligible (FBDE) Beneficiaries		
Institutionalized ⁽⁴⁾	\$0	\$0
Home and Community-Based Services ⁽⁵⁾	\$0	\$0
With income up to or at 100% of the federal poverty level (FPL) ⁽⁶⁾	\$1.55/\$4.60	\$1.60/\$4.80
With income between 100% and 150% of the FPL ⁽⁷⁾	\$4.50/\$11.20	\$4.90/\$12.15
Full Subsidy-Non-FBDE Beneficiaries		
Applied or eligible for QMB/SLMB/QI or SSI, with income between 135% and 150% of the FPL ⁽⁸⁾	\$4.50/\$11.20	\$4.90/\$12.15
Retiree Drug Subsidy Amounts⁽⁹⁾		
Cost Threshold	\$545	\$590
Cost Limit	\$11,200	\$12,150

*These parameters reflect additional plan coverage required for covered insulin products and ACIP-recommended adult vaccines.

- (1) Your deductible is the amount you must pay each year for your prescriptions before your Medicare drug plan pays its share.
- (2) All Medicare plans will include a \$2,000 cap in 2025 on what you pay out-of-pocket for prescription drugs covered by your plan. If your out-of-pocket spending on covered drugs reaches \$2,000 (including certain payments made on your behalf, like through the Extra Help program), you'll automatically get "catastrophic coverage." That means you won't have to pay out-of-pocket for covered Part D drugs for the rest of the calendar year.
- (3) You won't have to pay any coinsurance or copayments during the catastrophic coverage phase for covered Medicare prescription drugs.

NOTE: Manufacturer discounts are paid under the Manufacturer Discount Program for applicable drugs when dispensed to an “applicable beneficiary” (an individual who, on the date of dispensing a covered Part D drug, is enrolled in a Part D plan or Medicare Advantage Plan with drug coverage (MA-PD plan), isn’t enrolled in a qualified retiree prescription drug plan and has incurred True Out-of-Pocket (TrOOP)-eligible costs that exceed the defined standard deductible).

- (4) If you’re a Full-Benefit Dual Eligible (FBDE) living in an institution (like a nursing home), you don’t pay a copayment.
- (5) If you’re an FBDE getting Home and Community-Based Services, you don’t pay a copayment.
- (6) If you’re an FBDE and your income is up to or at 100% of the FPL, this is what you pay in 2024 and 2025 for generic drugs (or brand-name drugs treated as generic) or for brand-name covered drugs.
- (7) If you’re an FBDE and your income is between 100%–150% of the FPL, this is what you pay in 2024 and 2025 for generic drugs (or brand-name drugs treated as generic) or for brand-name covered drugs.
- (8) If you would’ve been eligible for the partial Extra Help benefit absent the enactment of the IRA, you’ll be eligible for the full Extra Help benefit. You’ll have a deductible of \$0 and copayments of \$4.50/\$11.20 in 2024 and \$4.90/\$12.15 for 2025.
- (9) The updated cost threshold is rounded to the nearest multiple of \$5, and the updated cost limit is rounded to the nearest multiple of \$50. For CY 2024, the cost threshold is \$545, and the cost limit is \$11,200. For CY 2025, the cost threshold is \$590, and the cost limit is \$12,150.

To see “Announcement of Calendar Year (CY) 2025 Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies,” visit [CMS.gov/files/document/2025-announcement.pdf](https://www.cms.gov/files/document/2025-announcement.pdf).