



## 2025 Standard Drug Costs

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

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

\*These parameters reflect additional plan coverage required for covered insulin products under section 1860D-2(b)(9) of the Act, as added by section 11406 of the Inflation Reduction Act (IRA), and ACIP-recommended adult vaccines under section 1860D-2(b)(8) of the Act, as added by section 11401 of the IRA.

- (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).