

Understanding Medicare Part D Drugs (Rx)



September 2025

Based on 2026 Medicare Price Tags & Rules

The following presentation provides a detailed discussion of Medicare Part D Rx rules and an introduction to using the Medicare.gov website for investigating, on your own, Medicare Part D Rx Insurers (aka Medicare Part D Plan Finder). **The Medicare.gov website could also be used to investigate Medicare Advantage Plans and Medigap Plans and other Medicare information.** Refer to the NCRO.org website for more information on Medicare Parts A,B,& C and Medigap plans. This presentation discusses only Medicare Part D.

The Medicare.gov website is very user friendly and can allow you to price your drugs and select an insurance provider. The following information is designed to provide more detailed explanations regarding the rules for Medicare's Part D Rx drug program. By reading through this presentation, you will gain a better understanding of Medicare Part D.

You have the choice of finding a Drug plan using the Medicare.gov website, using one of the Healthcare consultants listed on the NCRO website or doing both. You are also welcome to use a consultant of your choosing.

Not all Medicare seniors need a separate or standalone Part D drug insurance plan. If you are enrolled in a Medicare Advantage Plan (MA Plan), it **should** include Part D drug coverage, **very important**. It will follow the same rules as a standalone Part D drug plan. Those rules are explained in detail with this presentation.

If you are enrolling in an **MA Plan**, it is very important that you also input your drug information when pricing out your plan. The MA medical premium, the deductibles and co pays are not the only considerations. You need to know the cost of your specific Rx drugs as well. An insurer may be less for your medical costs, but not when you factor in your drug costs. **You need to understand your total costs including drugs**. You will find it much easier if you use a consultant for your MA Plan if you want to get pricing for several insurers.

If you enroll in a Medicare Supplemental Plan also called a **Medigap Plan**, then you **will need to also enroll in a standalone Medicare Part D Drug Plan** to cover your prescription drugs. About 54% of retirees now have a Medicare Advantage Plan and 46% have a Medigap Plan or other group/employer coverage.

The Medicare.gov website allows the user to input their drug list and then determine which Part D insurer best suits your needs in terms of cost and convenience. Your drug list and the cost including the insurer's premium and deductible, if any, should be used to determine your insurer choice and it will probably be different than someone taking more or fewer drugs, particularly if you are taking brand drugs vs generic drugs.

You should enroll in a drug plan during your Initial Enrollment Period (IEP) (generally age 65). If you have creditable drug coverage, for example through your spouse, or an employer, you are not required to enroll at this time. You may owe a Late Enrollment Penalty (LEP) if at any time after your IEP is over, or there is a period of 63 or more days in a row when you don't have Part D or other creditable prescription drug coverage. The penalty is 1% per month or 12% for every year you wait to enroll. This means your monthly premium will be higher when you finally do enroll, 12% of \$38.99 (National base premium for 2026) or \$4.68 per month times each year you wait. Wait 10 years, you will pay an extra \$46.80 per month. You must pay your premium **plus** the penalty amount.

If you are eligible for "Extra Help" you don't pay a late enrollment penalty. 3.

If you would prefer not to enroll in a Part D drug plan using the Medicare.gov website for whatever reason, you can contact one of the Medicare Insurance Consultants we have listed on the NCRO website under the Health Insurances tab. The consultants we recommend provide excellent service and have been helping our retirees for several years with no complaints ever received. They have each provided a presentation of their services on the site and. You can also use a consultant of your choosing.

Several of the consultants attend our webinars to answer your questions and help with enrollment. There is no cost for you to use them to investigate your least cost insurer. They may be already using the same Medicare.gov site to price your drugs. Their primary support for you is with finding Medicare Advantage Plans and Medigap Plans, but they also may enroll you in a Part D Plan.

Many retirees don't realize that Part D drug insurance premiums and copays can vary significantly between different insurers. Insurers have varying premiums, varying deductibles, varying pricing tiers, and even vary as to which drugs they will insure. This is referred to as their formulary.

This makes it impossible to choose the least cost insurer without pricing out your specific drugs and the premium.

A spouse or friend's insurer may not be the least cost insurer for you. Some insurers may require prior doctor authorization before they fill a script for a specific brand drug. Some insurers may request that you try a lower cost drug before allowing a brand drug even with a doctor's prescription for the brand drug.

You also need to be sure your pharmacy qualifies as a preferred provider with your chosen insurer. You will pay more if your insurer is listed as a **standard provider**. The website will tell you if you are using a preferred provider after selecting the pharmacies of your choice. The difference should be apparent in the pricing.

You can change Part D insurance providers every year, if desired, but only during the Annual Election Period (AEP) which is October 15th to December 7th of each year. The effective date will be January 1st of the following year. There are some exceptions to this timing. **For example, if you are just now turning 65, then you are eligible to enroll at that time.** Also, if you have creditable coverage that discontinues, and are enrolling in Medicare, you can enroll at that time.

You can also change plans if a Qualifying Event (such as moving to another state) occurs. Anytime you are eligible to move from an Advantage Plan to a Medigap Plan you can enroll in a Medicare Part D plan because you will need a standalone Part D plan at that time.

If you have healthcare coverage as a veteran, you are not required to sign up for Medicare Part D, you have the option to enroll with them for your drugs.

Each time you try using the Medicare.gov website, you will find it even easier to navigate and find additional information.

If you have all generic drugs, your costs will be significantly lower, as compared to brand drugs. Many generic drugs are free with many insurers, but that will be apparent when you view your total costs.

You can use the Medicare.gov website to review your insurer alternatives and choose the lowest cost insurer for yourself and your spouse, including deciding between using mail order or a retail pharmacy. Mail order requires more lead time with a new prescription.

More often now it appears that a retail pharmacy will be no more expensive than mail order, in some cases they are even less. Most plans allow a 90-day retail supply at the pharmacy if the doctor's script so indicates. However, using a plan's mail order pharmacy could be less, so you should check both retail and mail order and make the comparison. The site allows you to select up to 5 pharmacies for comparison. Select mail order as one of your choices for comparison.

The Medicare.gov site first lists your current insurer (if you already have been on a Part D Rx plan) and the costs. This allows you to easily check out how your existing Part D insurer compares in cost to other insurers. It also allows you to easily add drugs you have been taking recently. The site lists the drugs you have recently taken. You can also do "what if" scenarios to check the pricing by adding or subtracting a drug to see how it would affect your total costs and insurer choice.

There are several factors that can influence your drug costs

1st. **Pricing:** Drug prices are the result of negotiations between the manufacturer, the distributor and the pharmacy. As a result, there are differing prices for the exact same drugs depending upon your insurer and pharmacy. Also, the insurers can and will vary their premiums, deductibles and copays.

2nd **Formulary:** The listing of drugs an insurer will cover is called their formulary and there is no true consistency between insurers. Some exclude specific drugs or restrict the quantity that can be obtained.

If a drug is not covered by your insurer's formulary, you will pay 100% of the cost, and that cost will not count towards your annual out of pocket spending. Therefore, it is very important to verify every year that all your drugs are covered by your insurer. An insurer may drop one of your drugs at any time or from year to year.

It is possible to request a formulary exception if you find yourself in that position because your insurer discontinued your drug, or your physician prescribed a new medication not in your insurer's formulary. If this happens, you should contact your insurer for your options. 8

3rd. **Tiers:** For pricing, insurers classify their drugs into several tiers. They classify preferred generic drugs as Tier 1, non-preferred generic drugs as Tier 2, preferred brand drugs as Tier 3, non-preferred brand drugs as Tier 4 and specialty drugs as Tier 5

With Tiers 1 or 2 your deductible apply, it only applies when you receive a drug in Tiers 3-5. Some insurers move their drugs between tiers year to year to improve their pricing. The tier determines your co-pay amount. The higher the tier the higher your cost.

The co-pay amount can vary by insurer. Higher premiums can mean lower co- pays, but **the total cost which includes the monthly premium, the deductible and the co-pays need to be the basis for your decision.**

Again for 2026, there will be a Medicare Prescription payment plan. It is a new program created under the Inflation Reduction Act that offers Part D enrollees the option to pay monthly rather than all at once for their prescriptions at the Pharmacy.

Enrolling in the Medicare Prescription Payment Plan is optional. To enroll in the Medicare Prescription Payment Plan (MPPP), you can contact your Part D insurer and complete the election process.

After enrolling, your plan insurer will notify pharmacies that fill your prescriptions, and you will not pay at the register. Instead, you will be billed monthly by your plan.

Part D plan insurers are responsible for communicating program information and facilitating the enrollment process. They must also pay network pharmacies the cost-sharing amount that the enrollee would have paid without the MPPP.

The Centers for Medicare and Medicaid Services (CMS) requires plans to notify their pharmacy networks when a member incurs out-of-pocket costs that would make them a likely beneficiary of this program.

Those who qualify for the MPPP plan can opt in or out anytime during the plan year. The plan does not cover Part B drugs or medications not listed on the member's plan formulary.

For 2026, Medicare has lowered the prices on 10 Brand Drugs. Additional drugs are being considered this year for adoption in January 2027.

– **First round of federal government (HHS) negotiated drug prices.** Newly negotiated prices will take effect in 2026 for the following ten Medicare Part D drugs: Eliquis, Enbrel, Entresto, Imbruvica, Januvia, Jardiance, Stelara, Xarelto, and Farxiga, Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill.

<https://www.cms.gov/newsroom/fact-sheets/medicare-drug-price-negotiation-program-negotiated-prices-initial-price-applicability-year-2026>

There are 3 Part D Coverage Stages For 2026

Stage 1 Yearly Deductible ... you pay your deductible. Plans do not charge a deductible for tier 1 & 2 drugs, but do for tiers 3, 4 & 5 drugs. In 2026, most insurers will have a deductible of up to \$615. Some insurers may have a lower deductible than \$615. Not every insurer requires a deductible, but then their monthly premium will be higher and **the premium does not count towards achieving the out of pocket spending**. Remember, you need to consider the total of the premium, the deductible and the drug costs in choosing a plan.

Stage 2 Initial Coverage ... you pay your copays based on your drugs' tier and their copay percent. You are in this stage until the total cost of your drugs including your deductible reaches \$2100 (2026 amount).

Stage 3 Catastrophic Coverage ... Once you have been credited with having spent \$2100 on your drugs including your deductible, but excluding your premium payments, you are in Stage 3, Catastrophic Coverage which means all of your drugs are no cost for the balance of 2026. You are required to continue paying your monthly premium.

Depending upon how an insurer sets drug prices, establishes formularies or selects tiers, your drug costs can vary significantly. Your insurer also sends a monthly report indicating which stage you have entered and the amounts spent by you and the insurer.

Remember, the least cost way to choose your insurance provider is based on total costs including the drugs, the premium and the deductible (the drug cost will include the deductible).

You may need to use a different insurer than your spouse to minimize your individual drug costs, that's ok. Also, you do not need to use the same insurer you enroll with as your Medigap insurer.

With a new insurer, you will need to provide new prescriptions for mail orders. If using a new pharmacy, the prescriptions can be transferred from your current pharmacy. **If you are using the same preferred pharmacy, you should not need new prescriptions written. The Medicare system automatically provides any pharmacy with your new insurer information.**

In some cases, a drug can be purchased for less without using your Part D insurance by using a discount provider like GoodRx. You have the ability to make the comparison online before ordering or even picking up a prescription. By going to GoodRx.com, or any of the multitude of discount drug providers, you can type in the drug and if it is available, you will see a list of drug stores and their pricing. You can print the coupon for the pharmacy of your choice. If it is not the pharmacy you are using, you can ask to have the prescription transferred to them. Also, you can simply ask the druggist when you pick up the prescription, if they have a better price over the counter than what you are paying using your Part D drug plan.

When comparing be aware your initial purchase of a **brand drug** using your insurer will probably include the cost for the annual deductible and will be higher than the cost after the deductible has been paid. Compare the cost after the deductible has been met.

The following is real life example that shows the savings that can be achieved on a drug by using a discount drug provider like GoodRx. You still use your prescription but not your insurance. This drug was not in any insurer's formulary and after approval required the deductible (if not already incurred) plus \$280.

Prescription

tavaborole topical solution (1 bottle (10... 

Choose pharmacy

 Detroit, MI 



Walgreens

\$369.67



Rite Aid

\$27.84

Special offers



Kroger Pharmacy

\$34.38



Meijer Pharmacy

\$39.56



Walmart

\$34.88



Costco

\$127.99



CVS Pharmacy

\$89.15

Special offers

\$31.84

Standard coupon

\$27.84 ~~\$31.84~~

Special offers

↓ 13%

★ GoodRx Gold 

\$27.84

~~\$31.84~~

Get an extra \$4.00 off Tavaborole, lock in [price protection](#), and get up to 90% off most prescriptions.* One month free with plans starting at just \$9.99/mo. Cancel anytime.

Start 30-day free trial

*Prices subject to change without notice.

It is highly recommended that once you have selected a Part D insurer using this website, you also visit the insurer's website or contact them by phone to verify the total drug costs you have identified using Medicare.gov. site. This is important because if the Medicare website has an error in pricing or is not current, **you** must stay with your plan until the following October 15th. However, the site as a rule is very accurate.

13

You can easily enroll online by clicking Enroll on the insurer you have chosen or by phone using the contact number for the insurer. As mentioned already, our recommended consultants can also enroll you.

You have several options for paying the premium, a deduction from your Social Security payment, a credit card, by mail with a check, or an auto deduction from your checking account.



As mentioned, you are eligible to change your Part D plan every year during the Annual Election Period (AEP) which is Oct 15th until Dec 7th. **If you are changing Part D plans, you do not need to notify your prior insurer, they will be notified for you.** You should receive a cancellation letter from your prior insurer and a welcome letter with a contract number from your new insurer and an insurance card. You can also call them to confirm enrollment.

If you don't have a confirmation letter before Dec 7th, contact your new insurer before that date to verify you were properly enrolled. The earlier you enroll after October 15th and before December 7th, the better the timing will be for your confirmation letter. Insurers are difficult to contact as the timing nears end.

Many insurers are accepted as the preferred providers at the major brand pharmacies, but with more insurers doing specific tie ins with pharmacies, it is important to check.

Also, if you have a second residence for part of the year, you may want to make sure you have a pharmacy available that is a preferred provider, if possible, or use mail order.

You can also call your local pharmacy and have the prescriptions temporarily transferred to your current location. But again, try to use a preferred provider for the least cost or an in- network provider.

Patient Assistance Program (PAP)

There may be a drug assistance program available to those with a particularly expensive drug, for example a cancer related drug. This program is called the PAP (Patient Assistance Program). If you or someone you know has a very expensive drug, you can contact the drug manufacturer, not your insurer, and ask if they have a PAP program for a particular drug they manufacture. Pre 65 the program may differ from post 65 because of Medicare Part D availability. However, what is important is that you contact them to understand what assistance is available. In some cases, the drug is shipped directly from the manufacturer to you at a reduced cost or even no cost. Well worth investigating.

Finally, here is an overview of what the Medicare.gov site can provide in terms of Medicare Part D Rx information and enrollment. Also shown are some of the website pages you will be viewing.

The site is user friendly, just follow the prompts.

You will first be asked to either enroll or sign in if you have previously enrolled. By enrolling you will be able to sign in multiple times without re inputting your list of drugs or pharmacy choices. Use this same enrollment user name and password to visit the site for other Medicare information at any time.

For Medicare Part D the site will:

- List your current provider if previously enrolled.
- List your current drugs and allow you to edit or add them.
- Allows you to edit or add to your pharmacy list, including temporary locations if you travel.
- Lists your current drug insurer first (If you already have one).
- List all the Insurers available in your state in order of least cost.
- List total drug costs and also list total drug and premium costs based on the least cost pharmacy you have chosen.
- Be sure you have chosen at least one pharmacy and mail order for comparison.
- Lists your pharmacy choices indicating whether they are just in network (Standard) or Preferred and their cost for your drugs listed.
- Lists your individual drugs and their annual cost.

The Medicare.gov site (Continued)

- Lists your monthly cost for drugs.
- Lists your drugs and their respective tiers.
- Allow you to choose up to 3 insurers or Mail Order for side by side comparison of total cost.

The next several pages show the opening page of the Medicare.gov Website followed by some example pages.

This Medicare.gov site will allow you to investigate your drug costs and choose the lowest cost provider and enroll if desired. Do not use the browser arrow key to go back, use the sites notations to go back.



Welcome to Medicare

Get Started with Medicare



**Log in or
create an
account**



**Find health &
drug plans**

Find & compare plans in
your area



**Find care
providers**

Compare hospitals,
nursing homes, & more



**Talk to
someone**

Contact Medicare & other
helpful resources



Log in



Log in or create an account

No account? Get a more personalized experience — [create an account now.](#)

USERNAME

Enter your username.

[Forgot username?](#)

PASSWORD

  Show

Enter your password

[Forgot password?](#)



Log in

Trouble logging in?

[Forgot username and password](#)

[Find my account](#)

21.

What do you want to do?

Choose Open All Options



Changes to your Medicare account

The "download my data" and "my health information" sections of Medicare accounts will no longer be available starting July 10, 2023. We'll launch a new way to get a report of your Medicare account data soon. You can check the Message Center for more details on how to save your data.

Changes to your Medicare account

The "download my data" and "my health information" sections of Medicare accounts will no longer be available starting July 10, 2023. We'll launch a new way to get a report of your Medicare account data soon. You can check the Message Center for more details on how to save your data.



Check my claims



Get my Medicare Summary
Notices electronically



Get my Medicare card



Pay my premium



Edit my account settings



Open all options

22.

Claims & deductibles



Check my claims



Get my Medicare Summary
Notices electronically



Check my deductible

**Choose Find health &
drug plans**



Plans & coverage



Get plan details



Find health & drugs plans

Premiums



Check my premiums



Pay my premium

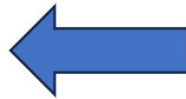
Your plans If you currently
have a drug plan,
it will show here

Your current plan

Right now, you have:

Wellcare Value Script (PDP)

(S4802-148-0)



[Get plan details & contact information](#) >

**Choose Find
Plans Now**



Explore other Medicare coverage options

Discover health and drug plans or
Medigap policies in Oakland, MI,
48085.

([Change location](#))



Find Plans Now


Find Plans Now

Choose
Medigap drug
plan (Part D)

Note that this site can
also be used to
investigate Advantage
Plans & Medigap Plans .
Follow the prompts



Next, select the type of plan you want:

- ☐ **Medicare Advantage Plan (Part C)**
A Medicare-approved plan from a private company that offers an alternative to Original Medicare (Part A & Part B) for your hospital and medical insurance. Most plans include prescription drug coverage.
-  ☒ **Medicare drug plan (Part D)**
A Medicare-approved plan from a private company that helps cover your prescription drug costs.
- ☐ **Medigap policy**
Extra insurance from a private company that helps pay your share of costs in Original Medicare. Policies are standardized, and the basic benefits in each are the same. Most policies don't include prescription drug coverage.
- ☐ **Part D + Medigap**
A Medicare drug plan (Part D) with a separate Medigap policy. After you compare drug plans, you can search and compare Medigap policies and prices in your area. Contact the insurance company when you're ready to buy a policy.



Add your prescription drugs



Begin typing to find & select your drug.

Add Drug

[Clear search](#)

[Browse drugs A-Z](#)

[Can't find your drug?](#)

Find Your Saved Drug Lists

You have **6 drugs(s)** in your drug list. [See or edit drug list.](#)

Add Another Drug

Done

This page will have you type in your drugs, follow the prompts



Omeprazole 20mg
capsule delayed release



generic

[Remove drug](#)

Quantity

90

Frequency

Every 3 months



[Edit drug](#)

Simvastatin 20mg
tablet



generic

[Remove drug](#)

Quantity

90

Frequency

Every 3 months

[Edit drug](#)

Add Recently Filled Drugs

Add Another Drug

Follow prompts to choose up to 5 pharmacy's or 4 plus Mail Order, which is advised for comparison



Your pharmacy list



You have 3 saved pharmacies. You can save up to 5.

Mail-order Pharmacies

CVS PHARMACY #08026

125 E Long Lake Rd, Troy, MI 48085

KROGER PHARMACY #487

31 East Long Lake Rd, Troy, MI 48098

Edit My Pharmacies



Your drug list



You have 4 drugs. When you've entered your drugs, you'll find out how much they cost in each plan.

Acyclovir 400mg
tablet

generic

Quantity

180

Frequency

Every 3 months

28.

When reviewing a list of insurers, you click on compare and compare up to 3 insurers



Comparing 3 Prescription Drug plans

[Back to results](#)

Your current plan

WellCare Wellness Rx (PDP)

Star rating: ★★★★★

\$13.70

Monthly premium

\$435.00

Yearly drug deductible

Plan Details

Your current plan

AARP MedicareRx Preferred (PDP)

Star rating: ★★★★★

\$68.70

Monthly premium

\$0.00

Yearly drug deductible

Plan Details

Enroll

Prescription Blue Preferred (PDP)

Star rating: ★★★★★

\$89.10

Monthly premium

\$50.00

Yearly drug deductible

Plan Details

Enroll

An example of comparing insurers



	<div>Wellcare Value Script (PDP)</div> <div>\$12.70</div> <div>Monthly premium</div> <div>Plan Details</div>	X	<div>Elixir RxPlus (PDP)</div> <div>\$20.30</div> <div>Monthly premium</div> <div>Open Enrollment starts October 15</div> <div>Plan Details</div>	X	<div>AARP MedicareRx Saver Plus (PDP)</div> <div>\$30.90</div> <div>Monthly premium</div> <div>Open Enrollment starts October 15</div> <div>Plan Details</div>
Your current plan					
Drug coverage & costs					
Drugs covered/Not covered	<div>5 of 5</div> <div>Prescription drugs covered</div> <div>Restrictions may apply</div>	<div>5 of 5</div> <div>Prescription drugs covered</div> <div>Restrictions may apply</div>	<div>5 of 5</div> <div>Prescription drugs covered</div> <div>Restrictions may apply</div>	<div>5 of 5</div> <div>Prescription drugs covered</div> <div>Restrictions may apply</div>	
Estimated total drug + premium cost	<div>KROGER PHARMACY #487</div> <div>✔ Preferred in-network</div> <div>\$1,506.96</div> <div>CVS PHARMACY #08242</div> <div>✔ Preferred in-network</div> <div>\$1,516.70</div> <div>MILLS PHARMACY & APOTHECARY</div> <div>✔ Standard in-network</div> <div>\$1,724.38</div>	<div>KROGER PHARMACY #487</div> <div>✔ Preferred in-network</div> <div>\$1,615.85</div> <div>CVS PHARMACY #08242</div> <div>✔ Preferred in-network</div> <div>\$1,663.83</div> <div>MILLS PHARMACY & APOTHECARY</div> <div>✔ Standard in-network</div> <div>\$1,753.93</div>	<div>KROGER PHARMACY #487</div> <div>✔ Preferred in-network</div> <div>\$1,764.87</div> <div>CVS PHARMACY #08242</div> <div>✔ Standard in-network</div> <div>\$1,875.58</div> <div>MILLS PHARMACY & APOTHECARY</div> <div>✔ Standard in-network</div> <div>\$1,896.47</div>		

- This presentation hopefully has provided you a clearer understanding of Medicare Part D Rx drugs.
- The Medicare.gov site is easy to use to investigate your drug costs and choose the lowest cost provider on your own.
- Keep in mind that you can always use one of our recommended consultants, or one of your own, to enroll you in a Medicare Part D Plan.

Disclaimer

This presentation provides information for the benefit of National Chrysler Retirement Organization (NCRO) members to assist in the navigation of the Medicare Part D website. While every effort has been made to provide only the most accurate information, NCRO does not guarantee that the information will always be current. NCRO makes no warranties, express or implied, as to the fitness of the information for any purpose, or to results obtained by individuals using the information and is not responsible for any action taken in reliance on the information. The information is not legal, insurance or other professional advice. This presentation is the property of NCRO and distribution beyond NCRO members is not authorized. Copyright 2024 National Chrysler Retirement Organization.