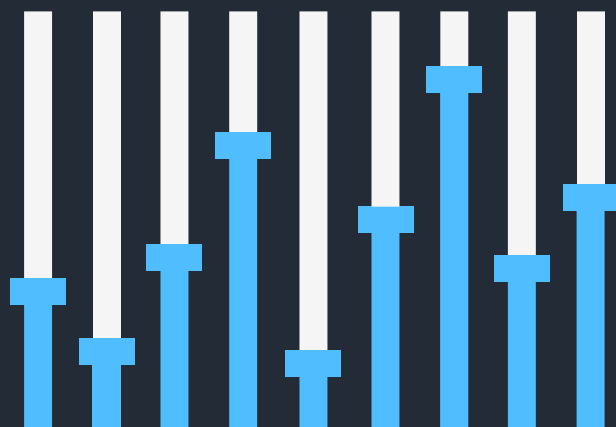


MedIntel Insights: Early look at Medicare Prescription Payment Plan enrollment

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The Medicare Prescription Payment Plan (M3P) saw 179,000 beneficiaries participate in its first two months.

This initial level of election into the program, which represents approximately 0.4% of individual Medicare Part D beneficiaries, is less than many stakeholders' expectations for the program's first year of participation. The Centers for Medicare and Medicaid Services (CMS) estimates as many as 2.4 million (about 6%) of individual Medicare Part D beneficiaries can benefit from M3P.¹ This suggests that M3P elections could continue to grow. Figure 1 shows approximate M3P enrollment by plan type and income status.

FIGURE 1: M3P ELECTION BY PLAN TYPE AND INCOME STATUS

INCOME STATUS	MAPD	PDP	TOTAL
Non-low income	109,000	62,000	171,000
Low income	7,000	1,000	8,000
Total	116,000	63,000	179,000

Source: Milliman MedIntel Insights

Notably, 95% of those who elected M3P are non-low income (NLI), which is consistent with industry expectations because cost sharing is already subsidized for the low-income population.

We constructed beneficiary profiles for a deeper understanding of how the M3P population compares to those who did not elect to participate in M3P (All Other NLI). Since most beneficiaries who elected M3P are NLI, our profiles focus exclusively on this segment of the population.

Key pharmacy claim metrics

The M3P population has a 2024 per member per month (PMPM) allowed cost that is 3.5 times the PMPM allowed cost of the All Other NLI population. The disparity in specialty allowed cost PMPM is greater with the M3P population, having more than four times the specialty allowed cost of the All Other NLI population.

Brand use is higher among the M3P population, which has a generic dispensing rate (GDR) that is 8% lower than the All Other NLI population. This is directionally consistent with industry expectations on what this population would look like when M3P was announced. Figure 2 shows key pharmacy claim metrics for the M3P population compared to the All Other NLI population.

1. Corrao, B. & Robb, M. (October 2, 2023). Medicare Prescription Payment Plan: What do plan sponsors need to know? Milliman white paper. Retrieved April 9, 2025, from <https://www.milliman.com/en/insight/medicare-prescription-payment-plan-for-plan-sponsors>.

FIGURE 2: KEY CLAIM METRICS: M3P POPULATION VS. ALL OTHER NLI POPULATION

2024 AMOUNT	M3P	ALL OTHER NLI
Allowed cost PMPM	\$980	\$285
Specialty allowed cost PMPM	\$500	\$120
GDR	81%	89%

Source: Milliman MedIntel Insights

The results in Figure 2 are based on 2024 claims for those who elected M3P in 2025. Emerging claims in 2025 are not yet credible to report key pharmacy claim metrics for either population.

Most popular medications filled

The leading medications for the M3P population show concentrated use of popular higher-cost brand drugs. Meanwhile, the top medications of the All Other NLI population are commonly used low-cost generics. Figure 3 shows the top five drugs by prescription volume in 2025 for the M3P population and for those who did elect to participate in M3P (All Other NLI).

FIGURE 3: TOP MEDICATIONS FILLED: M3P POPULATION VS. ALL OTHER NLI POPULATION

M3P	ALL OTHER NLI
Eliquis	Atorvastatin calcium
Ozempic	Amlodipine besylate
Mounjaro	Levothyroxine sodium
Jardiance	Losartan potassium
Gabapentin	Rosuvastatin calcium

Source: Milliman MedIntel Insights

Top medications filled are based on YTD February 2025 claims data. Causality with M3P elections was not studied.

About M3P

Launched January 1, 2025, as part of the Inflation Reduction Act (IRA), M3P allows Part D beneficiaries to spread out their drug costs in monthly installments rather than paying cost sharing at the pharmacy. This cost-smoothing program aims to improve affordability and adherence, especially for those facing high upfront drug costs.² When a beneficiary elects to participate in M3P, all future claims are subject to this alternate payment mechanism until a beneficiary opts out.

Going deeper

This paper provides an early view on M3P elections and population characteristics. Milliman Medicare Market Intelligence (MedIntel) includes deeper insights into the M3P population, stratified by drug, manufacturer, pharmacy chain, plan sponsor, demographics, geography, and more.

2. Berman, M., Feller, A., Barker, C. & Hahn, J. (November 17, 2024). Beneficiary considerations for the Medicare Prescription Payment Plan. Milliman white paper. Retrieved April 9, 2025, from <https://www.milliman.com/en/insight/beneficiary-considerations-medicare-prescription-payment-plan>.

About MedIntel

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