

Exhibit 3 – Part D Sponsor Notice to Acknowledge Acceptance of Election to the Medicare Prescription Payment Plan

[Instructions: The ‘Notice to Acknowledge Acceptance of Election’ is an official plan document that lets the participant know their election request is effective. It also provides information on the billing process, payments for prescriptions, and the process for leaving this payment option.

This model ‘Notice to Acknowledge Acceptance of Election’ satisfies the requirement of Part D sponsors to communicate that the request to participate in the Medicare Prescription Payment Plan is accepted and effectuated and meets all the communication requirements outlined at 42 CFR § 423.137(d). Plan sponsors may add their logos to brand this document.

The italicized blue text in square brackets is information for the plans and shouldn’t be included in the notice. The non-italicized blue text in square brackets may be inserted or used as replacement text in the notice. Use as applicable.]

[Part D sponsors can insert a title for the notice, like “You’re now participating in the Medicare Prescription Payment Plan”]

[Member #]

[Date]

[Part D sponsors are strongly encouraged to include these additional fields:

[RxID]

[RxGroup]

[RxBin]

[RxPCN]

[Medicare Prescription Payment Plan RxBIN]

[Medicare Prescription Payment Plan RxPCN]]

Dear *[Name of Member]*,

Welcome to the Medicare Prescription Payment Plan, a payment option that works with your *[plan name]*. Your participation starts on *[date]*. The Medicare Prescription Payment Plan is a payment option that works with your current drug coverage to help you manage your out-of-pocket costs for drugs covered by your plan by spreading them across the calendar year (January–December). This payment option might help you manage your monthly expenses, but it doesn’t save you money or lower your drug costs.

What happens now?

1. When you fill a prescription for a drug covered by Part D, we’ll automatically let the pharmacy know that you’re participating in this payment option, and you won’t pay the pharmacy for the prescription (including mail order and specialty pharmacies). Even though you won’t pay for your drugs at the pharmacy, you’re still responsible for the costs. If you want to know what your drug will cost before you take it home, call your plan or ask the pharmacist.

This payment option applies to all drugs covered by your Part D plan. Other drugs can't be included in this payment option, like drugs covered by Medicare Part A (Hospital Insurance), Part B (Medical Insurance) or drugs not covered by your plan.

2. Each month, we'll send you a bill with the amount you owe for your prescriptions, when it's due, and information on how to make a payment. You'll get a separate bill for your monthly plan premium (if you have one).
3. We'll automatically renew your participation in this payment option every year, unless you change plans or contact us to opt out.

How is my monthly bill calculated?

Your monthly bill is based on what you would have paid for any prescriptions you get, plus your previous month's balance, divided by the number of months left in the year.

Your payments might change every month, so you might not know what your exact bill will be ahead of time. Future payments might increase when you fill a new prescription (or refill an existing prescription) because as new out-of-pocket costs get added to your monthly payment, there are fewer months left in the year to spread out your remaining payments.

In a single calendar year (Jan–Dec), you'll never pay more than:

- The total amount you would have paid out of pocket to the pharmacy if you weren't participating in this payment option.
- The out-of-pocket maximum for prescription drugs covered by your plan ([\[applicable Medicare Part D out-of-pocket maximum dollar amount\]](#) in [\[applicable year\]](#)).

What happens if I don't pay my bill?

We'll send you a reminder if you miss a payment. If you don't pay your bill by the due date listed in that reminder, you'll be removed from the Medicare Prescription Payment Plan. You're required to pay the amount you owe, but you won't pay any interest or fees, even if your payment is late. If you're removed from the Medicare Prescription Payment Plan, you'll still be in your [\[plan name\]](#).

[Plans that don't disenroll beneficiaries for failure to pay should replace the sentence below with "Always pay your [\[plan name\]](#) premium first (if you have one)."]

Always pay your [\[plan name\]](#) monthly premium first (if you have one), so you don't lose your drug coverage.

If you're concerned, you have the right to follow the grievance process found in your [\[insert "Member Handbook" or "Evidence of Coverage," as appropriate. Plans may also include language explaining where enrollees can find these documents\]](#).

Can I leave the Medicare Prescription Payment Plan?

You can leave the Medicare Prescription Payment Plan at any time by [\[insert phone number or other contact mechanisms\]](#). Leaving won't affect your Medicare drug coverage and other Medicare benefits.

Keep in mind:

- Your participation in the Medicare Prescription Payment Plan will end if you leave or change your Medicare drug plan or Medicare health plan with drug coverage (like a Medicare Advantage

Plan with drug coverage). Contact your new plan if you'd like to participate in the Medicare Prescription Payment Plan again. If you still owe a balance, you're required to pay the amount you owe, even though you're no longer participating in this payment option.

- You can choose to pay your balance all at once or be billed monthly.
- You'll pay the pharmacy directly for new out-of-pocket drug costs after you leave the Medicare Prescription Payment Plan.

What programs can help lower my costs?

[Plans may add their plan-specific assistance programs, if applicable. If any of these programs are not available to a plan's enrollees, they may be removed. In areas where Extra Help isn't available, plans have the option to include the following language: "Extra Help isn't available in Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, or American Samoa. But there are other programs available in those areas that may help lower your costs. Call your State Medical Assistance (Medicaid) office to learn more."]

While the Medicare Prescription Payment Plan helps to manage your costs, it doesn't lower your costs. If you have limited income and resources, find out if you're eligible for one of these programs:

- **Extra Help:** A Medicare program that helps pay your Medicare drug costs. Visit ssa.gov/medicare/part-d-extra-help to find out if you qualify and apply. You can also apply with your State Medical Assistance (Medicaid) office. Visit Medicare.gov/ExtraHelp to learn more.
- **Medicare Savings Programs:** State-run programs that might help pay some or all of your Medicare premiums, deductibles, copayments, and coinsurance. Visit Medicare.gov/medicare-savings-programs to learn more.
- **State Pharmaceutical Assistance Programs (SPAPs):** Programs that may include coverage for your Medicare drug plan premiums and/or cost sharing. SPAP contributions may count toward your Medicare drug coverage out-of-pocket limit. Visit go.medicare.gov/spap to learn more.
- **Manufacturer's Pharmaceutical Assistance Programs** (sometimes called Patient Assistance Programs (PAPs)): Programs from drug manufacturers to help lower drugs costs for people with Medicare. Visit go.medicare.gov/pap to learn more.

Many people qualify for savings and don't realize it. Visit Medicare.gov/basics/costs/help, or contact your local Social Security office to learn more. Find your local Social Security office at ssa.gov/locator/.

[Plans may insert link to their Medicare Prescription Payment Plan website or customer service phone number for additional information.]