What is Medicare Part D?

Medicare Part D is the prescription drug insurance program added to Medicare by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA).

Part D is a voluntary program of health insurance that covers a portion of outpatient prescription drug costs not generally covered by other Medicare programs, especially traditional Medicare Part A (Hospital Insurance) and Part B (Medical Insurance). Part D prescription drug plans are offered only through private insurance companies. Medicare beneficiaries wishing to enroll in a Part D plan may stay with original Medicare Parts A and B and enroll in a stand-alone Part D prescription drug insurance plan, or they may choose a Medicare Advantage plan that includes Part D prescription drug benefits as part of the Medicare Advantage plan’s comprehensive benefit package. Part D prescription drug insurance is partially financed through premiums paid by participants, whether for stand-alone Part D plans or as part of a Medicare Advantage plan.