Medicare Part D Annual Election 2024

November 1, 2023

Kelly Ann Murray
Supervising Attorney
Evelyn Frank Legal Resources Program

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Housekeeping

- Please use the Q&A Tab so that we can answer your question
- If you prefer to ask your question verbally, if there is more time at that end, we can use the Raise Hand function and will unmute you to ask your question
- Slides will be provided after the presentation
- This Presentation is being recorded

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ABOUT NYLAG

New York Legal Assistance Group (NYLAG) uses the power of the law to help New Yorkers experiencing poverty or in crisis combat economic, racial, and social injustice. We address emerging and urgent needs with comprehensive, free civil legal services, financial empowerment, impact litigation, policy advocacy, and community partnerships. We aim to disrupt systemic racism by serving clients, whose legal and financial crises are often rooted in racial inequality.

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About Evelyn Frank Legal Resources Program

- Focuses on fighting for seniors and people with disabilities, ensuring that they have access to health care and home care services they need to age safely in their home and communities
- To meet our clients needs, EFLRP uses a combination of tools including direct representation, policy advocacy and public education

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EFLRP Services

- Counseling client on Medicaid, Medicare and home care eligibility and services
- Train legal, social services and health care professionals about changes in Health Care programs and how to best serve the health and long term care needs of seniors
- Representing clients in denials and reduction of Medicaid, Medicare Savings Program and Medicaid Home Care
- Assisting clients with accessing Medicaid home care through Managed Long Term Care plans.

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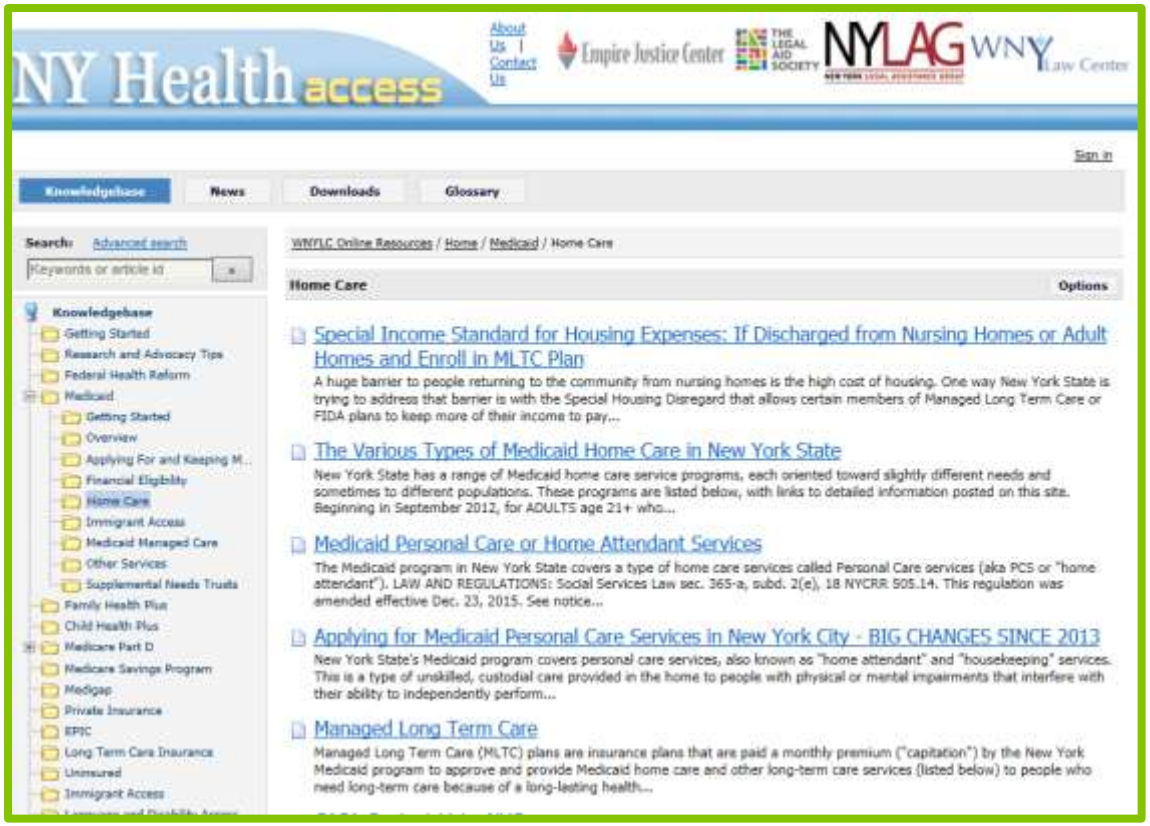
EFLRP Services (continued)

- Educating the public through the website NYHealthAccess.org (http://health.wnylc.com/health/)



- Policy Updates
- Consumer Materials
- Expansive resources on coverage criteria and eligibility

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WHAT IS MEDICARE OPEN ENROLLMENT?

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Open Enrollment

October 15 – December 7 - all can enroll in a Part D or Medicare Advantage plan during this time, or switch plans, with changes effective **January 1st, 2024**

Many Medicare beneficiaries can only change their plans 1x per year during Open Enrollment!

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MEDICARE REFRESHER

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Medicare - Part A & B Eligibility

Who gives it?	U.S. Centers for Medicare and Medicaid Services (CMS)
Who gets it?	1. People who are over 65; OR 2. People < 65 with disabilities EITHER: • after receiving Social Security Disability Insurance (SSDI) for 24 months • or immediately for those with ALS (Lou Gehrig) or end-stage renal disease (ESRD)(on dialysis)
Eligibility	• US citizen, or legal alien residing continuously in the US for at least 5 years • Applicant or spouse must be fully insured for Social Security purposes (40 quarters of coverage if age 65+ but less if younger than 65) or • Can pay for Part A of if eligible, QMB Medicare Savings Program will pay this if age 65+ and eligible for Medicare + income < 138% Federal Poverty Line

Overview: The Four Parts of Medicare

Part A

Hospital Insurance

(Inpatient hospital, Skilled Nursing Facility up to 100 days, Limited Home Health, and Hospice Care)

Part B

Medical Insurance

(Most doctors' Services, Preventive Care, DME, Hospital Outpatient Svcs, X-Rays, Lab Tests, Mental Health, Ambulance Services & Some Outpatient Meds

Part C

Medicare Advantage Plans , like HMOs and PPOs

Includes Part A & B and usually Part D

Part D

Medicare Prescription Drug Coverage

(Outpatient Medications)

Medicare Refresher - Part A & B

Part A -Hospital Insurance

- Inpatient hospital, skilled nursing facility, home health, and hospice care, subject to **deductibles** and **copayments**
- FREE premium for most beneficiaries. If not "insured," premium up to $505/mo. (2024)

Part B – Supplemental Medical Insurance

- Outpatient**,** doctors, durable medical equipment, lab tests, x-rays, mental health, some home health, ambulance

Medicare Refresher–Part C Medicare Advantage

- There is no "Part C" benefit package.
- Instead, Part C is the name of the alternate Managed Care MODEL of delivering benefits under Parts A & B called "Medicare Advantage"
- Plan may offer Supplemental Benefits beside what's covered by Part A & B
- Different models and cost structures – main ones are
  - HMO – must go in-network
  - PPO – may go out of network at greater cost
  - SNP – Special Needs Plans: D-SNP for Dual Eligibles (have Medicaid & Medicare), I-SNP for people in Nursing Homes
    C-SNP for chronic conditions
- In 2023, **51%** of eligible Medicare beneficiaries are enrolled in Medicare Advantage Plans. Medicare Advantage enrollment as a share of the eligible Medicare population has more than doubled from 2007 to 2023)(19% to 51%)

https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2023-enrollment-update-and-key-trends/

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Medicare Part D – Summary

Prescription drug insurance coverage delivered exclusively through private health insurance plans, which contract with and are paid by federal govt. as Medicare benefit.

Who gets it?

- Must have Medicare Part A **or** Part B, and
- Must enroll in a plan – either:
  1. Stand-alone Prescription Drug Plan (**PDP**)
  2. or Medicare Advantage Plan w/prescription drugs (**MA-PD)**

What do you get? Health insurance that covers outpatient prescription drugs & drugs in nursing home, with utilization management by insurance plan and limits on which drugs are covered.

Costs - subject to deductibles, premiums, co-payments, coverage gap

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NOT EVERYONE ON MEDICARE GETS COVERAGE THE SAME WAY.

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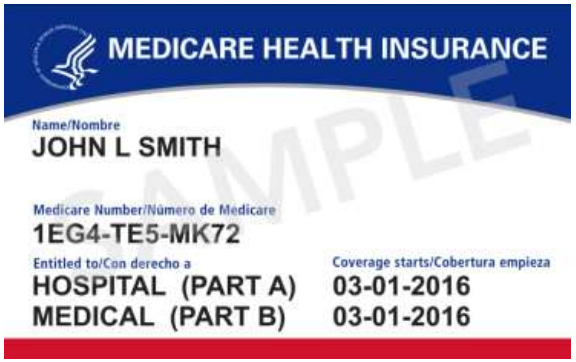
Options for Medicare Coverage for Medical Care

OPTION 1: ORIGINAL MEDICARE

- Part A: Hospital, rehab, home health, hospice
- Part B: Doctors, medical equipment, labs, x-rays, mental health, ambulance, PT, and *very* short term home health
- No networks, referrals, or prior authorizations
- Optional - Medicare Supplement / Medigap



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Optional Supplemental Coverage - Medigap

- Supplemental private insurance that pays "secondary" to Medicare Parts A and B ("Original Medicare") – covers all or some of the deductibles and coinsurance – plugs "gaps" in Parts A & B (not D)
- Does not cover any service not already covered by Medicare
- Does not work with Medicare Advantage – member must pay those deductibles, coinsurance
- Up to 6 month waiting period (WP) for pre-existing conditions BUT credit prior coverage toward WP
- Nationally standardized plan types designated by letters - plans with same letter offer same coverage, though premiums vary. Plan types at http://www.medicarerights.org/fliers/Medigaps/Whole-Medigap-Packet-%28NY%29.pdf?nrd=1
- In NY, can enroll at any time, community-rated (guaranteed issue).
- NYS Plan Premium Tables - https://myportal.dfs.ny.gov/web/guest-applications/medicare-monthly-premiums

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Option 2 – Medicare Advantage

- Covers Parts A, B, sometimes D
- Must stay in provider network unless plan offers out-of-network coverage
- Might need referrals and prior authorizations for services

MediChoice Options Plus
Medicare Advantage
w/MedicareRx
John Doe
Member ID: 123456ABC

NO Medigap allowed.

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Medicare Advantage (MA-PD)

- **Same benefits as Original Medicare Parts A & B and Part D -** may add supplemental benefits
- **COST** - Premiums vary, coinsurance & deductibles don't have to be exactly same as Original Medicare but actuarially equivalent
- CMS "Medicare & You" etc. emphasizes how premiums are lower, but that is NOT most important cost factor!
- ***Networks*** – June 2020 federal regs diluted network capacity (Time & Distance) requirements in rural areas, allow telehealth to meet requirement
- **2019 -Meaningful difference no longer required** between MA plans offered by same company, meaning an economic/actuarial difference in the coverage. Hard to compare them.

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42 CFR § 422.100(d), 422.101 (2018 change)

YOUR PRESCRIPTION COVERAGE DEPENDS ON WHETHER YOU HAVE ORIGINAL MEDICARE OR MEDICARE ADVANTAGE

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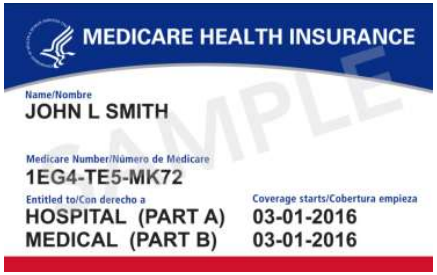
- **If you have OriginalMedicare you must have pharmacy coverage, known as Part D**
  - *Stand-alone Medicare Part D Plan*



  - *Medicare Advantage Plan with Prescription Drug coverage*

MediChoice Options Plus w/ Rx
Medicare Advantage
John Doe
Member ID: 123456ABC

  - *Exception – if you are insured through active employer insurance, Union Insurance, Retiree Insurance (as long as credible) or covered through Veterans, Tricare for Life military*

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Different Rules: Union and Retiree Plans

- If you already have prescription drug coverage that is considered as good as or better than Medicare Part D, such as from a union or retiree health plan, then Medicare calls this “Creditable Coverage” and you may not need to join a Medicare Part D plan.

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Retirees/ Union plan members & Veterans

- People in retiree/union plans must contact plan administrator before switching to a different plan.
  - They or their dependents **may lose their other health coverage – not just drug coverage --** under the retiree/union plan if they enroll in a Part D plan or MA-PD.
  - Even if they don't lose other coverage, they may not need to enroll in Part D/MA-PD because their coverage is good and subsidized.
  - Can be confusing because their retiree/union plan may be administered by & under name of a big health insurance company – may not be obvious it's retiree/union coverage.
- Veterans, Tricare for Life military – do not need to enroll in Part D.

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MYTH: MEDICARE IS FREE

FACT: Medicare is not free!

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Out-of-Pocket Costs

- **Premium** – a monthly membership fee; this is the cost of having insurance at all
- **Deductible** – cost you must pay before your insurance starts to help you, per benefit period
- **Copay/coinsurance** – amount you must pay after your insurance pays expressed as a percentage or as a defined amount
- **Formulary or network** – not a cost per se, but the list of drugs covered and providers contracted with, are major drivers of costs to you – if drug is not on formulary or provider is not in network you may have to pay more for the drug or service

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Original Medicare 2024 Costs

	Part A (inpatient)	Part B (outpatient)
Premium	$0 if worked 10 years in the US	$174.70* plus penalty if you did not enroll when first eligible (Increase from 2023)
Deductible	$1632 for every inpatient stay preceded by more than 60 days in a row where you were not in the hospital or inpatient rehab	$240 annually (Increase from 2023)
Coinsurance	Hospital: $0 up to day 60, $408/day for days 61-90, more thereafter Inpatient rehab: if preceded by a 3 night stay in the hospital, $0 up to day 20, $204 for days 21-100, full cost thereafter	Usually 20% of Medicare Approved amount

*For most this is deducted automatically from Social Security; higher premium is if high earner based on income from 2 years ago ($103,000 if individual filer; $206,000 for joint filer)

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Cost rules for Medicare Advantage plans vary from plan to plan but are publicly available.

- Premium - often $0 premium, including for drug coverage, but can vary
  - Any premium is *in addition* to any Medicare premium already being paid or deducted from Social Security each month
- Copays and deductibles – predictable when reading plan's materials but plans have wide latitude for shifting cost sharing
  - Unlike Original Medicare, Part A & B costs are subject to a maximum-out-of-pocket for the year
  - Provider network restrictions—may be difficult with multiple providers

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Free Medicare Covered Services

- Preventive Screening - Annual Wellness Exam
  - Diabetes Screening
  - Depression Screening
  - Cancer Screenings - Colerectal Cancer, Lung Cancer, Cervical Cancer, Mammograms, Prostate
- Vaccinations
  - Medicare Part B covered vaccinations – Flu Shot, Pneumonical, Hepatitis B, COVID
  - Medicare Part D covered vaccinations – Shingles/Herpes, Chicken Pox, MMR, Meningococcal, Whooping Cough (this went into effect in 2023 under the *Inflation Reduction Act of 2022)*

(*) Not a complete list – to learn more, please see https://www.medicare.gov/publications/10110-Your-Guide-to-Medicare-Preventive-Services.pdf

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Medicare Rx Costs Are Publicly Available

- **Premium** - can usually find a plan premium < $50/mo
  - Plus late enrollment fee if you did not enroll when first eligible
- **Max. deductible** $545 in 2024, but many plans have a deductible lower than this or even $0 deductible
- **Copay** can depend on a number of factors:
  - Formulary – is drug covered?
  - "Use" controls – have you jumped through hoops required in order to get coverage? (e.g., step therapy, quantity limits, prior approval)
  - Drug tier – how insurance compares the drug to others like it
  - Pharmacy – are you using a "preferred" pharmacy?
  - Stage of coverage – varies during the year depending on how much you use your coverage – later in the year you may pay a little more

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Good News – Medicare part D Changes for Insulin Users

Inflation Reduction Act of 2022 became public law on August 16, 2022 and has implications for climate change, prescription drug costs, **health care costs**, and taxes.

- The Centers for Medicare & Medicaid Services (CMS) is implementing parts of the law related to prescription drug and health care costs

Medicare Part D Cost-Sharing:

- ***Maximum of $35 co-payment for each insulin product covered by the Plan's formulary***, no matter the cost-sharing tier even if the deductible has not been met

*** 2024 Planfinder Plan Options will correctly Reflect the Insulin $35 Co-payments*

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MYTH: I DO NOT HAVE TO DO ANYTHING BECAUSE MY CURRENT PLAN IS THE BEST PLAN FOR 2024

Pro Tip! Review Your Drug Coverage Annually

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Annual review minimizes headaches

Medicare Part D Plans

- Are your prescriptions on your plan's 2024 formulary?
- Is your pharmacy still network and at the same tier?
- Are your prescriptions still affordable?
- Do your prescriptions have new restrictions?
- Will your plan exist in 2024?

Medicare Advantage

- All of the above

AND

- Are your medical providers still in network?
- Are the 2024 costs manageable?

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Another consideration: plan lock in

- Most people can only change their drug coverage from October 15th through December 7th to take effect January 1st of the following year
- This means that even if your plan's formulary or network changes mid-year you could be stuck in the plan for the rest of the year before you can make changes, with all of the extra costs that being stuck entails
- People flagged as at risk for opioid abuse may get locked into a plan so only one doctor can provide and only one pharmacy can dispense – should receive notice in the mail with appeal rights – bring to a social worker to connect you to help

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MYTH: MY NEIGHBOR'S COVERAGE IS THE BEST OPTION FOR ME.

FACT: Health coverage is not-one-size-fits-all!

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- Do not compare your coverage to-, or make coverage decisions based on-, anyone else's coverage including your spouse's
  - Different health care needs = different coverage needs
  - Not everyone qualifies for the same coverage
  - To maximize the benefit, focus on your needs only
- If you have coverage through employment or spouse's employment or retiree benefits, your options are different from those discussed here.
  - Speak to a health insurance counselor

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MYTH: THE NAME OF THE INSURANCE COMPANY PROVIDING YOUR COVERAGE SAYS A LOT ABOUT YOUR BENEFITS.

FACT: Insurance Companies offer an array of plan options with varying benefits

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Insurance Company Name Does Not Tell You Much About Your Coverage

- You can tell little from the name of a company—even if it has a good reputation, a strong presence in your community, or is recommended by a friend.
- For example, United Health offers employer-based coverage, Medicare plans, Medicare supplement plans, Medicare drug coverage, and Medicaid plans
  - All of these are different types of coverage
  - All of these types of coverage come in multiple options, each of which provides different benefits
- United Health also partners with AARP, so it is tempting to assume United Health is best.
- **Your needs should drive your coverage, not the name of the insurance company because your costs will be based on your needs.**

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HOW DO I FIND OUT WHAT PLAN WILL BEST MEET MY NEEDS IN 2024?

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Medicare Planfinder Home Page

https://www.medicare.gov/plan-compare/

Explore your Medicare coverage options

Don't have Medicare Part A or B yet?
Get started with Medicare.

1. Log-in/Create an Account

2. Continue without logging into an account

Find Medicare health & drug plans

Use your account

Save time by logging in

- Get a summary of your current coverage
- Use your saved drugs & pharmacies to compare plan costs

Log In

Don't have an account? Create one.

Continue without logging in

ZIP CODE

PLAN TYPE

Select a plan type

Next, you can add your drugs and pharmacies for personalized cost information. Need help picking a plan type?

Start

How to make plan changes

- Medicare planfinder, accessible online
- See and compare plans
- Summary of costs from each plan
- See restrictions on your drugs if you were to enroll in a plan you're interested in
- Can enroll via your mymedicare.gov account or through a Medicare counselor

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What You Need Before You Get Started

- Zip Code
- Current list of Medications (name, dosage and frequency)
- Pharmacy preference
- Medicare Account login
- Other helpful information
  - Copy of Medicare card
  - Other health / drug insurance information or card
  - Information about any assistance programs they are enrolled in (Medicaid, Extra Help/LIS, EPIC)
  - If they are getting home care services through Medicaid

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Planfinder Search Steps

1. Enter Personal Information
2. Enter/review drugs by name, dose, and quantity

   ** May need to Remove or don't enter any insulin drugs depending on what cost shows during search
3. Select pharmacies
4. Review search results
5. Compare plans using default sort (total cost)
6. Review plan details
7. Save or print plan details
8. Enroll

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Planfinder Tips

If you need additional assistance on how to use Planfinder, see:

https://www.youtube.com/watch?v=8bLdJoPRiBo

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REDUCE YOUR OUT-OF-POCKET MEDICAL COSTS!

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Elderly Pharmaceutical Insurance Coverage (EPIC) Program

- NYS prescription drug program for people 65+ with annual income < $75,000 (single; $100,000 married) who are not on full Medicaid
  - **Income based on prior year's tax return**
- Fee Plan (annual fee ranging from $8 to $300 per person, depending on income) or Deductible Plan
  - Once fee is paid or deductible is met, if any, you will pay $3-$20 per drug depending on the Part D copay
  - If income <$23,000 (single; $29,000 married), EPIC will pay $48.72/month toward your Part D premium
- Easy application!
- EPIC also permits you to change drug Plans once, mid-year even if you haven't met your deductible
  - So if plan formulary changes mid-year, you aren't stuck

https://www.health.ny.gov/health_care/epic/

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More Good News Under the Inflation Reduction Act – Full Extra Help Expansion

2023

	Full Extra Help	Partial Extra Help
Income	<= 135% FPL	> 135% FPL to <= 150% FPL
Assets	Up to $10,590 (single) * Up to $16,630 (couple) *	$10,590-$16,660 (single) * $16,630-$33,240 (couple) *
Premiums	$0 Premium (Benchmark Plan)	Premium will depend on income
Deductible	$0 Deductible	$104 Deductible or plan's deductible whichever is lower
Co-Pays	$4.15 generic / $10.5 brand-name (no copay after $7400 out of pocket costs)	15% co-insurance or the Plan copay, whichever is less After $7,400 you pay $4.15 generic / $10.5 brand-name or 5% of drug cost whichever is less

* 2023 FPL

2024

Starting January 1, 2024 –

Full Extra Help will be expanded to included all who have income up to 150% of FPL and Assets up to Partial Extra Help amounts

Partial Extra Help will be eliminated

See Next Slide for Extra Help Savings in 2024

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Extra Help in 2024

- AKA “Low-Income Subsidy” or LIS
- Pays the monthly Part D premium up to $48.72
- Eliminates annual Part D Plan deductible
- Reduces copayments across the board to $4.50 for generic and $11.20 for brand-name drugs, year-round, if drug is covered by the Part D plan
  - Automatic Extra Help for the year if have Medicare Savings Program or Medicaid for even 1 month (more on these in later slides)
  - Those with Medicaid and income below 100% of FPL co-pays will be $1.55 for generic and $4.60 for brand-name.
  - Note: people on Medicaid who receive homecare, should pay $0 for all medication if covered by the Part D plan
- May apply online - https://www.ssa.gov/benefits/medicare/prescriptionhelp.html

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Medicare Savings Program in 2024

NO Resource Limit but
2 Income Limits

QMB Income <138% FPL
- $ 1677 (single) *
- $ 2260 (couple) *

QI-1 Income <150% FPL
- $ 2268 (single) *
- $ 3057 (couple) *

(*) Based on 2023 FPL

Automatic Extra Help with Both

	QMB	QI-1
Part B Premium Assistance	X	X
Extra Help	X	X
Part A Premium Assistance	X	
Part A & B Deductible	X	
Part A & B Co-Insurance	X	
Balance Billing Protection	X	
Can you have Medicaid	X	

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Medicaid in 2024

*** May reduce or eliminate your Medicare deductible and co-pays**

- **Filling in the Medicare Coverage Gaps**

Medicaid Covers:

*** Income and Asset Guideline**

Household Size	Income-138% FPL	Assets
1	$1677 *	$30,180
2	$2260 *	$40,820

(*) Based on 2023 FPL

Income can be above Income guideline but Medicaid will be subject to a spend-down

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Original Medicare Supplemental Insurance a/k/a Medigap

- Medigaps are private plans that help defray the costs of Part A and B of Medicare – but you pay a monthly Membership fee ranging from $150 - $360/mo (generally the higher the cost the more coverage you get)
  - These do not work with Medicare Advantage
- Before pursuing Medigap, look at your retiree package or your spouses as many retiree plans look like Medigaps – do not want to pay for Medigap if you already have something similar

https://www.dfs.ny.gov/system/files/documents/2023/10/medsup_2024-01.pdf.

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WARNING: MEDICARE SCAMS ARE ON THE RISE

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Scammers are taking advantage of the confusion that comes with Medicare Enrollment

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Be Scam Aware!

- **Medicare will never call you!**
- **Medicare will never request money or threaten to cancel your insurance during a telephone call.**
- **Be skeptical providing your personal information**
  - **If at a Health Fair/Marketing event and you provide a representative your name, telephone number and/or address – you have provided the Insurance Plan/Insurance Brokers to call you**
- **No one should be pressuring you to act by the end of the day, week, etc. Only deadline for action is December 7th.**

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How Do I Report a Medicare Scam

- If you believe you've been involved in a Medicare scam, take action by reporting it:
- Call Medicare directly at 1-800-MEDICARE (800-633-4227).
- Contact the Senior Medicare Patrol Resource Center by calling 1-877-808-2468 or use their online contact form.
- Submit a report online to the Federal Trade Commission (FTC).

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MYTH: I WILL NEVER FIGURE THIS OUT!

FACT: We are here to help!

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Contact us:

Call EFLRP's Intake

– 212-613-7310 on Mondays 10 am to 2 pm (or)
Email - eflrp@nylag.org

In NYC you can call 311 and as for Medicare assistance

If you live outside of New York – to find a State Health Insurance Counselor in your area:

Call 877-839-2675 and say "Medicare" when prompted; or

Visit www.shiphelp.org.

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THANK YOU

More information at nylag.org

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