



## MEDICARE MINUTE

JUNE 2022



IN THE DRIVER'S SEAT:

# Tips for Managing Your Medicare Journey

WITH A COUPLE months under your belt, many are becoming more familiar with their new or updated Medicare Advantage Plan and the benefits it offers, while others remain pleased with the continued coverage of their Medicare Supplement policy.

March 31st is the Open Enrollment deadline for clients currently on an Advantage Plan to review their options and make one final change for the year, if desired. Beginning April 1st, all policies will be locked in for the remainder of the year.

So here are a few things we want to remind all clients to ensure you have a positive experience in the months ahead:

### Medicare Advantage clients

When seeing a new provider for the first time, always provide your insurance information prior to your appointment and verify they are in-network with your plan. Be cautious to ask, "Do you accept my insurance?" as they may not share that they accept it, but as an out-of-network provider, which means you are paying a higher cost. Be clear and direct!

Set a reminder to use your over-the-counter benefits each quarter. Online ordering is often the quickest and most convenient way to have items shipped to your home.

If possible, register your online account. This gives you access to your claims, over-the-counter products to order, and additional wellness benefits your plan may offer, among other things.

### Medicare supplements clients

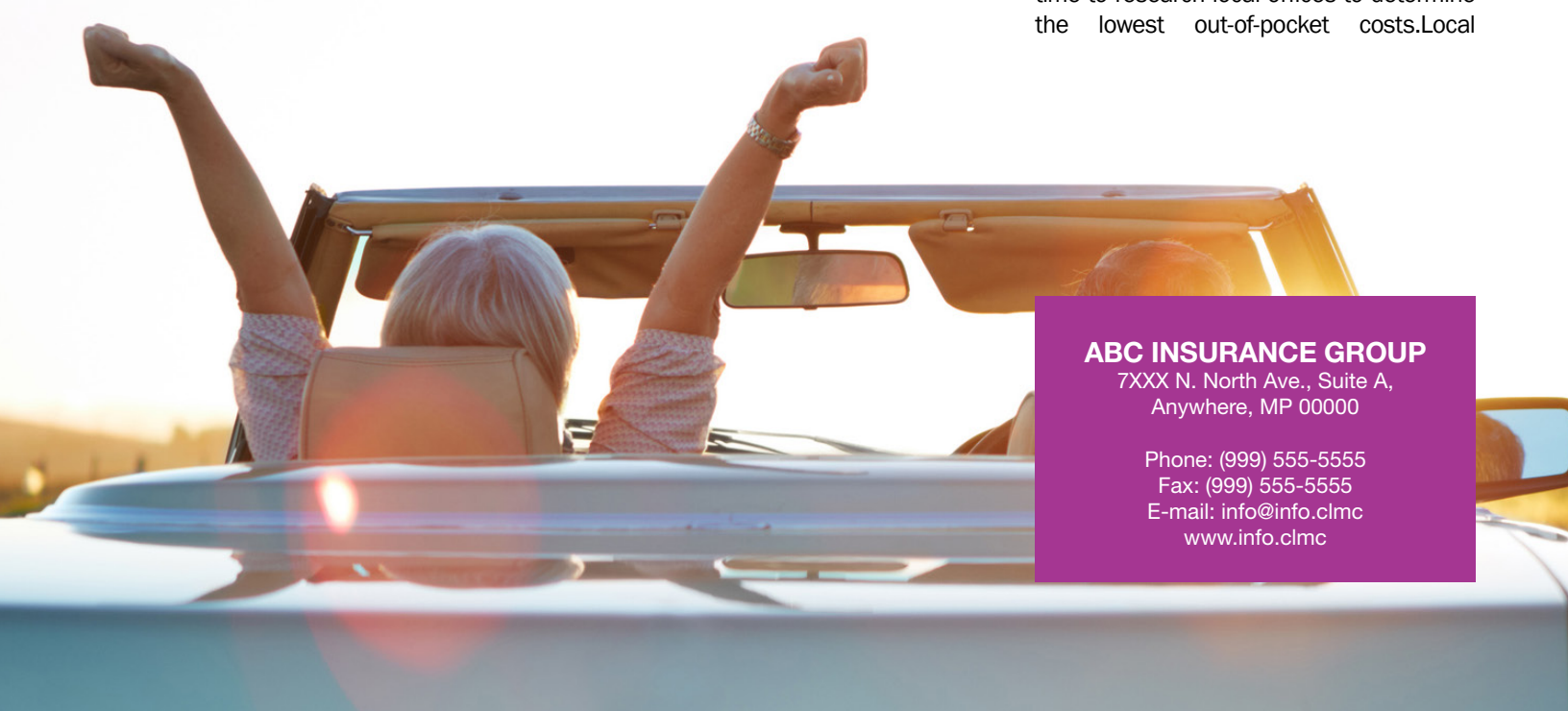
When seeing a provider for the first time, always verify they accept Medicare prior to your appointment.

Monitor your premium payments to track any increases that take effect throughout the year, and remember, Annual Enrollment (Oct. 15 – Dec. 7) is an opportunity to review options to help lower costs for 2024.

Don't forget about Missouri's Anniversary Rule, which allows you to enroll with a different carrier for the same plan coverage (Plan G to Plan G) that offers a lower premium rate.

Although our team at Wise Medicare will contact you proactively, know that this period takes effect 30 days prior to your effective date and ends on the last day of your effective date month (Effective date June 1, 2019 – your anniversary period would be May 1 through June 30).

For dental or vision services, take some time to research local offices to determine the lowest out-of-pocket costs. Local



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# Part D in 2023: Capped Insulin Costs and Free Vaccines

FOR MEDICARE beneficiaries, 2023 started with a dose of good news: lower out-of-pocket costs for millions of Americans.

Thanks to the Inflation Reduction Act, starting this year monthly out-of-pocket insulin costs for Medicare beneficiaries enrolled in a Part D plan are capped at \$35 and most vaccines will also be covered with no out-of-pocket costs.

These are significant money-saving developments, considering about one-third of Medicare beneficiaries are diabetic and that the shingles vaccine is the most expensive vaccine for adults — and it will now be free.

## Insulin capped

The Act's cap one out-of-pocket cost of injectible insulin for Part D enrollees at \$35 a month took effect Jan. 1.

The cap is expected to save Medicare beneficiaries on average about 35% on their insulin outlays this year, although some people with more expensive insulin products will save more.

The \$35 a month cost applies without them having to reach their Part D plan deductible, which is \$505 in 2023.

While Part D plans must cap insulin costs, they are not required to offer every form or brand of insulin.

So, it's important that you check to ensure that your particular brand is covered by your plan.

Because Medicare's online calculator had not been updated to include the new cap on insulin costs, some beneficiaries may have learned after the fact that their plan no longer covers their type of insulin.

## Special Enrollment Period

Under the law, Medicare has begun a one-time special enrollment period through the end of 2023 that allows beneficiaries who need insulin to drop, add or change Part D plans.

## Vaccines

Cost-sharing for vaccines covered by Part D plans has been eliminated as of Jan. 1, 2023.

### Vaccines with No Copays\*

Vaccines that will now be available with no copays include:

- Hepatitis A vaccines
- Hepatitis B vaccines
- Tdap, which protects against tetanus, diphtheria and whooping cough
- Shingles vaccine

*\*For Medicare Part D enrollees*

The latter is the most expensive adult vaccine, costing Medicare beneficiaries an average of \$114 out of pocket in 2018 for the required two doses.

This should come as welcome relief for many seniors, considering that only 46% of Americans older than 65 have received the shingles vaccine, Shingrix. This vaccine is about 90% effective and it lasts up to a decade after inoculation.

## The takeaway

Medicare Part D is an optional (but highly recommended) insurance that covers prescription medications. Original Medicare enrollees (Parts A and B) can also sign up for a Part D plan to ensure their pharmaceutical needs are covered.

Many Medicare Advantage plans include a Part D plan, but not all.

If you don't sign up for a Part D plan when you are first eligible to do so, and you decide later you want to sign up, you will be required to pay a lifetime late enrollment penalty equal to 1% of the national average premium amount for every month you didn't have coverage.

If you have questions about these changes for 2023, please call us. ❖





# Medicare: Planning for Out-of-Pocket Drug Costs

ONCE YOU qualify for Medicare, you have some choices regarding paying for prescription drugs.

Basic Medicare (Parts A and B) does not cover prescription drug costs (except in the case of injectables given by a professional). You will have to either pay out of pocket, arrange outside coverage, or buy coverage via Medicare Part D or as part of a Medicare Advantage plan (Part C).

You will have to pay premiums in order to get coverage under Part D or Medicare Advantage. If you are low-income, you may qualify for a reduced premium, or assistance with copays for medications.

If you do not enroll in a Part D plan while enrolling in a Medigap or Medicare Supplement policy, when you are first eligible, you will incur a lifetime penalty, and your enrollment into Part D could be delayed.

Some medications cost hundreds of dollars per dose, and occasionally even more, so without drug coverage you run the risk of paying a significant portion of these costs. Not to mention that each month you go without Part D coverage you accrue a penalty that builds up and lasts a lifetime.

Medicare Part D can be broken down into these phases:

## The deductible period

Some Medicare Part D plans have a deductible, which is what you must spend on covered drugs before your Medicare drug plan coverage kicks in. Many plans do not make you meet the deductible for generics. (Some plans Tier 1 only, some it is generics within Tier 1 and Tier 2.)

## The initial coverage period

After you meet your Part D deductible, you enter the initial coverage period. Your plan will pay some of the cost, and you will pay a copayment or coinsurance.

## LEAVE US A REVIEW!



As valued clients, we appreciate the opportunity to serve you and are grateful for the referrals you send our way!

Taking a few moments to leave a quick Google Review allows others to consider your experience as they seek help for their own Medicare needs.

## The donut hole

Once you and your plan combined have spent \$4,660 in 2023, you enter the coverage gap, during which you pay a coinsurance (or percentage of the real cost of the medication).

This coverage gap is sometimes called “the donut hole.”

Medicare Part D plan beneficiaries pay 25% of their brand-name and generic drug costs while they’re in the coverage gap.

The coverage gap does not apply to some lower-income individuals who qualify for a State Health Insurance Assistance Program (SHIP).

## Catastrophic coverage

The donut hole ends when you have spent \$7,400 out of pocket on medications in 2023. You then enter the final phase of Part D coverage, called catastrophic coverage.

During the catastrophic coverage phase, you only pay a small coinsurance or copayment for your covered prescription drugs for the remainder of the year.

## How to lower costs

You may be able to lower costs by using generics rather than brand-name drugs, choosing a plan that has more coverage if you enter the coverage gap, or using a pharmaceutical assistance program. There are also medication-specific assistance programs. ❖

## 2023 By the numbers

**\$505**

The maximum deductible a Part D plan is allowed to have in 2023.

**\$4,660**

What you and your plan combined have to spend in 2023 before you enter the coverage gap, a.k.a The Donut Hole.

**25%**

The percentage of the drug cost that you pay for brand-name and generic drug costs while you’re in the coverage gap.



Most plans will feature different copayment amounts for generic and brand-name drugs. Check with your plan formulary (drug list) to learn more about what your costs might be for different drugs.

How long you stay in the initial coverage period depends on your drug costs and your plan’s benefit structure.

# Medicare Advantage Plans Expand Benefits in 2022

MEDICARE BENEFICIARIES have more choices than ever, and with increased competition many Medicare Advantage insurers have added creative benefits like meal services and transportation benefits, among others.

With more than 3,800 Medicare Advantage (Part C) plans available throughout the country, the average Medicare beneficiary now has access to 39 Advantage plans, 31 of which include a Medicare Prescription Drug plan.

Thanks to recent changes in the law, plan providers can offer an wider array of supplemental benefits that weren't available before. According to the Better Medicare Alliance, 43% of plans offer at least one new supplemental benefit in 2022.

Medicare Advantage plans allow you to access additional benefits over and above traditional Medicare (Part A and Part B). Now more than ever, it's a good idea to take a look at these plans, especially for seniors who have special needs.

## Telehealth, remote monitoring

Medicare Advantage plans are embracing new technologies, providing coverage like telehealth services and remote patient monitoring.

In 2022, 75% of Medicare Advantage plans and 92% of special-needs plans (SNPs) include telehealth benefits.

## Food and produce benefits

Seven in 10 Medicare Advantage plans offer meal support, up from 55% in 2021. Three in 10 plans include nutrition benefits.

## Transportation benefits

In 2022, some 39% of individual Medicare Advantage plans include transportation benefits, according to Avalere. Also, 90% of SNPs include transportation as a nonmedical benefit.

## In-home support services

This new benefit allows for expanded support for in-home caregivers of Medicare beneficiaries.

New benefits also include home-based palliative care and therapeutic massage. Also, 11% of Medicare Advantage plans include in-home support and some even pest-control services.

## Special needs plans

Depending on the plan, Medicare SNPs limit enrollment to those with qualifying medical conditions, to individuals living in nursing homes, or to people eligible for Medicare and Medicaid.

All SNPs include prescription drug coverage. If you qualify, and you're already a Medicare beneficiary, you can join an SNP at any time. You don't have to wait for an open enrollment period.

That said, if you're newly eligible for Medicare, you will need to sign up during your initial enrollment period (typically, the seven-month period that starts three months before you turn 65, includes the month in which you turn 65, and ends three months after you turn 65.)

Bonus: Premiums are falling.

Despite the new expansion of benefits, Medicare Advantage average premiums are falling this year — to \$19 per month. This is partly due to the popularity of “zero-premium” plans.

## ACT NOW!

If you currently have a Medicare Advantage plan and would like to check to make sure that you are receiving all the benefits



**MEAL SUPPORT:** 68% of Medicare Advantage plans offer food benefits.