

# MEDICARE101

with 2025 Changes



 GUIDED SOLUTIONS

# AGENDA

- What is Medicare?
- Who is Eligible
- When you can enroll
- The Inflation Reduction Act / Part D Changes
- Next Steps and Resources



# AM I ELIGIBLE FOR MEDICARE?

You are eligible for Original Medicare (Parts A and B) if:



You are at least  
65 years or older

OR

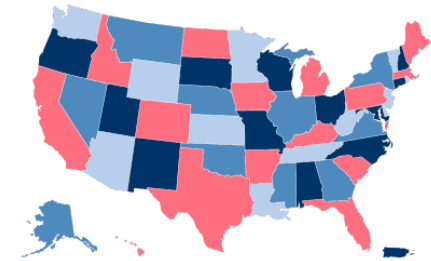
You are under 65

With End Stage Renal Disease

With Amyotrophic Lateral  
Sclerosis often called  
Lou Gehrig's Disease

And have been receiving  
Social Security Disability  
Income for 24 months

AND



You are  
a U.S. Citizen or  
a legal resident who  
has lived in the  
U.S. for a least  
5 consecutive years

# WHAT IS MEDICARE?

**Medicare** is the federal health insurance program for people 65 and over and people who are under 65 with certain diseases and/or disabilities.

Learning Medicare's parts is as easy as



The federal Medicare program is made up of four parts:



## Part A

**Hospital insurance**

Free for most people.



## Part B

**Medical Insurance**

Has a premium (monthly cost).



## Part C

**Medicare Advantage**

Includes Part A and Part B, and may include Part D drug coverage.



## Part D

**Prescription Drug Plan**

# PART A – COST AND ENROLLMENT

A

Part A is Premium Free if you or your spouse has worked 10 years or 40 quarters and paid Medicare taxes in the United States.

You can enroll in the 7-month window around your 65th birthday

- Three months prior to birthday month
- Your birth month
- Three months post birthday month

You can buy Part A if you have worked less than 40 quarters; you will pay up to \$505.00 per month for your Part A premium.

If you don't enroll when you are first eligible, you may have a penalty and pay a higher premium for Medicare Part A.



# MEDICARE PART A - COVERS



- Inpatient care in hospitals
- Skilled Nursing Facility (SNF)
- Inpatient Behavioral & Mental Health
- Home Health care
- Hospice care



- Physician services
- Personal care items
- Private hospital rooms
- Custodial care

## Limitations:

- Skilled nursing is only covered after a hospital stay of three days and is not covered beyond 100 days per benefit period.
- Hospital stay coverage is limited to 150 days. Days 1-90 reset after a benefit period. Days 90-150 are only covered once in a lifetime.
- You must pay for the first 3 units of blood received, unless is provided by a blood bank at no charge or donated or replaced by you or someone you know on your behalf.
- Benefit period: Begins when you enter a hospital or SNF and ends after 60 consecutive days out of a hospital or SNF.
- Inpatient Behavioral & Mental Health at a psychiatric hospital is limited to 190 days during your lifetime.

# MEDICARE PART A – COST SHARES



## Hospitalization – semi-private room and board

First 60 days	\$1,632 Deductible
Days 61 – 90	\$408 Per Day
Days 91 – 150 (60 lifetime reserve days)	\$816 Per Day

## Skilled Nursing Facility – after consecutive 3-day inpatient hospital stay

First 20 days	100% Covered
Days 21 – 100	\$204.00 Per Day
Days 101+	Not Covered

## Hospice

End-of-life care	100% Covered
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## Home Health Care

Medically necessary skilled care services	100% Covered
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# MEDICARE PART B ENROLLMENT

B

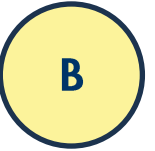


If you already have Part A or are enrolling in Parts A & B at the same time

- 7-month window around your 65th birthday
  - Three months prior to birthday month
  - Your birth month
  - Three months post birthday month
- If enrollment window is missed, you may enroll within the General Enrollment Period.
  - January 1 – March 31. Your coverage starts the month after you sign up. You might pay a monthly late enrollment penalty, if you don't qualify for a Special Enrollment Period.



# MEDICARE PART B PREMIUM

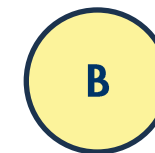


## 2024 Medicare Part B Premiums and IRMAA

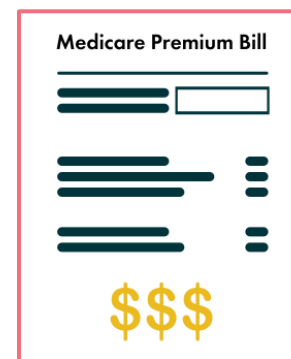
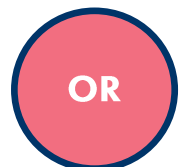
Individual Tax Return or Married Filing Separately*	Married, Filing Jointly*	Income-Related Monthly Adjustment Amount	You Pay Each Month (2024)
\$103,000 or less	\$206,000 or less	\$0.00	\$174.70
above \$103,000 up to \$129,000	above \$206,000 up to \$258,000	\$69.90	\$244.60
above \$129,000 up to \$161,000	above \$258,000 up to \$322,000	\$174.70	\$349.40
above \$161,000 up to \$193,000	above \$322,000 up to \$386,000	\$279.50	\$454.20
above \$193,000 but <\$500,000	above \$386,000 but <\$750,000	\$384.30	\$559.00
\$500,000 or greater	\$750,000 or greater	\$419.30	\$594.00

**\*All incomes listed are based on MAGI in 2022 filed taxes, or 2021 if 2022 is not available. If you have experienced a life changing event that has reduced your income, you can apply for an IRMAA reduction.**

# MEDICARE PREMIUM PAYMENT

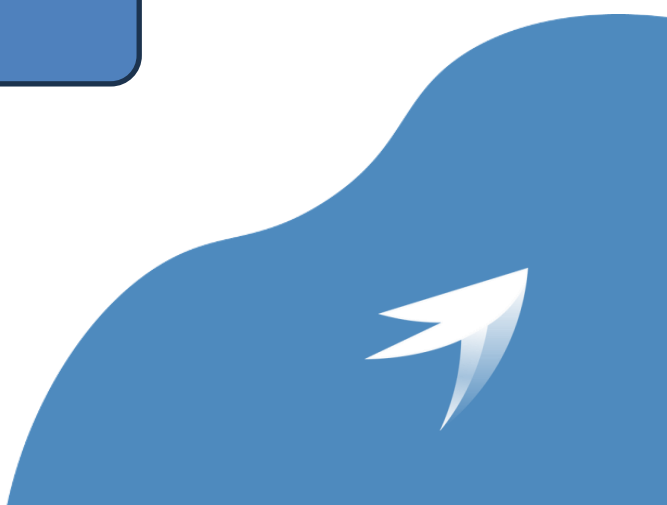


You can pay your Medicare Premiums by:

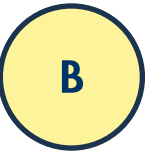


Deduction from Social Security or Railroad Retirement Board payments

Receiving a quarterly bill or paying monthly via EFT.



# MEDICARE PART B



- Physician services & outpatient care
- Durable Medical Equipment
- Preventative Services
- Physical Therapy
- Physician administered drugs



- Routine vision or hearing
- Glasses or hearing aids
- Alternative healthcare
- Routine chiropractic care
- Prescription Drugs
- Routine Dental

## Limitations:

- Covers glasses only after cataract surgery.
- No coverage for custodial care.
- Providers must be accepting new Medicare patients.
- No coverage outside of the United States.



# MEDICARE PART B COSTS

B

## Deductibles and Coinsurance

- \$240 annual deductible
- 20% coinsurance on Medicare approved medically necessary services thereafter.
  - Medicare then pays 80% of assignment, and the beneficiary is responsible for the remaining 20% plus any deductible.
  - If a provider does not accept Medicare assignment, they may be able bill you up to 15% above Medicare allowable rates. These are known as Part B Excess Charges\*
- There is **no maximum out of pocket** for beneficiary cost share

\*Several states have laws limiting or prohibiting Part B Excess.

# NOT RETIRING AT 65?



- You can delay Part A and/or B enrollment if you are still covered under an employer plan.
- You should verify with your employer, as they may require you to join a Medicare related plan if your employer has fewer than 20 employees.
- There is no penalty to enroll in Part A and/or B after age 65 if you were **covered under an employer group plan**, and enroll within 8 months of end date or your employment or of that group health plan coverage, whichever comes first.
- Cobra is not considered group health plan coverage and does not provide an election period to join Medicare Part A and/or B.



# NOT RETIRING AT 65?



- If you and/or your employer contribute to a HSA, you may want to consider delaying enrollment into Medicare Part A. While it is premium free for many beneficiaries, you and your employer will **no longer be able to contribute to a HSA** after enrollment into Medicare Part A and/or B.
- If you delay Part A, when you apply, your Part A coverage effective date will be backdated 6 months.

If you delay enrollment into Part A **AND** B:



6 months prior to applying  
for Medicare enrollment

Employee and Employer  
contributions to HSA must

**STOP**

To avoid potential  
Tax Penalties

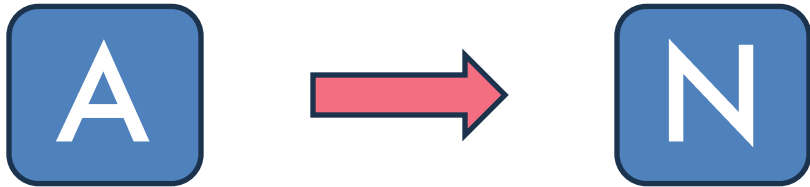
# MEDICARE SUPPLEMENT/MEDIGAP

- Sold by private insurance companies since 1965
- Function as a secondary insurance
- Must have Original Medicare
- Plans cannot be combined with Medicare Advantage plans
- Only pays if the charges were approved and Medicare pays their part first
- Prescription drug coverage is not included in plans sold after January 1, 2006
- Part D coverage must be purchased separately if desired
- Requires no underwriting when enrolling within 6 months of turning 65
- Requires no underwriting in certain states, such as Washington State when moving from like plans or to reduce benefits. Example; Plan G to G or Plan G to Plan N.

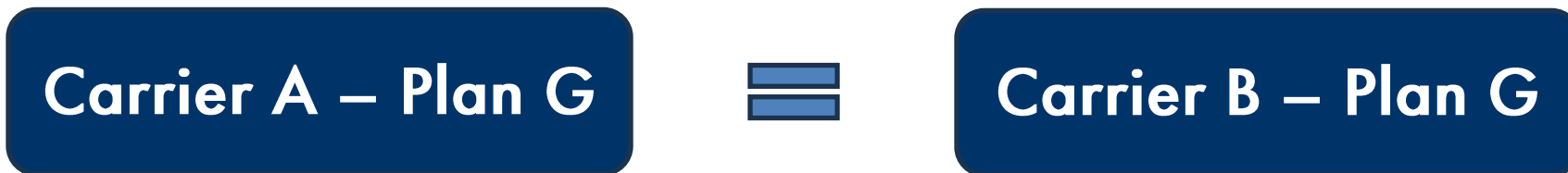


# MEDICARE SUPPLEMENT/MEDIGAP

Multiple Plan Options, designated by Letter



Plans are standardized. Only the premium may vary.



- Original Medicare pays for Medicare-covered benefits, then Medicare supplement pays towards the patient’s portion (the amount depends on plan chosen)
- Some Medicare Supplement plans may pay for some benefits not covered by Original Medicare (Such as, foreign emergency travel coverage, or include fitness benefits, etc.) ✈



# MEDICARE SUPPLEMENT/MEDIGAP

Medigap Benefits	A	B	C	D	F	G	K	L	M	N
Part A: Hospital coinsurance costs up to an additional 365 days after Medicare benefits end	x	x	x	x	x	x	x	x	x	x
Part A: Hospice care coinsurance or copay	x	x	x	x	x	x	50%	75%	x	x
Part B: Coinsurance or copays	x	x	x	x	x	x	50%	75%	x	x***
Medicare preventive care Part B Insurance	x	x	x	x	x	x			x	x
Parts A & B: Blood (first 3 pints)	x	x	x	x	x	x	50%	75%	x	x
Skilled nursing facility care coinsurance			x	x	x	x	50%	75%	x	x
Part A deductible		x	x	x	x	x	50%	75%	50%	x
Part B deductible			x		x					
Part B excess charges					x	x				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
Out-of-pocket limit**							\$6,620	\$3,310		

\* Plans F and G offer a high-deductible plan. You pay for Medicare-covered costs up to the deductible amount (\$2800 in 2024) before your plan pays anything.

\*\* After you meet your out-of-pocket yearly limit and Part B deductible, the plan pays 100% of covered services for the rest of the calendar year.

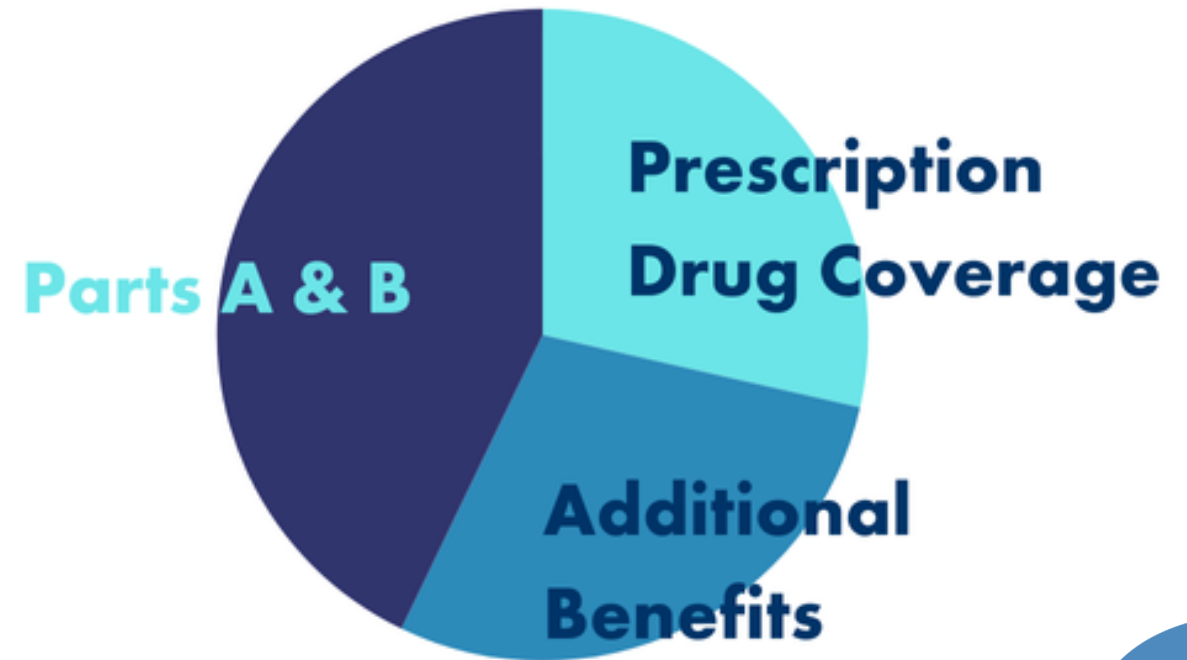
\*\*\* Plan N pays 100% of the Part N coinsurance expect up to \$20 copays for some office visits and up to \$50 copays for emergency room visits (if the hospital admits you, the plan waives your emergency room copays).

Medigap plans C, F and High Deductible F are no longer sold to individuals turning 65 after January 1, 2020.

# MEDICARE ADVANTAGE PART C

C

- Medicare Advantage (MA) plans are offered by private insurance companies and approved by Medicare.
- They bundle Part A and Part B of Medicare to create Part C.
- Part C must cover **everything** Original Medicare covers and can add additional benefits.
- Added benefits may include
  - Vision
  - Dental
  - Hearing
  - Fitness programs
- Medicare Advantage Plans may also include Prescription Drug Coverage (MAPD)



# MEDICARE ADVANTAGE

## Plan Eligibility Determination

C

Permanent  
Residence in  
the plan's  
service area.



Be enrolled in  
**both**  
Medicare  
Parts A & B.

# MEDICARE ADVANTAGE

C

- Plan premiums and your cost share will vary by carrier and location and may change year to year
- You **must** continue to pay the Medicare Part B premium
- Provider bills the Medicare Advantage (MA) Plan, **NOT** Medicare
- With most MA plans, the provider must be contracted with the plan and considered “in-network”
- Plans are renewable as long as you pay your premium, and the plan remains in the service area
- Enrollment is **NOT** contingent on your health



# MEDICARE ADVANTAGE

## Common Plan Types

C

### HMO: Health Maintenance Organization

- Beneficiaries can generally only go to doctors, specialists, or hospitals that are part of the plan's network.
- Referrals are usually required except in case of emergencies.

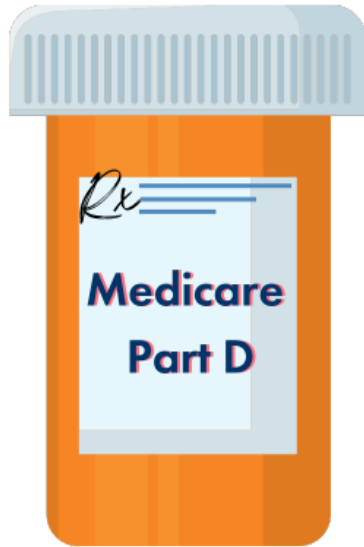
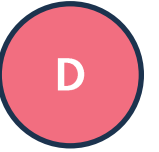
### PPO: Preferred Provider Organizations

- Uses network of providers, but beneficiaries may use out-of-network providers usually at a higher cost.
- Referrals are not required, but Prior Authorizations may still be needed.

### SNP: Special Needs Plans

- Often, a HMO type plan. Membership is limited to certain groups of beneficiaries with chronic or disabling conditions, those eligible for Medicaid, or those living in institutions.

# PRESCRIPTION DRUG COVERAGE



- Medicare Part D program began in 2006.
- Only offered by private companies and approved by Medicare.
- Coverage options can vary by insurer and plan type.
- Part D is “voluntary”.
- 1% penalty (based on the base beneficiary premium) for every month without drug coverage if you choose to enroll in the future.

## How coverage works



- Outpatient prescription drugs covered in the plan’s formulary
- Outpatient prescription drugs covered through a formulary exception or appeal
- Outpatient prescription drugs filled in accordance with plan pharmacy network requirements

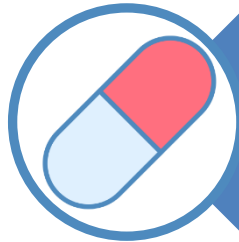
## What’s not covered



- Drugs not on the formulary
- Drugs excluded from coverage by Medicare
- “Over the Counter” medications
- Medications purchased outside the US

# PART D COVERAGE OPTIONS

D



Stand-alone Prescription Drug Plan (PDP)\*



Medicare Advantage Prescription Drug Plan (MAPD)\*\*



Certain Medicare Advantage Only Plans + PDP

\*You must be enrolled in Part A and/or Part B

\*\*You must be enrolled in Part A and B.

You cannot be enrolled in a Stand-alone Prescription Drug Plan and a Medicare Advantage Prescription Drug Plan at the same time.

# PART D ELIGIBILITY & PREMIUM

D

## Eligibility

- Must be enrolled in Medicare Part A and/or Part B
- You must have a permanent residence in the plan's service area
- No underwriting

## Monthly Premium

- Part D monthly premiums vary by the plan you choose
- If you have a higher income and join a Part D plan, you may have an Income-related monthly adjustment amount (IRMAA).
- If you are collecting Social Security or Railroad Retirement Board benefits, your premium (and IRMAA, if applicable) can be automatically deducted from your Social Security Income or Railroad Retirement Board payments.
- You may also choose to receive a quarterly statement and make your payment directly to Social Security.



# PART D PREMIUM

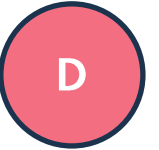


## 2024 Part D Premiums and IRMAA


Individual Tax Return or Married Filing Separately*	Married, Filing Jointly*	Income-Related Monthly Adjustment Amount	You Pay Each Month (2024)
\$103,000 or less	\$206,000 or less	\$0.00	Your plan premium
above \$103,000 up to \$129,000	above \$206,000 up to \$258,000	\$69.90	\$12.90 + your plan premium
above \$129,000 up to \$161,000	above \$258,000 up to \$322,000	\$174.70	\$33.30 + your plan premium
above \$161,000 up to \$193,000	above \$322,000 up to \$386,000	\$279.50	\$53.80 + your plan premium
above \$193,000 but <\$500,000	above \$386,000 but <\$750,000	\$384.30	\$74.20 + your plan premium
\$500,000 or greater	\$750,000 or greater	\$419.30	\$81.00 + your plan premium

**\*All incomes listed are based on MAGI in 2022 filed taxes, or 2021 if 2022 is not available. If you have experienced a life changing event that has reduced your income, you can apply for an IRMAA reduction.**

# PRESCRIPTION DRUG COVERAGE




## Other Creditable Coverage



### Veterans Administration (VA) Benefits

- Available to Veterans who Qualify and Apply
- Cost shares may apply, depending on Priority Group
- Can have both VA and a PDP or MAPD
- Considered Medicare Creditable Coverage



### Tricare for Life (TFL)

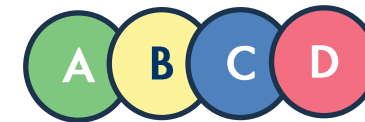
- Military Retiree Coverage (Veteran + Eligible Spouses & Dependents)
- Must be enrolled in Medicare Parts A & B
- PDP/MAPD enrollment may interfere with TFL
- Typically, rich drug coverage, beyond what PDPs provide



### Additional Creditable Coverages

- Employer Group Plans / Employer Group Waiver Plans (EGWP)
- Qualified Retire Drug Plans
- Individual Health Plans
- Indian Health Service Coverage

# DECIDING ON COVERAGE



If you are enrolled in:

Part A and B



**Part D**

Eligible For a Stand-Alone Prescription Drug Plan

Consider adding



**Medicare Supplement (Medigap)**  
Choose a plan to help cover some or most of your Medicare cost shares.

**Part C: Medicare Advantage = A+B and most of the time, D**  
Choose a plan that fits your coverage needs, based on your providers and prescriptions, if included.

If you still need drug coverage



**Part D**

Many Medicare Advantage Plans include drug coverage. In instances where drug coverage is not included, you may be able to enroll in a Stand-Alone Prescription Drug plan, with select types of Medicare Plans.\*

If you are enrolled in:

Part A Only

Part B Only



**Part D**

Eligible For a Stand-Alone Prescription Drug Plan

\*You cannot be enrolled in a Medicare Advantage Prescription Drug Plan and a Stand-Alone Prescription Drug Plan at the same time.

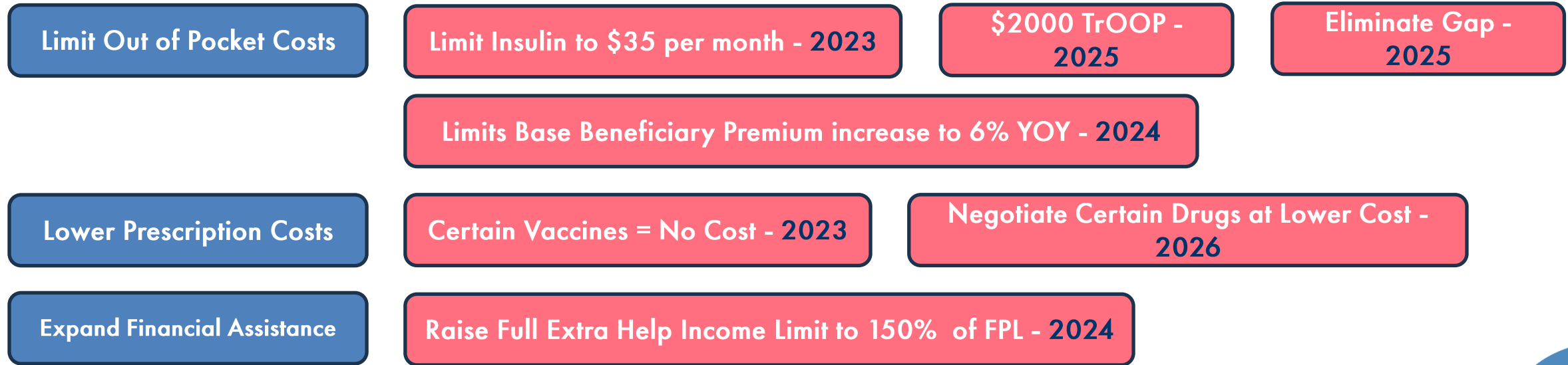
If you enroll in a Medicare Advantage Plan, you cannot be sold or use a Medicare Supplement.

# INFLATION REDUCTION ACT (IRA)

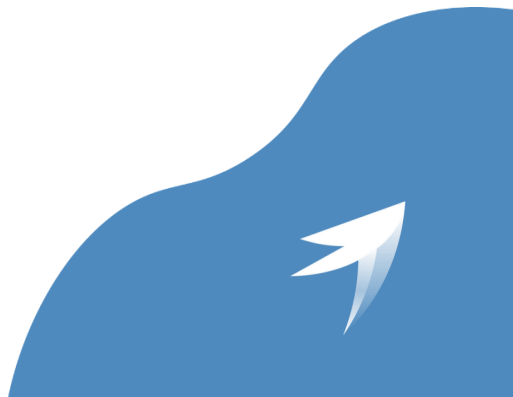


## OVERVIEW

A prescription drug law, signed into law on August 16, 2022. The law is comprised of different initiatives, launching on a specified timeline.

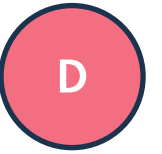


<https://www.cms.gov/inflation-reduction-act-and-medicare/part-d-improvements>  
[Fact Sheet: Final CY 2025 Part D Redesign Program Instructions \(PDF\)](#)  
[Final CY 2025 Part D Redesign Program Instructions \(PDF\)](#)



# 2025 PART D CHANGES

## BENEFIT DESIGN CHANGES



### Sunsets 1 / 1 / 2025

Current Benefit Design

Initial Coverage Limit

Coverage Gap

Coverage Gap Discount Program

### Begins 1 / 1 / 2025

New Defined Standard Benefit

\$2000 Out-Of-Pocket Threshold

Manufacturers Discount  
Program (MDP)

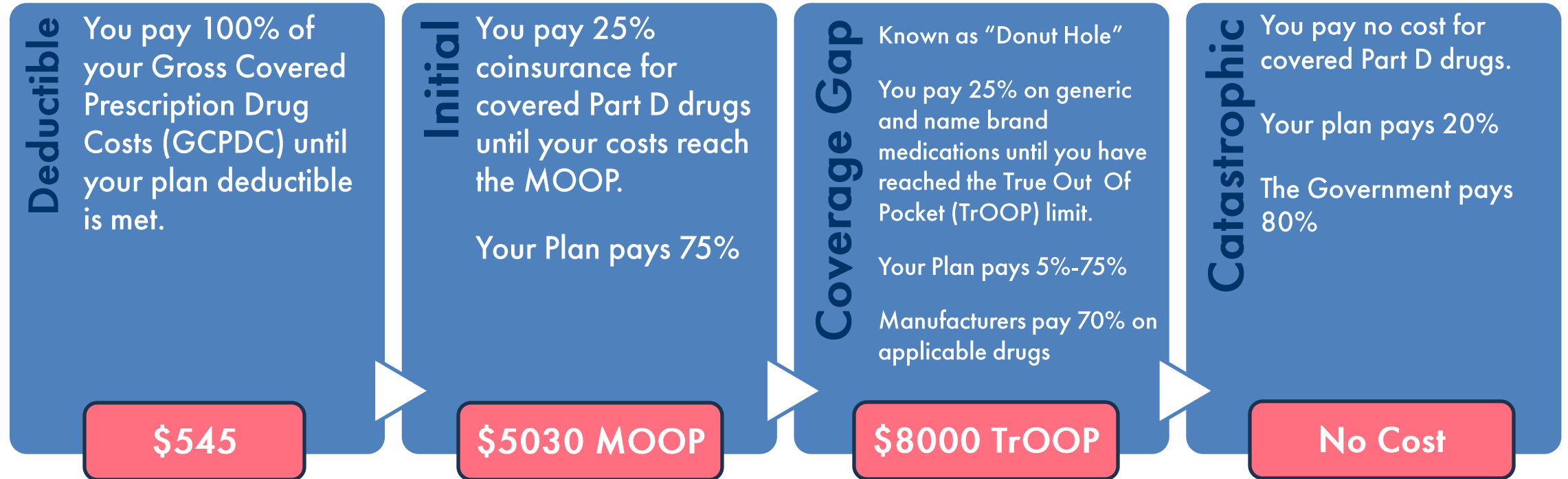
MDP Applicable vs Non-Applicable Drugs

Medicare Prescription Drug Payment Plan  
(Also known as drug "Smoothing")

# 2025 PART D CHANGES

## CURRENT CMS STANDARD (DS) BENEFIT DESIGN

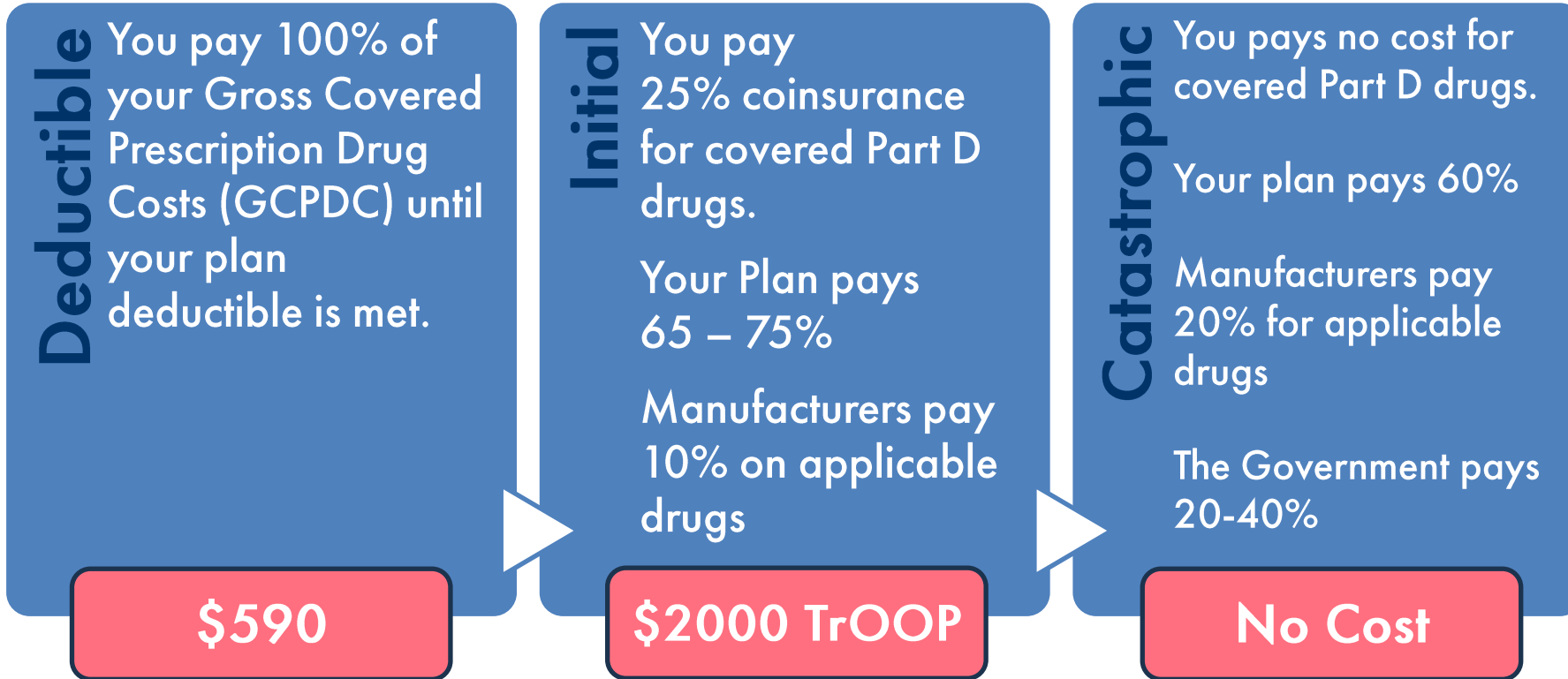
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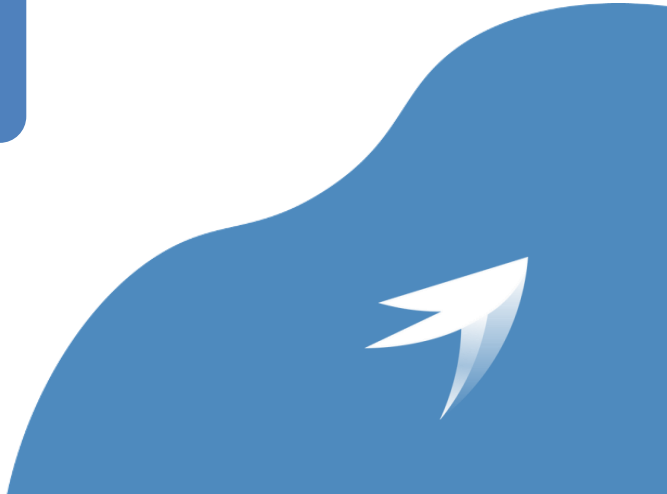
Your "at most" cost share limit in each coverage phase

# 2025 PART D CHANGES

## CMS 2025 DEFINED STANDARD (DS) BENEFIT DESIGN

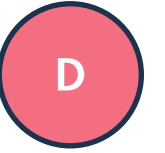


Your "at most" cost share limit in each coverage phase



# 2025 PART D CHANGES

## CREDITABLE COVERAGE CHANGES



“Creditable prescription drug coverage” is prescription drug coverage that equals or exceeds the actuarial<sup>123</sup> value of defined standard Part D prescription drug coverage; that is, **creditable coverage is coverage that is at least as good as Medicare’s prescription drug coverage.**

### The defined standard is changing in 2025

Your employer/Part D Sponsor must notify you and CMS whether your coverage is creditable:

- (1) Prior to your initial enrollment period for Part D
- (2) Prior to the effective date of enrollment in the prescription drug coverage and upon any change that affects whether the coverage is creditable prescription drug coverage
- (3) Prior to **Annual Election Period** and
- (4) Upon request by the individual

**If you are still employed and on group coverage:**

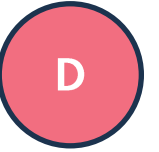
**Ask your employer or Part D Sponsor if your coverage will remain creditable in 2025**



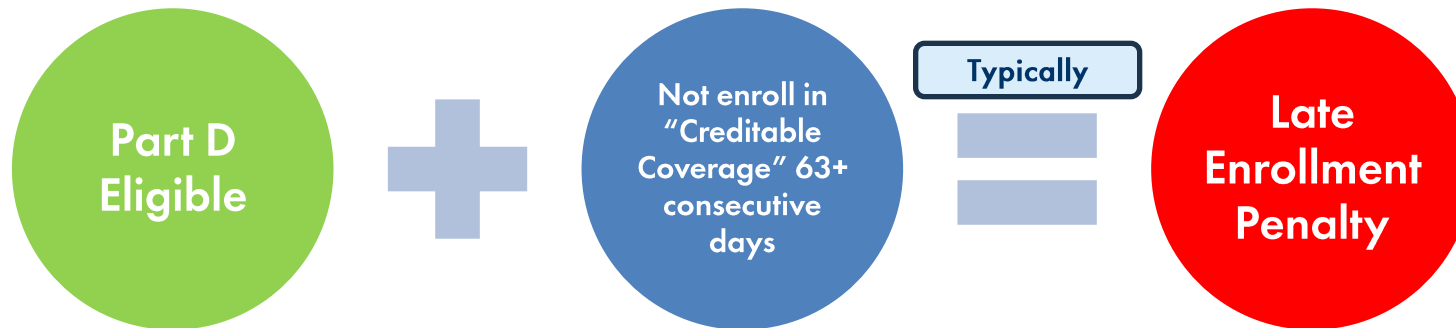


# 2025 PART D CHANGES

## CREDITABLE COVERAGE CHANGES



If a Part D eligible beneficiary is covered under a **group health plan**, including the Federal employee's health benefits program and qualified retiree prescription drug plans<sup>1</sup> as defined in section 1860D-22(a)(2) of the Act, coverage must be deemed creditable to avoid a Late Enrollment Penalty.

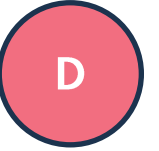


<sup>1</sup>CMS is required to pay a subsidy to sponsors of qualified retiree prescription drug plans that provide equivalent or better coverage than the actuarial value of standard prescription drug coverage, if they apply for an qualify

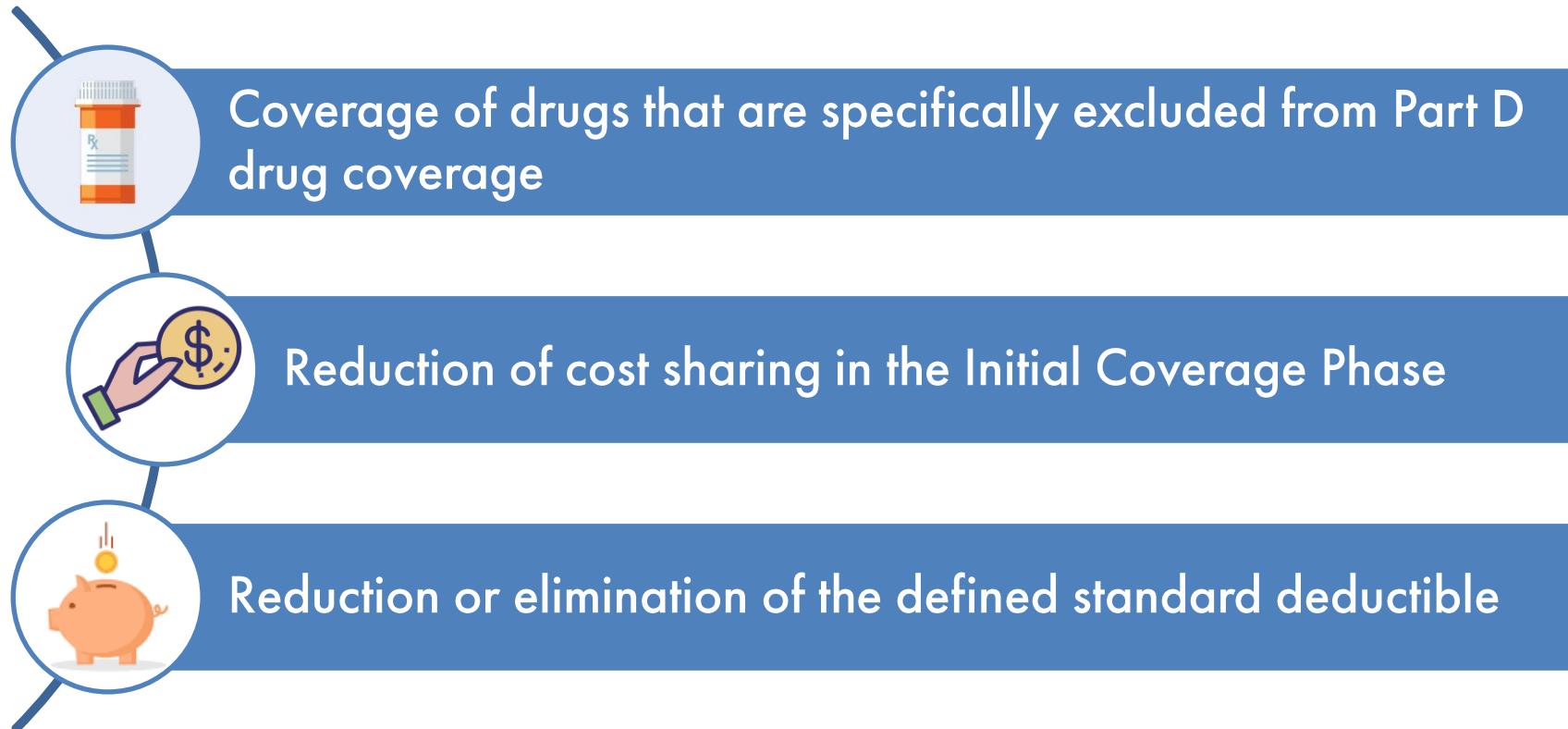


# 2025 PART D CHANGES

## CMS 2025 ENHANCED ALTERNATIVE (EA) BENEFIT DESIGN



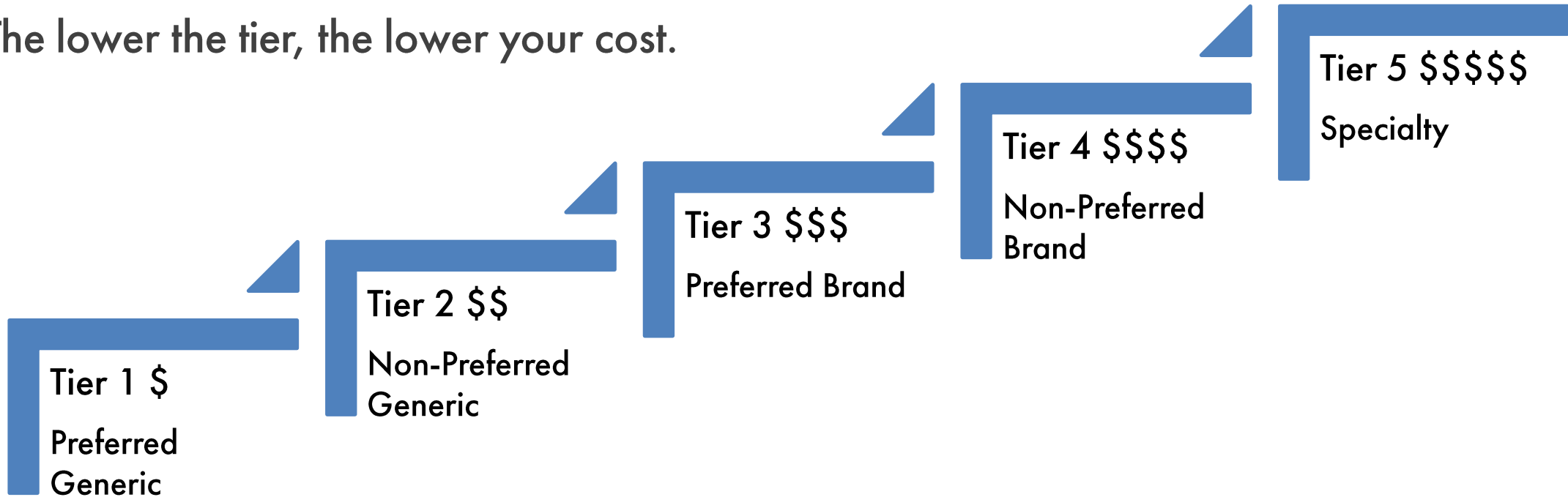
EA = Supplemental Drug Plan Benefits that exceed the defined standard  
Most prescription coverage on Medicare Advantage Prescription Drug Plans are enhanced alternative benefit design.



# PART D DRUG TIERS



- The majority of Part D plans have a formulary (approved list of drugs) and are classified into tiers based on brand vs generic, cost and risk.
- The lower the tier, the lower your cost.



\* Select plans may include a 6<sup>th</sup> tier

# PRESCRIPTION DRUG COVERAGE

D

## TrOOP (True Out-Of-Pocket Costs):

True out-of-pocket (TrOOP) costs are **incurred costs** that count toward your Medicare drug plan out-of-pocket threshold of \$2000 in 2025.

### Incurred costs determine when you:

- Become an **applicable beneficiary** and qualify for the Manufacturer Discount Program
- Reach the annual OOP threshold
- Enter the catastrophic coverage phase

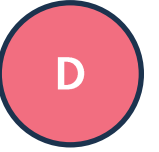
### To be included as an Incurred Cost drugs must:

- Be covered in formulary, or covered through a coverage determination, formulary exception or appeal
- Be purchased at an in-network pharmacy
- Be purchased at an out-of-network pharmacy in accordance with the plan's out-of-network policy



# 2025 PART D CHANGES

## TrOOP – TRUE OUT-OF-POCKET COSTS CHANGES



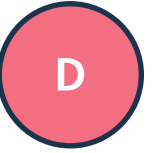
### Current Incurred Cost Include:

- Annual Deductible
- Initial Coverage Phase Cost Shares
- Costs borne or paid:
  - By Extra Help (Also Known as Low Income Subsidy)
  - Under a State Pharmaceutical Assistance Program
  - By family or friends on your behalf
  - By the Indian Health Service, an Indian tribe or tribal organization, or an urban Indian organization (as defined in section 4 of the Indian Health Care Improvement Act)
  - Under an AIDS Drug Assistance Program under part B of title XXVI of the Public Health Service Act.
  - Most charities (unless they're established, run, or controlled by your current or former employer or union or by a drug manufacturer's Patient Assistance Program operating outside Part D)



# 2025 PART D CHANGES

## TrOOP – TRUE OUT-OF-POCKET COSTS CHANGES



### New Incurred Cost for CY 2025:

- Supplemental Part D coverage provided by enhanced alternative (EA) Part D plans
- Supplemental coverage provided by Employer Group Waiver Plans
- Cost reductions in cost sharing for enrolled beneficiaries, such as:
  - reductions by Medicare-Medicaid Plans and D-SNPs
  - Center for Medicare and Medicaid Innovation model benefits that reimburse costs for covered Part D drugs (unless stated otherwise in a Request for Applications)



# 2025 PART D CHANGES

## TrOOP – TRUE OUT-OF-POCKET COSTS CHANGES



### How this impacts your costs

The greater cost of the Enhanced Alternative cost share or the Defined Standard cost share is what will count towards your True Out of Pocket Costs (TrOOP).

#### Example of How this Could work with your Plan

Enhance Alternative Benefit Plan	Cost
Actual Drug Cost	\$400
Defined Standard Cost Share (25%)	\$100
Your plan copay	\$40
What counts toward TrOOP	\$100

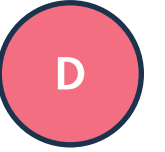
This could mean you spend less than the \$2000 Out-Of-Pocket Threshold and reach Catastrophic Coverage.

Which means no additional cost for Part D Covered Drugs for the rest of the plan year!



# 2025 PART D CHANGES

## TrOOP – TRUE OUT-OF-POCKET COSTS CHANGES



### Not Counted toward TrOOP

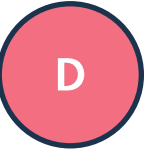
- Monthly Plan Premiums
- Share Paid by the Plan (Except Enhanced Alternative coverage)
- Non-formulary drugs
- Drugs purchased outside of the US and its territories
- Excluded drugs (Even if the plan covers them in a EA supplemental benefit)
- **Any manufacturer payments made under the Discount Program**
- Over-the-counter or most vitamins (even if they're required by the plan as part of step therapy)





# 2025 PART D CHANGES

## MANUFACTURER DISCOUNT PROGRAM (MDP /DISCOUNT PROGRAM)



### Medicare Part D Manufacturer Discount Program:

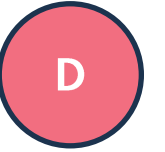
Successor to the Coverage Gap Discount Program. Under the Discount Program, participating manufacturers are required to provide discounts on their applicable drugs both in the **initial** and catastrophic coverage phases of the Part D benefit. There is no manufacturer discount provided during the deductible phase.

During the initial coverage phase, the manufacturer discounts are a reduction in your out-of-pocket expenses. This is why they do not count as "incurred costs" toward TrOOP. This can be through **Point-of-Sale discounts** or **Direct Member Reimbursements**



# 2025 PART D CHANGES

## MANUFACTURER DISCOUNT PROGRAM (MDP / DISCOUNT PROGRAM)



### Applicable Drugs

#### Brand Name Drugs Only!

- Covered, by the Plan, as a Part D Drug, but is not an excluded drug
- In The Plan's Approved List of Drugs (Formulary) or
- Covered through a Formulary Exception or Appeal
- FDA Approved or Licensed Biologic



# 2025 PART D CHANGES

## MANUFACTURER DISCOUNT PROGRAM (MDP /DISCOUNT PROGRAM)

D

### Non-Applicable Drugs

#### Drugs For:

- Anorexia, weight loss, or weight gain
- Promoting fertility (Infertility treatments)
- Cosmetic purposes or hair growth
- Symptomatic relief of cough and colds.
- Smoking cessation
- Prescription vitamins and mineral products, except prenatal vitamins and fluoride preparations.
- Nonprescription drugs<sup>1</sup>
- When the manufacturer requires associated tests or monitoring services be purchased exclusively from the manufacturer/designee as a condition of drug sale.
- Barbiturates.
- Benzodiazepines
- Sexual/Erectile dysfunction<sup>2</sup>

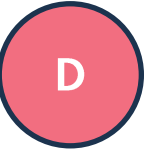
<sup>1</sup>except, in the case of pregnant women when recommended in accordance with the Guideline referred to in section 1905(bb)(2)(A), agents approved by the Food and Drug Administration under the over-the-counter monograph process for purposes of promoting, and when used to promote, tobacco cessation.

<sup>2</sup>unless such agents are used to treat a condition, other than sexual or erectile dysfunction, for which the agents have been approved by the Food and Drug Administration.



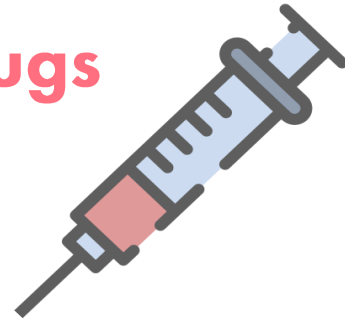
# 2025 PART D CHANGES

## MANUFACTURER DISCOUNT PROGRAM (MDP / DISCOUNT PROGRAM)

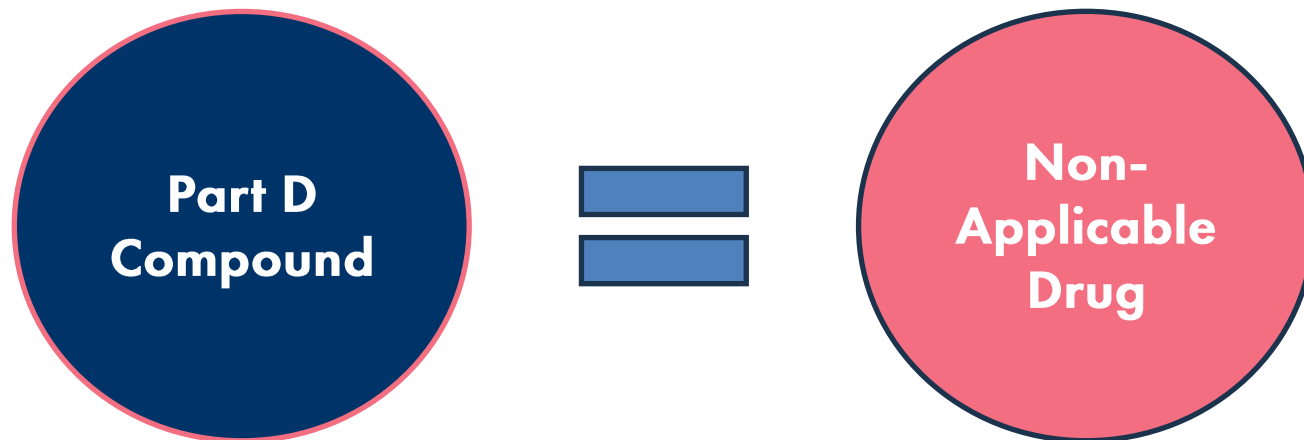


### Non-Applicable Drugs

### Part D Compounds.

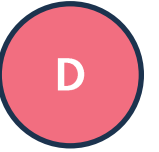


Compound Drugs are ALWAYS considered non-applicable, even if one or more drug components in the compound are considered applicable.



# 2025 PART D CHANGES

## MEDICARE PRESCRIPTION PAYMENT PLAN

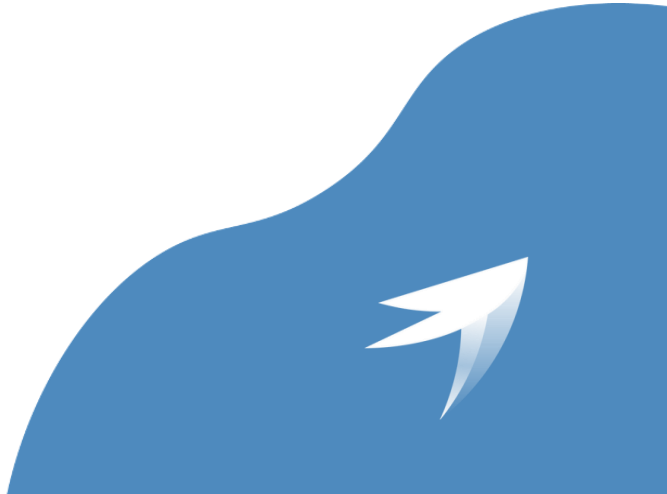
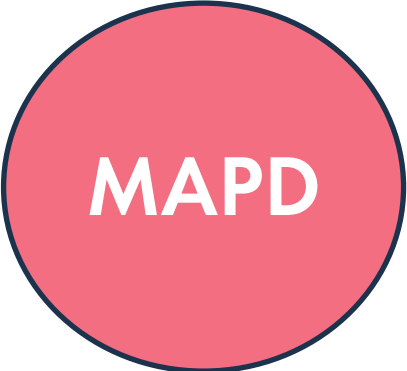


Beginning in 2025, the prescription drug law requires all Medicare prescription drug plans (Medicare Part D plans) — including both standalone Medicare prescription drug plans and Medicare Advantage plans with prescription drug coverage — to offer Part D enrollees the option to pay out-of-pocket prescription drug costs in the form of capped monthly payments instead of all at once at the pharmacy.

Who is eligible? – Anyone with Part D



OR



# 2025 PART D CHANGES

## MEDICARE PRESCRIPTION PAYMENT PLAN

All Pharmacy Types are Included

Retail

Mail  
Order

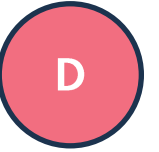
Specialty

Home  
Infusion

Long-Term  
Care

# 2025 PART D CHANGES

## MEDICARE PRESCRIPTION PAYMENT PLAN



When does the Medicare Prescription Payment Plan begin?

**January 1, 2025**

When can Part D enrollees start opting-in?

**October 15, 2024**

What other times can Part D enrollees opt into the Medicare Prescription Payment Plan?

**Prior to the beginning of a plan year  
or in any month during a plan year**

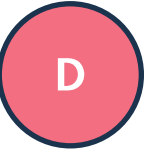
**Opt-In Request Carrier Processing**

Received Prior to Plan Year = 10 days to process

Received During Plan Year = 24 HOURS

# 2025 PART D CHANGES

## MEDICARE PRESCRIPTION PAYMENT PLAN



You must choose to “Opt-In” if you wish to participate  
You will NOT be auto-enrolled into the Medicare prescription payment plan

**You must Opt-In to participate**

How to “Opt-In”



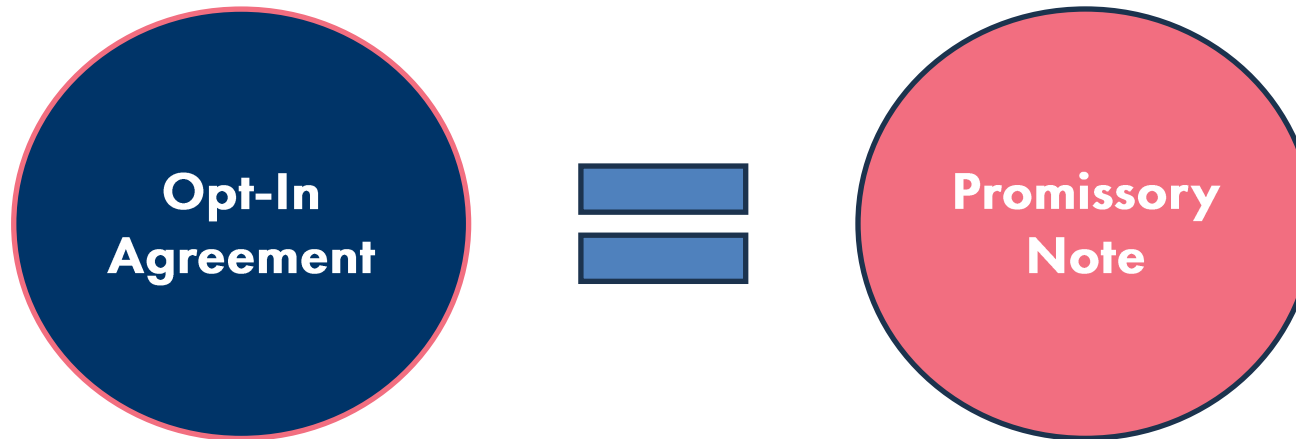


# 2025 PART D CHANGES

## MEDICARE PRESCRIPTION PAYMENT PLAN

D

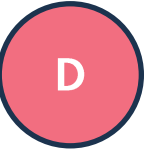
Agreement with your Part D Sponsor to **finance** your prescriptions at no cost\* and bill you in a monthly statement.



\*No interest or fees can be added to your prescription costs.

# 2025 PART D CHANGES

## MEDICARE PRESCRIPTION PAYMENT PLAN



How much will the Part D Enrollee Pay?

**\$0**

**At the Point of Sale (POS) / The Pharmacy**

Once opted-in, you will no longer have the option to pay at the POS.

Instead, you will receive a monthly bill (separate from any PDP/MAPD premium) from your carrier for up to their monthly maximum cap.

**Monthly Max Cap likely to vary by enrollee and by month**

# 2025 PART D CHANGES

## MEDICARE PRESCRIPTION PAYMENT PLAN

D

The  
Program  
Does  
NOT

Save you money.  
Change how you move through the coverage phases.  
Change what counts toward TrOOP.

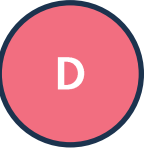
You can **never** be billed more than the monthly max cap.  
You have the **option** to pay more or pay the balance in full.

An Extended Supply Prescription's (90-100 day fills) entire out-of-pocket cost share counts toward the month you fills it. For example, if you have \$300 in OOP costs incurred for a 90-day supply dispensed in January, the full \$300 will be counted as incurred in January.

# 2025 Part D Changes

## Medicare Prescription Payment Plan

### Formulas for Maximum Cap Payments



**First Month Maximum Cap Bill =**

Annual OOP Threshold (\$2000 in 2025)



Any prescription costs the enrollee has already paid out of their pocket that count toward TrOOP

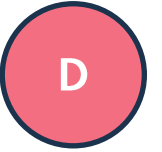
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The number of month remaining in the year



# 2025 Part D Changes

## Medicare Prescription Payment Plan



### Formula for Maximum Cap Payments

**Subsequent Month Maximum Cap Bill =**

Current M3P OOP Remaining Balance  
Due



New OOP Incurred Cost in the Month

---

The number of month remaining in the year



# 2025 Part D Changes

## Medicare Prescription Payment Plan

### Who will this program benefit?



Mr. Anderson\* takes mostly generic prescriptions that he fills each month. He is enrolled in a \$0 HMO MAPD plan in his area. His plan has \$0 Deductible and a Tiered Cost Share Benefit.

Prescription Name	Dosage	Quantity	Type	Tier	Retail Cost	Plan Copay*	OOP Responsibility
Levothyroxine	112mcg	30/30	tablet	Tier 1 - Preferred Generic	\$8.60	\$0	\$0
Nortriptyline HCL	10mg	60/30	capsule	Tier 4 - Non-Preferred Brand	\$11.07	\$60	\$7.26
Omeprazole DR	40mg	30/30	capsule	Tier 1 - Preferred Generic	\$3.96	\$0	\$0
Methocarbamol	500mg	30/30	tablet	Tier 2 - Generic	\$1.85	\$0	\$0
Escitalopram	5mg	90/90	tablet	Tier 1 - Preferred Generic	\$25.80	\$0	\$0
Bupropion HCL XL	150mg	30/30	tablet	Tier 3 - Preferred Brand	\$12.65	\$30	\$3.76

\*Copays are an "at most" cost share

\*Real Example Prescription Costs. Names are pseudonyms.

# 2025 Part D Changes

## Medicare Prescription Payment Plan

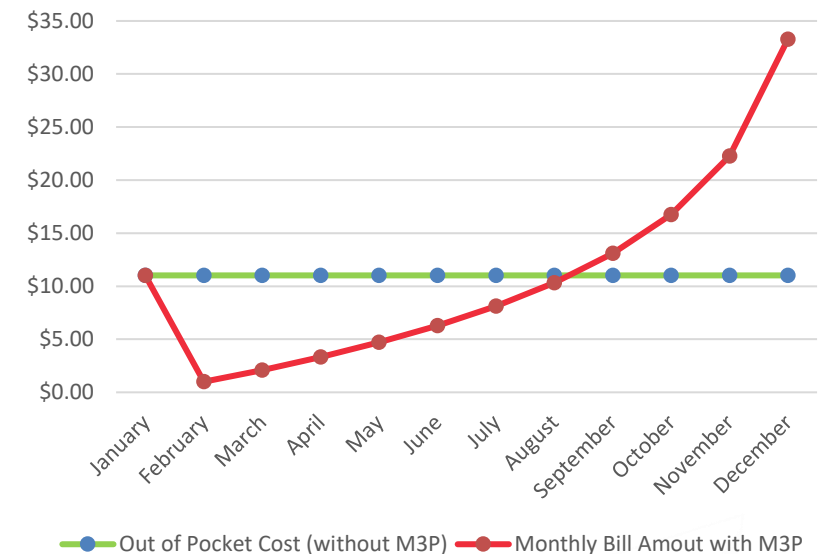
Who will this program benefit?



Mr. Anderson pays the same cost share each month. He is **not likely to benefit** from the M3P.

Month	Out of Pocket Cost (without M3P)	Maximum Monthly Cap	Monthly Bill Amount	Balance in M3P
January	\$11.02	\$166.67	\$11.02	\$0.00
February	\$11.02	\$1.00	\$1.00	\$10.02
March	\$11.02	\$2.10	\$2.10	\$18.94
April	\$11.02	\$3.33	\$3.33	\$26.63
May	\$11.02	\$4.71	\$4.71	\$32.94
June	\$11.02	\$6.28	\$6.28	\$37.68
July	\$11.02	\$8.12	\$8.12	\$40.58
August	\$11.02	\$10.32	\$10.32	\$41.28
September	\$11.02	\$13.08	\$13.08	\$39.22
October	\$11.02	\$16.75	\$16.75	\$33.49
November	\$11.02	\$22.26	\$22.26	\$22.25
December	\$11.02	\$33.27	\$33.27	\$0.00
Total OOP Cost	\$132.24		\$132.24	

Mr. Anderson's Drug Costs w and w/o M3P



# 2025 Part D Changes

## Medicare Prescription Payment Plan

### Who will this program benefit?



Ms. Jones\* takes high-cost drugs and fills them in a 90-day supply, early in the year. She is enrolled in a Stand-alone PDP plan in her area. Her plan has \$35.90 monthly premium, a \$590 Deductible and a Tiered Cost Share Benefit.

Prescription Name	Dosage	Quantity	Type	Tier	Retail Cost	Plan Cost Share*	OOP Responsibility
Ozempic	1	3 boxes	injection	Tier 3 - Preferred Brand	\$2,859.06	20%	\$571.81 (\$1043.81 1st Fill)
Metformin	1000	180/90	tablet	Tier 1 - Preferred Generic	\$5.40	\$6	\$5.40
Jardiance	25mg	90/90	tablet	Tier 3 - Preferred Brand	\$1,803.97	20%	\$360.79
Fluoxetine	20mg	90/90	tablet	Tier 2 - Generic Drugs	\$6.05	\$11	\$6
Lisinopril	10mg	90/90	tablet	Tier 1 - Preferred Generic	\$12.33	\$6	\$6
Atorvastatin	40 mg	90/90	tablet	Tier 1 - Preferred Generic	\$12.28	\$6	\$6
Bupropion Hcl XL	150 mg	90/90	tablet	Tier 2 - Generic Drugs	\$3.02	\$11	\$3.02
Estradiol	0.0001	90days	patch	Tier 4 - Non-Preferred Brand	\$78.24	40%	\$31.30

\*Plan cost shares are "at most". Based on a 30-day supply, after \$590 deductible.

\*Real Example Prescription Costs. All names are pseudonyms.



# 2025 Part D Changes

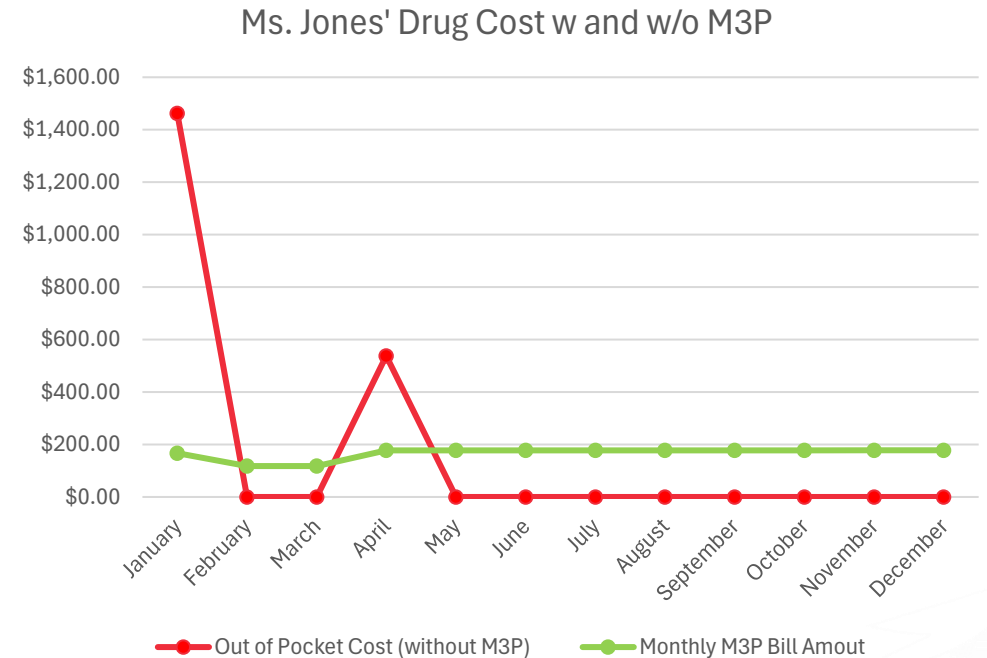
## Medicare Prescription Payment Plan

### Who will this program benefit?



Ms. Jones pays high costs at the beginning of the year. She is **likely to benefit** from the M3P.

Month	Out of Pocket Cost (without M3P)	Maximum Monthly		Balance in M3P
		Monthly Cap	M3P Bill Amount	
January	\$1,462.37	\$166.67	\$166.67	\$1,295.70
February	\$0.00	\$117.79	\$117.79	\$1,177.91
March	\$0.00	\$117.79	\$117.79	\$1,060.12
April	\$537.63	\$177.53	\$177.53	\$1,420.22
May	\$0.00	\$177.53	\$177.53	\$1,242.69
June	\$0.00	\$177.53	\$177.53	\$1,065.16
July	\$0.00	\$177.53	\$177.53	\$887.63
August	\$0.00	\$177.53	\$177.53	\$710.10
September	\$0.00	\$177.53	\$177.53	\$532.57
October	\$0.00	\$177.53	\$177.53	\$355.04
November	\$0.00	\$177.52	\$177.52	\$177.52
December	\$0.00	\$177.52	\$177.52	\$0.00
<b>Total OOP</b>	<b>\$2,000.00</b>		<b>\$2,000.00</b>	



# 2025 Part D Changes

## Medicare Prescription Payment Plan

Who will this program benefit?



Mrs. Darcy\* takes multiple drugs and fills them in a 90-day supply. She is enrolled in a Part B Give Back \$0 HMO MAPD Plan. Mrs. Darcy has Extra Help (LIS). She does not qualify for a MSP.

Prescription Name	Dosage	Quantity	Type	Tier	Retail Cost	Plan Cost Share*	OOP Responsibility**
Amlodipine	2.5mg	90/90	tablet	Tier 1 - Preferred Generic	\$0.89	\$0.00	\$0.00
Atorvastatin	20mg	90/90	tablet	Tier 1 - Preferred Generic	\$5.79	\$0.00	\$0.00
Atorvastatin	40mg	90/90	tablet	Tier 1 - Preferred Generic	\$7.95	\$0.00	\$0.00
Cevimeline	30mg	90/90	tablet	Tier 4 - Non-Preferred Brand	\$147.90	\$210.00	\$4.50
Clopidogrel	75mg	90/90	tablet	Tier 1 - Preferred Generic	\$12.00	\$0.00	\$0.00
Ezetimibe	10mg	90/90	tablet	Tier 1 - Preferred Generic	\$10.83	\$0.00	\$0.00
Irbesartan	300mg	90/90	tablet	Tier 1 - Preferred Generic	\$36.30	\$0.00	\$0.00
Levothyroxine	100mcg	90/90	tablet	Tier 1 - Preferred Generic	\$9.75	\$0.00	\$0.00
Pantoprazole	40mg	90/90	tablet	Tier 1 - Preferred Generic	\$4.35	\$0.00	\$0.00
Pregabalin	100mg	90/90	capsule	Tier 3 - Preferred Brand	\$19.30	\$90.00	\$4.50
Ventolin HFA	90mcg/actuation	9 inhalers/90	inhaler	Tier 3 - Preferred Brand	\$214.70	\$90.00	\$11.20

\*Plan cost shares are "at most". Based on a 90-day supply, after \$590 deductible.

\*\*Based on LIS Rider Cost Shares.

\*Real Example Prescription Costs. All names are pseudonyms.

# 2025 Part D Changes

## Medicare Prescription Payment Plan

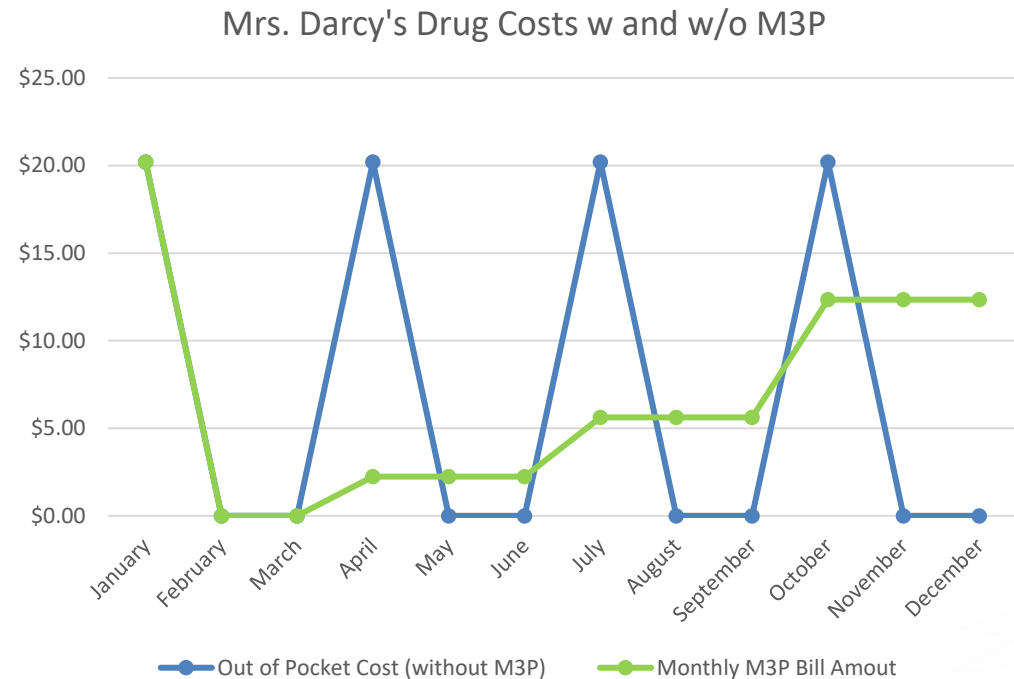
### Who will this program benefit?



If Mrs. Darcy fills her prescriptions in a 90-day supply, She **may benefit** from the M3P.

It will depend on her desire and ability to pay an additional bill each month and spread her cost through the year.

Month	Out of Pocket Cost (without M3P)	Maximum Monthly Cap	Monthly Bill Amout	Balance in M3P
January	\$20.20	\$166.67	20.20	\$0.00
February	\$0.00	\$0.00	0.00	\$0.00
March	\$0.00	\$0.00	0.00	\$0.00
April	\$20.20	\$2.24	2.24	\$17.96
May	\$0.00	\$2.24	2.24	\$15.71
June	\$0.00	\$2.24	2.24	\$13.47
July	\$20.20	\$5.61	5.61	\$28.06
August	\$0.00	\$5.61	5.61	\$22.44
September	\$0.00	\$5.61	5.61	\$16.83
October	\$20.20	\$12.34	12.34	\$24.69
November	\$0.00	\$12.34	12.34	\$12.34
December	\$0.00	\$12.34	12.34	\$0.00
<b>Total OOP</b>	<b>\$80.80</b>		<b>80.80</b>	



# 2025 Part D Changes

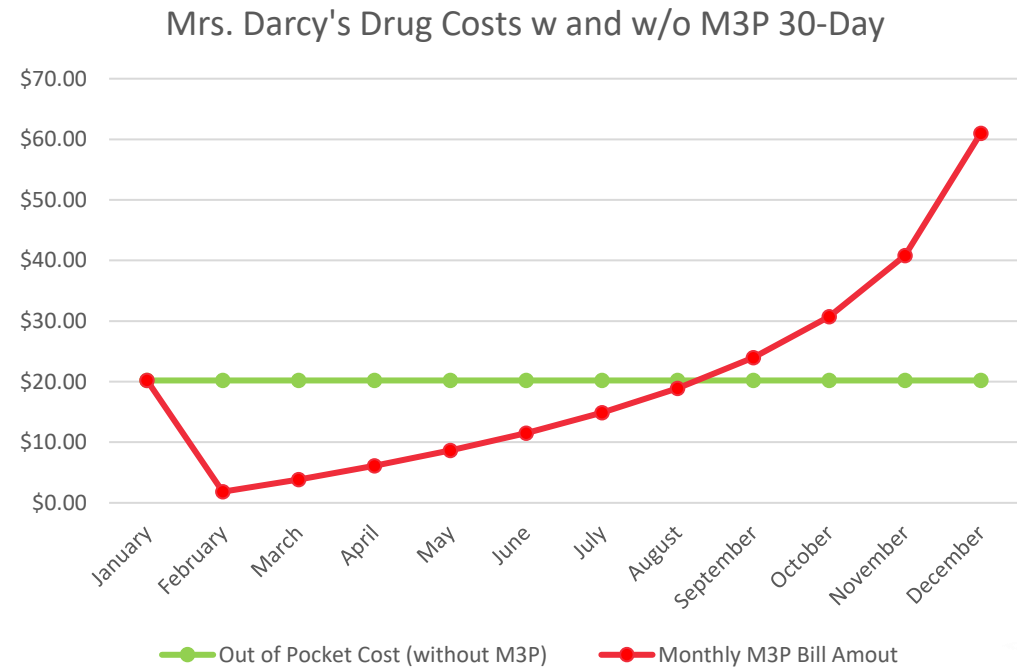
## Medicare Prescription Payment Plan

Who will this program benefit?



If Mrs. Darcy fills her prescriptions in a 30-day supply, She is **not likely benefit** from the M3P.

Month	Out of Pocket Cost (without M3P)	Maximum Monthly Cap	Monthly Bill Amout	Balance in M3P
January	\$20.20	\$166.67	20.20	\$0.00
February	\$20.20	\$1.84	1.84	\$18.36
March	\$20.20	\$3.86	3.86	\$34.71
April	\$20.20	\$6.10	6.10	\$48.81
May	\$20.20	\$8.63	8.63	\$60.38
June	\$20.20	\$11.51	11.51	\$69.07
July	\$20.20	\$14.88	14.88	\$74.39
August	\$20.20	\$18.92	18.92	\$75.67
September	\$20.20	\$23.97	23.97	\$71.90
October	\$20.20	\$30.70	30.70	\$61.40
November	\$20.20	\$40.80	40.80	\$40.80
December	\$20.20	\$61.00	61.00	\$0.00
Total OOP	\$242.40		242.40	



# 2025 PART D CHANGES

## MEDICARE PRESCRIPTION PAYMENT PLAN

### Sample Medicare Maximum Cap Payments – Mid-Year Opt-In

Not in M3P. Paid at POS  
 \$600 Rx Trigger of a  
 “Likely to Benefit Notice”  
 And M3P Opt-In

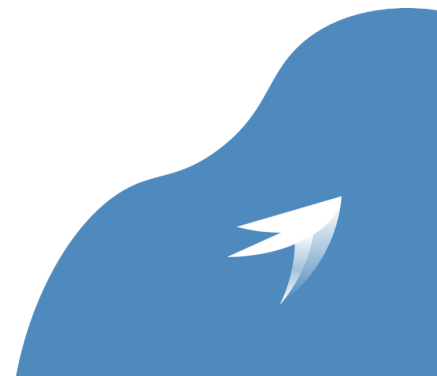
Month	OOP Costs Incurred (W/O M3P)	Maximum Monthly Cap	Monthly Participant Payment
January	\$4.00	N/A	\$4.00*
February	\$4.00	N/A	\$4.00*
March	\$4.00	N/A	\$4.00*
April	\$617.00	\$220.89	\$220.89
May	\$4.00	\$50.01	\$50.01
June	\$4.00	\$50.59	\$50.59
July	\$124.00	\$71.25	\$71.25
August	\$4.00	\$72.05	\$72.05
September	\$4.00	\$73.05	\$73.05
October	\$124.00	\$114.39	\$114.39
November	\$4.00	\$116.39	\$116.39
December	\$4.00	\$120.38	\$120.38
<b>TOTAL</b>	<b>\$901.00</b>		<b>\$901.00</b>

First Monthly Cap  
 \$2000 (2025 TrOOP)  
 -\$12 (spent OOP) /  
 9 months remaining in  
 the year.

Subsequent Monthly Cap  
 \$396.11 (M3P Balance)  
 + \$4 (New OOP \$) /  
 8 months remaining in  
 the year

Payments escalate to their  
 highest in November  
 and December

\*These payments were made directly to the pharmacy, outside of the Medicare Prescription Payment Plan.



# 2025 Part D Changes

## Key Takeaways on the Medicare Prescription Payment Plan (M3P)

- 1 If you have high drug costs towards the first half of the year or have a high drug cost that you might have difficulty affording, you may benefit from opting-in to the M3P/MPPP. These beneficiaries should be well-educated on costs prior to filling their prescriptions.
- 2 If you have the same drug cost each month, stable costs throughout the year or are eligible for LIS or Medicaid, you may experience a **“Balloon mortgage”** type of payment structure in the M3P. You are not likely to benefit from opting-in the M3P.
- 3 If point 3 applies to you, M3P payments are likely to be higher in NOVEMBER/DECEMBER.
- 4 Review your prescription costs and the Medicare Prescription Payment Plan with your agent or Part D Plan to determine if it right for you.



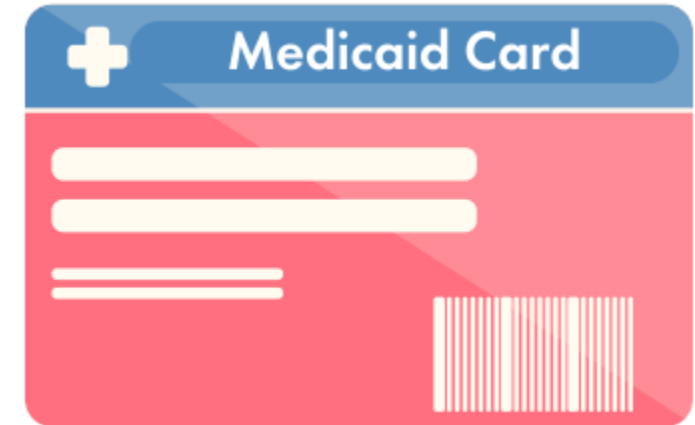
# MEDICAID & PART D: ASSISTANCE

## Medicaid

- Dual-eligible (Medicare & Medicaid)
- Other partial levels of Medicaid
- Reduced copayments, coinsurance, premiums, etc.

## Extra Help

- Also called, Low Income Subsidy (LIS)
- Reduced copayments, coinsurance, and premiums on drug costs.



Contact Social Security (1-800-772-1213) or visit [www.ssa.gov](http://www.ssa.gov) to apply.



# PART C & D: ENROLLMENT PERIODS

## Initial Enrollment Period (IEP)

- When you first become eligible for Medicare Part A & B (usually 65th birthday), you are eligible to enroll in a Medicare Advantage or Prescription Drug Plan
- This 7-month enrollment period includes the 3 months before your birthday, the month of your birthday, and the 3 months after

## Annual Election Period (AEP)

- October 15th – December 7th
- You may add, drop, or switch a Medicare Advantage plan or PDP plan annually
- The last application Medicare receives by December 7th will provide coverage effective January 1st





# PART C & D: ENROLLMENT PERIODS

## Special Enrollment Period (SEP)

A Special Enrollment Period (SEP) is based on special circumstances, allowing enrollment in a plan outside of the AEP.

Examples of situations resulting in a SEP include:

- Change in residence
- Involuntary loss of credible drug coverage
- Exceptional conditions such as
  - Gaining or losing Medicaid eligibility or Part D low-income subsidy
  - Changing employer/union group sponsored MA coverage
  - Enrollment based on incorrect or misleading information
  - Non-U.S. citizens who become lawfully present in the United States
  - Individuals who dropped a Medigap policy when they enrolled for the first time in an MA plan, and who are still in a “trial period”
  - Individuals with certain chronic conditions who wish to enroll in a qualifying SNP

**There may be other circumstances that qualify you for a SEP.**

**Reach out to your agent to discuss your specific situation.**



# PART C & D: ENROLLMENT PERIODS

## Medicare Advantage Open Enrollment Period (OEP)

- January 1st – March 31st
- You have the opportunity to:
  - Switch to a different Medicare Advantage plan
  - Drop your Medicare Advantage plan and return to Original Medicare, Part A and Part B
  - Sign up for a stand-alone Medicare Part D Prescription Drug Plan (if you return to Original Medicare)
  - Enroll into a supplement (medical underwriting may be required)



# PART C & D: QUALITY OF PLANS

The Medicare Program grades all health and prescription drug plans each year on overall performance based on member satisfaction surveys and health care provider data. This overall rating is called the plan's "Star Rating".

Examples of the areas covered by this rating include:

- How well a plan helps manage members with critical illnesses.
- How members rate their plan's services and care.
- How plans and their providers engage members in using preventive care.

Beneficiaries have a once-a-year SEP to transfer to a 5-star rated plan if there is one available in their service area.



# EMPLOYER SPONSORED RETIREE PLANS

- Retirees are often provided with information at retirement through their Human Resources department or benefits administrator.
- Retirement plans may include Medicare Supplement or Medicare Advantage Plan\* options.
- Retirees should verify their health care providers are accepted and prescriptions are covered by retiree plan offered.
- Plans may include creditable drug coverage.
- You will receive a letter advising you if your plan has creditable coverage to Part D. It is important to keep this letter as you may need it later.

\*Also called Employer Group Waiver Plans (EGWP)



# MEDICARE PLAN SELECTION POINTERS



Are your primary care doctor and specialists in the plan's network?



Does your selected plan meet your personal and financial needs?



Should you choose to travel, will the plan provide adequate coverage?



Do you understand the prescription drug formulary? Does the plan cover your medications?



# AGENT SELECTION POINTERS



Do they represent more than one company, or do they only represent a single insurance carrier?



Do they specialize in Medicare?



Are they kind, thoughtful and thorough when helping you evaluate your options?



Do they review all the Medicare Plan Selection Pointers?



# RESOURCES & CONTACT



- 800-MEDICARE (800-633-4227)  
TTY: 877-486-2048
- State Health Insurance Assistance Programs (SHIP)
- Visit [www.medicare.gov](http://www.medicare.gov)
- To find us go to:  
<https://guidedolutions.com/medicare>





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