MEDICARE CHANGES 2020

Leslie Fried
Ann Kayrish
November 8, 2019

ncoa
National Council on Aging

Improving the lives of 40 million older adults by 2030

Agenda

- Costs in 2020
  - Parts A, B, C & D
  - IRMAA
- Landscape of plans: MA & Part D
- 2020 benefit changes for Medicare Part B and C
- 2020 benefit changes for Medicare Part D
- Medicare plan finder update
- Special Enrollment for those affected by weather related emergencies
- Equitable Relief
- Resources

Medicare Costs in 2020: Part A Cost Comparison

	2019	2020
Part A Deductible	$1,364	$1,408
Hospital Copay/day 61-90	$341	$352
Hospital Copay/day 91-150	$682	$704
SNF Copayment/day 21-100	$170.50	$176
Part A Premium/month Less than 30 credits	$437	$458
Between 30-39 credits	$240	$252

Medicare Premium and Cost Sharing Chart: https://www.ncoa.org/wp-content/uploads/medicare-premiums-and-cost-sharing-amounts-chart.pdf

2020 Part B Deductible and Premiums

- Part B deductible - $198 (up from $185 in 2019)

- Standard monthly Part B premium - $144.60 (up from $135.50 in 2019)

- The 1.6% increase in Social Security benefits will cover the increase in premiums for most people

- A small percentage of Medicare beneficiaries pay below the standard monthly Part B premium due to the statutory "hold harmless" provision

https://www.cms.gov/newsroom/fact-sheets/2019-medicare-parts-b-premiums-and-deductibles
https://www.ssa.gov/news/press/factsheets/colafacts2020.pdf
https://blog.medicarerights.org/social-security-administration-releases-2020-cost-of-living-adjustment/

ncoa
National Council on Aging

IRMAA (Income Related Monthly Adjustment Amounts)

Based on income above established thresholds:

- Fewer than 5% pay a higher premium
- Same thresholds are used to compute IRMAA for Parts B & D
- Income as reported on your IRS tax return 2 years ago (2018)
- Beginning in 2020 income thresholds will be adjusted for inflation

Reminder: In 2019, a sixth tier has been added to the IRMAA brackets for highest income beneficiaries $500,000/$750,000 covering 85% of Medicare premium

https://www.ncoa.org/wp-content/uploads/medicare-parts-a-and-b.pdf

https://www.cms.gov/Medicare/HealthPlans/MedicareAdvtgSpecRateStats/Downloads/PartDIRMAA2020.pdf

National Council on Aging

2020 Standard Drug Benefit

Benefit Parameters	2020	2019
Deductible	$435	$415
Initial Coverage Limit	$4,020	$3,820
Out of Pocket (OOP) Threshold	$6,350	$5,100
Catastrophic OOP Threshold	$9,719.38	$7,653.75
Minimum Cost-Sharing in Catastrophic Coverage	$3.60/$8.95	$3.40/$8.50
Extra Help Copayments	**2020**	**2019**
Institutionalized	$0	$0
Receiving Home and Community-Based Services	$0	$0
Up to or at 100% Federal Poverty Level (FPL)	$1.30/$3.90	$1.25/$3.80
Full Extra Help – up to 135% FPL	$3.60/$8.95	$3.40/$8.50
Partial Extra Help (Deductible/Cost-Sharing)	$89/15%	$85/15%

2020 Part C and D call letter and final rule.

National Council on Aging

Who Pays What Under Part D in 2020

WHO PAYS WHAT UNDER PART D IN 2020

BENEFICIARY | PLAN | DRUG MANUFACTURERS | GOVERNMENT

DEDUCTIBLE — Up to $435

INITIAL COVERAGE (Up to $4,020 spent in total) — 25% of drug costs / 75% of drug costs

FORMER COVERAGE GAP ("Donut Hole") (Up to $5018.75 spent during this period)
GENERICS — 25% / 75%
BRAND-NAME DRUGS — 25% / 5% / 70%

CATASTROPHIC BENEFIT PERIOD (beneficiary's total out-of-pocket costs hit $6,350 for year) — 5% co-insurance / 15% / 80%
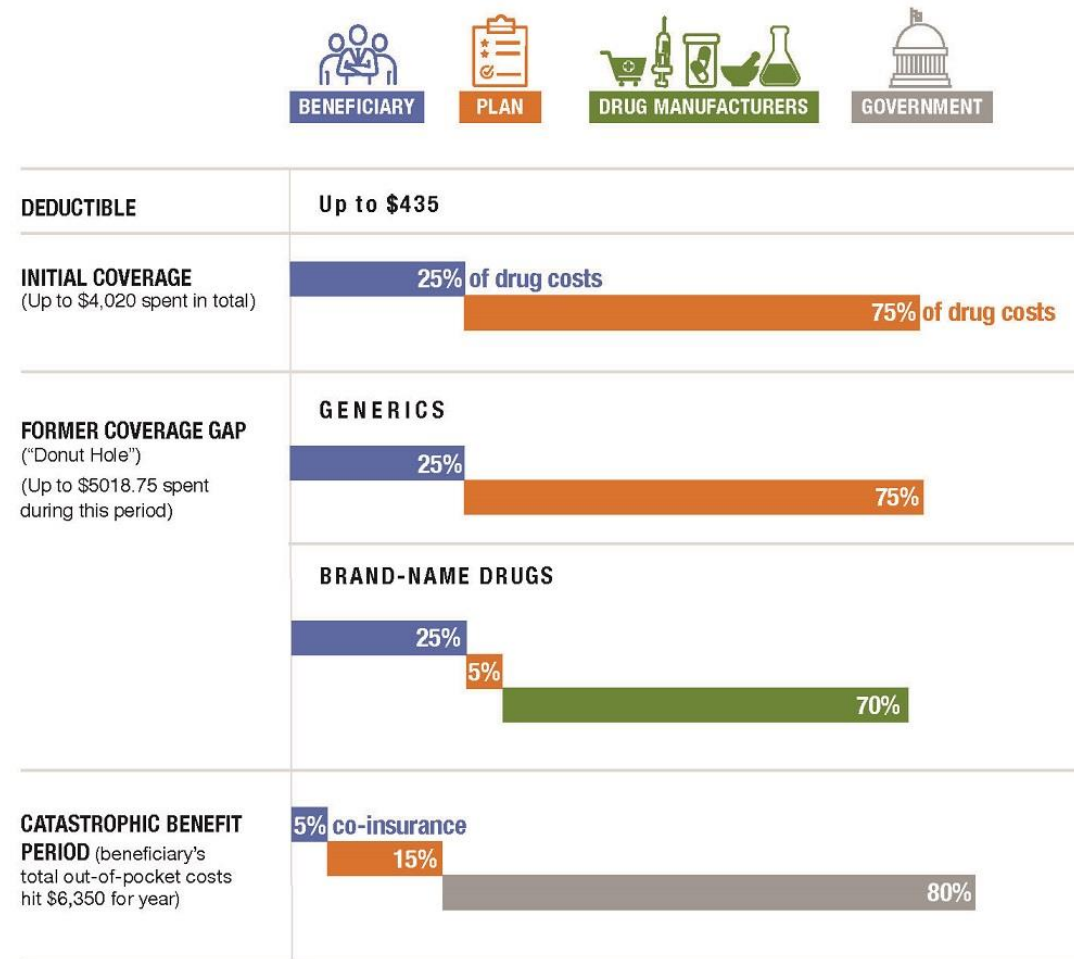
2020 Coverage Gap Components

	Brand Name		Generic Drug	
	Percentage	Counts to TrOOP?	Percentage	Counts to TrOOP?
Manufacturer discount	70%	Yes	NA	NA
Plan pays	5%	No	75%	No
Beneficiary pays	25%	Yes	25%	Yes

https://www.ncoa.org/resources/medicare-part-d-cost-sharing-chart/

What Payments Count Toward TrOOP?

Payments That Count	Payments That Don't Count
▪ Payments made by you, your family members, or friends ▪ Qualified State Pharmacy Assistance Programs ▪ Medicare's Extra Help ▪ Most charities (not if established or run by employer/union) ▪ Indian Health Service ▪ AIDS Drug Assistance Programs ▪ *The discount you get on covered **brand-name drugs** in the coverage gap	▪ Your monthly plan premium ▪ Share of the drug cost paid by your Medicare drug plan ▪ Group Health Plans (including employer/union retiree coverage) ▪ Government-funded programs (including Medicaid, TRICARE, VA) ▪ Patient Assistance Programs ▪ Other third-party payment arrangements ▪ Other types of insurance

2020 Part D Plan Landscape

- Average beneficiary will have on average 28 PDPs to choose from in 2020 (not including U.S. territories)

- 5% increase in the number of PDPs available across the country

- Average plan premium reported from $30.00 - $41.40

- $12.80 lowest plan premium (CA)

- $191.40 highest plan premium (SC)

https://www.cms.gov/sites/default/files/2019-09/09-24-2019Landscape%20State-bystate

https://www.cms.gov/newsroom/press-releases/trump-administration-drives-down-medicare-advantage-and-part-d-premiums-seniors

2020 Part D Plan Landscape (cont.)

- 244 plans will be available for enrollment of LIS beneficiaries for no premium, a 13% increase over 2019
- OH has the fewest benchmark plans with 2
- AZ has the most benchmark plans with 12
- WI has the highest benchmark premium at $39.91
- TX has the lowest benchmark premium at $20.78

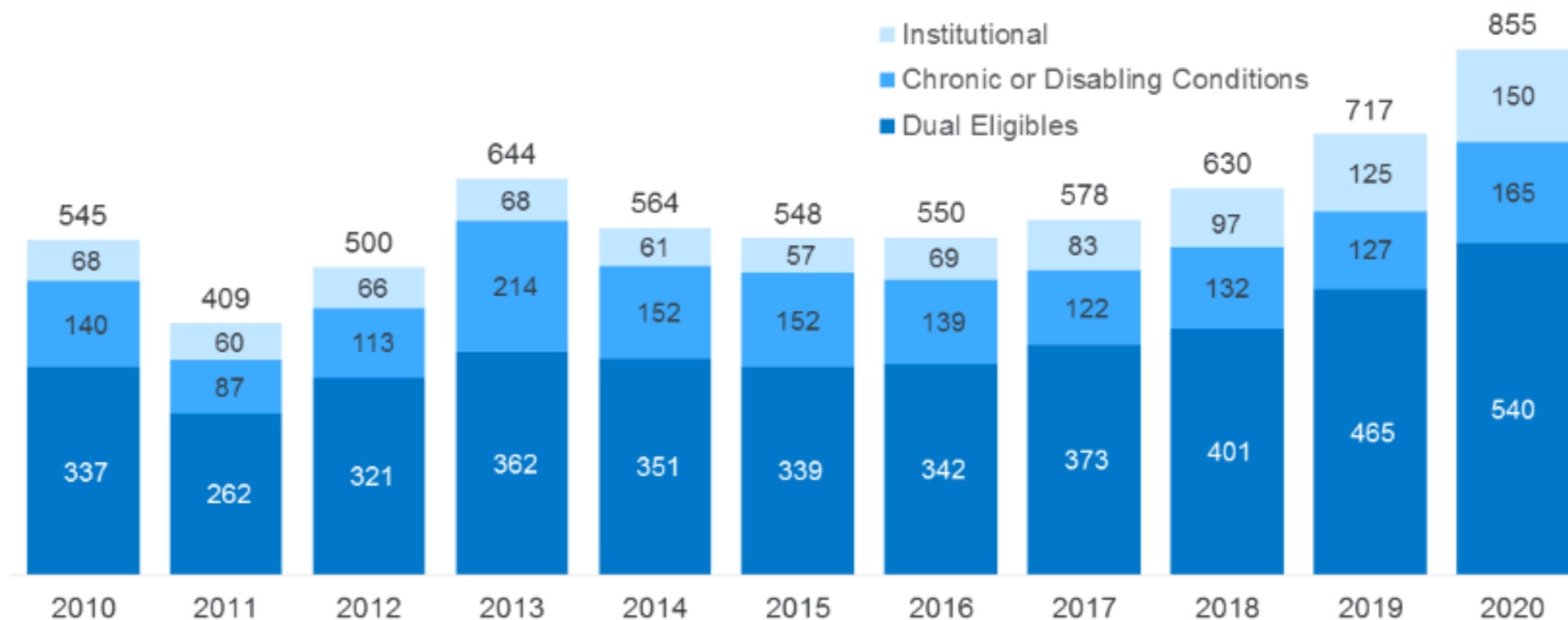https://www.cms.gov/sites/default/files/2019-09/09-24-2019Landscape%20State-bystate

2020 Medicare Advantage (MA) Landscape

- 15% increase in the number of Medicare Advantage plans since 2019. Total = 3,148 largest number of plans ever available
- Average Medicare beneficiary has access to 28 MA plans
  - 77 (2.4%) counties have no MA plans
  - 189 counties (6%) 2 or fewer MA plans
  - 314 counties (10%) 30 or more MA plans
- Medicare Advantage (MA-PD) average premium submitted by health plans for 2020 was $36
- 13 new sponsors entering MA market for first time; one insurer left the MA market

Source: Kaiser Family Foundation https://www.kff.org/medicare/issue-brief/medicare-advantage-2020-spotlight-first-look/

More than 850 Special Needs Plans will be offered in 2020

Number of Special Needs Plans (SNPs), by plan type, 2010-2020

Legend:
- Institutional
- Chronic or Disabling Conditions
- Dual Eligibles

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total	545	409	500	644	564	548	550	578	630	717	855
Institutional	68	60	66	68	61	57	69	83	97	125	150
Chronic or Disabling Conditions	140	87	113	214	152	152	139	122	132	127	165
Dual Eligibles	337	262	321	362	351	339	342	373	401	465	540

NOTE: Includes only Special Needs Plans.
SOURCE: Kaiser Family Foundation analysis of CMS's Landscape Files for 2010 – 2020.

KFF
HENRY J KAISER
FAMILY FOUNDATION

Most Medicare Advantage plans provide fitness and vision benefits but much fewer provide in-home or caregiver support
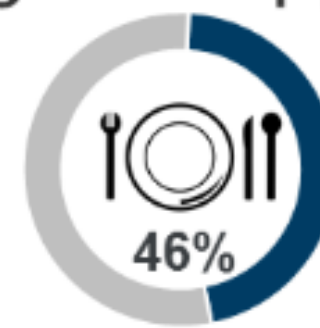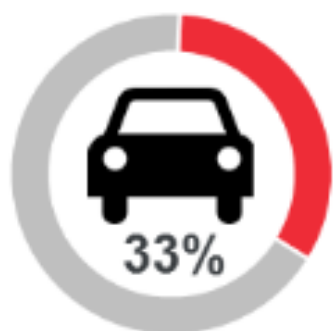
93% Fitness Benefit

88% Dental Benefit
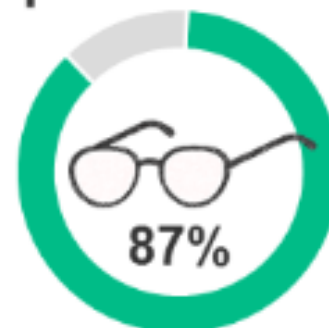
87% Eye exams and glasses

83% Hearing aids

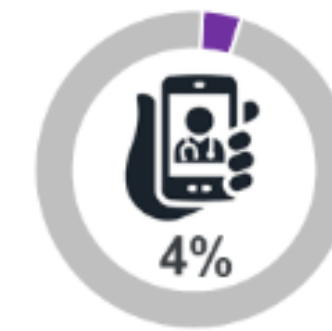**46%** Meal Benefit
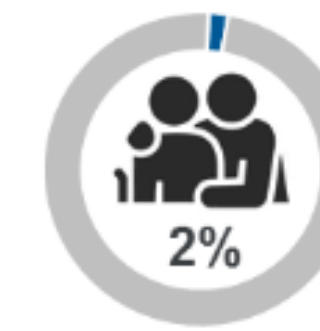
33% Transportation

6% Bathroom Safety

4% In-Home Support

4% Telemonitoring

2% Caregiver Support

NOTE: Dental includes plans that only provide preventive benefits, such as cleanings. Excludes SNPs, EGHPs, HCPPs, and PACE plans.
SOURCE: Kaiser Family Foundation analysis of CMS's Landscape files for 2020.

KFF
HENRY J KAISER
FAMILY FOUNDATION

2020 MA-PD and PDP Quality

- More MA-PD contracts achieved a 5 star rating
  - 20 MA-PD and 1 MA only plan have a 5 star ratings
  - 81% of MA-PD enrollees are currently in contracts with 4 or more stars in 2020, an increase from 73% in 2019
- Only 2 PDP contracts achieved a 5 star rating
  - 28% of PDP enrollees are in 4+ star plans, an from 3% in 2019
- Plan Finder identifies five Part C and/or D contracts as low performing

https://avalere.com/insights/5-key-trends-from-the-2020-star-ratings-report

Overall Star Rating:[?]

Caution - This plan got **low ratings** from Medicare for at least three years in a row

Contact Plan to Enroll

Select for more details

MACRA implementation for Medigap in 2020

MACRA prohibits first dollar Part B coverage on Medicare Supplement plans (Plans C and F) to "newly eligible" Medicare beneficiaries

- Newly eligible enrollees cannot buy Plans C, F or high deductible F after January 1, 2020
  - ✓ <u>Newly eligible</u> - Individuals that turn 65, or first become eligible for Medicare due to disability or end-stage renal disease, on or after January 1, 2020
- Individuals that turn 65 prior to January 1, 2020 can still buy Plans C, F and F High Deductible, even after the changes go into effect for the newly eligible
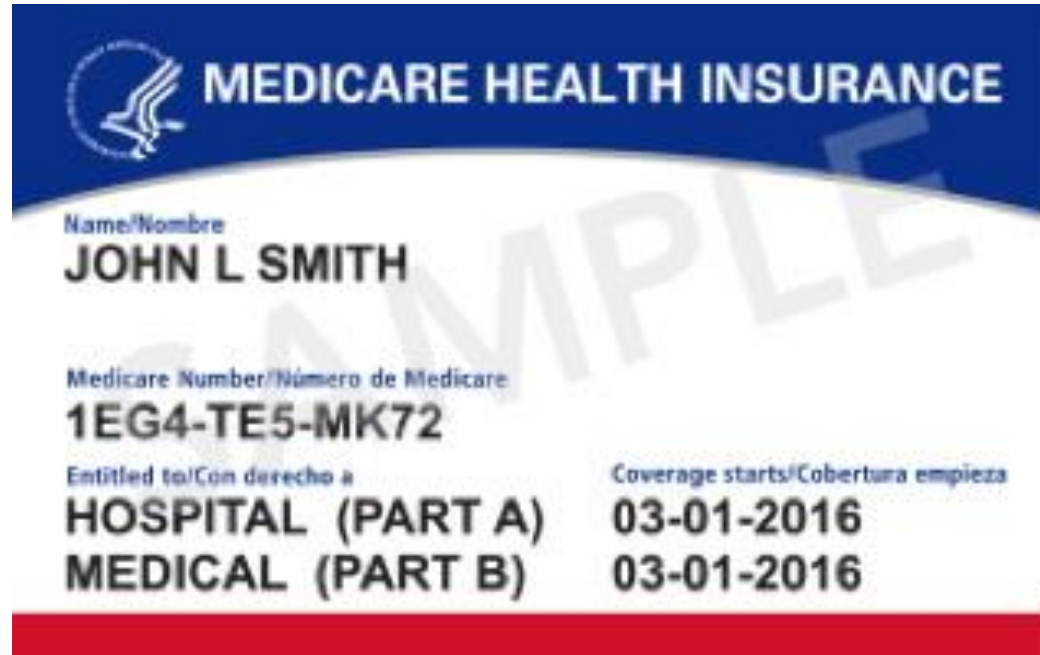
https://content.naic.org/article/consumer_alert_truth_about_medigap_changes.htm

2020 Medicare Benefits Changes

This Photo by Unknown Author is licensed under CC BY-SA

ncoa
National Council on Aging

Medicare Beneficiary Identifiers (MBI)

- MBI required as of January 1, 2020, even for services provided before this date
- Medicare will reject claims and eligibility transactions submitted with HICNs.
- HICNs or MBIs may be used for claim appeals, claim status query if the earliest DOS is prior to 1/1/2020, and span-date claims

Opioid treatment programs (OTP) for opioid use disorder (OUD)

- Available under both original Medicare and Medicare Advantage plans

- Treatment includes:
  - toxicology (drug) testing
  - medication administration or dispensing,
  - substance abuse counseling and individual and group therapy.

- Coverage for medication assisted treatment including naltrexone, buprenorphine, methadone (oral)

- MA plan may offer non-opioid pain management treatments may be subject to Plan restrictions and copayments

This Photo by Unknown Author is licensed under CC BY

Opioid treatment programs continued…

- Providers may begin to apply to be an OTP beginning January 1, 2020
- OTPs must be approved/accredited by the SAMSA – may limit availability
- Providers receive a bundled payment for all service provided
- Flexibility to deliver the counseling and therapy services via two-way interactive audio-video communication technology as clinically appropriate

https://www.cms.gov/Center/Provider-Type/Opioid-Treatment-Program-Center.html

Opioid treatment programs (cont.)

- Beneficiaries will have no copayment or coinsurance for services provided by OTP after meeting the Part B deductible

- MA plans may require enrollees to see OTP providers in the plan network

- Denials can be appealed through Part B appeals process for original Medicare and the organizational determination process for MA plans

Expansion of telehealth service in original Medicare and MA plans

- Some telehealth services have become "communication based services"
  - **Virtual check-ins:** brief, non-face-to-face consult with an established patient to see if an office visit is needed
  - **Remote evaluation of pre-recorded video or imaging technology:** patient can send pictures to providers
  - **Interprofessional internet consultation:** discussion between to providers
- SUPPORT Act removed the geographic limitations for Medicare coverage of telehealth services for individuals diagnosed with a substance use disorder (SUD)
  - SUD counseling at home via the phone
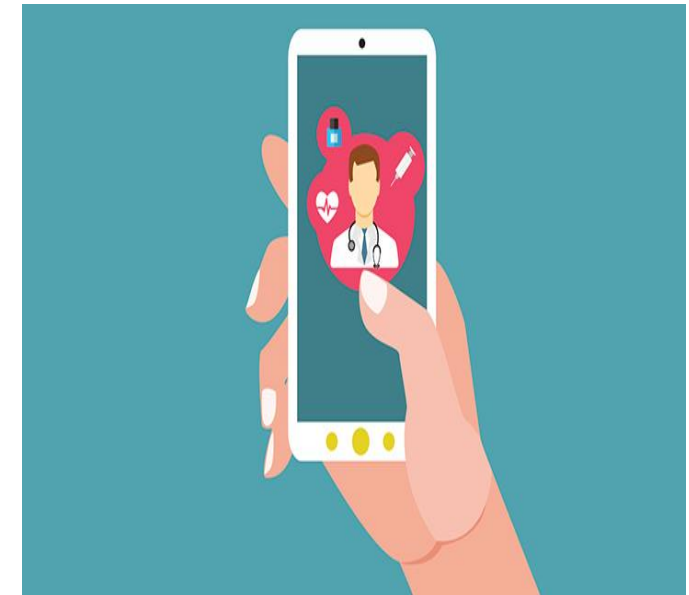
MA plan additional telehealth benefits

- MA plan can offer more telehealth services than original Medicare
  - Supplemental telehealth benefits (benefits not covered by Medicare) i.e. video conference access dental needs
  - Basic telehealth benefits (benefits covered by Medicare and deemed clinically appropriate to be furnish through electronic exchange)

- MA telehealth benefits will be financed by both MA plan rebate dollars/ increased premiums and the MA capitation rates.

Reminders

- Copayments/co-insurance for provider services are the same whether delivered in person or via telehealth/ communication based services

- Beneficiaries always have the option to be seen in the office and should contact 1-800-Medicare if telehealth/communication based services are reducing access to office visits

- Address denied claims using the Part B appeals process for services obtain through original Medicare

- Address denied claims using the organizational determination process for services obtained through MA plans

Medicare Advantage Supplemental Benefits

Categories of Supplemental benefits in 2020

Standard (prior to 2019)	Targeted (effective 2019)	Chronic (effective 2020)
Benefits must be health related	Benefits primarily health related	Benefits not health related
Cure or diminish illness or injury	Diagnose, prevent, or improve effects of injuries or health	Reasonable expectation of improving or maintaining the health/function of
Opened to all plan enrollees	Targeted enrollee	Targeted chronically ill enrollees
Example:	Examples:	Examples:
Dental, hearing, vision	Adult day care, transportation, home and safety devices	Transportation for non-medical needs, indoor air quality control

Special Supplemental Benefits for the Chronically ill (SSBCI)

- Improve or maintain the beneficiary's health or overall function while being utilized

- Not primarily health related or offered uniformly across a chronic disease condition

- Examples:
  - Meals furnished beyond limited basis (hospitalization)
  - Transportation for non-medical needs (grocery shopping)
  - Pest control, carpet shampooing, indoor air quality equipment
  - Capital or structural improvements (permanent ramps, widening hallways or doorways)

Supplemental benefit marketing consideration

- Cost and limitations of supplemental benefits may often unclear to potential enrollees

- Enrollment into a MA plan does not guarantee eligibility for supplemental benefit <u>even with a diagnosis of a chronic illness</u>

- Reduced guard rails on marketing of special supplemental benefits

- Denial of supplemental benefits appealed through MA plan organizational determination process

Part D coverage changes

Medicare Out of Pocket Cliff 2020

- **Medicare** Part D enrollees with high drug costs will have to pay much more out of pocket next year, when the catastrophic coverage threshold increases from $5,100 in 2019 to $6,350 in **2020**.

- A provision in the Affordable Care Act that slowed the growth rate of the "catastrophic threshold" is set to expire at the end of 2019

Updates to Step Therapy for Part B drugs

- MA plans may apply step therapy for new starts of physician administered Part B drugs
    - 365 day look back period designates a new starts
    - Plans may cross manage Part B and Part D drugs
- Exception request and appeals denial process available
    - Usually within 24-72 hours

https://www.cms.gov/Medicare/Health-Plans/HealthPlansGenInfo/Downloads/MA_Step_Therapy_HPMS_Memo_8_7_2018.pdf

National Council on Aging
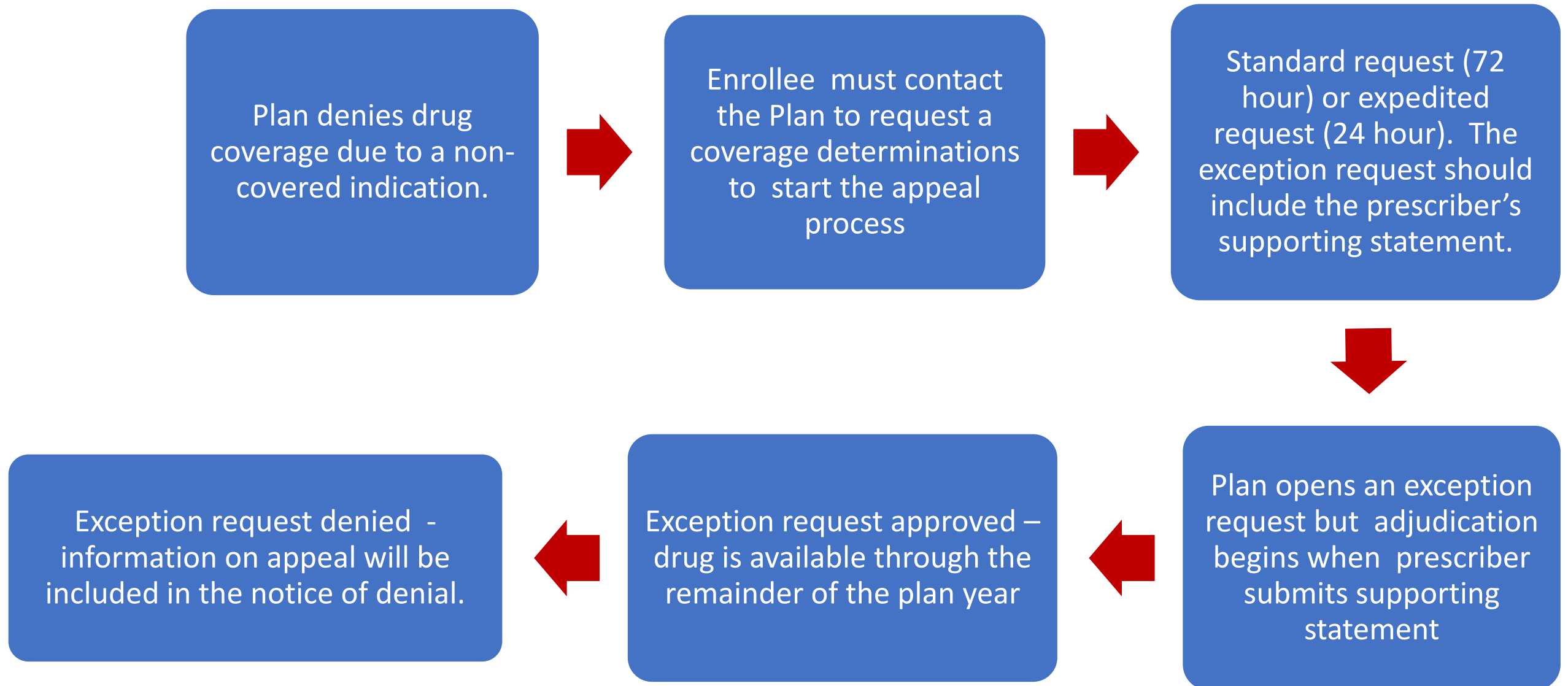
Indication based formulary design

- An optional formulary management tool that allows Plans to include drugs on their formularies on an <u>indication-by-indication basis</u> and cover only specific indications of a drug.

- Plans must ensure a therapeutically similar drug is on the formulary for a non-covered indication

- Request for coverage for non-covered indication will be treated as an exception request for non-covered drug. Plans must reply with 24 -72 hours

Example

- Afinitor is FDA approved for both renal cell carcinoma and breast cancer. Indication based formularies allow:

  ✅ Coverage for breast cancer diagnosis

  ❌ Off formulary for renal cell carcinoma diagnosis

- Plan must ensure there is another drug covered for renal cell carcinoma, such as Sutent or Nexavar

Formulary exception requests

Plan denies drug coverage due to a non-covered indication.

→

Enrollee must contact the Plan to request a coverage determinations to start the appeal process

→

Standard request (72 hour) or expedited request (24 hour). The exception request should include the prescriber's supporting statement.

↓

Exception request denied - information on appeal will be included in the notice of denial.

←

Exception request approved – drug is available through the remainder of the plan year

←

Plan opens an exception request but adjudication begins when prescriber submits supporting statement

2020 Modifications to Part D auto-ship policy

- Part D plans may offer auto-ship option after the <u>initial </u>fill
- Plans must send 2 shipping reminders (phone, text, email, direct mail) prior to the <u>first</u> auto-shipment providing an opportunity to opt out of auto-ship program
- Plans are required to refund the cost of unwanted refills.
- Plans may request but not require return of medications as condition of refund.
- Contact the plan to resolve auto-ship issues

2020 Changes to Medicare Plan Finder

- Part of eMedicare initiative to improve coverage comparison options (accessible by smart phone & tablets)
- MyMedicare.gov account required in order to save information and access patient specific data including list of prescribed drugs
- Lowest monthly premium is the default sort
- Filter MA plans by supplemental benefits i.e. transportation, fitness
- CMS continues to accept feedback on eMedicare@cms.hhs.gov.
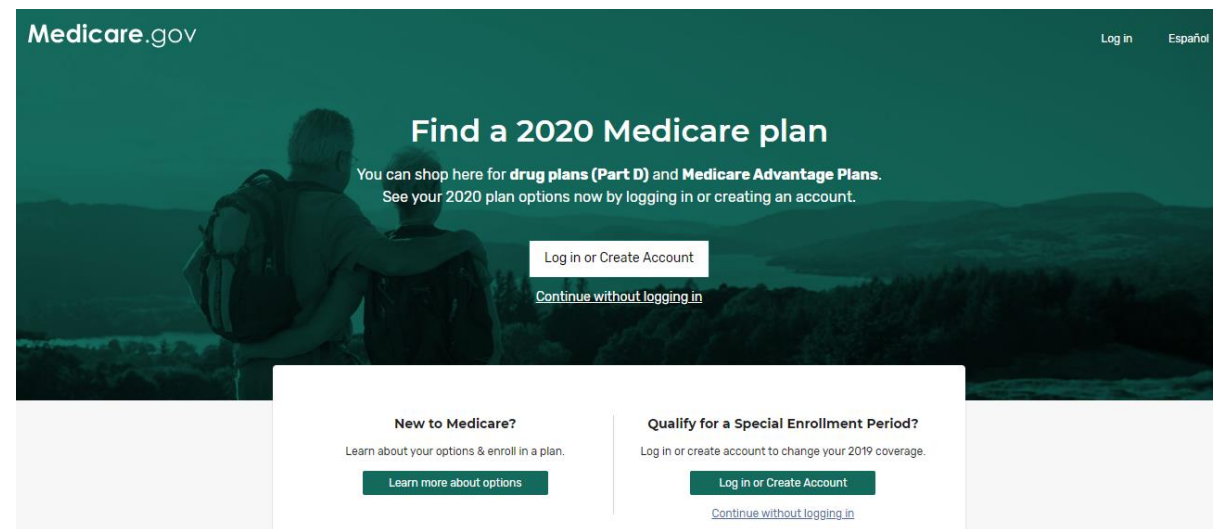
Plan Finder issues

- Extra Help copayment information often incorrect
- Miscalculation of total drug costs
- Inaccurate information surrounding off-formulary drugs
- Inaccurate quantity and dosage information being pulled from MyMedicare accounts – (creams, nasal sprays, injectables)
- MyMedicare account access issues
- Continue to share MPF issues/experiences

Medicare SEP for FEMA Declared Emergency

Medicare beneficiaries affected by a FEMA declared emergency are eligible for an SEP:

- Unable to enroll, dis-enroll or switch Medicare health or prescription drug plans during their valid election period

- The SEP lasts from the start of the incident period to four full calendar months after the incident period

- Contact 1-800-MEDICARE to request enrollment

https://www.ncoa.org/blog/finding-post-disaster-resources-seniors/

https://www.ncoa.org/blog/community-organizations-in-disaster-efforts-from-preparedness-to-relief/

https://secure.ssa.gov/apps10/reference.nsf/links/11292018044610PM

Limited Equitable Relief for Marketplace Enrollees

CMS is providing two opportunities for Medicare beneficiaries who are/were dually enrolled in premium free Medicare Part A and a Marketplace plan by June 30, 2020:

1. Enroll into Part B without penalty

2. Reduce/eliminate a Part B penalty incurred when enrolling in the General Enrollment Period

https://www.cms.gov/Medicare/Eligibility-and-Enrollment/Medicare-and-the-Marketplace/Downloads/SHIP-Navigator-Fact-Sheet-2019.pdf

Resources from NCOA

- Open Enrollment compendium:
  - 2019 Parts C and D changes: https://www.ncoa.org/wp-content/uploads/2019-Part-C-and-D-changes.pdf
  - 2019 AEP Guide to Mailings and Key Events: https://www.ncoa.org/wp-content/uploads/AEP-guide-to-mailings-and-key-events.pdf
  - https://www.ncoa.org/resources/medicare-part-d-cost-sharing-chart/
  - https://www.ncoa.org/resources/donut-hole-part-d/attachment/who-pays-what-part-d-2020/