

MEDICARE CHANGES 2021

Leslie Fried
Jeremiah McCoy
Ann Kayrish
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Improving the lives of 40 million older adults by 2030

Agenda

- Costs in 2021
 - Parts A, B, & D
 - IRMAA
 - Overview of the Part D benefit in 2021
- Landscape of Medicare Part D and Medicare Advantage plans
- 2021 benefit changes for Medicare Part B
- 2021 benefit changes for Part C
- Special Enrollment for those affected by weather related emergencies
- 2021 benefit changes for Medicare Part D
- Medicare plan finder concerns
- Resources

Medicare Costs in 2020: Part A Cost Comparison

	2020	2021
Part A Deductible	\$1,408	\$1,484
Hospital Copay/day 61-90	\$352	\$371
Hospital Copay/day 91-150	\$704	\$742
SNF Copayment/day 21-100	\$176	\$185.50
Part A Premium/month Less than 30 credits	\$458	\$471
Between 30-39 credits	\$252	\$259

2021 Medicare Premium and Cost Sharing Chart: <https://www.ncoa.org/resources/medicare-premiums-and-cost-sharing-chart/>

2021 Part B Deductible and Premiums

- Part B deductible - \$203
- Standard monthly Part B premium - \$148.50
- The 1.3% increase in Social Security benefits will cover the increase in premiums for most people
- A small number of Medicare beneficiaries pay below the standard monthly Part B premium due to the statutory hold harmless provision

<https://www.ssa.gov/news/press/releases/2020/#10-2020-1>

<https://www.ssa.gov/news/press/factsheets/colafacts2021.pdf>

<https://www.medicarerights.org/medicare-watch/2020/10/15/small-monthly-increase-for-social-security-recipients>

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 (2019)
- 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 cover 85% of Medicare premium

<https://www.ncoa.org/resources/medicare-parts-a-b-costs/>

2021 Standard Drug Benefit

Benefit Parameters	2020	2021
Deductible	\$435	\$445
Initial Coverage Limit	\$4,020	\$4,130
Out of Pocket (OOP) Threshold	\$6,350	\$6,550
Catastrophic OOP Threshold	\$9,719.38	\$10,048.39
Minimum Cost-Sharing in Catastrophic Coverage	\$3.60/\$8.95	\$3.70/\$9.20
Extra Help Copayments	2020	2021
Institutionalized	\$0	\$0
Receiving Home & Community-Based Services	\$0	\$0
Up to or at 100% Federal Poverty Level (FPL)	\$1.30/\$3.90	\$1.30/\$4.00
Full Extra Help – up to 135% FPL	\$3.60/\$8.95	\$3.70/\$9.20
Partial Extra Help (Deductible/Cost-Sharing)	\$89/15%	\$92/15%

[2021 Part C and D CMS plan information](#)

Who Pays What Under Part D in 2021



BENEFICIARY



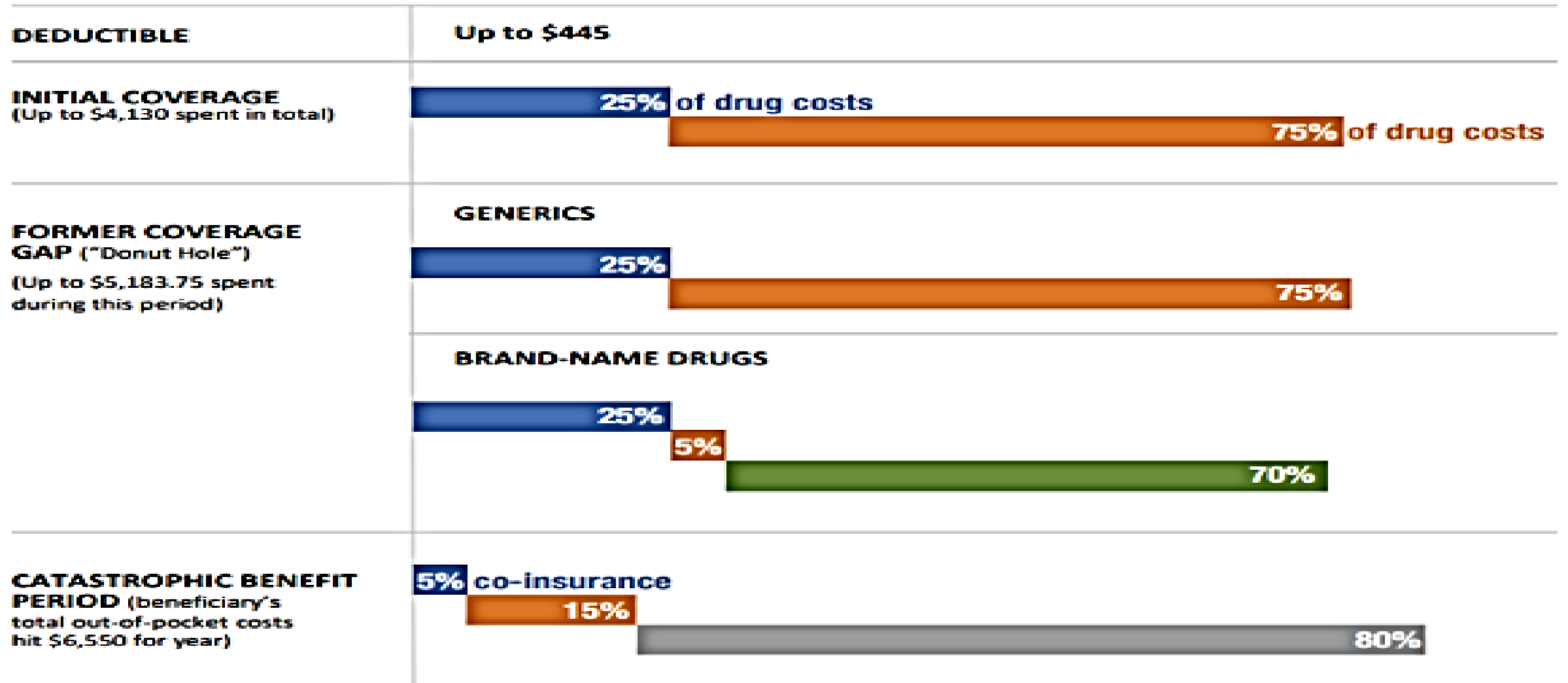
PLAN



DRUG MANUFACTURERS



GOVERNMENT



Components of the 2021 former coverage gap

	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

True out of pocket costs (TrOOP)

- Payments that count toward the yearly out of pocket limit are referred to as true out of pocket costs
- Resets each calendar year



What Payments Count Toward TrOOP?

Payments That Count	Payments That Don't Count
<ul style="list-style-type: none">▪ Payments made by beneficiary, 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	<ul style="list-style-type: none">▪ Your monthly plan premium▪ Payments for non-formulary drugs▪ 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

2021 Part D Plan Landscape

- Beneficiaries will have on average 30 PDPs to choose from in 2021 (not including U.S. territories)
- 5% increase in the number of PDPs available across the country (n=996)
- Average plan premium projected to increase by 9% to \$41
- Premiums range from \$7 to \$89
- Note: Most plans are charging the full \$445 deductible



<https://www.kff.org/medicare/issue-brief/medicare-part-d-a-first-look-at-medicare-prescription-drug-plans-in-2021/>

2021 Part D Plan Landscape (cont.)

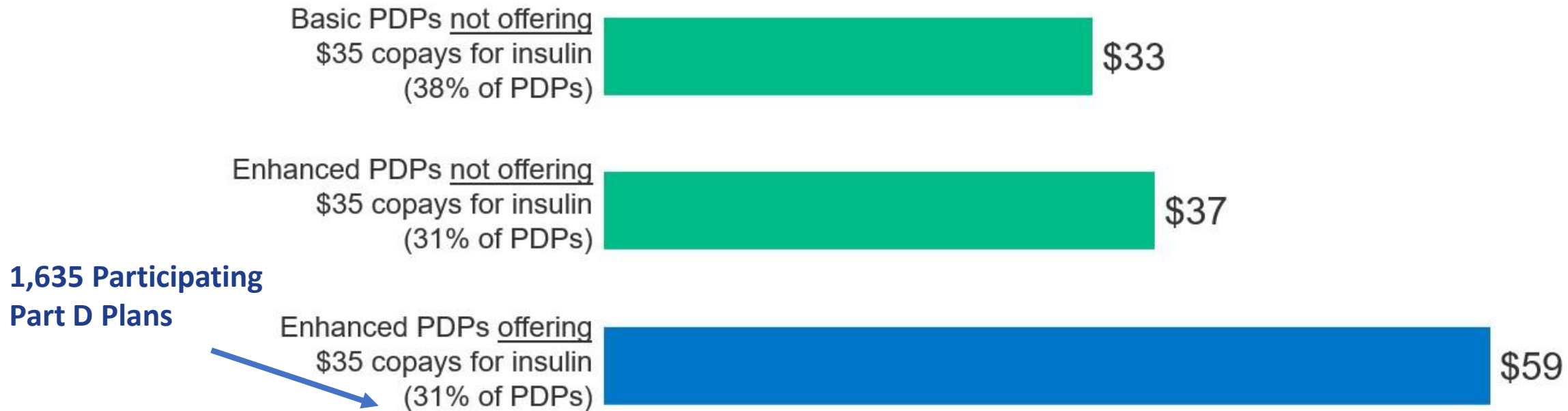
- 259 plans will be available for enrollment of LIS beneficiaries for no premium (a quarter of all PDPs)
- On average, LIS beneficiaries will have 8 benchmark plans available to them
- Across the country, benchmark plans range from 5 to 10, depending on the state (e.g., OH 5 and PA 10)
- 10% of LIS eligible beneficiaries will pay Part D premiums averaging \$33 per month if they do not switch or are reassigned to a premium-free plan

<https://www.kff.org/medicare/issue-brief/medicare-part-d-a-first-look-at-medicare-prescription-drug-plans-in-2021/>

New 2021 Part D Insulin Model

Figure 6

The Average Monthly Part D Premium in 2021 for the Subset of Enhanced Stand-alone Drug Plans Covering Insulin at a \$35 Monthly Copay is Substantially Higher than Premiums for Other Plans



NOTE: PDP is prescription drug plan. Estimates are weighted based on September 2020 enrollment.

SOURCE: KFF analysis of Centers for Medicare & Medicaid Services 2020-2021 Part D plan files.

KFF

2021 Medicare Advantage (MA) Landscape

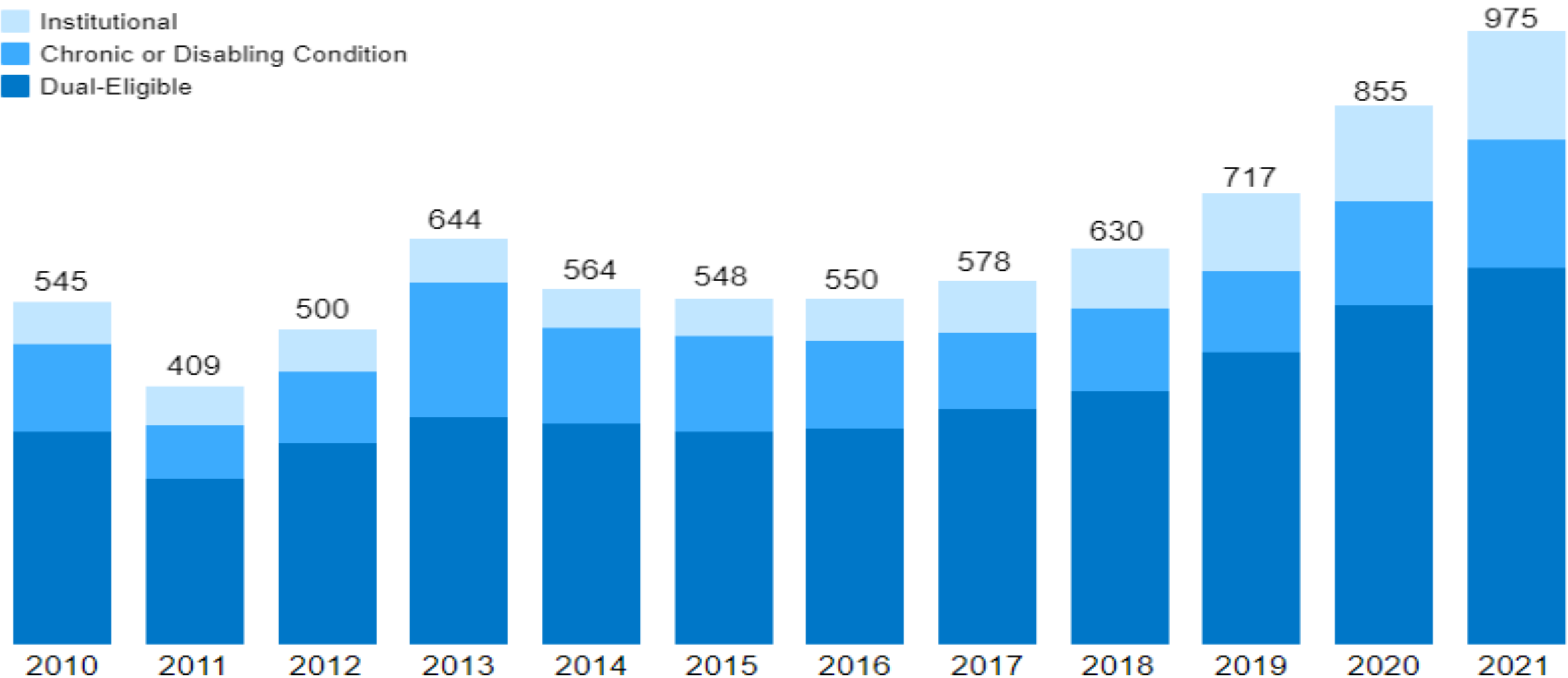
- 13% increase in the number of Medicare Advantage plans from 2020. Total = 3,550 largest number of plans ever available
- Average Medicare beneficiary has access to 33 MA plans
 - 82 counties have no MA plans
 - 4% of counties have 2 or fewer MA plans (1% of beneficiaries)
 - 11% of counties have 35 or more MA plans (41% of beneficiaries)
- Medicare Advantage average premium submitted by health plans for 2021 is estimated to be \$21, and \$30 for MA-PDs
- 14 new sponsors entering MA market for first time; 6 insurers left the MA market

<https://www.kff.org/medicare/issue-brief/medicare-advantage-2021-spotlight-first-look/>

The Number of Special Needs Plans Offered Increased Again for 2021

Number of Special Needs Plans (SNPs), by plan type, 2010-2021

- Institutional
- Chronic or Disabling Condition
- Dual-Eligible

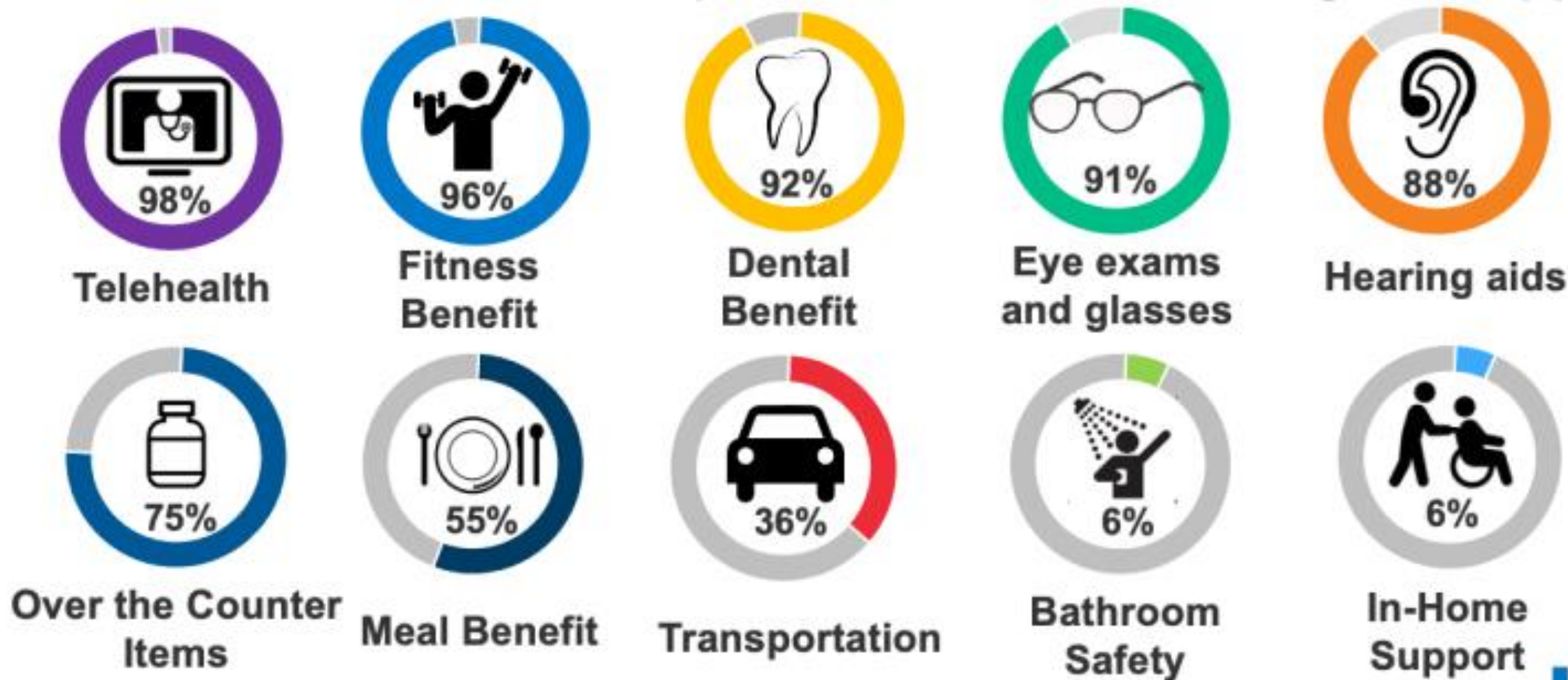


NOTE: Includes only Special Needs Plans.

SOURCE: KFF analysis of CMS's Landscape Files for 2010 – 2021.

Figure 7

Most Medicare Advantage plans provide fitness and dental benefits but much fewer provide in-home or caregiver support




NOTE: Dental includes plans that only provide preventive benefits, such as cleanings. Excludes SNPs, EGHPs, HCPPs, and PACE plans.

SOURCE: KFF analysis of CMS's Landscape and Benefit files for 2021.



2021 MA-PD and PDP Quality

- 77% of beneficiaries are in a MA-PD with four or more stars in 2021, down from 81% last year
- 21 MA-PD contracts are identified as having 5 stars, and 195 (49%) of contracts will be 4 stars or more
- 42% of PDPs received 4 or more stars, with 17% of beneficiaries in contracts with 4 or more stars (81% in 3.5 star contracts)
- Plan Finder identifies one Part C and/or D contract as low performing (HealthFirst of Texas)

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

<https://www.cms.gov/files/document/2021starratingsfactsheet-10-13-2020.pdf>



2021 Changes to Medicare Benefits

New Medicare enrollment reminder

Follows the package sent to individuals auto-enrolled in Parts A & B

- Sent 1 month before Medicare coverage starts
- Mailings to begin in late 2020

Beneficiary concerns:

- Misunderstanding that all individuals turning 65 will receive a notice

New online payment options

- Online payment option integrated to beneficiaries My Medicare account
- Allows for payment of Part A, B premium or Part D IRMAA only

Beneficiary concerns:

Automatic monthly payments not available

MA & PDP plan premiums payments not available

Acupuncture coverage for back pain

- Covered under Original Medicare and Medicare Advantage plans began in January 2020
- Chronic pain as defined by CMS
- 12 session in a 90- day period with the possibility of 8 additional sessions
- Maximum 20 sessions annually

Beneficiary concerns

Original Medicare

- Limited to chronic lower back pain
- Medicare provider
- 20% coinsurance amounts apply

Medicare Advantage

- Medicare provider and MA plan provider
- Referral requirements
- Additional diagnosis and/or sessions
- Copayments apply
- MPF

Hospital outpatient prior authorization requirements

As of July 1, 2020, procedures often considered cosmetic will require prior authorization when performed in a hospital outpatient department

- blepharoplasty (droopy eyelids),
- rhinoplasty (nose reshaping),
- vein ablations, (varicose veins),
- botox injections (migraine, muscle spasms)
- Panniculectomy (remove excess abdomen skin)
- Proof of medical necessity/authorization required 10 days prior to procedure

Beneficiary concerns

- Medicare coverage is based on medical necessity
- Prior authorization requirement apply only in the hospital outpatient department
- Initially, providers may be unfamiliar with prior authorization requirement and issue and advance beneficiary notice (ABN)
- Denial can apply to all services including anesthesiology, facility and physician services related to the procedure

Opioid Treatment Programs (OTP)

Medicare covers opioid use disorder treatment services provided by OTP under Original and MA plans

- Medication-assisted treatment -including methadone, drug testing, and individual and group therapy and counseling
- During a PHE, counseling and therapy services will be covered if rendered by telephone
- OTP services provided under original Medicare/Part B- deductible applies copayment do not apply
- OTP services provided by MA plans - copayments apply

Beneficiary concerns

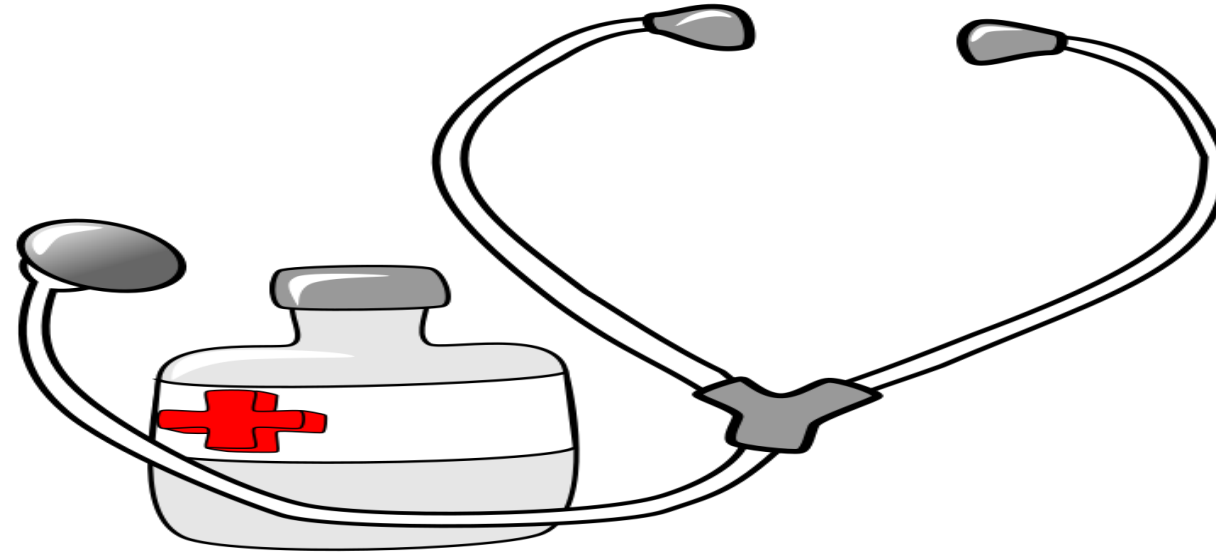
- OTPs must be a Medicare provider and SAMSA accredited
- MA plan enrollees contact plan to identify in network providers and copayment amounts
- Confusion about cost sharing requirements under Original Medicare verses MA plans

Telehealth expansions

- Medicare has expanded coverage and access to telehealth benefits to beneficiaries enrolled in original and MA plans
- Increase types of providers and types of services available via telehealth
- CMS is actively working to ensure some of the flexibilities offered during PHE are permanently adopted
 - These rules have not been finalized

Beneficiary concerns

- Standard cost sharing applies for telehealth services
- Telehealth is not a replacement for in-person care
- Scam potential - legitimate telehealth appointments are scheduled in advance are similar in length to an in-person office visit



CHANGES TO PART C BENEFITS

ESRD Enrollment into Medicare Advantage

- Starting in the 2021 plan year, all beneficiaries will be able to freely enroll into a MA plan
- Previously only grandfathered in ESRD beneficiaries could be enrolled in MA
- Remember: MA plans might have limited networks for dialysis centers and providers
- Remember: MA plans have a cap on out-of-pocket costs (\$7,550, but can be less) and beneficiaries should calculate their annual costs when making their coverage decision

Changes to Medicare Advantage Network Adequacy

- CMS has modified network adequacy standards (rules around number of providers in area) for MA plans
- CMS loosened the time and distance standards in non-urban areas
- MA plans can also now count some telehealth providers toward adequacy requirements
- Concern: This might result in beneficiaries to having less access and/or force them to travel further for in-person care

Supplemental Benefit Changes, Timeline from 2018-21

Standard (prior 2019)	Targeted (effective 2019)	Chronic (effective 2020)	Chronic (effective 2021)
<ul style="list-style-type: none"> • Benefits must be health related • Cure or diminish illness or injury • Opened to all plan enrollees • Dental, hearing, vision 	<ul style="list-style-type: none"> • Benefits primarily health related • Diagnose, prevent, or improve effects of injuries or health conditions, or reduce ER visits • Targeted enrollee • Adult day care, transportation, home and safety devices 	<ul style="list-style-type: none"> • Benefits not health related • Reasonable expectation of improving or maintaining the health/function of enrollees • Targeted chronically ill enrollees (15 conditions as listed in Medicare Managed Care Manual) • Transportation for non-medical needs, indoor air quality control 	<ul style="list-style-type: none"> • Benefits not health related • Reasonable expectation of improving or maintaining the health/function of enrollees • Targeted chronically ill (all chronic conditions meeting new definition) • Transportation for non-medical needs, indoor air quality control

Special Supplemental Benefits for the Chronically Ill (SSBCI) 2021 Change

- Medicare Advantage plans will have the flexibility to offer supplemental benefits that target any chronic health condition
- No longer limited to the Medicare Managed Care Manual chronic conditions list
- New criteria for meeting the definition of a chronic condition:
 1. At least one comorbid and medically complex chronic condition
 2. High risk of hospitalization
 3. Requires intensive care coordination

SSBCI (Cont.)

- Remember: Enrollment into a Medicare Advantage does not guarantee eligibility for a supplemental benefit and a clinical diagnosis might be required first
- Remember: Medicare Plan Finder does not identify the cost and limitations of a plan supplemental benefit (beneficiary should review plan details/EOB)
- Remember: Denial of supplemental benefits can be appealed through the MA plan organizational determination process
- Remember: Limited marketing guidance around SSBCI; beneficiaries should be cautious of promises

Reminder: Step Therapy for Part B Drugs

- In 2020, MA plans were able to start using step therapy for Medicare Part B drugs
- Step therapy only applies to new prescriptions (otherwise known as new starts)
- Beneficiaries may request expedited exception
- The Medicare Plan Finder does not indicate if Part B drugs are subject to step therapy limitations

CMS Expanded the Scope of the FEMA-related Special Enrollment Period (SEP)

- Includes local, state, and government entity-declared disasters or emergencies (including public health emergencies, such as COVID-19)
- Allow individuals entitled to but unable to complete a valid election to enroll, disenroll, or switch PDPs or MA-PDPs
- The SEP is available from the start of the incident period and for four full calendar months after the incident start date

There is still no Part B enrollment opportunity

[SEP-individuals-affected-fema-declared-weather-related-or-other-major.pdf](#)



CHANGES TO PART D BENEFITS

Senior savings model

- Part D and MA-PD plans can participate in model
- \$35 max copay for a 30-day supply of some insulin products in deductible, initial coverage, & coverage gap phases of the Part D benefit
- Reduced copay amount not guaranteed in the catastrophic phase
- Model is specific for beneficiaries without LIS

Senior savings model

- Participating plans require to cover only one of each dosing form (vial or pen) and insulin type (rapid-acting, short-acting, intermediate-acting, and long-acting) at the \$35 monthly copayment amount
- Only available in enhance drug plans (often higher premium)
- Insulin savings filter/sort available on plan finder

Beneficiary concerns

- Limited number of insulin products available at the under \$35 copayment – switch plans/product
- Insulin products can be removed from the plan formulary during the year
- Insulin is usually a tier 3 or tier 4 drug
- Beneficiary pays 5% of cost of drugs (including insulin products) during the catastrophic phase
- Plan selection on total OOP cost not insulin cost alone

Medicare Plan Finder Issues (11/6/2020)

- Extra Help out of pocket cost/copayment information often inaccurate
- Display of tier 1 and tier 2 drugs when exempt from the deductible
- Personalized/(My Medicare account) vs general searches yield different plan results
- Use of the senior savings model filter may remove the lowest OOP cost plan from the plan results
- Acupuncture shown as not covered benefit
- Limitations on specific supplemental benefits not displayed

Resources

- [2021 NCOA Medicare-part-d-cost-sharing-chart](#)
- [KFF 2021 landscape of MA plans](#)
- [KFF overview of 2020 Medicare Part D](#)
- [2021 Medicare changes fact sheet](#)
- [CMS Senior Savings Model](#)

Contact Information

Ann Kayrish
ann.kayrish@ncoa.org

Jeremiah McCoy
jeremiah.mccoy@ncoa.org

Leslie Fried
leslie.fried@ncoa.org

www.ncoa.org
www.ncoa.org/centerforbenefits

