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

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A Deductible</td>
<td>$1,408</td>
<td>$1,484</td>
</tr>
<tr>
<td>Hospital Copay/day 61-90</td>
<td>$352</td>
<td>$371</td>
</tr>
<tr>
<td>Hospital Copay/day 91-150</td>
<td>$704</td>
<td>$742</td>
</tr>
<tr>
<td>SNF Copayment/day 21-100</td>
<td>$176</td>
<td>$185.5</td>
</tr>
<tr>
<td>Part A Premium/month Less than 30 credits</td>
<td>$458</td>
<td>$471</td>
</tr>
<tr>
<td>Between 30-39 credits</td>
<td>$252</td>
<td>$259</td>
</tr>
</tbody>
</table>

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.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

<table>
<thead>
<tr>
<th>Benefit Parameter</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible</td>
<td>$435</td>
<td>$445</td>
</tr>
<tr>
<td>Initial Coverage Limit</td>
<td>$4,020</td>
<td>$4,130</td>
</tr>
<tr>
<td>Out of Pocket (OOP) Threshold</td>
<td>$6,350</td>
<td>$6,550</td>
</tr>
<tr>
<td>Catastrophic OOP Threshold</td>
<td>$9,719.38</td>
<td>$10,048.39</td>
</tr>
<tr>
<td>Minimum Cost-Sharing in Catastrophic Coverage</td>
<td>$3.60/$8.95</td>
<td>$3.70/$9.20</td>
</tr>
</tbody>
</table>

### Extra Help Copayments

<table>
<thead>
<tr>
<th>Copayment Type</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutionalized</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Receiving Home &amp; Community-Based Services</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Up to or at 100% Federal Poverty Level (FPL)</td>
<td>$1.30/$3.90</td>
<td>$1.30/$4.00</td>
</tr>
<tr>
<td>Full Extra Help – up to 135% FPL</td>
<td>$3.60/$8.95</td>
<td>$3.70/$9.20</td>
</tr>
<tr>
<td>Partial Extra Help (Deductible/Cost-Sharing)</td>
<td>$89/15%</td>
<td>$92/15%</td>
</tr>
</tbody>
</table>

2021 Part C and D CMS plan information
### Who Pays What Under Part D in 2021

<table>
<thead>
<tr>
<th>Coverage Phase</th>
<th>Beneficiary</th>
<th>Plan</th>
<th>Drug Manufacturers</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEDUCTIBLE</strong></td>
<td>Up to $445</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INITIAL COVERAGE</strong> (Up to $4,130 spent in total)</td>
<td>25% of drug costs</td>
<td>75% of drug costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FORMER COVERAGE GAP</strong> (“Donut Hole”)</td>
<td>25% generics</td>
<td>75% generics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Up to $5,183.75 spent during this period)</td>
<td>25% brand-name drugs</td>
<td>70% brand-name drugs</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CATASTROPHIC BENEFIT PERIOD</strong> (beneficiary’s total out-of-pocket costs hit $6,550 for year)</td>
<td>5% co-insurance</td>
<td>15% co-insurance</td>
<td>80%</td>
<td></td>
</tr>
</tbody>
</table>
### Components of the 2021 former coverage gap

<table>
<thead>
<tr>
<th></th>
<th>Brand Name</th>
<th>Generic Drug</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percentage</td>
<td>Counts to TrOOP?</td>
</tr>
<tr>
<td>Manufacturer discount</td>
<td>70%</td>
<td>Yes</td>
</tr>
<tr>
<td>Plan pays</td>
<td>5%</td>
<td>No</td>
</tr>
<tr>
<td>Beneficiary pays</td>
<td>25%</td>
<td>Yes</td>
</tr>
</tbody>
</table>
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?

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

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**Note:**
- *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*
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

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

New 2021 Part D Insulin Model

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

1,635 Participating Part D Plans

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

## The Number of Special Needs Plans Offered Increased Again for 2021

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Institutional</th>
<th>Chronic or Disabling Condition</th>
<th>Dual-Eligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>545</td>
<td>409</td>
<td>500</td>
</tr>
<tr>
<td>2011</td>
<td>644</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>2012</td>
<td>564</td>
<td>500</td>
<td>548</td>
</tr>
<tr>
<td>2013</td>
<td>548</td>
<td>550</td>
<td>630</td>
</tr>
<tr>
<td>2014</td>
<td>578</td>
<td>630</td>
<td>717</td>
</tr>
<tr>
<td>2015</td>
<td>630</td>
<td>717</td>
<td>855</td>
</tr>
<tr>
<td>2016</td>
<td>685</td>
<td>855</td>
<td>975</td>
</tr>
</tbody>
</table>

**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.

- Telehealth: 98%
- Fitness Benefit: 96%
- Dental Benefit: 92%
- Eye exams and glasses: 91%
- Hearing aids: 88%
- Over the Counter Items: 75%
- Meal Benefit: 55%
- Transportation: 36%
- Bathroom Safety: 6%
- In-Home Support: 6%

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

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits must be health related</td>
<td>Benefits primarily health related</td>
<td>Benefits not health related</td>
<td>Benefits not health related</td>
</tr>
<tr>
<td>Cure or diminish illness or injury</td>
<td>Diagnose, prevent, or improve effects of injuries or health conditions, or reduce ER visits</td>
<td>Reasonable expectation of improving or maintaining the health/function of enrollees</td>
<td>Reasonable expectation of improving or maintaining the health/function of enrollees</td>
</tr>
<tr>
<td>Opened to all plan enrollees</td>
<td>Targeted enrollee</td>
<td>Targeted chronically ill enrollees (15 conditions as listed in Medicare Managed Care Manual)</td>
<td>Targeted chronically ill enrollees (all chronic conditions meeting new definition)</td>
</tr>
<tr>
<td>Dental, hearing, vision</td>
<td>Adult day care, transportation, home and safety devices</td>
<td>Transportation for non-medical needs, indoor air quality control</td>
<td>Transportation for non-medical needs, indoor air quality control</td>
</tr>
</tbody>
</table>

- **Benefit Definitions**
  - **Health Related Benefits**
    - Benefits must be health related
    - Cure or diminish illness or injury
    - Opened to all plan enrollees
    - Dental, hearing, vision
  - **Targeted Benefits**
    - 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
  - **Chronic Benefits**
    - 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
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)
-Include 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
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