

2024 Changes to Medicare

This fact sheet provides an overview of the changes to original Medicare enrollment, Medicare Advantage, and Part D plans that will impact Medicare beneficiaries beginning Jan. 1, 2024.

Please be advised that this fact sheet is based on current Centers for Medicare & Medicaid Services (CMS) guidance, which is subject to additional rule revisions. NCOA will update this fact sheet in accordance with revised or new regulations. Please contact Darren.Hotton@ncoa.org with any updates or questions.

Changes to Parts A & B Enrollment

Beginning in 2023, Part B coverage begins earlier for individuals first signing up for Medicare.

As of Jan. 1, 2023, Medicare coverage will become effective the month after enrollment for individuals enrolling in the last 3 months of their Initial Enrollment Period (IEP) or in the General Enrollment Period (GEP), thereby reducing any potential gaps in coverage. CAA specifies that the Late Enrollment Penalty (LEP) is based on the number of months that have elapsed between the close of the individual's IEP and the close of the enrollment period during which they enroll, plus certain additional months for individuals who reenroll. For enrollments on or after Jan. 1, 2023, the months that will be taken into account for purposes of determining any LEPs include months that elapse between the close of the individual's IEP and the close of the month in which they enroll. For individuals who re-enroll, the months counted now include those between the date of termination of previous coverage and the close of the month in which the individual re-enrolls.

Part D enrollment during GEP

After Jan. 1, 2024, if you enroll in Part B during the GEP, you're eligible to use the Special Enrollment Period (SEP) for Individuals Who Enroll in Part B during the Part B GEP to request enrollment in a Part D plan or a Medicare Advantage Plan. That SEP will begin when you submit the application for Part B, and will continue for the first two months of enrollment in Part B. For more information about Part D and Medicare Advantage enrollment timeframes during the GEP

Several new Special Enrollment Periods (SEPs) will provide relief to those who missed a Medicare enrollment period due to exceptional circumstances.

Jan. 1, 2023 expands [Medicare SEPs](#) to advance health equity and provide relief for individuals facing unique circumstances that affect their ability to first enroll in Medicare during their IEP. Starting in 2023, people who qualify for a Part B exceptional circumstances SEP can enroll without having to wait for the GEP and without being subject to a Part B [late enrollment penalty](#). These new SEPs are applicable to:

- People impacted by a disaster or government-declared emergency
- Health plan or employer error
- Formerly incarcerated individual
- Termination of Medicaid coverage
- Other exceptional conditions

Changes to Medicare Part B

End of COVID-19 Public Health Emergency

Generally, Medicare doesn't cover or pay for over-the-counter products. The demonstration that allowed Medicare coverage, without cost sharing, of COVID-19 over-the-counter tests for Part B enrollees ended on May 11, 2023. Medicare no longer covers or pays for OTC COVID-19 tests for those with Medicare Part B benefits. If you're enrolled in Medicare Part B, you'll continue to have coverage with no out-of-pocket costs for appropriate laboratory-based COVID-19 PCR and antigen tests, when a provider orders them (such as drive-through PCR and antigen testing or testing in a provider's office). If you're in a Medicare Advantage plan, your cost sharing may be different and your plan may cover over-the-counter tests as a supplemental benefit. Check with your plan.

The federal government is no longer purchasing or distributing COVID-19 vaccines. People with original Medicare pay nothing for a COVID-19 vaccination if their doctor or other qualified health care provider accepts assignment for giving the shot. People with Medicare Advantage will pay nothing for a COVID-19 vaccination if they receive their vaccinations from an in-network provider. People with Medicare Advantage plans should contact their plan for details about payment for out-of-network COVID-19 vaccines.

Medicare beneficiaries will see coverage for power seat elevation on power wheelchairs

The Centers for Medicare & Medicaid Services (CMS) finds that power seat elevation equipment on Medicare-covered power wheelchairs (PWCs) falls within the benefit category for durable medical equipment (DME). This Benefit Category Determination (BCD) expands the scope of the proposed benefit category decision based on consideration of public comments on the proposed decision memorandum. Section 1861(n) of the Social Security Act (the Act) defines what items are considered to be DME and 42 CFR 414.202 provides additional details on the definition of DME.

Behavioral Health Services

Beginning Jan. 1, 2024, Medicare Part B coverage will include services of marriage and family therapists (MFTs) and mental health counselors (MHCs) when billed by these professionals.

Changes to Medicare Part D

Medicare beneficiaries will see a cap on insulin costs under Part D.

Beginning Jan. 1, 2023, all Medicare plan copayments for each insulin product (listed on the plan's formulary) will be capped at \$35 for a month supply. An insulin product refers to one of the following:

- A product that contains insulin
- A combination of products that contains more than one type of insulin
- A combination of products that contains both insulin and a non-insulin drug or biological product

A "covered insulin product" falls into one of three categories:

- Insulin products included on the plan's formulary
- Products treated as on formulary due to a coverage determination or appeal
- Products covered as a "transition fill"

July 1, 2023, the Part B deductible is waived and coinsurance is limited to \$35 for a month's
Updated October 2023

supply of insulin furnished through a covered item of DME (Insulin Pump).

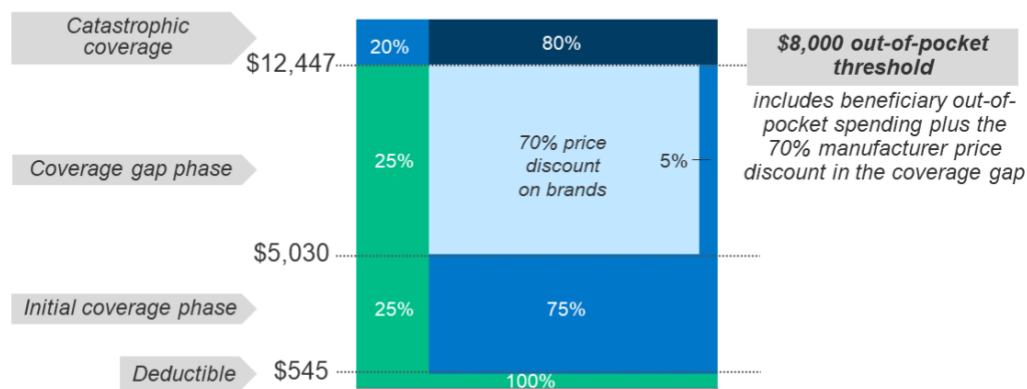
The Medicare Drug Program Removal of Cost Share for Catastrophic Coverage

Beginning in Jan. 1, 2024 and for each succeeding year, enrollee cost sharing after an enrollee has incurred costs for covered Part D drugs in a year equal to the annual out-of-pocket threshold (2024 - \$3,333) will be \$0 for all covered Part D drugs. This requirement does not apply to excluded category drugs that are covered under enhanced alternative plans.

Figure 5

Medicare Part D Standard Benefit Parameters Will Increase in 2024, but the 5% Coinsurance Requirement for Catastrophic Coverage Will Be Eliminated, Due to a Provision in the Inflation Reduction Act

Share of total drug costs paid by: ■ Enrollees ■ Plans ■ Manufacturers ■ Medicare



NOTE: Some amounts rounded to nearest dollar.
SOURCE: KFF, based on 2024 Part D benefit parameters.

KFF

The Medicare Drug Program Expansion of Low-Income subsidy to 150% FPL

Beginning Jan. 1, 2024, nearly 300,000 low-income people with Medicare currently enrolled in the Extra Help program will be newly eligible for expanded benefits including no deductible, no premiums, and fixed, lowered copayments for certain medications. Expands eligibility for the full low-income subsidy (LIS) benefit (also known as “Extra Help”) to individuals with limited resources and incomes up to 150% of the federal poverty level. People with Medicare who are currently enrolled in partial Extra Help will automatically be converted to full Extra Help; they won’t need to take any action.

Part D Improvements in 2025

People with Medicare prescription drug coverage will benefit from a yearly cap (\$2,000 in 2025) on what they pay out-of-pocket for covered prescription drugs, starting in 2025. They’ll also have the option to pay their prescription costs in monthly amounts spread over the year rather than all at once, beginning in 2025.

Beneficiary concerns: CMS has not provided guidance on how this yearly cap will be spread over the year called right now “smoothing payment.” NCOA will be in discussion with CMS to make sure there is financial equity.

The Medicare Drug Price Negotiation Program

For the first time, the law provides Medicare the ability to directly negotiate the prices of certain high expenditure, single source drugs without generic or biosimilar competition. Below is the list of 10 drugs covered under Medicare Part D selected for negotiation for year 2026, based on total gross covered prescription drug costs under Medicare Part D and other criteria as required by the law.

Drug Name	Commonly Treated Conditions	Total Part D Gross Covered Prescription Drug Costs from June 2022-May 2023	Number of Medicare Part D Enrollees Who Used the Drug from June 2022-May 2023
Eliquis	Prevention and treatment of blood clots	\$16,482,621,000	3,706,000
Jardiance	Diabetes; Heart failure	\$7,057,707,000	1,573,000
Xarelto	Prevention and treatment of blood clots; Reduction of risk for patients with coronary or peripheral artery disease	\$6,031,393,000	1,337,000
Januvia	Diabetes	\$4,087,081,000	869,000
Farxiga	Diabetes; Heart failure; Chronic kidney disease	\$3,268,329,000	799,000
Entresto	Heart failure	\$2,884,877,000	587,000
Enbrel	Rheumatoid arthritis; Psoriasis; Psoriatic arthritis	\$2,791,105,000	48,000
Imbruvica	Blood cancers	\$2,663,560,000	20,000
Stelara	Psoriasis; Psoriatic arthritis; Crohn's disease; Ulcerative colitis	\$2,638,929,000	22,000
Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill	Diabetes	\$2,576,586,000	777,000

Note: Numbers are rounded to the nearest thousands.

On a related note: Beginning in 2026, the IRA will also allow Medicare to negotiate the price for 10 Part D drugs. This marks the first time Medicare will be authorized to negotiate drug prices with manufacturers. Part B negotiated prices will not be effective until 2028.

New Part B benefit for kidney transplant recipients allows Part B for life (to cover immunosuppressants)

Beginning Jan. 1, 2023, Medicare will cover the cost of immunosuppressive drugs for individuals who receive a kidney transplant and are no longer eligible for End Stage Renal Disease (ESRD) Medicare Parts A and B.

The new benefit ensures that the loss of Medicare A and B eligibility does not result in a loss of access to essential drugs when alternative insurance is not available. Eligible individuals could apply for the benefit beginning Oct. 1, 2022. More information on the [Part B-ID benefit and the application process](#).

Beneficiary concerns: The monthly premium for the Part B-ID benefit is \$103.00 in 2024, and the annual deductible is \$226. Once the deductible is met, beneficiaries will pay 20% of the Medicare-approved amount for immunosuppressive drugs. To sign up for the Part B-ID benefit, beneficiaries should call Social Security at 1-877-465-0355. This is a special phone number just for this program. TTY users can call the general line at 1-800-325-0778.

Currently, beneficiaries eligible for Medicare coverage based solely on an ESRD diagnosis lose Medicare coverage 36 months following a transplant.

Vaccines covered under Part D (and Medicare Advantage plans with prescription drug coverage) will be available with no cost-sharing.

As of Jan. 1, 2023, adult vaccines recommended by the [Advisory Committee on Immunization Practices](#) are available with no deductible and no cost-sharing to people with Medicare prescription drug coverage. These vaccines include:

- Shingles vaccine
- TDAP (tetanus, diphtheria, and pertussis) booster

Other vaccines (pneumococcal, influenza, COVID-19, and, under certain circumstances, hepatitis B vaccines) are covered under Part B with no cost-sharing.

LI NET is now a permanent part of Medicare Part D

As of Jan. 1, 2024, the LI NET program will become a permanent part of Medicare Part D, as required by the Consolidated Appropriations Act, 2021 (CAA). The LI NET program provides transitional, point-of-sale coverage for low-income beneficiaries who demonstrate an immediate need for prescriptions, but who have not yet enrolled in a Part D plan, or whose enrollment is not yet effective. LI NET also provides retroactive and/or temporary prospective coverage for beneficiaries determined to be eligible for the Part D low-income subsidy (LIS) by the Social Security Administration (SSA) or a state.

Resources

CMS, Inflation Reduction Act and Medicare: [Inflation Reduction Act and Medicare | CMS](#)

National Kidney Foundation, FAQ. Expanded Medicare Coverage of Immunosuppressive Drugs for Kidney Transplant Recipients: <https://www.kidney.org/atoz/content/faq-expanded-medicare-coverage-immunosuppressive-drugs-kidney-transplant-recipients>

Calendar Year (CY) 2024 Medicare Physician Fee Schedule Proposed Rule: [Calendar Year \(CY\) 2024 Medicare Physician Fee Schedule Proposed Rule | CMS](#)

Contract Year 2024 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly: [Federalregister.gov/public-inspection/2023-07115/medicare-program-contract-year-2024-policy-and-technical-changes-to-the-medicare-advantage-program](https://www.federalregister.gov/public-inspection/2023-07115/medicare-program-contract-year-2024-policy-and-technical-changes-to-the-medicare-advantage-program)

Kaiser Family Foundation: [An Overview of the Medicare Part D Prescription Drug Benefit | KFF](#)

This resource was supported in part by grant 90MINC0002-03-00 from the U.S. Administration for Community Living, Department of Health and Human Services. Points of view or opinions do not necessarily represent official ACL policy.