

# Medicare in 2023

## Changes Affecting Low-Income Beneficiaries


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## Medicare in 2023: Changes Affecting Low-Income Beneficiaries

 Includes a Live Web Event on 10/31/2022 at 3:00 PM (EDT)

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 Medicare in 2023

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necessarily represent official ACL policy.*

# 2023 Costs



# Original Medicare Costs: Part A

	2022	2023
Part A Deductible	\$1,556	\$1,600
Hospital Copay/Days 61-90	\$389	\$400
Hospital Copay/Days 91-150	\$778	\$800
Skilled Nursing Facility Copay/Days 21-100	\$194.50	\$200
Part A Monthly Premium (<30 credits)	\$499	\$506
Part A Monthly Premium (30-39 credits)	\$274	\$278

# Original Medicare Costs: Part B

	2022	2023
Part B Deductible	\$233	\$226
Standard monthly premium	\$170.10	\$164.90
Income Related Monthly Adjustment Amount (IRMAA): Singles with incomes* from >\$97,000 through \$500,000+, and couples with incomes from >\$194,000 through \$750,000+	Between \$238.10 and \$578.30	Between \$230.80 and \$560.50

\* Per 2021 tax returns; singles included married couples filing separately

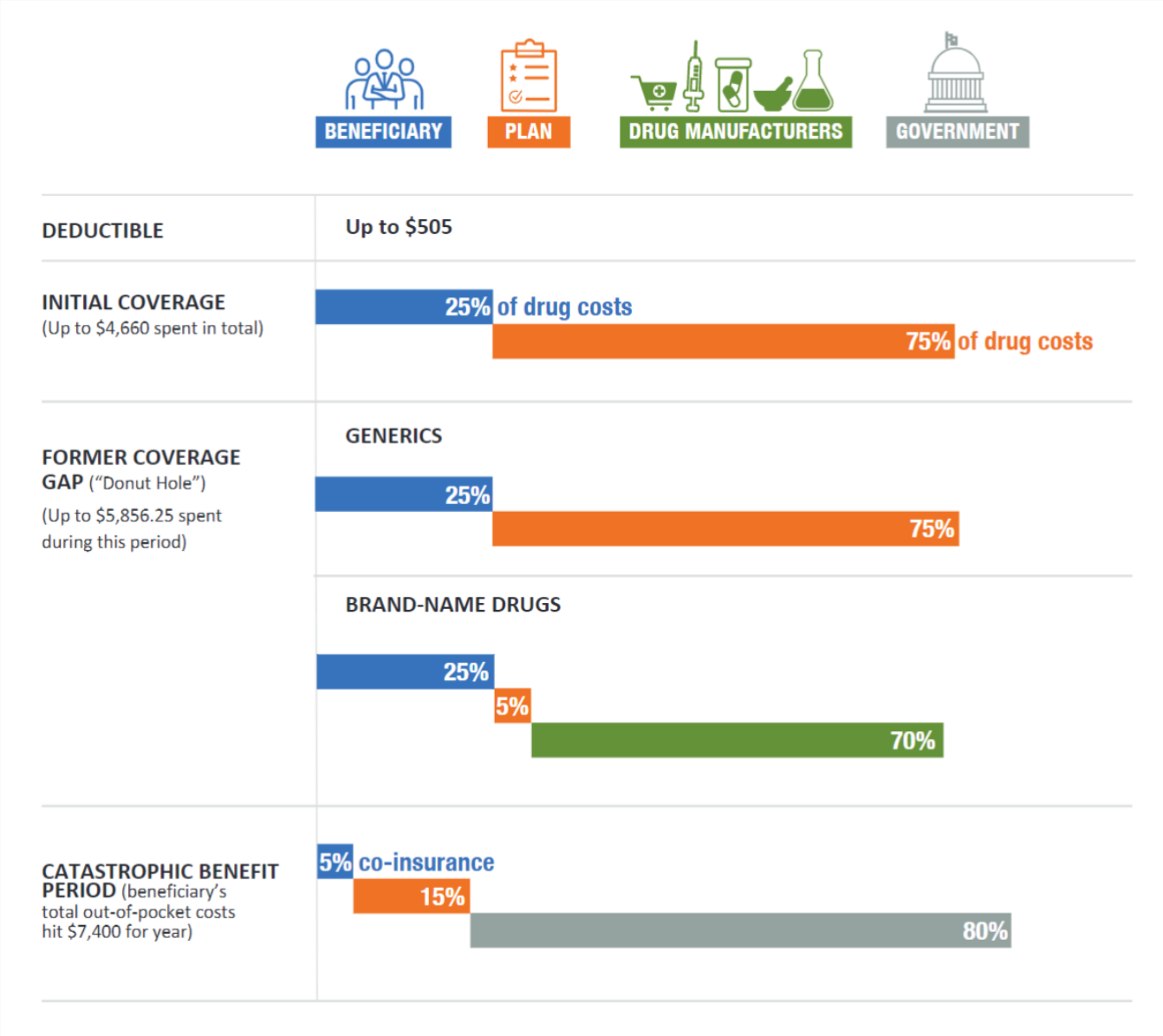
# Standard Drug Benefit 2023

Benefit Parameters	2022	2023
Deductible	Up to \$480	Up to \$505
Initial Coverage Limit	\$4,430	\$4,660
Out-of-Pocket (OOP) Threshold	\$7,050	\$7,400
Catastrophic OOP Threshold	\$10,690.20	\$11,206.28
Minimum cost-sharing in catastrophic coverage (generic/brand name)	\$3.95/\$9.85	\$4.15/\$10.35
Part D Low-Income Subsidy (LIS/Extra Help) Deductible (Full/Partial Subsidy)	\$0/\$99	\$0/\$104

Source: CMS Announcement of Calendar Year Rates, <https://www.cms.gov/files/document/2023-announcement.pdf>, April 4, 2022



# Who Pays What for Part D in 2023





# Changes to Medicare Advantage Plan MOOP

Maximum Out of Pocket (MOOP)	2022	2023
In network out-of-pocket limit	\$7,550	\$8,300
Out of network (Combined in network and out of network)	\$11,300	\$12,450

<https://www.govinfo.gov/content/pkg/FR-2022-04-14/pdf/2022-07642.pdf>

- MA plans must count secondary coverage in calculating MOOP
- MOOP applies to Part A and B services only

# Landscape of Part D & MA Plans



# 2023 Part D Landscape

- 5% increase in the number of prescription drug plans (PDPs) available across the country (n=801, up from 766 in 2022)
- Typical beneficiary will have choice between 23 plans
  - NY has lowest number of offerings, and Arizona the highest
- Average Part D monthly premium nationally is \$32.74/month
  - Premiums vary widely, from \$1.60 to \$201.10
- Only 2 PDPs received a 5-star and 14 received 4.5/4.0-star rating
- Weighted by enrollment, about 9% of PDP enrollees are in contracts with 4 or more stars

# 2022 Part D Landscape & Extra Help

- ~13 million receive Part D Low-Income Subsidy (LIS/Extra Help) in 2022
- 191 plans available for enrollment of LIS beneficiaries for no premium (4% reduction over 2022)
- 24% of all PDPs are benchmark plans
- Across the country, benchmark plans range from 3 to 8, depending on the state (e.g., New York 3 and Arizona 8)

Source: Kaiser Family Foundation, <https://www.kff.org/medicare/fact-sheet/an-overview-of-the-medicare-part-d-prescription-drug-benefit/>

# 2023 Medicare Advantage Landscape

- Average premium submitted by health plans for 2023 is \$18/month
- 6,183 MA plans available to residents across 50 states & District of Columbia
  - Low of 2 in AK to high of 627 in FL
- Decrease in enrollment in plans rated 4+ stars
  - 90% of enrollees in MA-PDs in 2022, down to 72% in 2023
  - One plan received low performance icon on Plan Finder this year

Sources: CMS <https://www.cms.gov/newsroom/press-releases/biden-harris-administration-announces-lower-premiums-medicare-advantage-and-prescription-drug-plans>; CMS, <https://www.cms.gov/files/document/2023-medicare-advantage-and-part-d-state-state-fact-sheets.pdf>; September 29, 2022; Avalere, <https://avalere.com/insights/fewer-highly-rated-ma-plans>

# Dual Special Needs Plans (D-SNPs) Look-Alikes

- D-SNP look-alikes are general enrollment plans where over 80% of membership is comprised of people eligible for Medicare & Medicaid (but don't offer same integrated care protections/coordination as D-SNPs)
- CMS will not renew any D-SNP look alike-plans in states where regular D-SNP or Medicaid managed care plans are available
- Beneficiaries in D-SNP look-alike plans will be disenrolled in 2023

# Improvements to D-SNPs

- All D-SNPs must establish and maintain an enrollee advisory committee
- More D-SNP enrollees will be entitled to unified appeals and grievance process (one Medicare & Medicaid appeal process instead of D-SNP and Medicaid)
- More D-SNP enrollees will be entitled to continuation of benefits during an appeal process



# Medicare Subsidy Enrollment

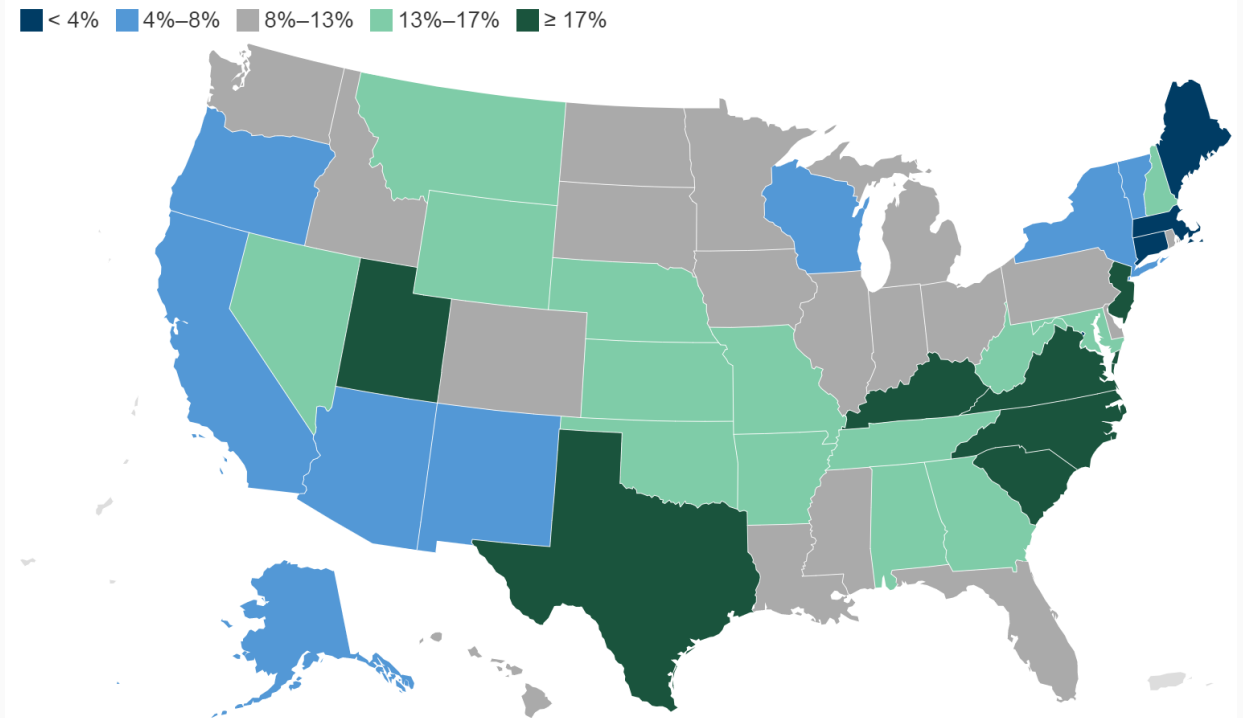


## Part D Low-Income Subsidy/Extra Help

- Of the ~13 million Extra Help enrollees:
  - 97% receive Full Subsidy; 3% Partial
  - Enrollment highest among those who receive LIS automatically
  - 1 in 10 also eligible for, but not enrolled in, MSPs

## Just over 1 in 10 Medicare Beneficiaries Receiving the Part D Low-Income Subsidy Were Not Enrolled in the Medicare Savings Program in 2019 – Most of Whom Were Eligible But Not Enrolled

### Share of Medicare Part D Low-Income Subsidy Enrollees Not Enrolled in the Medicare Savings Programs



NOTE: Estimates include over 1.1 million Low-Income Subsidy enrollees eligible but not enrolled in the Medicare Savings Programs and nearly half a million (441,000) not eligible under current guidelines. These estimates do not include the approximately 2.1 million beneficiaries with full Medicaid benefits who do not qualify for the Medicare Savings Programs but receive the Part D Low-Income Subsidy.

SOURCE: KFF analysis of Chronic Conditions Data Warehouse 20 percent sample of Medicare beneficiaries for 2019. • [PNG](#)



Source: Kaiser Family Foundation, <https://www.kff.org/medicare/issue-brief/help-with-medicare-premium-and-cost-sharing-assistance-varies-by-state/>, April 20, 2022

# What is next for Extra Help?

## Under the Inflation Reduction Act in 2024:

- Expands Part D LIS full benefit to \$150% of FPL
- Eliminates the partial LIS benefit



## NCOA advocacy includes:

- Simplify LIS application & making it available in additional languages
- Use beneficiary-centered reassignment when re-assigning beneficiaries to new benchmark plans
- Send notices about switching plans to all LIS enrollees with premium liability

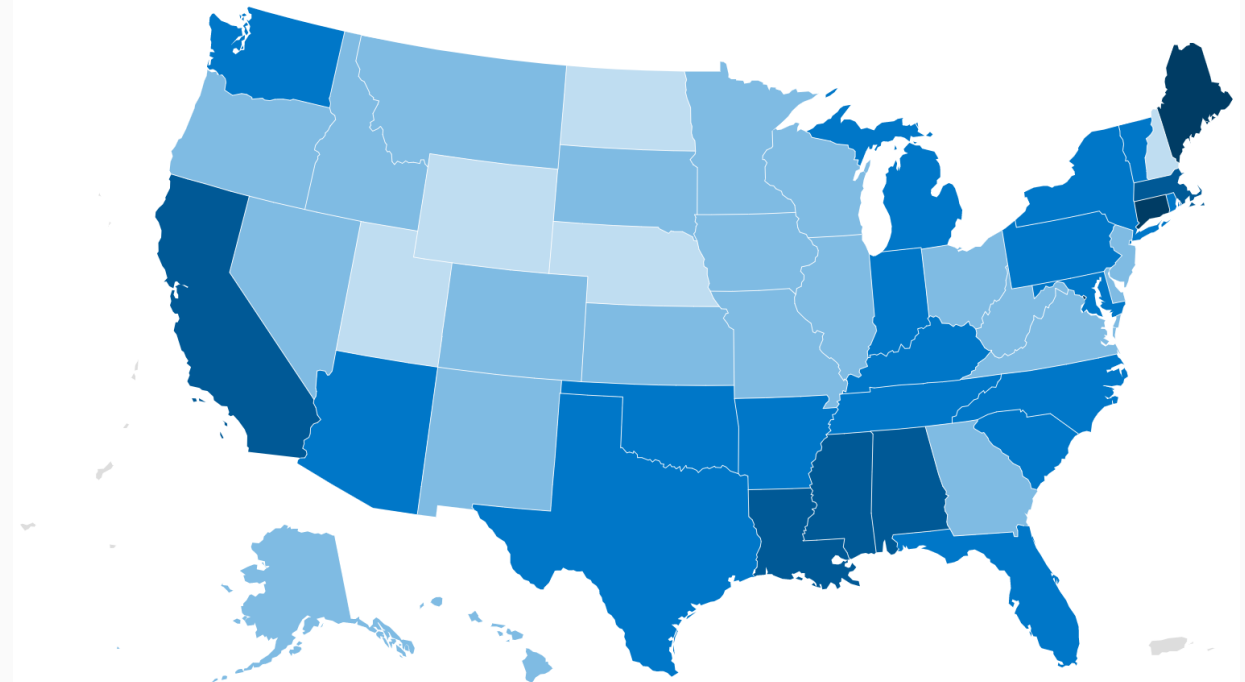
# Medicare Savings Programs

- As of March 2021,  
~11.5 million people with Medicare enrolled in MSPs
  - 4 states and DC have raised income thresholds
  - 10 states and DC have eliminated asset tests (CA phasing out over next year)

In 2019, 16% of all Medicare Beneficiaries Were Enrolled in the Medicare Savings Programs, Ranging from 7% in North Dakota to 33% in the District of Columbia

Share of Beneficiaries in the Medicare Savings Programs

■ < 10% 
 ■ 10%–15% 
 ■ 15%–20% 
 ■ 20%–25% 
 ■ ≥ 25%



SOURCE: KFF analysis of Chronic Conditions Data Warehouse 20 percent sample of Medicare beneficiaries for 2019. • PNG

KFF

Source: Kaiser Family Foundation, <https://www.kff.org/medicare/issue-brief/help-with-medicare-premium-and-cost-sharing-assistance-varies-by-state/>, April 20, 2022

# What's Next for Medicare Savings Programs

## Notice of Proposed Rule Making

- States must treat leads data as a Medicaid/MSP application
- Align MSP eligibility methodologies to LIS program methodologies
- Auto-enroll SSI recipients in Qualified Medicare Beneficiary (QMB)
- Streamline QMB & Part A buy-in enrollment for SSI recipients without free Part A

Source: CMS, <https://www.cms.gov/newsroom/fact-sheets/streamlining-eligibility-enrollment-notice-propose-rulemaking-nprm>

# **Changes to Part D As a Result of the Inflation Reduction Act**



# Inflation Reduction Act

## Medicare prescription provisions in 2023

- **Limits on drug price increases:** Requires drug companies to pay rebates to Medicare if drug prices rise faster than inflation
- **Caps on insulin costs:** Limits monthly out-of-pocket cost sharing for insulin products to max \$35
  - Effective January 2023 for Part D covered insulin products
  - Effective July 2023 for Part B covered insulin products with no deductible
- **Zero vaccine cost-sharing:** Eliminates cost-sharing for Medicare Part D vaccines including shingles, flu, T-DAP



# Poll: Changes to insulin coverage

**What has been your biggest hurdle to conducting plan comparisons for beneficiaries that take insulin?**

- Unsure which products are subject to the \$35 cap
- Extra steps required to complete a drug list comparison with insulin products
- Explaining the cap/or and inaccurate insulin cost information on Medicare Plan Finder
- Training volunteers on how to complete a drug list containing insulin products
- No problems

# **CMS authorizes exceptional circumstances SEP**

## **SEP for beneficiaries that use covered insulin products**

- Recognizes that MPF does not reflect accurate insulin prices post passage of IRA
- Allows beneficiaries to add, drop, or change their Part D coverage if they find a better option after the 2022 AEP
- Runs from December 8, 2022 to December 31, 2023
- Call 1-800-MEDICARE to utilize SEP

<https://innovation.cms.gov/data-and-reports/2022/partd-senior-sav-cy23-ira-insulin-memo>

# Inflation Reduction Act

## Medicare prescription provisions in 2024

- Eliminates the 5% coinsurance for catastrophic costs
- Expands Part D LIS full benefit to \$150% of FPL
- Caps Part D premium increases to no more than 6% in years 2024-2029



# Medicare prescription drug provisions of the Inflation Reduction Act (IRA)

## 2023

- Limits monthly out-of-pocket spending for insulin to \$35
- Eliminates cost sharing for vaccines covered by Medicare Part D (shingles, flu, TDAP)

## 2024

- Eliminates 5% copay in Part D catastrophic coverage
- Expands access to the Part D low-income subsidy (“Extra Help”)
- Part D premium growth limited to no more than 6%/year

## 2025

- Caps beneficiary out-of-pocket Part D drugs costs at \$2,000 per year

## 2026

- Allows Medicare to negotiate with drug manufacturers for the price of some Part D and Part B drugs

# Marketing and Communication Oversight



# Insurers are responsible for the claims of third-party marketing organizations (TPMO)



- TPMOs are marketing firms or individuals paid to generate leads, sell policies and enroll beneficiaries into a plan
- Agents and brokers are TPMOs
- Requires marketers to disclose more to customers

# Required disclaimer

- TPMOs must also use the following disclaimer in any marketing materials and on their website

*“We do not offer every plan available in your area. Any information we provide is limited to those plans we do offer in your area. Please contact Medicare.gov or 1-800-MEDICARE to get information on all of your options.”*
- The disclaimer must be made within the first minute of phone interaction



# Plan and TPMO contract requirements

Record calls with  
beneficiaries

Use the required  
disclaimer

Disclose marketing,  
leads ad enrollment  
subcontractors

Disclose that  
beneficiary info will  
be provided  
agent/marketer

Notify beneficiary  
when being  
transferred to agent  
for enrollment into  
plan

Report any  
beneficiary  
interaction violation

# Multi-language insert

CMS is again requiring that plans include the multi-language insert in Summary of Benefits, Annual Notice of Change/Evidence of Coverage and the enrollment form

The insert informs the reader that interpreter services are available in the 15 most common languages\*

*“We have free interpreter services to answer any questions you may have about our health or drug plan. To get an interpreter, just call us at [1-xxx-xxx-xxxx]. Someone who speaks [language] can help you. This is a free service.”*

# Parts A & B Coverage Changes



# Earlier coverage in GEP and IEP

Who	Currently coverage begins	January 1, 2023
All that enroll during the GEP	July 1	The first day of the month following the month of enrollment
Enrollments in the first three months of the IEP	The first month of eligibility (age 65)	The first month of eligibility (age 65)
Enrollments during the month of turning 65 (IEP)	The first day of the month following the month of enrollment	The first day of the month following the month of enrollment
Enrollments in the month following the month of turning 65 (IEP)	The first day of the second month following the month of enrollment	The first day of the month following the month of enrollment
Enrollments in the second or third month following the month of turning 65 (IEP)	The first day of the third month following the month of enrollment	The first day of the month following the month of enrollment

# New Medicare Part A and B Special Enrollment Periods

Provides relief to individuals who miss a Medicare enrollment period due to an exceptional condition:

- Impacted by an emergency or disaster
- Health plan or employer error
- Formerly incarcerated individuals
- Coordinate with termination of Medicaid coverage
- Other exceptional conditions

# Part B immunosuppressive drug benefit for post kidney transplant patients (Part B-ID benefit)

Benefit covers only immunosuppressive Part B drugs

Beneficiary must have no other type of coverage (including a state plan that covers ID drugs)

Part B-ID premium is less than the standard Part B premium  
LEP do not apply

MSP benefits extended to eligible individuals

# Poll: Preparing for the end of the public health emergency

## What information do you need to help beneficiaries navigate the end of the PHE?

- More information on what beneficiaries can do to prepare for the end of the PHE
- Dates/timing of Medicaid redetermination/disenrollment
- More information on the notices states are sending to individuals currently on Medicaid
- More information on Medicare SEPs that can help beneficiaries that will lose Medicaid
- No additional information needed



# Resources



# Resources from NCOA

- Open Enrollment Toolkit: <https://ncoa.org/article/medicare-open-enrollment-toolkit>
- Part D Cost Sharing Chart: <https://www.ncoa.org/article/medicare-part-d-cost-sharing-chart>
- Who Pays What in Part D in 2023 (former donut hole illustration): <https://www.ncoa.org/article/donut-hole-part-d>
- MSP enrollment: <https://www.ncoa.org/article/medicaid-msp-enrollment>
- Take-up rates in LIS and MSPs: <https://www.ncoa.org/article/take-up-rates-in-medicare-savings-programs-and-the-part-d-low-income-subsidy>

# Resources from Federal Agencies

- CMS: Announcement of Calendar Year Rates (MA & Part D): <https://www.cms.gov/files/document/2023-announcement.pdf>
- CMS: Implementing Certain Provision of the Consolidations Appropriations Act: <https://www.cms.gov/newsroom/fact-sheets/implementing-certain-provisions-consolidated-appropriations-act-2021-and-other-revisions-medicare-1>
- SSA Bulletin on Medicare enrollment periods: [https://www.ssa.gov/legislation/legis\\_bulletin\\_121420.html](https://www.ssa.gov/legislation/legis_bulletin_121420.html)

# Contact

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