

Navigating Medicare Part D Options

BEN HUDSON

*Training Director, State Health Insurance
Assistance Program (SHIP)*

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**ROAD TO
RETIREMENT**

PLANNING YOUR RETIREMENT
FROM INDIANA UNIVERSITY



Housekeeping

- **Session will not be recorded**; however, a PDF of the slides is available on the Road to Retirement website at hr.iu.edu/benefits/road-to-retire.html.
- All attendees have been placed on mute. If you have technical issues, please message an IUHR representative in the chat for assistance.
- Watch the chat for helpful links to additional information.
- Please **put all questions in the Q&A** box. Do not put any questions related to a personal situation in the Q&A.
- At the end of today's session, you will be asked to complete a brief survey.



MEDICARE PART D



SHIP

Navigating Medicare

*A Division of the Indiana Department of Insurance

**Minimum Coverage
Once Eligible***

***Must have:**

Original Medicare

- Part A
- Part B

-Part D or other creditable drug insurance.

*Medicare enrollment can be delayed if covered under you (or your spouse's) employer group health from a company larger than 20 employees (100 employees if on Medicare due to disability).

Option 1

Original Medicare

- Part A
- Part B
- Part D

Optional, but recommended:

**Medicare Supplement (Medigap)
OR other secondary insurance
coverage - such as IU Retiree Blue
Plan**

Option 2

Medicare Advantage Plan (MA)

Must be enrolled into Medicare Part A and B (benefits provided by Advantage plan)

Most plans will include a Part D plan built-in.

*If you choose a plan without Part D, you will need to have creditable drug insurance from outside of Medicare.

Part D Medicare Prescription Drug Coverage

Medicare drug plans:

- Approved by Medicare
- Run by private companies
- Available to everyone with Medicare

Two ways to get coverage:

- Medicare Prescription Drug Plans (**PDP**)-Works with Original Medicare
- Medicare Advantage Plans with prescription Part D drug coverage included (**MAPD**)

NOTE: Part D enrollment can be delayed past age 65 if enrolled into other creditable drug coverage (IU employer plan)

Part D Eligibility Requirements

You **must have Medicare Part A and/or Part B** to join a Medicare Prescription Drug Plan (PDP)

You must have **BOTH Medicare Part A and Part B** to join a Medicare Advantage Plan

Just like Medicare Advantage plans, must **live in the plan's service area**

You must **proactively apply to join a plan**. Only individuals with Medicaid assistance may be auto-enrolled into a Part D plan.

How Medicare Part D Works

As of 2006, all Medicare beneficiaries are required to have Part D (PDP or MAPD) or other creditable drug insurance from an alternate source (VA Drug plan, employer or retiree drug plan etc).

For Part D, beneficiary is responsible for:

- Paying the plan a monthly premium
 - Part D in Advantage plans could be \$0 on a zero-premium Advantage plan or will be a portion of the total Advantage plan premium
- Paying any deductibles and copayments at the pharmacy

Part D built into advantage plans tend to have lower deductibles and overall drug costs.

Part D Late Enrollment Penalty

Penalty if you delay or go without coverage

Can't go longer than **63 days** without Part D or creditable coverage once eligible for Medicare

If you do, pay a penalty **for as long as you have coverage**

- 1% of base beneficiary premium (\$34.70 in 2024)
 - For each full month eligible for Medicare but do not have a Part D plan or creditable drug insurance.
 - 1 month past 63 days= 1% (~\$.35); 2 months=2%; 3 months=3%.....etc
 - Penalty calculators available online
 - PDP/MAPD is responsible for collecting the penalty once enrolled

If your yearly income in 2022 was:

File individual tax return	File joint tax return	File married & separate tax return	You pay (in 2024)
\$103,000 or less	\$206,000 or less	\$103,000 or less	Regular plan premium
above \$103,000 up to \$129,000	above \$194,000 up to \$246,000	N/A	\$12.90 + your plan premium
above \$129,000 up to \$161,000	above \$246,000 up to \$306,000	N/A	\$33.30 + your plan premium
above \$161,000 up to \$193,000	above \$306,000 up to \$366,000	N/A	\$53.80 + your plan premium
above \$193,000 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	\$74.20 + your plan premium
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$81.00 + your plan premium

Part D Medicare Prescription Drug Plans

- Can be flexible in benefit design
 - What drugs are covered, deductible amount, drug tiers etc
- Must offer at least a standard level of coverage
- Vary in costs and drugs covered
- Benefits and costs may change each year
- Plans must cover certain drugs in protected categories



Drugs Excluded By Law Under Part D

- Drugs for anorexia, weight loss, or weight gain
- Erectile dysfunction drugs when used for the treatment of sexual or erectile dysfunction
- Fertility drugs
- Drugs for cosmetic or lifestyle purposes
- Drugs for symptomatic relief of coughs and colds
- Prescription vitamin and mineral products
- Non-prescription drugs



Medicare Drug Plan Costs

Costs vary by plan.

In 2024, most people will pay:

- A monthly premium (could be \$0/mo on some MA plans or \$0 Wellcare Part D plan)
- A yearly deductible (\$0-\$545)

Copayments or coinsurance:

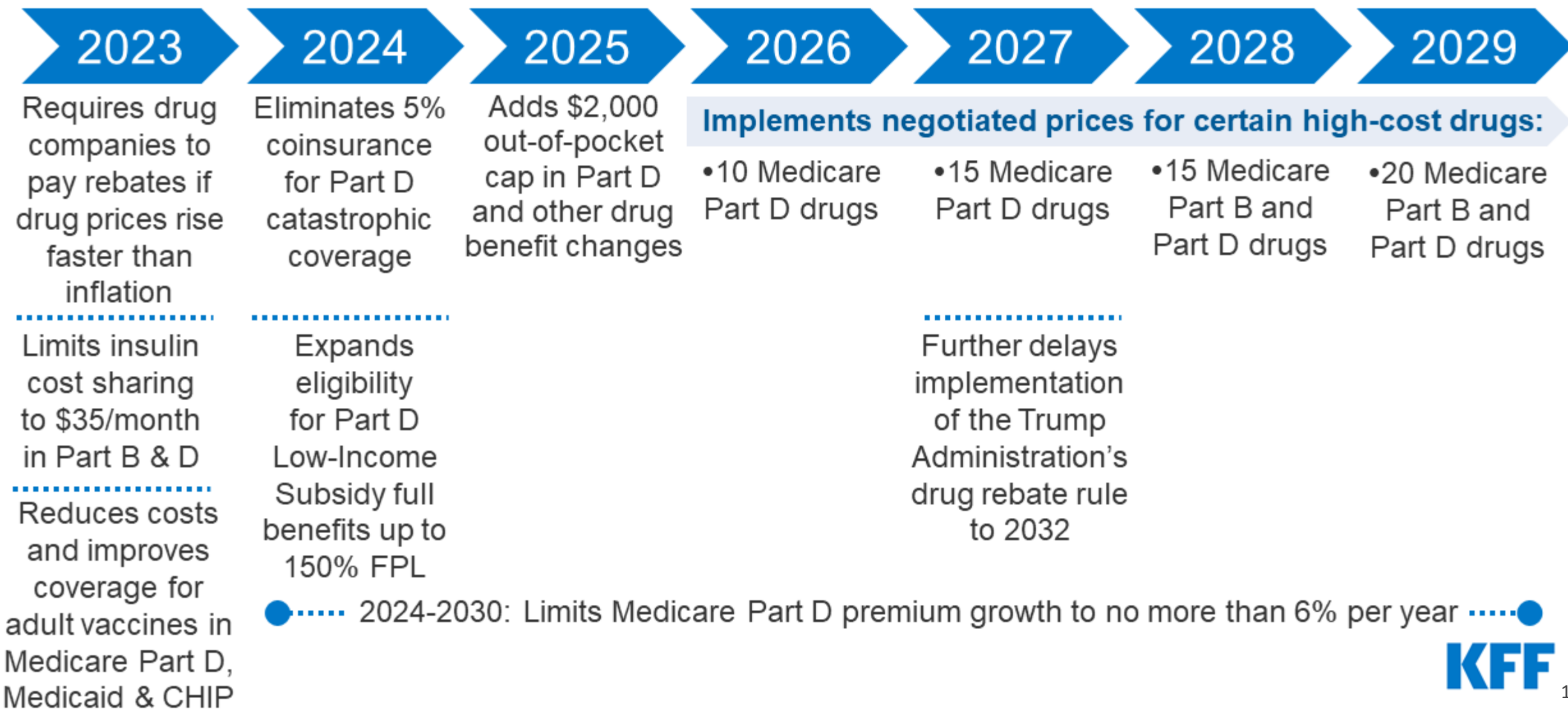
- 25% or LESS in “Initial Coverage Period”
- 25% for covered brand-name drugs in the coverage gap
- 25% for covered generic drugs in the coverage gap
- Reduced copays after meeting \$8000 TrOOP (catastrophic coverage)

DEDUCTIBLE PHASE	INITIAL COVERAGE PHASE	COVERAGE GAP (Donut Hole)	CATASTROPHIC COVERAGE PHASE
<p>You will Pay...</p> <p>Up to \$545/year</p>	<p>You will Pay...</p> <p>A copay (\$) or a coinsurance (%) usually 25% or less of the retail cost of the drug.</p>	<p>You will Pay...</p> <p>25% of the retail cost for both Generic drugs and Brand Name drugs.</p>	<p>You will Pay...</p> <p>New for 2024---\$0 copays!</p>
<p>\$545 is the maximum deductible a plan can charge; some plans may have a lower deductible or even no deductible at all.</p> <p>A deductible is an amount you owe before the insurance plan pays anything.</p> <p><i>**Many plans will not make you pay towards the deductible for Tier 1 and Tier 2 prescriptions</i></p>	<p>If the total retail cost of all your drugs after one or more refills in the year reaches \$5,030 then you will move to the next phase, the coverage gap.</p>	<p>You will continue to pay a full 25% until you reach another limit of \$8000 True Out of Pocket Cost (TrOOP).</p> <p>NOTE: For 2025, the Donut Hole will no longer exist. You will go from the initial coverage phase straight to Catastrophic Coverage.</p>	<p>Once you reach Catastrophic Coverage you will pay no copays for both generic and brand name drugs.</p> <p>NOTE: In 2025, there will be a \$2000 max out of pocket AND a new payment option.</p>

All forms of insulin, covered by the Part D plan's formulary, will be \$35/refill through all phases and not subject to the deductible.

Figure 1

Implementation Timeline of the Prescription Drug Provisions in the Inflation Reduction Act



How To Save Money On Part D

- Locate pharmacies that are “preferred” on your plan
- Use coupons like GoodRx
 - Only drugs paid for by your part D plan are tracked and get you closer to the donut hole
- Research pharmaceutical manufacturers discount programs
- See if you qualify for “Extra Help” for your Part D costs through Social Security
- Ask you doctor to change you to cheaper alternatives or options that are on your plan’s formulary



Drug Coverage Through Other Parts of Medicare

Part D does not cover all prescriptions **ALL** the time.

Whether **Medicare Part A, Part B, or Part D covers** a drug depends on:

- Medical necessity
- Health care setting
- How the drug is administered
- Medical indication (why you need it, like for cancer)
- Any special drug coverage requirements
 - Such as immunosuppressive drugs following a transplant

Part A Prescription Drug Coverage

Part A generally pays for:

- All drugs **during a covered inpatient stay** received as part of treatment in a hospital or skilled nursing facility
- Drugs used in **hospice care** for symptom control and pain relief only



Part B Prescription Drug Coverage

Part B covers limited outpatient drugs:

- Most **injectable and infusible** drugs given as part of a doctor's service
- Drugs used at home with some types of Part B covered **durable medical equipment**
- Insulin pumps/nebulizers
- Some oral drugs with special coverage requirements like
- Certain oral anti-cancer and antiemetic drugs
- **Immunosuppressive drugs**, under certain circumstances



Part B Prescription Drug Coverage

Part B covers certain immunizations as part of Medicare-covered preventive services:

- Flu shot
- Pneumococcal shot (to prevent pneumonia)
- Hepatitis B shot

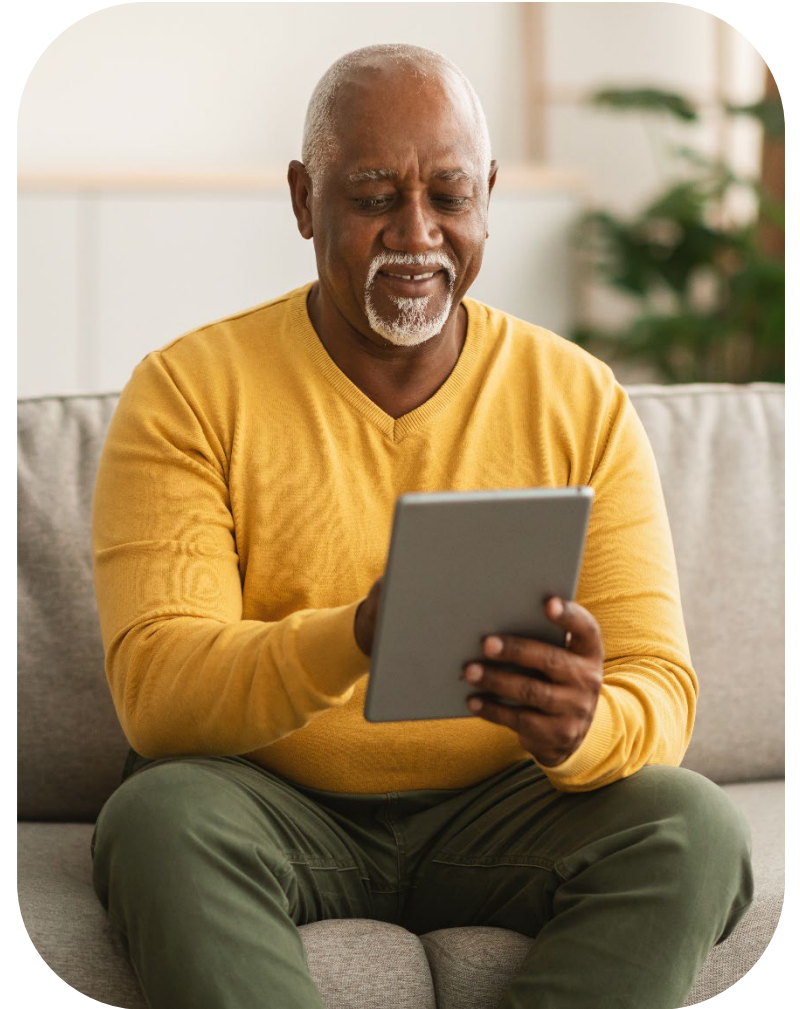
Part B may cover certain vaccines after injury or exposure to a disease:

- Tetanus shot
- Rabies



When You Can Join or Switch Part D Plans

- Initial Enrollment Period
- SEP when losing current creditable coverage
- Medicare's Open Enrollment Period is October 15–December 7 each year, coverage starts January 1
- Additional special enrollment periods



When You Can Join or Switch Part D Plans

Special Enrollment Periods (SEP):

- You move out of your plan's service area
- You have Medicaid and Medicare
- You have a quarterly SEP if you qualify for Extra Help
- Your plan leaves the Medicare Program or reduces its service area
- You leave or lose employer or union coverage
- You enter, live at, or leave a long-term care facility (like a nursing home)
- Other exceptional circumstances

Note: Each SEP has different allow timeframes to make changes. Please see the link below or search online for document to see all SEPs

[Understanding Medicare Part C and Part D Enrollment Periods](#)

Choosing A Part D Plan

To **compare** plans by computer or phone:

- Use the Medicare Plan Finder at: [Explore your Medicare coverage options](#)
- [Mymedicare.gov](#)
- Call 1-800-MEDICARE (1-800-633-4227)
- Contact your State Health Insurance Assistance Program (SHIP) for help comparing plans

To **join** a Part D Plan:

- Enroll at Medicare.gov
- Call 1-800-MEDICARE (1-800-633-4227)
- Enroll on the plan's website or call the plan
- Complete a paper enrollment form



Welcome to Medicare

Get Started with Medicare



Log in or create an account

Access your information anytime, anywhere

Log in/Create Account



Find health & drug plans

Find & compare plans in your area

Find Plans Now



Find care providers

Compare hospitals, nursing homes, & more

Find Providers Near Me



Talk to someone

Contact Medicare & other helpful resources

Get Help

SilverScript SmartSaver (PDP)

Aetna Medicare | Plan ID: S5601-190-0

Star rating: ★★☆☆☆

MONTHLY PREMIUM

\$4.80 Includes: Only drug coverage

TOTAL DRUG & PREMIUM COST (for the rest of 2023)

\$14.40 Only includes premiums for the months left in this year when you don't enter any drugs

DEDUCTIBLE

\$505.00 Drug deductible

Enroll

Plan Details



Add to compare

PHARMACIES

[Add your drugs & pharmacies](#)

Select pharmacies to see which

DRUGS

[Add your prescription drugs](#)

Enter drugs you take regularly

estimated drug + premium co

For More Information

- SHIP telephone: 1-800-452-4800
 - TTY users should call 1-800-846-0139
- SHIP website: www.medicare.in.gov
- 1-800-MEDICARE (1-800-633-4227)
 - TTY users should call 1-877-486-2048
- *Medicare & You 2024* handbook
- www.medicare.gov

Ben Hudson bhenriquezhudson@idoi.in.gov 317-437-0366



Upcoming Webinars

Date	Time (all in ET)	Topic	Presenter
September 27	Noon – 1:30 pm	Social Security Overview <i>Road to Retirement Series</i>	Charo Boyd <i>Social Security Administration</i>
October 11	Noon – 1:30 pm	Fundamentals of Retirement Income Planning <i>Road to Retirement Series</i>	Lori Matthews & Ben Apraez <i>Fidelity</i>
October 16	3:30 – 5:00 pm	Medicare Basics – Parts A, B, D <i>Road to Retirement Series</i>	Ben Hudson <i>Indiana SHIP</i>
October 17	4:00 – 4:45 pm	Medicare Part D Overview <i>Road to Retirement Series</i>	Ben Hudson <i>Indiana SHIP</i>
October 18	Noon – 1:00 pm	Prepare for Reality of Healthcare in Retirement <i>Road to Retirement Series</i>	Devan Gould <i>Fidelity</i>
October 22	4:00 – pm	Social Security Overview <i>Road to Retirement Series</i>	Charo Boyd <i>Social Security Administration</i>

Register at: hr.iu.edu/benefits/road-to-retire.html

IU HUMAN RESOURCES



askhr@iu.edu | 812-856-1234 | hr.iu.edu



THANK YOU

Questions?