

What's New with Medicare Part D

By your friends at  SOUTHERN UTAH
INSURANCE



Hello! I'm Sol, the Southern Utah Insurance mascot! We're glad you're here! Take a seat and we'll get started shortly

2019 MEDICARE OPEN ENROLLMENT DATES

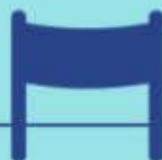
Dates and deadlines you need to know



OCT. 15, 2018

OPEN ENROLLMENT BEGINS

This is the first day you can enroll for 2019 health coverage.



DEC. 7, 2018

OPEN ENROLLMENT ENDS

This is the last day you can enroll for 2019 health coverage.



JAN. 1, 2019

FIRST DATE COVERAGE CAN START

Even if you enroll in December 2018, your new Medicare plan won't go into effect until Jan. 1, 2019.



Part D Prescription drug plans are only available to Medicare beneficiaries



Medicare does not supply drug coverage directly, but creates a model that private insurers must follow



You must have Part A *or* Part B to join a Medicare Prescription Drug Plan

Medicare Prescription Drug Coverage (Part D)

There are 2 ways to get Medicare prescription drug coverage:

1

Medicare Stand Alone Prescription Drug Plans. These plans (sometimes called “PDPs”) add drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private Fee-for-Service (PFFS) plans, Medicare Medical Savings Account (MSA) plans and Medicare Supplement Plans. You must have Part A **and/or** Part B to join a Medicare Prescription Drug Plan.

2

Medicare Advantage Plans (like HMOs or PPOs) or other Medicare health plans that offer Medicare prescription drug coverage. You get all of your Part A, Part B, and prescription drug coverage (Part D), through these plans. Medicare



Say Goodbye to the Donut Hole in 2019

For all the Medicare beneficiaries who find themselves falling into the Medicare's prescription drug coverage Part D donut hole (coverage gap), the Bipartisan Budget Act of 2018 is here to help. The Act speeds up the closing the coverage gap and offers prescription cost relief in 2019.

Since the Affordable Care Act was passed in 2010, the donut hole has been slowly closing. By 2020, beneficiaries are expected to only pay 25% of their brand name drug costs while in the donut hole. Now, enrollees won't have to wait until 2020. Instead, the gap is closing beginning of 2019. Beneficiaries no longer have to choose between expensive medications that work vs medications that cost less, but aren't as beneficial.

4 Phases to Medicare Part D

1 **Deductible** - Medicare beneficiaries pay their deductible \$415, if applicable

2 **Initial Limit** – copays (coinsurance) until your full drug costs reach \$ 3,820, so if your monthly drug cost are over \$318.00. You will reach the 2019 Donut Hole

3 **Coverage Gap (Donut Hole)** - Once a beneficiary drug cost exceeds \$3,820, they “fall” into the donut hole coverage gap. Beneficiaries become responsible for paying up to \$5,100 for their prescription drugs. Brand name drugs will be covered at 75%, reducing your shared cost to 25%. Generic drugs will be covered at 63%, reducing your shared costs to 37%. CMS estimates that if you have monthly retail drug costs over \$678, you will exit the 2019 Donut Hole.

4 **Catastrophic Coverage Phase** – After \$5,100 is paid out of pocket, you only pay a reduced coinsurance amount or copay for the rest of the year.

How To Shop For A Medicare Part D Plan

- ***See if your regular prescription medicines are in a Medicare Part D plan's "formulary" list***
- No single Medicare Part D prescription drug plan covers all prescription medicines. Instead, each plan covers only a selected list of drugs, called the plan's "formulary." The formulary generally includes at least 2 therapeutic drugs in every pharmaceutical category (meaning at least one drug to treat every disease or condition).
- ***Find out if there are restrictions on any of your regular medicines. (Example) formulary drug lists, drug tiers, pre-authorization, Etc. Find out the cost of your medications before you sign up for a Medicare Part D drug plan.***
- ***Participating Pharmacies.*** Make sure you know if your current pharmacy is participating with your Medicare drug plan and if they are listed as a preferred pharmacy or a standard pharmacy because this could change the cost of your drugs.



Medicare Part D Coverage Rules

- **Generic only.** Some plans list a drug on their formulary but provide coverage only for the generic version, not the brand name.
- **Substituted drug.** Plans are allowed to substitute a different but similar drug from the one prescribed by your doctor, though the substituted drug must be within the same pharmaceutical category. This would be the prescription equivalent of your doctor prescribing aspirin and you being given Tylenol or Advil instead.
- **Tiered drugs.** Insurance companies may place drugs in different tiered categories, charging you higher co-payments for some tiers than for others.
- **Prior authorization.** Plan D insurance plans may require that you and your doctor get prior approval from the plan before it will pay for a particular drug. Even if the plan authorizes coverage, it's an inconvenience for you and your doctor and can delay your getting the drug. If the plan refuses authorization, it forces you either to pay the full cost out of pocket for the drug you and your doctor prefer, or to use a different drug.
- **Step therapy.** For a few medicines, Part D plans require a patient to try one or more other drugs -- other "steps" -- before the plan will cover the drug your doctor prescribed, and it will cover that drug only if the doctor certifies that other steps were not effective.
- **Quantity limits**—Limits on how much medication you can get at a time.



Coverage Determination or Exceptions

Ask for an exception if you or your prescriber (your doctor or other health care provider who's legally allowed to write prescriptions believes you need a drug that isn't on your plan's formulary.

Ask for an exception if you or your prescriber believes that a coverage rule (like prior authorization) should be waived

Ask for an exception if you think you should pay less for a higher tier (more expensive) drug because you or your prescriber believes you can't take any of the lower tier (less expensive) drugs for the same condition.

What Happens If My Drug Plan Denies My Exception?

❖ **Pharmaceutical Assistance Programs (also called Patient Assistance Programs)**

Many major drug manufacturers offer assistance programs for people with Medicare drug coverage who meet certain requirements. Visit [Medicare.gov/pharmaceutical-assistance-program](https://www.Medicare.gov/pharmaceutical-assistance-program) to learn more about Pharmaceutical Assistance Programs.

The Medicare Part D Extra Help Program

The Medicare Extra Help Program helps pay prescription drug costs under Medicare [Part D](#). Eligibility depends on your income level and your assets. You may qualify for Extra Help with Medicare in 2018-2019 if your income is less than \$18,090 for an individual or \$24,360 for a couple.

Extra Help Medicare can:

- Reduce your out of pocket costs for prescription drugs. If you qualify for full benefits, you won't pay more than \$8.35 for a brand name drug and \$3.35 for a generic. If you qualify for partial benefits, you will often pay a reduced price for prescription drugs.
- Eliminate your monthly [Part D premiums](#).
- Eliminate your annual Part D deductibles.
- Eliminate the coverage gap, also known as the "donut hole." This means your prescriptions won't cost more just because you went over a spending limit in a certain year.

Part D

Prescription Drug Plans

The Late Enrollment Penalty

Part D Late Penalty

If you decide not to join a Medicare drug plan when you're first eligible, and you don't have other creditable prescription drug coverage, you'll likely pay a late enrollment penalty if you join a plan later.



Lost Coverage



Went 63 days

+1%

+1%

+1%

+1%

Began new coverage

4% penalty on premium



June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
------	------	-----	------	-----	-----	-----	-----	-----	-----	-----	-----

Part D Late Penalty

Currently, the late enrollment penalty is calculated by multiplying 1% of the “national base beneficiary premium” (**\$35.02 in 2018**) by the number of full, uncovered months that you were eligible but didn’t join a Medicare drug plan and went without other creditable prescription drug coverage.

3 Ways to Avoid the Part D Penalty



Join a Medicare drug plan when you're first eligible



Don't go 63 days or more in a row without a Medicare drug plan or other creditable coverage.



Tell your plan about any drug coverage you had if they send you a letter requesting this information.

Medigap Supplement Changes in 2020

A large, faint, light-colored sunburst graphic is positioned in the lower right quadrant of the slide, serving as a background element. It consists of many thin, radiating lines forming a circular shape, with some thicker, darker rays extending outwards.

Supplement Options will Change in 2020



Legislation just passed by congress states that starting in 2020 Medigap plans will no longer be allowed to offer coverage for Medicare Part B deductibles, which is currently \$183.00 for 2018.

These plans sold before 2020 will be able to stay in effect past this change, holding a “grandfathered” status. This means that you’ll be able to keep your plan!

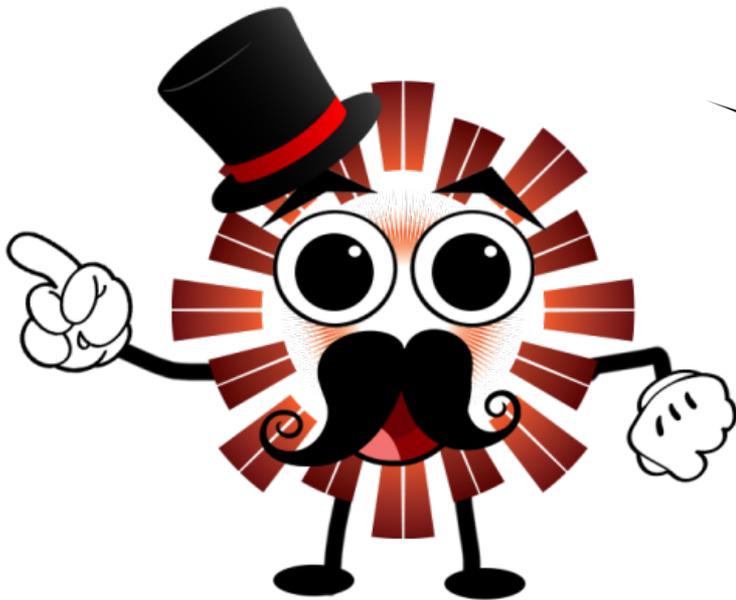
Supplement Options will Change in 2020 – Affected Plans

The two plans that will be affected by this new legislation are the **Medigap Plans C & F**

Medigap Benefits Chart

	Plan A	Plan B	Plan C	Plan D	Plan F*	Plan G	Plan K	Plan L	Plan M	Plan N
Medicare Part A Coinsurance and Hospital Costs up to an Additional 365 Days After Medicare Benefits are Used Up.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓***
Blood (First 3 Pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A Hospice Care Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Facility Care Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓
Medicare Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Medicare Part B Deductible			✓		✓					
Medicare Part B Excess Charges					✓	✓				
Foreign Travel Emergency (Up to Plan Limits)			✓	✓	✓	✓			✓	✓
							Out-of-Pocket Limit **			
							\$4,620	\$2,310		

Thank you!



We appreciate you coming out! We'll be around for a few more minutes if you have additional questions!