

2023 Medicare Update

Northeast

Physician Hospital Organization

2023 Medicare Part B Rates:

- Standard monthly premium for Part B **decreased** \$5.20 from \$170.10 in 2022
- Annual deductible for Part B **decreased** \$7 from the annual deductible of \$233 in 2022

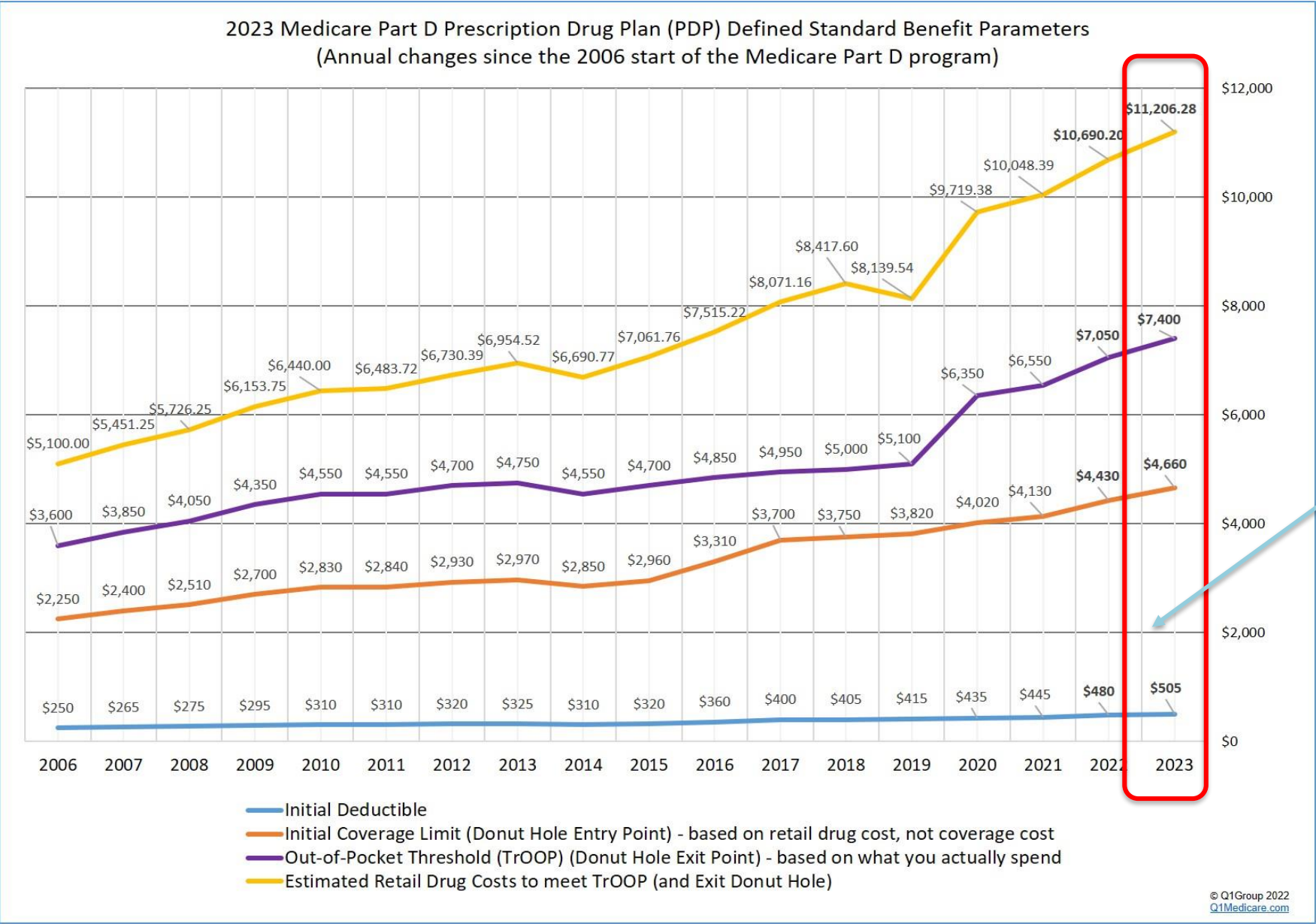
MEDICARE 2023 PART B PREMIUMS BY INCOME			
If your filing status and yearly income in 2021 was:			
File Individual Tax Return	File Joint Tax Return	Income-Related Monthly Adjustment Amount	Total Monthly Premium Amount
Less than or equal to \$97,000	Less than or equal to \$194,000	\$0.00	\$164.90
Greater than \$97,000 and less than or equal to \$123,000	Greater than \$194,000 and less than or equal to \$246,000	\$65.90	\$230.80
Greater than \$123,000 and less than or equal to \$153,000	Greater than \$246,000 and less than or equal to \$306,000	\$164.80	\$329.70
Greater than \$153,000 and less than or equal to \$183,000	Greater than \$306,000 and less than or equal to \$366,000	\$263.70	\$428.60
Greater than \$183,000 and less than \$500,000	Greater than \$366,000 and less than \$750,000	\$362.60	\$527.50
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$395.60	\$560.50

MEDICARE 2023 PART D PREMIUMS BY INCOME		
If your filing status and yearly income in 2021 was:		
File Individual Tax Return	File Joint Tax Return	Income-related monthly adjustment amount
Less than or equal to \$97,000	Less than or equal to \$194,000	\$0.00
Greater than \$97,000 and less than or equal to \$123,000	Greater than \$194,000 and less than or equal to \$246,000	12.20
Greater than \$123,000 and less than or equal to \$153,000	Greater than \$246,000 and less than or equal to \$306,000	31.50
Greater than \$153,000 and less than or equal to \$183,000	Greater than \$306,000 and less than or equal to \$366,000	50.70
Greater than \$183,000 and less than \$500,000	Greater than \$366,000 and less than \$750,000	70.00
Greater than or equal to \$500,000	Greater than or equal to \$750,000	76.40

- 2023 Part D income-related monthly adjustment amounts for high-income beneficiaries (\$0 - \$76.40 per month)
- In addition to Part D premium

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Medicare Part D:

Est TrOOP (Catastrophic Threshold) \$11,206

Donut Hole - \$4,660 - \$7,400

Deductible - \$505

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Part D Coverage Stage	2022	2023
Annual Deductible (varies by plan)	Up to \$480	Up to \$505
Initial Coverage Limit (before coverage gap begins)	\$4430	\$4660
Coverage Gap (donut hole)	\$4430.01-\$7050	\$4660.01-\$7400
<i>Brand-name drug costs in coverage gap</i>	<ul style="list-style-type: none">• Patient pays no more than 25% of drug cost• Manufacturer pays 70% of cost• Plan pays 5% of cost• 95% of drug cost (paid for by patient and manufacturer) applies to amount to get out of coverage gap	<ul style="list-style-type: none">• Patient pays no more than 25% of drug cost• Manufacturer pays 70% of cost• Plan pays 5% of cost• 95% of drug cost (paid for by patient and manufacturer) applies to amount to get out of coverage gap
<i>Generic drug costs in coverage gap</i>	<ul style="list-style-type: none">• Patient pays no more than 25% of drug cost• 25% of drug cost applies to amount to get out of coverage gap	<ul style="list-style-type: none">• Patient pays no more than 25% of drug cost• 25% of drug cost applies to amount to get out of coverage gap
Catastrophic Coverage (begins at end of coverage gap)	>\$7050	>\$7400
<i>Catastrophic coverage generic copay</i>	\$3.95 (drug cost up to \$79) or 5% (drug cost over \$79)	\$4.15 (drug cost up to \$83) or 5% (drug cost over \$83)
<i>Catastrophic coverage brand copay</i>	\$9.85 (drug cost up to \$197) or 5% (drug cost over \$197)	\$10.35 (drug cost up to \$207) or 5% (drug cost over \$207)

2023 Medicare Part D Prescription Drug Coverage Phase Tip Sheet

Medicare Part D Premium	You pay: Monthly premium for Medicare Part D plan PLUS income based fee
Sign Up Delay Penalty	You pay: 1% of your Part D Premium for each month delay in signing up after age 65 (<i>unless postponed due to other prescription coverage</i>)
Stage 1: Annual Deductible <i>January 1st each year</i>	You pay: 100% of the cost of your medications up to your deductible amount. <ul style="list-style-type: none"> - deductible varies between \$0 and \$505, but cannot exceed \$505 - Stage 2: Initial Coverage begins after deductible is paid - deductible usually excludes Tier 1 medications
Stage 2: Initial Coverage	You pay: Balance of deductible if not met then a copay (or coinsurance %) for each medication based on drug Tier <ul style="list-style-type: none"> - Stage 3: Coverage Gap begins after your out of pocket costs reach \$4,660
Stage 3: Coverage Gap <i>Donut Hole</i>	You pay: 25% of the cost of each of your medications (brand or generic) and Medicare Part D plan pays 75% of the cost of each of your medications <ul style="list-style-type: none"> - Stage 4: Catastrophic Coverage begins after your out of pocket costs reach \$7,400
Stage 4: Catastrophic Coverage	You pay: For the rest of the calendar year, <u>the greater of:</u> <ul style="list-style-type: none"> - 5% cost of each medication - \$3.95 for each generic medication - \$9.85 for all other medications
Medicare Part D Plans are annual plans; you start with Stage 1 every January	

More Tips:

- Research **Medicare Part D / Medicare Advantage** plans annually during Open Enrollment for best coverage of your medications www.medicare.gov
 - o Open Enrollment is usually mid-October – mid-December
 - o Meet with local **SHINE** (Serving the Health Information Needs of Everyone) Counselor for assistance; 1-AGE-INFO (1-800-243-4636)
- Avoid **Medicare Part D** Sign Up Delay Penalty (*1% additional cost to premium for every month delayed*)
 - o Sign up for Medicare Part D plan when eligible even if medication costs are low
 - o Consider a \$0 premium plan if on few medications or costs are low
- Enroll in **Prescription Advantage** (MA state-sponsored **secondary coverage** Rx drug assistance for seniors & people with disabilities) 1-800-243-4696; www.prescriptionadvantagemma.org
 - o No enrollment fee for most (\$200 fee for higher income individuals/couples)
 - o Supplements prescription drug benefits for medications covered by Medicare Part D or creditable coverage plans **based on income and out-of-pocket threshold met**
 - o ≥ 65 yo, eligible for Medicare, and meet income guidelines
 - o < 65 yo, work no more than 40 hrs/mo, meet MassHealth's CommonHealth disability/ income guidelines
- **Part D Senior Savings Model – Insulin Savings**
 - o Some Medicare Part D Prescription plans participate in insulin program at reduced cost
 - o Cost of insulin during Stages 1 – 3 is \$35; during Stage 4 is %5 cost of insulin

2023 Medicare Part D Prescription Coverage - Examples

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
HTN	Lisinopril Atorvastatin	T1 generic copays No contribution to deductible											
Asthma	Lisinopril Atorvastatin + Flovent (\$255) + albuterol inh	\$255 + 3 copays	\$250 + 3 copays	Deductible met 4 copays									
		Stage 1: Up to \$505 deductible		Stage 2: <\$4660 Expenses Expenses:\$250 x 12 months = \$3000									
COPD	Lisinopril Atorvastatin + Breo Ellipta (\$390)	\$390 + 2 copays	\$115 + 2 copays	Deductible met 3 copays through Nov							Dec: Start of Coverage Gap (Donut Hole) ~\$98 monthly (25% cost of inhaler) + 2 copays Stage 3: >\$4660 Expenses \$390 x 12 months = \$4680		
		Stage 1: Up to \$505 deductible		Stage 2: <\$4660 Expenses Expenses: \$390 x 11 months = \$4290									
COPD	Lisinopril Atorvastatin + Breo Ellipta (\$390) +Spiriva (\$475) Expenses:\$865/mo	\$505 + 3 copays	4 copays monthly			~\$217 monthly (25% cost 2 inhalers) + 2 copays			~\$44 monthly (5% cost Breo Ellipta + Spiriva) + 2 copays (\$4.15 for cost up to \$84)				
		Stage 1: Up to \$505 deductible	Stage 2: <\$4430 Expenses Expenses: \$865 x 5 months = \$4325										Stage 3: >\$5190 Expenses \$865 x 6months=\$5190
COPD + Atrial Fib	Lisinopril Atorvastatin + Breo Ellipta (\$390) +Spiriva (\$475) +Eliquis (\$500) Expenses: \$1365 per month	\$505 + 3 copays	5 copays monthly		Apr: Start of Coverage Gap (Donut Hole) ~\$342 monthly (25% cost 2 inhs & Eliquis) + 2 copays		~\$68 monthly (5% cost of Breo Ellipta + Spiriva + Eliquis) +2 copays (\$10.15 for cost up to \$207)						
		Stage 1: Up to \$505 deductible	Stage 2: <\$4660 Expenses:\$1365 x 3 months= \$4095		Stage 3: >\$4660 Expenses: \$1350 x 4 months = \$5460		Stage 4: >\$7400 Expenses: \$1365 x 6 months = \$8190						

Inflation Reduction Act: CMS Implementation Timeline



2022

Affordable Care Act

- People covered under **Affordable Care Act** insurance plans will continue to save on their health insurance coverage during Open Enrollment for 2023 coverage.

Medicare Part B qualifying biosimilars

- Starting October 1, Medicare will temporarily pay an add-on fee of 8% instead of 6% for qualifying biosimilars. This increase will encourage competition, lower costs for prescription drugs, and improve patient access to biosimilars.

Medicare Part D drug rebates

- October 1 is the start of the first 12-month period for which drug manufacturers will be required to pay rebates to Medicare if their prices for certain Part D drugs increase faster than the rate of inflation over the 12-month period. The Part D inflation rebates for the 12-month periods beginning October 1, 2022 and October 1, 2023 must be invoiced by December 31, 2025.



2023

Insulin cost-sharing

- Starting January 1, people enrolled in a Medicare prescription drug plan will not pay more than \$35 for a month's supply of each insulin that they take and is covered by their Medicare prescription drug plan and dispensed at a pharmacy or through a mail-order pharmacy. Also, Part D deductibles won't apply to the covered insulin product.
- Starting July 1, people with Traditional Medicare who take insulin through a traditional pump will not pay more than \$35 for a month's supply of insulin, and the deductible will not apply to the insulin. This will apply to people using pumps covered through the durable medical equipment benefit under Part B

Vaccine cost-sharing

- Starting January 1, adult vaccines recommended by the Advisory Committee on Immunization Practices (ACIP), including the shingles vaccine, will be available to people with Medicare Part D at no cost to them.

Medicare Part B drug rebates

- January 1 is the start of the first quarter for which drug manufacturers will be required to pay rebates to Medicare if prices for certain Part B drugs increase faster than the rate of inflation. The Part B inflation rebates for quarters in 2023 and 2024 must be invoiced by September 30, 2025.

Coinsurance for Part B drugs

- Starting April 1, people with Traditional Medicare may pay a lower coinsurance for some Part B drugs if the drug's price increased faster than the rate of inflation in a benchmark quarter.

Medicare Part D drugs selected for the Drug Price Negotiation Program

- By September 1, CMS will announce the first 10 Medicare Part D drugs selected for the Drug Price Negotiation Program. Maximum fair prices negotiated for these first 10 Part D drugs will go into effect in 2026.

Coverage of ACIP-recommended vaccines

- Beginning October 1, most adults with coverage from Medicaid and CHIP will be guaranteed coverage of vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) at no cost to them.