

How Medicare Part D changes could lower your costs in 2024

Breaking down the changes to Medicare Part D & PAN grants

Wednesday, November 29

 PAN Foundation

Meet the presenters



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Today's agenda

- A brief refresher of the Medicare program and terminology
- Reviewing Medicare changes in 2023 and 2024
- Impact of Medicare changes on PAN grants
- A brief look ahead at Medicare changes in 2025
- Answering your questions

Housekeeping items



Now recording

A recording of this presentation will be shared with you via email.



Ask questions

Don't be shy! Use the chat feature to submit questions to us directly during the webinar.



Stay tuned

After the webinar we'll share a few resources, including PAN's Medicare reform guide.

A brief history of the Medicare program and affordability challenges

Medicare timeline

1965

1972

1980s

2006

1965

- Federal health insurance program called Medicare established for people over the age of 65

1972

- Medicare expands to cover people under the age of 65 who live with a long-term disability

Medicare timeline

1965

1972

1980s

2006

1980s

- Rise in innovation and specialty drugs; out-of-pocket medication costs begin to increase

2006

- Medicare Part D created, providing coverage for outpatient prescription drugs



More than 50 million

out of the 65 million people covered by Medicare were enrolled in Medicare Part D plans in 2023

The Medicare alphabet

Part A

Hospital insurance

- Inpatient hospital stays
- Care in a skilled nursing facility
- Hospice care
- Some health care

- It does not cover regular doctor visits or prescription drugs

Part B

Medical insurance

- Certain doctor's services
- Outpatient care
- Lab tests
- Medical equipment
- Preventative services
- Ambulances

Part C

Medicare Advantage

"All in one" alternative to Original Medicare

- Covers benefits included with Original Medicare
- Sometimes covers: dental care, vision benefits, over-the-counter items, etc.

- May include prescription drug benefits

Part D

Prescription coverage

- Prescription drugs

- Part D plans are offered by private companies approved by Medicare

About people with Medicare



More than 10,000 people age into Medicare every day



More than half of all people with Medicare insurance have an annual income below \$30,000 (per person)



8 out of 10 older adults live with at least one chronic condition



97% of PAN grant recipients have Medicare insurance

The average Medicare household

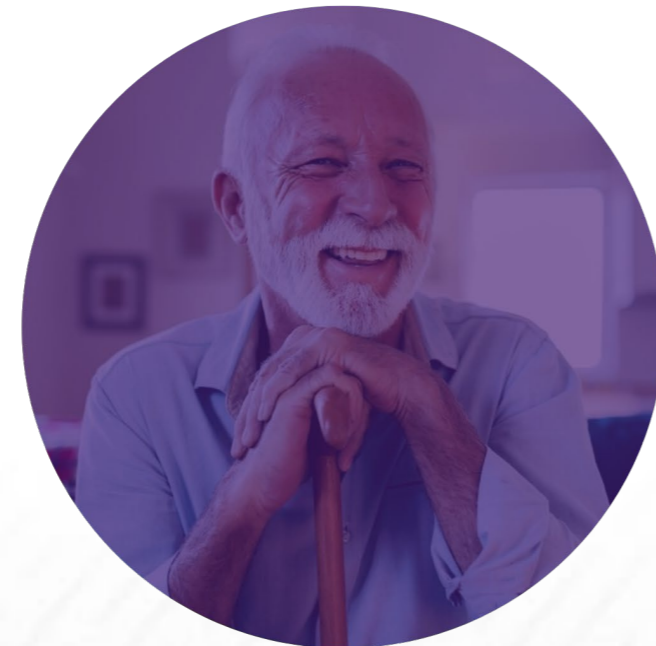
A person is considered “underinsured” if they spend 10% or more of their total household spending on healthcare costs.



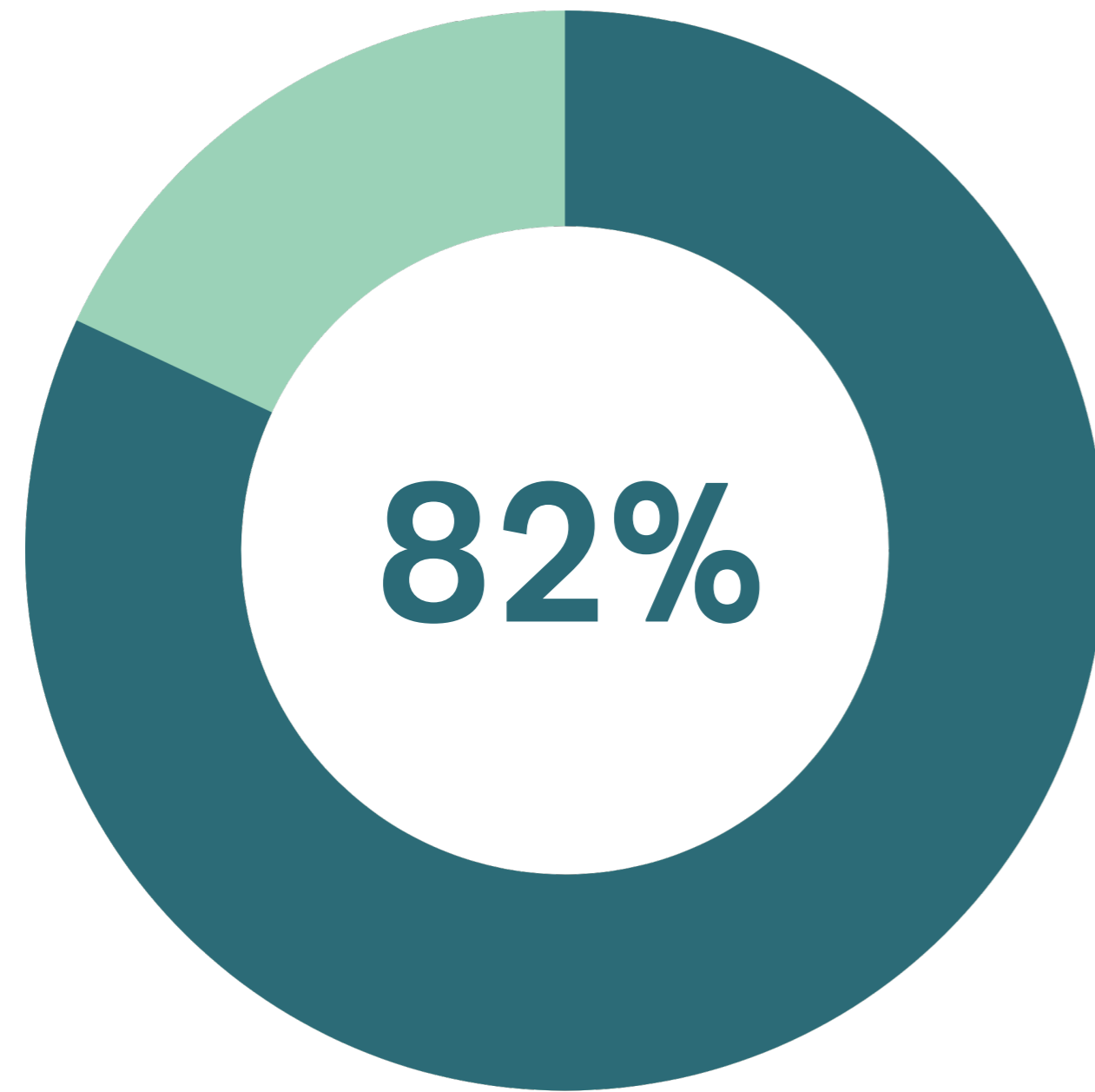
Three out of four Medicare households (75%) spent 10% percent or more of their total household spending on health

When out-of-pocket costs are too high...

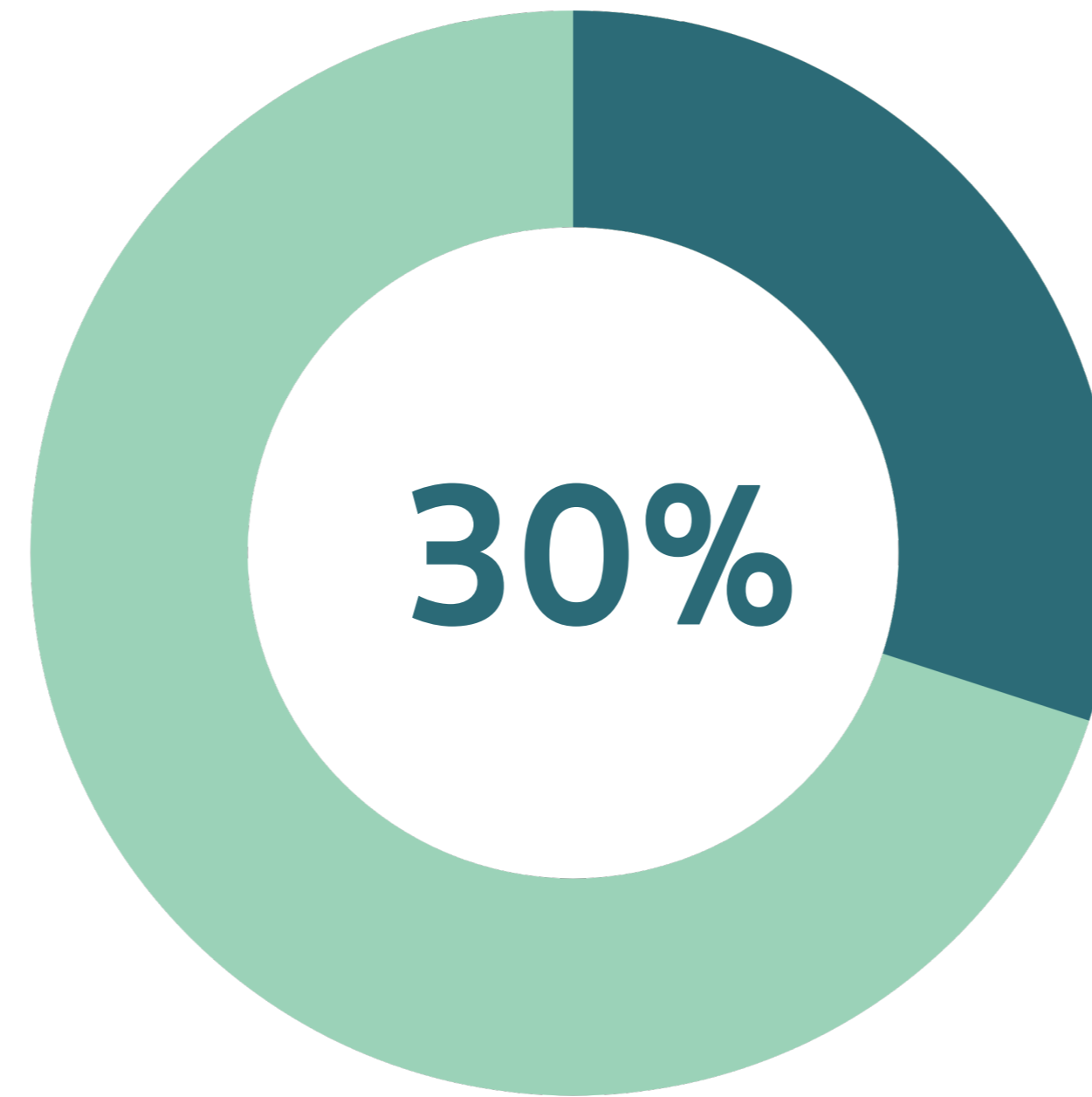
...too many people walk away from the pharmacy counter.



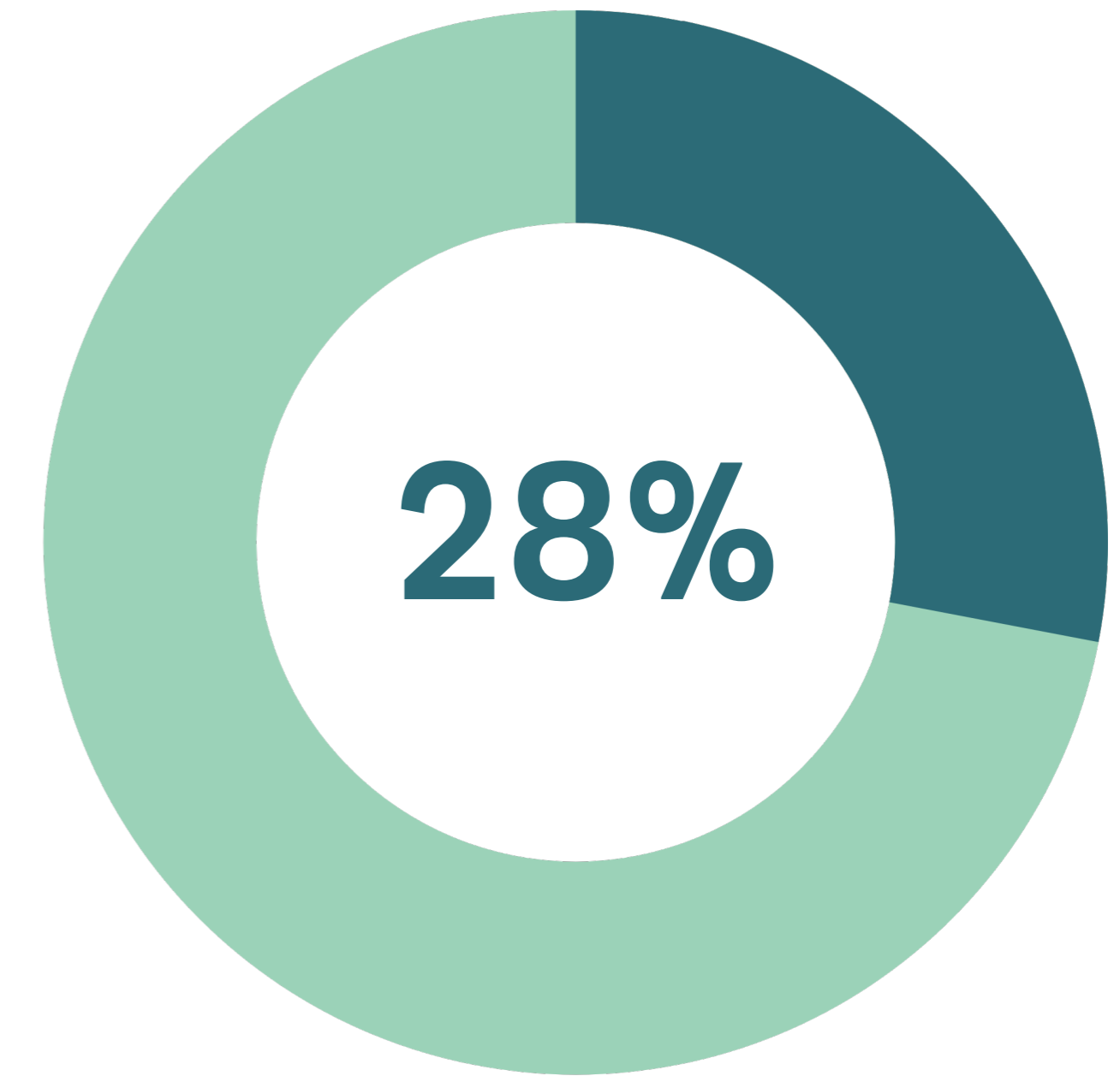
Americans are concerned about the cost of prescription drugs



82% of adults think the cost of prescription drugs is unreasonable



About 30% of adults say in the last year, they have not taken prescription medicines as directed because of cost



28% of adults say it is very difficult for them to afford to pay for their prescription drugs

Source: KFF, "Public Opinion on Prescription Drugs and Their Prices," April 2023.

Historic Medicare reforms enacted through the Inflation Reduction Act

Timeline for Medicare reforms



2023

1. Vaccines without co-pays
2. Insulin co-pays limited to \$35/month



2024

1. Giving more people “Extra Help”
2. Elimination of 5% coinsurance for catastrophic phase



2025

1. A \$2,000 annual cap on prescription costs
2. Optional Monthly Payment Prescription Plan to spread out total annual costs

2024



Expanded eligibility for the federal Low-Income Subsidy, or Extra Help program



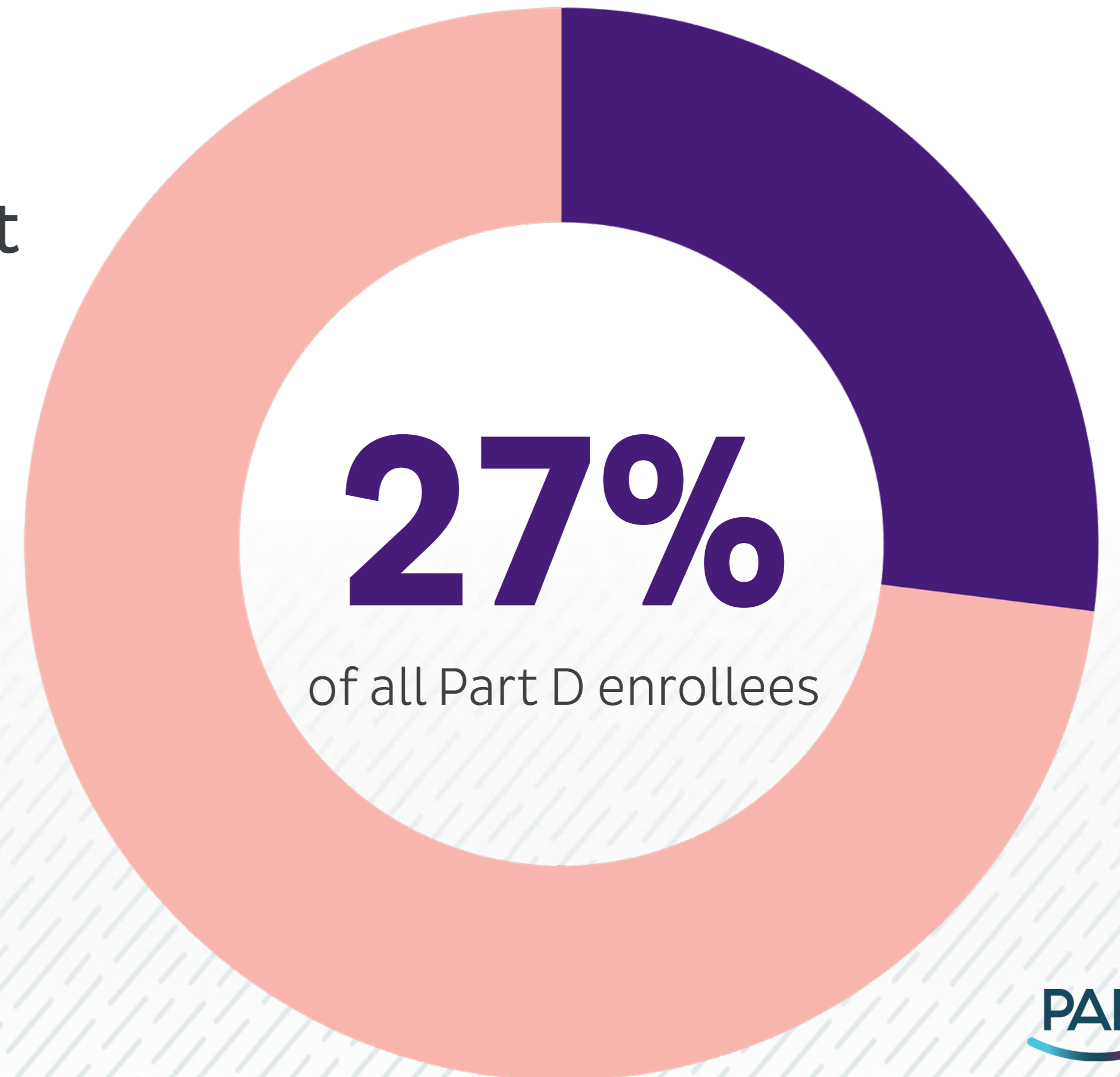
Elimination of 5% coinsurance in the catastrophic phase

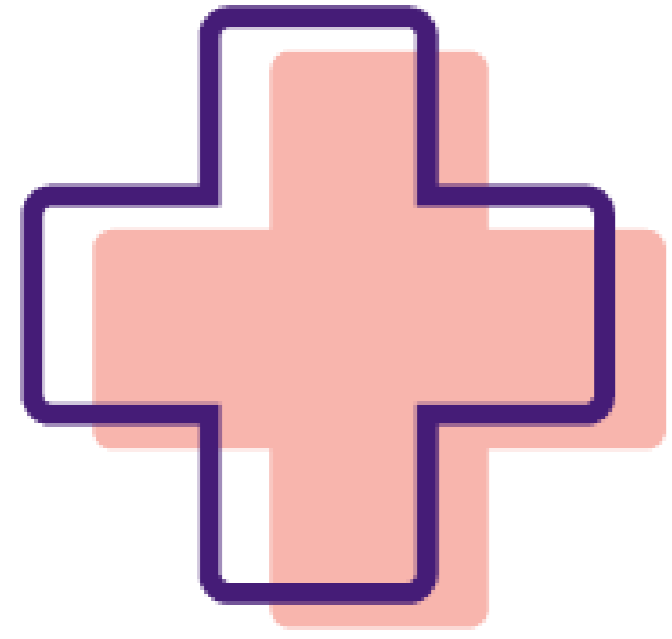


What you need to know:
What is the “Extra Help” program?

The Low-Income Subsidy, or ‘Extra Help’ program helps people with Medicare drug plans—who have limited income and modest resources—pay for prescription medication costs.

In 2023, the Extra Help program helped 13.4 million people.



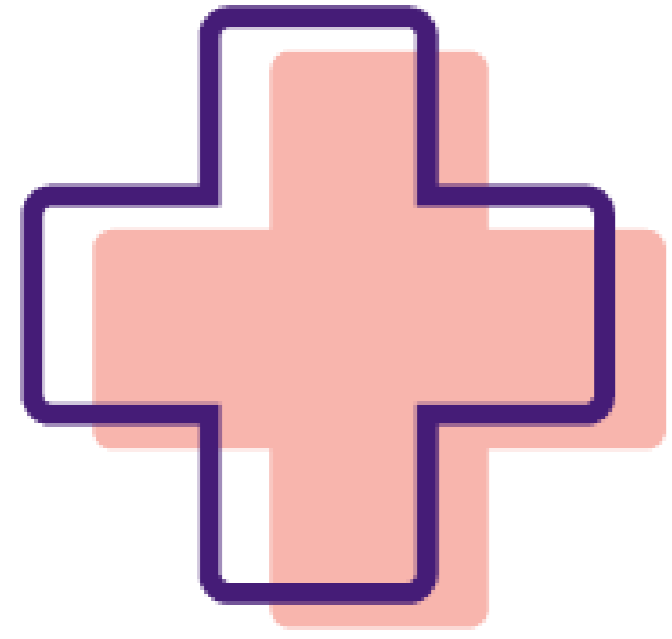


What does “Extra Help” cover?

People who qualify for Extra Help will pay:

- No deductibles
- No premiums for Part D drug plans
- No more than \$11.20 in 2024 for each brand-name drug the plan covers
- No more than \$4.50 for generic medications
- No Part D late enrollment penalty, if applicable

It's estimated annual value is **\$5,300 per person.**



How do you qualify?

You will be **automatically** be enrolled if you:

- are enrolled in Medicare and Medicaid
- receive Supplemental Security Income
- qualify for one of the Medicare Savings Programs

Others will need to apply for the program. In most cases, you must live in one of the 50 states or the District of Columbia and have income and resources below a certain limit.



Income and resource limits

Income and resource limits in 2024:

Your situation	Income limit	Resource* limit
Individual	\$21,870	\$16,600
Married couple	\$29,580	\$33,240

***Resources include** money in a checking, savings, or retirement account, stocks, and bonds.

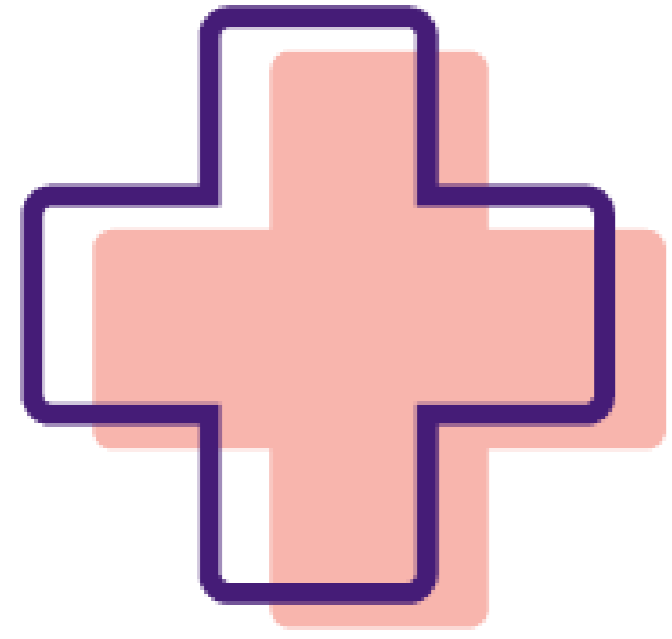
***Resources don't include** your home, one car, burial plots, up to \$1,500 for burial expenses if you've put that money aside, furniture, and other household and personal items



What is changing about Extra Help

Household size	138% of FPL	150% of FPL
One person	\$18,870.00	\$21,870.00
Two people	\$25,185.00	\$29,580.00

On January 1, 2024, eligibility for maximum assistance is expanded to people living up to 150% of FPL and higher resources.



The impact of the changes to Extra Help

- In 2024, nearly 300,000 people with Medicare who are currently enrolled in the partial version of the Extra Help program could benefit from the program's expansion.
- **Up to 3 million more seniors and people with disabilities could benefit from the Extra Help program now but aren't currently enrolled.**



How to apply

Some people qualify automatically, but if you don't, it's easy to apply for Extra Help:

- Visit Social Security online at ssa.gov/extrahelp.
- Call Social Security at 1-800-772-1213. TTY users can call 1-800-325-0778.
- Visit Medicare.gov/extrahelp or call 1-800-MEDICARE (1-800-633-4227) to learn about Medicare drug plans, Extra Help, and other ways to lower your prescription drug costs. TTY users can call 1-877-486-2048.

2024



Expanded eligibility for the federal Low-Income Subsidy, or Extra Help program



Elimination of 5% coinsurance in the catastrophic phase

Understanding coinsurance & the four phases of Medicare

There are guidelines for what percentage the Medicare plan covers and what percentage the insured person must pay in each phase of your Medicare coverage.

The four phases of coverage are:

- the deductible phase
- initial coverage phase
- the coverage gap
- the catastrophic phase.

Changes to Medicare Part D for brand-name drug costs

Share of brand-name drug costs paid by:

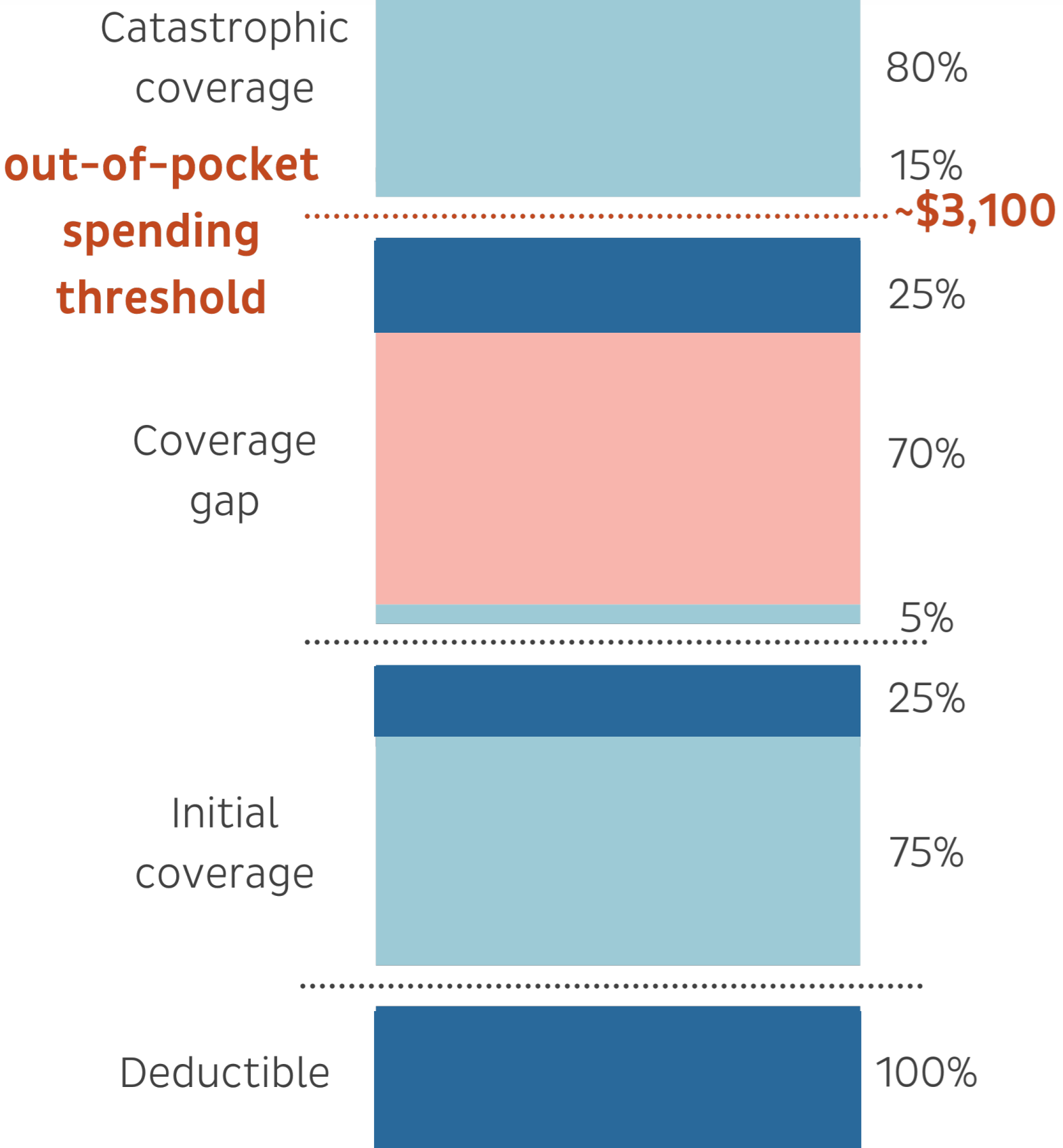


Enrollees

- Part D Plans
- Drug manufacturers
- Medicare

Current law: 2023

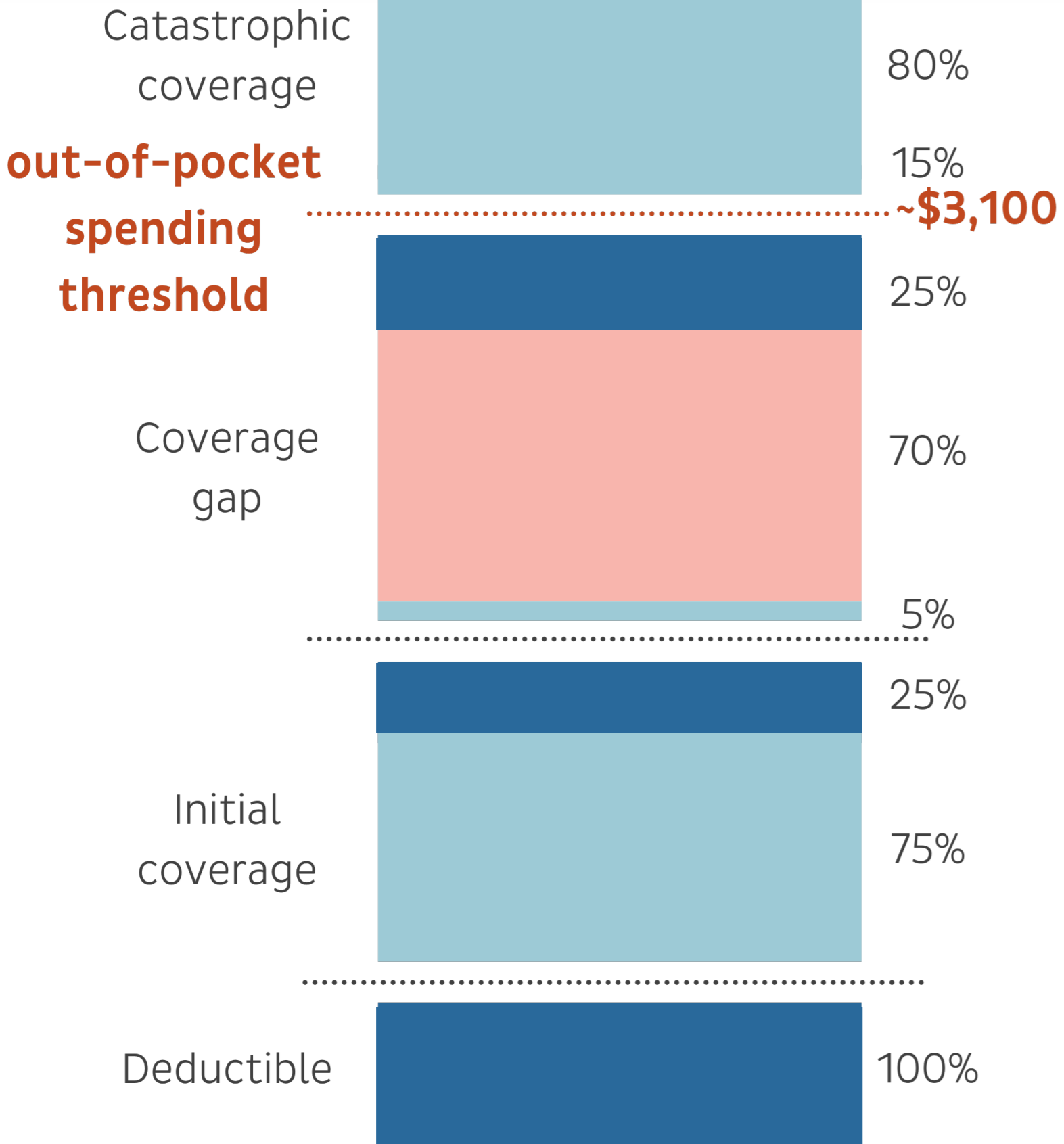
5% enrollee



Changes to Medicare Part D for brand-name drug costs

Current law: 2023

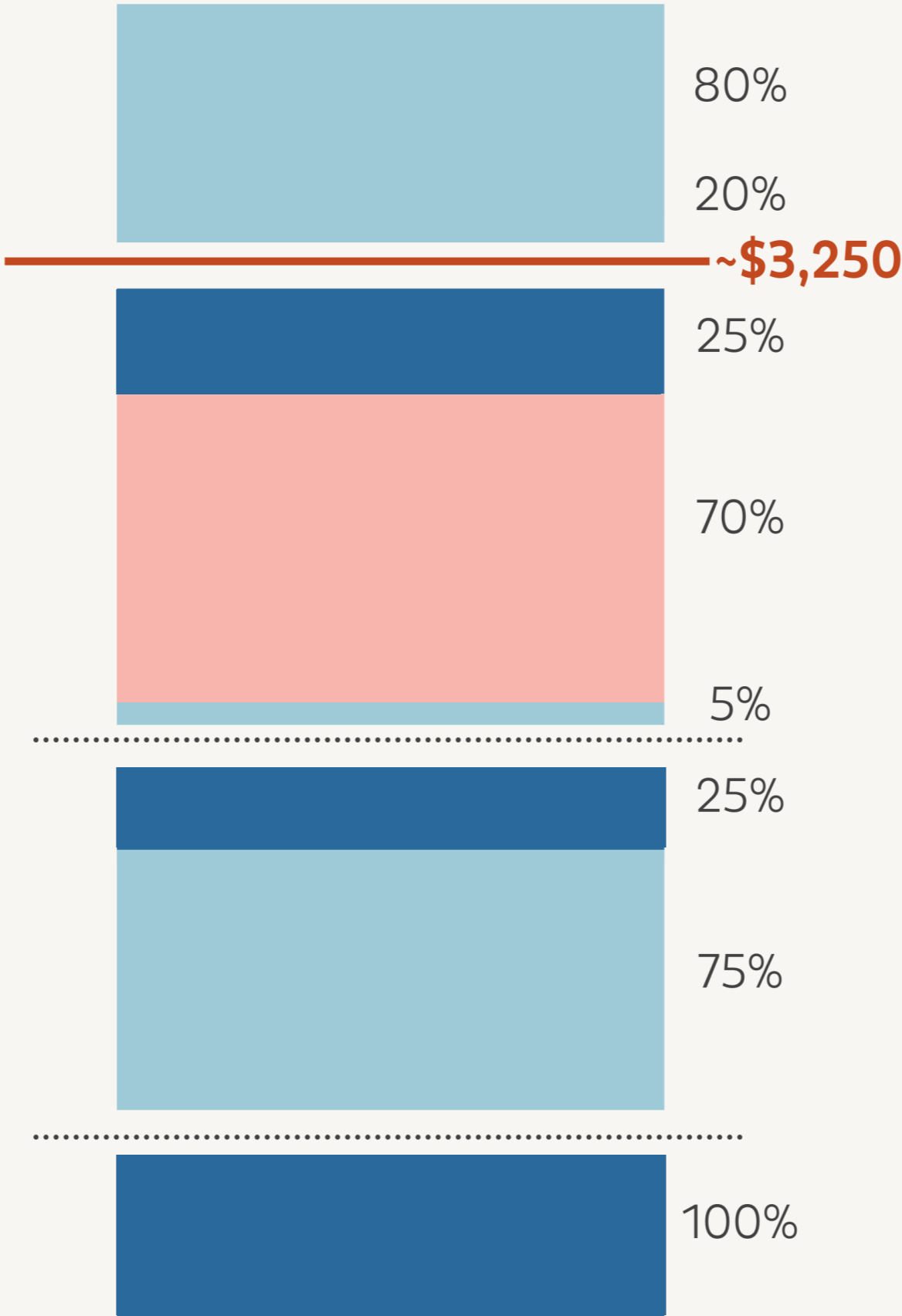
5% enrollee



Inflation Reduction Act

2024

0% enrollee



Share of brand-name drug costs paid by:



Enrollees

- Part D Plans
- Drug manufacturers
- Medicare



Summary of what's changing in 2024 with Medicare Part D

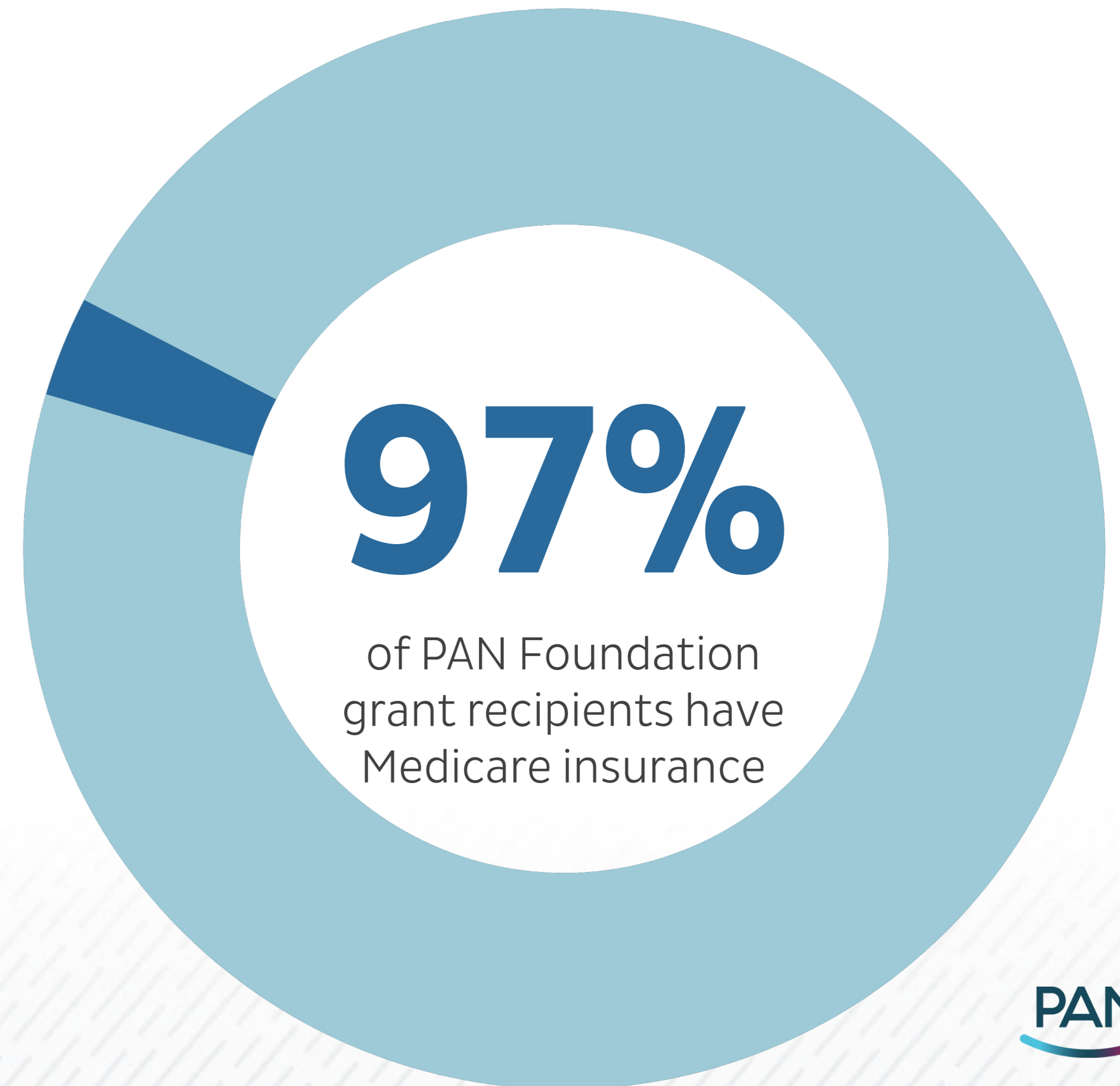
- More people can qualify for more help through the Extra Help program, which will help pay for premiums, deductibles, coinsurance, and other costs
- People with Medicare Part D will no longer have any cost-sharing once they reach the catastrophic phase of spending, so their out-of-pocket maximum will be about \$3,250 in 2024
- More out-of-pocket limits ahead in 2025

Changes to PAN grants



How PAN grants may change in 2024

We design our grants to cover 100% of out-of-pocket costs for most patients—and that isn't changing.



How to apply for a grant

1. Check if a fund is open

This can be done on our website, portal, or over the phone

2. Verify you meet eligibility criteria

Find eligibility criteria on individual disease fund pages

3. Gather required information



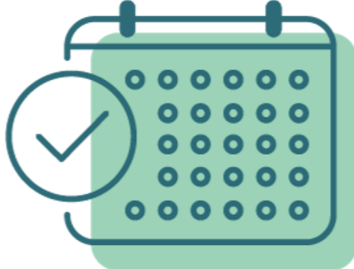

This include demographics, diagnosis, medication, insurance, income, and physician information

4. Submit application

You can apply on our website, portal, or over the phone



Overview of current PAN grant structure

	Assistance amounts vary per disease fund
	Patients have a 12-month eligibility period
	Patients—or their provider or pharmacy—must submit a claim every 120 days
	Potential for renewal



How PAN grants may change in 2024

- Grant amounts are changing across disease funds, no matter what type of insurance you have.
- Grant amount changes will only impact you when you apply for a new grant, additional funding, or to renew your grant in 2024.
- Anyone issued a grant in 2023 will have access to their full, original grant amount until their grant period ends.



How PAN will share updates

Medicare reforms guide: our online Medicare reforms webpage will have information on any upcoming changes to PAN grants and upcoming Medicare reforms (panfoundation.org/reforms).

Find a disease fund webpage: new grant amounts will be available on our Find a disease fund webpage starting January 1, 2024 (panfoundation.org/funds).



Additional resources

Referrals: We provide real-time referrals to other patient organizations if a disease fund is closed. These can be found on the individual disease fund pages.

CLOSED

Heart Failure

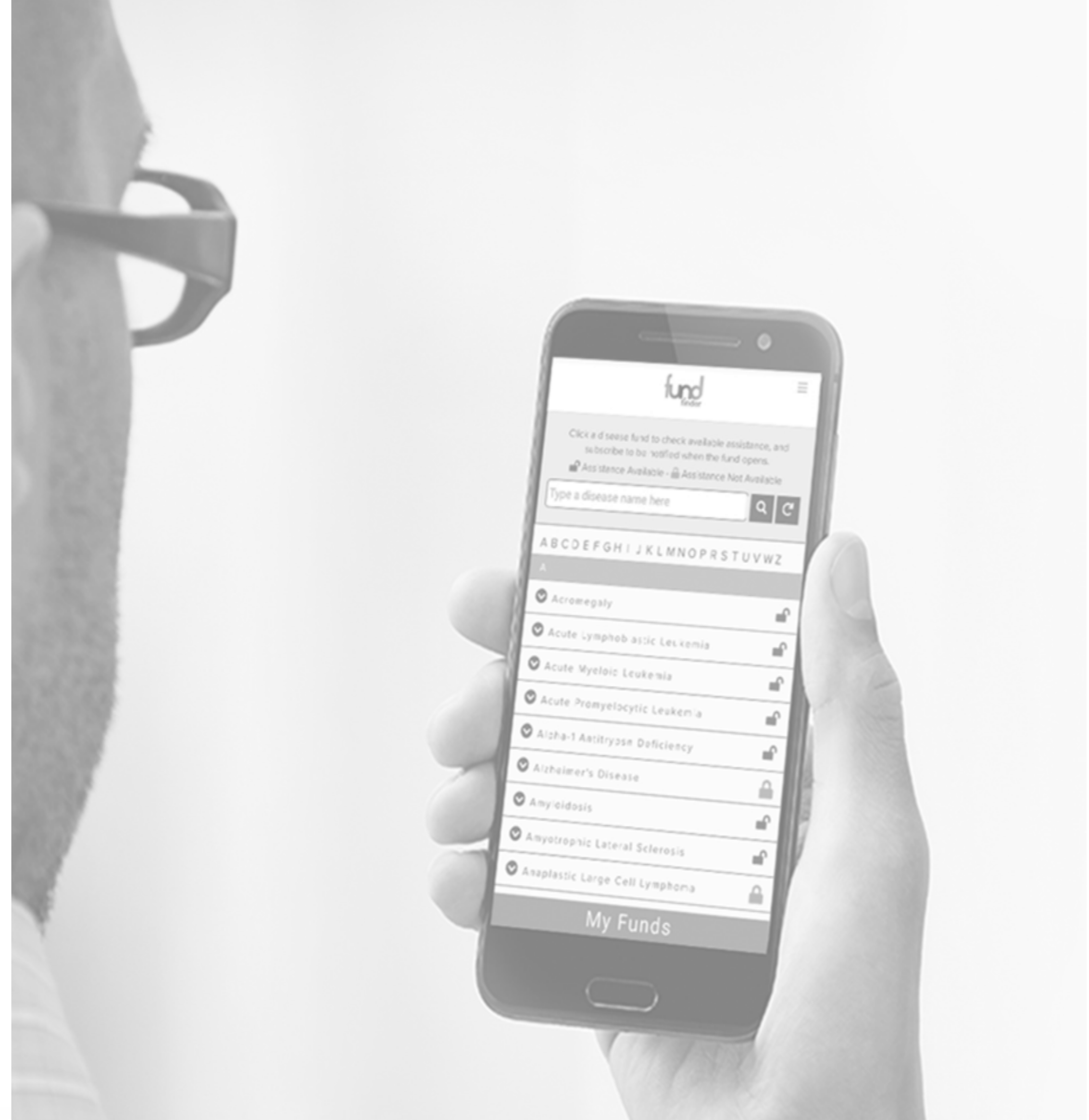
We are not currently accepting applications for new or renewal patients. Within the last hour, [Patient Advocate Foundation](#) was accepting applications.

[Check if this fund has other names or covered subtypes.](#)



Additional resources

- **FundFinder:** You can use FundFinder to sign up for email or text message notifications to learn when financial assistance becomes available at any of the 9 charitable patient assistance foundations:
fundfinder.panfoundation.org



70,000+

Users and growing

Over 50%

Of users are patients

200+

Assistance programs
in one place

130+

Advocacy and patient
support organizations listed



Looking ahead at Medicare Part D changes in 2025

2025

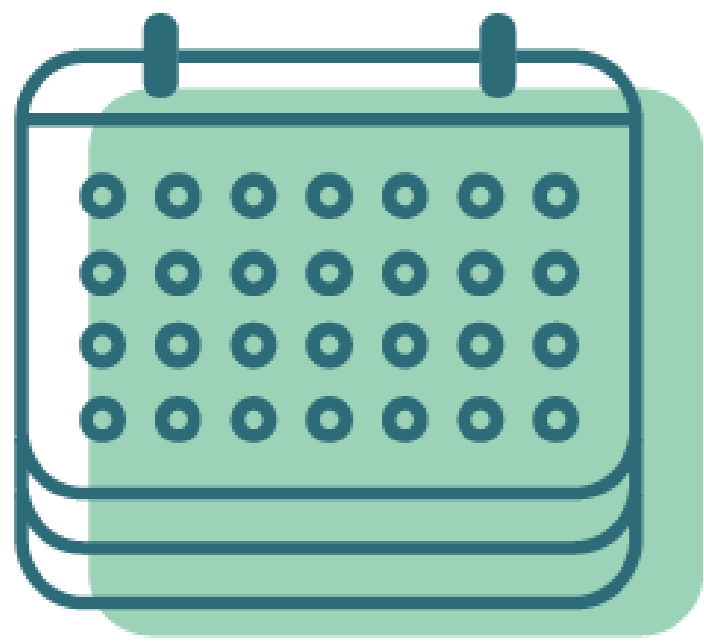
You must opt-in to smoothing!



\$2,000 annual cap on out-of-pocket spending for people with Medicare Part D



Option for monthly payments to **smooth** out total out-of-pocket responsibility throughout the year, with an overall monthly maximum



Introducing the Medicare Prescription Payment Plan

So far, we know:

- Patients will need to enroll in the program
- The earlier in the year you join the program, the more you can benefit
- Your monthly bill may fluctuate
- No one will pay more than \$2,000 for the year in 2025

We'll update our Medicare reforms guide webpage as we learn more, scan the QR code on the right:



Key takeaways

- Your Medicare Part D plan should be providing updates about Medicare changes
- We will email you a:
 - Recording of this presentation
 - Copy of the slides we shared today
 - Extra resources, including a printable graphic so you can keep track of when these changes will take place
- Reminder: Open Enrollment ends on December 7
 - These Medicare reforms will **not** affect open enrollment

Questions



Answering your questions:

What is PAN's strategy for determining disease fund grant amounts based on historical patient needs?



Frequently asked question:

If a grant amount is not enough to cover patient out-of-pocket medication costs, does PAN offer some additional resources?



Frequently asked question:

Since this cap means that most PAN grant recipients will have lower out-of-pocket prescription costs, will most of the disease fund grant amounts be changing in 2024?



Frequently asked question:

What medications are covered by the Medicare reforms? Does the cap apply per medication or for all medications? (Will I be paying \$3250 per medication?)



Frequently asked question:

How do I know if I have Part D?



Frequently asked question:

**Have these Medicare reforms
been approved by Congress and
are they here to stay?**



Frequently asked question:

How can I get more information about these Medicare changes or PAN grants if I still have questions?

Resources for you

PAN Foundation resources

- Visit www.panfoundation.org
- Visit PAN's Medicare reforms webpage, which we update when new information is available: www.panfoundation.org/reforms

Other resources

- www.Medicare.gov or 1-800-MEDICARE (1-800-623-4227)
- National Council on Aging: www.ncoa.org
- State Health Insurance Assistance Program: www.shiphelp.org



**Thank you
for joining us
today!**

PAN Foundation