

## Medicare Open Enrollment – It’s coming to your home soon!

Just a reminder that Medicare participants can choose from any of the actions listed below. Changes made during the MOE period (OCT 15 – DEC 7) will go into effect January 1 of the following year.

- Change from Original Medicare to a Medicare Advantage Plan.(Part C)
- Change from a Medicare Advantage Plan back to Original Medicare.
- Switch from one Medicare Advantage Plan to another Medicare Advantage Plan.
- Switch from a Medicare Advantage Plan that doesn’t offer drug coverage to a Medicare Advantage Plan that does offer drug coverage.
- Switch from a Medicare Advantage Plan that offers drug coverage to a Medicare Advantage Plan that doesn’t offer drug coverage.
- Join a Medicare Prescription Drug Plan (Part D).
- Switch from one Medicare Prescription Drug Plan to another.
- Drop your Medicare prescription drug coverage completely.
- Do nothing. If you haven’t received an [Annual Notice of Change](#) (ANOC) in the mail that your current coverage is changing or ending and you’re happy with it, then you don’t have to take any action. You don’t have to re-enroll in or renew Medicare each year because your existing plan(s) will roll over automatically. The existing coverage will remain in effect as long as you continue paying any necessary premiums.

### What can we say about cost changes?

Last year the CMS Fact Sheet on Medicare Parts A & B Premiums and Deductibles for 2022 was not posted until Nov 12, 2021. That’s a little late for this article, but on July 29, 2022 CMS did release the following:

The Centers for Medicare & Medicaid Services (CMS) today announced that the average **basic** monthly premium for standard Medicare Part D coverage is projected to be approximately \$31.50 in 2023. This expected amount is a **decrease** of 1.8% from \$32.08 in 2022.

**SO**, if your Part D Prescription Drug Plan gives you a rate increase notice this Fall, it’s time to call a different insurance provider during the MOE period.

Chances are you had a bit of a shock last year when seeing the 2022 Medicare Part B premium amount. It went up by \$21.60, from \$148.50 in 2021 to \$170.10 in 2022. That was a 14.5% increase, and was one of the steepest increases in Medicare’s history. The rise in the Part B premium price was partly due to the anticipated high cost of a prescription drug for treating Alzheimer’s. In fall 2021, when CMS announced the 2022

Part B premium, Aduhelm™ was projected to cost an average of \$56,000 per patient, per year. However, the drug manufacturer later revealed a reduced average price of \$26,200, leaving a surplus of funds. Due to legal and operational regulations, CMS concluded the only feasible option was to reflect the impact of the surplus in the calculation of the 2023 Part B premium. So the question is, how much of an anticipated increase in the Part B premium will be offset by the surplus from 2022?

The board of trustees for Medicare releases a report each year that outlines the financial stability and trajectory of Medicare. This year's report has Part B premiums rising to \$272/mo and the deductible reaching \$379 by 2031. As it is, the total increase in cost to beneficiaries from 2021 to 2022 was estimated to be \$1.1 billion due to the increase in the number and amounts of deductible and coinsurance paid. In order to prepare for this predicted increase in costs to Medicare beneficiaries, retirees could consider different Medicare supplement or Medigap plans such as Medigap Plan N or High Deductible Plan G. These increase cost-sharing but drastically reduce premiums and potentially even premium increase percentages. Still, one school of thought would encourage those who are still eligible for the Medigap Plan F to hold on to that so that the rising Part B deductible is not passed on to the beneficiary. Historically, this hasn't been a great strategy because Plan F premiums tend to increase at a rate that outpaces the rising deductible.