

Elder Basic Benefits Training

Medicare Part D and Prescription Advantage

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Medicare Advocacy Project

Protecting your medicare rights.



**Community
Legal Aid** CENTRAL AND
WESTERN MA

Session Objectives

- Understand how Medicare Part D differs from other parts of Medicare;
- Recognize appealable events;
- Become familiar with financial assistance options; and,
- Identify referral possibilities

Medicare Overview



**Part
A**

**Part
B**

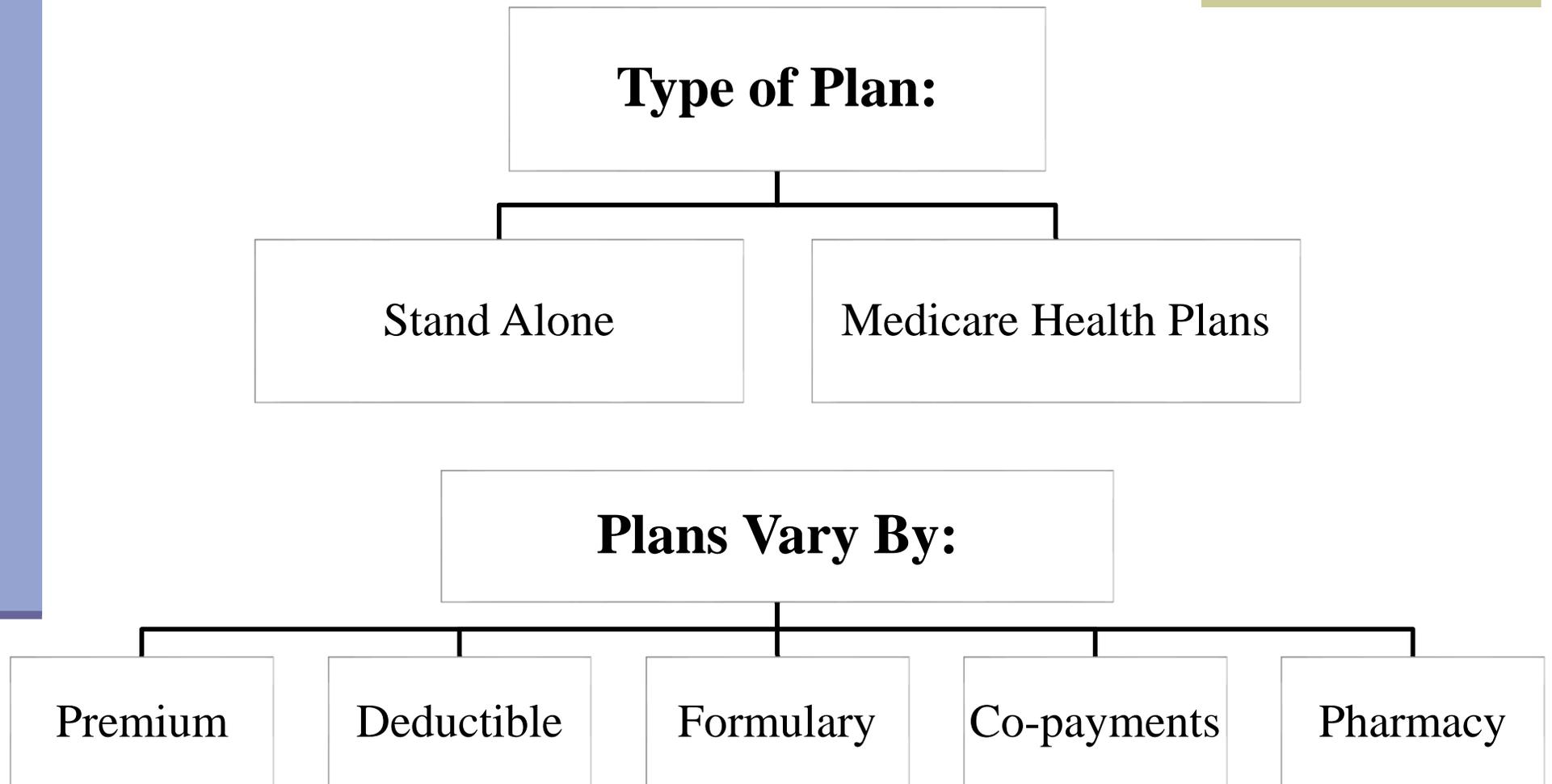
**Part
C**

**Part
D**

Why is Medicare Part D Different?

- Newest part of Medicare – January 1, 2006
- “Voluntary” Coverage – but...
 - Penalty for late enrollment
 - “Dual Eligibles” (Medicare/Medicaid) are assigned a plan

Why is Part D Complicated?



Initial and Open Enrollment

■ **Initial Enrollment Period:**

- When you first become eligible for Medicare

■ **Open Enrollment Period:**

- Can join, switch, or cancel coverage from October 15 – December 7, with coverage effective the following January 1

Special Enrollment

- **Special Enrollment Periods: 42 CFR § 423.38**
 - Move out of current plan's service area
 - Lose “creditable coverage”
 - “Creditable” = at least as good as Part D coverage
 - Dual eligible or receive low-income subsidy
 - Released from jail or certain long-term care facilities
 - Once annually if in a state pharmacy assistance program
 - To enroll in a “five-star” plan, or disenroll from a plan that has had less than three stars for at least three years

Special Enrollment, Continued

- Those who are dual eligible or receive the low-income subsidy can enroll or disenroll from a Medicare plan or Part D plan once per month.
 - This replaced the quarterly switching option as of January 1, 2025.

Part D Enrollment Takeaways

- Generally, enroll when:
 - New to Medicare and no creditable coverage of prescription drugs from another source; or,
 - Lose creditable coverage
- Failure to enroll and not have creditable coverage for 63 days or more = premium penalty of 1% of national base premium for each full, uncovered month
- Enroll by calling Medicare or the plan

Calculating Premium Penalties

- Ada Alpha became eligible for Medicare as of February 2021. However, she did not have creditable prescription drug coverage until she enrolled in Medicare Part D as of January 1, 2025. What penalty will be added to her monthly premium?
 - February 2021-January 2025 = 47 months.
 - 47 months is equal to or longer than 63 days.
 - The 2025 national base premium is \$36.78.
 - $47 \text{ months} * 1\% * \$36.78 = \$17.2866$
- Rounding to the nearest dime, Ada will pay an additional **\$17.30** each month for her Part D coverage.

Calculating Premium Penalties

- Bruno Beta became eligible for Medicare as of November 2024. However, he did not have creditable prescription drug coverage until he enrolled in Medicare Part D as of January 1, 2025. What penalty will be added to his monthly premium?
 - November 2024-January 2025 = 2 months.
 - 2 months is NOT equal to or longer than 63 days.
- Bruno will not have to pay anything additional as a premium penalty for his Part D coverage.

What Does Part D Cover?



Will cover:

- At least two drugs in each class of drugs used to treat the same medical condition
- Most:
 - Antidepressants
 - Antipsychotics
 - Anticonvulsants
 - Antiretrovirals
 - Immunosuppressants
 - Anticancer drugs



Will not cover:

- Fertility
- Erectile dysfunction
- Weight problems
- Cosmetic uses
- Over-the-counter

Other rules apply that may impact whether a medication is covered.

Coverage Limitations

Plans may impose **utilization controls** such as prior authorization, quantity limits, and/or step therapy.

Exceptions: Beneficiaries have the right to ask their plan to cover a drug it doesn't normally cover, or to waive a restriction on a drug. If denied, the beneficiary can appeal.

Part D Costs for Members: The 2025 “Standard Benefit”

Annual Deductible and Monthly Premium

The 2025 annual deductible is \$590. The plan sets the member’s premium, and SSA determines if there is an IRMAA.

Initial Coverage Period

After paying the deductible, the member pays 25% coinsurance for covered Part D drugs. The plan (and, for some medications, the manufacturer), covers the remaining drug costs.

Catastrophic Coverage

After \$2,000 in out-of-pocket spending on covered drugs (including payments made on the member's behalf, like through Extra Help), the member pays nothing for covered Part D drugs for the rest of the year.

Picking a Part D Plan



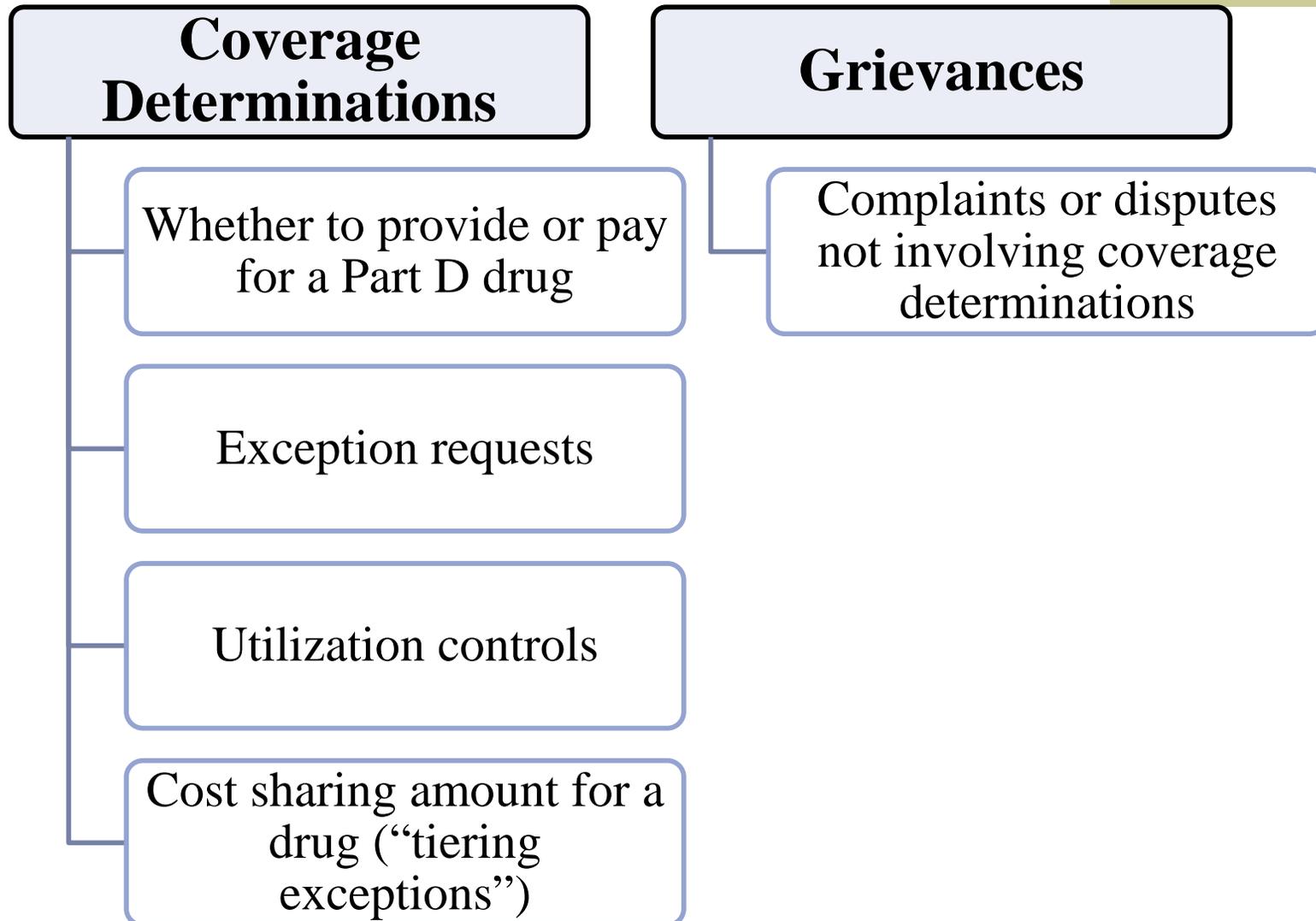
How to Pick a Part D Plan

- Compare plans against the beneficiary's current medication list (including dosage information)
- www.medicare.gov has tools to help compare available drug plans
- SHINE (1-800-AGE-INFO) and MCPHS University Pharmacy Outreach Program (1-866-633-1617) can help select a plan; SHINE can also help with enrollment
- Part D plans will send “Annual Notice of Change” letters to beneficiaries describing changes in premium, deductible, co-payments, formulary, and coverage in donut hole

Part D Income-Related Monthly Adjusted Amount (IRMAA)

- Part D enrollees who have higher incomes will pay higher monthly premiums, regardless of the plan they select
 - Premium adjustments are for those with incomes above \$106,000 (individuals) or \$212,000 (couples)
 - Adjustment ranges from \$13.70-\$85.80/month
Premium adjustments can be appealed
- Adjustments can be requested if the enrollee has had a change in financial circumstances

Appeals: Types

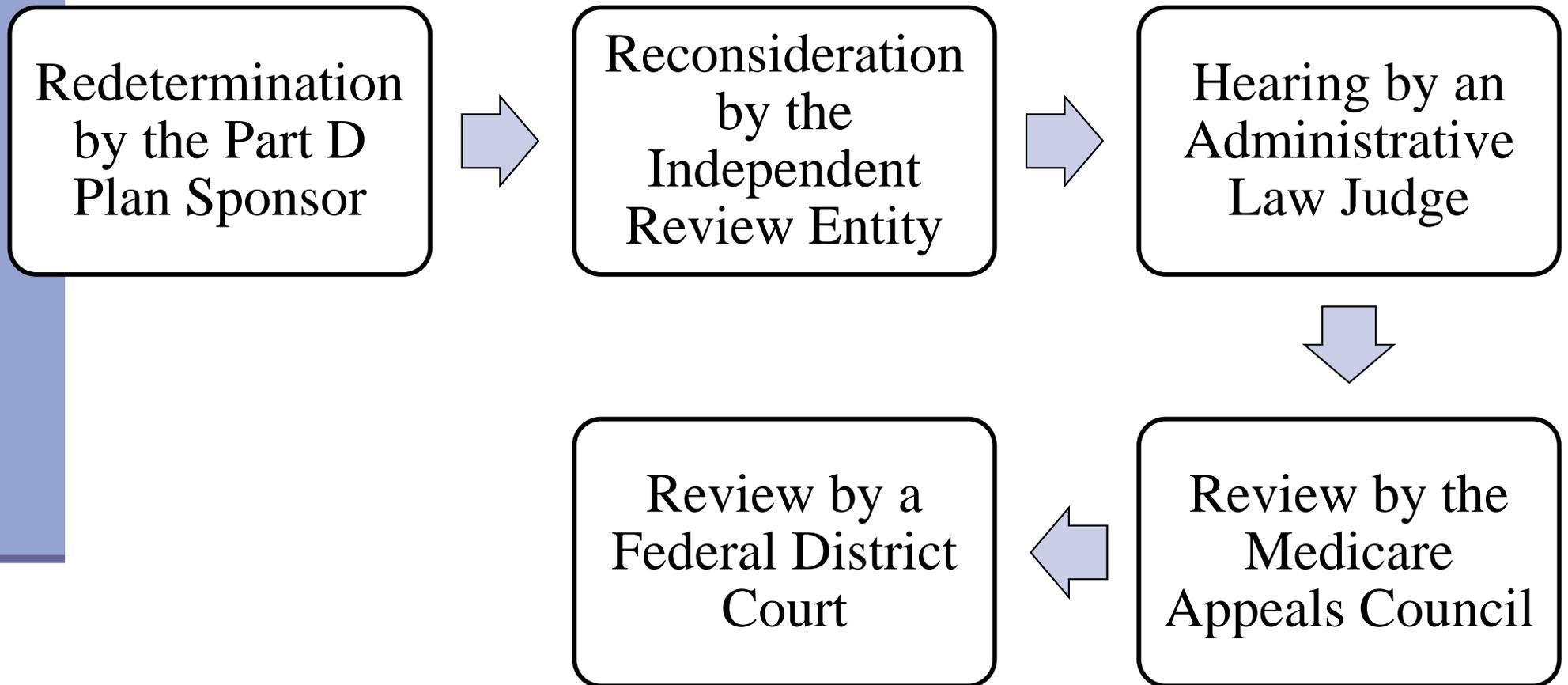


Appeals: Coverage Determinations

An appeal must be granted when the medication is medically necessary, even if it is “off formulary” or a non-preferred drug, if it is a Part D-coverable drug.



5-Step Appeal Process



Appeals: Grievances

- Grievances must be filed within 60 days of event or incident precipitating grievance.
- Standard response within 30 days of receipt.
- Expedited decision within 24 hours of receipt or request.

Financial Assistance with Part D

Extra Help/Low-Income Subsidy

Prescription Advantage

Patient Assistance Programs

Qualifying for Extra Help/ the Low-Income Subsidy (LIS)

- Automatic LIS if receive SSI, or if on MassHealth Standard or a Medicare Savings Program
- LIS available to other low-income, low-asset people:
 - Income up to 150% FPL; income does not include regular help for payment of household expenses
 - Assets are limited to \$16,100 (individual), \$32,130 (couple). Medicare does not count house, car, or life insurance policy in the asset limit

2025 LIS Coverage Benefits

- Monthly premium can be subsidized up to \$52.52 for Massachusetts residents
- No deductible
- Copayments are **no more than** \$4.90 for generic drugs and \$12.15 for name brand drugs, up to the \$2,000 out-of-pocket threshold

Applying for LIS

- Program administered by the Social Security Administration
- Apply:
 - Online (www.ssa.gov/prescriptionhelp)
 - Call to request a paper application or to make an in-person application appointment at SSA (800-772-213 or 800-325-0778/TTY)
- Can apply anytime; can appeal denials

LIS Terminations

- ✓ Check current drug plan to advise of new costs
- ✓ Consider the SEP to enroll in a less expensive plan
- ✓ Appeal within 60 days of date of notice
- ✓ Reapply at any time if regain eligibility

Medicare Beneficiaries with MassHealth Coverage

- MassHealth members do not have to pay copayments
- MassHealth can provide a free 72-hour one-time emergency supply if there's a problem with the beneficiary's Part D plan
- MassHealth can pay for some over-the-counter drugs and other medications excluded from the Medicare Part D coverage

Prescription Advantage Overview

Medicare Members

- One-time SEP to join or switch Part D plan outside of open enrollment period
- One-time coverage of a single medication that is not covered by the Part D plan

Non-Medicare Members

- Offers primary or secondary prescription drug coverage to eligible applicants
- No monthly premium, but may have a quarterly deductible
- Limits total yearly copayments

Applying for Prescription Advantage

- Continuous open enrollment
- Applying:
 - Phone: 800-AGE-INFO (800-243-4636)
 - Mail: P.O. Box 15153, Worcester, MA 01615-0153
 - Fax: 508-793-1133
 - Online: www.prescriptionadvantagemma.org

Patient Assistance Programs

- Offered by pharmaceutical companies
- Locate programs with help from:
 - MCPHS Pharmacy Outreach Program (866-633-1617, <https://www.mcphs.edu/patient-centers/pharmacy-outreach-program>)
 - Medicine Assistance Tool (<https://medicineassistancetool.org/>)
 - RxAssist (rxassist.org)



Medicare Advocacy Project

Protecting your medicare rights.

- The Medicare Advocacy Project (MAP) provides free legal assistance for Massachusetts Medicare beneficiaries on Medicare-related issues
- For Part D, MAP can help with:
 - Coverage issues (rejection of coverage, exceptions and appeals for off-formulary drugs, step therapy, quantity limits, and prior authorization requirements);
 - Premium issues;
 - Eligibility issues; and,
 - Access issues



Medicare Advocacy Project

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Greater Boston Legal Services

Essex, Middlesex, Norfolk, and Suffolk Counties

800-323-3205

South Coastal Counties Legal Services

Barnstable, Bristol, Dukes, Nantucket, and Plymouth Counties

800-244-9023

Community Legal Aid

Berkshire, Franklin, Hampden, Hampshire, and Worcester Counties

855-252-5342