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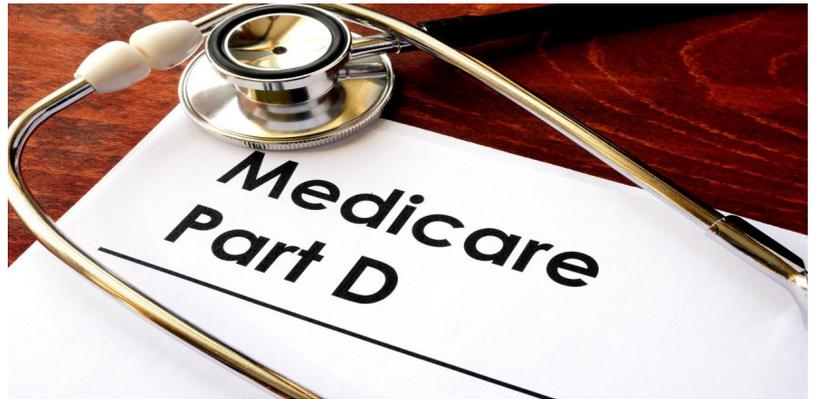
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SPOTLIGHT

CMS SUSPENDS PART D ENROLLMENT IN 2022 FOR UNITEDHEALTH, ANTHEM MA PLANS

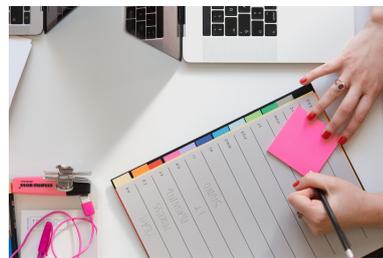
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VISIT PDA!

PART D ADVISORS ATTENDS ANNUAL IFEBP CONFERENCE

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OPEN ENROLLMENT

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Potential Savings for Medicare Part D Enrollees Under Proposals to Add a Hard Cap on Out-of-Pocket Spending

Medicare Part D, the outpatient prescription drug benefit for Medicare beneficiaries, provides coverage above catastrophic threshold for high out-of-pocket drug costs, but there is no cap on total out-of-pocket drug costs that beneficiaries pay each year. Part D Enrollees are required to pay 5% of their total drug costs in the catastrophic phase unless they qualify for Part D Low-Income Subsidies (LIS). In 2021, the catastrophic threshold is set at \$6,550 in out-of-pocket drug costs. This includes what beneficiaries themselves pay and the value of the manufacturer discount on the price of brand-name drugs in the coverage gap which counts towards this amount. The lack of a hard out-of-pocket spending gap exposes Part D enrollees to thousands of dollars in out-of-pocket costs if they take several costly medications or even a single expensive drug.

The President of the United States has endorsed adding a hard cap on out-of-pocket Medicare Part D prescription drug spending. Under this legislation, Part D out-of-pocket drug spending would be capped at \$2,000 (beginning 2024) and under the GOP drug price legislation and the 2019 Senate Finance bill, the cap would be set at \$3,100 (beginning 2022). Each of these proposals excludes the value of the manufacturer price discount. A lower cap would help more beneficiaries and provide increased out-of-pocket savings. However, this could mean higher costs for the federal government, plans, and drug manufacturers, depending on the specific features included in these redesigned Part D proposals.

Kaiser Family Foundation did an in-depth analysis to inform discussion on the potential impact of this proposal. The Figure to the right shows "how many beneficiaries paid more than \$2,000 or \$3,100 out of their own pockets for their medications in 2019 (excluding the value of manufacturer discounts they may have received), and the magnitude of potential savings for beneficiaries had these caps been in place in 2019."

"In 2019, nearly 1 million more Part D enrollees incurred out-of-pocket costs for their medications above \$2,000."

Figure 1

In 2019, Nearly 1 Million More Medicare Part D Enrollees Had Spending Above \$2,000 Than Above \$3,100, the Proposed Spending Caps in Recent Legislation

Number of Medicare Part D enrollees in 2019 with:



NOTE: Analysis excludes Part D enrollees receiving low-income subsidies (LIS). SFC is Senate Finance Committee.
SOURCE: KFF analysis of 2019 Medicare Part D claims data from the Centers for Medicare & Medicaid Services Chronic Conditions Data Warehouse.



Part D Advisors is proud to call southeastern Michigan home. With our headquarters located right between Detroit and Ann Arbor, we thought it only fitting to celebrate both cities at this year's IFEBP conference. Stop by **booth 723** and enter for a chance to **win a custom Shinola Watch** or a **Tom Brady autographed football!**

CMS Releases 2022 Premiums & Cost-Sharing Information for Medicare Advantage and Prescription Drug Plans

The [Centers for Medicare & Medicaid Services \(CMS\)](#) released the [2022 premiums, deductibles, and other key information for Medicare Advantage and Part D prescription drug plans](#) ahead of the annual Medicare Open Enrollment period. This will help Medicare enrollees to decide on the coverage that best fits their needs.

The average premium for Medicare Advantage plans will lower to \$19 monthly, down from \$21.22 in 2021, while projected enrollment continues to increase. As previously announced, the average 2022 premium for Part D coverage will be \$33 per month, compared to \$31.47 in 2021.

Medicare Advantage plans will continue to offer a wide range of supplemental benefits in 2022, including eyewear, hearing aids, both preventative and comprehensive dental benefits, access to meals (limited duration), over-the-counter items, fitness benefits, and worldwide emergency/urgent coverage. Additionally, the percentage of plans offering special supplemental benefits for chronically ill individuals will increase from 19% to 25%.

[CMS](#) will continue to test the Part D Senior Savings Model in more than 2,100 plans in 2022, increasing access and affordability to select insulins for seniors. Over 500 new Medicare Advantage and Part D prescription drug plans, as well as two new pharmaceutical manufacturers of insulin, are joining the model this year to provide even more opportunities for eligible seniors to reduce their out-of-pocket spending on insulin.

Medicare Open Enrollment begins October 15th, 2021 and ends December 7th, 2021. During this period, people eligible for Medicare can compare 2022 coverage options between Original Medicare, Medicare Advantage, and Part D prescription drug plans. Medicare health and drug plan costs and covered benefits can change from year to year so those with Medicare coverage should look at their coverage choices annually and decide on which options best meet their needs.

[Medicare.gov](#) provides clear and easy to use information as well as an updated Medicare Plan Finder to allow people with Medicare to compare their personalized options for health and drug coverage. CMS updated the Medicare Plan Finder with the 2022 Medicare health and prescription drug information October 1, 2021. If you wish to keep your current Medicare coverage, you need not re-enroll.

"Open Enrollment is the one time each year when more than 63 million people with Medicare can review their health care coverage to find new plans or change existing plans, discover extra benefits, and help them save money."

***- Chiquita Brooks-LaSure |
CMS Administrator***

RECENT UPDATES: RDS to Discontinue Support of Internet Explorer



Beginning January 9th, 2022, CMS' RDS Center will no longer support Internet Explorer (IE), the desktop application browser. Microsoft has announced that Internet Explorer 11 will be retired as of June 2022.

As a result, CMS has already started to transition away from IE, as Google Chrome is now the default CMS browser. While CMS' RDS Center recommends the use of Google Chrome, a list of other acceptable browsers includes: Microsoft Edge, Mozilla Firefox, and Apple Safari. If you have any questions, you can contact CMS' RDS Center [HERE](#).



What is Medicare Open Enrollment?

The annual Medicare Open Enrollment period will run from October 15th through December 7th this year. This allows anyone under Medicare to make changes to their coverage or switch to a different plan. Members are also able to join a Medicare Advantage plan or Medicare Part D plan during this period. Those approaching the age of 65 may be eligible to enroll, and below is a helpful overview showing eligibility:

PART A

You are eligible to enroll for Medicare Part A during the initial enrollment period. You will automatically be enrolled at the age of 65 if you are currently receiving Social Security, disability benefits, or railroad retirement board disability benefits.

PART B

You are eligible to enroll for Medicare Part B during the initial enrollment period. You will automatically be enrolled in Medicare Part B if you receive disability or retirement benefits.

PART C

To enroll in Medicare Part C you must first have parts A & B. You are able to enroll in Medicare Part C during initial enrollment as well as other enrollment periods.

PART D

You can enroll in Medicare Part D prescription drug plan when you first get Medicare during initial enrollment. If you do not sign up for Medicare Part D within 63 days of your initial enrollment period (EIP), you may incur a late enrollment penalty.

Medigap

The initial enrollment period for Medigap is triggered by the start of the month when you turn 65 and sign up for Part B. Initial enrollment for Medigap lasts for 6 months from that date. The changes you make during open enrollment will begin on January 1st of the following year. For example; if you used open enrollment to select a new Medicare Advantage plan on November 12, 2021, your new coverage would begin January 1, 2022.

CMS Suspends Part D Enrollment in 2022 for UnitedHealth, Anthem MA Plans



The Centers for Medicare & Medicaid Services announced the suspensions in a series of enforcement notices on September 2, 2021. The plans are prohibited from signing up any new customers for the 2022 coverage year, and suspensions occur before open enrollment starts October 15, 2021.

The Part D plans were dinged by CMS for not maintaining a medical loss ratio of 85%. This means that 85% of every premium dollar must go toward healthcare coverage and the rest to administration costs. CMS is required under law to suspend enrollment in any Part D plan that does not meet the medical loss ratio deadline for three years. The plans that were suspended did not meet the requirement from 2018 through 2020.

The plans can resume sign-ups for the 2023 coverage year if they show they have a medical loss ratio of at least 85% for 2021. CMS suspended enrollment for plans administered by United of the Midwest, United of New Mexico, United of Arkansas, and Anthem's MMM Healthcare.

The reason cited for the medical loss ratio was "so many [members] deferred going to get care due to COVID-19." Existing members will not be affected and alternative plan options for those who want to choose a New UnitedHealthcare plan will be available. Anthem will work with MMM Healthcare and CMS to address the agency's concerns.

The value of PDA's Ongoing and Reopening Retiree Drug Subsidy services for plan sponsors is second to none.



Upcoming RDS Deadlines

Reconciliations

(plan year end | recon. due date)

07/2020 | 11/01/2021
08/2020 | 11/30/2021
09/2020 | 01/03/2022

Applications

(plan year start | app. due date | w/ 30-day ext.)

01/01/2022 | 10/04/2021 | 11/03/2021
02/01/2022 | 11/02/2021 | 12/02/2021
03/01/2022 | 11/30/2021 | 12/30/2021

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