

What to know, what to do

Annual enrollment period happens Oct. 15 to Dec. 7

By Paul Davis

Let's start with the big news: the impacts of the Inflation Reduction Act of 2022. For 2024, once you hit "catastrophic" level of drug coverage, your prescription costs will drop to zero.

The savings can be significant, as under Medicare Part D for 2023 after you reach catastrophic coverage you still owe 5% of a drug's negotiated retail cost.

We calculate that no one should be spending more than \$3,300 on their prescriptions next year. I know that doesn't sound great, but it will save a lot of people thousands of dollars. For 2025, the hard cap of will be \$2,000.

Also, in response to the new limits on drug costs, we expect to see Part D plan premiums increase dramatically in 2024 and/or 2025.

A supposed 6% limit on premium increases only applies to the "standard" plan. None of them are standard. This added cost also will put pressure on Medicare Advantage plans.

The U.S. Department of Health and Human Services has announced the first 10 drugs under Part D subject to price negotiations under the Inflation Reduction Act. These 10 drugs represent more than \$50 billion in annual program costs. Eliquis represents over \$16 billion, more than double the next costliest drug, Jardiance, at \$7 billion.

Prices will be negotiated by September 2024 to take effect January 2026, pending resolution of several lawsuits regarding the legality of the negotiation process.

The drugs selected for the first round of negotiations: Eliquis, Jardiance, Xarelto, Januvia, Farxiga, Entresto, Enbrel, Imbruvica, Stelara and a drug variously identified as Fiasp, Fiasp FlexTouch, Fiasp Pen-Fill, NovoLog, NovoLog FlexPen and NovoLog PenFill.

What to do

The Medicare annual open enrollment period is the best time to review your Medicare Advantage Plans and Part D prescription drug plans.

You should have received the Annual