

Brace yourselves for changes to Part D plans in 2025 due to the Inflation Reduction Act.

The Inflation Reduction Act made many improvements to Part D plans.

The newest positive change is the reduction of the out-of-pocket maximum from \$8000 in 2024 to \$2000 for 2025. This will greatly benefit people on an expensive drug regimen.

The downside is that Part D plans will be forced to absorb much more in drug costs.

For 2024 Part D plans in California went up an average of 34%

For 2025 we expect rate hikes, drug list reductions, increased drug restrictions and fewer plan choices.

Do NOT call your agent now, we will not have clarity and cannot discuss alternative plans until after October 1.

NOTE: Some part D plans are dropping agents. For those plans/carriers agents will no longer be able to represent you. Wellcare made an official announcement August 23. If you have Wellcare Part D and were assisted by an agent, you might consider calling Wellcare and expressing your displeasure at losing the services of your agent.

What should you do?

#1. Watch for communications from your health plan. In September you should receive your **Annual Notice of Change**. This document will spell out any changes in your plan.

You may also receive notifications that some of your drugs will no longer be covered or will be subject to new restrictions. **Please open your mail and email.**

#2. Don't immediately think of changing to another plan. **Every plan** will be under these pressures, and we don't know if there will be any "safe havens" to switch to.

#3. In September it would be prudent to load all your drugs into your mymedicare.gov account or whatever platform **your agent uses**. This will allow price comparisons based on your drug regimen. Paul Davis uses a program called Lead Advantage Pro to shop.

#4. Plans release information October 1, but we find it's best to wait until October 15 for the dust to settle to start comparing plans.

#5. The Annual Election Period runs from October 15 to December 7. This is the only time of year you can easily enroll in or change Part D prescription drug plans.

#6. When shopping for a Part D plan you need to wait until **AFTER OCTOBER 1ST** and then double check after October 15:

1. Look at the "preferred pharmacies" for your plan. Even within preferred network, prices can vary.
2. Look at Good RX for a reality check on prices. Sometimes their prices are lower than on a Part D plan.
3. Make sure all your drugs are on your plan's formulary (drug list).
4. If your drugs are on your plan's formulary, check to see if there are any restrictions such as Step Therapy, Quantity Limits or Prior Authorization requirements. These can limit access to your medications. You can ask for an exception or appeal these restrictions.
5. If your drugs are NOT on your plan's formulary have you had any **formulary exceptions**? Call your existing carrier, and ask if that exception will continue through the end of 2025. If you are unsure, call and ask if any of your drugs are presently covered as an exception and whether that exception will continue.
6. If your drugs have been dropped from the formulary call your plan right away and request an exception for 2025. They may put you off until later this year, but be demanding about needing a decision prior to December 7.
7. Ask your existing plan run an illustration of your drug costs for 2025.
8. Once you've researched your existing plan, you can better compare with other plan options.

Perhaps it may be time to consider a Medicare Advantage plan. Most of these plans cover Part D at no additional cost. However, these plans are all "managed care" where the insurance company has a financial interest in what services they provide you. Most of these plans are HMO, but there might still be some PPO plans in your marketplace.

Medicare Advantage plans will also be under pressure to reduce benefits or increase costs. But they have more ways to absorb the cost.

Medicare Advantage plans will NOT provide the same freedom of action as a Medicare Supplement plan. This sort of decision should be done thoughtfully, as it is usually difficult and sometimes impossible to get back onto a Medicare supplement plan.

Required Medicare disclaimer: We do not offer every Medicare Advantage plan available in your area. For Los Angeles we represent 8 organizations which offer 62 products in your area. Please contact Medicare.gov, 1-800-MEDICARE, or your local State Health Insurance Program (SHIP) to get information on all of your options. Medicare.gov presently shows 116 plans available, some of which don't allow agents to represent them.

We do not offer every Medicare Part D plan available in your area. Currently we represent 7 organizations which offer 19 products in your area. Please contact Medicare.gov, 1-800-MEDICARE, or your local State Health Insurance Program (SHIP) to get information on all of your options. Medicare.gov presently shows 23 plans available, some of which don't allow agents to represent them. We look at all 23 plans.

Presently in Los Angeles we are contracted with Anthem Blue Cross, Blue Shield of California, Wellcare, Aetna, Cigna, Humana, UnitedHealthcare, SCAN health plan for Part D and/or Medicare Advantage plans.

California shows 1182 Medicare Advantage plans, and 515 special needs plans available.

We are licensed in 23 other states where we are contracted with 5 carriers: Wellcare, Cigna, Humana, Aetna, and UnitedHealthcare

Paul Davis is an Independent Insurance Agent specializing in Medicare Health plan options. Supporter of ONE generation since 2003. CA licensed since 1985. 0669770. www.pdinsure.com 818 888 0880.