

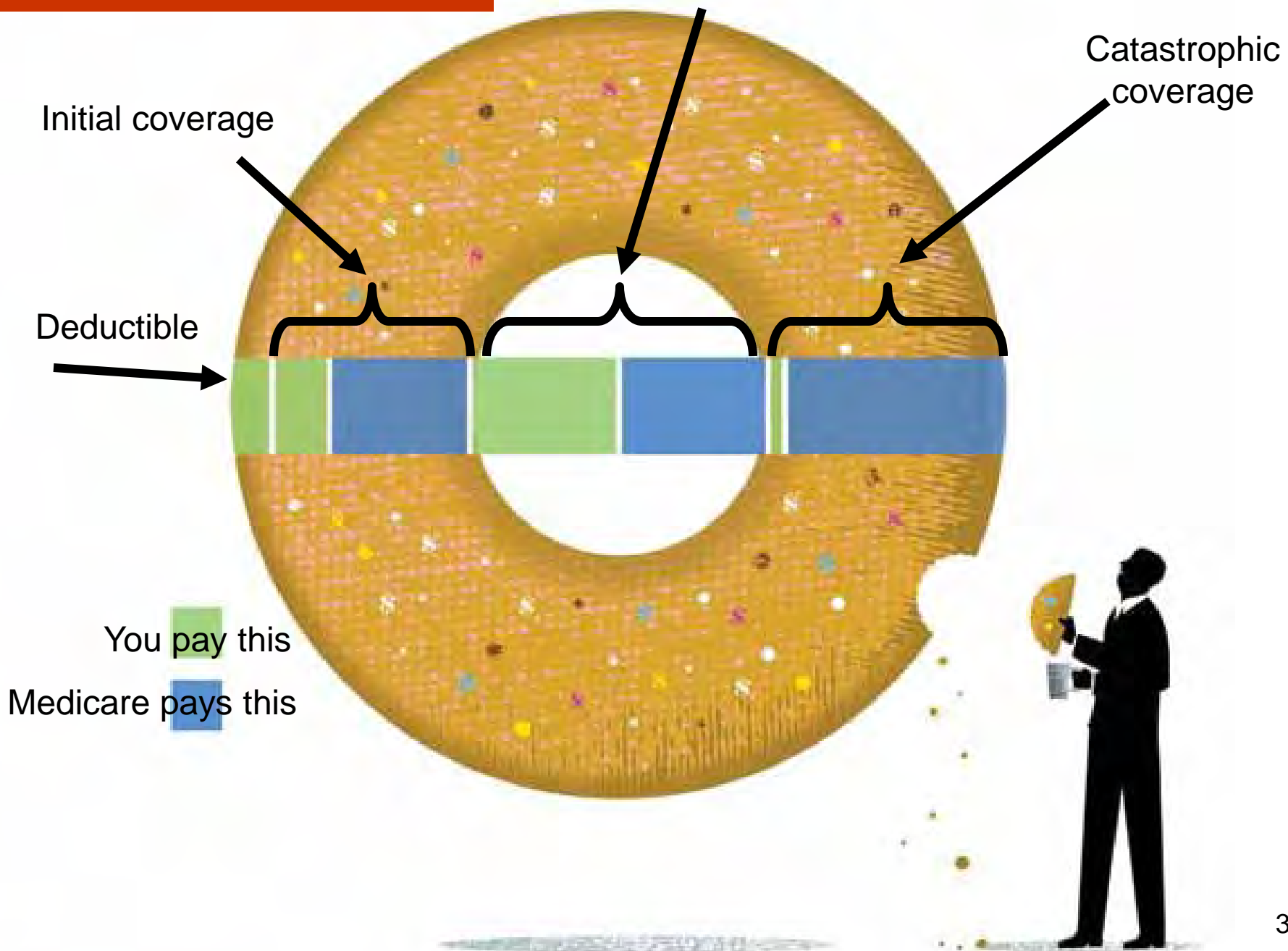
Medicare Part D What's new for 2017?

Prepared by NSEA-Retired
As a service for members
www.nsea.org/retired

Medicare Part D – 2017

- Deductible will be \$400
- Premiums change (amount depends on which plan you are enrolled in)
- Co-pays and “donut hole” payments go up. Coinsurance goes until \$3,700
- Catastrophic coverage begins when you have paid \$4,950 “out of your own pocket” (includes deductible and any co-pays).

What is the "donut hole"?



Medicare Part D – 2017

- Sign up for Part D when you sign up for Medicare (22 plans available – premiums range from \$17.00 to \$101.80 per month)
- Change plans during open enrollment period, October 15 thru December 7, 2016
- New plan year starts 1/1/2017
- You can change Part D plans each year during the open enrollment period

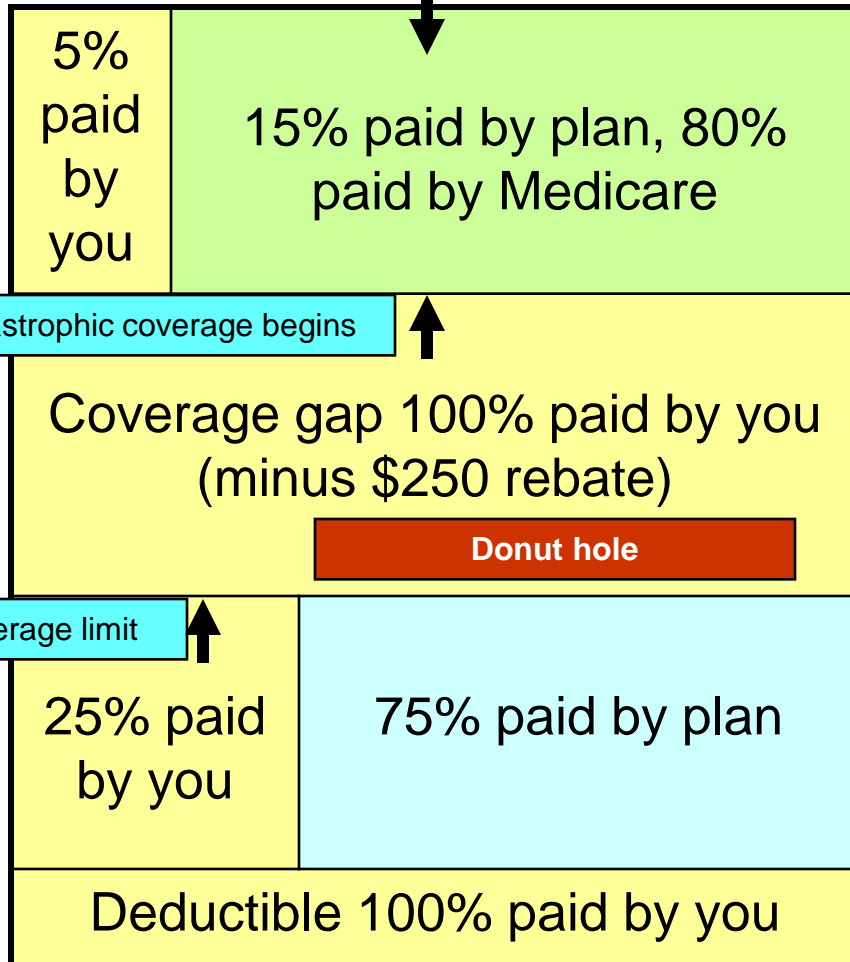
Health Reform Law closes “donut hole” by 2020

- Starting in 2011 Part D enrollees got a 50% discount on the cost of brand-name drugs during the donut hole, paid for by pharmaceutical manufacturers
 - 60% discount applies for 2017 (50% from drug company, 10% from Part D insurance plan)
- Co-insurance during the donut hole will be 25% by 2020 (phased in over time)
 - Generic drugs will cost less, too (49% discount in 2017)

Drug costs by 2020

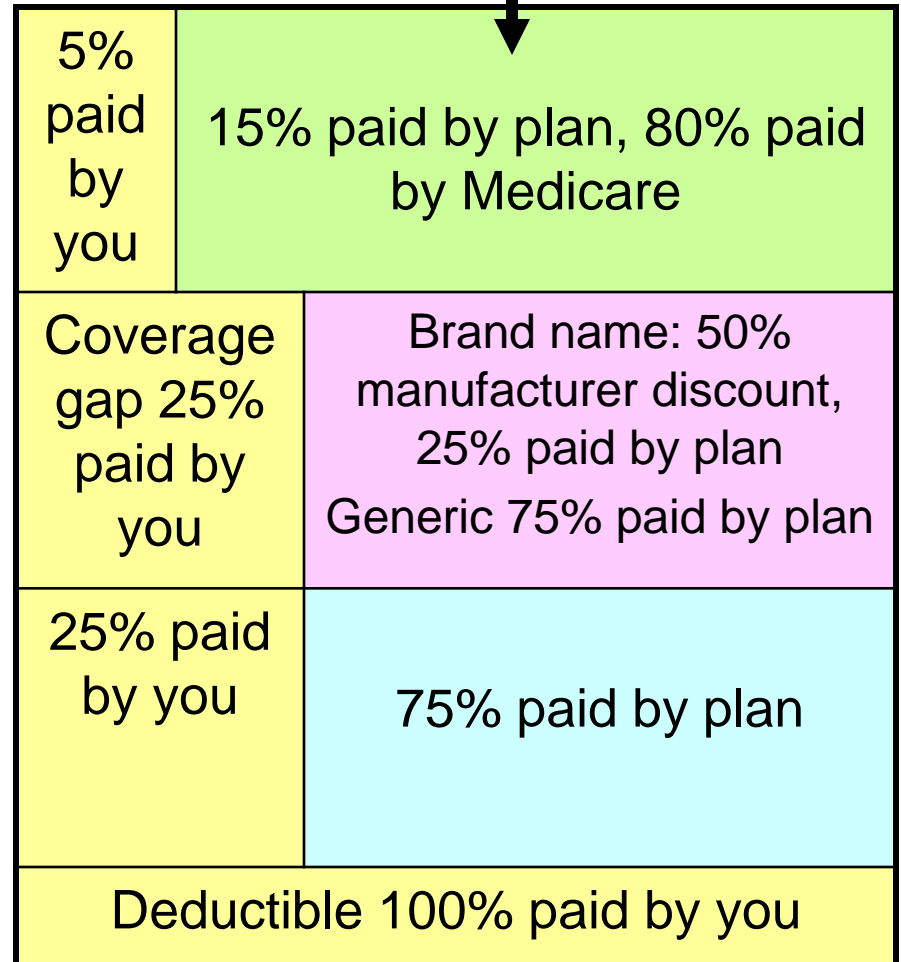
Before Reform

By 2020



2010

Medicare Part D for 2017



2020

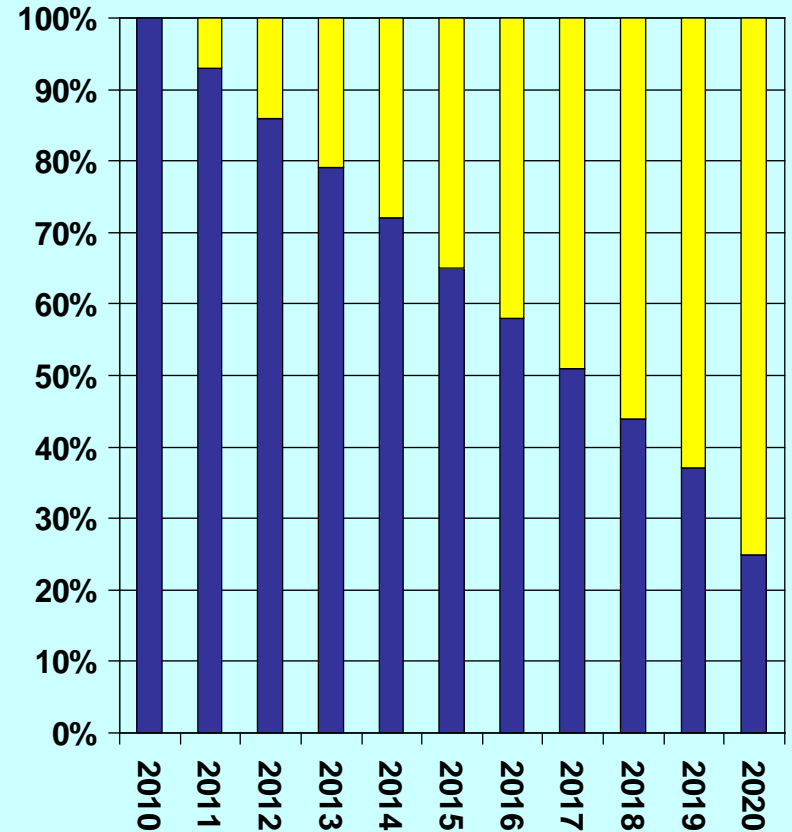
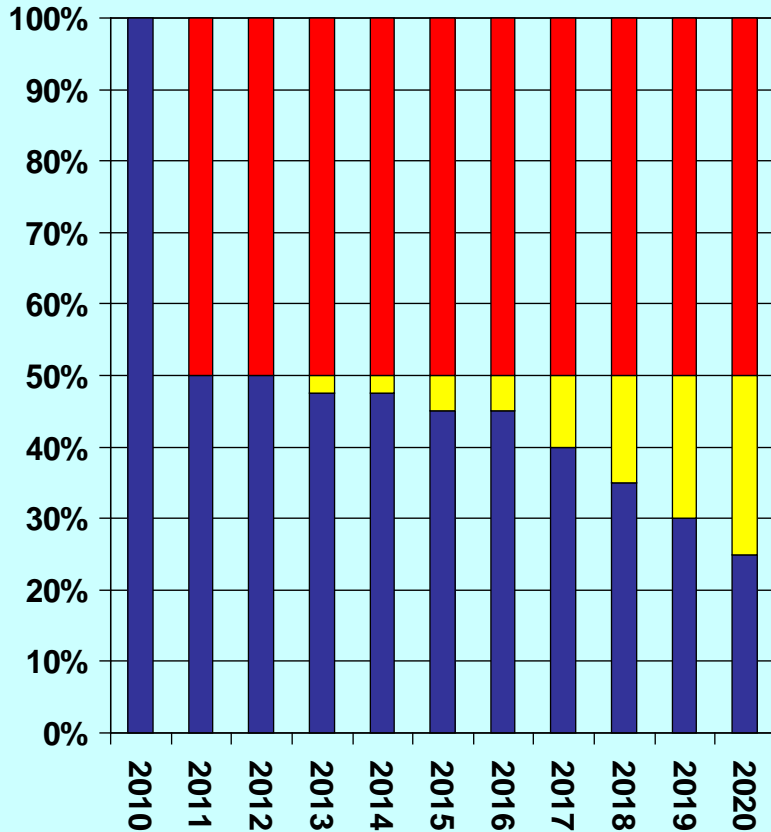
Cost sharing during donut hole

Brand-name drugs

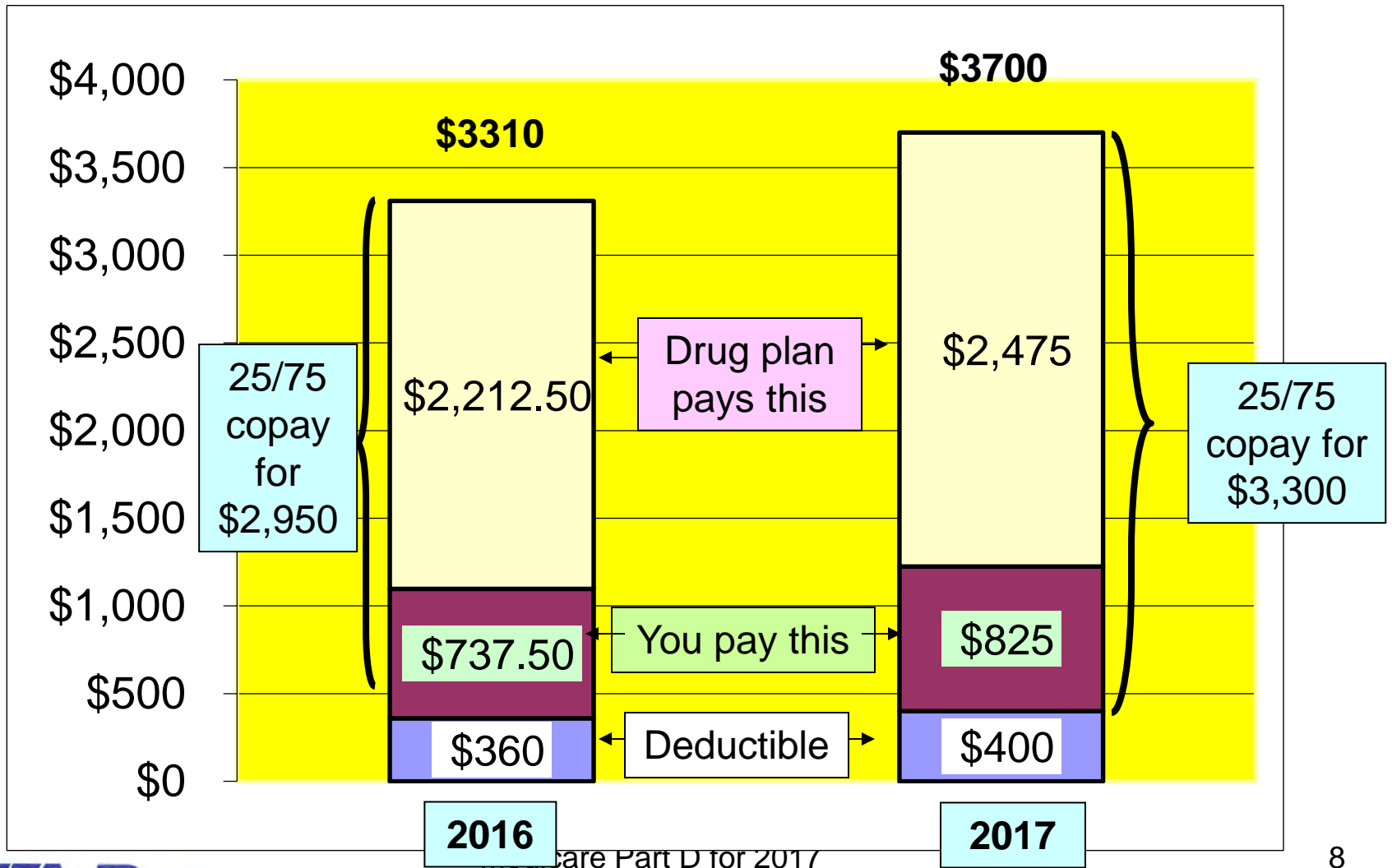
Generic drugs

■ You pay ■ Plan pays ■ Manufacturer pays

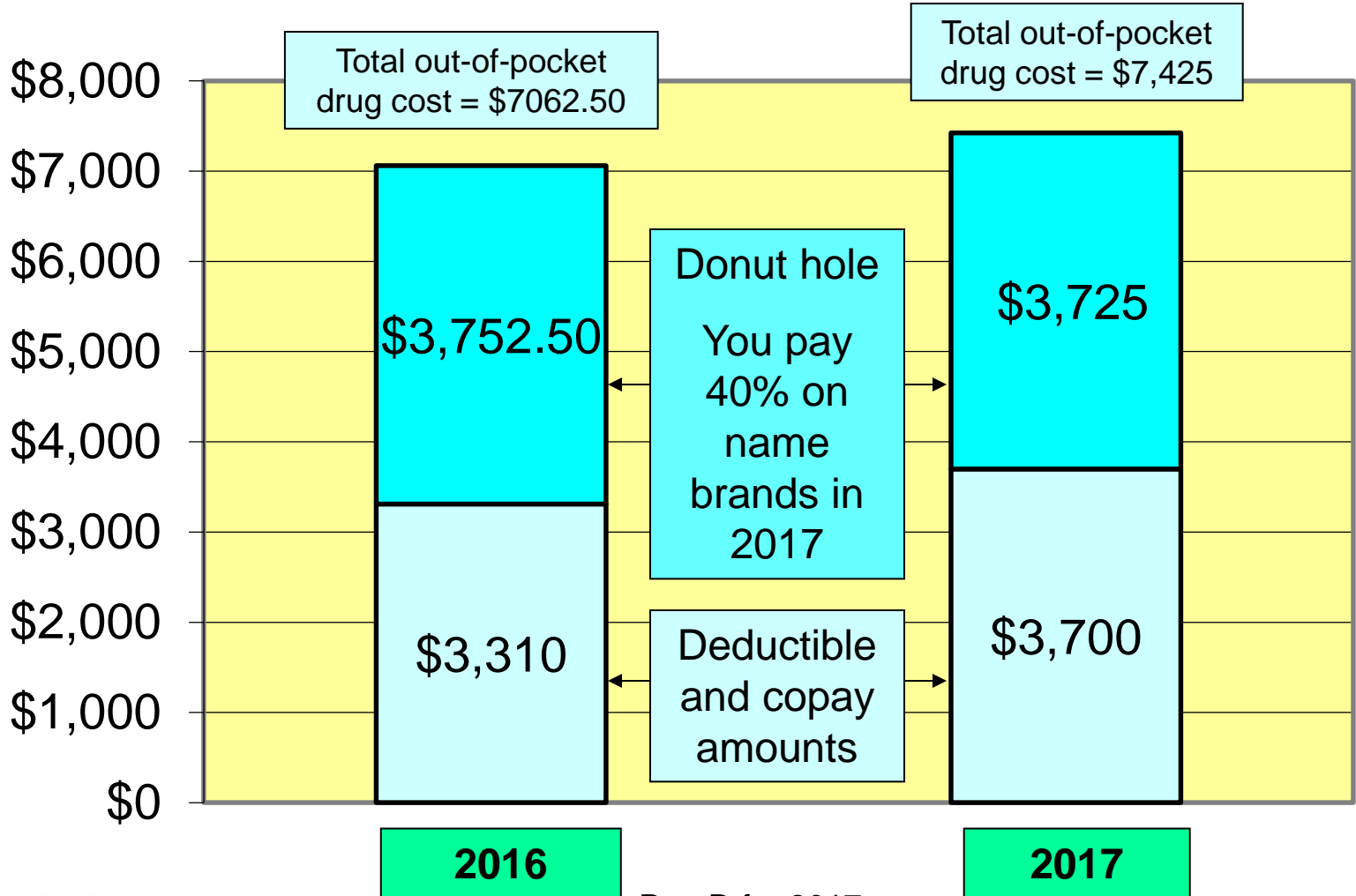
■ You pay ■ Plan pays



Deductible, 75/25 copay amounts for 2017



You pay more in the “Donut Hole.” During the donut hole you get a 50% drug-company discount and 10% from plan on name-brand meds; 49% discount on generics.



Medicare Part D for 2017

Medicare Part D – 2017

- The catastrophic limit (where you pay 5% of drug costs, and your Medicare Part D plan pays 95%) starts after your drug costs exceed \$7,425
- This copay amount would last for the rest of the plan year
- Your “true out-of-pocket” cost is \$4,950 before the catastrophic coverage starts (deductible, co-insurance, and donut hole)

Things to keep in mind

- Lowest premium cost is not necessarily the least expensive drug plan
- Plans differ on the deductible, the co-pay amounts, and the cost of the drugs
- Best way to compare plans is on the Medicare web site: ***www.medicare.gov***

Penalty premium for not signing up

- If you don't sign up for Medicare Part D when you are first eligible, a permanent premium surcharge penalty is applied when you do sign up (if coverage break is 63 days or more)
- Penalty is 1% of the national average Part D base premium for each month that you delay
 - Avg. Premium in 2017 is \$35.63, so penalty is \$0.356 per month of delay, rounded to 10¢
 - For 12 mo. delay, 12% penalty is \$4.27, rounded to \$4.30
 - For 24 mo. delay, 24% penalty is \$8.54, rounded to \$8.50
 - For 36 mo. delay, 36% penalty is \$12.82, rounded to \$12.80
 - Penalty lasts for life!

Ways to avoid the premium penalty for Part D

- Join a Medicare drug plan when you are first eligible
- Don't go 63 days or more in a row without a drug plan or other creditable coverage
 - Creditable coverage is coverage:
 - Through your employer as an active employee
 - TRICARE or VA coverage, etc.
- Tell your drug plan about coverage you had that was creditable

Need more information?

- **1-800-MEDICARE (1-800-633-4227)**
- **www.medicare.gov**
- **SHIP program 1-800-234-7119**
- **VAS program 402-444-6617**
- **BC/BS web site: www.bcbsne.com**
www.yourmedicare resolutions.com
- **AARP web site: www.aarp.org**
- **Your neighbors!**