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COPD and Medicare Made Simple: Preparing for the Annual Enrollment Period

Terms to know

- **Premium:** Monthly amount a person pays to have Medicare, a private health plan, or a Part D plan
- **Deductible:** Amount a person must pay for health care services before insurance begins to pay
- **Coinsurance:** Portion of cost of care a person pays after health insurance pays
- **Copay:** Set amount a person pays for each medical service received
- **Prior authorization:** Requirement by a plan to get approval before it covers a service
- **Formulary:** List of drugs a plan covers

What is Medicare?

- Medicare is the federal government program that provides health care coverage if you:
  - Are 65+
  - Under 65 and receiving Social Security Disability Insurance (SSDI) for a certain amount of time (usually 24 months)
  - Or, under 65 and with End-Stage Renal Disease (ESRD)

Automatic enrollment

- Someone will be automatically enrolled in Medicare Parts A and B and mailed a Medicare card if:
  - They have enrolled to receive Social Security benefits before they turn 65
  - They have a disability and have been receiving SSDI for at least 24 months
  - OR, they are getting SSDI because they have ALS (people with ALS are automatically enrolled in Medicare the first month they receive SSDI benefits)

First-time enrollment periods

If someone is not automatically enrolled in Medicare, they can enroll for the first time during:

IEP	SEP	GEP
Initial Enrollment Period	Special Enrollment Period	General Enrollment Period

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Two ways to receive Medicare benefits

Original Medicare

- Medicare benefits through traditional program administered by federal government

Medicare Advantage Plan
(e.g., HMO, PPO)

- Medicare benefits through private health plan that contracts with federal government (also called Part C)
- Not a separate benefit: everyone with Medicare Advantage still has Medicare

Parts of Medicare

Medicare benefits are administered in three parts:

Part A – Hospital/inpatient benefits

Part B – Doctor/outpatient benefits

Part D – Prescription drug benefit

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Original Medicare and Medicare Advantage

Original Medicare	Medicare Advantage
Can receive covered services from any provider in the U.S. who accepts Medicare	You may have to see in-network providers in your service area to receive covered care or care at lowest cost
No referrals for specialists	May need referral for specialist
Does not include hearing, vision, or dental coverage	May offer additional benefits, including hearing, vision, dental
No limit on out-of-pocket costs Can purchase a Medigap policy to cover Medicare cost-sharing	All MA Plans must have maximum out-of-pocket (MOOP) limit

Costs in 2024

	Original Medicare	Medicare Advantage
Monthly	• Part A premium (if they have one) • Part B premium ($174.70)	• Original Medicare premiums • Plan may charge additional monthly premium
Annual	• Part A deductible ($1,632 each benefit period) • Part B deductible ($240)	• Deductibles vary by plan • MOOP ($8,850 at most)
Ongoing	• Daily coinsurance for some inpatient care • 20% coinsurance for most outpatient care	• Copayments for services vary by plan

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Medigap policies

- Supplemental plans that pay part or all of remaining costs after Original Medicare pays first
- **Only work with Original Medicare**
- Provided by private insurance companies
  - 10 standardized plans (Plans A, B, C, D, F, G, K, L, M, and N)
  - Charge a monthly premium for coverage

All 10 plans cover:

Part A hospital coinsurance

Part B coinsurance

Cost of blood

Hospice care coinsurance

Medigap enrollment

- In most states, insurance companies must sell a policy only at certain times and if you meet certain requirements
- Under federal law, you have the right to buy Medigap policy if you:
  - Are 65 and enrolled in Medicare
  - And, you buy their policy during a protected enrollment period
- At times when you have the right to buy a Medigap policy, an insurance company cannot:
  - Deny Medigap coverage
  - Or, charge more for a policy because of past or present health problems

Choosing a Medigap policy

- How do my monthly out-of-pocket costs compare to the cost of a Medigap premiums?
- What costs do I need help paying for?
- **Keep in mind:**
  - Plan A covers fewer costs than other Medigap plans
  - Plans F and G are the most comprehensive Medigaps; Plans C and D are also very comprehensive
  - Premiums tend to be lower for Plans F and G high deductible, Plan K, Plan L, and Plan N
  - Plans K and L only cover part of your Part B coinsurance until you reach an out-of-pocket maximum

Medicare Part D

- Outpatient prescription drug benefit for anyone with Medicare
  - You are eligible for Part D if you have Part A or Part B
- Only available from private insurance companies
- Everyone is responsible for a monthly premium

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Two ways to get Part D coverage

Original Medicare

- Purchase a stand-alone prescription drug plan
- Private plan offers only drug coverage

Medicare Advantage

- Part D is generally included, and you receive all Medicare benefits from one plan

Part D coverage and costs

- Each Medicare drug plan has its own **formulary**, or list of covered drugs
- Each plan charges different premiums, deductibles, and copays
  - Average basic Part D premium: about $36 in 2025
- Part D plans use tiers to categorize prescription drugs, and you pay less for drugs in lower tiers

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How to choose a Part D plan

Use Medicare Plan Finder at www.medicare.gov/plan-compare to look up plans that cover your drugs

Questions to consider

- Are my needed drugs on the plan's formulary?
- Do any of my drugs have coverage restrictions, such as step therapy or quantity limits?
- Are any of my needed drugs on higher tiers?
- Which pharmacies are in-network or preferred by the plan?
  - In-network and preferred pharmacies offer lower cost-sharing

Tips for managing costs

- Choose plans that cover your drugs at the lowest cost
  - For example, make sure needed inhalers are on the plan's formulary
- Use preferred and in-network pharmacies
  - Contact plan or use Medicare Plan Finder for more information
- Enroll in cost-assistance programs you are eligible for
  - Extra Help, State Pharmaceutical Assistance Program (SPAP)
  - Contact State Health Insurance Assistance Program (SHIP) at www.shiphelp.org
- Check online resources discount programs or drugs
  - www.NeedyMeds.org
  - www.GoodRx.com
  - www.CostPlusDrugs.com

Drug cost changes in 2025

- Starting in 2025, annual out-of-pocket Part D costs will be capped at $2,000
  - Includes deductibles, copays, and coinsurance
  - You will pay $0 out of pocket for the rest of the year
- You will have the option to spread out-of-pocket Part D costs over the year

Medicare Prescription Payment Plan

- All Part D plans must offer this new payment option in 2025, and you can decide if you want to join
  - You might get a notice from your plan if you have high drug costs
- If you sign up for payment plan, your Part D plan sends you a **monthly bill** for cost-sharing
  - You pay $0 at the pharmacy for your covered Part D drugs
- Benefits people with high out-of-pocket drug costs earlier in the calendar year
  - Helps you manage monthly expenses, but doesn't lower your overall drug costs

Durable medical equipment (DME)

- **Medicare Part B covers DME, which is equipment that:**
  - Serves a medical purpose
  - Able to withstand repeated use
  - Suitable for use in the home
- Common DME for people with COPD: Oxygen equipment, CPAP therapy devices, nebulizers

For Medicare to cover DME, generally you need:

- A prescription and for your doctor to document in your medical record that you meet coverage criteria
- To use a Medicare-approved supplier or a supplier who is in-network for your Medicare Advantage Plan

Oxygen equipment coverage

- Medicare covers oxygen equipment if:
  - You have been diagnosed with a severe lung disease (or hypoxia-related symptoms)that can be treated with oxygen therapy
  - Your blood gas levels meet specific criteria and testing requirements
  - And other treatments have failed or are not effective

Oxygen equipment rentals

- Rented in a 5-year cycle without option to buy
- Medicare pays supplier monthly rental fee for first 36 months
- After 36-month rental period, you pay no more rental fees, although the supplier still owns the equipment
  - You keep the equipment for up to 24 additional months
- At the end of 5 years, you can get new oxygen equipment from your current supplier or to switch suppliers

Oxygen equipment costs

- **First 36 months**
  - 20% of each month's rental fee
    - Rental fee includes all equipment, oxygen, and supplies
  - No cost-sharing for maintenance
- **Last 24 months**
  - 20% coinsurance for oxygen each month if you use oxygen tanks or cylinders
  - 20% coinsurance for maintenance

CPAP therapy devices and accessories coverage

- Medicare covers 3-month trial period if:
  - You've been diagnosed with obstructive sleep apnea
  - You meet certain requirements for frequency of breathing disturbances
- Medicare coverage continues after trial period if you meet with your doctor and they document that the machine is helping you
- Medicare pays rental fees for first 13 months
- After 13 months, you own the machine

CPAP costs

First 13 months

- 20% of rental fee
  - Includes cost of machine and related supplies, like tubing
- No cost-sharing for repairs and maintenance

After rental period

- 20% coinsurance for repairs and maintenance when professional is required and services are not covered by a warranty

Nebulizer coverage

- Medicare Part B covers nebulizers and medications used in them if you get a prescription from your doctor
- Medicare pays rental fees for first 13 months
- After 13 months, you own the machine

Nebulizer costs

First 13 months

- 20% of rental fee
- 20% coinsurance for medications used with nebulizer
- No cost-sharing for repairs and maintenance

After rental period

- 20% coinsurance for medications used with nebulizer
- 20% coinsurance for repairs and maintenance when professional is required and services are not covered by a warranty

Inhaler coverage and costs

- Medicare Part D covers inhalers if they are on your plan's formulary
- Each Part D plan covers different drugs, so make sure the plan you choose covers the inhaler(s) you use
- Costs vary depending on your plan and the pharmacy you use

Pulmonary rehabilitation services coverage and costs

- Medicare Part B covers pulmonary rehabilitation services if:
  - Your doctor gives you a referral and you have moderate to severe COPD
  - Or, if you had COVID-19 and have symptoms that don't go away for at least 4 weeks
- Costs
  - 20% coinsurance

Drug denials

- At the pharmacy, you may learn that your plan will not cover your drug
- Pharmacist should give you a notice about appeal rights
- Call your plan to learn why it isn't covering your drug

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Reasons for non-coverage:

- Drug isn't on the plan's list of covered drugs
- Your plan requires that you try a different, usually less expensive drug first
- You need to request approval from the plan before it will cover that drug
- Your drug was prescribed for off-label use
- The drug is on Medicare's list of excluded drugs

Speak with your doctor

- Work with your prescribing provider once you know the reason for non-coverage
- If you cannot switch drugs, you will need to file an exception request
  - Ask your plan how to file
  - Ask your doctor for help

File an exception request

- Exception request: formal written request to your Part D plan asking that it pay for a drug you need
- If the request if approved, your plan should cover the drug until the end of the current calendar year
- If the request is denied, your plan will send you a **Notice of Denial of Medicare Prescription Drug Coverage**
  - This is your formal denial notice, which you can appeal

Exception request

Include doctor's letter that says:

- ☑ Why medication is medically necessary
- ☑ Other drug or dosage alternatives on the plan's formulary have been ineffective or caused harm
- ☑ Or, based on sound clinical evidence and/or their knowledge of the patient, all other drug or dosage alternatives are likely to be ineffective or cause harm

Prior authorization

- Requires you to ask your plan for permission before it provides coverage
- Usually used by Medicare Advantage Plans and Part D plans
  - Original Medicare only requires prior authorization for limited services

Make sure you know if your plan requires prior authorization for services

- Often applies to higher cost services like inpatient hospital stays and chemotherapy
- Your doctor should contact plan to request prior authorization

If you do not get prior authorization when required, your plan will not cover your drug, service, or item

Filing complaints and grievances

- **Complaint with Medicare Advantage or Part D plan**
  - Call 1-800-MEDICARE (1-800-633-4227) and request to file a complaint using the Complaint Tracking Module or submit Complaint Form on www.medicare.gov
  - File grievance with your plan by sending a letter to plan's Grievance and Appeals department
- **Complaint about durable medical equipment supplier**
  - Submit complaint with supplier
  - Call 1-800-MEDICARE

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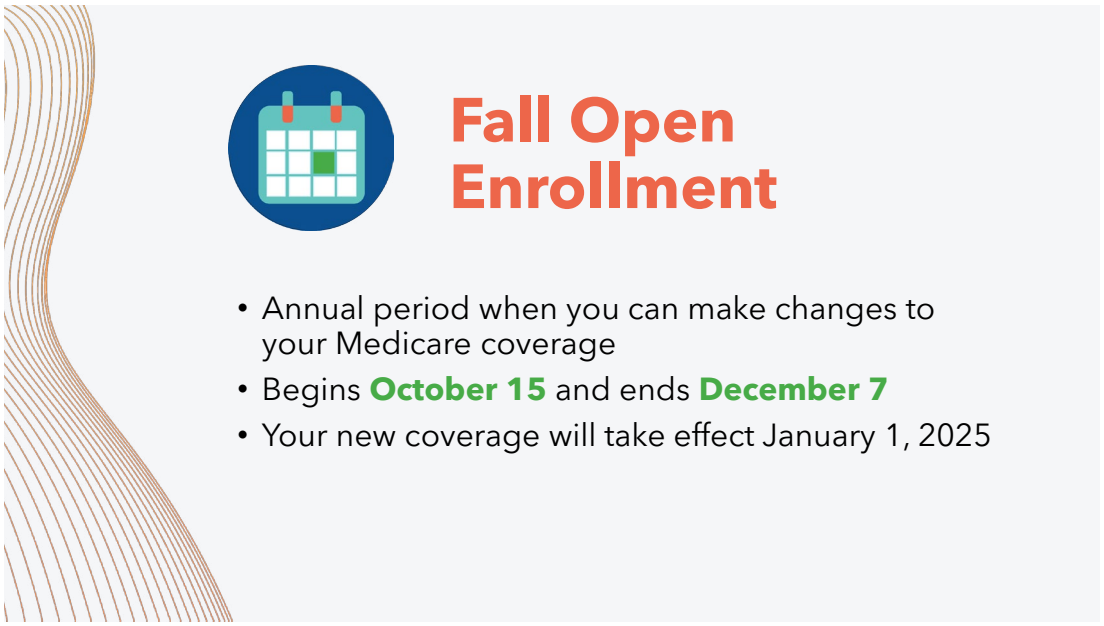

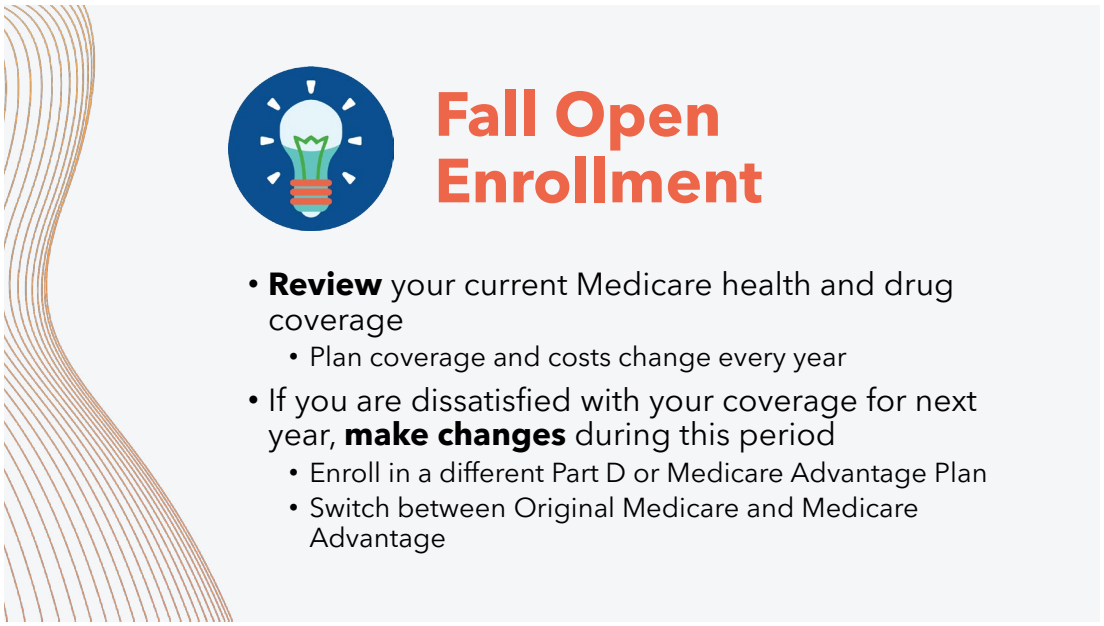

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If you have Original Medicare...

- Read the **2025 *Medicare & You*** handbook
  - All Medicare households receive this handbook in late September
  - You can also call 1-800-MEDICARE to request a copy or download it on www.medicare.gov
- Review handbook for any changes to Original Medicare's coverage for the upcoming year

If you have a Medicare Advantage Plan or Part D plan...

- Read your **Annual Notice of Change (ANOC)** and/or **Evidence of Coverage (EOC)**
- These notices are sent to plan members in late September
  - Contact your plan if you do not receive one

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