

The Quarterly Update



3rd Quarter 2024

Medicare Part D: The Coverage Gap & You

The coverage gap phase, where Part D enrollees had faced 100% of their total drug costs under the original Part D benefit design and currently face 25% of costs for brand and generic drugs, will be eliminated in 2025. This means that Part D enrollees will no longer face a change in their cost sharing for a given drug when they move from the initial coverage phase to the coverage gap phase, which is the case in most Part D plans today, since most plans charge varying cost-sharing amounts, rather than the standard 25% coinsurance, in the initial coverage phase.



2025-Out of Pocket Drug Spending Capped

Beginning in 2025, Part D enrollees' out-of-pocket drug costs will be capped at \$2,000. This amount will be indexed to rise each year after 2025 at the rate of growth in per capita Part D costs. (This cap does not apply to out-of-pocket spending on Part B drugs.)

For Part D enrollees who take only brand-name drugs, annual out-of-pocket costs at the catastrophic threshold will fall from around \$3,300 in 2024 to \$2,000 in 2025. In other words, Part D enrollees who take only brand name drugs and have drug costs high enough to reach the catastrophic threshold could see savings of about \$1,300 in 2025 relative to what they will spend in 2024.

The Good News- We are here to help answer any/all questions you may have and more! Call us today.

AGENTS CORNER

There will be numerous changes to Medicare programs for 2025. If you currently have a Medicare Supplement, Advantage Plan (Part C) or a Medicare Stand alone Part D (Drug Plan) then I would like to schedule a time for us to meet in my office or schedule a time to discuss by telephone.

Many of the Advantage Plan carriers and the Part D plans are eliminating or changing their benefits substantially. Starting October 15th, please call me, Jim Thornton 912-429-0137 or my son, Trice Thorton, 912-429-2933 to schedule a time to meet in person or schedule a phone conference to discuss options for 2025.



-Jim Thornton

Potential Increased Access to Mental Health Therapies



For the first time, Medicare has proposed reimbursing doctors for digital mental health therapies like apps and software to help enhance treatment for behavioral health conditions. While this may not be appropriate or beneficial for everyone, it could greatly improve access and outcomes for patients who struggle with mental health disorders. The Centers for Medicare and Medicaid Services has proposed creating three new reimbursement codes that would allow physicians to be reimbursed for incorporating these digital therapies into a patient's current treatment plan. These new codes would not be effective until 2025 and would only apply to certain apps and/or software that would have to be approved by the Food & Drug Administration.

While the most obvious benefit of implementing this would be to the patients, it has the added benefit of promoting the wellness apps and/or video games themselves. In the past and largely due to lack of payment and coverage by insurance companies, these tech companies have struggled to really reach their true potential and target population. "Digital therapeutics have significantly improved access to care for many patients, while delivering consistent clinical outcomes across a wide range of conditions. However, despite the potential these new treatments offer, convincing payers to embrace the risks associated with new treatments has been an incredible challenge. The newly-proposed fee schedules from the Centers for Medicare & Medicaid Services (CMS) could be pivotal in mitigating that risk for payers while also encouraging providers to embrace the use of digital mental health treatments for their patients."

As it so often goes, Medicare typically sets the standard for what other insurers will come to also consider a covered benefit. For now, we will have to wait and see what if anything comes of these proposed changes.

Source: <https://medcitynews.com/2024/08/proposed-medicare-codes-a-game-changer-for-digital-health/>

GET IN TOUCH



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