

This Medicare Open Season, Review Your Part D Drug Benefit

A word of advice now that we are in the midst of Medicare's open season: Please review your Part D drug coverage. If you don't, you are likely to see your premiums and copays rise. And you could be missing out on an opportunity to find a less costly plan in a market where premium prices alone can vary by six-fold.

According to a new study by Juliette Cubanski and Anthony Damico at the Kaiser Family Foundation, two-thirds of Part D enrollees without low-income subsidies—about 9 million people—face premium increases if they stay in their same plan, while one-third will see their premiums fall.

For example, Kaiser reported that consumers with one of the nation's largest Part D insurers, Humana Walmart Rx Plan, will see their average premiums double, from \$28 to \$57, in 2020 because of changes in the plan and a consolidation of Humana Walmart Rx and Humana Enhanced plans into a new plan called Humana Premier Rx.

And don't only look at premiums. You also need to consider co-pays that vary widely. And, most challenging, you need to see what drugs are included in each plan's formulary, which will tell you the prices you'll have to pay for the specific drugs you take.

Insurance is a notoriously sticky product. Once people pick a plan they tend to stay with it, just because inertia is so powerful and making decisions is so difficult. This is true with all insurance.

But Medicare is worse than most. It's Babel of jargon and voluminous choices violate all the rules of behavioral science. And making decisions can cause migraines for even the most careful beneficiaries. Do I enroll in traditional Medicare plus Medicare Supplemental (Medigap) and Part D coverage, or do I buy a one-stop Medicare Advantage managed care plan? If I want Part D, how do I choose a plan?

The Kaiser study finds that the average Medicare beneficiary can (or, maybe, must) choose among 28 drug plans. Nationwide, insurers are selling nearly 1,000 plans for 2020, an increase of 202 since 2017.

Out-of-pocket costs

And the costs to beneficiaries vary dramatically. Kaiser found that among the 20 national plans, monthly premiums will range from \$13 to \$83. Overall, next year's premiums will rise by 7 percent to an average of \$42.

But those monthly premiums are just a piece of the puzzle. Plans are raising deductibles by an average of nearly \$100 from 2019 to 2020, to \$335. And while 86 percent of plans will charge

deductibles, at least two national plans will not. However, Kaiser reports that the average premium for plans that charge no deductible is more than twice the premium for plans that charge the standard deductible.

Then, there is coinsurance, the amount you must pay out-of-pocket for each prescription. If you are taking many drugs, or some especially costly ones, these considerations are far more important than monthly premiums.

In 2020, all plans will have five or six tiers for covered generic, brand-name, and specialty drugs. Drugs listed as preferred generics generally are free. Consumers will pay a range of \$25-\$47 for preferred branded drugs; co-insurance from 32 percent to 50 percent for non-preferred brand-name drugs, and from 25 percent to 33 percent for very expensive specialty drugs. (If you are eligible for low-income subsidies, your costs may be even lower). But the key is this: Different plans have different drugs on their preferred lists. And they can change them. That's another reason to shop around.

Basic or enhanced

You also need to decide whether to buy a basic Part D plan, or an enhanced plan. Premiums are higher for enhanced plans—averaging \$57 compared to \$31 for basic plans—but they may have lower (or no) deductibles, less cost sharing, and may cover more drugs.

One bit of good news, starting in 2020, Part D enrollees will no longer face the dreaded “doughnut hole” coverage gap, where they are responsible for paying all drug costs up to a limit. They will have to pay 25 percent coinsurance for both brand-name drugs and generics in the gap, however.

Where can you get more information? The Medicare Rights Center has an excellent web tool [here](#). And Medicare's own website allows you to compare plans [here](#). If you want to talk to a human about Part D or any other Medicare insurance question, call your local [Medicare SHIP program](#).

I know shopping for Part D plans is a massive headache. But do it before open season ends on Dec. 7. You have a lot of money on the line.

<https://www.forbes.com/sites/howardgleckman/2019/11/18/this-medicare-open-season-review-your-part-d-drug-benefit/#26d44de35275>