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## REDUCED MEDICARE PREMIUMS

*BIDEN-HARRIS ADMINISTRATION LOWERS PREMIUMS*

People can expect reduced costs for Medicare Advantage and Part D Plans / p 1



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# Biden-Harris Administration Announces Lower Premiums for Medicare Advantage & Prescription Drug Plans in 2023<sup>1</sup>

On September 29th it was announced that people with Medicare will begin seeing lower premiums for Medicare Advantage and Medicare Part D prescription drug plans in 2023. In addition, thanks to the Inflation Reduction Act, people with Medicare prescription drug coverage will have improved and more affordable benefits. This includes a \$35 cost-sharing limit on a month's supply of each covered insulin product as well as adult vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) at no additional costs.

Ahead of the upcoming Medicare Open Enrollment (beginning October 15th), the Centers for Medicare & Medicaid Services (CMS) is releasing key information, including 2023 premiums and deductibles for Medicare and Part D drug plans, to help enrollees determine the best coverage for their needs.

***"The Inflation Reduction Act will provide much needed financial relief and increase access to affordable drugs. It is more important than ever for people to review their health care coverage and explore their Medicare options during Open Enrollment this year."***

*- Chiquita Brooks-LaSure, CMS Administrator*

Enrollment in Medicare Advantage continues to increase. Projections indicate enrollment will reach 31.8 million people in 2023. The projected average premium for 2023 Medicare Advantage plans is \$18/month which is a decline of nearly 8% from the 2022 average premium of \$19.52. Medicare Advantage plans will continue to offer a wide range of supplemental benefits in 2023, including eyewear, hearing aids, preventative and comprehensive dental benefits, over-the-counter items, and fitness benefits.

More than 1,200 Medicare Advantage plans will participate in the CMS Innovation Center's Medicare Advantage Value-Based Insurance Design (VBID) Model in 2023. This model tests the effect of customized benefits that are designed to better manage diseases and meet a wide range of health-related social needs from food insecurity to social isolation. Benefits under this model are projected to be offered to 6 million people.

CMS continues to work at improving options for enrollees who are dually eligible for Medicare and Medicaid. In 2023, they will begin to require all Medicare Advantage dual eligible special need plans (D-SNPs) to establish enrollee advisory committees and consult with those committees on various issues, including improving health equity for underserved populations.

<sup>1</sup> Center for Medicare & Medicaid Services. (2022, September 29). Press Release: Biden-Harris Administration announces lower premiums for Medicare Advantage and prescription drug plans in 2023. CMS.gov. Retrieved October 5, 2022, from <https://www.cms.gov/newsroom/press-releases/biden-harris-administration-announces-lower-premiums-medicare-advantage-and-prescription-drug-plans>

The average basic monthly premium for standard Part D coverage is projected to be \$31.50 compared to \$32.08 in 2022. The Medicare Part D program helps people with Medicare pay for both brand-name and generic prescription drugs.

### **MEDICARE OPEN ENROLLMENT - IMPORTANT DATES & RESOURCES**

Medicare Open Enrollment runs from October 15 to December 7, 2022. During this time, those eligible for Medicare can compare 2023 coverage options on [Medicare.gov](https://www.medicare.gov). This site provides clear, easy-to-use information as well as an updated Medicare Plan Finder that allows people to compare options for health and drug coverage that can change from year to year.

The site was updated with the 2023 Medicare health and prescription drug plan information on October 1, 2022. To help with their Medicare costs, low-income seniors and adults with disabilities may qualify to receive financial assistance from the Medicare Savings Programs (MSPs). The MSPs are essential in helping millions of Americans access high-quality health care at reduced cost. Individuals interested in learning more can [CLICK HERE](#) to get more information.

## **New Lock-Out Rules for Retiree Drug Subsidy (RDS) Website**

Although it was not formally announced, the RDS center has made a major change to their user lock-out policies as part of the new website launch.

Historically, if a user got locked out of the website, they'd have to wait 24 hours before being able to utilize the "Forgot Password" link to reset their password. However, now users are able to request a password reset immediately.

The only exception to this is if a user has already reset their password once in a 24 hour period. If so, they will need to wait 24 hours before their password can be reset again.

As always, if you have any questions about the RDS program or website, please do not hesitate to reach out to the PDA team.



# Predictive Eligibility Maintenance



Forecasting Qualifying Life Events (QLEs) has long been a costly issue for health plans. PDA's Predictive Eligibility Service uses ongoing AI analysis to **keep your plan ahead of those expensive events** saving your team from overspending.

## CREATE BASELINE DATABASE

PDA overlays general eligibility files from TPAs, insurers, and Group Health Plans to generate a complete picture of the plan's membership.

## ONGOING AI ANALYSIS

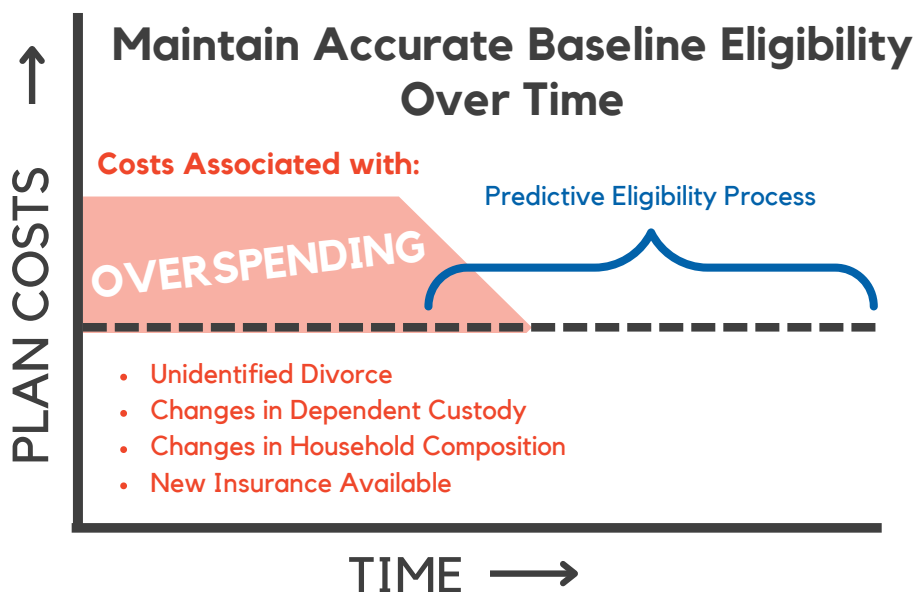
Once the baseline membership is established, PDA's system regularly reviews third party **marketing-level** data and demographic trends to forecast QLEs.

## QUALIFYING LIFE EVENT ID

Once a probable QLE is identified, that plan member receives a verification request for proof documentation from PDA.

When **just 1%** of dependents become ineligible each year, a plan with 10,000 dependents is

**OVERSPENDING BY  
\$390,000/YEAR**



PDA maintains the **highest response rate** in the industry. We offer:

- ☒ Outbound Phone Calls
- ☒ Secure Web Portal
- ☒ Email Communications
- ☒ Outbound Mail

Response Rate  
is **everything** in  
this business.



STAY AHEAD  
OF COSTLY  
ENROLLEE  
LIFE EVENTS



MOST  
EFFICIENTLY  
RESPOND TO  
ENROLLMENT  
CHANGES



SAVE YOUR  
STAFF  
TIME & COSTS



MAINTAIN  
POSITIVE  
MEMBER  
RELATIONS

# CMS 2023 Premiums, Deductibles, and Coinsurance Amounts Announced<sup>2</sup>

On September 27, 2022, the Centers for Medicare & Medicaid Services (CMS) released the 2023 premiums, deductibles, and coinsurance amounts for the Medicare Part A and Part B programs, and the 2023 Medicare Part D income-related monthly adjustment amounts.

## MEDICARE PART B PREMIUM & DEDUCTIBLE

Medicare Part B covers physicians services, outpatient hospital services, certain home health services, durable medical equipment, and other medical and health services not covered by Medicare Part A. Each year the Medicare Part B premium, deductible, and coinsurances rates are determined according to the Social Security Act.

The standard monthly premium for Medicare Part B enrollees will be \$164.90 for 2023. The annual deductible for all Medicare Part B beneficiaries is \$226 in 2023. Both Part A and Part B have seen a slight decrease in cost since 2022 rates.

## MEDICARE PART B INCOME-RELATED MONTHLY ADJUSTMENT AMOUNTS

A beneficiary's Part B monthly premium is based on the individual's income. These income-related monthly adjustment amounts affect roughly 7% of people with Medicare Part B. Please [\*\*CLICK HERE\*\*](#) to see a table of the 2023 Part B total premiums for high-income beneficiaries with full Part B coverage. This page also offers information regarding total premiums for high-income beneficiaries with immunosuppressive drug only Part B coverage and those with full Part B coverage who are married and live/lived with their spouse at any time during the taxable year but file a separate return.



<sup>2</sup> Centers for Medicare & Medicaid Services. (2022, September 27). 2023 Medicare Parts A & B premiums and deductibles 2023 Medicare part D income-related monthly adjustment amounts. CMS. Retrieved October 6, 2022, from <https://www.cms.gov/newsroom/fact-sheets/2023-medicare-parts-b-premiums-and-deductibles-2023-medicare-part-d-income-related-monthly>

## MEDICARE PART A PREMIUM & DEDUCTIBLE

Medicare Part A covers inpatient hospital, skilled nursing facility, hospice, inpatient rehabilitation, and some home health care services. About 99% of Medicare beneficiaries do not have a Part A premium since they have at least 40 quarters of Medicare-covered employment.

## MEDICARE PART D INCOME-RELATED MONTHLY ADJUSTMENT AMOUNTS

Higher income beneficiaries' Part D monthly premiums are based on income. These income-related monthly adjustment amounts affect roughly 8% of people with Medicare Part D. These individuals will pay the income-related monthly adjustment amount in addition to their Part D premium. The premiums vary from plan to plan. Roughly two-thirds of beneficiaries pay premiums directly to the plan, while the remaining beneficiaries have their premiums deducted from their Social Security benefit checks.



## VISIT BOOTH #113 AT IFEBP YOU COULD BE A WINNER

Come see Part D Advisors at the **68th Annual Employee Benefits Conference** at Mandalay Bay in Las Vegas from October 23-26, 2022. Visit us at **Booth 113** and enter for a **chance to win a Tom Brady Autographed Football, an Oracle VR Headset, or Apple AirPods Pro!**

<sup>2</sup> Centers for Medicare & Medicaid Services. (2022, September 27). 2023 Medicare Parts A & B premiums and deductibles 2023 Medicare part D income-related monthly adjustment amounts. CMS. Retrieved October 6, 2022, from <https://www.cms.gov/newsroom/fact-sheets/2023-medicare-parts-b-premiums-and-deductibles-2023-medicare-part-d-income-related-monthly>



## Is Your Client Paying Ineligible Dependent Costs?

As you may already know, Part D Advisors acquired the Dependent Eligibility Verification (DEV) assets of Health Decisions, a company with nearly 30 years of DEV experience and expertise. With the cost of each ineligible dependent exceeding \$3,500 annually, a DEV review is a crucial component for your clients who are looking to reduce costs and protect member benefits.



The goal of a successful DEV review is twofold: to verify all eligible members for the plan while achieving the highest response rate possible. Our proven, efficient, member-friendly method has resulted in an average response rate of 98% due to our “high tech, high touch” approach. Our aim is to hear back from every single member of the plan to ensure the highest rate of accuracy in our ineligible reporting.

With our track record of **ZERO** appeals, PDA has set the standard in conducting successful DEV reviews while maintaining positive member relations. We've generated significant ROIs for clients across the country in union trusts, manufacturing, municipal, retail, healthcare, and technology sectors, including:

- Electrical Workers Insurance Fund
- La-Z Boy
- Massachusetts Laborers' Benefit Fund
- Suffolk County, NY

### Estimated Return on Investment Sample

Dependent Eligibility Verification projects demonstrate strong savings due to the removal of ineligible dependents. Every ineligible dependent removed from the plan has the potential for significant savings.

#### Potential Savings and Return on Investment for a Plan Sponsor with 5,000 Dependents

Dependents Removed (%)	Dependents Removed (#)	Annual Savings*	Audit Fee	Return on Investment
5%	250	\$ 996,000	\$ 40,000	\$25 : \$1
10%	500	\$ 1,992,000	\$ 40,000	\$50: \$1

\* According to the Milliman Medical Index, the average annual per member health plan cost is \$3,984.

At a fee per dependent, the DEV project costs the equivalent of the average annual health care expense of fewer than 11 dependents. In other words, the sample plan sponsor only needs to remove 11 ineligible dependents in order to essentially pay for the Dependent Eligibility Verification Services.

In addition to the one-time DEV review, Part D Advisors offers an ongoing verification service for a monthly fee that can help plan sponsors maintain the integrity of their eligibility and avoid paying for ineligible dependents' health care costs going forward.

If you would like additional information on PDA's Dependent Eligibility Verification services or a customized quote for your clients, please reach out to Leslie Wilkins at (734) 459-8940 or via email at [LWilkins@PartDAdvisors.com](mailto:LWilkins@PartDAdvisors.com).

The value of PDA's Ongoing and Reopening Retiree Drug Subsidy services for plan sponsors is second to none.



## Upcoming RDS Deadlines

### Reconciliations

(plan year end | recon. due date)

07/2021 | 10/31/2022

08/2021 | 09/30/2022

09/2021 | 01/03/2023

### Applications

(plan year start | app. due date | w/ 30-day ext.)

02/01/2023 | 11/02/2022 | 12/02/2022

03/01/2023 | 11/30/2022 | 12/30/2022

04/01/2023 | 01/03/2023 | 02/02/2023

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