

Informational Update Vol 16 #1 February 7, 2025

1. 2025 Medicare Part B Deductible & Premiums

If you are Medicare-eligible in 2024, you paid an annual deductible for Part B which helps cover, among other things, doctors & other health provider visits, some preventative care, outpatient care, durable medical equipment, and some home health services.

This deductible reset on January 1, 2025. The deductible for Medicare Part B increased \$17 from \$240 to \$257. The GHI/Emblem Health deductible resets to the same \$50.

Most people start paying the Part B deductible when visiting a Medicare provider. The portion of the deductible paid depends on the provider's service and what Medicare allows for the service. You will pay any amount that is left over at future provider visits. I recommend you keep track of your deductible payments to help prevent paying more than the cap.

Medicare normally pays 80% of a Part B service. This will not happen until you have fully met the \$257 deductible. GHI/Emblem Health normally picks up the other 20% but will no longer do that in 2025.

Starting January 1, 2025, you will have a \$15 copay for each Part B service. Medicare will continue to pay about 80% of the bill, while your Copay & GHI Emblem Health will pay the remaining portion.

Regarding the copay, CSA has advised us of the following:

- You should have received a new medical card indicating the \$15 copay.
- Pay the copay if the provider requires it. If the provider does not, then do not volunteer to pay it. Most likely you will be billed instead.
- Keep a record of all \$15 copays. For this purpose, it has been suggested to use an infrequently used checking account or credit card for this purpose.

An appeal has been filed opposing the \$15 copay. However, we have no idea of the outcome. Consequently, it is important to follow the guidelines mentioned above.

2. Part B Premium

This year the standard Medicare Part B premium increased \$10.30 from \$174.70 to \$185.00. Although most Medicare-eligible individuals pay the standard premium, some pay more. For those whose Medicare adjusted 2023 taxable income was greater than \$106,000 if they filed individually or \$212,000 if they filed jointly, they will pay a Part B as well as a Part D surcharge - known as the Income-Related Monthly Adjusted Amount (IRMAA) - in addition to the standard amount. The extra amount they pay varies on how much taxable income they received in 2023.

The good news is that BOTH the standard and Part B IRMAA amounts are still reimbursable. Unfortunately, the Part D IRMAA surcharge is NOT. While the Office of Labor Relations (OLR) reimburses the standard amount automatically, it requires an application for the Part B IRMAA reimbursement. At this time, the date when the 2023 application will be available is unknown.

3. 2025 Medicare Part D Drug Costs

As a result of the Inflation Reduction Act, there are several changes in Medicare Part D for 2025. Below are three of the biggest.

Starting January 1, those Medicare-eligible members who have the GHI Enhanced Plan D will continue to pay 25% of the covered drug cost while the plan pays 75%. However, a key change is your out-of-pocket copays for covered drugs cannot exceed \$2,000. Once you reach this amount, you will no longer have copays for covered drugs. Last year the cap was \$8,000. Considering the cost of some drugs, the 2025 \$2,000 is incredible.

A second important change is the new Medicare prescription payment plan. Under this plan, you can pay for your medications in monthly installments (no interest) or all at once.

If you choose monthly installments, then the cost must be paid over the calendar year. Further, your plan will bill you monthly; you will not pay the pharmacy directly.

A third substantial change is lower prescription drug costs. Arguably, the most important one is Eliquis, one of the most popular prescription drugs.

4. Question of the Month

Q. I am the spouse of a CSA member who passed away last year. I understand my prescription drugs are covered. Is that true?

A. Yes, they are covered for 5 years for free after the passing of your husband provided you have a drug plan. After an annual \$100 deductible, you will get back 80% of the cost under the Fund's Supplemental Medical Program with a maximum of \$5,000.

Additionally, The CSA Retiree Chapter will reimburse you 20% of the Fund's payment. This will be done seamlessly. You should receive the Chapter's reimbursement in 2 to 3 weeks.