



Changes for 2025

Informational Update



Dear Valued Client,

I want to give you a heads up on current Market Conditions and passed legislation (Inflation Reduction Act of 2022) that may affect your Medicare Supplement rates starting 2024 and your Medicare Advantage or Part D plans in 2025.

All insurance carriers have experienced “high utilization” over the last two years, meaning members are using their insurance plans and filing claims in larger numbers than in recent years. This uptick in claims is due to the fact that during the COVID outbreak many folks delayed getting services done. Non-essential surgeries, procedures, lab tests, diagnostic tests, and wellness visits were put off until COVID had “run its course” and people felt safe to venture out and get their medical needs addressed. We have also experienced record high inflation the past few years. When we have a big influx of people using their insurance (which causes a much higher payout in claims) and those claim dollars reflect much higher costs due to inflation, insurance premiums will go up! ALL carriers will be affected by these changes.

Medicare Supplement and Medicare Advantage Plans: Be prepared for a potential higher than normal increase this year in your Medicare Supplement Premiums. This coming AEP, your Medicare Advantage plan may also raise premiums and could cut back on some of the “extra” benefits that they have offered in the past. Medicare Advantage changes would start in January, 2025.

Medicare Part D: The Inflation Reduction Act of 2022 included provisions that were to be phased in over time specific to Medicare Part D. In 2023 copays for insulins were capped at \$35. In 2023 most adult vaccines went to \$0 copay. In 2024 the “catastrophic” phase of Part D was eliminated. In 2025 Out Of Pocket drug costs will be capped annually at \$2,000. It is anticipated that Medicare Part D companies may also raise their premiums and adjust copays and deductibles as a result. Please note that Part D can be a “stand alone” plan in addition to your Medicare Supplement OR can be included in your Medicare Advantage plan. Either way The Inflation Reduction Act of 2022 will have an impact on your Part D in 2025.

Please be sure to look at your Medicare Advantage and Part D Annual Notice of Change that you will receive this fall. Check for changes in premiums and benefits for 2025. Also check your Medicare Supplement premium notices, as all carriers will be affected.

I will be here to answer any questions you may have and advise you on plan options.

Not connected with or endorsed by any government or the Federal Medicare Program.