

# Medicare Part D changes next year

Fall open enrollment until Dec. 7

By [Kendra Baker](#) on October 26, 2014 in [News](#)

For those looking to change their Medicare health or prescription drug coverage for 2015, now is the time — open enrollment is in full swing.

Until Sunday, Dec. 7, the Medicare-eligible have the opportunity to choose a new Medicare Advantage or Medicare Part D plan. Seniors may also switch to original Medicare and enroll in a Medigap plan, as well as a stand-alone Part D plan during this enrollment period.

Coverage for anyone who enrolls in a plan before Dec. 7 will take effect Jan. 1.

Medicare Part D is the part of Medicare that deals with prescription drug coverage.

Part D is run by Medicare-approved private insurance companies and, according to the Centers for Medicare and Medicaid Services (CMS), helps cover the cost of prescription drugs and may help lower prescription drug costs and help protect against higher costs in the future.

Medicare prescription drug coverage is offered through Medicare Prescription Drug Plans (PDPs) and Medicare Advantage Plans or other Medicare health plans that offer Medicare prescription drug coverage.

## Changes

Medicare health and drug plans can change each year. Such changes can include coverage, cost and which providers and pharmacies are in a network.

While the average Medicare prescription drug plan premium will increase by approximately \$1 next year — costing about \$32 per month, premiums for specific plans and regions vary from year to year, according to the Medicare Rights Center.

Because of this, Medicare beneficiaries are encouraged to review their Annual Notice of Change (ANOC) to find out if and how their plan's costs or benefits will change and determine if other options would make more financial sense.

Individuals with incomes of more than \$85,000 and couples with a combined income of at least \$170,000 will pay higher Part B and Part D premiums, according to the Medicare Rights Center.

People who didn't enroll in Part B or D when they were first eligible may also face premium penalties, resulting in higher premiums.

Medicare beneficiaries will also have a 55% discount on the cost of their brand-name drugs during the coverage gap in 2015, and the discount for generic drugs during that time will increase from 28% to 35%.

Since Part D formularies, the list of covered drugs, often change each year, people are encouraged to check the new formularies of their Medicare plans.

Coverage restrictions can be placed on certain drugs under Part D, so those considering changing plans should find out if their current plan or the plan they're planning to switch to places any coverage restrictions on their medication.

According to the Medicare Rights Center, it is a growing trend for Part D plans to differentiate between "preferred" and "non-preferred" pharmacies within their networks. Beneficiaries save money by using preferred pharmacies..

To ensure meaningful differences among plans offered by the same company, the Medicare private landscape continues to be streamlined, and according to the Medicare Rights Center, "Plans from the same company that offer nearly identical benefits have been consolidated to help simplify the choice available to consumers."

If a beneficiary's plan has been consolidated with another, he or she will automatically be enrolled in a plan from the same company with benefits most like those found in the person's previous plan. Beneficiaries whose plans have been consolidated have until Dec. 7 to enroll in a different plan if they wish.

There are plans that are also terminated each year under Medicare. Beneficiaries of terminated plans are entitled to a special enrollment period and have until Feb. 29 to select a new plan.

Those who fail to do so will automatically be enrolled in original Medicare or they will lose drug coverage.