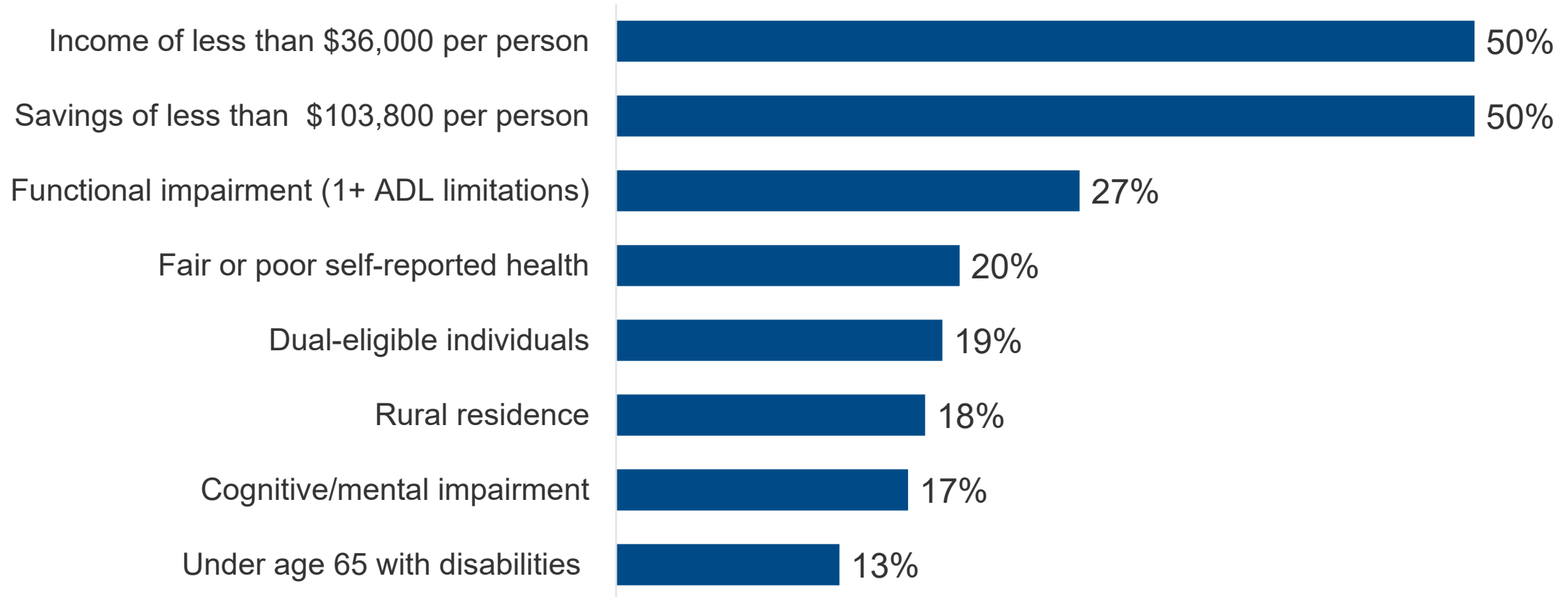
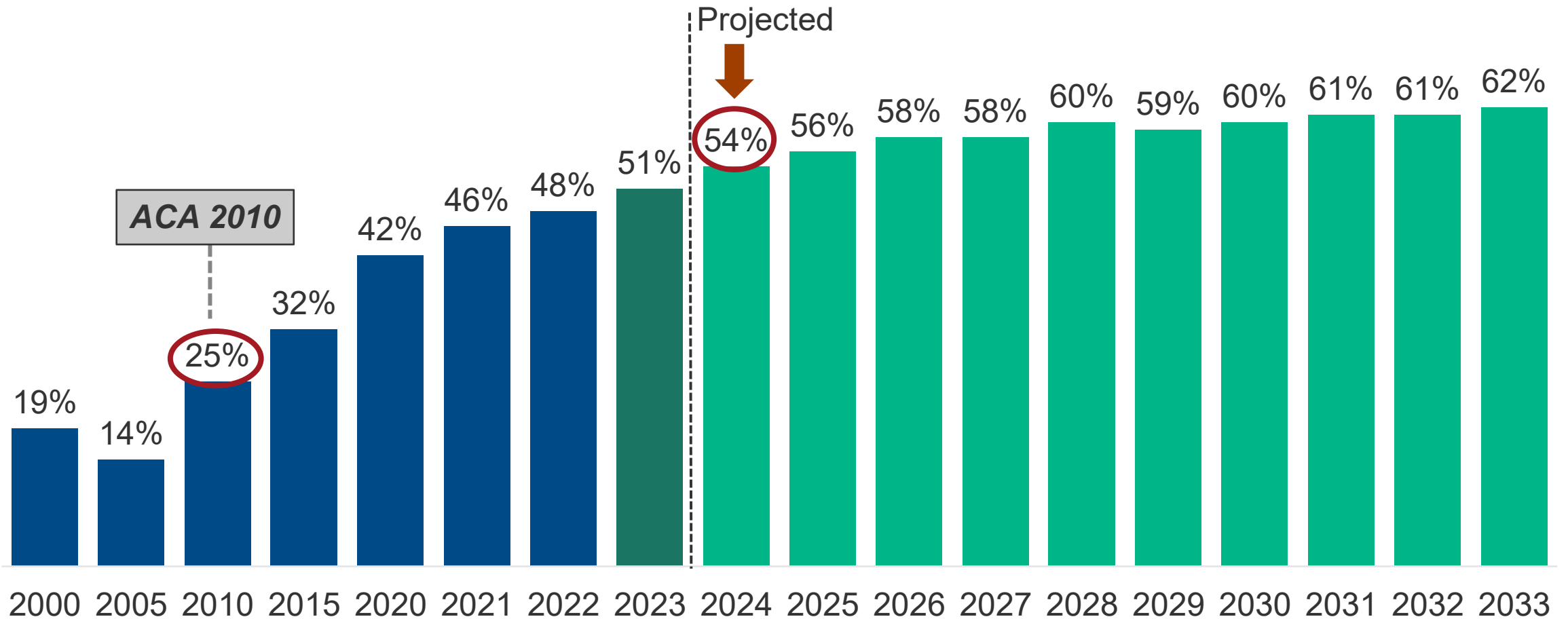


Some on Medicare Enjoy Good Health, but Many Have Significant Health Impairments and Limited Financial Resources



Source: KFF, "Income and Assets of Medicare Beneficiaries in 2023," February 2024; KFF analysis of CMS Medicare Current Beneficiary Survey, 2021 Survey File.

More Than Half of Eligible Medicare Beneficiaries Are Enrolled in Medicare Advantage This Year



Source: KFF, "Medicare Advantage in 2023: Enrollment Update and Key Trends," August 2023.

10 Reasons Why Medicare Advantage Enrollment May Rise Faster Than Projected

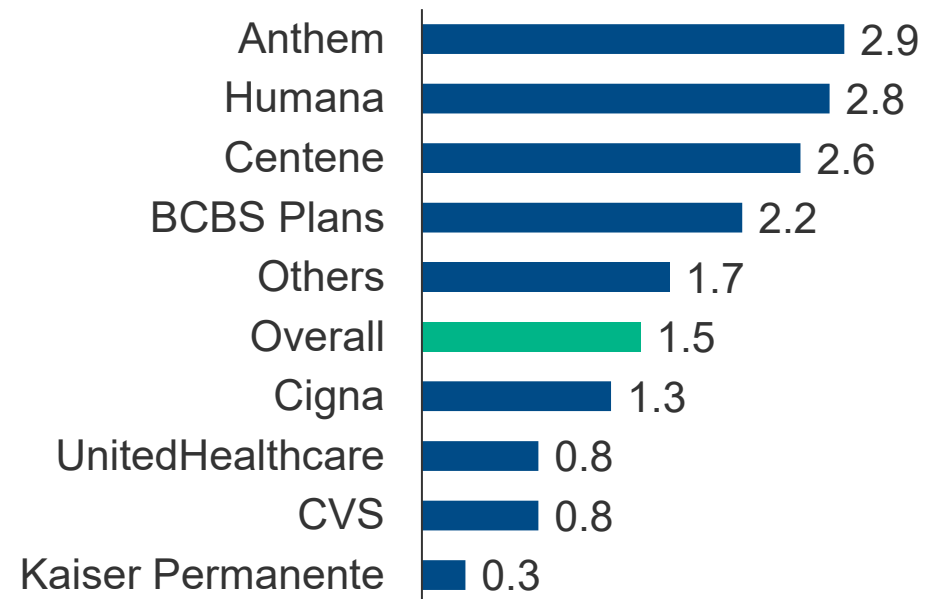
1. **Extra benefits**, such as dental, vision, etc.
2. **No or low supplemental monthly premiums**
3. **Rising Part D premiums people for stand-alone Medicare drug plans**
4. Annual **out-of-pocket limit** in Medicare Advantage but not in traditional Medicare
5. The simplicity and convenience of **one-stop shopping**
6. **Aggressive marketing** by Medicare Advantage health insurers
7. Broker **commission structure** rewards Medicare Advantage sales
8. Employers are shifting groups of Medicare-age **retirees to Medicare Advantage**
9. **No guarantee issue protections for Medigap** that supplements traditional Medicare.
10. Beneficiaries **not well informed about the tradeoffs**

Medicare Advantage: Tradeoffs for Beneficiaries

- Narrower networks of physicians & hospitals than traditional Medicare
- Changes in provider networks from one year to the next, or during the year can be disruptive
- More utilization review than traditional Medicare, like prior authorization
- More coverage denials than traditional Medicare
- Potential for higher out-of-pocket costs than traditional Medicare (with Medigap)
- No ability to select a separate drug plan
- Limited ability to switch back to traditional Medicare and purchase Medigap for people with pre-existing conditions

Over 35 Million Prior Authorization Requests Were Submitted to Medicare Advantage Plans in 2021 and Insurers Denied 2 Million of These Prior Authorization Requests (6%)

Requests for prior authorization services per Medicare Advantage enrollee in 2021:



Key Prescription Drug Provisions in the Inflation Reduction Act

- Requires (for the first time) the **federal government to negotiate Medicare prices** for some top-selling drugs (Parts B and D)
- Requires drug companies to pay **rebates if prices rise faster than inflation** for drugs used by Medicare beneficiaries
- Modifies the Medicare Part D benefit design: **eliminates 5% coinsurance** for catastrophic coverage in 2024, **caps out-of-pocket spending at \$2,000 in 2025**, and limits annual increases in Part D premiums for 2024-2030
- Limits monthly cost sharing for **insulin products to \$35** for people with Medicare
- **Expands eligibility** for **Medicare Part D Low-Income Subsidy** full benefits
- **Eliminates cost sharing for adult vaccines** covered under Medicare Part D and improves access to adult vaccines under Medicaid and CHIP