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

- Income of less than $36,000 per person: 50%
- Savings of less than $103,800 per person: 50%
- Functional impairment (1+ ADL limitations): 27%
- Fair or poor self-reported health: 20%
- Dual-eligible individuals: 19%
- Rural residence: 18%
- Cognitive/mental impairment: 17%
- Under age 65 with disabilities: 13%

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

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 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:

- Anthem: 2.9
- Humana: 2.8
- Centene: 2.6
- BCBS Plans: 2.2
- Others: 1.7
- Overall: 1.5
- Cigna: 1.3
- UnitedHealthcare: 0.8
- CVS: 0.8
- Kaiser Permanente: 0.3

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