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**MEDICARE CHANGES FOR 2025**

**By Charles Clarkson, Esq.**

**Project Director, Senior Medicare Patrol of New Jersey**



The Inflation Reduction Act that was enacted in 2022 contained a number of provisions. Some of these provisions directly affect Medicare beginning in January of 2025. Some of the more significant provisions are:

**Removal of the Coverage Gap:**

The coverage gap for Part D drug plans and Medicare Advantage plans with drug coverage has been removed. Now, there are only 3 phases for drug coverage:

1. **Annual Deductible Phase:** If a drug plan has a deductible, the beneficiary will pay the deductible before the plan coverage begins. In 2025, the maximum deductible is \$595.00.
2. **Annual Coverage Phase:** During this 2<sup>nd</sup> stage, beneficiaries will pay a co-pay and the drug plan will pay the remaining cost of the drug.
3. **Catastrophic Coverage Phase:** Once a beneficiary pays \$2,000 out of pocket (including the deductible) for the costs of drugs, the beneficiary will pay nothing for the remainder of the year.

**Out of Pocket Maximum:**

In 2024, all Medicare beneficiaries, no matter what plan they were enrolled in, had a maximum out-of-pocket cost of \$8,000. In 2025, the maximum out of pocket cost will be \$2,000, a significant reduction for beneficiaries with high drug costs. After reaching the out-of-pocket maximum, the beneficiary will pay nothing for the remainder of the year.

However, this out-of-pocket maximum can lead to higher deductibles and higher premiums for some drug plans.

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(continued)

Prescription Payment Plan:

Some beneficiaries may benefit from the new Prescription Payment Plan if they have high drug costs in the early months of the year. The beneficiary can spread the costs out over the entire year. To enroll in the Prescription Payment Plan, the beneficiary must voluntarily enroll with the plan. At the pharmacy, the beneficiary will pay nothing and will be billed by the plan. As drugs are added throughout the year, the monthly payment amount will vary.

Special Enrollment Period.

If a Medicare beneficiary also has Medicaid, or a Medicare Saving Program, or Extra Help, the beneficiary can make a change either from a Medicare Advantage Plan to Original Medicare with a stand-alone Part D drug plan or from one stand-alone drug plan to another stand-alone drug plan. However, during this special enrollment period a beneficiary can make only one change per month and cannot use this period to change from one Medicare Advantage Plan to another Medicare Advantage Plan.

Telehealth.

Telehealth services during the Covid public health emergency were greatly expanded to allow flexibility for beneficiaries to access medical services. These expanded services are now being restricted but not totally removed. In 2025, telehealth services will still be available regardless of geographic location for some types of Medicare services, such as behavioral/mental health care, monthly End-Stage Renal Disease visits, diabetes self-management training, and Medicare nutrition therapy. The behavioral/mental care can still be delivered by audio-only communication.

Medicare Costs.

Part A. The deductible for Part A in-patient care will be \$1,676. Most Medicare beneficiaries do not pay this if they have a supplement plan (Medigap plan) or a Medicare Advantage Plan. People who do not qualify for free Medicare Part A will pay a premium with the cost depending on how many working quarters they have less than 40.

Hospital daily coinsurance—\$419 per day from days 61-90 and \$838 per day for 60 lifetime reserve days. Again, Medicare beneficiaries may have other coverage to offset these costs.

Skilled nursing facility—\$209.50 per day for days 21 to 100. Again, Medicare beneficiaries may have other coverage to offset these costs.

Part B. Premium—\$185 per month (\$174.70 in 2024)

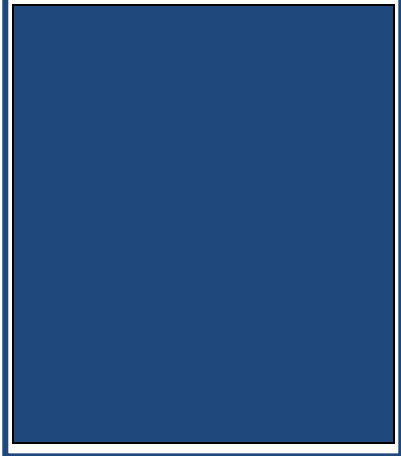
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Outreach, CPI Data Sharing &  
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for Homecare Accreditation  
(NIHCA)

Frank Winter  
Partnership Manager  
SMP Liaison, CMS



Annual Deductible- \$257 (\$240 in 2024).

Some people may pay more for their Part B and Part D premiums if they have higher earnings. This increase is known as IRMAA (Income Related Monthly Adjustment Amount).

These surcharges apply to enrollees in Original Medicare and Medicare Advantage Plans. This year, Medicare beneficiaries with income over \$106,000 (for single tax filers), \$212,000 for joint filers and \$106,000 (for married people who file separately) will pay the surcharge. For these beneficiaries, total Monthly Part B premiums will range from \$259.00 to \$628.90.

Your IRMAA eligibility is determined by the Social Security Administration and represents an increase to Medicare Part B and Part D standard monthly premiums. The IRMAA surcharge is calculated on a sliding scale with five income brackets topping out at \$500,000 for individuals and \$750,000 for couples filing jointly.. These figures change annually with inflation. IRMAA calculations have a two-year lag time. Whether you pay an IRMAA in 2025 depends on the income shown on your 2023 tax returns.

Part D. Premium—The premium can vary depending on the Part D drug plan chosen.

Deductible—The deductible varies by Part D drug plan, but the maximum cannot exceed \$590 (\$545 in 2024).

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### **MEDICARE FRAUD ALERT-ROBOCALLS**

Robocall scams can often seem random, but that's not always the case. Sometimes they are highly targeted — as with older Americans whose Medicare eligibility opens the door to health insurance fraud.

Be aware that bad actors may spoof the number that appears on your caller ID so that an incoming call seems to be from a government agency or a health provider that you already know and trust. They do this to entice you to answer.

When you pick up, a scam caller usually starts chatting you up to engage you, asking you conversational questions to put you at ease. Whatever scam scenario follows, the caller is trying to get your personal information, such as your Medicare card number, your Social Security number, or other health insurance identification.

#### **For your awareness**

- Medicare does not call you uninvited and ask you for personal or private information.
- You will usually get a written statement in the mail before you get a phone call from a government agency.
- Calls requesting health insurance information should not be trusted.

Medicare.gov advises that you **take the following precautions:**

- Never give your Medicare card, Medicare number, Social Security card, or Social Security number to anyone except your doctor or people you know should have it (like insurers acting on your behalf or

people who work with Medicare, like your State Health Insurance Assistance Program (SHIP). [Get the contact information for your local SHIP.](#)

- Do NOT accept offers of money or gifts for free medical care.
- Do NOT allow anyone, except your doctor or other Medicare providers, to review your medical records or recommend services.
- Never Join a Medicare health or drug plan over the phone unless YOU called Medicare.
- If someone asks you for your information or for money, or threatens to cancel your health benefits if you don't share your personal details, hang up and call 1-800-MEDICARE (1-800-633-4227) or visit [medicare.gov](https://www.medicare.gov).

Be vigilant. Scammers can be very convincing, and they may know a little — or a lot — about you, especially if they have access to some of your personal information already. Follow [these simple tips to avoid spoofing scams](#):

- Do NOT answer calls from unknown numbers.
  - If you answer and the caller is not who you expected, hang up immediately.
  - Never give out personal information such as account numbers, Social Security numbers, mother's maiden names, passwords, or any other self-identifying response to an unexpected call.
  - Use caution if you are being pressed for information immediately.
  - If a caller claims to represent a health insurance provider or a government agency, simply hang up. You can then call back using a phone number on an account statement, in the phone book, or on an official website to verify the caller's authenticity.
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## ASK CHARLES

### **What are the differences between the Medicare Annual Enrollment Period, the Medicare Advantage Open Enrollment Period and the Medicare General Enrollment Period?**

The Medicare Annual Enrollment Period (AEP) is a set time each year for changing your Medicare coverage choices. AEP runs from October 15 to December 7. During this time, you may make changes to your Medicare health or drug plans, including switching, adding, or dropping a plan. Any changes made during the annual enrollment period go into effect January 1 the following year.

The Medicare Advantage Open Enrollment Period runs from January 1st to March 31st each year, allowing individuals already enrolled in a Medicare Advantage plan on January 1 to switch to another Medicare Advantage Plan, return to Original Medicare, or make changes to their coverage.

The Medicare General Enrollment Period is a three-month period each year when people can sign up for Medicare if they miss their Initial Enrollment Period, which is the 7-month period including the 3 months prior to that of the 65<sup>th</sup> birthday, the month of their 65<sup>th</sup> birthday, and the 3 months after the month of the 65<sup>th</sup> birthday.

- **Dates:** January 1–March 31

- **Coverage starts:** Coverage begins the month after enrollment.
- **Eligibility:** Primarily for people who didn't sign up for Part B during their Initial enrollment period, or who must pay a premium for Part A.
- **Late enrollment penalties:** People may have to pay a monthly late enrollment penalty, which lasts as long as they have Medicare (Part B) or twice as many years as they weren't covered (Part A).

People can enroll in Medicare online for Parts A and B, or Part A only. They can delay Part B if they're already covered through an employer group health plan.

People may also be eligible for Medicare earlier if they have a disability, End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant), or ALS (also called Lou Gehrig's disease).



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*\*Entertainment \*Dinner \*Dancing \*Raffles*

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*RSVP January 31st*

*[jfsmiddlesex.org/2025wintersoiree/](http://jfsmiddlesex.org/2025wintersoiree/)*

**For details, contact Judith @ 732-306-0218**  
**or [office@jfsmiddlesex.org](mailto:office@jfsmiddlesex.org)**  
**Sponsorships Available**





Jewish Family Services of Middlesex County is the designated agency for **New Jersey's Senior Medicare Patrol (SMP)**. This national program educates Medicare and Medicaid beneficiaries about preventing, detecting and reporting health care fraud.

The project Director, our "Medicare Maven", Charles Clarkson, Esq., is the person to contact if you have any questions or you feel that in some way you have not been charged fairly for services.



### STAY CONNECTED

The Senior Medicare Patrol of New Jersey has a website. You can reach our site at:

<http://seniormedicarepatrolnj.org/>



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#MedicareMaven

## Serve your community; learn about Medicare by volunteering for the New Jersey Senior Medicare Patrol

SMP of New Jersey is currently recruiting Volunteers to speak to small groups of their peers and help provide Medicare education at community events.

The role of the Volunteer is to share information that can help others PREVENT, DETECT, and REPORT Medicare fraud, waste, and abuse.

### Free Training Available

*SMP - Empowering Seniors to Prevent Medicare Fraud*

Senior Medicare Patrol of New Jersey

Charles Clarkson, Esq.

SMP-NJ Project Director

Ext. 1117  
Email: [Charlesc@jfsmiddlesex.org](mailto:Charlesc@jfsmiddlesex.org)  
Twitter: #MedicareMaven; @charlessmpnj

Joel Schneider  
Outreach Specialist  
Email: [Joels@jfsmiddlesex.org](mailto:Joels@jfsmiddlesex.org)  
Ext. 1154

Valeria Escudero  
Outreach Specialist (Spanish)  
Email: [Vale@jfsmiddlesex.org](mailto:Vale@jfsmiddlesex.org)  
Ext. 1140

Edward Campell  
*Coordinator of Complex Interactions*  
Ext. 1152  
Email: [Ed@jfsmiddlesex.org](mailto:Ed@jfsmiddlesex.org)

Molly J. Liskow  
*Editor, SMP New Jersey Advocate*  
Email: [SMP@jfsmiddlesex.org](mailto:SMP@jfsmiddlesex.org)



**Senior Medicare Patrol (SMP) New Jersey is a program of:  
Jewish Family Services of Middlesex County  
219C Blackhorse Lane  
North Brunswick, NJ 08902  
Tel. 732-777-1940  
Fax 732-777-1889  
or call our toll-free SMP Hotline at  
**877-SMP-4359 (877-767-4359)****