

What's New in 2024?



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In 2024, there will be several changes to Medicare prescription drug coverage, enrollment decisions for some people with Federal Employee Health Benefits, and Part A, B, and D Medicare costs.

Prescription Drug Cost Savings

The Inflation Reduction Act (IRA), signed into law in 2022, included provisions that impact the Medicare program. As of 2023, insulin costs are limited to \$35 for a one-month supply and Part D-covered vaccines recommended for adults have no cost sharing. Additional changes are taking place over the next few years. In 2024, changes include the expansion of full Extra Help and elimination of cost sharing during the catastrophic coverage phase of Part D.

Expansion of Full Extra Help

Extra Help is a federal cost assistance program that helps with the cost of Medicare Part D, the prescription drug benefit. Before 2024, Extra Help had full and partial eligibility levels, and an individual received a different level of cost assistance depending on their level of Extra Help. The income limit for full Extra Help was up to 135% of the federal poverty level (FPL), and the income limit for partial Extra Help was more than 135% and up to 150% FPL.

In 2024, income eligibility for full Extra Help is expanded to 150% FPL. Partial Extra Help will be eliminated, and anyone currently eligible for partial Extra Help will be entitled to the full benefit.

The 2024 FPL is not available yet. The 2024 resource limits (including burial funds) are \$17,010 for a single person and \$33,950 for a couple.

In 2024, those with Extra Help will owe a \$4.50 copay for generic drugs and an \$11.20 copay for brand name drugs. If someone has Medicaid, Extra Help, and an income below 100% FPL, their copays are lower. They owe \$1.55 for generic drugs and \$4.60 for brand name drugs.

Cost Sharing During Catastrophic Coverage

There are four phases of Part D coverage, and a beneficiary owes different costs throughout the year depending on which coverage phase they are in. The last coverage phase – [catastrophic coverage](#) – starts after a beneficiary reaches \$8,000 in out-of-pocket costs in 2024.

In 2024, income eligibility for full Extra Help is expanded to 150% FPL.

Beginning in 2024, a beneficiary will have no cost sharing in catastrophic coverage. Previously, beneficiaries owed either a 5% coinsurance or a copay for their drugs during this coverage phase. The costs that count toward getting a beneficiary out of the coverage gap and into catastrophic coverage include:

- Deductible
- What a beneficiary paid during the initial coverage period
- Almost the full cost of brand name drugs (including the manufacturer's discount) purchased during the coverage
- Amounts paid by others, including family members, most charities, and other persons on a beneficiary's behalf
- Amounts paid by State Pharmaceutical Assistance Programs (SPAPs), AIDS Drug Assistance Programs, and the Indian Health Service

Upcoming Prescription Drug Changes

In 2025, annual out-of-pocket Part D costs will be capped at \$2,000. From 2026 onward, the federal government will be required to negotiate prices for certain high-cost drugs:

- 2026: 10 Part D drugs
- 2027: 15 Part D drugs
- 2028: 15 Part B and Part D drugs
- 2029: 20 Part B and Part D drugs

In 2023, CMS announced the first 10 Medicare Part D drugs that will be subject to negotiation under the Inflation Reduction Act. The Centers for Medicare & Medicaid Services (CMS) will publish final prices in fall 2024, and they will take effect in 2026.

The first 10 drugs will be Eliquis, Jardiance, Xarelto, Januvia, Farxiga, Entresto, Enbrel, Imbruvica, Stelara, and Fiasp (including Fiasp FlexTouch, Fiasp PenFill, NovoLog, NovoLog FlexPen, and NovoLog PenFill).

For more information about the IRA implementation timeline, see this [fact sheet](#) from CMS.

Postal Service Health Benefits (PSHB)

As a result of the Postal Service Reform Act of 2022, the Office of Personnel Management (OPM), in conjunction with the Postal Service, will implement a new Postal Service Health Benefits (PSHB) Program under the umbrella of the Federal Employees Health Benefits (FEHB) Program.

Coverage under the PSHB Program will be effective January 1, 2025, but people with Medicare may want to take action before 2025.

In 2023, CMS announced the first 10 Medicare Part D drugs that will be subject to negotiation under the Inflation Reduction Act.



Want to learn more about PSHB Benefits? Register for the SHIP TA Center's webinar, [Postal Service Retirees – Medicare Decisions for 2024 and Beyond](#), scheduled for January 11, 2024.

Eligible Postal Service employees and retirees must enroll in a PSHB plan during the PSHB Program Open Season period, which runs November 11, 2024, to December 9, 2024. Those currently enrolled in FEHB plans who do not actively enroll in a new PSHB plan during Open Season in 2024 will be automatically enrolled in a PSHB plan. PSHB plan options and premium information will be available in fall 2024.

Note that retirees entitled to Part A as of January 1, 2024, who have not enrolled in Part B may be able to participate in a Special Enrollment Period (SEP) for Part B that starts on April 1, 2024. Those who enroll during this SEP will not owe a late enrollment penalty. Eligibility letters will be sent to retirees and eligible family members in early 2024.

Those who retire between October 31, 2024, and December 31, 2024, and are entitled to Medicare Part A will have the option to enroll in Part B using the Part B SEP for job-based insurance.

For more information, see this [Frequently Asked Questions page](#) from OPM.

Medicare Part A, Part B, and Part D Costs in 2024

Original Medicare Part A (Hospital Insurance)

- Premium for those with 40+ working quarters: \$0/month
- Premium for those with between 30 and 39 working quarters: \$278/month
- Premium for those with fewer than 30 working quarters: \$505/month
- Benefit period deductible: \$1,632
- Hospital daily coinsurance for days 61 to 90: \$408/day
- Hospital daily coinsurance for 60 lifetime reserve days: \$816/day
- Skilled nursing facility (SNF) daily coinsurance for days 21 to 100: \$204/day

Original Medicare Part B (Medical Insurance)

- Premium: \$174.70/month
 - All beneficiaries are responsible for the Part B premium, even if they are enrolled in a Medicare Advantage (MA) plan.
- Annual deductible: \$240

Medicare Part D (Prescription Drug Benefit)

- National base premium: \$34.70/month
- Annual deductible: No more than \$545



Want to learn more about upcoming Medicare changes? Check out the SHIP TA Center's webinar [What's New for Medicare in 2024?](#), scheduled for January 4, 2024.

MA plans may charge a premium in addition to the Part B premium and can have different cost sharing than Original Medicare.

Medicare Savings Program Resource Limits

Medicare Savings Programs (MSPs) are cost assistance programs that, at a minimum, pay for the monthly Part B premium. An individual must meet income and asset limits in order to qualify, though some states may set income and asset limits that are different from the federal standards.

The income limits are based on the FPL, which has not been released yet for 2024. The federal 2024 resource limits will be \$9,430 for a single person and \$14,130 for a couple. ➔