



Getting Medicare right

# Medicare Updates

HIICAP Regional Training

Fall 2025

The **Medicare Rights Center** is a national not-for-profit consumer service organization that works to ensure access to affordable health care for older adults and people with disabilities.

Medicare Rights works with HIICAP through:

- Monthly coordinator calls
- Quarterly Medicare Counselor newsletters
- Fall and spring regional trainings

**Helpline available for HIICAP counselors:**

800-480-2060

[hiicap@medicarerights.org](mailto:hiicap@medicarerights.org)

# Learning objectives

- Understand Part D drug negotiation and implications for drug costs in 2026
- Become aware of changes made to Medicare law by the OBBBA
- Learn about MECM
- Know the key changes to Medicare in 2026

# **Drug price negotiation**

# Drug price Negotiation

- **Inflation Reduction Act (IRA)** empowered, for the first time, the Secretary of the Department of Health and Human Services (HHS) to negotiate drug prices for Part D
- Drug price negotiation targets **high-cost, single-source** drugs covered by Part D
- Aims to **lower costs** for Medicare, beneficiaries, and taxpayers

# CMS negotiation process

- Negotiations between HHS and manufacturers establish **Maximum Fair Price (MFPs)** for selected drugs
- Factors that impact negotiations include list prices and rebates
- Drugs are selected based on high program-wide cost and frequency of use.
- Aim for final prices that reflect:
  - Research and development costs
  - Production/distribution costs
  - Market data
  - Therapeutic alternatives and unmet needs

# Drug selected for 2026

- In 2023, CMS announced the first 10 Medicare Part D drugs subject to negotiation under the IRA
- Prices take effect in 2026

Drug Name	Commonly Treated Conditions
Eliquis	Prevention and treatment of blood clots
Jardiance	Diabetes; Heart failure
Xarelto	Prevention and treatment of blood clots; Reduction of risk for patients with coronary or peripheral artery disease
Januvia	Diabetes
Farxiga	Diabetes; Heart failure; Chronic kidney disease
Entresto	Heart failure
Enbrel	Rheumatoid arthritis; Psoriasis; Psoriatic arthritis
Imbruvica	Blood cancers
Stelara	Psoriasis; Psoriatic arthritis; Crohn's disease; Ulcerative colitis
Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill	Diabetes



## Looking ahead

- From **2026 onward**, the federal government will negotiate prices for additional 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

# Beneficiary impact

- All Part D plans must include the negotiated drugs on their formularies
  - **Simplifies plan comparisons** for beneficiaries
- **Lower out-of-pocket (OOP)** costs expected due to reduced acquisition prices.
- Coinsurance will be calculated based on the negotiated price.
- Copays **may decrease**, depending on tier structure.

# **OBBBA impact on Medicare and Medicaid**

# Recent federal legislation

- In July 2025, the federal government passed a budget bill: One Big Beautiful Bill Act (OBBBA)
- The Act makes changes to Medicare and Medicaid law, in addition to changes to the tax code
- Some changes impact beneficiaries and enrollees directly, while others affect states and providers, and may spur more local law or policy shifts
- Provisions in the bill take effect on different timelines
  - Some rules are effective immediately, while others go into effect at later times

# Medicare eligibility changes

- Currently, non-citizens with legal immigration statuses are eligible for Medicare if either:
  - They qualify to receive Social Security retirement benefits, Social Security Disability Insurance, or Railroad Retirement Benefits
  - Or, they are lawful permanent residents (green card holders) and have lived continuously in the U.S. for five years
- OBBBA disallows Medicare enrollment for non-citizens, with some exceptions, even if they paid into the system
  - Change effective immediately for new enrollees
  - Social Security Administration must identify current beneficiaries who do not have the newly applicable correct status and disenroll them within 18 months of July 4, 2025

# Exceptions

- Certain non-citizens will remain eligible for Medicare:
  - Lawful permanent residents (green card holders) who have lived in the US continuously for five years
  - Cuban and Haitian immigrants
  - Compact of Free Association (COFA) citizens

# MSP and Medicaid Enrollment Rules rollback

- OBBBA eliminates improvements to MSP and Medicaid enrollment meant to streamline access to these benefits
  - The streamlining rule changes set to go into effect in 2025 would have made it easier for individuals eligible for but not receiving MSP and Medicaid to gain access to these benefits and keep them without onerous administrative tasks
- Change effective immediately
- States can choose to implement or retain the simplifications and other changes that would have been required under the rule

# Medicaid retroactive coverage

- Currently, Medicaid coverage is retroactive for three months prior to the date a person enrolls, if the person was eligible
  - Enables individuals who were eligible for but not yet receiving Medicaid coverage to get reimbursed for previous medical bills
- Starting January 1, 2027, enrollees will see a reduction in Medicaid's retroactive coverage
  - From three months to one month for expansion Medicaid (sometimes called "MAGI Medicaid")
  - From three months to two months for traditional Medicaid (sometimes called "ABD" Medicaid, for people with Medicare and Medicaid; it has other names/terms for different populations)

# Medicaid work requirements

- OBBBA requires states to establish work reporting requirements for people covered by expansion Medicaid
- Some Medicaid recipients will be exempt from the work requirement
- Individuals who are not exempt will lose Medicaid coverage if they fail to meet work or reporting requirements. Exempt individuals may lose Medicaid coverage if they fail to meet reporting requirements to show that an exemption applies
- Law goes into effect January 1, 2027

# Medicaid redetermination changes

- Each year, Medicaid beneficiaries must re-attest to their income, assets, and other eligibility requirements for Medicaid
  - Redetermination process is similar to Medicaid application
  - Individuals who do not complete their redetermination on time may lose benefits
- Starting January 1, 2027, expansion Medicaid enrollees will go through the redetermination process twice each year

# Drug price negotiation

- As a result of IRA, from 2026 onward, federal government negotiates prices for certain high-cost and high utilization drugs
- IRA excluded some drugs from negotiation - protecting the ability of manufacturers to set whatever prices they wished for drugs that meet certain criteria
- OBBBA expands price negotiation exemptions to protect more drugs and manufacturers from negotiated pricing for Part D

# **Medicaid Eligibility and Client Management System**

# What is MECM

- **The Medicaid Eligibility and Client Management (MECM) system:** a new online eligibility and enrollment platform being designed by Deloitte and the New York State Department of Health to serve the **non-MAGI population**
  - Aged, blind, disabled (ABD) Medicaid
  - Medicare Savings Program (MSP)
- Aims to modernize eligibility, application, and enrollment processes

# Launch date and Wave 1

- Soft launch **September 30, 2025** for **Wave 1**
- Wave 1 includes:
  - Individuals applying for an MSP
  - Individuals applying for ABD Medicaid without long-term care (LTC) needs or spend-down
  - Undocumented 65+ population

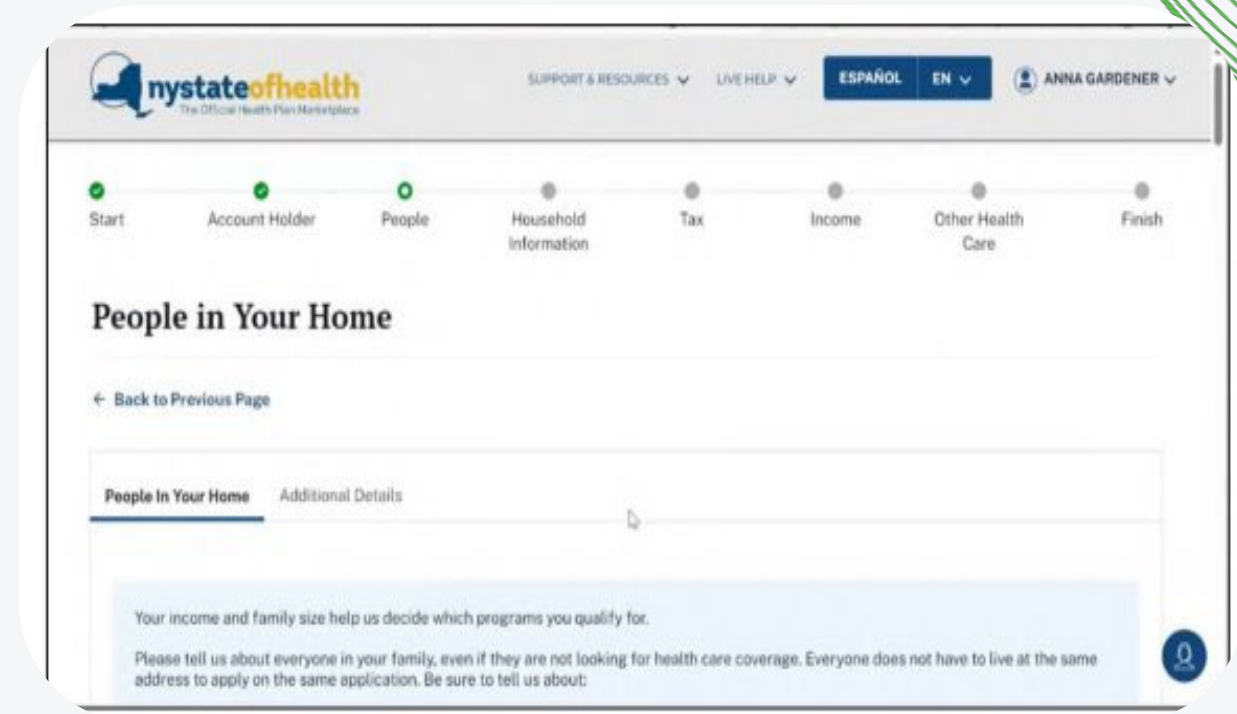
<b>MECM-eligible</b>	<b>Referred to LDSS</b>
<b>New</b> Non LTC Medicaid Applications	LTC Medicaid applications
<b>New</b> MSP Applications	Medicaid Renewals
Cases without spend-down	MSP Renewals
	Cases with a spend-down

# **Additional populations migrating in 2026 (subject to change)**

- MSPs initiated by Extra Help application
- Family Planning Benefit Program (FPBP)
- Presumptive Eligibility for Pregnant Individuals
- Medicare Buy-in for Working People with Disabilities (MBI-WPD)

# Application process

- Before entering MECM, applicants can complete screening questions to be transferred to appropriate place to apply for benefits
- They will be transferred to MECM if non-MAGI
- Branding will look like NYSOH
- No email address required



The screenshot displays the nystateofhealth website interface. At the top, the logo for nystateofhealth is visible, along with navigation links for 'SUPPORT & RESOURCES', 'LIVE HELP', and language options 'ESPAÑOL' and 'EN'. The user's name 'ANNA GARDENER' is shown in the top right corner. A progress bar indicates the current step is 'People', with other steps including 'Start', 'Account Holder', 'Household Information', 'Tax', 'Income', 'Other Health Care', and 'Finish'. The main content area is titled 'People in Your Home' and includes a 'Back to Previous Page' link. Below this, there are tabs for 'People in Your Home' and 'Additional Details'. A light blue box contains the text: 'Your income and family size help us decide which programs you qualify for. Please tell us about everyone in your family, even if they are not looking for health care coverage. Everyone does not have to live at the same address to apply on the same application. Be sure to tell us about:'. A small circular icon with a question mark is located in the bottom right corner of the form area.

# Features

## **Personalized care**

No wrong door: MECM will offer warm transfers throughout application process

## **Devices and access**

User can apply for benefits on computer, phone, tablet, via text message, over the phone, in-person, or on paper  
Responsive to different devices and screen sizes

## **Nudge Engine**

Users will be prompted to provide more accurate information about income and resources when needed

# Features still in development

- Case transfers from NYSOH
- Financial verifications
- Real-time eligibility
- Renewals
- Notices
- Application submission on behalf of someone who lacks capacity

# Real-time eligibility

- If all necessary information is verified or received, applicant will receive eligibility determination and benefit on the same date that they applied
- System will connect data sources that could not be connected to with old system
- Applicants can self-attest some information without documentation requirements and system will check on back-end



# Administrative renewals

- MECM will automate the process of verifying ongoing eligibility
  - Reduces need for manual paperwork
  - Minimizing interruptions in coverage

# Transfers and features timeline (subject to change)

- **October - November 2025**

- System will accept small number of applications from various sources (call center, online, FE-ABD assistors)

- **December 2025 - January 2026**

- Open up online application portal that allows anyone to apply for benefits that system can process (Medicaid without LTC and MSP)
- Allow online renewals; send notices

- **February 2026 onwards**

- Beginning of monthly transfer process of non-MAGI individuals who stayed on NYSOH

# MECM access

- LDSS staff will be given access to the MECM worker portal with access to case records
- Staff can answer questions for individuals who are referred from MECM or visit LDSS with questions

# LDSS and paper applications

- LDSS guidance on how to handle paper applications is forthcoming; process will be similar to NYSOH
- For now, **districts will continue to accept and process paper applications** after MECM goes live for:
  - Medicare Savings Program only
  - ABD Medicaid without LTC
- Districts will continue to temporarily process and cover Medicaid applications for those who need LTC

# Helping clients enroll

- Advocates can connect applicants with assistors or call the Contact Center on their behalf
  - Contact Center number has not been released yet
- Certain organizations will have access to assistors portal

# **Changes to Medicare in 2026**

# Out-of-pocket cap

- Beginning in 2025, annual out-of-pocket Part D costs were capped at \$2,000
- In 2026, out-of-pocket cap is \$2,100
- Includes what beneficiary pays during deductible phase and in copays/coinsurance
- After meeting out-of-pocket limit, beneficiary pays \$0 for covered drugs for rest of the year

# Part D coverage phases

## Deductible phase

Beneficiary pays out-of-pocket for drugs until they meet plan's deductible (if it has one)

## Initial coverage period

Beneficiary pays plan's cost-sharing for covered prescription drugs until they reach **\$2,100** cap

## Catastrophic coverage

Beneficiary pays \$0 for covered prescription drugs

# New addition to Medicare Plan Finder

- **Medicare Advantage provider directory information**
  - Starting in 2026, Plan Finder will provide data on MA provider network to make it easier for beneficiaries to see if their doctor or hospital is in network.

# New addition to Medicare Plan Finder

- **Expanded display of MA supplemental benefits**
- Starting in 2026 plans, Plan Finder will provide clearer, more useful information about MA supplemental benefits:
  - Better details for 30 existing benefits such as:
    - In-network & out-of-network costs
    - Authorization requirements
    - Plan limits
  - 6 new benefits added with full details for the following benefits:
    - Wigs for Hair Loss Related to Chemotherapy
    - Weight Management Programs
    - Home-Based Palliative Care
    - Re-Admission Prevention
    - Post Discharge In-Home Medication Reconciliation
    - Adult Day Health Services

# New addition to Medicare.gov

- **Medicare AI-powered drug search tool**
- Medicare will launch an AI drug search tool to help beneficiaries find the best prices for medications
- Only available to authenticated user accounts
- Will allow users to enter drug information and use their Medicare data to get personalized cost comparisons across local pharmacies

# Reminders

# Medicare Prescription Payment Plan (MPPP)

- Beginning in 2025, beneficiaries have option to sign up for a payment plan for Part D out-of-pocket costs
  - Allows beneficiary to spread drug costs out throughout the year
  - Helps manage monthly expenses but does not change drug costs
- Plans must include information about payment plan in communications materials (website, plan notices)
- Beneficiary can opt in at any time but will not likely see significant benefit if they opt in during the last few months of the year

# Payment plan billing

- Beneficiary pays \$0 at the pharmacy for covered Part D drugs
- Part D plan sends a monthly bill for cost-sharing
- No cost to participate in program
- Beneficiary does not pay fees or interest on amount owed, even if payment is late
- Monthly bill is based on what beneficiary would have paid for any prescriptions they get in that month, plus their previous month's balance, divided by the number of months left in the year

# Changes to Special Enrollment Periods (SEPs)

- Those with Extra Help, a Medicare Savings Program, or Medicaid have SEP to change coverage
- **2025:** Two new SEPs – once per month
  - Beneficiary can enroll in stand-alone Part D plan
  - Beneficiary with Medicaid or certain Medicare Savings Programs can enroll in an integrated Dual-eligible Special Needs Plan (D-SNP)

# Dual/Low-Income Subsidy SEP

- For beneficiaries who have Medicaid, a Medicare Savings Program (MSP), or Extra Help
- Allows for once-per-month change:
  - Medicare Advantage Plan with or without drug coverage to Original Medicare with a stand-alone Part D plan
  - From one stand-alone Part D plan to another stand-alone Part D plan
- Cannot be used to enroll in a new Medicare Advantage Plan with prescription drug coverage

# Integrated care SEP

- For beneficiaries who have both Medicare and Medicaid
- Allows once-per-month change into certain Special Needs Plans that meet federal requirements for integration and that offer a Medicaid plan
- Can only be used to enroll in both the Medicare and Medicaid portions of a plan
  - Also known as “aligning enrollment” with an integrated Dual Special Needs Plan (D-SNP) or Applicable Integrated Plan (AIP) **and** a Medicaid Managed Care Organization (MCO)



# For more information & help

## **Medicare Rights Center HIICAP Technical Assistance Helpline:**

- [hiicap@medicarerights.org](mailto:hiicap@medicarerights.org)
- (800) 480-2060

## **Medicare Rights Center National Helpline**

- (800) 333-4114

## **Medicare Interactive**

- [www.medicareinteractive.org](http://www.medicareinteractive.org)



Getting Medicare right

**Thank you!**