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## The Inflation Reduction Act and Medicare

By Charles Clarkson, Esq.  
Project Director, Senior Medicare Patrol of NJ

The Inflation Reduction Act (IRA) will have a significant effect on Medicare. This article will briefly review the most significant changes. This law affects millions of Americans across all 50 states, the United States territories, and the District of Columbia.

For those beneficiaries on Medicare, these are some of the most important changes:

1. Commencing January 1, 2023, the costs of insulin will be capped at \$35 per month for each covered insulin drug. Whether you are in a Medicare Part D drug plan or a Medicare Advantage plan, please be sure that the insulin drug you are on is covered by the plan's formulary. Commencing July 1, 2023, insulin that is used through a traditional pump covered under Medicare's durable medical equipment benefit will also be capped at \$35. These caps are not subject to any deductible or coverage gap and will benefit at least 1.4 million people with Medicare.
2. Commencing January 1, 2023, the IRA reduces the costs and improves coverage for adult vaccines in Medicare Part D.
3. Commencing in 2024, the IRA eliminates the 5% coinsurance for Medicare Part D catastrophic coverage. Most beneficiaries will never reach the final phase of Part D plans, but for beneficiaries with high drug costs, this is a major cost savings.
4. Commencing in 2025, the IRA adds a \$2,000 out-of-pocket cap for Part D and Medicare Advantage plans. This one change may be the most significant cost savings for beneficiaries with high drug costs.

### SMP of New Jersey Advisory Committee

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(continued)

5. In 2026 through 2029, Medicare will be able to negotiate costs of certain Medicare Part D drugs and commencing in 2028 Part B drugs. Americans spend more than \$1,500 per person every year on prescription drugs. Prices also tend to be far higher than in other countries. One of the main reasons for these higher drug costs is a lack of market competition. The IRA increases competition, which will lower the price of prescription drugs for people with Medicare. The Department of Defense and the Veterans Administration already have the power to negotiate drug prices. The time finally has arrived for Medicare to do so, but it will be limited to a certain number of drugs.
6. From 2024 through 2030, Medicare Part D premiums cannot increase more than 6% per year.
7. For those not on Medicare, the IRA will continue to lower health insurance premiums through HealthCare.gov and the state-based marketplaces.
8. For those needing assistance paying for prescription drug coverage, the IRA will provide assistance to those in Medicare who earn less than 150% of the federal poverty level and have limited resources.

All those on Medicare hope that the Inflation Reduction Act makes Medicare stronger for current and future enrollees. It is intended to make health care more accessible, equitable, and affordable by lowering what Medicare spends for prescription drugs and limiting increases in prices.

NJ Human Services Partners with GetSetUp to Offer Free Online Courses for Older Adults

**The Senior Medicare Patrol of New Jersey works and partners with agencies across the state as part of its mission to empower and assist Medicare beneficiaries, their families, and caregivers to prevent, detect, and report health care fraud, errors, and abuse through outreach, counseling, and education. This article was sent to the SMP of NJ by Dennis McGowan, Public Awareness Coordinator of the NJ Division of Aging Services and a member of the SMP of NJ Advisory Committee.**

*Older New Jerseyans will have access to hundreds of interactive virtual classes taught by older adults*

November 17, 2022

(TRENTON) – In an effort to combat social isolation, Human Services Commissioner Sarah Adelman today announced the Department’s partnership with GetSetUp, an interactive online learning community, to provide free, live virtual classes for New Jerseyans ages 60 and older.

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The GetSetUp platform offers [live classes](#) taught by peers who are experts in their field, [social hours](#) hosted by community members, and [special events](#) with speakers who directly address areas of interest to older adults. Older New Jerseyans can choose from more than 500 available classes on a range of topics such as aging in place, computers, budgeting, mental fitness, and more. Classes are offered in English, Spanish, Hindi and Mandarin. Classes are available 24 hours a day. To reach the New Jersey GetSetUp site, visit [getsetup.io/partner/NJ](http://getsetup.io/partner/NJ).

“We are so excited to provide this opportunity to older New Jerseyans who want to learn a new skill or simply stay connected. Older adults often face social isolation that can be detrimental to their physical, mental, and emotional health. Exploring new activities and interacting and connecting with others can help enhance their quality of life and help prevent the health risks associated with isolation,”

said Commissioner Adelman.

“We know that having social connections can help older adults live healthier lives. The GetSetUp portal offers virtual learning and social interaction that can help reduce the risk for social isolation. I encourage older New Jerseyans to sign up and take advantage of the free classes available,” said Deputy Commissioner for Aging and Disability Services Kaylee McGuire.

Individuals can join GetSetUp classes from any computer, laptop or mobile device with an Internet connection. To learn how to create a GetSetUp account, visit [here](#).

“One of our goals at the Division of Aging is to bridge the technological gap for older adults. GetSetUp offers technology and social media classes that can help older New Jerseyans be more comfortable with technology, so they can use it to their benefit. Older New Jerseyans who lack internet access can check their eligibility for discounted internet service through the federal [Affordable Connectivity Program](#). Those eligible can also qualify for a one-time discount on the purchase of a tablet or laptop,”

said Division of Aging Services Director Louise Rush.

“We hear learner feedback daily about how technology is helping to connect older adults not only to friends and family, but also to opportunities to learn and age healthier,” said Lawrence Kosick, President and Co-Founder of GetSetUp.

GetSetUp empowers older adults to learn about technology and how to use their smart devices in a safe environment that connects them with a vibrant community of peers that are passionate about similar topics. It's great to partner with the New Jersey Division of Aging Services to offer services that allow for equity and diversity which enables their older population to live happy, healthy, and more connected lives.

The GetSetUp partnership is the latest in a series of efforts by the Department as part of the Murphy Administration's support to older New Jerseyans.

Earlier this year the State of NJ increased income limits for the Pharmaceutical Assistance to the Aged and Disabled and the Senior Gold Prescription Discount drug assistance programs, making more people eligible for prescription drug assistance. Last year, the state joined the AARP Network of Age-Friendly Communities, which helps participating states and communities adopt practices such as safe, walkable streets, better housing and transportation options, access to key services and opportunities for residents to participate in community activities. The Age-Friendly State Advisory Council, created by Executive Order No. 227, is working to identify opportunities for creating livable communities for people of all ages in New Jersey, recommend best practices for age-friendly work, and promote community inclusion across the state.



### **FRAUD ALERT**

#### **COVID-19**

- As the number of people and communities affected by the COVID-19 pandemic grows, so do the scams associated with it. Scammers use public health emergencies as opportunities for new fraud schemes, and because older adults are at greater risk for serious illness from COVID-19, scammers may target older populations. [Click here](#) for the fraud alert.

#### **Genetic Testing**

- Across the nation, genetic testing company representatives are offering “free” genetic tests to Medicare beneficiaries. These companies can steal people’s medical identities and falsely bill Medicare, draining the system of needed funds. [Click here](#) for the fraud alert.

## Hospice

- Hospice fraud is largely unreported and can cause direct patient harm if undetected. The term "hospice fraud" covers a variety of different types of fraud that are each detrimental in their own way. Fraudsters are targeting assisted living facilities and nursing home residents whose life expectancy exceeds six months and are using high-pressure and unsolicited marketing tactics to get them to agree to hospice services. [Click here](#) for the fraud alert.



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### ASK CHARLES

Charles Clarkson is the Project Director of the Senior Medicare Patrol of NJ.

### **What if I missed my initial enrollment period when I turned 65. How do I enroll in Medicare?**

This is a very common question. Most people enroll in Medicare when they turn 65. This is known as the Initial Enrollment Period. It is a 7-month period that occurs 3 months prior to the month they turn 65, the month they turn 65 and 3 months after the month they turn 65. But some beneficiaries delay enrolling mainly because they are working and have coverage from their jobs or they may only enroll in Medicare Part A because it is free for most people who have worked 10 years. This situation poses no problem since a person has an 8-month period to enroll after they lose their job coverage. People should not wait for the 8 months since there would be a gap in coverage. However, what about those people who did not enroll when they were first eligible and did not have any other coverage? They can enroll only during the Medicare General Enrollment Period each year from January 1 through March 31. They can add Part A and Part B. They must also consider adding a Medigap policy, a Part D drug plan or a Medicare Advantage Plan. Such people may also be subject to penalties for not enrolling when they were first eligible. These are complicated decisions. Anyone who needs assistance should reach out to the State Health Insurance Assistance Program (SHIP) in their state. In NJ, call SHIP at 800-792-8820.



## 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 Volunteer Community Liaisons to speak to small groups of their peers and help provide Medicare education at community events.

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

Free Training Available

For more information please contact Michelle Beley-Bianco,  
SMP-NJ Coordinator of Volunteers, 732-777-1940 or

[michelleb@jfsmiddlesex.org](mailto:michelleb@jfsmiddlesex.org)

*SMP - Empowering Seniors to Prevent Medicare Fraud*

Senior Medicare Patrol of New Jersey

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